

Abitare In S.p.A.

Operating Headquarters: Viale Umbria 32, Milan | Tel: +39 02 67.02.550 | info@abitareinspa.com | www.abitareinspa.com

INTERIM REPORT | 2021

STILISTI URBANI - MADE IN MILAN



Abitare In®

GROWING
AND
STRONGER

[EN]



#WeAre
Stilisti
Urbani

The city

IS LIKE A FABRIC

■ where ■

Weft and Warp

GIVE SHAPE

to a system of

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

Abitare In



Contents

STILISTI URBANI

made in Milan



7. Abitare In Group

Management and control bodies and group structure.

11. Highlights

17. Letter to Shareholders

Message from the founding Shareholders.

21 . This is us

Brief overview of the company, from its creation to present day.

23. E-commerce

The revolutionary E-COMMERCE platform for buying our homes online

25. ... and Homizy

Vision, Mission and Strategy of Homizy.

31. Progetti iconici

Abitare In and the search for "beauty":

- Abitare in Maggiolina
- Milano City Village
- Trilogy Towers
- Palazzo Naviglio
- Olimpia Garden
- Savona 105
- Porta Naviglio Grande

Financial Statements at 31.03.2021

67. Directors' Report 31.03.2021

79. Half-yearly consolidated financial report 31.03.2021

Abitare In S.p.A.

Address
Operating Headquarters:
Viale Umbria, 32
Milan

Tel: +39 02 67.02.550

info@abitareinspa.com

www.abitareinspa.com

MANAGEMENT AND CONTROL *Bodies*

Board of Directors

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

Board of Statutory Auditors

Chairman	Ivano Passoni
Standing statutory auditor	Marco Dorizzi Matteo Ceravolo
Substitute statutory auditor	Fanny Butera Mariateresa Giangreco
Auditing firm	BDO Italia S.p.A.

Executive Responsible for Corporate Accounting Information	Cristiano Contini
--	-------------------

Group structure AS AT 31 MARCH 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.

Homizy S.p.A

Abitare In Development 3 S.r.l., Abitare In Development 4 S.r.l.,
Abitare In Development 5 S.r.l., Abitare In Development 6 S.r.l.,
Abitare In Development 7 S.r.l., Lambrate Twin Palace 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

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

WHEREAS

These half-yearly consolidated financial statements at 31 March 2021 (hereinafter referred to as the "half-yearly report") have been prepared in compliance with Article 154-ter of Italian Legislative Decree 58/1998 as amended, as well as the Issuers' Regulations issued by Consob, and therefore do not include all the supplementary information required in the annual financial statements and must be read in conjunction with the Group's consolidated financial statements as at 30 September 2020.

This half-yearly report includes the half-yearly condensed consolidated financial statements at 31 March 2021, prepared in accordance with IAS 34, Interim Financial Reporting. The half-yearly condensed consolidated financial statements at 31 March 2021 have been prepared in "condensed" form and must therefore be read together with the consolidated financial statements of the Abitare In Group for the year ended 30 September 2020, prepared in compliance with IFRS, without prejudice to anything described in the following paragraph of the explanatory notes "Accounting standards, amendments and interpretations applicable from 1 October 2020".

Abitare In group's **INTERIM REPORT ON OPERATIONS**

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 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").

In particular, Homizy aims to offer young people, aged between 18 and 35, who relocate from their places of origin to a different city to pursue their career path or who want to fly the nest to become more independent, a living solution that guarantees efficiency in management and maintenance, 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

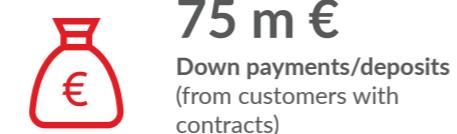
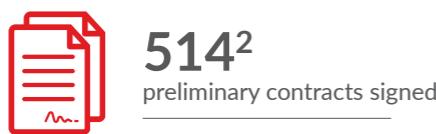
at 31.03.2021



KEY NON-FINANCIAL INDICATORS

at 3.06.2021

Order book

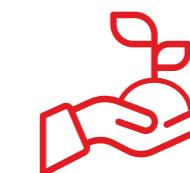


Construction site progress



HIGHLIGHTS

Development pipeline³

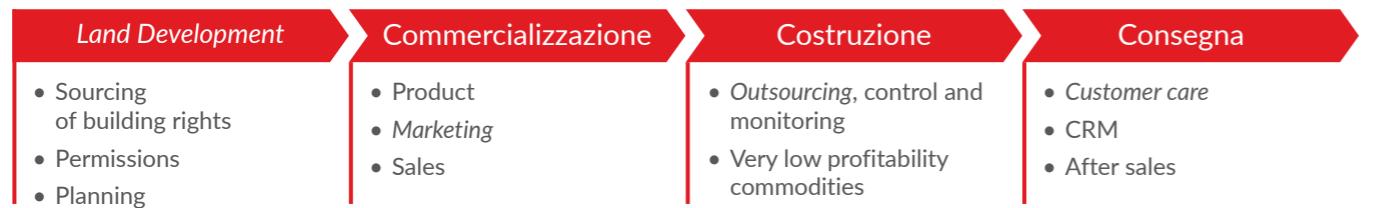


Notes:

- 1) No. of apartments assuming an average size of 92 sqm. 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) Includes 12,800 sqm of net sellable area - equal to 140 standard apartment units - currently being assessed for development into co-living units through the Homizy S.p.A. subsidiary
- 4) Of which 26,000 sqm of net sellable area of social housing
- 5) Of Which 317 social housing apartments
- 6) Based on planned and completed units.
- 7) Guaranteeing deposits and down payments from customers and for urbanisation charges

PIPELINE *under development*

At the date of approval of this report, the AbitareIn Group is the owner or promissory buyer by virtue of binding agreements of 17 areas, corresponding to 251,000 commercial square meters of development, equivalent to 2,738 standard 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 in different stages of development, according to 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, and the Olimpia Garden project currently being delivered, 4 projects have been fully marketed (Porta Naviglio Grande, Palazzo Naviglio, Trilogy Towers, and Milano City Village) and 1 lot of a sixth project (Savona 105) and 4 projects are currently under construction (Palazzo Naviglio, Trilogy Towers, Olimpia Garden and Milano City Village), for a total of 525 apartments, which will be completed and delivered starting from the end of this year and then in the years 2022 and 2023.

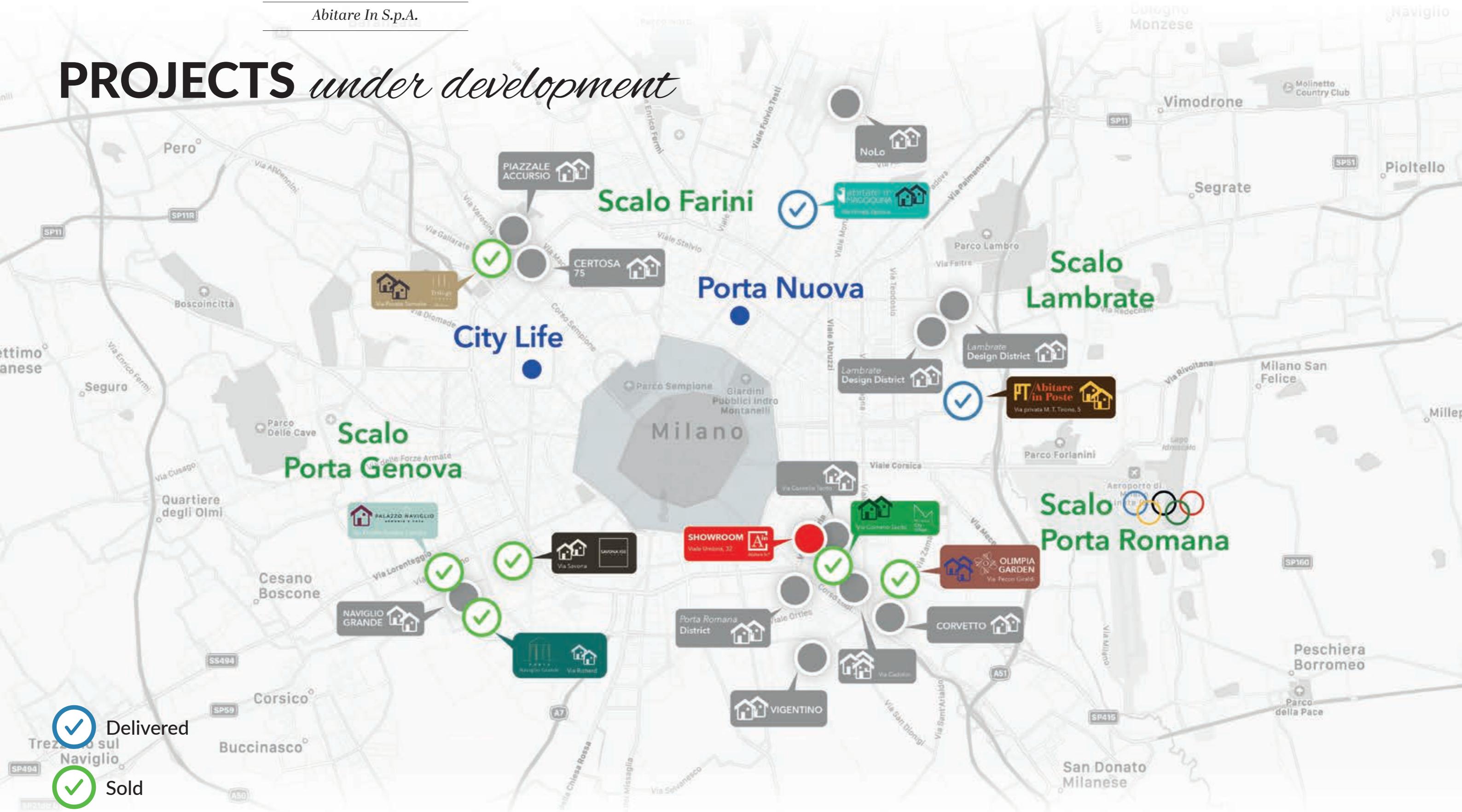
The remaining Pipeline projects are currently in the design, study and approval phases of the authorisation process.

C

Location: Palazzo Naviglio
Neighbourhood: Giambellino
Milano
(virtual photo - entrance detail)



PROJECTS under development



LETTER TO SHAREHOLDERS

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

LUIGI, FOUNDER



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

MARCO, FOUNDER

Dear Shareholders,

The first half of this year was an intense and eventful one for our Company.

Although the contingent situation in which we all find ourselves continues to bring a certain degree of uncertainty, we have all shown our ability to react even to the most unexpected events with determination and strength.

Despite the peculiar moment, we have decided to continue on our path towards the transition to the STAR market, which we successfully concluded in March this year and which we believe has led and will lead our Company to acquire an increasingly international profile and standing.

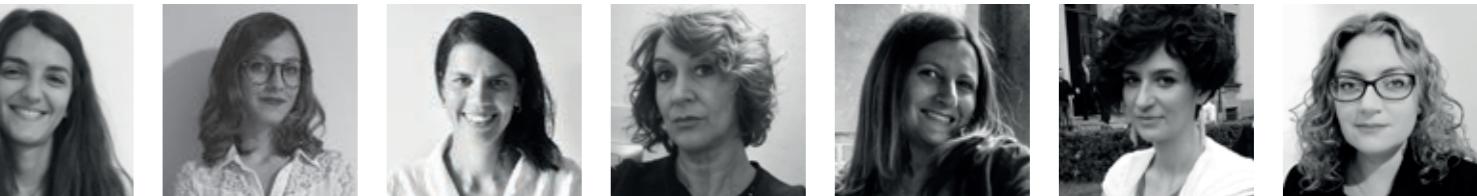
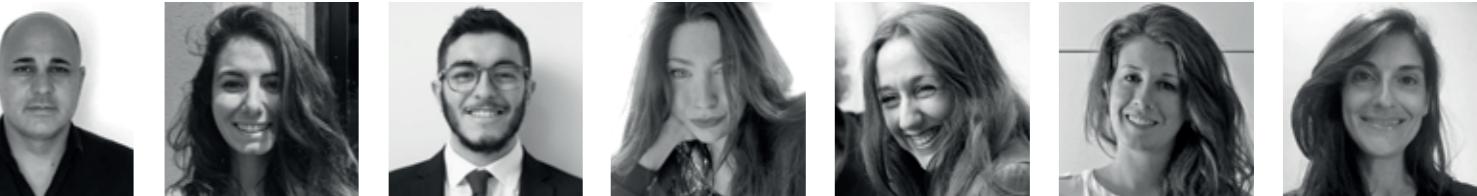
AbitareIn was also highly engaged in all of its business operations. We concluded the handovers of the Abitare In Maggiolina project and completed, fulfilling the commitment made with customers, the works of the first 117 Olimpia Garden apartments, whose handovers began in May. Construction work continues on the buildings of Milano City Village and Palazzo Naviglio and we have started construction work on Trilogy Towers. We also invested in the purchase of new sites in the amount of Euro 34 million in the first 6 months of the year alone, further strengthening our pipeline both in terms of size and quality.

The generalised lengthening of the time required to obtain the necessary authorisations and more generally

the problems related to Covid have further reduced the availability of new homes in Milan, against a constant increase in demand not only from households but also, above all in recent months, from investors, with an inevitable effect on sales prices, which continue and will continue to rise.

In order to respond to this ever growing demand for homes, we are ready to launch, in the coming months, following the obtainment of the necessary authorisations, the marketing of 4 new projects in the Lambrate, Portello and Navigli areas.

Luigi & Marco

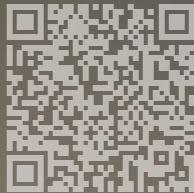


WeAre#StilistiUrbani



Stilisti Urbani

Made in Milan



Scan the QR code with your smartphone or tablet to open the multimedia content



This is US

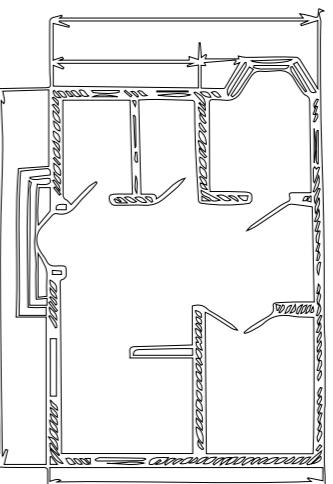
Founded in 2015 - bringing with it over 15 years of experience of its founding shareholders Luigi Gozzini and Marco Grillo - within just a few years Abitare In has become the major player in the Milan residential property development market, boasting an order book of 17 projects in the pipeline, equivalent 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 (Tailoredmadehomes), that benefits from the economies of scale typical of an industrialised model. Abitare In is registered in the special "Innovative SMEs" section of the Companies' Register and has been listed on the AIM Italia stock market since April 2016. The translisting on the STAR market, for which the related procedures commenced a few months ago, is due to be completed within the first few months of 2021.

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.



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.

THE REVOLUTIONARY E-COMMERCE PLATFORM FOR BUYING OUR HOMES ONLINE

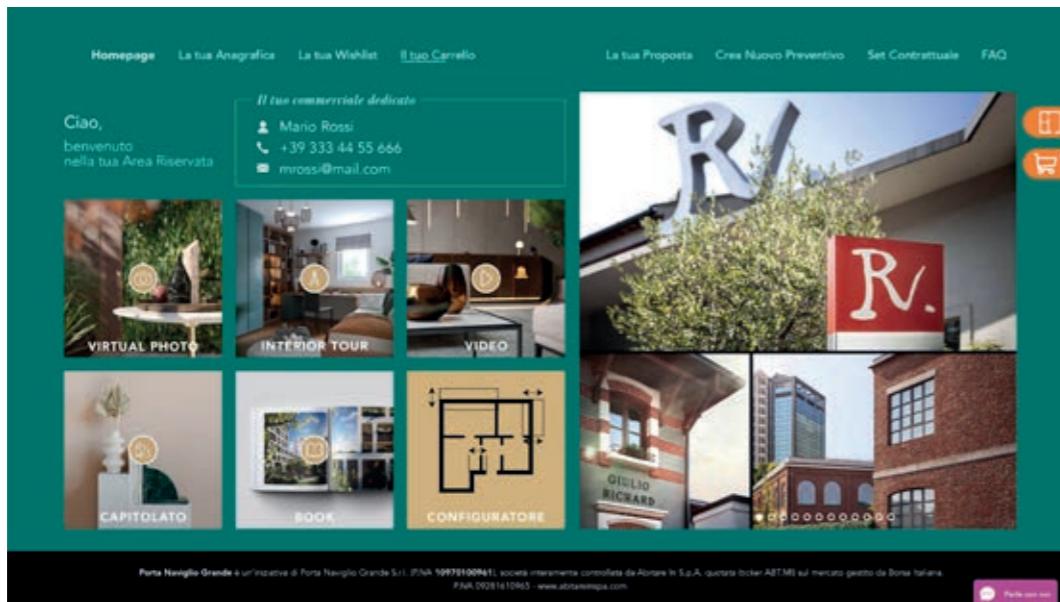
Abitare In is the result of bringing together the visions of its founding shareholders, Luigi Gozzini and Marco Grillo, who recognised the need to disrupt the traditional dynamics of the real estate market by introducing innovation, computerisation and industrialisation processes used in other sectors.

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.

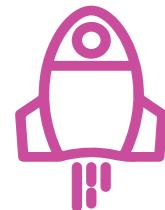


HOMIZY

Build to Share

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.



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 550-900 per room, all inclusive.





HOMIZY concept

C

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



Abitare In®

ICONIC PROJECTS



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.

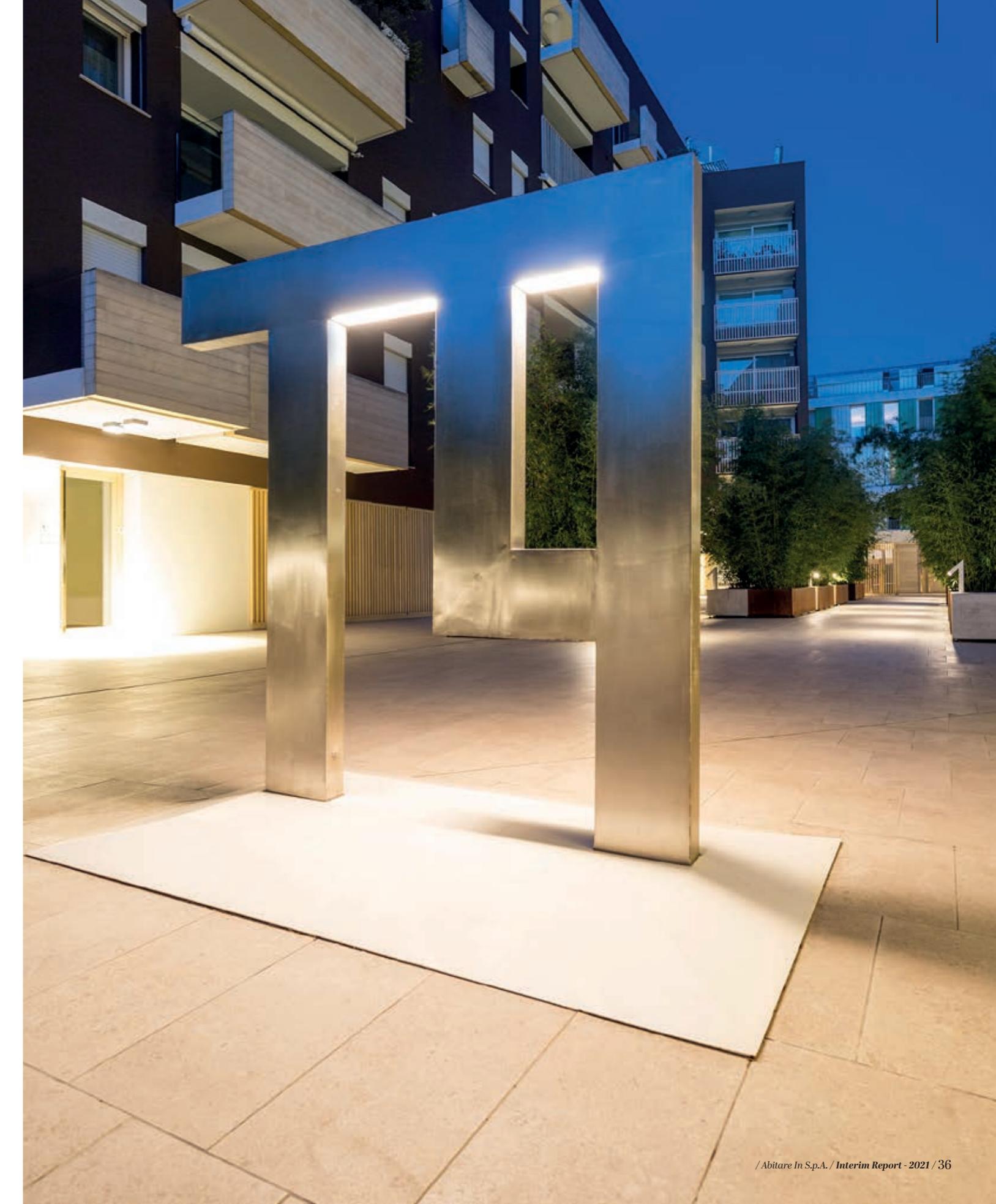
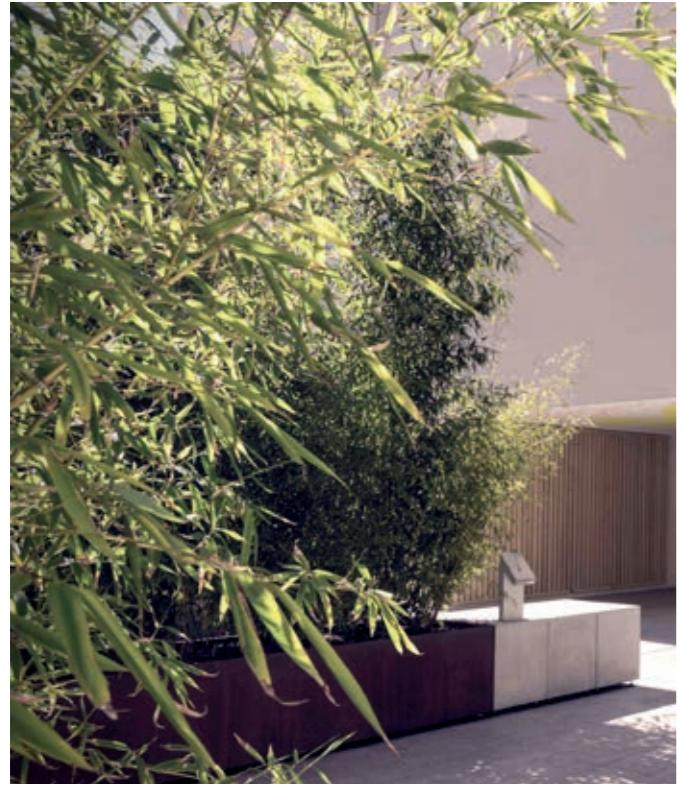
The bulk of the structure has sharp, clean volumes and is dark in colour to minimise its architectural mass.

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 Martiniti 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





Location: Abitare in Maggiolina
Neighbourhood: Maggiolina
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.





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.

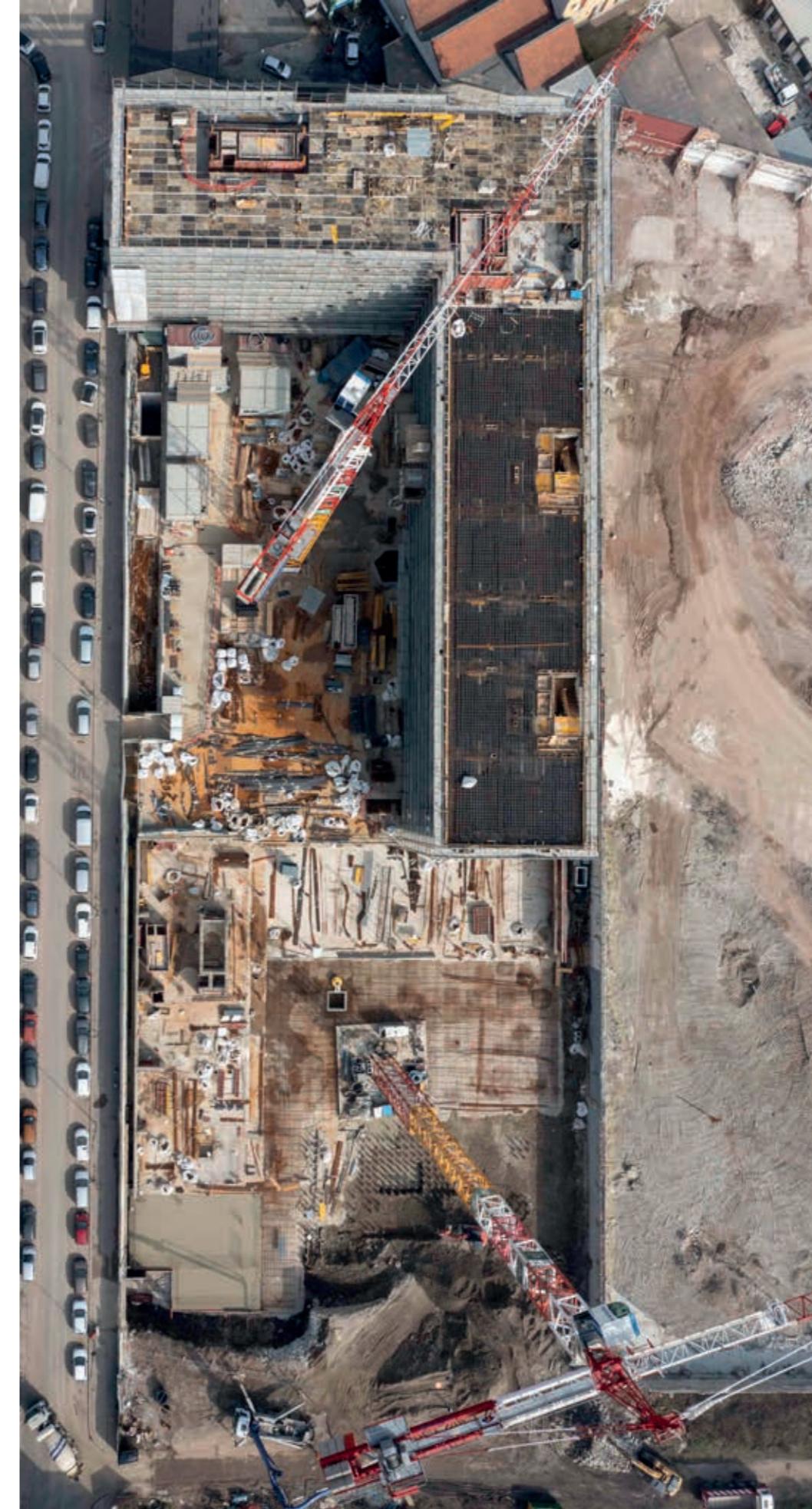
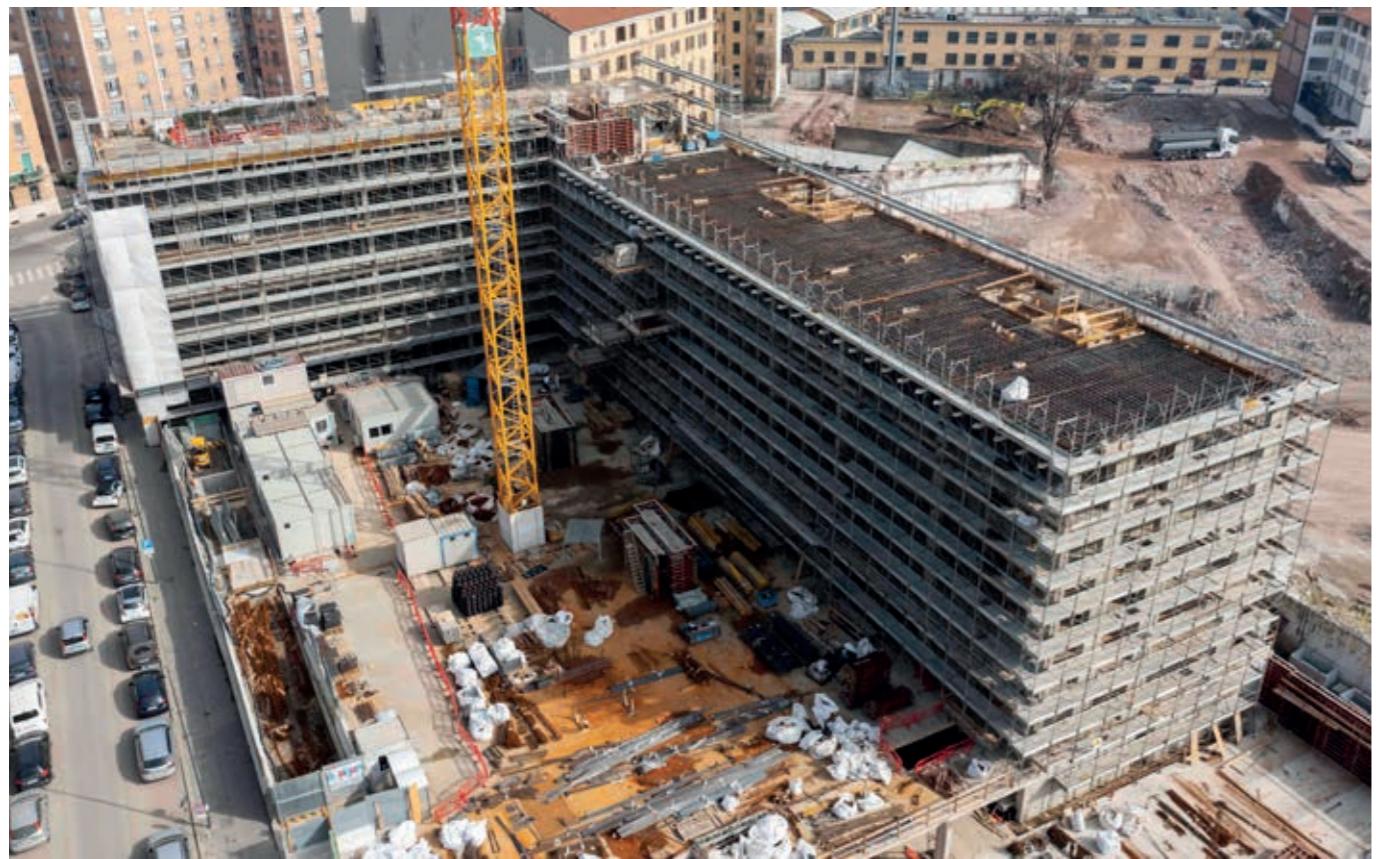
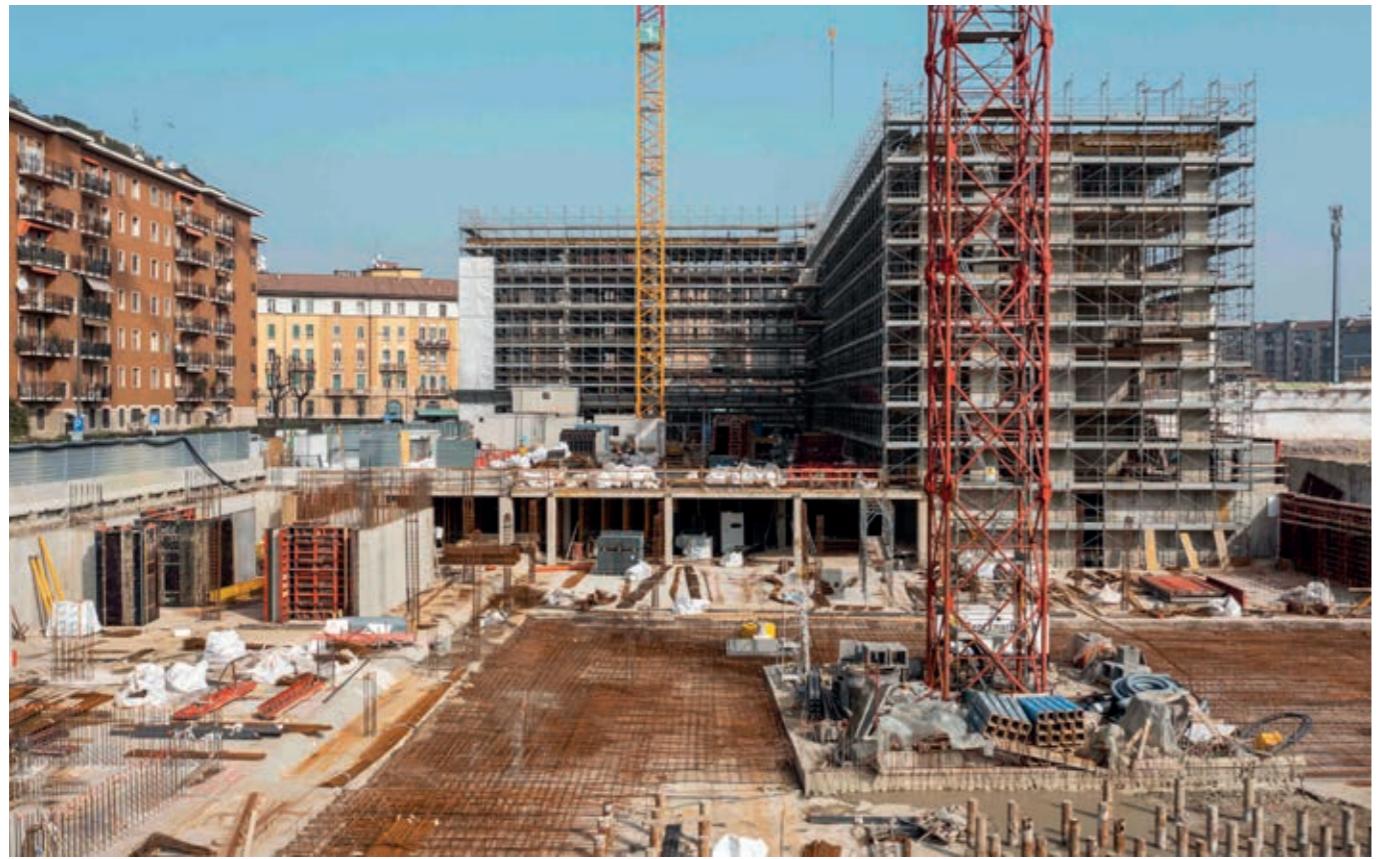
A courtyard that is a piazza, a meeting place, a zone of passage or a space to relax in, to rediscover a sense of communion with oneself and the community.

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)



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



TRILOGY TOWERS: GOLD, DIAMOND AND PLATINUM. THREE EVOCATIVE NAMES FOR THE ARCHITECTURAL COMPLEX IN THE PORTELLO AREA,

by Abitare In®

*“There’s no
place
like home”.*

Lyman Frank Baum, author

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.



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



Location: Trilogy Towers Milan site
Neighbourhood: Portello
Milan
(June 2020)



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.

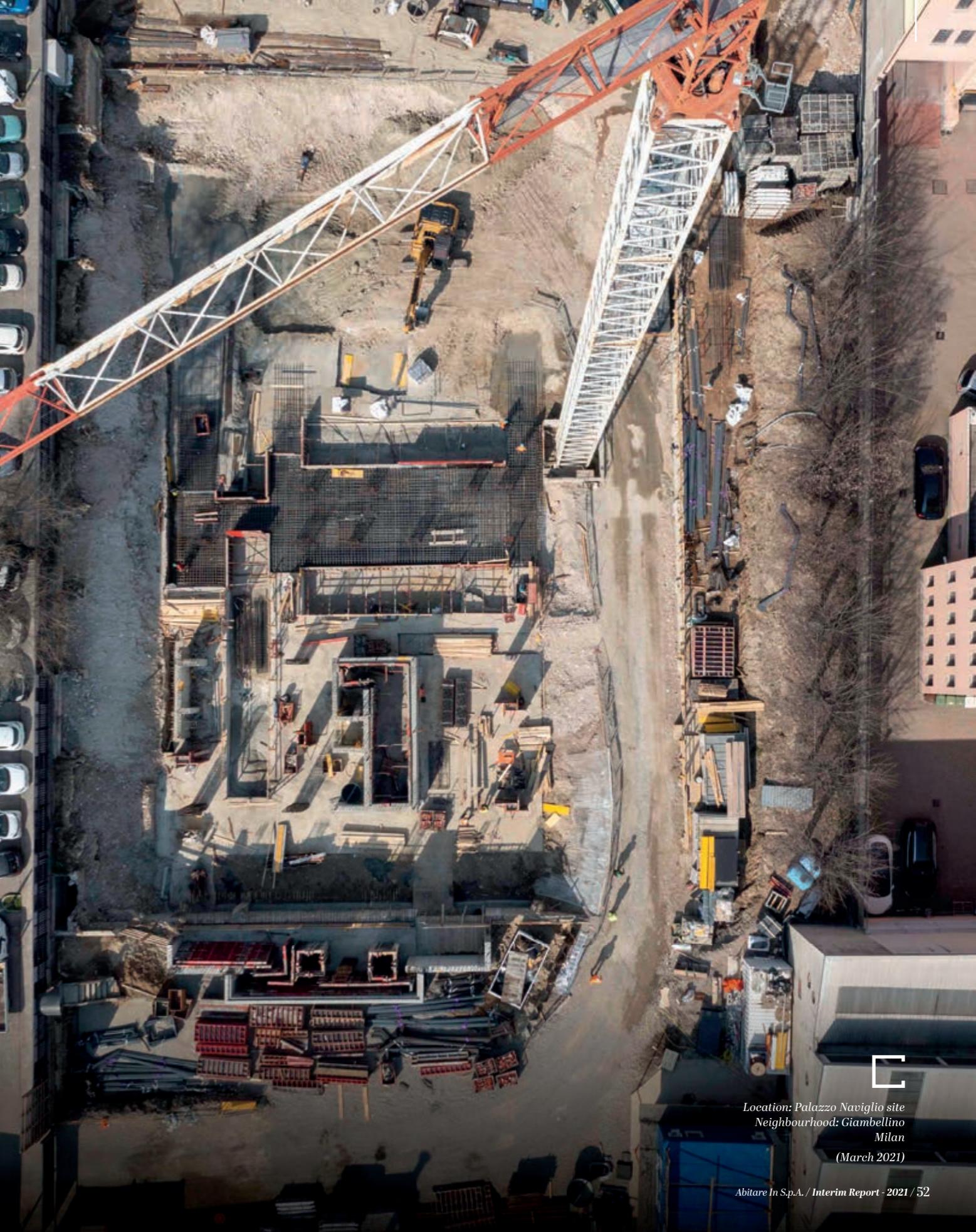
From Nature for Nature.

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)



Location: Palazzo Naviglio site
Neighbourhood: Giambellino
Milan
(March 2021)

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)

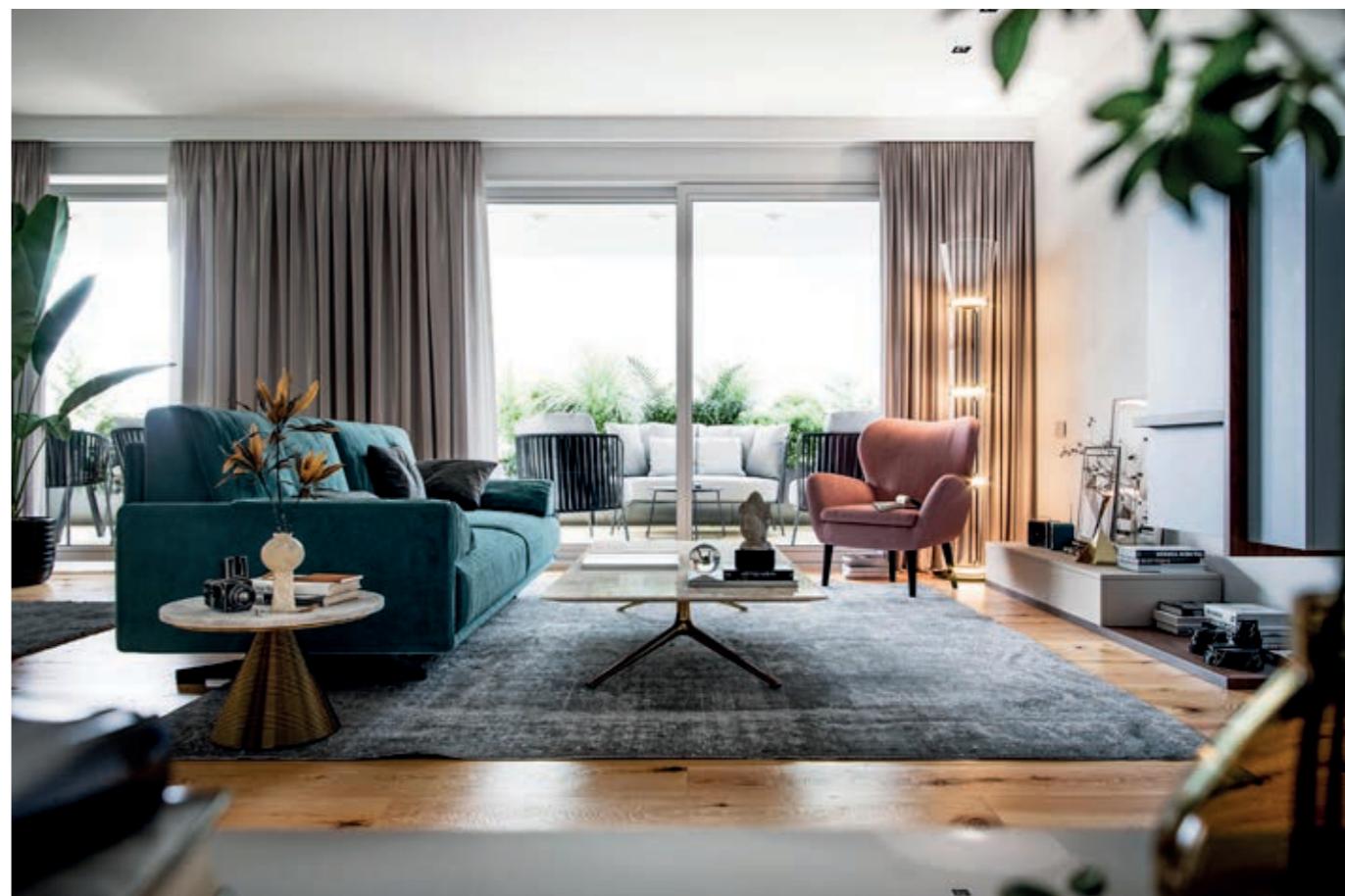
QUALITY AND ELEGANCE

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



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



draws its style from the pure lines and curves which, in a silent but never monotonous way, make the whole composition 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.

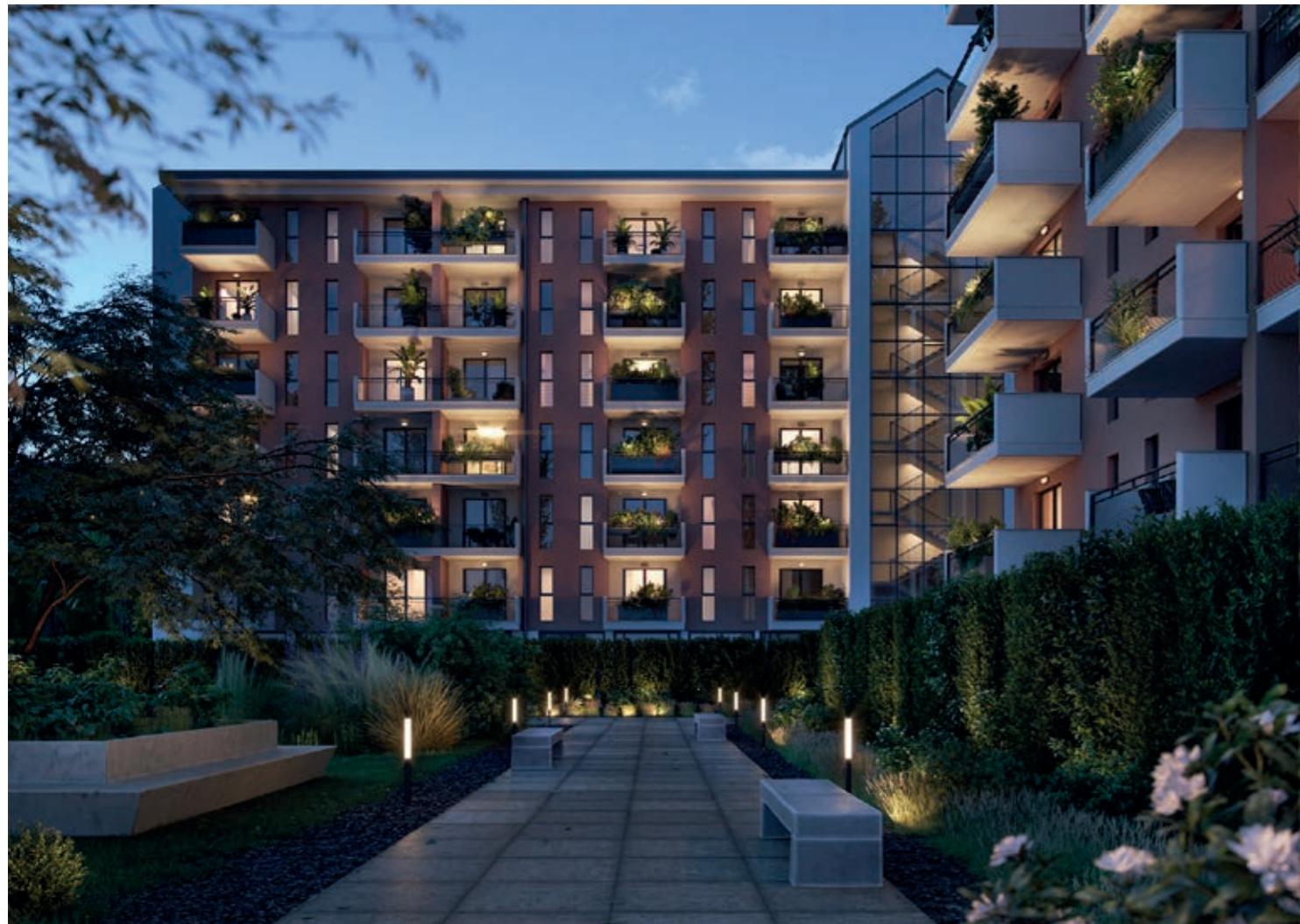
Unlike Abitare In's standard format - "build to order" through demolition and reconstruction - Olimpia Garden is being built on an existing complex and is currently in the stage of completion.

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.



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



Between the city centre and the local neighbourhood



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 welcomes the residential complex that stands where the manufacturing company Richard-Ginori was once located, an icon in the production of porcelain and today 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, united 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 a 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.



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



*“Beauty
is the
splendour
of truth.”*

Plato

*Stilisti
Urbani*

Made in Milano



Location: The Units
Neighbourhood: Portello
Milano
(virtual photo - garden rooftop detail)

Annual Report at March 31, 2021

Director's REPORT

GROUP OPERATING PERFORMANCE IN THE FIRST HALF OF THE YEAR ENDING 31 MARCH 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	31.03.2021	% of revenue and change in inventory	31.03.2020	% of revenue
Revenue from sales	25.034.915	39,86%	541.258	1,61%
Changes in inventory of work in progress and finished products	3.439.352	5,48%	27.973.659	83,33%
Change in inventory of real estate complexes purchased	33.917.109	54,00%	5.000.000	14,89%
Other revenues	416.101	0,66%	55.241	0,16%
Total revenue from operating activities	62.807.476	100,00%	33.570.158	100,00%
Total proforma characteristic management(1)	69.807.476	100,00%	33.570.158	100,00%
Production costs	(56.866.640)	-90,54%	(25.637.366)	-76,37%
ADDED VALUE	5.940.836	9,46%	7.932.792	23,63%
ADDED VALUE PROFORMA(1)	12.940.836	18,54%	7.932.792	23,63%
Personnel expenses	(1.316.187)	-2,10%	(1.845.072)	-5,50%
Other operating expenses	(1.025.650)	-1,63%	(402.911)	-1,20%
EBITDA	3.598.999	5,73%	5.684.809	16,93%
Adjusted EBITDA (2)	11.066.499	15,85%	6.586.809	19,62%
Depreciation/amortisation, impairment and other provisions	(424.140)	-0,68%	(322.508)	-0,96%
EBIT	3.174.859	5,05%	5.362.301	15,97%
Adjusted EBIT (2)	10.642.359	15,25%	6.264.301	18,66%
Financial income and expenses and adjustments to financial assets	1.227.791	1,95%	(964.978)	-2,87%
EBT	4.402.651	7,01%	4.397.322	13,10%
Adjusted EBT (3)	9.671.997	13,86%	5.299.322	15,79%
Income taxes	(732.022)	-1,17%	(1.312.034)	-3,91%
Profit (loss) for the year	3.670.629	5,84%	3.085.288	9,19%

1) In the first half to 31 March 2021, an increase resulting from the application of the contract principle (IFRS15) on the Olimpia Garden Operation (Euro 7 million).

2) In the first half of the year to 31 March 2021, an increase resulting from the application of the contract principle (IFRS15) on the Olimpia Garden Operation (equal to Euro 7 million) and costs (equal to Euro 0.5 million) deriving from the process of translisting of the Company's shares on the MTA market, STAR segment. In the first half to 31 March 2020, adjusted by an increase in the notional costs (equal to € 902 thousand) resulting from the application of ifrs2 relating to the assignment of Stock Grant.

3) In the first half to 31 March 2021, an increase resulting from the application of the contract principle (IFRS15) on the Olimpia Garden Operation (equal to Euro 7 million) and costs (equal to Euro 0.5 million) deriving from of translisting of the Company's shares on the MTA market, STAR segment. Adjustment to decrease the gain from the fair value measurement of the investment Tecma Solution S.p.a. In the first half to 31 March 2020, adjusted by an increase in the notional costs (equal to € 902 thousand) resulting from the application of ifrs2 relating to the assignment of Stock Grant.

The first half of the year closed with consolidated revenues of € 62.8 million, (+ 88% compared to the same period of the previous year), deriving mainly from:

- € 25 million in Sales Revenues (€ 0 million in the first half of 2020), from the change in inventories for the purchase of new real estate complexes, for an amount equal to Euro 33.9 million;
- € 33.9 million change in inventories for the purchase of new real estate complexes (€ 5 million in the first half of 2021), advancement of production for € 29.1 million (€ 27.9 million in the first half of 2020), which is impacted by a delay in the start-up of construction sites and therefore a lower production compared to expectations on the last commercialized sites, to the tune of approximately 8 million, due to the slowdown in obtaining the authorizations following the outbreak of the pandemic. In detail, the "change in inventory for progress of works" of the real estate initiatives amounts to Euro 3.4 million, net of the outgoing inventory linked to handovers of the Abitare In Maggiolina project.

Consolidated EBT is equal to € 4.4 million and is the result of the following components, also of an extraordinary nature:

- increase of Euro 2.1 million due to the capital gain from the re-measurement at fair value of the equity investment in Tecma Solutions S.p.A.;
- decrease of Euro 0.5 million due to the reversal of "listing costs" for the transition to the MTA Market - STAR segment;
- Decrease of Euro 7 million due to the non-application of the contracts standard (IFRS 15) on the Olimpia Garden Operation. Thus, since this operation was carried out on a property already partially built at the time of purchase, the management decided not to apply this accounting standard. However, since it is the only project developed by the Group so far to which the standard was not applied, in order to give a more homogeneous view of the status of the activities, it was deemed appropriate to represent the EBT figure, which is the data most impacted by such non-application, also adjusted to that effect. It is noted that the project was completed and the handovers started in May and that therefore this amount will be fully accounted for in the financial statements at the conclusion of the notarial deeds.
- It is also negatively impacted by the lower production on the construction sites launched more recently due to the slowdown in the issuing of authorisations.

For these reasons, in order to allow a better analysis of the performance of the core activities, the management has defined the CONSOLIDATED PROFORMA EBT, adjusted by the extraordinary items, which is equal to € 9.7 million.

Reclassified consolidated statement of financial position

	31.03.2021	30.09.2020
Investments		
Intangible assets	1.416.080	1.264.746
Property, plant and equipment	6.458.985	6.460.385
Equity investments in other companies	4.494.000	2.296.000
Other non-current assets	918.364	883.154
Other current assets	15.454.305	16.675.220
Inventory	176.308.372	139.058.289
Other current and non-current liabilities	(88.748.796)	(82.145.300)
NET INVESTED CAPITAL	116.301.310	84.492.494
Cash and cash equivalents	(19.306.512)	(35.480.995)
Current financial payables	16.711.250	14.905.876
Non-current financial payables	56.941.052	46.724.134
NET FINANCIAL POSITION	54.345.790	26.149.014
Share capital	129.677	129.677
Reserves and profit (loss) carried forward	58.140.521	49.016.598
Profit (loss) for the year	3.685.322	9.197.205
EQUITY	61.955.520	58.343.480
SOURCES OF FINANCING	116.301.310	84.492.494

Net financial position

CONSOLIDATED NET FINANCIAL POSITION 31.03.2021 amounts in Euro	Abitare In - Consolidated 31.03.2021	Abitare In - Consolidated 30.09.2020	Change					
A. Cash and bank accounts	(19.306.512)	(35.480.995)	16.174.483					
B. Other cash and cash equivalents	-	-	-					
C. Held-for-trading securities	-	(1)	1					
D. Liquidity (A)+(B)+(C)	(19.306.512)	(35.480.996)	16.174.484					
E. Current financial receivables								
F. Short-term payables to banks	16.646.855	14.837.465	1.809.390					
G. Loans and borrowings from other lenders	-	-	-					
H. Other current financial payables	64.395	68.411	(4.016)					
I. Current Financial Debt (F)+(G)+(H)	16.711.250	14.905.876	1.805.374					
J. Net Current Financial Debt (D)+(E)+(I)	(2.595.262)	(20.575.120)	17.979.858					
K. Non-current payables to banks	56.467.745	46.114.405	10.353.340					
L. Bonds issued	-	-	-					
M. Other non-current payables	473.307	609.729	(136.422)					
N. Non-current financial debt (K)+(L)+(M)	56.941.052	46.724.134	10.216.918					
O. Net Financial Position (J)+(N)	54.345.790	26.149.014	28.196.776					

The net financial position at March 31, 2021 is equal to Euro 54,346 thousand compared to Euro 26,149 thousand at September 30, 2020. The change is attributable to the purchase of new areas equal to Euro 28,082 thousand (net of deposits and advances paid in previous years), to the production trend of the operations in progress and is positively influenced by the combined effect of the collections deriving from the deeds of the subsidiary Abitare In Maggiolina (net of deposits and advances collected in previous years) equal to Euro 16,794 thousand and from deposits and advances collected relating to the preliminaries of the projects marketed for a total amount of Euro 14,244 thousand. The trend in cash and cash equivalents is mainly attributable to the cash absorption of operating activities for an amount equal to Euro 28,294 thousand, the taking out of loans for an amount equal to Euro 26,779 thousand and the repayment of loans for an amount equal to Euro 14,061 thousand.

Financial payables to banks break down

Loan type (Euro/000)	Borrower company	Within one year	Beyond one year and within 5 years	Beyond 5 years	Total payable
Loan	Abitare In S.p.A.	429	655	-	1.084
Loan	Abitare In S.p.A.	633	4.535	-	5.167
Mortgage loan	Abitare In Development 3 S.r.l.	183	973	1.336	2.492
Unsecured loan	Abitare In Development 4 S.r.l.	14	4.679	-	4.693
Landed property loan	Abitare In Development 7 S.r.l.	15.166	-	-	15.166
Landed property loan	Savona 105 S.r.l.	68	1.390	9.171	10.629
Landed property loan	Porta Naviglio Grande S.r.l (former Mica S.r.l.)	16	2.966	-	2.982
Landed property loan	TheUnits S.r.l. (former Alibranda S.r.l.)	-	91	399	490
Landed property loan	Milano City Village S.r.l.	73	7.338	5.975	13.386
Landed property loan	Trilogy Towers S.r.l.	3	702	751	1.456
Landed property loan	Palazzo Naviglio S.r.l.	8	1.031	3.521	4.560
Credit facility backed by landed property	Milano Progetti S.r.l.	54	8.469	-	8.523
Mortgage loan	MyCity S.r.l.	-	745	1.741	2.486
TOTAL		16.647	33.573	22.895	73.115

It should be noted that mortgage loans granted by credit institutions amount to a total of Euro 165 million, of which Euro 57 million used.

The item other financial payables is mainly composed of the financial payable to the leasing company for the purchase of the property located in Via Amadeo, 57 for an amount equal to Euro 435 thousand and the financial payable for the leasback lease contract, relating to office machines, subscribed with BNL equal to Euro 103 thousand.

Ratios

STRUCTURE RATIOS	31.03.2021	30.09.2020
Equity to non-current assets ratio	4,66	5,35
EQUITY/NON-CURRENT ASSETS		
Equity + non-current liabilities to non-current assets ratio	13,64	13,54
EQUITY + NON-CURRENT LIABILITIES/NON-CURRENT ASSETS		

EQUITY AND FINANCIAL RATIOS	31.03.2021	30.09.2020
Leverage	3,62	3,46
INVESTED CAPITAL/EQUITY		
Investment flexibility ratio	94,08%	94,61%
CURRENT ASSETS/INVESTED CAPITAL		
Financial debt ratio	3,62	3,46
BORROWINGS/EQUITY		
PROFITABILITY RATIOS	31.03.2021	31.03.2020
ROD	1,46%	1,58%
FINANCIAL EXPENSES/INTEREST-BEARING DEBT		
ROD*	1,12%	1,23%
FINANCIAL EXPENSES/INTEREST-BEARING DEBT		
ROS	5,02%	24,61%
EBIT/NET SALES		
ROI	1,42%	4,40%
EBIT/INVESTED CAPITAL		
ROE	5,92%	11,64%
NET PROFIT/EQUITY		

*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.

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 connected 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,

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.

For further information on the risks to which the Group is exposed, please also refer to the Annual Report at 30 September 2020.

MAIN ACTIVITIES AND EVENTS IN THE PERIOD

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

First of all, delivery of the apartments in the Abitare In Maggiolina project (completed to date) and the simultaneous reduction of the related mortgage loan (now ex-

tinguished) continued during the half year.

In addition, throughout the reporting period, 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 245,000 square metres of net saleable area. Specifically, in addition to having signed the final contracts for some areas already subject to preliminary agreements (together with the signing of the related mortgage loans for the construction of the works), two new areas entered the Pipeline, one in the Corvetto area and one in the Certosa area.

Also in the reporting period, the Group started marketing a new project, Porta Naviglio Grande, 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 MTA market, STAR segment. In particular, in December 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. As part of the transition to STAR, the Board of Directors also approved a review of forecast data for 2021 that takes into account the direct and indirect impacts due to the health emergency. The Board therefore forecast a postponement of part of the revenues forecast for 2021, confirming however the Company's strong growth trend: revenues forecast for 2021 amount to Euro 126 million (+72% compared to 2020) with an EBT of approximately Euro 25 million (+100% compared to the previous year). The previously communicated sales targets have also been confirmed, with an order book of 800 units for a value of Euro 310 million.

During the last half of the 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 from 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 31 MARCH 2021

The handover of the real estate units of the Abitare In Maggiolina complex was completed, after the end of the half year, with the delivery of the last remaining unit. At the same time, the loan underwritten for the construction of the works was also definitively extinguished.

The Group also continued work at the construction sites and the procedures to obtain authorisations for the sites in the Pipeline, which includes over 245,000 m² of net saleable area across 19 projects located in strategic areas of the city.

In April, the first marketing campaign of the Porta Naviglio Grande project was also concluded, carried out exclusively in digital format through social and web channels and through the use of the e-commerce platform created by AbitareIn.

The project, which will see the construction of two buildings, Icon and Vertigo, respectively of 18 and 57 apartments, conceived according to criteria of quality, sustainability, functionality, comfort and design, has been exceptionally successful: purchase proposals for 65 apartments were received, solely through the online purchase procedure, for a value of approximately Euro 28 million.

In addition, also in April, the Board of Directors of Abitare In approved the 1:10 split of the company's shares and a stock grant plan dedicated to the executive directors and the executive with strategic responsibilities, together with a free capital increase serving the latter, for a maximum of Euro 5,100 and a maximum of 102,000 shares. The proposals were approved by the shareholders' meeting on 31 May 2021.

OUTLOOK

In the second half of the year, the Group will continue its strategic activities, both development activities and sales, for the implementation of Pipeline projects and to seize new opportunities to increase it.

Although the management forecasts for the year have not changed with respect to the Business Plan communicated on 10 December 2020, please refer to the paragraph "Description of the main risks and uncertainties to which the Group is exposed" and in particular to the one on "risks linked to the spread of the Covid-19 pandemic" for further information on this aspect. The handover and notarial deeds for the real estate units of the Olimpia Garden project, launched in May 2021,

and construction site activities for the other Pipeline projects already marketed will continue.

The Group will also continue in its sales activity, with the launch of new projects and in the preparatory activities for obtaining the authorisation permits for the other Pipeline projects.

Activities will also continue for the development of the new Homizy project in the PRS sector in the co-living mode.

It should be noted that the Group is also constantly active in the analysis and evaluation of new areas to be included in its Pipeline for the development of new real estate projects.

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 half-yearly condensed consolidated financial statements at 31 March 2021.

RESEARCH & DEVELOPMENT ACTIVITIES

During the first half of 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 398 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.

In the event of an unfavourable outcome in this dispute, Abitare In Maggiolina could be obliged to pay an amount of approximately Euro 86,125.00. The Issuer considers the payment of this amount an improbable charge.

Other information

Adoption of the legislative simplification process adopted with CONSOB resolution no. 18079 of 20 January 2012

On 10 December 2020, the Board of Directors of 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.



Location: Porta Naviglio Grande
Neighbourhood: San Cristoforo sul Naviglio
Milano

(virtual photo - loggia detail, up)
(virtual photo - architectural detail, right)





Location: Trilogy Towers Milano
Neighbourhood: Portello
Milano
(virtual photo - loggia detail)

Annual Report at March 31, 2021

Consolidated Statement OF FINANCIAL POSITION

Consolidated Statement of Financial Position

		31.03.2021	Related parties	30.09.2020	Related parties
Property, plant and equipment	1	6.458.985		6.460.386	
Intangible assets	2	1.416.080		1.264.744	
Equity investments in other companies	3	4.494.000		2.296.000	
Deferred tax assets	4	918.364		883.153	
TOTAL NON-CURRENT ASSETS		13.287.429		10.904.283	
Inventory	5	176.308.372		139.058.289	
Trade receivables	6	153.826		585.837	
Other current assets	7	10.357.402		14.386.768	
Current tax assets	8	4.943.076		1.702.618	
Current financial assets	9	-		-	
Cash and cash equivalents	10	19.306.512		35.480.995	
TOTAL CURRENT ASSETS		211.069.188		191.214.507	
TOTAL ASSETS		224.356.617		202.118.790	
Share capital		129.677		129.677	
Reserves		37.104.945		37.163.534	
Profit (loss) carried forward		20.552.052		11.354.847	
Profit (loss) for the year		3.685.322		9.197.205	
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		61.471.996		57.845.263	
Profit and reserves attributable to non-controlling interests		483.524		498.217	
EQUITY	11	61.955.520		58.343.480	
Non-current financial liabilities	12	56.941.052		39.224.134	
Employee benefits	13	284.374		246.904	
Other non-current liabilities	14	275.672	212.504	481.445	201.445

Customer down payments and deposits	15	56.956.760	45.256.329
Deferred tax liabilities	3	4.807.608	4.058.460
TOTAL NON-CURRENT LIABILITIES		119.265.466	89.267.272
Current financial liabilities	12	16.711.250	22.405.876
Trade payables	16	11.825.173	12.499.970
Other current liabilities	17	5.915.338	649.782
Customer down payments and deposits	15	6.919.434	12.131.074
Current tax liabilities	18	1.764.436	1.849.389
TOTAL CURRENT LIABILITIES		43.135.631	54.508.039
TOTAL LIABILITIES		162.401.097	143.775.310
TOTAL LIABILITIES AND EQUITY		224.356.617	202.118.790

Consolidated Income Statement

	Note	31.03.2021	Related parties	31.03.2020	Related parties
Revenue from sales and services	19.1	25.034.915		541.258	
Change in inventory for new sites purchased	19.2	33.917.109		5.000.000	
Change in inventory for progress of works	19.3	3.439.352		27.973.659	
Other revenue	19.4	416.101		55.241	
TOTAL REVENUE	19	62.807.477		33.570.158	
Property purchased for redevelopment		(33.917.109)		(5.000.000)	
Raw materials, consumables, supplies and goods		(41.266)		(89.830)	
Services	20.1	(22.775.514)	(401.870)	(20.490.047)	(144.501)
-of which non-recurring		(467.500)		-	
Rentals and similar		(132.751)		(57.489)	
Production costs		(22.949.531)		(20.637.366)	
Personnel expenses	20.2	(1.316.187)	(100.000)	(1.845.071)	(100.000)
Depreciation/Amortisation	20.3	(410.903)		(299.297)	
Impairment losses and provisions	20.4	(13.237)	(13.237)	(23.211)	(23.211)
Other operating expenses	20.5	(1.025.650)		(402.912)	
TOTAL OPERATING EXPENSES	20	(59.632.617)		(28.207.857)	
EBIT		3.174.859		5.362.301	
Financial income	21	2.302.007		10.658	
Financial expenses	21	(1.074.215)		(975.636)	
EBT		4.402.651		4.397.323	
Income taxes	22	(732.022)		(1.312.034)	
PROFIT (LOSS) FOR THE YEAR		3.670.629		3.085.289	
Of which:					
Net profit (loss) attributable to non-controlling interests		(14.693)		-	
Net profit (loss) attributable to the owners of the Parent		3.685.322		3.085.289	

Consolidated Statement of Comprehensive Income

	Note	31.03.2021	31.03.2020
Profit (loss) for the year		3.670.629	3.085.289
Other comprehensive income			
That will not be subsequently reclassified in profit or loss for the year			
Employee benefits		(12.164)	(29.621)
Tax effect		2.919	7.109
Total		(9.245)	(22.512)
That will be subsequently reclassified in profit or loss for the year			
Hedging instruments		(63.168)	
Tax effect		15.166	
Total		(48.002)	-
Total change in OCI reserve		(57.247)	(22.512)
Comprehensive income for the period		3.613.382	3.062.777

Earnings per share	23	1,41	1,20
Diluted earnings per share	23	1,39	1,18

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								3.085.289	3.085.289		3.085.289
Actuarial valuation of TFR						(22.512)			(22.512)		(22.512)
Stock grant plan	812	760.407		140.991					902.210		902.210
rounding		3					9		12		12
Allocation of the profit for the year			14.104				6.360.821	(6.374.925)	-		-
Equity at 31 March 2020	128.540	36.136.175	39.651	432.113	282.731	(30.220)	11.354.856	3.085.289	51.429.135	51.429.135	51.429.135

	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 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								3.685.322	3.685.322	(14.693)	3.670.629
Actuarial valuation of TFR						(9.245)			(9.245)		(9.245)
Hedging derivatives valuation						(48.002)			(48.002)		(48.002)
Change in scope of consolidation					(1.342)				(1.342)		(1.342)
rounding									-		-
Allocation of the profit for the year							9.197.205	(9.197.205)	-		-
Equity at 31 March 2021	129.677	36.886.372	39.651	-	281.389	(102.467)	20.552.052	3.685.322	61.471.996	483.524	61.955.520

Consolidated Statement of Cash Flows (indirect method)

	31.03.2021	31.03.2020
Operating activities		
Profit (loss) for the year	3.670.629	3.085.289
Income taxes	732.022	1.312.034
Financial income	(2.302.007)	(10.658)
Financial expenses	1.074.215	976.994
(Gains)/losses on the sale of companies		
Net accruals to provisions	229.538	69.178
Accrual to stock grant reserve		902.210
Impairment and depreciation/amortisation of property, plant and equipment and intangible assets	410.903	299.297
Cash flows before changes in net working capital	3.815.301	6.634.344
Decrease/(increase) in inventory	(37.250.083)	(32.295.768)
Increase/(decrease) in trade payables	(674.797)	4.508.880
Decrease/(increase) in trade receivables	432.011	(555.951)
Change in other current/non-current assets and liabilities	7.036.356	11.939.382
Net financial income/expenses collected/paid	(1.628.164)	(752.712)
Taxes paid		
Use of provisions	(24.464)	(650)
Cash flows from (used in) operating activities (A)	(28.293.839)	(10.522.475)
Investing activities		
Investments in property, plant and equipment	(163.148)	(319.770)
Disposal of property, plant and equipment		-
Investments in intangible assets	(399.033)	(187.117)
Disposal of intangible assets		-
Other equity investments		-
Sale of company, net of cash and cash equivalents		-
Cash flows from (used in) investing activities (B)	(562.180)	(506.887)
Financing activities		
Bank loans raised	26.778.674	8.297.784
Bank loan repayments	(14.060.656)	(405.205)
Change in current/non-current financial liabilities	(36.481)	(37.145)
Net change in current financial assets		156.760
Share capital increase against consideration		-
Cash flows from (used in) financing activities (C)	12.681.537	8.012.194
Net cash flows in the period (A)+(B)+(C)	(16.174.483)	(3.017.168)
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 31 March	(16.174.483)	(3.017.168)
Cash and cash equivalents at the end of the year	19.306.512	18.673.587

A completamento delle informazioni sui flussi finanziari, come richiesto dall'emendamento allo IAS 7, è stata inserita una apposita tabella in Nota 12, che analizza le variazioni delle passività generate dall'attività di finanziamento.

NOTES TO THE consolidated financial report

ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

BASIS OF PRESENTATION

These half-yearly condensed consolidated financial statements at 31 March 2021 have been prepared in accordance with IAS 34, Interim Financial Reporting. IAS 34 allows the financial statements to be prepared in "condensed" form, based on a significantly lower minimum level of disclosure than required by the International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union (IFRS), where a full disclosure statement prepared on the basis of IFRS has previously been made available to the public. The half-yearly condensed consolidated financial statements at 31 March 2021 have been prepared in this form and must therefore be read together with the Group's consolidated financial statements for the year ended 30 September 2020, prepared in compliance with IFRS, without prejudice to what may be described in the following paragraphs "New accounting standards, amendments and interpretations applicable from 1 January 2020".

These financial statements have been prepared on a going concern basis.

FINANCIAL STATEMENTS

Il bilancio consolidato semestrale abbreviato al 31 The half-yearly condensed consolidated financial statements at 31 March 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. With reference to CONSOB Resolution 15519 of 27 July 2006 on the financial statements, specific supplementary income statements have been included, where necessary, in order to highlight any significant transactions with related parties, and any transactions qualifying as non-recurring, atypical and/or unusual are indicated in the financial statements, and therefore highlighted in the notes.



Abitare In®

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

L'area di consolidamento include le imprese controllate. 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):

- Abitare in Maggiolina S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 100,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Abitare In Development 3 S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Milano City Village S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Milano Progetti S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- MyCity S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Trilogy Towers S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Abitare In Development 4 S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Abitare In Development 5 S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Abitare In Development 6 S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Abitare In Development 7 S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Savona 105 S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Homizy S.p.A., with registered office in Milan at via degli Olivetani 10/12 - Share Capital Euro 10,000 - 88.44% owned by Abitare In S.p.A.;
- Hommi S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - 88.44% owned by Abitare In S.p.A. through Homizy S.p.A.;
- Housenow S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - 88.44% owned by Abitare In S.p.A. through Homizy S.p.A.;
- Porta Naviglio Grande (former Mica S.r.l.), with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Lambrate Twin Palace S.r.l. (former Milano Living S.r.l.), with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Mivivi S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Palazzo Naviglio S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Smartcity S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- TheUnits S.r.l. (former Alibranda S.r.l.), with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Volaplana S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Creare S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Immaginare S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) by Abitare In S.p.A.;
- Richard S.r.l., with registered office in Milan at via degli Olivetani 10/12 - Quota Capital Euro 10,000 - wholly-owned (100%) 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.

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.

Please also note that some measurement processes are generally only fully completed when the annual financial statements are prepared, when all the necessary information is available, unless there are indicators of impairment that require the immediate measurement of any impairment losses.

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 half-yearly condensed consolidated financial statements at 31 March 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 half-yearly condensed consolidated financial statements at 31 March 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.

This amendment was approved on 15 January 2020 and had no effect on the half-yearly condensed consolidated financial statements at 31 March 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 half-yearly condensed consolidated financial statements at 31 March 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 half-yearly condensed consolidated financial statements at 31 March 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



Location: Porta Naviglio Grande
Neighbourhood: San Cristoforo sul Naviglio
Milano
(virtual photo - rooftop garden detail)



NOTES TO KEY ITEMS of the Statement of Financial Position



Location: Savona 105
Neighbourhood: Tortona
Milano
(virtual photo - loggia detail)

Note 1. Property, plant and equipment

The table below shows the breakdown of the item property, plant and equipment as at 31 March 2021 and 30 September 2020.

	31.03.2021	30.09.2020	Change
Property	5.472.310	5.556.953	(84.643)
Plant and machinery	22.853	12.223	10.631
General equipment	15.480	16.193	(713)
Other property, plant and equipment	948.341	875.018	73.323
Total	6.458.985	6.460.386	(1.401)

The table below shows changes in Property, plant and equipment at the reporting dates 31 March 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	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	-	14.800	-	170.461	185.261
Reclassifications (of carrying amount)	-	-	-	-	-
Amortisation in the year	(84.642)	(4.169)	(712)	(75.025)	(164.549)
Total changes	(84.642)	10.631	(712)	73.323	(1.400)
Closing balance					
Cost	5.926.095	37.917	19.050	1.289.444	7.272.506
Amortisation (accumulated amortisation)	(453.784)	(15.064)	(3.570)	(341.102)	(813.520)
Carrying amount	5.472.311	22.853	15.480	948.342	6.458.986

The item "Other property, plant and equipment" increased primarily due to costs incurred for the construction of the property intended for rental in co-living form of the subsidiary Smartcity S.r.l. totalling Euro 107 thousand and for the refurbishment of the viale Umbria 32 showroom, totalling Euro 44 thousand.

Note 2. Intangible assets

The table below shows the breakdown of the item intangible assets as at 31 March 2021 and 30 September 2020.

	31.03.2021	30.09.2020	Change
Development costs	986.830	992.224	(5.393)
Concessions, licences, trademarks and similar rights	4.761	8.657	(3.895)
Assets under construction and payments on account	504	25.704	(25.199)
Other intangible assets	423.985	238.159	185.823
Total	1.416.080	1.264.744	151.336

The table below shows changes in Property, plant and equipment at the reporting dates 31 March 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)	(773.520)
Carrying amount	992.224	8.657	25.704	238.159	1.264.744
Changes in the period					
Increases for acquisitions	173.376	-	-	224.312	397.688
Reclassifications (of carrying amount)	-	-	(25.200)	25.200	-
Amortisation in the year	(178.769)	(3.896)	-	(63.690)	(246.355)
Total changes	(5.393)	(3.896)	(25.200)	185.822	151.333
Closing balance					
Cost	1.789.691	24.382	504	621.376	2.435.953
Amortisation (accumulated amortisation)	(802.861)	(19.621)	-	(197.394)	(1.019.872)
Carrying amount	986.830	4.761	504	423.985	1.416.080

The increase in development costs and other intangible assets is due 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.

Note 3. Equity investments in other companies

The item in question is represented by the shares held in Tecma Solutions S.p.A., a company listed in the AIM Italia segment, specialised in Real Estate Business Innovation. The carrying amount has increased by Euro 2,198 thousand owing to the revaluation arising from the adjustment of the carrying amount to fair value at 31 September 2021. The quotation value as at 31 March 2021 of Euro 7.8 per share, was used as the fair value benchmark.

Note 4. Deferred tax assets and liabilities

The net balance of deferred tax assets and liabilities as at 31 March 2021 is as follows.

	31.03.2021	30.09.2020	Change
Deferred tax assets	918.364	883.153	35.211
Payables for deferred tax liabilities	(4.807.608)	(4.058.460)	(749.148)
Net position	(3.889.244)	(3.175.307)	(713.937)

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.

Note 5. Inventory

The table below shows the breakdown of Inventory as at 31 March 2021 and 30 September 2020.

	31.03.2021	30.09.2020	Change
Real estate developments under way	173.409.064	108.258.981	65.150.083
Advances on inventory	2.362.941	3.850.342	(1.487.401)
Finished products	536.367	26.948.966	(26.412.599)
Total	176.308.372	139.058.289	37.250.083

	Advances on inventory	Real estate developments under way	Finished products
Abitare In Development 4 s.r.l.	1.421.696	-	-
Abitare In Development 5 s.r.l.	50.432	-	-
Abitare In Development 6 s.r.l.	168.656	-	-
Abitare In Development 7 s.r.l.	-	-	27.823.230
Abitare in Maggiolina s.r.l.	-	-	4.119.952
Immaginare s.r.l.	100.000	-	-
Lambrate Twin Palace s.r.l. (former Milano Living s.r.l.)	282.802	-	-
Milano City Village s.r.l.	-	-	41.758.014
Milano Progetti s.r.l.	-	-	22.141.618
Mivivi s.r.l.	259.045	-	-

MyCity s.r.l.	-	4.555.126	-
Palazzo Naviglio s.r.l.	-	13.178.523	-
Porta Naviglio Grande (former Mica s.r.l.)	-	10.900.991	-
Richard s.r.l.	-	7.848.192	-
Savona 105 s.r.l.	-	24.724.228	-
Smartcity s.r.l.	-	-	-
TheUnits s.r.l. (former Alibranda s.r.l.)	-	1.153.138	-
Trilogy Towers s.r.l.	-	15.206.052	-
Volaplana s.r.l.	80.310	-	-
Total	2.362.941	173.409.064	536.367

The item "Finished products" refers entirely to the completed apartments owned by the subsidiary Abitare In Maggiolina S.r.l.. The item "Real estate developments under way" refers to projects under way and not yet completed as at 31 March 2021 and includes costs incurred to purchase real estate to be developed for a total amount of Euro 91,443 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 41,758 thousand), Milano Progetti S.r.l. (Euro 22,142 thousand), Abitare In Development 7 S.r.l (Euro 27,823 thousand), Savona 105 S.r.l. (Euro 24,724 thousand), Trilogy Towers S.r.l. (Euro 15,206 thousand), Palazzo Naviglio S.r.l. (Euro 13,179 thousand), Porta Naviglio Grande S.r.l. (former Mica S.r.l.) (Euro 10,901 thousand), Richard S.r.l. (Euro 7,848 thousand) and My City S.r.l. (Euro 4,555 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 154 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 10,357 thousand (Euro 14,387 thousand at the end of the previous reporting period).

	31.03.2021	30.09.2020	Change
Down payments/deposits on real estate complexes purchased	4.572.872	9.499.729	(4.926.857)
Other current assets	5.784.530	4.887.036	897.495
Other current assets	10.357.402	14.386.765	(4.029.363)

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

- the payment of Euro 470 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, viale 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 828 thousand to purchase the real estate complex situated in the Nolo area of Milan. The purchase is due to be finalised by 30 June 2021. 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 500 thousand to purchase the real estate complex situated in the Lambrate area of Milan. The purchase was finalised on 25 May 2021. The total agreed price to purchase the real estate complex is Euro 5,300 thousand. The final payment of the price will be made on the date the final agreement is signed;
- the down payment of Euro 400 thousand to purchase the real estate complex situated in the Lambrate area of Milan. The total agreed price to purchase the real estate complex is Euro 2,100 thousand. The final payment of the price will be made on the date the final agreement is signed;
- the down payment of Euro 300 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 item "Other current assets" mainly refers to:

- assets related to commission paid, totalling Euro 1,514 thousand, to acquire contracts of sale;
- prepayment of multi-year surety costs, totalling Euro 2,335 thousand;
- advances to suppliers for a total amount of Euro 955 thousand; deferrals of furniture costs related to the Olimpia Garden project totalling Euro 285 thousand.

Note 8. Current tax assets

Current tax assets (Euro 4,943 thousand) mainly refer to the VAT receivable (Euro 4,930 thousand).

Note 10. Cash and cash equivalents

The table below shows the breakdown of cash and cash equivalents as at 31 March 2021 and 30 September 2020.

	31.03.2021	30.09.2020	Change
Bank and postal accounts	19.303.591	35.181.847	(15.878.256)
Cash-in-hand and cash equivalents	2.921	299.148	(296.227)
Cash and cash equivalents	19.306.512	35.480.995	(16.174.483)

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 as at 31 March 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 102 thousand (negative for Euro 45 thousand as at 30 September 2020) and includes:

- 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 48 thousand;
- profits/(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 54 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 484 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.

Note 12. Current and non-current financial liabilities

The table below shows the breakdown of non-current financial liabilities as at 31 March 2021 and 30 September 2020.

	31.03.2021			30.09.2020			CHANGE
	non-current portion	current portion	Total	non-current portion	current portion	Total	
Medium/long-term bank loans	56.467.745	16.646.855	73.114.601	38.614.405	22.337.465	60.951.870	12.162.731
Short-term bank loans	-	-	-	-	-	-	-
Other financial payables	473.306	64.395	537.701	609.729	68.411	678.140	(140.439)
Total	56.941.051	16.711.250	73.652.302	39.224.134	22.405.876	61.630.010	12.022.292

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	30.09.2023	429	655	1.084	n/a	No
Loan	Abitare In S.p.A.	5.200	23.09.2020	23.09.2025	633	4.535	5.167	n/a	Yes
Mortgage loan	Abitare In Development 3 S.r.l.	3.000	22.06.2018	30.06.2033	183	2.309	2.492	6.000	No
Unsecured loan	Abitare In Development 4 S.r.l.	4.700	26.11.2020	26.11.2022	14	4.679	4.693	Pledge of AID4 shares	No
Landed property loan	Abitare In Development 7 S.r.l.	17.000	28.05.2020	31.05.2022	15.166	-	15.166	34.000	No
Landed property loan	Savona 105 S.r.l.	37.500	03.12.2020	31.12.2030	68	10.560	10.629	75.000	Yes
Landed property loan	Porta Naviglio Grande s.r.l. (former Mica s.r.l.)	11.802	14.01.2021	14.12.2025	16	2.966	2.982	23.604	Yes
Landed property loan	TheUnits S.r.l. (former Alibranda S.r.l.)	3.100	15.02.2021	28.02.2038	-	490	490	6.200	No
Landed property loan	Milano City Village S.r.l.	50.000	31.07.2018	31.12.2028	73	13.313	13.386	100.000	Yes
Landed property loan	Trilogy Towers S.r.l.	19.700	28.02.2019	28.02.2029	3	1.453	1.456	39.400	Yes
Landed property loan	Palazzo Naviglio S.r.l.	14.950	18.02.2020	17.02.2035	8	4.552	4.560	29.900	No
Credit facility backed by landed property	Milano Progetti S.r.l.	10.500	28.12.2020	31.07.2022	54	8.469	8.523	21.000	No
Mortgage loan	MyCity S.r.l.	2.500	17.05.2019	31.05.2034	-	2.486	2.486	5.000	No
Total					16.647	56.468	73.115		

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

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 (30/09/2020)	consolidated net financial debt/ consolidated equity	< 1.75	0,45
Abitare In S.p.A. (BPER)	Financial year (30/09/2020)	net financial debt in financial statements/equity in financial statements	< 0.75	0,28
Savona 105 S.r.l.	Solar year	Loan to Cost	< 69.5%	n/a*
Porta Naviglio Grande s.r.l.	At each interim payment request	Loan to Cost/Loan to Value	< 63%/45%	n/a*
Milano City Village S.r.l.	Financial year (30/09/2020)	Loan to Cost	< 62.4%	44,32%
Trilogy Towers S.r.l.	At each interim payment request Solar year (31/12/2020)	Loan to Cost/Loan to Value	< 63%/70%	23,70%

*Loans disbursed after 30 September 2020

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.

As required by IAS 7 paragraph 44A-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		30.09.2020
	Changes in the share capital	Changes in interest rates	Changes in fair value	Other changes		
31.03.2021						
Payables to banks	73.114.601	12.718.019	(4.726)	-	(550.562)	60.951.870
Other financial liabilities	537.701	(133.246)	(7.193)	-	-	678.140
Total	73.652.302	12.584.773	(11.919)	-	(550.562)	61.630.010

Note 13. Employee benefits

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

	31.03.2021	30.09.2020
Annual inflation rate	0,70%	1,00%
Annual technical discount rate	1,00%	0,60%
Annual remuneration increase rate	2,50%	2,50%

The following changes in employee benefits were recorded in the relevant periods:

Balance at 30 September 2020	246.904
Financial expenses	687
Advances paid and settlements	(24.464)
Accruals	46.301
Actuarial gains (losses)	14.946
Balance at 31 March 2021	284.374

Note 14. Other non-current liabilities

As at 31 March 2021, the item "Other non-current liabilities" consisted of the severance indemnity reserve (Euro 213 thousand) and the provision for risks (Euro 63 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	604
Advances paid and settlements	-
Accruals	13.237
Actuarial gains (losses)	(2.782)
Balance at 31 March 2021	212.504

Note 15. 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 56,957 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. and Savona 105 S.r.l. (Euro 24,845 thousand, Euro 15,598 thousand, Euro 6,417 thousand, Euro 2,758 thousand and Euro 6,339 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 6,919 thousand, refers to the subsidiaries Abitare In Maggiolina S.r.l. and AID7 S.r.l. respectively (Euro 62 thousand and Euro 6,857 thousand).

Note 16. Trade payables

Trade payables amounted to Euro 11,825 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 17. Other current liabilities

The table below shows the breakdown of other current liabilities as at 31 March 2021 and 30 September 2020.

NOTES TO KEY ITEMS in the Income Statement

	31.03.2021	30.09.2020	Change
Town planning costs	1.057.785	2.047.495	(989.710)
Other payables	4.500.963	2.989.495	1.511.469
Accrued expenses and prepaid income	304.227	532.682	(228.455)
Social security contributions payable	52.363	52.058	305
Other current liabilities	5.915.339	5.621.730	293.609

Payables arising from the phased payment of town planning costs refer to the subsidiaries Maggiolina S.r.l., Abitare In Development 7 S.r.l. and Palazzo Naviglio S.r.l. and amounted respectively to Euro 367 thousand, Euro 318 thousand and Euro 373 thousand.

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. and Abitare In Development 7 S.r.l., Palazzo Naviglio S.r.l., amounting to Euro 2,853 thousand;
- Retention money payable to the contractor engaged to complete demolition works in the real estate project of the subsidiary Milano Progetti S.r.l., amounting to Euro 316 thousand.

Note 18. Current tax liabilities

Current tax liabilities mainly refer to IRES tax payable, amounting to Euro 1,649 thousand.

Note 19. Revenue and changes in work in progress and finished products

Total revenue increased from Euro 33,570 thousand as at 31 March 2020 to Euro 63,297 thousand as at 31 March 2021. The change is mainly due to the increase in the item "Revenue from sales and services".

Note 19.1 Revenue from sales and services

Revenue from sales and services, amounting to Euro 25,035 thousand as at 31 March 2021, mainly refers to the sale of residential units by Abitare In Maggiolina S.r.l..

Note 19.2 Change in inventory for new sites purchased

As at 31 March 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.), Savona 105 S.r.l., Porta Naviglio Grande S.r.l. (former Mica S.r.l.), Richard S.r.l. and Milano Progetti S.r.l. amounting respectively to Euro 800 thousand, Euro 18,500 thousand, Euro 6,530 thousand, Euro 7,837 thousand, and Euro 250 thousand.

Note 19.3 Change in inventory for progress of works

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

	31.03.2021	31.03.2020
Abitare In Development 4 s.r.l.	806.313	377.611
Abitare In Development 5 s.r.l.	(15.000)	16.567
Abitare In Development 6 s.r.l.	31.156	30.398
Abitare In Development 7 s.r.l.	6.744.532	3.694.150
Abitare in Maggiolina s.r.l.	(22.292.647)	10.941.418
Homizy S.p.A.		2.916
Immaginare s.r.l.	100.000	-
Lambrate Twin Palace s.r.l. (former Milano Living s.r.l.)	236.179	25.144
Milano City Village s.r.l.	6.175.879	2.692.675

Milano Progetti s.r.l.	777.615	2.209.636	Construction charges	2.244.193	3.093.150	(848.957)
Mivivi s.r.l.	-	72.440	Directors	355.794	144.501	211.293
MyCity s.r.l.	72.561	42.685	Statutory auditors, auditing firm and supervisory body	262.941	25.776	237.165
Palazzo Naviglio s.r.l.	1.658.004	4.985.046	Marketing and advertising	379.867	148.165	231.702
Porta Naviglio Grande s.r.l. (former Mica s.r.l.)	3.978.063	70.174	Furniture costs	1.135.831	-	1.135.831
Richard s.r.l.	-	-	Brokerage fees	126.096	246.379	(120.283)
Savona 105 s.r.l.	4.029.907	804.814	Sureties	374.968	479.249	(104.281)
Smartcity s.r.l.		44.524	Insurance	137.346	107.943	29.403
The Units s.r.l. (former Alibranda s.r.l.)	331.486	-	Utilities	51.993	35.481	16.512
Trilogy Towers s.r.l.	724.993	1.963.461	Other	1.018.764	866.076	152.688
Volaplana s.r.l.	80.310	-	Total	23.265.509	20.490.047	2.775.462
Total	3.439.352	27.973.659				

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

Note 19.4 Other operating revenue

Other operating revenue, amounting to Euro 906 thousand as at 31 March 2021, mainly refers to revenue from promotional activities carried out on behalf of furniture suppliers (Euro 490 thousand), and the R&D tax relief (Euro 30 thousand).

Note 20. Operating expenses

As at 31 March 2021 this item includes costs incurred for the acquisition of the real estate complex by the subsidiaries TheUnits S.r.l. (former Alibranda S.r.l.) (Euro 800 thousand), Savona 105 S.r.l. (Euro 18,500 thousand), Porta Naviglio Grande S.r.l. (Euro 6,530 thousand), Milano Progetti S.r.l. (Euro 250 thousand) and Richard S.r.l. (Euro 7,737 thousand).

Note 20.1 Services

Costs for services break down as follows:

	31.03.2021	31.03.2020	Change
Legal, notarial and administrative consultancy	702.083	181.754	520.329
Technical consultancy	671.463	1.931.334	(1.259.871)
Design and project management	1.304.154	721.138	583.016
Construction costs	13.267.530	12.070.256	1.197.274
Rehabilitation	401.225	231.238	169.987
Demolition	831.260	207.607	623.653

Note 20.2 Personnel expenses

The breakdown of personnel expenses is as follows:

	31.03.2021	31.03.2020	Change
Wages and salaries	970.712	1.575.003	(604.291)
Social security costs	283.688	209.029	74.659
Severance indemnity reserve (TFR)	52.339	46.149	6.190
Other expenses	9.448	14.890	(5.442)
Total personnel expenses	1.316.187	1.845.071	(528.884)

Employees

The table below shows the average/end-of-period number of employees by category, as at 31 March 2021 and 30 September 2020:

	31.03.2021	31.03.2020
	Average	End-of-period
Executives	2	2
Office workers	35	35
Total	37	37

Note 20.3 Depreciation/Amortisation

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

	31.03.2021	31.03.2020	Change
Amortisation of intangible assets	246.355	155.893	90.462
Depreciation of property, plant and equipment	164.549	143.404	21.145
Total amortisation/depreciation	410.903	299.297	111.606

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 exclusively of the accrual to the directors' severance indemnity reserve.

Note 20.5 Other operating expenses

Other operating expenses amounted to Euro 1,026 thousand and mainly include indirect taxes (Euro 529 thousand), (including IMU tax amounting to Euro 289 thousand), contractual penalties (Euro 169) and, for the remainder, subscriptions and membership fees and various losses incurred.

Note 21. Financial income and expenses

Financial income as at 31 March 2021 amounted to Euro 2,302 thousand and referred mainly to the re-measurement at fair value of the equity investment in Tecma Solution S.p.A., amounting to Euro 2,198 thousand;

Financial expenses amounted to Euro 1,074 thousand and Euro 976 thousand respectively, as at 31 March 2021 and 31 March 2020. The change above is mainly due to the increase in average financial payables to banks.

Note 22. Income taxes

The table below shows the breakdown of income taxes as at 31 March 2021 and 31 March 2020.

	31.03.2021	31.03.2020	Change
Current	-	158.496	(158.496)
Deferred	732.022	1.153.538	(421.516)
Income taxes	732.022	1.312.034	(580.012)

Note 23. 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. Diluted earnings per share are calculated by dividing the profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding in the period and of those potentially to be issued if the targets set in the stock grant plan are met.

The table below shows the breakdown of the item basic and diluted earnings per share as at 31 March 2021 and 31 March 2020.

	31.03.2021	31.03.2020	Change
Net profit (loss) attributable to the owners of the Parent (Euro)	3.670.629	3.085.289	585.340
No. of shares outstanding	2.593.938	2.554.560	39.378,00
Number of potential ordinary shares		29.508	(29.508)
Average number of shares outstanding considered in the calculation of diluted earnings per share	2.593.938	2.584.068	9.870
Earnings per share (Euro)	1,42	1,21	0,21
Diluted earnings per share (Euro)	1,42	1,19	0,22

	31.03.2021	31.03.2020	Change
Net profit (loss) attributable to the owners of the Parent in statement of comprehensive income (Euro)	3.613.382	3.062.777	550.605
No. of shares outstanding	2.593.938	2.554.560	39.378,00
Number of potential ordinary shares		29.508	(29.508)
Average number of shares outstanding considered in the calculation of diluted earnings per share	2.593.938	2.584.068	9.870
Earnings per share (Euro)	1,39	1,20	0,19
Diluted earnings per share (Euro)	1,39	1,19	0,21

Note 24. 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.

A summary of transactions carried out in the period is provided below.

Society	Financial credits	Commercial credits	Other credits	Financial debts	Commercial debts	Other debts
AID3 S.r.l.	1.213.518	59.261	35.029	-	227.407	22.442
AID4 S.r.l.	4.385.603	243.309	924.248	-	-	-
AID5 S.r.l.	61.810	-	-	2.495	-	-
AID6 S.r.l.	1.200.939	-	1.856	-	-	-
AID7 S.r.l.	1.947.812	3.207.127	-	-	-	323.550
AIM S.r.l.	-	87.651	-	5.354.024	-	114.183
HM S.r.l.	-	-	-	-	-	461
HN S.r.l.	-	-	-	2.347	-	-
HO S.p.A.	-	46	-	4.065.037	-	-
LTP S.r.l.	622.000	-	77.127	-	-	-
MCV S.r.l.	6.158.600	5.277	322	-	-	178.891
MP S.r.l.	9.938.829	2.139.223	-	-	-	18.506
MV S.r.l.	979.537	106.579	50.248	-	-	-
MyC S.r.l.	1.956.369	54.689	108.023	-	-	-
PN S.r.l.	1.605.700	-	-	-	-	172.540
PNG S.r.l.	4.869.500	1.002.337	-	3.619	-	1.849.687
SMC S.r.l.	-	98	112.240	-	-	-
SV 105 S.r.l.	3.446.213	2.058.101	918.037	-	-	-
TT S.r.l.	1.900.025	138	234	-	-	268.726
TU S.r.l.	285.000	200.000	282.484	-	-	17
VL S.r.l.	316.000	10.693	-	-	-	-
Total	40.887.455	9.174.529	2.509.848	9.427.522	227.407	2.949.003

PNG S.r.l.	1.687.260	-	47.820
SMC S.r.l.	98	-	98
SV 105 S.r.l.	52.548	-	52.548
TT S.r.l.	39.508	-	138
TU S.r.l.	200.000	-	-
VL S.r.l.	10.456	-	10.456
Total	3.027.211	-	319.424

Other related-party transactions

Total remuneration for the period of directors, statutory auditors and key managers of the Group amounted to Euro 515 thousand and is detailed in the table below:

31.03.2021
Directors' remuneration
Directors' Severance Indemnity Reserve (TFM)
Statutory Auditors' remuneration
Remuneration of executive with strategic responsibilities
Total

Commitments and guarantees provided by the Group

In addition to what has already been reported in note 12, Abitare In guarantees the fulfillment of the obligations assumed by the subsidiaries, towards Reale Mutua Assicurazioni, against the release by the latter of the sureties that the same subsidiaries provide in favor of third parties. As of March 31, 2021, the total amount of the guarantee is equal to Euro 107 million.

Financial risk management policy

See the Directors' report accompanying the consolidated financial statements for further information.

Society	Revenues	Interest income	Other costs
AID3 S.r.l.	-	-	180.000
AID4 S.r.l.	-	-	-
AID5 S.r.l.	-	-	-
AID6 S.r.l.	-	-	-
AID7 S.r.l.	944.367	-	2.890
AIM S.r.l.	87.651	-	20.151
HM S.r.l.	-	-	-
HN S.r.l.	-	-	-
HO S.p.A.	46	-	46
LTP S.r.l.	-	-	-
MCV S.r.l.	5.277	-	5.277
MP S.r.l.	-	-	-
MV S.r.l.	-	-	-
MyC S.r.l.	-	-	-
PN S.r.l.	-	-	-

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

(in Euro)

			At 31.03.2021		
	Note	Carrying amount	Level 1	Level 2	Level 3
Assets					
Equity investments in other companies	3	4.494.000	4.494.000	-	-
Trade receivables	6	153.826	-	-	153.826
Other current assets	7	10.357.402	-	-	10.357.402
Cash and cash equivalents	10	19.306.512	19.306.512	-	-
Liabilities					
Non-current financial liabilities	12	56.941.052	56.941.052	-	-
Other non-current liabilities	14	275.672	-	-	275.672
Current financial liabilities	12	16.711.250	16.711.250	-	-
Customer down payments and deposits	15	63.876.194	-	-	63.876.194
Trade payables	16	11.825.173	-	-	11.825.173
Other current liabilities	17	5.915.338	-	-	5.915.338

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.

Amounts in K€	31.03.2021
Statutory audit	44
Other services	150
Total	194

per il Consiglio di Amministrazione
il Presidente

Luigi Gozzini



Location: Palazzo Naviglio,
Neighbourhood: Giambellino
Milano
(virtual photo)



Location: Savona 105
Neighbourhood: Tortona
Milano
(virtual photo - garden detail)

DECLARATION OF THE EXECUTIVE RESPONSIBLE FOR CORPORATE ACCOUNTING INFORMATION PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/1998 (CONSOLIDATED FINANCEACT)

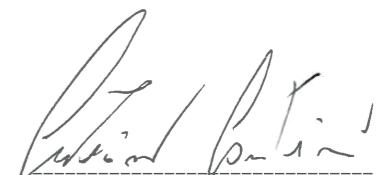
1. We, the undersigned, Luigi Francesco Gozzini and Cristiano Contini, acting respectively as Chief Executive Officer and Executive Responsible for Corporate Accounting Information for Abitare In S.p.A., taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Law 58/98, certify:
 - the adequacy, by reference to the characteristics of the business;
 - the effective application of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements at 31 March 2021.
2. We also certify that:
 - 2.1 the condensed interim consolidated financial statements at 31 March 2021:
 - b) 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;
 - c) correspond to the underlying accounting entries and records;
 - d) 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 interim management report includes a reliable analysis of the important events that occurred in the first six months of the year and of their effects on the abridged consolidated financial statements, together with a description of the main risks and uncertainties. The interim management report also includes a reliable analysis of the information on material transactions with related parties.

Milan, 3 June 2021



Luigi Francesco Gozzini

(CEO)



Cristiano Contini

(Executive Responsible for Corporate Accounting Information)

Abitare In S.p.A.

Independent Auditors' review report

Condensed consolidated financial statement
as of March 31th, 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.



Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

Independent Auditors' review report on condensed consolidated interim financial statements

To the shareholders of
Abitare In S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Abitare In S.p.A. and its subsidiaries (hereinafter the "Abitare In Group") comprising the statement of financial position as of March 31, 2021, the statement of comprehensive income, the statement of cash flow and the statement of changes in shareholders' equity for the period then ended and other explanatory notes. The directors of Abitare In S.p.A. are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard applicable to interim financial reporting (IAS 34) adopted by the European Union. Our responsibility is to express a conclusion on this interim consolidated financial reporting based on our review.

Scope of review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is substantially less than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements of Abitare In Group as of March 31, 2021, is not prepared, in all material respects, in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34), as adopted by the European Union.

Milan, June 07th, 2021

BDO Italia S.p.A.

Signed by Manuel Coppola

This report has been translated into English from the Italian original solely for the convenience of international readers.

Bari, Bologna, Bruxelles, Cagliari, Fironzo, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

BDO Italia S.p.A. - Sede Legale: Viale Abruzzi, 94 - 20131 Milano - Capitale Sociale Euro 1.000.000 i.v.
Codice Fiscale, Partita IVA e Registro Imprese di Milano n. 07722780967 - R.E.A. Milano 197784
Iscrivita al Registro dei Revisori Legali al n. 167911 con D.M. del 15/03/2013 G.U. n. 26 del 02/04/2013
BDO Italia S.p.A., società per azioni italiana, è membro di BDO International Limited, società di diritto inglese (company limited by guarantee), e fa parte della rete internazionale BDO, network di società indipendenti.

Page 1 of 1



Abitare In®