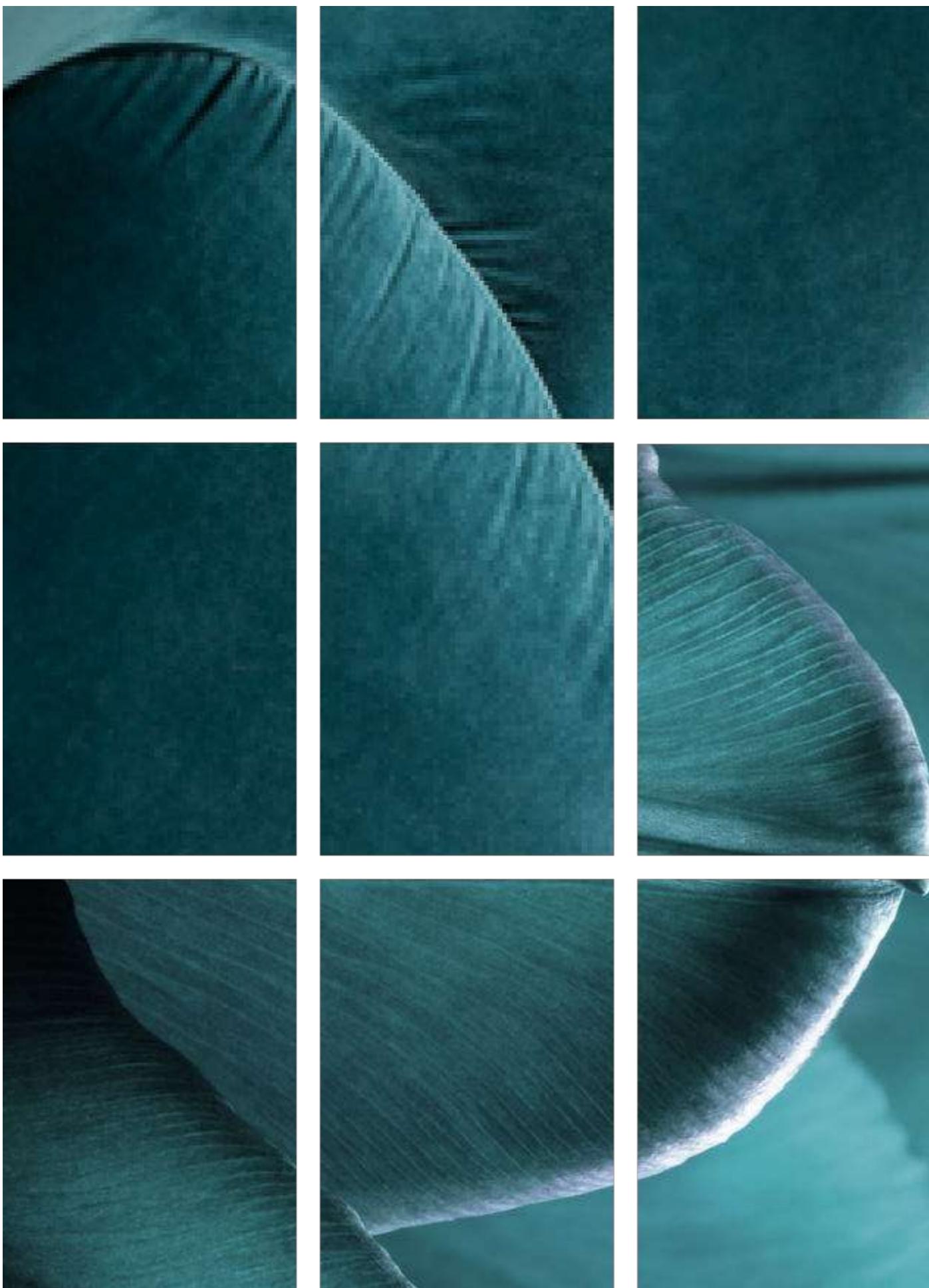


STILISTI URBANI - MADE IN MILANO



ANNUAL FINANCIAL REPORT AS AT 30 SEPTEMBER 2022

STILISTI URBANI - MADE IN MILANO



STILISTI URBANI
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AbitareIn S.p.A.

Address

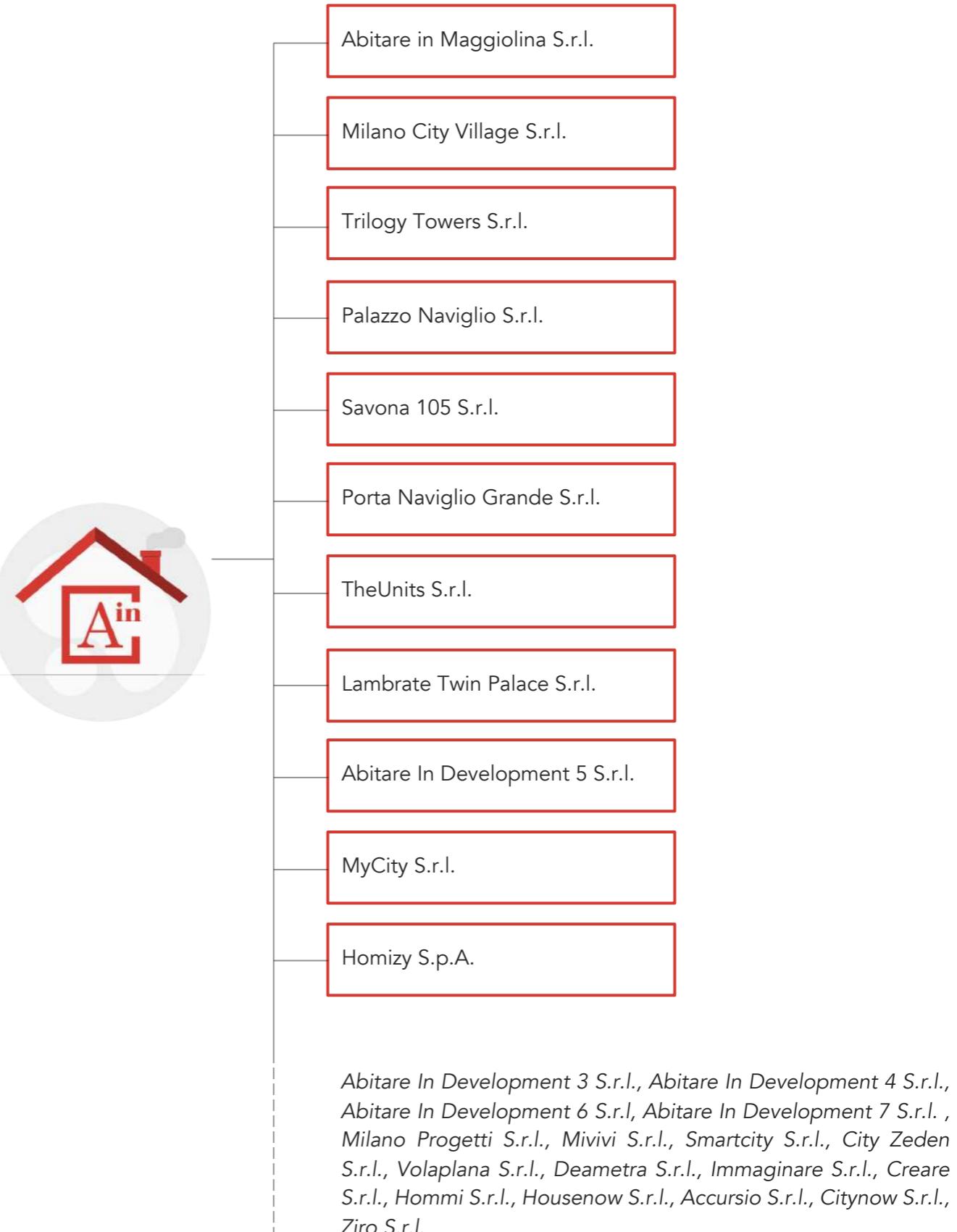
Head Office:
Viale Umbria, 32
Milano

Tel: +39 02 67.02.550

info@abitareinspa.com

www.abitareinspa.com

Group structure as at 30 september 2022



Management and control bodies

Board of Directors

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

Board of Statutory Auditors

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

Disclaimer

These 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.

Letter to Shareholders



Luigi Francesco Gozzini
Presidente



Marco Claudio Grillo
Amministratore Delegato

Report on the management of group AbitareIn

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

Starting at the end of 2019, the Group launched the project called "Homizy". Homizy nowadays is an innovative SME, 70.7% owned by the parent company Abitare In S.p.A., dedicated to the development of a new strategic line of business, namely the development and rental of residential properties through so-called co-living solutions, listed on the Euronext Growth Milan market, in the Professional segment. In particular, Homizy aims to offer young people, aged between 20 and 35, who relocate from their places of origin to a different city to pursue their career path or who want to fly the nest to become more independent, a living solution that guarantees efficiency in management and maintenance, 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.

Cari azionisti,

In un contesto macro-economico ancora caratterizzato da incertezze e complessità, l'esercizio 2022 della nostra Società si chiude con risultati in linea con le aspettative, a valle di 12 mesi in cui abbiamo ulteriormente rafforzato la nostra posizione sul mercato milanese e posto le basi per continuare nel nostro percorso di crescita.

Siamo molto lieti di confermare, come prima cosa, la conclusione dei lavori su due dei nostri progetti, Milano City Village e Palazzo Naviglio, e l'avvio dei roghi per la consegna definitiva ai nostri clienti. Con l'aggiunta della fine dei lavori di Trilogy Towers, prevista per l'inizio del 2023, nei prossimi oltre 300 famiglie entreranno nella loro nuova casa, che abbiamo progettato e realizzato con cura e attenzione per soddisfare le esigenze di ciascuno di loro.

Nel corso dell'esercizio abbiamo inoltre proseguito con la commercializzazione di altri nostri progetti (ad oggi sono 12 i progetti commercializzati dalla nascita di AbitareIn), in un momento di mercato che si conferma molto positivo. Difatti, non solo la casa continua a rivestire un ruolo centrale nelle priorità delle famiglie, ma la nostra Città, Milano, conferma la sua dinamicità unica, con volumi che si attestano, secondo le previsioni, a circa 30.000 compravendite alla fine del 2022.

Nel mese di September abbiamo portato a termine un'altra rilevante operazione, ovvero la cessione dell'operazione di via Cadolini Ex-Plasmon a un primario operatore del mercato, Supernova, per il corrispettivo di 72 milioni di euro.

Riteniamo che la conclusione di questa operazione, oltre ad avere un importante ritorno di tipo economico e finanziario, rappresenti una dimostrazione concreta del valore della Società, evidenziando, in maniera inequivocabile, la nostra capacità di operare positivamente sul tessuto urbano, recuperando siti in stato di abbandono e trasformandoli in progetti che possono essere valorizzati con successo nelle diverse fasi di sviluppo.

Siamo inoltre molto orgogliosi di un altro importante risultato raggiunto nel corso dell'anno: nel mese di ottobre, la Società si è classificata per il secondo anno di seguito tra le prime 100 aziende italiane nell'edizione 2022 del Sustainability Award, il prestigioso premio assegnato da Kon Group e Credit Suisse, con la collaborazione scientifica istituzionale di Altis – Alta Scuola di Formazione dell'Università Cattolica del Sacro Cuore e la collaborazione tecnica di RepRisk.

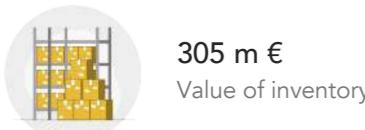
Guardando al futuro, oltre a rimanere sempre concentrati sul monitoraggio del contesto macroeconomico e sui suoi sviluppi, il nostro obiettivo rimane quello di proseguire nel nostro percorso di crescita continuativa e sostenibile, mantenendo un impegno concreto e di lungo termine in ambito ESG e consolidando la nostra posizione di leadership nel mercato residenziale milanese, offrendo una living experience sempre più completa e sostenibile, oltre che con la realizzazione di nuovi progetti residenziali destinati alla vendita, anche con lo sviluppo del progetto di co-living Homizy.

Luigi & Marco

Highlights

► Statement of financial position highlights

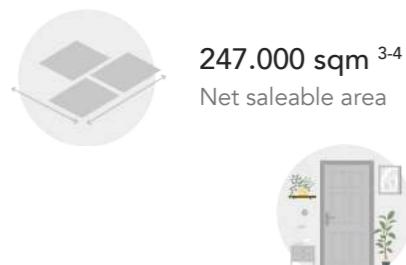
at 30.09.2022



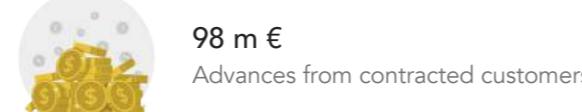
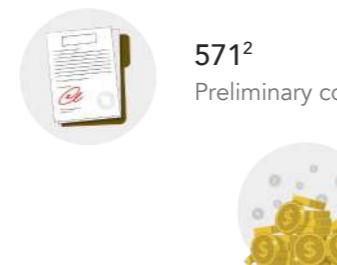
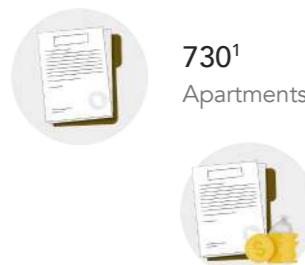
► Key non-financial indicators

at 13.12.2022

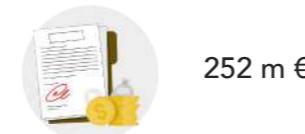
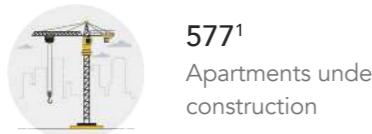
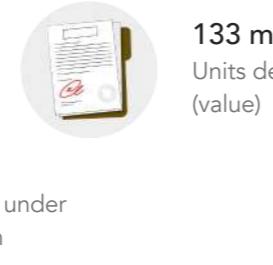
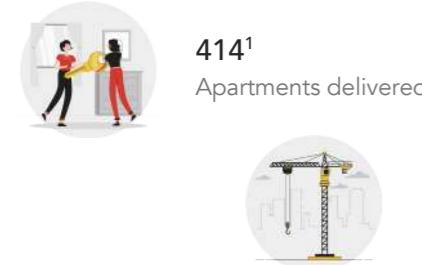
Development Pipeline



Order book



Construction site progress



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

As of today's date, the Group's development pipeline consists, net of the projects already completed and delivered, of 20 areas, for about 247,000 sqm, corresponding to about 2,680 type apartments¹, located in various semi-central and semi-peripheral areas of the City of Milan.

It should be noted that the pipeline size figures are considered net of the Via Cadolini (ex-Plasmon) development, which is the subject of a preliminary sale agreement for the consideration of Euro 72 million. AbitareIn, prior to the sale, carried out significant development activities both in terms of urban planning and environmental remediation.

Of the flats in the pipeline, to date 730 type apartments¹ have been sold (on a preliminary basis), for a countervalue of Euro 320 mln, with contracted advances (guaranteed by a surety policy) amounting to Euro 98 mln, and 577 flats are currently under construction¹.

Units delivered

To date, the Group has delivered 414 apartments¹ (not included in the pipeline data) divided into the three projects Abitare In Poste, Abitare In Maggiolina and Olimpia Garden, for a value of Euro 133.2 mln.

The Residential in Milan

Over the past year, the Milanese residential market has continued to show strong interest, with the current potential inflationary trend providing a further boost. The first half of 2022 saw the volume of transactions register +17.5% compared to the first half of 2021, bringing to 30,000 the number of transactions expected at the end of this year. In terms of prices, the figures are also strongly positive: +8.3% year-on-year in the city, with new sales up 16.9%. In addition, the 'scarcity' effect on the product continues, in the face of very strong demand, with a consequent increase in sales prices.

Milan is also confirmed as one of the most interesting locations globally, as confirmed by the latest Global Real Estate Bubble Index released by UBS, according to which Milan represents one of the most interesting markets in which to invest.

¹ No. of apartments considering an average size of 92 sqm for marketing in free building and 82 sqm for social housing. The number of apartments actually realised and of contracts signed, without prejudice to the overall size, may vary depending on the customisation of the size of the units.

² It may differ from the no. of apartments depending on the actual size of the apartments sold. In recent transactions AbitareIn has seen a significant and progressive increase in the average size of apartments sold.

³ This includes 12,800 sqm of commercial space equal to 140 model apartments on which development in the co living formula through the subsidiary Homizy S.p.A. is being evaluated.

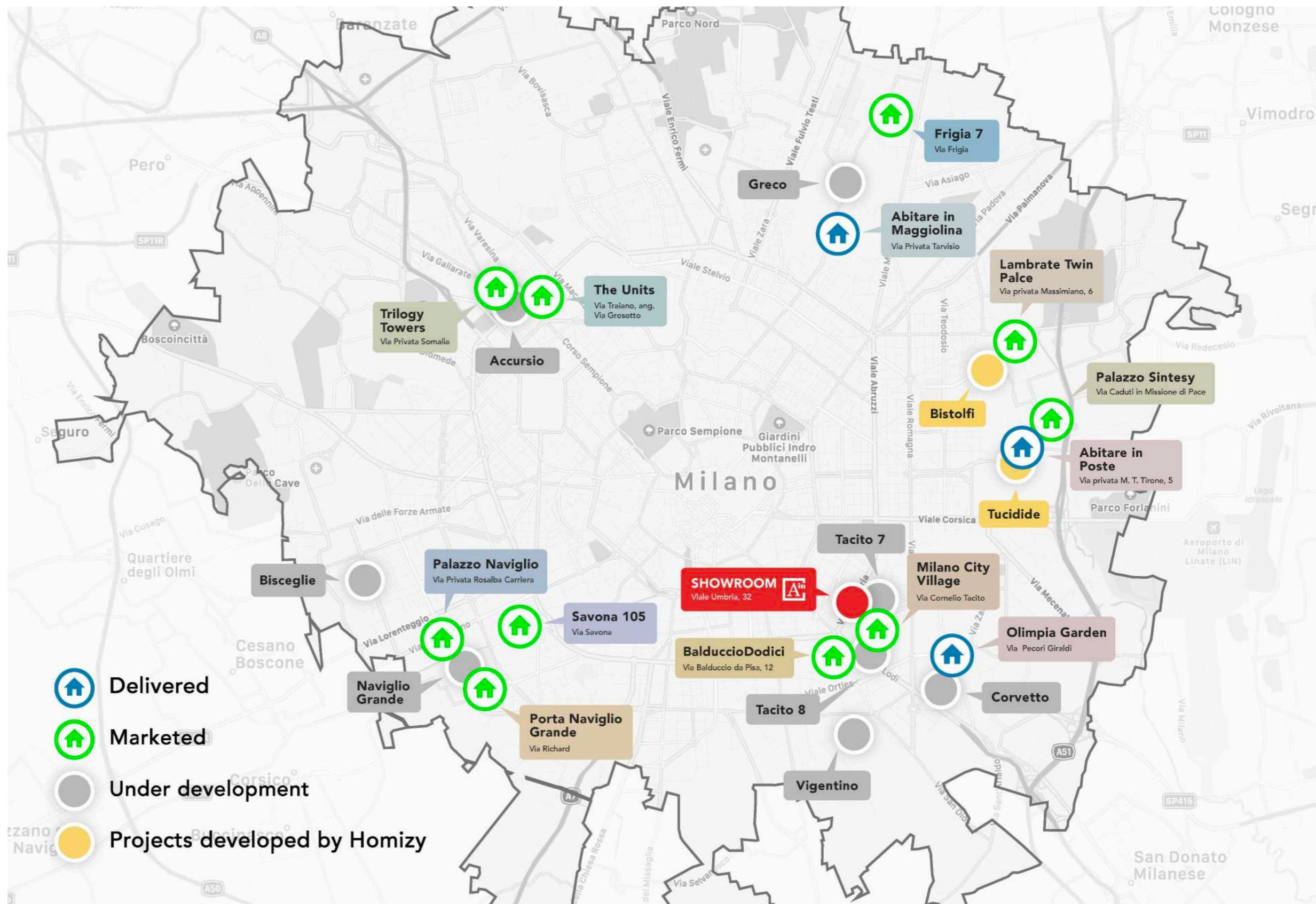
⁴ Of which 26,000 sqm commercial of social housing.

⁵ Of which 317 apartments in of social housing.

⁶ Construction site that can be launched in 12 months.

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

Projects under development



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

Stilisti Urbani

Made in Milano



Scan the QR code with your smartphone or tablet to open the multi media 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 AbitareIn has become the major player in the Milan residential property development market, boasting an order book of 20 projects in the pipeline, equivalent to a total of over 2,600 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 (Tailored-made homes), that benefits from the economies of scale typical of an industrialised model.

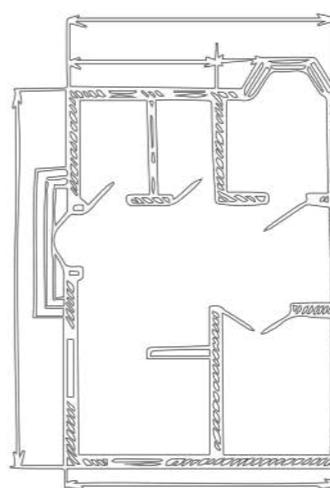
In April 2016 AbitareIn was listed on the Euronext Growth Milan market (formerly AIM Italy market) and as of 1 March 2021 is listed on the Euronext STAR Milan segment of the Euronext Milan market. Translated with

AbitareIn 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 AbitareIn's uniqueness, the actual construction of the projects is contracted out to primary construction firms, thus eliminating the associated risk, thanks also to the extensive use of technology that ensures that the Company is constantly updated on the status

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

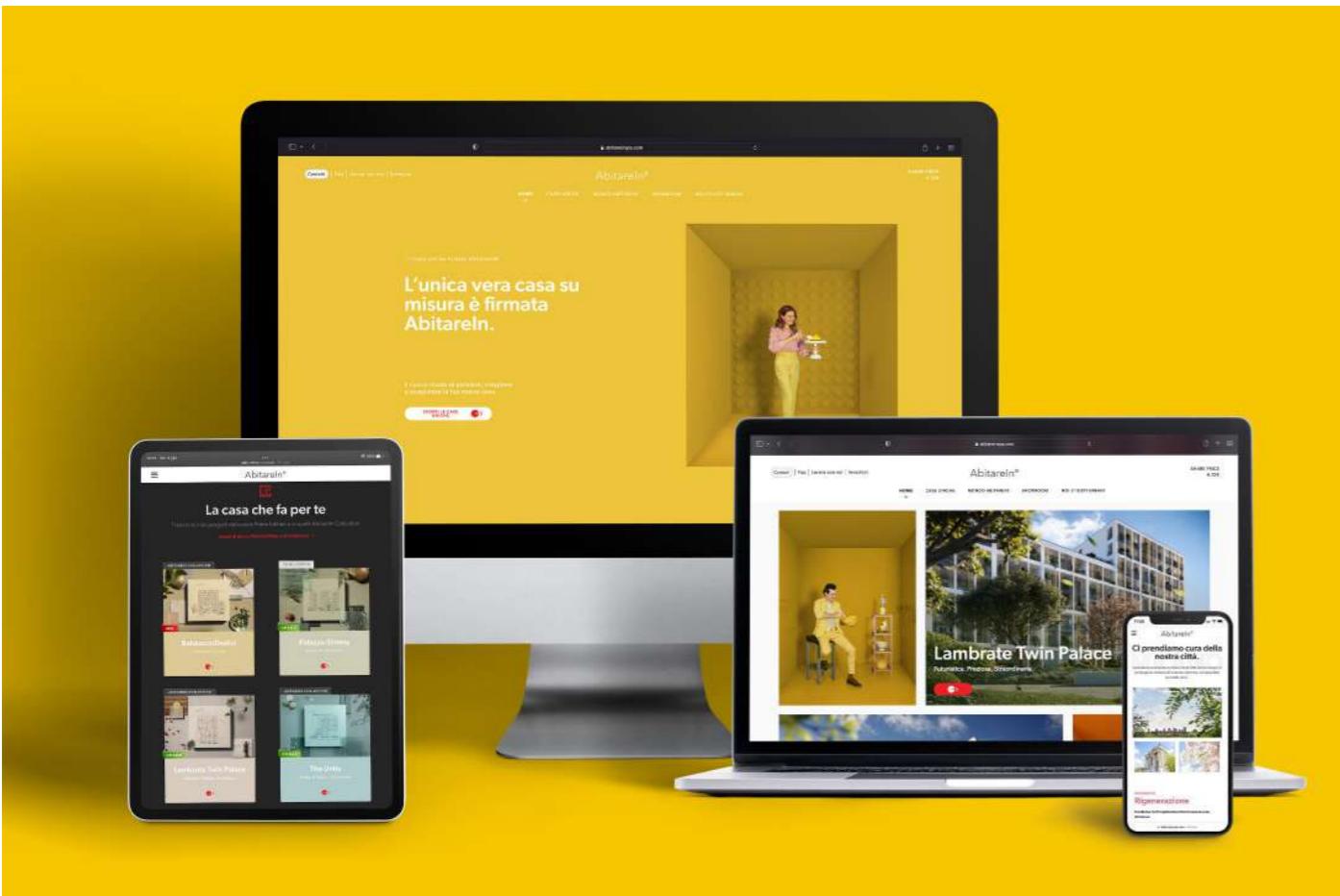
Its real estate projects have always been enormously successful, even in the years of the financial crisis. The Company has developed and fine-tuned its product and marketing strategy through strong branding and the use of state-of-the-art marketing and Customer Relationship Management (CRM) tools.



The latest innovative project is AbitareIn's proprietary e-commerce platform for selling homes under construction. The Company will use the new platform to offer customers an extremely immersive and complete buying experience, delivered through innovative technology: the artificial intelligence of a virtual assistant available 24 hours a day, an online apartment configurator (similar to those used in the automotive industry), the possibility of virtually visiting the showrooms thanks to virtual reality technology, the possibility of conducting meetings via videoconferencing and the digitisation of all the documentar and contractual processes.

In fact, AbitareIn'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 first integrated e-commerce platform for new residential real estate



The meeting of the two visions of the founders, Luigi Gozzini and Marco Grillo, led to the birth of AbitareIn S.p.A. and to a real upheaval of the residential development paradigm. The two developers, aware of the importance of radically changing the dynamics typical of the real estate sector, were able to bring the processes of digital and industrial innovation typical of other sectors to the residential sector.

This revolution, which began as early as 2015 when research and development activities were already central, was speeded up as a result of the Covid-19 pandemic, leading to the launch of the online sales platform dedicated to an initial real estate initiative and aimed at allowing end users to virtually visit flats and purchase a home, crossing the boundaries of the physical.

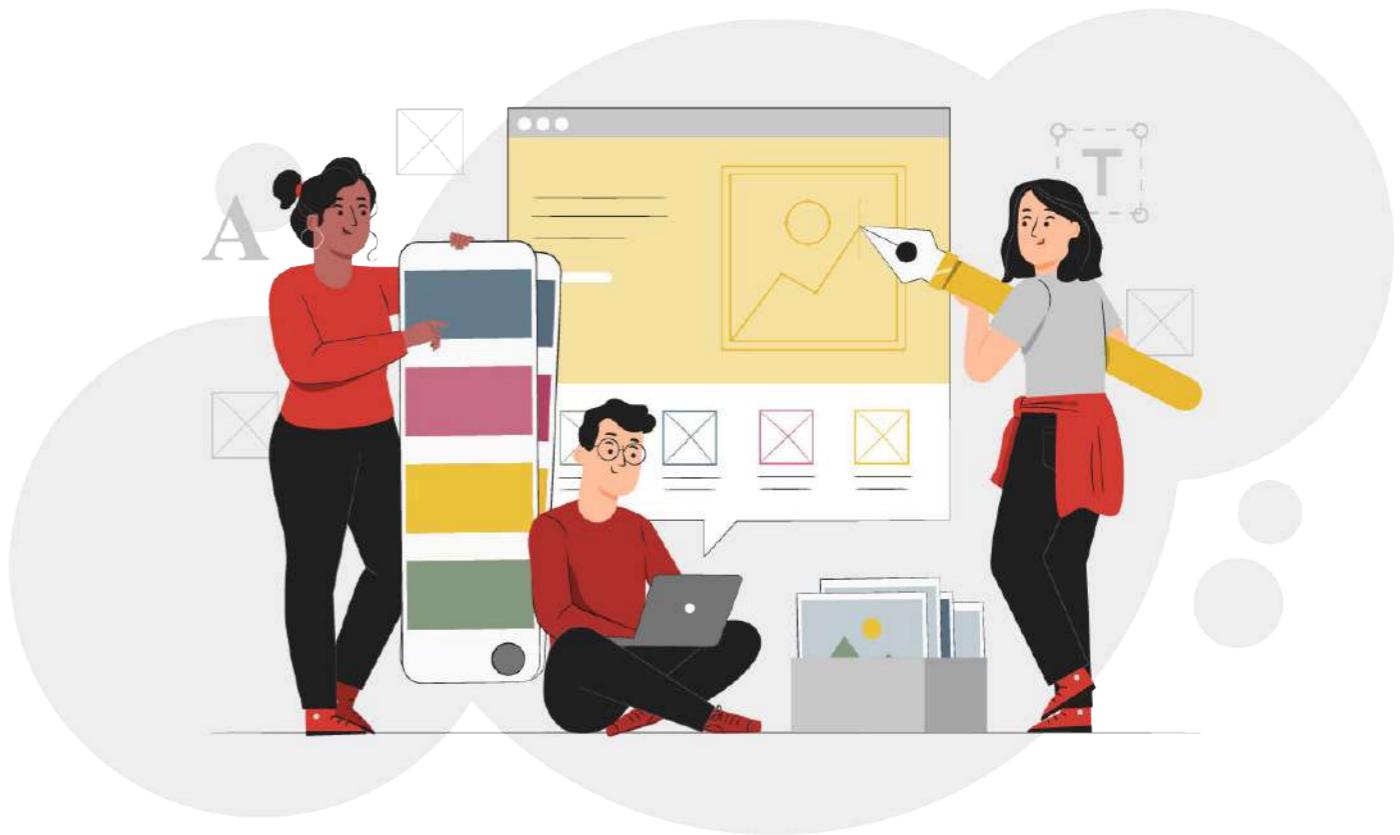
Having reached this goal, following constant and substantial investments in research, the innovative AbitareIn Corporate E-Commerce Platform was launched in 2022, the first real technological solution in the world, in terms of degree of detail, user experience and all-round integration with business processes, aimed at selling houses online.

In collaboration with TECMA Solutions, a Tech Company specialized in Digital Transformation for the Real Estate sector, we developed a new business model: a digital showroom with all our new projects promoted.

The initiative stems from the desire to respond to the new needs of end users, who are increasingly oriented towards online purchasing solutions and the customization of environments.

In 2022, we therefore presented the new platform that allows users to enjoy a 360-degree shopping experience from the comfort of their own home. The technology developed makes it possible to view all AbitareIn's real estate initiatives in a single web environment, select the different housing solutions and personalize them, make an estimate, book an appointment at the physical showroom (which has also been renovated and enriched with digital hardware and software technologies) or directly on video, and buy online.

The project, on which AbitareIn and Tecma have been working for more than two years, brings the residential development sector to be multi-channel, and is the result of a partnership that stems from the shared value of innovation as a driver of transformation.



Homizy built 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.



Homizy business model

How we can do it

•> Smart Co-Living

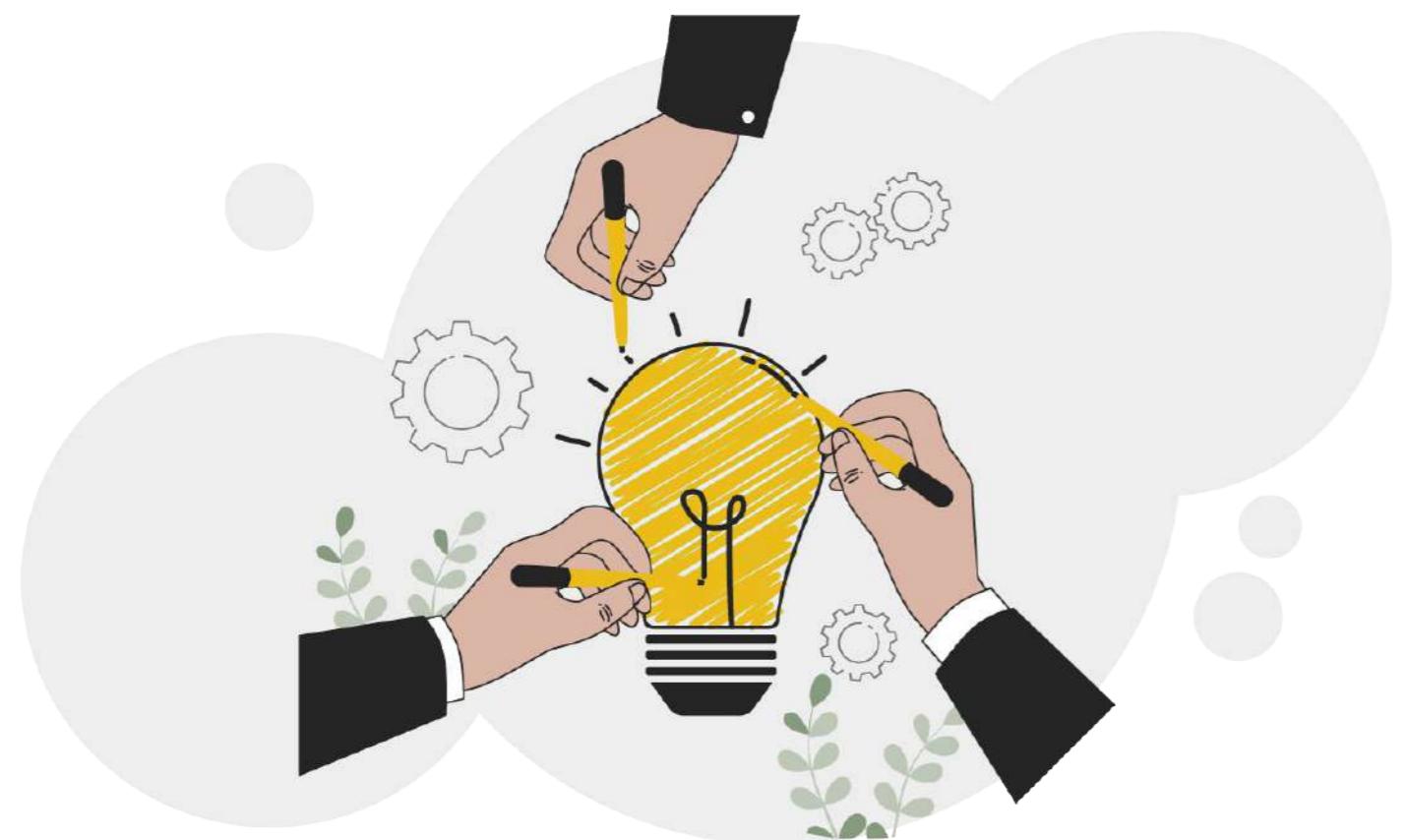
On-trend and smart residential complexes designed and built specifically with co-living services in mind, aimed at providing more efficient management and maintenance, innovative services and social spaces.

•> Prodotto unico e innovativo

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

•> Know how Abitare In

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





Abitare In Maggiolina

RESERVED. LIGHTWEIGHT. REFINED.

Abitare In Maggiolina is the second project carried out by Abitare In, completed and delivered from 2020 onwards. 125 apartments distributed in the two buildings, Sky Tower and Maggiolina Gardens, originating from the complete regeneration of an abandoned and degraded area, which used to house the headquarters of the daily newspaper "Il Giorno".

In the 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.

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

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

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

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



Milano City Village

DYNAMIC. MULTIFACETED. HARMONIUS.

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

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

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

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

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





Trilogy Towers

PRECIUS. SOPHISTICATED. PEACEFUL.

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

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

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

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

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

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

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



Palazzo Naviglio

CONTEMPORARY. ELEGANT. INNOVATIVE .

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

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

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

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

From Nature for Nature.

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



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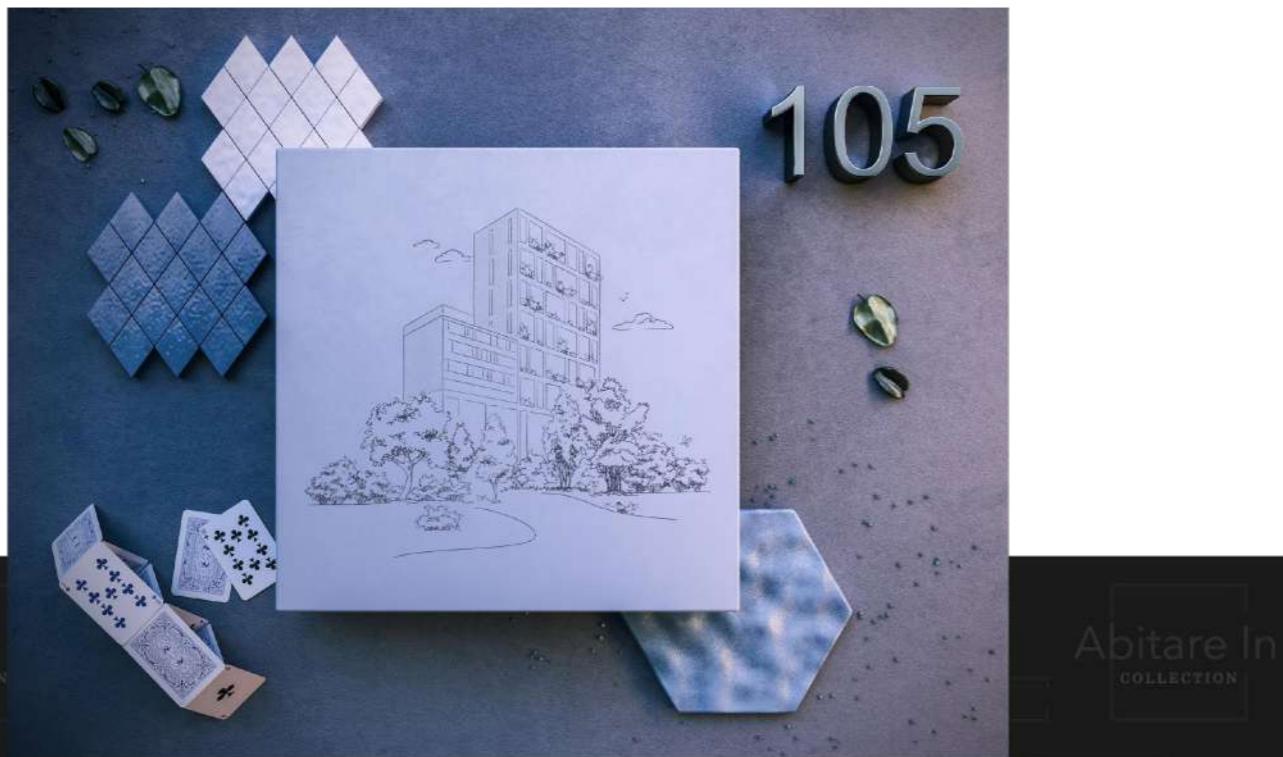
Savona 105 FRESH. PRESTIGIOUS. ALLURING.

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

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

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

A way to achieve a better quality of life.



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Olimpia Garden INTIMATE. GREEN. CHARMING.

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

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

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



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Porta Naviglio Grande

ENERGETIC. IDENTITARIAN. THECNOLOGICAL.

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

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

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

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



The Units

PRATICAL. DYNAMIC. COMFORTABLE.

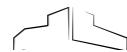
The Units is a residential complex overlooking Piazzale Accursio, a Milan area with a dynamic, fresh and innovative personality. The proximity of Piazza Portello and City Life offers numerous possibilities for entertainment, places of interest and catering. In fact, the area is rich in contemporary architecture,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

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

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

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





Lambrate Twin Palace

FUTURISTIC. PRECIOUS. EXTRAORDINARY.

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

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

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

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



Palazzo Sintesy

ESSENTIAL. UNIQUE. YOURS.

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

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

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

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

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



BD

Balduccio Dodici

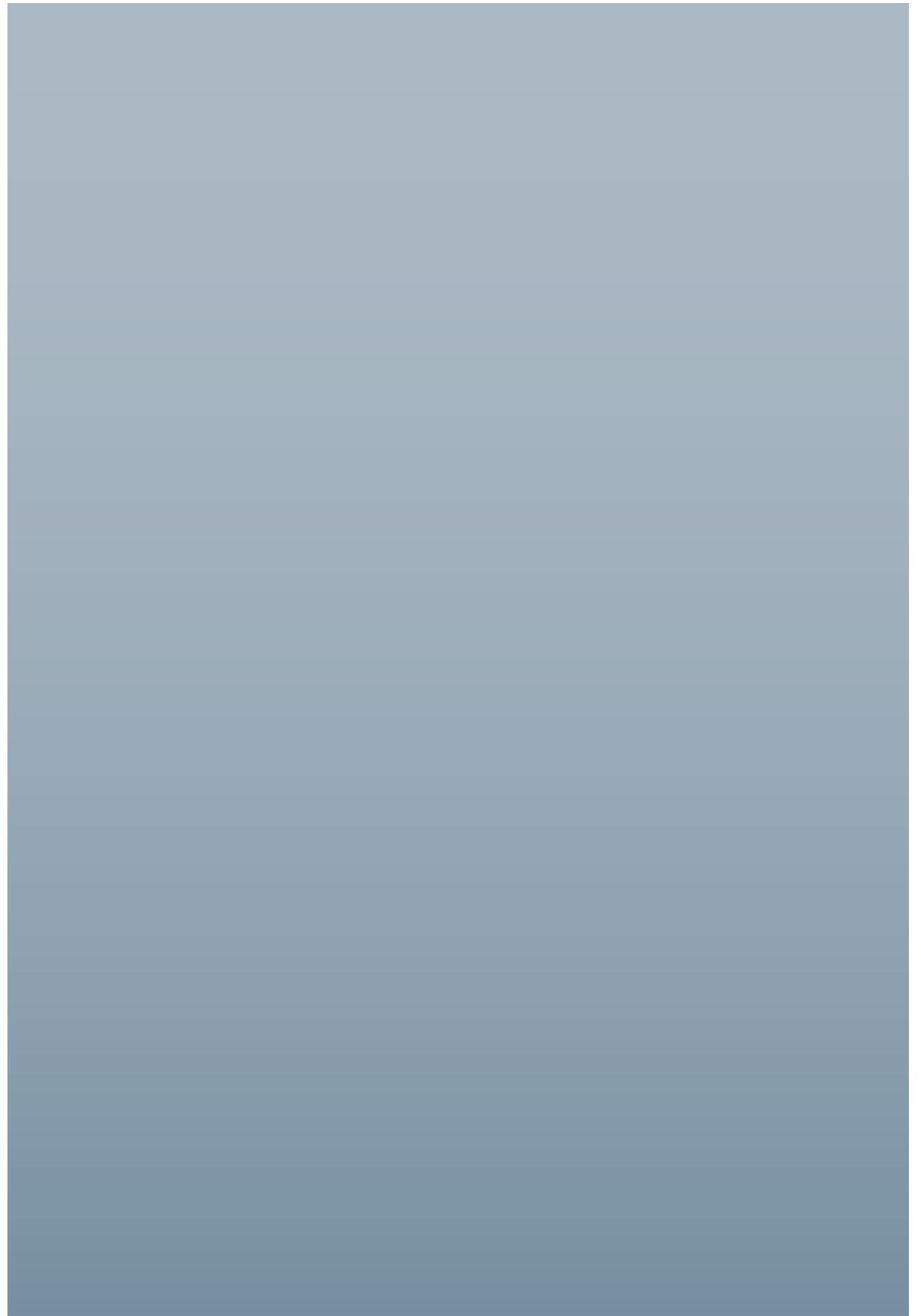
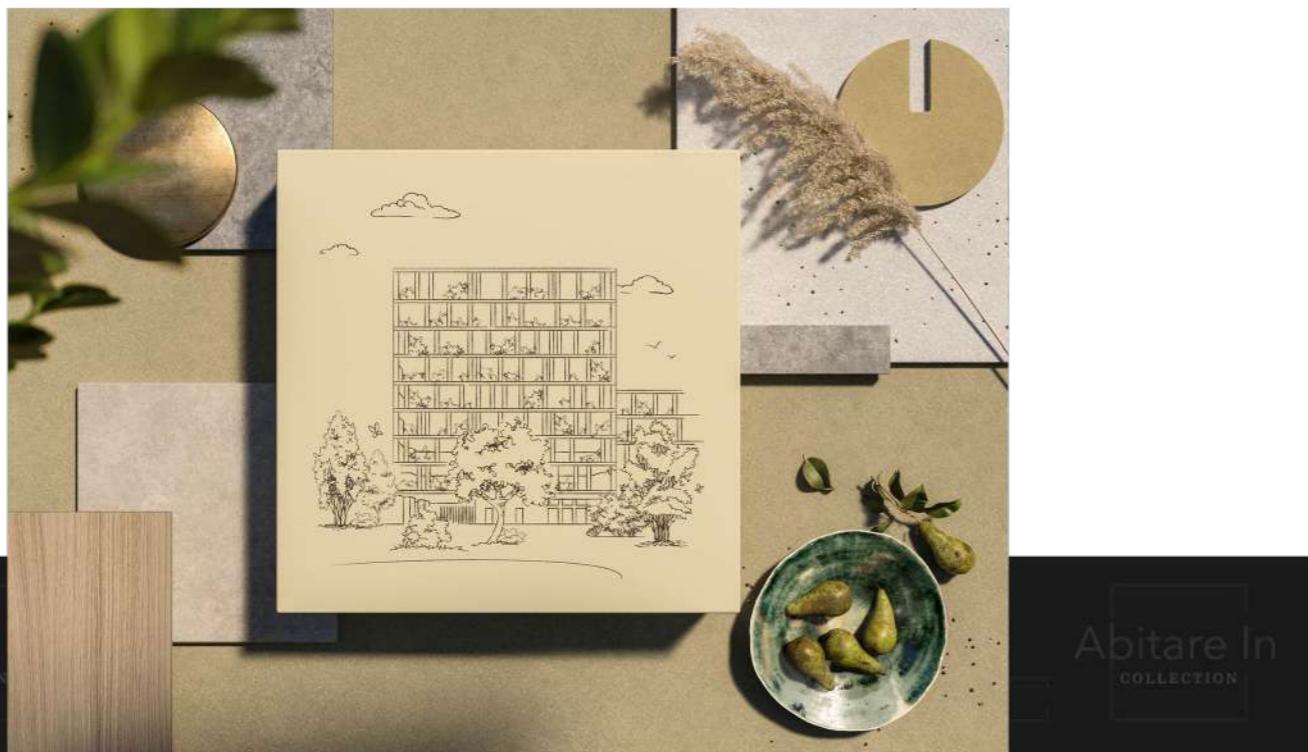
PRESTIGIOUS. SHINING. INIMITABLE.

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

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

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

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

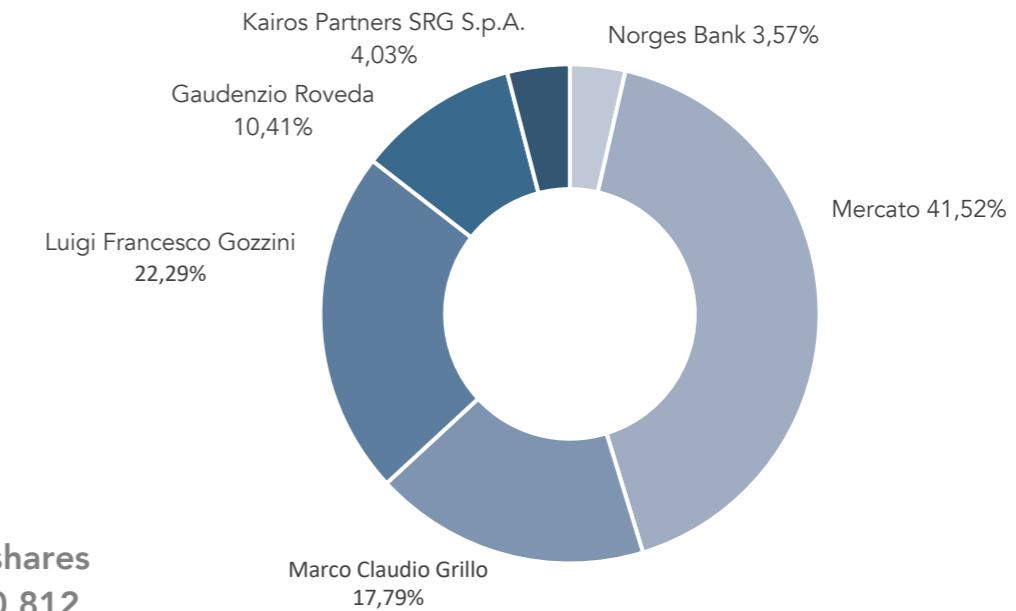


Report on Management

AS AT 30 SEPTEMBER 2022

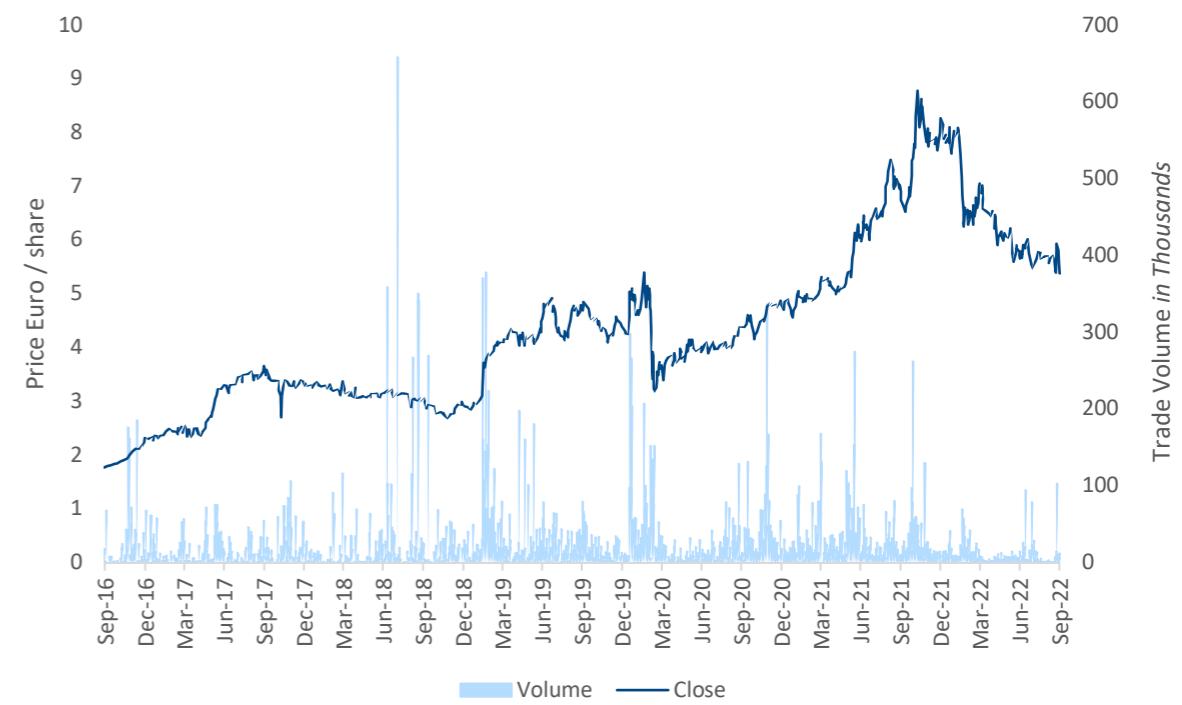
Shareholding base

As of 13 December 2022, according to the communications made pursuant to Article 120 of Legislative Decree No. 58 of 24 February 1998 - Consolidated Finance Act (TUF), the situation of the relevant shareholders of Abitare In S.p.A. is as follows:



Stock

Abitare In S.p.A. is listed on the Italian Stock Exchange in the Star segment. Below is a graph of the share price performance and volumes traded from 1 October 2021 to 30 September 2022.



Group operating performance of the year ending 30 September 2022

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

Reclassified consolidated income

Description amounts in Euro	30.09.2022	% on core business revenues	30.09.2021	% on core business revenues
Revenue from the sale of real estate	20,649,915	16.90%	50,436,019	40.41%
Changes in inventory of work in progress and finished products	79,765,416	65.29%	20,653,707	16.55%
Change in inventory of real estate complexes purchased	16,866,000	13.80%	49,698,315	39.82%
Other revenue	4,895,857	4.01%	4,029,629	3.23%
Total revenue from operating activities	122,177,188	100.00%	124,817,670	100.00%
Production costs	101,663,410	83.21%	102,527,755	82.14%
ADDED VALUE	20,513,778	16.79%	22,289,915	17.86%
Personnel expenses	2,440,315	2.00%	2,108,140	1.69%
Other operating expenses	1,942,441	1.59%	1,882,118	1.51%
EBITDA	16,131,022	13.20%	18,299,657	14.66%
Adjusted EBITDA (1)	23,464,816	19.21%	21,226,614	17.01%
Depreciation/amortisation, impairment and other provisions	1,746,732	1.43%	1,436,023	1.15%
EBIT	14,384,290	11.77%	16,863,634	13.51%
Adjusted EBIT (1)	21,718,084	17.78%	19,790,591	15.86%
Financial income and expenses and adjustments to financial assets	(3,148,612)	(2.58%)	(160,745)	(0.13%)
EBT	11,235,678	9.20%	16,702,889	13.38%
Adjusted EBT (2)	24,446,040	20.01%	19,629,846	15.73%
Income taxes	(3,319,440)	(2.72%)	(4,540,687)	(3.64%)
Profit (loss) for the year	7,916,238	6.48%	12,162,202	9.74%

1 In the financial year ended 30 September 2022, adjusted upwards for costs (amounting to Euro 1,734 thousand) arising from the application of ifrs2 in relation to the assignment of Stock Grants and upwards for construction costs on upcoming construction sites. In the financial year as at 30 September 2021, adjusted upward by costs (amounting to Euro 547 thousand) arising from the translisting of the Company's shares on the MTA market, STAR segment, and notional costs (amounting to Euro 2,379 thousand) arising from the application of ifrs2 in respect of the Stock Grant assignment.

2 In the financial year ended 30 September 2022, adjusted for the increase in costs (amounting to Euro 1,734 thousand) arising from the application of ifrs2 in respect of the Stock Grant assignment and for the increase in construction costs on upcoming construction sites and for the increase in income from the IPO of the subsidiary Homizy S.p.A. In the financial year ended 30 September 2021, adjusted upward by costs (amounting to Euro 547 thousand) arising from the translisting of the Company's shares on the MTA market, STAR segment, and notional costs (amounting to Euro 2,379 thousand) arising from the application of ifrs2 in connection with the Stock Grant assignment.

The financial year ended 30 September 2022 saw CONSOLIDATED REVENUES of Euro 122.2 million, resulting from:

- (i) revenues from sales in the amount of Euro 20.6 mln (Euro 50.4 mln as at 30.09.2021), arising from the deeds of real estate units delivered to customers during the financial year;
- (ii) change in inventories due to the progress of work on real estate initiatives, in the amount of Euro 79.7 million, net of the inventory unloading related to the completion of work and the subsequent deliveries of completed projects to customers. Production progress amounted to Euro 96.6 million (Euro 48.3 million as at 30.09.2021). Completed the co-construction works on the sites of Milano City Village (first building) and Palazzo Naviglio. Continuation of works on the Trilogy Towers and Porta Naviglio Grande sites, and preliminary works for the co-construction of Lambrate Twin Palace, Balduccio Dodici, Savona 105, Cadolini ex-Plasmon and NoLo
- (iii) change in inventories for the purchase of new areas, amounting to Euro 16.9 million (Euro 49.7 million as of 30.09.2021);
- (iv) other revenues from ordinary operations in the amount of Euro 4.9 million (Euro 4 million as at 30.09.2021), mainly arising from activities carried out by the subsidiaries of Homizy S.p.A.

CONSOLIDATED EBT ADJ amounted to Euro 11.2 mln (Euro 16.7 mln as at 30.09.2021), influenced by the following items:

- Adjustment downwards by Euro 5.6 million, which had already been fully implemented with the approval of the first quarter figures, due to the increase in construction costs on construction sites soon to be delivered, following the definition of agreements with the contractors of these sites aimed at supporting the production chain and guaranteeing customers the delivery of a quality product without further delays. In this regard, it should be noted that the overall marginality is affected by the increase in construction costs that occurred last year, which, on the 5 projects marketed prior to the occurrence of this increase, amounted to a total of approximately Euro 21 million. On these five projects, the inclusion of the so-called "price adjustment clause" was not envisaged, which allows the sale price of the flats already subject to the preliminary contract to be changed on the basis of the construction cost index issued by ISTAT, introduced, on the contrary, in all subsequent commercialisations.
- Euro 1.7 million of notional costs arising from the application of IFRS 2 in connection with the share of Stock Grants established in favour of management.

The consolidated EBT also does not include Euro 5.9 million of the proceeds from the IPO of the subsidiary Homizy, which were recognised directly in equity, without going through the income statement (a different accounting treatment of the item was envisaged with respect to what was disclosed with the approval of the interim report for the year ended 31 December 2021, where it was in any case expressly specified). The different accounting method does not affect group equity.

Therefore, the CONSOLIDATED EBT ADJ, including the aforementioned income and net of the decreasing items mentioned above, amounts to € 24.4 mln.

Reclassified consolidated statement of financial position

Values are expressed in Euro units.

Investments	30.09.2022	30.09.2021
Intangible assets	1,829,560	1,673,958
Property, plant and equipment	12,095,616	8,980,198
Financial assets	310,968	-
Equity investments in other companies	4,715,514	4,370,694
Other non-current assets	2,381,742	1,172,151
Other current assets	24,795,525	18,343,212
Inventory	305,379,872	209,663,389
Other current and non-current liabilities	(139,314,565)	(96,267,664)
NET INVESTED CAPITAL	212,194,232	147,935,938
Cash and cash equivalents	(32,365,487)	(13,778,285)
Current financial payables	17,915,573	16,710,663
Non-current financial payables	130,636,766	72,167,050
NET FINANCIAL POSITION	116,186,852	75,099,428
Share capital	132,654	129,677
Reserves and profit (loss) carried forward	87,982,307	60,515,075
Profit (loss) for the year	7,892,419	12,191,758
EQUITY	96,007,380	72,836,510
SOURCES OF FINANCING	212,194,232	147,935,938

Financial Debt

Financial Debt	30.09.2022	30.09.2022	30.09.2021	Change
amounts in Euro				
A. Cash and cash equivalents		32,365,487	13,778,285	18,587,202
B. Means equivalent to cash and cash equivalents		-	-	-
C. Other current financial assets		-	-	-
D. Liquidity (A) + (B) + (C)	32,365,487	13,778,285	18,587,202	
E. Current financial payables		-	-	-
F. Current portion of non-current debt		17,915,573	16,710,663	1,204,910
G. Current financial debt (E) + (F)	17,915,573	16,710,663	1,204,910	
H. Net current financial debt (G) - (D)	(14,449,914)	2,932,378	(17,382,292)	
I. Non-current financial payables		130,636,766	72,167,050	58,469,716
J. Debt instruments		-	-	-
K. Trade payables and other non-current payables		-	-	-
L. Non-current financial debt (I) + (J) + (K)	130,636,766	72,167,050	58,469,716	
M. Total financial debt (H) + (L)	116,186,852	75,099,428	41,087,424	

Financial debt as of 30 September 2022 amounted to Euro 116.2 million, compared to Euro 75.1 million as of 30 September 2021. The change is positively influenced by the proceeds from the deeds of sale of the real estate units delivered during the reporting period (net of the deposits and down-payments collected in previous years), amounting to Euro 12.7 million, by the deposits and down-payments collected relating to the preliminary of the projects marketed as well as the deposit related to the preliminary of sale of Milano Progetti, for a total amount of Euro 26.3 million and by the capital increases of Abitare In S. p.A. and the controlled Homizy S.p.A. in the amount of Euro 13.2 million (net of the costs incurred for the capital increase). Indebtedness is also affected on the increase by the progress of construction sites, with total investments of Euro 77.5 mln, and by the purchase of new areas for Euro 15.8 mln (net of advance payments made in previous years).

Breakdown of financial payables to banks

Loan type (Euro/000)	Borrower company	Within one year	Beyond one year and within 5 years	Beyond 5 years	Total payable
Mortgage loan	Abitare In Development 3 S.r.l.	178	978	1,062	2,218
Landed property loan	Abitare In Development 3 S.r.l.	116	638	698	1,452
Unsecured loan	Abitare In Development 4 S.r.l.	13	5,852	-	5,865
Landed property loan	Abitare In Development 5 S.r.l.	30	4,155	-	4,185
Loan	Abitare In S.p.A,	454	115	-	569
Loan	Abitare In S.p.A,	1,292	2,616	-	3,908
Loan	Abitare In S.p.A,	4,487	-	-	4,487
Loan	Abitare In S.p.A,	5,004	-	-	5,004
Loan	Abitare In S.p.A,	4	1,400	-	1,404
Loan	Abitare In S.p.A,	14	2,595	-	2,609
Loan	Abitare In S.p.A,	500	2,505	-	3,005
Loan	Abitare In S.p.A,	615	2,383	-	2,998
Landed property loan	Accursio S.r.l.	60	5,250	4,795	10,105
Unsecured loan	Citynow S.r.l.	220	1,764	-	1,984
Landed property loan	Lambrate Twin Palace S.r.l.	-	466	2,825	3,291
Landed property loan	Milano City Village S.r.l.	2,816	21,997	8,848	33,661
Credit facility backed by landed property	Milano Progetti S.r.l.	215	10,239	-	10,454
Unsecured loan	Mivivi S.r.l.	15	4,953	-	4,968
Mortgage loan	MyCity S.r.l.	138	978	1,371	2,487
Landed property loan	Palazzo Naviglio S.r.l.	468	4,613	6,775	11,856
Landed property loan	Porta Naviglio Grande S.r.l.	-	3,051	-	3,051
Landed property loan	Savona 105 S.r.l.	70	6,819	3,954	10,842
Landed property loan	TheUnits S.r.l.	17	151	327	494
Landed property loan	Trilogy Towers S.r.l.	964	9,942	1,030	11,936
Unsecured loan	Volaplana S.r.l.	27	4,938	-	4,965
TOTAL		17,716	98,400	31,685	147,801

It should be noted that mortgage loans granted by credit institutions amount to a total of Euro 215 million, of which Euro 101 million have been utilised.

The item "Other financial payables" is mainly composed of the financial payable to the leasing company for the purchase of the building located at Via Amadeo 57 in the amount of Euro 382 thousand, the financial payable for the leaseback contract for office machinery signed with BNL in the amount of Euro 59 thousand, the financial payable relative to the long-term right of use of the building used by the Chairman of the Board of Directors in the amount of Euro 100 thousand, and the long-term right of use of the building used as offices located in Viale Umbria 32 for an amount of Euro 171 thousand.

Ratios

STRUCTURE RATIOS	30.09.2022	30.09.2021
Equity to non-current assets ratio	4.32	4.44
EQUITY/NON-CURRENT ASSETS		
Equity + non-current liabilities to non-current assets ratio	14.75	13.32
EQUITY + NON-CURRENT LIABILITIES/NON-CURRENT ASSETS		
EQUITY AND FINANCIAL RATIOS	30.09.2022	30.09.2021
Leverage	4.17	3.25
INVESTED CAPITAL/EQUITY		
Investment flexibility ratio	94.44%	93.68%
CURRENT ASSETS/INVESTED CAPITAL		
Financial debt ratio	3.13	2.54
BORROWINGS/EQUITY		
PROFITABILITY RATIOS	30.09.2022	30.09.2021
ROD	2.35%	2.63%
FINANCIAL EXPENSES/INTEREST-BEARING DEBT		
ROD*	1.86 %	1.90%
FINANCIAL EXPENSES/INTEREST-BEARING DEBT		
ROS	11.77%	13.51%
EBIT/NET SALES		
ROI	3.75%	6.53%
EBIT/INVESTED CAPITAL		
ROE	8.25%	16.82%
NET PROFIT/EQUITY		

* Net of commissions

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

In the pursuit of its business activity, the Group is exposed to risks and uncertainties, caused by external factors linked to the macroeconomic scenario at overall level and specific to its own sector, and to risks linked to management choices and the strategies adopted. These risks are identified and mitigated on a systematic basis so as to allow the timely monitoring and control of such risks.

Risks related to the spread of the Covid-19 epidemic

The persistence of the SARS-CoV-2 respiratory syndrome epidemic and the related COVID-19 disease has had and may continue to have a material adverse impact on the operations and results of the Group and the entire market in which it operates. However, the diffusion of COVID-19 or other contagious diseases is beyond the Group's control and therefore there can be no assurance that the Group will be able to counteract its effects or impact on its operations and results in the future. In the period between February and May 2020, the Group was exposed 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 arising from the adoption by the public authorities of additional and new measures to prevent and/or limit the spread of the Coronavirus and from the operational and economic consequences arising from the adoption of such measures.

The occurrence of the events that are the subject of these risks could have a material adverse effect on the Group's financial position, results of operations and cash flows.

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

The current epidemiological situation could also have serious economic, patrimonial and financial effects on the contractors identified by AbitareIn for the execution of the various Real Estate Initiatives. Should the contractors, due to situations of economic instability, no longer be able to meet the commitments, under the terms, economic conditions and modalities agreed with Abitare In, or be subject to bankruptcy or insolvency proceedings, Abitare In would find itself in the position of having to replace them with other entities, with the consequent increased time and costs in the completion of the Real Estate Initiatives underway.

As at the date of this report, it is not possible to exclude the possibility that new waves of COVID-19 contagions may occur, such as to oblige government authorities to once again impose restrictive measures aimed at containing the further spread of the virus and, therefore, it is not possible to foresee the further negative effects that the continuation of the pandemic will determine, not only on the Group's business, but also on the financial markets and on economic activities at a domestic level.

Risks related to the development of the Russian-Ukrainian conflict

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

In fact, the 2022 financial year was strongly characterised by the conflict, which had consequences both in terms of economic sanctions applied to Russia, and in terms of price increases, particularly in the energy, production and logistics sectors, which also had repercussions in terms of increased interest rates and which, in general, are causing an economic situation of significant uncertainty.

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

Risks Related to the Company and Group's Business

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

Risks connected to the Group's financial debt

The Group's business is, as a whole, a capital-intensive activity which, during the initial phases of a real estate project requires the Group to commit all the financial resources necessary for its development, and which, except for the advances paid, with the preliminary purchase contracts, by customers that, on average, represent 30% of the purchase price of the real estate unit, leads to the collection of the residual amounts from buyers, only at the end of the entire construction and marketing process of the real estate project. The Group's financial indebtedness generally derives, therefore, from obtaining real estate mortgage loans granted in instalments based on work progress reports (which are guaranteed by mortgages on the properties themselves), from the collection of the sums received from promissory buyers as a deposit and advance on the purchase price (based on the provisions of the preliminary purchase and sale contracts) and from the payment terms negotiated with the Group's suppliers.

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

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

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

The Group's ability to meet its debt depends on operating results and the ability to generate sufficient liquidity, factors that may depend on circumstances that may not be foreseeable by the Group. Should these

circumstances occur, the Group may be in a position, in the future, of not being able to meet its debt, or carry out the investments undertaken, with possible negative effects on the financial position, earnings and cash flows of the Issuer and the Group.

Risks connected to the Group's operations

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

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

Risks related to real estate market trends

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

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

Liquidity risk

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

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

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

Credit risk

Credit risk is the exposure to potential losses arising from a trade counterparty defaulting on its obligations. The credit risk is marginal in the Group's main sector.

Market risk

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

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

Risks linked to obtaining administrative permits

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

In this context, although the sites selected by AbitareIn are all in built-up areas where buildings have been completed in full compliance with authorisations issued previously, there is a structural risk of delays in the Public Administration's issuance of the appropriate authorisations to build real estate complexes (building permission, land rehabilitation certificates, landscape protection opinion...).

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

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

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

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

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

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

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

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

Risks linked to the construction of real estate complexes

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

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

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

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

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

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

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

On 22 October 2021, the Company successfully closed the Accelerated Bookbuilding procedure reserved for subscription by foreign investors only, with a raising of Euro 4 mln and the issue of 595,432 ordinary shares. Thanks to the transaction, AbitareIn's shareholding structure saw the entry of important international operators.

On 17 December 2021, Borsa Italiana arranged for the listing of the ordinary shares of the subsidiary Homizy S.p.A. on the Euronext Growth Milan Market - Professional Segment, with trading commencing on 21 December 2021.

Homizy successfully closed the placement preparatory to the listing, for a total consideration of Euro 10 mln, corresponding to 1,860,000 newly issued shares at a subscription price of Euro 5.4 per share, with a pre-money capitalisation of Euro 45 mln.

Furthermore, during the year, deliveries and deeds of the flats of the Olimpia Garden project continued: the first project of the Prime Edition line, a real estate complex of 160 apartments in the Corvetto area of Milan. At today's date, 158 real estate units have been notarised.

During the reporting period, the Group also continued the commercial campaigns of 4 new residential projects, Lambrate Twin Palace, Palazzo Sintesi, The Units and Balduccio Dodici, bringing to 12 the number of projects marketed since the start of operations. The commercialisations were carried out using the micro-campaign methodology, with the provision, therefore, of a reduced number of apartments for each micro-campaign. The sales activities have confirmed the positive trend of the Milanese residential market, which continues to be strongly attractive: the projects marketed have reached the set sales targets, in some cases with requests even exceeding the available offer.

During the period, AbitareIn also continued its activities on the operating sites, reaching the conclusion (in the period immediately following) of the works on the projects of Palazzo Naviglio and Milano City Village (first building), as well as the development and valorisation activities preparatory to obtaining the authorisations on the areas forming part of the Pipeline and their marketing.

At the beginning of June, the Sustainability Report for the year 2021 was also published, AbitareIn's second report dedicated to illustrating its approach to ESG issues.

In the third quarter of the financial year, the Group also completed a new and innovative project in the digital field: the creation of a Corporate E-Commerce Platform, the first real technological solution at global level for the sale of houses online, a single digital showroom for all AbitareIn projects. The new platform now allows the customer to experience an innovative and engaging buying experience, thanks to the development of a dedicated technology that allows the customer to view all of the developer's real estate initiatives in a single web environment, select the different housing proposals, make an estimate, book an appointment and purchase the home directly online.

On 19 September 2022, the Board of Directors approved the establishment of the Audit, Risk Management and Sustainability Committee.

Finally, on 22 September 2022, the Group signed a preliminary agreement for the sale of the development operation in Via Cadolini in Milan (formerly Plasmon), for the consideration of Euro 72 million.

Result for the year of Abitare In S.p.A.

Description amounts in units of Euro	30.09.2022	% on core business revenues	30.09.2021	% on core business revenues
Revenues for services	9,225,776	93.72%	8,993,241	92.89%
Other revenue	618,184	6.28%	687,903	7.11%
Total revenue from operating activities	9,843,960	100.00%	9,681,144	100.00%
Production costs	6,416,235	65.18%	7,829,962	80.88%
ADDED VALUE	3,427,725	34.82%	1,851,182	19.12%
Personnel expenses	2,352,629	23.90%	2,059,064	21.27%
Other operating expenses	351,989	3.58%	347,725	3.59%
EBITDA	723,107	7.35%	(555,607)	(5.74%)
Depreciation/amortisation, impairment and other provisions	1,912,088	19.42%	1,602,278	16.55%
EBIT	(1,188,981)	(12.08%)	(2,157,885)	(22.29%)
Financial income and expenses and adjustments to financial assets	9,032,262	91.75%	8,667,029	89.52%
EBT	7,843,281	79.68%	6,509,144	67.24%
Income taxes	(150,984)	(1.53%)	251,001	2.59%
Profit (loss) for the year	7,692,297	78.14%	6,760,145	69.83%

The annual financial statements of the Company closed with an operating loss of Euro 1.2 million compared to an operating loss of Euro 2.1 million in the previous year. It should be noted that the operating result includes costs related to the stock grant plan of Euro 1.7 million (Euro 2.4 million as at 30 September 2021). EBIT was positive and amounted to Euro 7.8 million (Euro 6.5 million as of 30 September 2021). This result is mainly attributable to the recognition of dividends distributed by the subsidiaries Abitare In Maggiolina S.r.l. equal to Euro 3.9 million and Abitare In Development 7 S.r.l. equal to Euro 4 million. Net profit amounted to Euro 7.7 million (Euro 6.7 million as of 30 September 2021).

In terms of equity, net assets amounted to EUR 61.8 million, compared to Euro 48.2 million in the previous year. The change is attributable to the result for the year of Euro 7.7 million and the recognition of the stock grant reserve of Euro 1.7 million.

Financial debt values in units of Euros	30.09.2022	30.09.2022	30.09.2021	Change
A. Cash and cash equivalents		4,926,191	1,058,799	3,867,392
B. Means equivalent to cash and cash equivalents		-	-	-
C. Other current financial assets		13,470,546	1,800,338	11,670,208
D. Liquidity (A)+(B)+(C)	18,396,737	2,859,137	15,537,600	
E. Current financial payables		-	-	-
F. Current position of non-current debt		14,320,590	10,341,864	3,978,726
G. Current financial debt (E)+(F)	14,320,590	10,341,864	3,978,726	
H. Net current financial debt (G)-(D)	(4,076,147)	7,482,727	(11,558,874)	
I. Non-current financial payables		12,875,498	15,781,035	(2,905,537)
J. Debt instruments		-	-	-
K. Trade payables and other non-current payables		-	-	-
L. Non-current financial debt (I)+(J)+(K)	12,875,498	15,781,035	(2,905,537)	
M. Total financial debt (H)+(L)	8,799,351	23,263,762	(14,464,411)	

Net financial debt as of 30 September 2022 was Euro 8.8 million compared to Euro 23.2 million as of 30 September 2021. Net financial indebtedness improved mainly due to the increase in cash and cash equivalents of Euro 3,867,000 and to the recognition of loans due within 12 months to the subsidiaries Milano City Village S.r.l., Trilogy Towers S.r.l., Palazzo Naviglio S.r.l. Abitare In Development 7 S.r.l. and for an amount of Euro 6,729 thousand, Euro 2,154 thousand, Euro 1,356 thousand and Euro 429 thousand, respectively.

Events after 30 September 2022

Following the end of the financial year, the Group submitted the declarations of completion and fitness for occupancy for the Palazzo Naviglio and Milano City Village (first building) projects, and the deeds were started with the customers for the final delivery of the real estate units. More than 200 apartments will be delivered over the next few months.

In October, the Company was ranked among the top 100 Italian companies in the 2022 edition of the Sustainability Award, the prestigious prize assigned by Kon Group and Credit Suisse, with the institutional scientific collaboration of Altis - Alta Scuola di Formazione dell'Università Cattolica del Sacro Cuore and the technical collaboration of RepRisk.

Foreseeable development of management

In the first few months of the current financial year, AbitareIn will continue with the sales of the real estate units of Palazzo Naviglio and Milano City Village, to which will be added, starting in the second quarter (calendar) of 2023, the sales of the real estate units of the Trilogy Towers project (the progress of which is ahead of schedule): this involves, in total, more than 430 apartments divided among the three projects, for a total value of approximately Euro 180 million which, net of deposits and down payments already paid by clients, will generate total proceeds of approximately Euro 129 million.

In this regard, the completion of these three projects will result in the full repayment of the bank debt held by the vehicles owning the transactions, Euro 57.4 mln as of the closing date of the 2022 financial year (currently Euro 62.6 mln).

It should also be noted that the sale of the via Cadolini former Plasmon operation will be finalised during the year, following the obtainment of the land reclamation certificate, for the consideration of Euro 72 million.

The operation is currently encumbered by a debt of Euro 15 million, consisting of a bank loan used for the activities carried out on the area.

In the current financial year, AbitareIn will also continue its development activities, both for the continuation of (and the start-up of) new construction activities, and for the obtainment of authorisations, also devoting itself to the constant scouting of new areas, for the consolidation of its leadership position in the city of Milan.

Intragroup and related-party transactions

As required by the Consob Issuers' Regulation, the company has adopted a 'Procedure for Transactions with Related Parties', see www.abitareinspa.com section 'Investor' for further information. The transactions carried out by Abitare In and the companies included in the consolidation area with other related parties are

part of ordinary operations and are regulated at market conditions. Information on related party transactions, including those required by the CONSOB Communication of 28 July 2006, is presented in Note 24 to the consolidated financial statements as at 30 September 2022.

Research and development activities

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

The total investment incurred in the reporting period amounted to Euro 715 thousand.

Overview of the main existing litigations

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

Italian Revenue Agency request

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

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

Subsequently, on 24 September 2020, Milano City Village received (as part of the same proceeding established following the receipt of the aforementioned questionnaire) from the Agenzia delle Entrate an invitation to cross-examination No. I00052/2020; following the receipt of such invitation, the cross-examination with the Tax Authority was duly initiated. On 6 November 2020, following the meeting held on 20 October 2020, the Company sent to the Taxation Body an expert's report on the characteristics of the reclamation and environmental clean-up work carried out on the area in question in order to corroborate the correctness

of the purchase price of the same area. On 11 February 2022, Milano City Village filed a petition for assessment with adhesion. During the discussion held with the tax authority on 4 May 2022, the amount of the higher taxes, interest and penalties was defined for a total amount of Euro 137 thousand. The amount agreed in the aforementioned deed of adhesion was recognised in the annual financial report as of 30 September 2022.

Procedure with the Municipality of Milan

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

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

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

Other information

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

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

Own shares

The Abitare In Group does not hold own shares.

Report on Corporate Governance and Ownership Structures 2022

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

Traditional management and control model

Abitare In S.p.A.
www.abitareinspa.com
for the year as at 30 September 2022

approved by the Board of Directors on 13 December 2022
to be presented to the Shareholders' Meeting on 24 January 2023

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Glossary

Shareholders' Meeting:	this means the Company's Shareholders' meeting.	Related-Party Transaction Procedure:	has the meaning referred to in paragraph 1.0 of this Report.
Borsa Italiana:	this means Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari 6	Stock Exchange Regulations:	this means the Regulations of the Markets organised and managed by Borsa Italiana, in force at the Date of the Report.
Corporate Governance Code or CG Code:	this means the Corporate Governance Code for listed companies adopted on 31 January 2020 by the Corporate Governance Committee.	Consob Issuers' Regulation:	this means the Regulation issued by Consob with resolution no. 11971 of 1999 (as amended and supplemented) concerning issuers, in force at the Date of the Report.
Civil Code:	this means the Italian Civil Code.	Consob Markets' Regulation:	this means the Regulation issued by Consob with resolution no. 16191 of 2007 (as amended and supplemented) concerning markets, in force at the Date of the Report.
Control and Risk Committee:	this means the control and risk committee provided for by the Corporate Governance Code.	Related Parties' Regulation:	this means the Regulation issued by Consob with resolution no. 17221 of 2010 (as amended and supplemented) concerning related party transactions, in force at the Date of the Report.
Comitato Controllo Rischi e Sostenibilità:	indica il comitato controllo e rischi previsto dal Codice di Corporate Governance.	Prospectus Regulation:	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.
Remuneration Committee:	this means the remuneration committee provided for by the Corporate Governance Code.	Report:	this means this report on corporate governance and ownership structures that companies are required to prepare pursuant to Art. 123-bis of the Consolidated Law on Finance.
Appointments Committee:	this means the appointments committee provided for by the Corporate Governance Code.	Remuneration Report:	the report on remuneration policy and compensation paid, which companies are required to prepare and publish pursuant to Article 123-ter TUF and 84-quater Consob Issuers' Regulations.
Board/Board of Directors:	this means the Board of Directors of the Issuer.	Minority Statutory Auditor:	has the meaning referred to in paragraph 11.1 of this Report.
Consob:	this means the Commissione Nazionale per le Società e la Borsa (Italian Companies' and Stock Exchange Authority), with registered office in Rome, Via G.B. Martini no. 3.	Minority Substitute Statutory Auditor:	has the meaning referred to in paragraph 11.1 of this Report.
Board of Statutory Auditors:	this means the Board of Statutory Auditors of the Issuer.	Articles of Association or By-laws:	this means the Articles of Association of the Issuer in force at the Date of the Report.
Date of the Report:	this means 13 December 2022, the date on which the Report was approved by the Board.	Consolidated Law on Finance or Consolidated Law:	this means Legislative Decree no. 58 of 24 February 1998 (as amended and supplemented), in force at the Date of the Report.
Decree 231:	this means Italian Legislative Decree no. 231 of 8 June 2001.	Where not otherwise specified, the CG Code's definitions of: directors, executive directors, independent directors, significant shareholder, chief executive officer (CEO), board of directors, control body, business plan, concentrated ownership company, large company, sustainable success, top management are to be understood as referring by reference.	
Issuer or Company or Abitare In:	this means Abitare In S.p.A. with registered office in Milan, Via degli Olivetani 10/12.		
Financial Year/Year:	means the company financial year ended on 30 September 2022 which the Report refers to.		
Euronext Milan:	this means the Euronext Milan market (formerly Mercato Telematico Azionario), organised and managed by Borsa Italiana.		
Euronext STAR Milan	this means the Euronext STAR Milan segment of the Euronext Milan market.		
Group or Abitare In Group:	this means, collectively, the Issuer and its subsidiaries as at the Date of the Report pursuant to Article 2359 of the Civil Code.		
Instructions to the Stock Exchange Regulations:	this means the Instructions to the Regulations of the Markets organised and managed by Borsa Italiana, in force at the Date of the Report.		
Majority List:	has the meaning referred to in paragraph 4.2 of this Report.		
Majority list for the Board of Statutory Auditors:	has the meaning referred to in paragraph 11.1 of this Report.		
Minority List:	has the meaning referred to in paragraph 4.2 of this Report.		
231 Model:	this means the organisational, management and control model referred to in paragraph 9.4 of this Report.		
Supervisory Body	has the meaning referred to in paragraph 9.4 of this Report		

Report on Corporate Governance and Ownership Structure 2022

Introduction

This Report, approved by the Company's Board of Directors on 13 December 2022, aims to illustrate the corporate governance system adopted by Abitare In and divided into a series of principles, rules and procedures in line with the criteria contained in the Corporate Governance Code, which the Company resolved to adopt on 13 January 2021, with the additions and adjustments resulting from the characteristics of the Company indicated in this Report.

1. Issuer's profile

Profile

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

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

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

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

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

Corporate Governance System

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

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

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

A Supervisory Body has also been appointed pursuant to Decree 231, which monitors the proper functioning of the Company's 231 Model and is responsible for updating it. On 28 December 2016, the Company, by resolution of the Board of Directors, also adopted a code of ethics, shared by all Abitare In Group companies, which is an integral part of Model 231 (the "**Code of Ethics**").

The Board of Directors has set up an internal Remuneration Committee, consisting of three independent directors and, on 19 September 2022, a Control and Risk and Sustainability Committee. While, for the reasons indicated in paragraphs 7 of this Report, the Board of Directors did not consider it necessary to set up an Appointments Committee within the Board itself.

Furthermore, on 13 January 2021, the Board of Directors approved (i) a procedure regarding the Company's related-party transactions (the Related-Party Transactions Procedure), (ii) a procedure for the public disclosure of inside information (iii) a procedure relating to the drawing up, management and updating of the list of persons with access to inside information and, finally, (iv) a procedure relating to disclosure requirements concerning transactions in financial instruments carried out by persons exercising administrative, control or management functions in the Issuer and persons closely associated with them (as identified by Article 19 of Regulation (EU) No. 596/2014), that has been in force since the first day of trading on the Euronext Milan market.

In addition to the above, the Company's Board of Directors, on 13 January 2021, adopted its own regulations in order to bring the rules of operation of the body into line with the statutory and regulatory principles in force from time to time, and in particular with the rules established by the Corporate Governance Code.

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

In addition, on 10 December 2020, the Company's Board of Directors, pursuant to Articles 70, paragraph 8 and 71, paragraph 1-bis of the Consob Issuers' Regulations, resolved to adhere to the opt-out regime provided for by the aforementioned articles, availing itself of the right to waive the disclosure requirements set forth in Annex 3B of the Consob Issuers' Regulations in connection with significant mergers, spin-offs, capital increases through contributions in kind, acquisitions and disposals.

With this Report, Abitare In provides the market with the information required by art. 123-bis of the Consolidated Law on Finance and current regulatory provisions on the corporate governance system adopted by the Company, as well as on its ownership structure, in line with the recommendations of the Corporate Governance Code. This Report - drafted taking into account the guidelines prepared by Borsa Italiana - also contains accurate and exhaustive information on how the Company has adhered to the principles and criteria dictated by the Corporate Governance Code. Any non-adherence to certain specific provisions of the Corporate Governance Code is justified in the section of the Report dealing with the governance practice related to and otherwise applied by the Company.

2. Information on the ownership structures (pursuant to Art. 123-bis, paragraph 1, of the Consolidated Law on Finance) as at 13 December 2022

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

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

The entire share capital of Abitare In consists of ordinary shares listed on the Euronext Milan market organised and managed by Borsa Italiana - Euronext STAR Milan segment, and issued in dematerialised form. The Extraordinary Shareholders' Meeting resolved on 30 May 2018 to increase the share capital against payment and in tranches, by the deadline of 30 May 2023, for a maximum nominal amount of Euro 30,000,000, inclusive of the share premium;

In particular, that share capital increase (the "Share Capital Increases") provides for issues of ordinary shares, without indication of their nominal value, having the same characteristics as those already outstanding with regular dividend rights, excluding option rights pursuant to Article 2441, paragraph 5 of the Civil Code, to be placed with Qualified Investors, on an exemption basis as referred to in Article 34-ter, paragraph 1, letter b) of the Consob Issuers' Regulation (with the express exclusion of any form of public offer referred to in Articles 94 et seq. of the Consolidated Law on Finance and making use of the exemption provided for in Article 34-ter of the Consob Issuers' Regulation). At the Date of the Report, the aforementioned Capital Increase were performed and subscribed in multiple tranches for a total of Euro 19.998.300.00.

In light of the above, the current share capital of Abitare In, fully subscribed and paid-up, amounts to Euro 132,654.06 and is divided into 26,530,812 ordinary shares, without indication of their nominal value (see Table 1 attached to this Report).

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

On 31 May 2021, the Extraordinary Shareholders' Meeting also resolved to increase the share capital, free of charge and in tranches, by no later than 31 May 2026, for a maximum of Euro 5,100, corresponding to a maximum number of 1,020,000 ordinary shares of the Company with an implicit nominal value of Euro 0.005 each having the same characteristics as those already outstanding with regular dividend rights, with the

exclusion of option rights pursuant to Article 2349, paragraph 1, of the Civil Code, to service the 2021-2023 stock grant plan. For more information on the incentive plan, reference should be made to the Remuneration Report published pursuant to Art. 123-ter of the Consolidated Law on Finance and the documentation referred to therein and made public pursuant to the applicable regulations.

Rights and obligations of Abitare In shares

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Each ordinary share confers voting rights without any limitation.

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

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

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

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

- a landed property loan agreement signed by Milan City Village with BPM S.p.A. for a maximum amount of Euro 50,000,000;
- a landed property loan agreement signed by Trilogy Towers with BPER Banca S.p.A. for a total amount of Euro 19,700,000;
- unsecured loan signed by Abitare In Development 4 with Banca di Credito Cooperativo di Milano - Società Cooperativa for a total amount of Euro 4,700,000;
- a mortgage loan agreement signed by Savona 105 S.r.l. with BPM S.p.A. for a total amount of Euro 37,500,000;
- a mortgage agreement signed by Porta Naviglio Grande S.r.l. and Banca Nazionale del Lavoro S.p.A. under which the bank granted a medium/long-term loan to Porta Naviglio Grande for a total amount of EUR 11,802,000;

- a mortgage loan agreement signed by Lambrate Twin Palace with Banco di Credito Cooperativo di Milano – Società Cooperativa for a total amount of Euro 18,100,000.
- A landed property loan agreement signed by Accursio s.r.l. with Banco BPM S.p.A. for a total amount of Euro 30,900,000.
- a mortgage loan agreement signed by Abitare In Development 5 with Banco BPM S.p.A for a total amount of Euro 25,100,000
- a mid-long term mortgage loan signed by Abitare In with Banca Nazionale del Lavoro for a total amount of Euro 5,000,000.

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

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

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

Proxies to increase the share capital or issue participatory financial instruments

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

Authorisations to purchase own shares

As at the Date of the Report, the Company's Shareholders' Meeting has not authorised any programmes for purchasing its own shares pursuant to Art. 2357 et seq and the Company did not hold any of its own shares in its portfolio.

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

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

Finally, it should be noted that:

- the information required by Article 123-bis, first paragraph, letter i), of the Consolidated Law on Financial Intermediation concerning "the agreements between the company and the directors ...

providing for indemnities in the event of resignation or dismissal without just cause or if their employment ceases following a takeover bid" is contained in the section of the Report dedicated to Remuneration (paragraph 8.1)

- the information required by Article 123-bis, paragraph one, letter l), of the Consolidated Law on Finance, concerning "the rules applicable to the appointment and replacement of directors ... if different from the laws and regulations applicable as a supplementary measure" are set forth in the section of the Report dedicated to the Board of Directors (paragraph 4.2)
- the information required by Article 123-bis, paragraph one, letter l), part one, of the Consolidated Law on Finance, concerning "the rules applicable ... to the amendment of the bylaws if different from the laws and regulations applicable by way of supplementary provisions" is illustrated in the section of the Report dedicated to the Shareholders' Meeting (paragraph 13).

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

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

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

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

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

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

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

4. Board of directors

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

Pursuant to the regulations in force for companies with shares listed on regulated markets and in accordance with the recommendations of the CG Code, the Board of Directors plays a central role in the Company's system of governance, in particular in organising, directing and managing the company in order to pursue

sustainable success and ensure compliance with the expectations of the other stakeholders, as well as monitor its implementation.

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

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

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

- a) approval and amendment of the business plan and the budget;
- b) transfer, subscription, acquisition or sale, for any reason, of equity investments, companies and business units for transactions exceeding Euro 200,000.00 per individual transaction or as a total for transactions related to each other;
- c) signing company and/or business unit lease contracts for amounts greater than Euro 200,000.00 per individual transaction or as a total for transactions related to each other;
- d) transfer or acquisition, for any reason, of real estate rights, establishment of real rights on real estate and movable assets and the signing of real estate finance leases for amounts greater than Euro 500,000.00 per individual transaction or as a total for transactions related to each other;
- e) transfer or acquisition, for any reason, of licences for intellectual property rights (including, without limitation, trademarks, patents, domain names) for amounts exceeding Euro 200,000.00 per individual transaction or as a total for transactions related to each other;
- f) execution or amendment of loan agreements for amounts equal to or greater than Euro 1,000,000.00;
- g) request for the issue of sureties, for amounts greater than Euro 500,000.00 per individual transaction and for a total amount per calendar year exceeding Euro 1,500,000.00;
- h) establishment of security deposits for amounts greater than Euro 500,000.00 per individual transaction or as a total for transactions related to each other;
- i) carrying out banking transactions, other than those indicated in point (g) above and discount transactions for invoices, for amounts greater than Euro 1,000,000.00 per individual transaction or as a total for transactions related to each other, and mortgage applications for any amount;
- j) approval of annual incentive plans for employees concerning shares and/or equity financial instruments issued by the Company;
- k) transactions with related parties that are not exempt pursuant to the related-party transactions regulation;
- l) proposals to be submitted to the Shareholders' Meeting in relation to capital transactions;
- m) decisions regarding the participation and exercise of voting rights within the corporate bodies of subsidiaries and associates in relation to any extraordinary transactions or transactions involving one of the transactions referred to in points (d) to (j) above.

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

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

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

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

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

The Board of Directors has also:

- established a Remuneration Committee consisting of Board members (see paragraph 8 of this Report) and a Risk Control and Sustainability Committee (see paragraph 9.2 of this Report). While, for the reasons indicated in paragraph 7 of this Report, the Board of Directors did not consider it necessary to set up an Appointments Committee within the Board itself;

- approved a Related-Party Transaction Procedure (see paragraph 10.0);
- established the corporate functions responsible for internal control and investor relations and consequently has appointed the persons i/c of these functions (see paragraphs 9.0 and 12 of this Report);
- adopted procedures in accordance with the EU provisions on market abuse ("MAR"):
 - procedure for the public disclosure of inside information (see paragraph 5.0 of this Report);
 - procedure for registering persons having access to inside information (see paragraph 5.0 of this Report);
 - Internal Dealing procedure (see paragraph 5.0 of this Report);
- established a 231 Model pursuant to Decree 231 (see paragraph 9.4 of this Report); and
- set up a Supervisory Body (see paragraph 9.4 of this Report).

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

It should be noted that during the Year, the Board of Directors did not deem it necessary or appropriate to:

- prepare reasoned proposals to be submitted to the Shareholders' Meeting for the definition of a corporate governance system that is more functional to the company's needs (see Section 13)
- adopt a policy for managing the dialogue with shareholders in general (see Section 12).

With reference to the powers of the Board of Directors concerning its composition, functioning, appointment and self-evaluation; remuneration policy; internal control and risk management system, please refer to the relevant Sections of this Report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If no list has been submitted or if only one list is submitted and it does not obtain the majority of votes or if the number of directors elected on the basis of the lists submitted is lower than the number of members to be appointed or if the entire Board of Directors does not need to be renewed or if it is not possible for any

reason to appoint the Board of Directors according to the procedures specified in Art. 21 of the Articles of Association, the members of the Board of Directors shall be appointed by the Shareholders' Meeting according to the ordinary procedures and majorities, without applying the mechanism of voting by lists, without prejudice to the minimum number of directors who meet the independence requirements provided for by law and the compliance with the provisions on gender equality, established above.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Marco Claudio Grillo – Chief Executive Officer

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

Eleonora Reni – Director

Born in Reggio Emilia on 6 June 1988, she graduated with a first-class degree from the Università Cattolica del Sacro Cuore in Milan, with a focus on Business and a thesis on Business Accounting and Reporting. After an experience in a firm of solicitors, in

2015 she joined the legal office of Abitare In S.p.A. and, since the listing of the Company on the AIM Italia Market, she has been the Investor Relator.

Mario Benito Mazzoleni – (Independent) Director

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

Giuseppe Vegas – (Independent) Director

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

Nicla Picchi – (Independent) Director

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

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

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

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

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

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

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

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

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

This decision takes into account the structure and size of the Company, also in view of its ownership structure, as well as the mechanism of voting by lists provided for in the Articles of Association, which ensures a transparent appointment procedure and a balanced composition of the management body. The Board of Directors has therefore not deemed it necessary to adopt diversity policies and/or practices in relation to the composition of the administration, management and control bodies in relation to aspects such as age, gender composition and training and professional skills.

Maximum number of positions held in other companies

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

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

Induction Programme

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

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

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

On 13 January 2021, effective as of the date on which the Company's shares began trading on the Euronext Milan market, the Board of Directors, also taking into account Recommendation 11 of the Corporate Governance Code, adopted its own regulations in order to define the rules for the functioning of this body in

line with the statutory and regulatory principles, as well as the principles and rules established by the Corporate Governance Code itself, including the procedures for taking minutes of meetings.

In particular, the Company Bylaws regulate, *inter alia*: i) the procedures and terms for calling meetings of the Board of Directors, also in the event of urgency; ii) the conditions required for the valid holding of board meetings even in the absence of prior call; iii) the conditions required for the valid holding of board meetings through video and teleconference means iv) the provisions regarding the chairing of individual meetings, which is normally assumed by the Chairman of the Board of Directors; v) the quorums required for the valid constitution of the Board of Directors and the adoption of resolutions on items on the agenda; and vi) the appointment of the Secretary of the Board of Directors and the manner in which the Board of Directors' resolutions are to be recorded in the minutes.

The timeliness and completeness of the pre-meeting information is ensured by the Chairman through the distribution to the directors of the documentation relating to the items on the agenda in the days immediately preceding the scheduled date of the Board of Directors' meeting.

The Chairman of the Board of Directors plays a liaison role between the executive and non-executive directors and ensures the effective functioning of the Board's work. The Chairman of the Board of Directors, with the help of the Secretary of the Board, ensures that the pre-meeting information and the information provided during meetings are suitable to enable directors to act in an informed manner in the performance of their role.

During the financial year, the Board of Directors met 18 times. The percentage of attendance at these meetings by the members of the Board of Directors was as follows: Luigi Francesco Gozzini 100%; Marco Claudio Grillo 94%; Eleonora Reni 100%; Mario Benito Mazzoleni 94%; Giuseppe Vegas 94%; Nicla Picchi 100%. Board meetings lasted on average about one hour.

Persons external to the Board of Directors attend Board meetings when necessary or at the request of the Chairman or of one or more directors, in particular, executives with strategic responsibilities, the Internal Auditor, the heads of corporate functions, or external consultants to provide the appropriate in-depth analysis of the items on the agenda.

For the current financial year, 12 meetings of the Board of Directors are currently scheduled. As of the Report Date, 3 have been held, including the meeting of 13 December 2022 to approve the Report.

In accordance with Principle XII of the Corporate Governance Code, each director shall ensure that he/she has adequate time available for the diligent performance of the duties assigned to him/her.

4.5 Chairman role

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors, or, in the event of his absence or waiver, by the Deputy Chairman if appointed, or by a person designated by the vote of the majority of the capital represented at the Shareholders' Meeting.

Pursuant to the Articles of Association, the Chairman of the Board of Directors (i) verifies that the Shareholders' Meeting is duly constituted, ascertains the identity and legitimacy of those present, directs and regulates the proceedings of the Shareholders' Meeting and ascertains and proclaims the results of voting (Article 16

of the Articles of Association); (ii) convenes the Board of Directors (Article 19 of the Articles of Association); (ii) is the legal representative of the Company (Article 22).

Pursuant to the regulations of the Board of Directors, the Chairman has the duty to promote the effective functioning of the corporate governance system by guaranteeing the balance of powers between the Company's deliberating bodies, and he also plays a role in driving and coordinating the Board of Directors in the pursuit of the Company's interests.

It is up to the President to convene the Board of Directors, set the agenda, coordinate its work and ensure that adequate information on the items on the agenda is provided to all directors, as well as the power to propose board resolutions.

The Chairman of the Board of Directors plays a connecting role between the executive and non-executive directors and ensures the effective functioning of the Board's work. In addition, the President ensures the most appropriate management of the timing of board meetings, favouring the optimisation of debate and graduating the extent of discussion according to the relevance of the items on the agenda. With this in mind, during the Financial Year, the Chairman (i) in agreement with the Chief Executive Officer, ensured that the Company's executives and those of the group companies it heads, responsible for the corporate functions competent according to the subject matter, attended board meetings, also at the request of individual directors, to provide the appropriate in-depth analysis of the items on the agenda; and (ii) ensured that adequate pre-meeting information was provided and that the information provided during meetings was suitable to allow directors to act in an informed manner in carrying out their role.

In consideration of the corporate governance model adopted by the Issuer and consistent with the Group's organisational architecture described above, on 23 December 2020 the Board of Directors appointed Luigi Francesco Gozzini as Chairman of the Board of Directors and Chief Executive Officer.

Secretary of the Board of Directors

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

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

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

- a) pre-meeting information is accurate, complete and clear, and additional information provided during meetings is adequate to enable directors to act in an informed manner;
- b) the activity of Board committees is coordinated with the activity of the Board of Directors;
- c) the top management of the Company and of the companies of the same Group, as well as the heads of corporate functions, may intervene in Board meetings to provide the appropriate details on the items on the agenda

- d) all Directors may participate, subsequent to their appointment and during their term of office, in specific induction activities;
- e) the self-assessment process is adequate and transparent.

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

4.6 Executive Directors

Delegated Directors

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

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

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

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

- a) powers attributed to Luigi Francesco Gozzini - Chairman of the Board of Directors and Chief Executive Officer
 - (i) to actively and passively represent the Company before any public, judicial, administrative, tax and trade union authority, both in Italy or abroad, whether ordinary or special, in any proceedings, state, level and venue; make third-party declarations in enforcement procedures;
 - (ii) to represent the Company in legal proceedings, both vis-à-vis private individuals and public entities, before any ordinary, administrative, national or supranational judicial authorities, in any active and passive dispute, brought or to be brought at any venue, state and level, with all the widest powers to uphold the Company's claims, to propose and submit actions, to join a civil action, also with the right to promote lawsuits in the interest of the Company, to indicate an address for service, to perform acts of enforcement and conservation on securities and real estate assets, to reach agreements in arbitration disputes, to settle any litigation in any court and out-of-court proceedings, including labour disputes, to appoint attorneys with special mandates, attorneys with special warrants and arbitrators, experts and notaries, with the necessary powers to revoke them and replace them, in general to perform every and any useful and necessary acts for the judicial and administrative protection of the Company;
 - (iii) to represent the Company at the shareholders' meetings of all its subsidiaries and investees and of any other entity or association of which it is a part in any way;
 - (iv) to transfer, subscribe, acquire or sell, for any reason, equity investments, companies and business units for transactions exceeding Euro 200,000 per individual transaction or as a total for transactions related to each other;

- (v) to enter into and conclude deeds of transfer or acquisition, for any reason, of real estate rights, establishment of real rights on real estate and movable assets and sign real estate finance leases for amounts greater than Euro 500,000 per individual transaction or as a total for transactions related to each other;
- (vi) to perform transactions on current accounts opened at banks in the name of the Company, by letter or through the issue of cheques; make endorsements to the banks, both for discounting and collection of bills of exchange, bank cheques and other commercial instruments and generally including all banking transactions;
- (vii) to enter into or amend loan agreements for amounts less than Euro 1,000,000;
- (viii) to organise and then negotiate, sign, amend, terminate insurance contracts, including surety policies and guarantees for the most appropriate coverage of all the risks associated with the performance of the Company's business;
- (ix) to request the issue of guarantees, sureties, surety policies and/or deposits by insurance companies, to guarantee the exact fulfilment by the Company and the companies of obligations deriving from current transactions linked to its business, for amounts up to, for each individual transaction, Euro 500,000.00 and for a total amount, per calendar year, up to Euro 1,500,000;
- (x) to carry out banking transactions, other than those indicated in point (ix) above and discount transactions for invoices, for amounts up to Euro 1,000,000 per individual transaction or as a total for transactions related to each other, and mortgage applications for any amount;
- (xi) to establish security deposits for amounts up to Euro 500,000 per individual transaction or as a total for transactions related to each other;
- (xii) to disburse loans to the subsidiaries of the Company up to Euro 5,000,000;
- (xiii) to appoint and revoke, within the limits of the powers granted above, special ad hoc attorneys for individual acts or categories of acts;
- (xiv) to perform in general all ordinary administration transactions within the limits of the powers granted above, even if not previously listed, and to do everything appropriate in the interest of the Company, except for those actions expressly reserved to the Board of Directors or the Shareholders' Meeting, for the successful completion of his remit, with the extensive list of powers indicated above to be understood as examples but without limitations thereto;

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

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

- (iv) to represent the Company in any relationship with third parties and with public administrations and sign the related correspondence and, in particular, at any other body and institution responsible for governing and regulating employment relationships and vis-à-vis the trade union organisations and trade union representatives;
- (v) to hire managerial, clerical and blue collar staff on permanent and fixed-term contracts, and also to establish their salary conditions, and suspend or dismiss such staff; enter into contracts providing temporary staff;
- (vi) to impose the disciplinary sanctions on all employees as provided for in the applicable national collective labour agreement, in compliance with all legal and/or regulatory provisions and agreements relating to said provisions;
- (vii) to take part in trade union negotiations and enter into company agreements and represent the Company vis-à-vis the trade union organisations and trade union representatives in discussions on issues concerning relations with employees, with express authorisation to settle such disputes where appropriate, signing the related reconciliation reports and to settle any disputes with the Company's employees;
- (viii) to negotiate, sign, amend and terminate agreements with reference to passive contracts for purchasing, contracting and subcontracting with regard to goods and services, as well as to negotiate and reconcile any dispute with a unitary value of up to Euro 200,000 euro; for higher amounts, the joint signature of both CEOs will be required;
- (ix) to file trademarks and patents, transfer or acquire, for any reason, the licensing of intellectual property rights (including, without limitation, trademarks, patents, domain names) for amounts up to Euro 200,000 per individual transaction or as a total for transactions related to each other;
- (x) to apply for licences, permits, authorisations and administrative concessions of any kind;
- (xi) to perform transactions on current accounts opened at banks in the name of the Company, by letter or through the issue of cheques; make endorsements to banks, both for discounting and collection of bills of exchange, bank cheques and other commercial instruments and generally including all banking transactions with a unitary value of up to Euro 5,000,000;
- (xii) to arrange for the payment of taxes, employee salaries and the payment of directors' fees, within the limits of the resolutions of the Shareholders' Meeting, with no limitations on the amount;
- (xiii) to carry out all credit and debit factoring transactions, assign receivables, carry out discounting transactions, grant mandates for collection and establishing guarantees, always limited to the Company's activities;
- (xiv) to grant to other persons and, to the extent of the responsibilities of the individual functions, to the heads of these functions, powers of attorney and proxies for the performance of certain individual acts or categories of acts from those mentioned above, specifying their attributed powers;
- (xv) to perform in general all ordinary administration transactions, related to the functions of the administrative, financial, human resources and general service areas within the limits of the powers granted above, even if not previously listed, and to do everything appropriate in the interest of the Company, except for those actions expressly reserved to the Board of Directors or the Shareholders' Meeting, for the successful completion of the remit with the extensive list of powers indicated above to be understood as examples but without limitations thereto;
- (xvi) in addition, all powers (including the necessary and appropriate management and spending powers) are granted exclusively to the Chief Executive Officer, Marco Claudio Grillo, as well the duty for implementing the entire legal and regulatory system in force regarding the protection of personal data, which needs to be carried out as part of the Company's entrepreneurial activity. Therefore, he may, with full autonomy and discretion, take every necessary or appropriate initiative to achieve the purpose of processing personal data in strict compliance with

the legislation pursuant to Regulation (EU) 679/2016 (or, for the sake of brevity, GDPR), Legislative Decree no. 196 of 30 June 2003 (as amended by Legislative Decree no. 101/2018) as amended and supplemented, including future amendments and integrations, as well as the measures issued by the Italian Data Protection Authority. In addition, the Chief Executive Officer, Marco Claudio Grillo, may represent the Company before third parties and be entitled to delegate, in whole or in part, any and all the powers attributed to him/her with regard to the protection of personal data.

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

Chairman of the Board of Directors

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

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

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

Executive Committee

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

Information report for the Board by the members/delegated Directors

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

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

Other executive directors

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

4.7 Independent Directors and lead independent director

Independent Directors

The Board of Directors has three independent directors within its composition of six, possessing the requirements of independence of Art. 148, paragraph 3 of the Consolidated Law on Finance and the requirements of independence of the Self-Regulation Code and the Corporate Governance Code. The independent directors, Mario Benito Mazzoleni, Giuseppe Vegas and Nicla Picchi were appointed by the Company's Shareholders' Meeting on 23 December 2020.

The Company believes that the number of independent directors in office is adequate for the business needs and functioning of the Board, as well as the establishment of the relevant internal committees. As of the Report Date, the Chairman of the Board of Directors did not qualify as independent.

It should be noted that, on 13 January 2021, the Board of Directors determined that the circumstances that compromise, or appear to compromise, the independence of a director are at least the following:

- a) if he/she is a significant shareholder of the company;
- b) if he/she is, or has been in the previous three financial years, an executive director or employee: - of the company, of a company controlled by it having strategic importance or of a company under common control; - of a significant shareholder of the company
- c) if he/she, directly or indirectly (e.g. through subsidiaries or companies of which he/she is an executive director, or as a partner of a professional firm or consulting company), has, or has had in the previous three financial years, a significant commercial, financial or professional relationship: - with the company or its subsidiaries, or with the relevant executive directors or top management; - with a person who, also jointly with others through a shareholders' agreement, controls the company; or, if the controlling company is a company or entity, with the relevant executive directors or top management
- d) if he/she receives, or has received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration in addition to the fixed remuneration for the office and to the remuneration for participation in the committees recommended by the Code or provided for by the regulations in force
- e) if he has been a director of the company for more than nine financial years, even if not consecutive, in the last twelve financial years
- f) if he/she holds the position of executive director in another company in which an executive director of the company holds the position of director
- g) if he/she is a shareholder or director of a company or entity belonging to the network of the company appointed to perform the statutory audit of the company
- h) if he/she is a close member of the family of a person in any of the situations referred to in the preceding points.

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

The Board of Directors assesses the existence of circumstances relevant to independence, and in any case at least once a year, to determine whether the Independent Directors meet the independence requirements.

For this purpose, each non-executive director shall provide all the elements necessary or useful for the assessment of the Board of Directors, which shall consider, on the basis of all available information, any circumstance that affects or may appear to affect the director's independence.

The Board of Directors and the Board of Statutory Auditors verified the existence of the independence requirements for the above-mentioned Directors, at the first useful opportunity after their appointment, also based on the declarations made by the same for this purpose pursuant to Article 148 of the Consolidated Law on Finance, applying, *inter alia*, all the criteria set forth in the Corporate Governance Code. In particular, the Board of Directors, at its meeting held on 13 December 2022, carried out the appropriate checks on the independence requirements of each independent director, also based on the information provided by the interested parties. The outcome of these assessments was disclosed to the market in a press release issued on the same date. On that occasion, the Board of Statutory Auditors confirmed that it had carried out all the necessary checks on the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of its members. The results of these verifications will be disclosed in the Board of Statutory Auditors' report to the Shareholders' Meeting pursuant to Article 153 of the Consolidated Law on Finance.

Lead independent director

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

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

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

5. Management of corporate information

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

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

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

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

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

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

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

The committees represent an articulation of the Board of Directors with advisory and propositional purposes, as they are aimed at improving the Board of Directors' functionality and strategic policy-making capacity. On 13 January 2021 and with effect from the start of trading of the Company's shares on the Euronext Milan market, the Board of Directors established an internal Remuneration Committee, consisting of three independent directors.

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

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

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

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

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

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

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

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

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

7.1 Self-assessment and succession of directors

In accordance with Principle XIV and Recommendations 21 and 22 of the Corporate Governance Code, the Board of Directors did not deem it necessary to carry out a self-assessment on the functioning of the Board itself and its committees, postponing this assessment to the end of the three-year term of office, as recommended by the aforementioned provisions for companies that do not fall within the definition of a 'large company'.

Succession Plans

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

7.2 Appointments committee

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

8. Remuneration of the board members - remuneration committee

8.1 Directors' remuneration

Remuneration policy

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

8.2 Remuneration committee

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

Composition and operation of the Remuneration Committee

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

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

The Remuneration Committee is chaired by Nicla Picchi.

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

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

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

Role of the Remuneration Committee

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

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

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

The Remuneration Committee performs the following tasks:

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

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

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

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

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

Introduction

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

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

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

The ICRMS also includes:

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

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

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

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

- the Board of Directors, which sets the guidelines and assesses the adequacy of the internal control and risk management system;
- the Control, Risks and Sustainability Committee, with the tasks, described in section 9.2 below, of supporting, with adequate preliminary and propositional activity, the Board of Directors' assessments and decisions relating to the system, as well as those relating to the approval of periodic financial reports
- the Chief Executive Officer, with the duties, specified in detail in paragraph 9.1 below, of identifying the main corporate risks and submitting them periodically to the examination of the Board of Directors. The same is called upon to implement the guidelines defined by the Board of Directors on the subject of risks, reporting to the Risk Control and Sustainability Committee on problems and critical issues that have emerged in the performance of its activities or of which it has otherwise become aware;
- the head of the Internal Audit Department responsible for verifying that the internal control and risk management system is functional and adequate and consistent with the guidelines, in accordance with the tasks detailed in section 9.3 below;
- the Board of Statutory Auditors, which oversees the effectiveness of the internal control and risk management system.

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

- Consistency with Strategies and Objectives: the ICRMS contributes to the management of the company aimed at sustainable development, maximisation of value in consistency with corporate objectives, assisting management in making informed decisions in which the main risks are identified, assessed, managed and monitored;
- Risk & Control Based approach: the ICRMS is based on a methodology that anticipates risks, contributing to the taking of informed decisions, as well as to the search for possible opportunities and competitive advantages;
- Integration: the components of the ICRMS are coordinated and interdependent and the system, as a whole, is in turn integrated into the general organisational, administrative and accounting structure, respecting the autonomy and corporate responsibility of the subsidiaries;
- Compliance: the ICRMS is defined in compliance with the applicable regulations, the Corporate Governance Code and in coherence with the general reference framework composed, by way of

example, of: Articles of Association, Code of Ethics, Model 231, organisational system, system of powers and proxies and national and international best practices, including Enterprise Risk Management ("ERM");

- Process approach: the ICRMS is inspired by a process logic, regardless of the location of the relevant activities in the organisational and corporate structure of the Company.

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

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

The main objectives of the Risk Management system are:

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

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

On 5 July 2021, the Board of Directors, also in its function as Risk Control Committee, approved the work plan prepared by the head of the Internal Audit function, after consultation with the control body and the Chief Executive Officer (the 'Audit Plan').

On 12 July 2022, the Board of Directors, also in its capacity as Risk Control Committee, approved the Enterprise Risk Management ('ERM') model.

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

From an operational point of view, the Issuer, in line with the principles indicated by the Co.So Framework, manages the Risk Management process through four phases:

- phase 1 "Risk Assessment": identification, evaluation and classification of the risk
- phase 2 "Treatment": identification of risk responses and implementation of treatment actions;
- phase 3 'Monitoring': constant monitoring of risk trends, the status of implementation of treatment actions, identification of changes and emerging risks, and revision of the risk model;
- phase 4 'Reporting': reporting of quantitative and qualitative information on the risks monitored for Management and the Board of Directors, sharing with internal and external stakeholders of information useful for risk management.

During the year, two assessments were completed in separate periods (1st half-year and 2nd half-year 2022), which were followed by the subsequent phases of the Risk Management process. The analysis of the data that emerged allowed for the identification and assessment of the risks referable to the areas examined, as well as their prioritisation. The latter activity allowed the identification and inclusion of a financial type risk in the list of main risks, for which suitable measurement tools called Key Risk Indicators were defined. The activity was carried out by conducting various interviews with management and the various functional heads of the Company. These activities enabled the identification of those risks with the highest degree of probability of occurrence and/or economic impact on the company's business. From the analysis of the results just expressed, the Company has therefore identified the so-called 'Top Risks'. The company Protiviti Inc. was appointed to support the Company in carrying out these activities.

The internal control system in relation to financial reporting

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

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

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

9.1 Chief Executive Officer

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

The Chief Executive Officer is responsible for:

- a) managing the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, submitting them periodically for examination by the Board of Directors;
- b) implementing the guidelines defined by the Board of Directors, overseeing the planning, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of operating conditions and the general legislative and regulatory framework;

- c) entrusting the Internal Audit function with the performance of audits on specific operating areas and on their compliance with internal rules and procedures in the execution of corporate transactions, while concurrently informing the Chairman of the Board of Directors, the chairman of the Control Risk and Sustainability Committee (where established) and the Chairman of the Board of Statutory Auditors;
- d) promptly reporting to the Control Risk and Sustainability Committee (or to the Board of Directors) any problems and critical issues that have arisen during the performance of its activity or of which it has been informed in order for the committee (or the Board) to take the appropriate initiatives.

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

- the implementation of an internal control and risk management system in accordance with Article 6 of the CG Code, following the Enterprise Risk Management (ERM) guidelines;
- the introduction of a corporate procedure applied to all Group companies, in order to indicate guidelines for the identification, assessment and possible treatment of relevant risks and opportunities, with the aim of: (i) promoting the dissemination of risk management in corporate processes, to ensure consistency in methodologies and tools for risk management and control; (ii) developing a common language and disseminating an adequate risk management culture; (iii) providing a homogeneous approach for the identification of events that may affect the company's business; (iv) ensuring the performance of activities by coordinating risk owners and other actors involved in the process;
- carrying out risk assessment activities that confirmed the methodological framework of the company procedure and the Risk Model adopted, which, taking into account the characteristics of the activities performed by the company and its subsidiaries, identifies risks in four macro-categories: (i) strategic risks, related to company strategies aimed at obtaining a competitive advantage consistent with the objectives set forth in the business plan; (ii) operational risks, related to the organisational structure, control processes and Group information systems (iii) financial risks, related to the sector in which the Company operates and the business model with which it operates in order to achieve the objectives of the business plan; (iv) compliance risks, related to the possibility of incurring judicial or administrative sanctions, significant financial losses or reputational damage as a result of violations of mandatory rules (of law or regulations) or self-regulation;
- the identification, within the aforementioned macrocategories, by each Group risk owner, with the support of the internal legal function, for the areas within its competence, of the inherent risks and the treatment strategies for mitigating the risks identified. Through this process, corporate risks were identified, assessed and prioritised according to the risk matrix defined in the Enterprise Risk Management (ERM) procedure. The corporate procedure, containing the Risk Model and the risk assessment matrix was approved by the Chief Executive Officer of the Company and shared with the Control Risk and Sustainability Committee;
- the sharing with the Internal Audit function of the report of the audit activities carried out during 2022 as per the Audit Plan and the in-depth activities to be initiated for the year 2023;
- the execution, for the purposes of the Enterprise Risk Management process, of a series of meetings with the identified risk owners.

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

9.2 Control risk and sustainability committee

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

Composition and functioning of the Control, Risk and Sustainability Committee

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

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

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

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

During the Financial Year, the Board of Directors, in its capacity as Control, Risk and Sustainability Committee met four times. The percentage attendance of all members at these meetings was 100%.

Functions of the Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee has the task of supporting the Board of Directors' evaluations and decisions relating to the internal control and risk management system, as well as those relating to the approval of periodic financial reports, by means of an adequate preliminary activity of a propositional and advisory nature.

In this context, the Control, Risk and Sustainability Committee issues its prior opinion to the Board of Directors:

- e) on the guidelines of the internal control and risk management system, so that the main risks concerning Abitare In and the companies it controls - including the various risks that may be relevant with a view to sustainability in the medium-long term - are correctly identified, as well as adequately measured, managed and monitored
- f) on the degree of compatibility of the risks referred to in point (a) above with a management of the company consistent with the identified strategic objectives;
- g) at least annually, on the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as the effectiveness of the system itself

- h) at least once a year, on the work plan prepared by the Head of the Audit Function, after consulting the Board of Statutory Auditors and the Chief Executive Officer;
- i) on the description, contained in the report on corporate governance, of the main features of the internal control and risk management system and the methods of coordination between the parties involved in it, including an assessment of the adequacy of the system itself
- j) on the findings set out by the independent auditors in their letter of suggestions, if any, and in their report on key matters arising from the statutory audit
- k) on the proposal regarding the appointment, dismissal and remuneration of the Head of the Audit Function, as well as on the adequacy of the resources assigned to the latter for the performance of his/her duties.

The Committee, in assisting the Board of Directors, is also assigned the following tasks:

- a) assessing, in consultation with the Manager responsible for preparing the company's financial reports, the independent auditors and the Board of Statutory Auditors, the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements
- b) assessing the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and performance
- c) examining the content of periodic non-financial information relevant to the internal control and risk management system
- d) expressing opinions on specific aspects relating to the identification of the main business risks;
- e) review periodic reports, concerning the evaluation of the internal control and risk management system, and those of particular relevance prepared by the Head of the Audit Function
- f) monitoring the autonomy, adequacy, effectiveness and efficiency of the Audit Function;
- g) reporting to the Board of Directors, at least on a half-yearly basis, on the activity performed as well as on the adequacy of the internal control and risk management system
- h) supporting, with adequate preliminary activity, the Board of Directors' evaluations and decisions relating to the management of risks arising from prejudicial facts of which the Board of Directors has become aware.
- i) perform any further tasks assigned to it by the Board of Directors.

The Control, Risk and Sustainability Committee may ask the Audit Function to carry out audits on specific operational areas, notifying the Chairman of the Board of Statutory Auditors at the same time.

The Control, Risk and Sustainability Committee also supports the Board of Directors in assessing and deciding on sustainability issues; in this regard, it:

- (i) supports and advises the Board of Directors on sustainability issues, meaning the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain
- (ii) examines the content of periodic non-financial information relevant to the internal control and risk management system; and
- (iii) examines and evaluates the sustainability policies adopted by the Company, aimed at ensuring the creation of value over time for the generality of shareholders and for all other stakeholders relevant to the same in a medium-long term horizon in compliance with the principles of sustainable development, as well as the guidelines, objectives, and consequent processes, of sustainability and the sustainability reporting submitted annually to the Board of Directors, including, in particular, the so-called sustainability report.

The Control Risk and Sustainability Committee has access to the information and corporate functions necessary to perform its duties and may use external consultants at the Company's expense, within the limits of the budget approved by the Board of Directors.

The Chairman of the Risk and Sustainability Control Committee reports to the first Board of Directors' meeting on the meetings held by the Committee.

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

During the Financial Year, the Board of Directors, acting as Control Risk and Sustainability Committee, and, following its establishment, the Control Risk and Sustainability Committee:

- drew up the Committee's rules of operation
- assessed, together with the Manager in charge of preparing the Company's accounting and corporate documents, after hearing the person in charge of legal auditing and the Board of Statutory Auditors, the correct use of accounting standards and, with reference to subsidiaries, their uniformity for the purposes of preparing the consolidated financial statements
- assessed the suitability of periodic financial and non-financial information to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved
- formulated its own assessments on the adequacy of the SCIGR, in accordance with the provisions of Article 6, Recommendation no. 35, letter h,) of the Corporate Governance Code;
- examined the activities carried out by the Chief Executive Officer, providing initial guidelines on the criteria for assessing corporate risks;
- examined the periodic reports prepared during the financial year by the Audit Function, and invited the head of the function to report on them;
- examined, expressing a favourable opinion, the guidelines for the Internal Control and Risk Management System (ICRMS);
- provided guidance, impetus and monitored the progress of the implementation of the Group's Enterprise Risk Management (ERM) Model;
- took note of the report issued by the Supervisory Board on the activities carried out during 2022;
- contributed to the drafting of the report on corporate governance with reference to the internal control and risk management system.

9.3 Head of the internal audit function

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

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

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

- verifying, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and assignment of priorities in relation to the main risks;

- preparing periodic reports containing adequate information about its own activities, the methods used to manage risks, as well as compliance with the plans established to mitigate risks. The periodic reports contain an assessment on the suitability of the internal control and risk management system;
- promptly preparing reports on particularly significant events, also at the request of the control body;
- submitting the periodic reports referred to above to the Chairman of the Control Risk and Sustainability Committee (where established), the Chairman of the Board of Directors, the Chairman of the Board of Statutory Auditors, and the Chief Executive Officer;
- checking, as part of the audit plan, the reliability of the information systems, including the accounting recognition systems.

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

In accordance with Recommendation 36 of the Corporate Governance Code, the Head of Internal Audit:

- verified, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks;
- had direct access to all information relevant to the performance of the assignment;
- prepared periodic reports containing adequate information on its activities, on the manner in which risk management is conducted, and on compliance with the plans defined for their containment. The periodic reports contain an assessment of the suitability of the internal control and risk management system and forwarded them to the Chairman of the Board of Statutory Auditors, the Control Risk and Sustainability Committee and the Board of Directors, as well as to the Managing Director and Chief Executive Officer;
- prepared timely reports on particularly significant events;
- verified, as part of the audit plan, the reliability of information systems, including accounting systems;

During the Year, the Internal Audit Function performed and was involved in the following activities:

- audit activities in accordance with the Audit Plan, presented and approved by the Board of Directors on 5 July 2021. These activities concerned the most significant corporate processes for the Group, such as the procedure relating to procurement activities and cyber security activities;
- activities on behalf of the Supervisory Board, based on the provisions of Model 231 adopted by the Company. The head of the Internal Audit Function reported on the activities carried out during the Year to the Board of Directors on 16 March 2022, as well as to the Board of Statutory Auditors during several periodic meetings.

During the Financial Year, the head of the Internal Audit Function was able to dispose of adequate financial resources for the performance of his duties, which were used not only to carry out the planned actions, but also to update the 231 Model.

9.4 Organisational model pursuant to decree 231

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

The duties of supervising the functioning, observance, effectiveness and updating of the 231 Model were assigned by the Company to a supervisory body consisting of three members (the "**Supervisory Body**"). On 11 April 2022, the Board of Directors updated the 231 Model following the publication of the new Confindustria 2021 Guidelines. The Supervisory Board has autonomous powers of initiative and control as provided for in Legislative Decree 231/2001.

During the year, the Supervisory Body held seven meetings.

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

The Company extended the 231 Model to its subsidiaries.

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

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

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

The Code of Ethics has also been updated in order to incorporate new legislation and to take into account reference best practices.

Composition of the Supervisory Board

The Supervisory Body is the body appointed to supervise the operation of and compliance with the Model and was established on 28 December 2016.

The Board of Directors of Abitare In S.p.A. appoints the members of the Supervisory Board with a Board resolution, identifying among them also the Chairman. The members of the Supervisory Board are chosen from among persons particularly qualified and experienced in the subjects relevant for the purposes of the Decree, so as to ensure adequate competence in the fields of accounting, risk assessment, auditing and law.

The Supervisory Board is composed of two external persons and one person within the Company who does not perform operational functions.

The Supervisory Board is composed as follows:

- Angelo Marano, Chairman;
- Giuseppe Loporace, Committee Member;
- Federico Schneble, Committee Member.

The current members of the Supervisory Board were confirmed by the Board of Directors on 27 January 2020, for the next three years (i.e. until the approval of the financial statements as at 30 September 2022).

The Board of Directors decided to continue to assign the functions of the Supervisory Board to the members of the body indicated above, in consideration of the personal and professional characteristics and experience of some of the members, their seniority in office and their in-depth knowledge of the Company and the Group.

9.5 Auditing firm

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

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

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

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

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

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

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

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

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

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

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

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

10. Directors' interests and related-party transactions

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

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

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

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

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

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

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

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

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

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

Related-party transactions - preliminary assessment and approval

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

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

- (i) the Head of the Function must provide The Company's Secretariat with complete and adequate information well in advance on the Related-Party Transaction. In particular, this information must include the nature of the relationship, the main terms and conditions of the Transaction, the timing, the reasons underlying the Transaction and any risks for the Company and its subsidiaries. The Company's Secretariat sends this information to the Committee; and
- (ii) if the Related-Party Transaction Committee deems it necessary or appropriate, it may consult with one or more independent experts of its choice. In selecting experts, one shall use persons with recognised professionalism and expertise in the matters of interest and they will be assessed as to their independence and the absence of conflicts of interest.

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

11. Statutory auditors

11.1 Appointment of statutory auditors

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

The Board of Statutory Auditors is composed of three standing statutory auditors and two substitute statutory auditors who remain in office for three financial years and end their term of office on the date of the Shareholders' Meeting called to approve the financial statements for the third year of their office, with the

powers and obligations set forth by law. Those who are in the conditions referred to in Article 2399 of the Civil Code may not be appointed as statutory auditors and, if appointed, shall be disqualified from office. The Statutory Auditors must meet the requirements of integrity, professionalism and independence and those relating to the limit of number of offices held as specified in the laws and regulations in force from time to time.

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

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

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

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

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

The following documents are filed together and simultaneously with each list: (i) the information relating to the identity of the shareholders who submitted them, with an indication of the percentage of total shareholding held; (ii) the statement from shareholders other than those who hold, also jointly, a controlling or relative majority interest, certifying the absence of relationships linking them with the latter in accordance with the applicable regulations; (iii) a CV containing comprehensive information on the personal and professional characteristics of the candidates, as well as a statement from the same candidates attesting that they

meet the requirements laid down by law, and accept their candidacy, accompanied by a list of the management and control positions they hold in other companies; (iv) any additional or different statements, disclosures and/or documents required by law and the applicable regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

For the current financial year 6 meetings have been scheduled of which 1 has already been held. The members of the Board of Statutory Auditors in office as at the Date of the Report are shown in Table 3 attached (which summarises the information relating to: year of birth, seniority of service since the first appointment, date of appointment and duration of office, qualification and independence (if appropriate), positions held and attendance at meetings of the Board of Directors and its committees), and also in the following notes (indicating the personal and professional characteristics of the statutory auditors).

Ivano Passoni – Chairman of the Board of Statutory Auditors

Born in Monza on 27 June 1966, a degree in Economics and Business, a Chartered Accountant and Auditor; he has practised in Milan and Monza since 1991 and gained significant experience in corporate, tax, internal and international matters; management

control and company valuation. He has participated and participates in boards of directors, boards of statutory auditors and supervisory bodies of both private and publicly controlled companies and entities. He carries out conference activities and is teaching at the Training course of the Order of Chartered Accountants to which he belongs.

Marco Dorizzi – Standing statutory auditor

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

Matteo Ceravolo – Standing statutory auditor

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

Fanny Butera – Substitute statutory auditor

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

Mariateresa Giangrieco – Substitute statutory auditor

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

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

The members of the Board of Statutory Auditors are domiciled for service at the registered office of the Issuer. All members of the Board of Statutory Auditors meet the independence requirement pursuant to Art. 148, paragraph 3, of the Consolidated Law on Finance and Art. 2 of the Corporate Governance Code; in particular, the statutory auditors are not linked to the Issuer under freelance contracts or as employees or other relations of an economic or professional nature. On 13 January 2021, in accordance with Article 2 of the Corporate Governance Code and on the basis of the information provided by each Statutory Auditor, the Board of Directors verified that the members of the Board of Statutory Auditors meet the independence requirements.

All members of the Board of Statutory Auditors are also in possession of the integrity and professionalism requirements laid down by Art. 148 of the Consolidated Law on Finance and the implementing regulation adopted by the Ministry of Justice no. 162/2000 (published in the Official Gazette no. 141 of 19.06.2000).

It should be noted that, based on the information provided by the data subjects and the information available to the Issuer, the members of the Board of Statutory Auditors of the Issuer have not held any offices or carried out activities or services for the Issuer directly or indirectly, on an ongoing basis, in the last three years.

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

The Board of Statutory Auditors performs the tasks, activities and has the powers prescribed by law. The Board of Statutory Auditors must meet at least every ninety days. The Board of Statutory Auditors meets at the initiative of any one of the Statutory Auditors. It is validly constituted with the presence of the majority of the auditors and passes resolutions with the favourable vote of the absolute majority of those present. The Board of Statutory Auditors obtained from the Directors, with due periodicity, information on the general performance and outlook, as well as on the activities carried out and on the most important economic, financial and equity transactions carried out during the year, also through subsidiaries, verifying that they were compliant with the law and the Articles of Association and that they were not manifestly imprudent or risky, in potential conflict of interest, in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets.

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

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

Diversity criteria and policies

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

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

Independence

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

In particular, at its meeting of 13 December 2022, it proceeded, applying all the criteria set forth for directors in the Corporate Governance Code and approved by the Board of Directors, to verify the independence of its members, respectively confirming the existence and continued existence of these requirements for each of them.

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

Remuneration

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

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

Interests management

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

12. Shareholder relations

Access to information

When the shares were first listed on the Euronext Growth Milan market (formerly AIM Italia), the Issuer set up a special, easily identifiable and accessible section on its website, called "Investors" where information concerning the Issuer that is relevant to its shareholders has been and will be made available, so as to allow

the latter to exercise their rights wisely. This section also includes a specific sub-section dedicated to "Corporate Governance" containing extensive documentation.

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

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

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

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

Dialogue with shareholders

The Issuer, in accordance with the principles set out in the Corporate Governance Code, promotes dialogue with shareholders and other stakeholders relevant to the Company.

The Shareholders' Meeting represents an opportunity for dialogue between the shareholders and the Board of Directors also for the communication of information on the Company to the shareholders, in compliance with the applicable regulations in force.

As of the date of the Report, the Board of Directors has not yet adopted a policy for the management of dialogue with shareholders in general, deeming it advisable to assess and deepen the dynamics of this dialogue in order to implement such a policy during the 2023 financial year.

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

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

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

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

prevail.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

During the year, the Shareholders' Meeting was held on 21 January 2022, with the intervention of all the Company Directors and all Statutory Auditors.

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

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

15. Changes from the end of the reporting period

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

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

With regard to the letter dated 3 December 2021 from the Chairman of the Corporate Governance Committee addressed to the Chairmen of the Boards of Directors of Italian listed companies, the Board of Directors considered the recommendations contained in the annual communication from the Chairman of the Corporate Governance Committee, as well as the provisions of the Code.

The same recommendations were considered in order to verify the effectiveness of adherence to the Corporate Governance Code and identify any improvement actions in the areas in respect of which the Corporate Governance Committee called for better adherence to the recommendations contained in the Code.

Milan, 13 December 2022

The Chairman of the Board of Directors
Luigi Francesco Gozzini
Luigi Francesco Gozzini

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

Share Capital Structure				
	Number of Shares	% of share capital	Listed (indicate the markets) / unlisted	Rights and Obligations
Ordinary shares	26,530,812	100%	Euronext Milan - Euronext STAR Milan segment - managed by Borsa Italiana S.p.A.	See paragraph 2.0, lett. a)
Multiple voting shares	-	-	-	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-
Other	-	-	-	-

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

Significant equity investments			
SIGNIFICANT STAKEHOLDINGS			
Declarant	Direct shareholder	% of ordinary share capital	% of voting capital
Luigi Francesco Gozzini	-	22.69%	22.69%
Marco Claudio Grillo	-	17.79%	17.70%
Gaudenzio Roveda	-	10.41%	10.41%

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

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	Holding office since	Holding office until	List (submitter) (**)	List (M/m) (***)	Executive	Non-executive	Indep. under the Code	Indep. under the Cons. Law on Fin.	No. of other offices held (****)	Attendance (*****)
Chairman and CEO	Luigi Francesco Gozzini	1967	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	M	X				0	18/18
CEO •	Marco Claudio Grillo	1968	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	M	X				0	17/18
Dir.	Eleonora Reni	1988	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	M		X			0	18/18
Dir. o	Mario Benito Mazzoleni	1957	17.12.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	M		X	X	X	0	17/18
Dir.	Giuseppe Vegas	1973	29.01.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	M		X	X	X	0	17/18
Dir.	Nicla Picchi	1960	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	M		X	X	X	2	18/18
DIRECTORS WHO LEFT DURING THE YEAR													
Director	-	-	-	-	-	-	-	-	-	-	-	-	-

N. of meetings during the Fiscal Year: 18

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

Notes

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

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

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

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

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

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

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

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

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

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

Notes

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

(**) This column indicates the title of the director within the committee: 'C': chairman; 'M': member.

(1) As of the Date of the Report, the Company has not established any executive committee.

(2) Pursuant to the provisions of Article 2.1 of the Third-Party Transactions Procedures, the Third-Party Committee is deemed to be automatically constituted in the persons of the three independent directors Mario Benito Mazzoleni, Giuseppe Vegas and Nicla Picchi, thus not requiring the adoption of a specific resolution of appointment by the Board of Directors.

(3) The Board of Directors does not deem it necessary to set up an internal Appointments Committee, as described in Section 7.2 of the Report.

TABLE 4: Structure of the Board of Statutory Auditors

Office	Members	Year of birth	Date of first appointment*	Holding office since	Holding office until	List **	Indep. under the Code	Participation in meetings of the Board of Statutory Auditors ***	No. of other offices ****
Chairman	Ivano Passoni	1966	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	6/6	23
Standing statutory auditor	Marco Dorizzi	1961	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	6/6	15
Standing statutory auditor	Matteo Ceravolo	1974	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	6/6	13
Substitute statutory auditor	Fanny Butera	1962	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	0/6	8
Substitute statutory auditor	Mariateresa Giangreco	1974	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	0/6	3
AUDITORS WHO CEASED OFFICE DURING THE FINANCIAL YEAR									
-	-	-	-	-	-	-	-	-	-
Number of meetings held during the financial year: 1									
Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Art. 148 of the Consolidated Law on Finance): 4.5%									

Note

(*) Date of first appointment of each Statutory Auditor means the date on which the Statutory Auditor was appointed for the first time (ever) to the Issuer's Board of Statutory Auditors.

** This column indicates the list from which each Statutory Auditor was drawn ("M": majority list; "m": minority list).

*** This column indicates the attendance of statutory auditors at meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the total number of meetings which could have been attended, e.g. 6/8; 8/8 etc.).

****This column indicates the number of offices as director or statutory auditor held by the person concerned pursuant to Art. 148-bis of the Consolidated Law on Finance and the related implementing provisions contained in the Consob Issuers' Regulation. The complete list of offices is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulation.

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

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

Name and Surname	Company	Office
Luigi Francesco Gozzini	TH S.r.l.	Sole Director
	Milano Progetti	Sole Director
	Abitare Development 3 S.r.l.	Sole Director
	MyCity	Sole Director
	Palazzo Naviglio	Sole Director
	Lambrate Twin Palace S.r.l.	Sole Director
	Abitare Development 4 S.r.l.	Sole Director
	Abitare Development 6 S.r.l.	Sole Director
	Savona105 S.r.l.	Sole Director
	Smartcity SIINQ S.r.l.	Sole Director
	Housenow S.r.l.	Sole Director
	TheUnits S.r.l.	Sole Director
	Deametra SIINQ S.r.l.	Sole Director
	Accursio S.r.l.	Sole Director
	CityNow S.r.l.	Sole Director
	Immaginare S.r.l.	Sole Director
Marco Claudio Grillo	Tecma Solutions S.p.A.	Sole Director
	Creare S.r.l.	Sole Director
	Abitare In Maggiolina S.r.l.	Sole Director
	I.E.S. S.p.A.	Chairman of the Board of Directors
	Milano City Village S.r.l.	Sole Director
	Ziro S.p.A.	Sole Director
	Trilogy Towers S.r.l.	Sole Director
	Whitecaps S.r.l.	Sole Director
	Homizy SIHQ S.p.A.	Sole Director
	Mivivi S.r.l.	Sole Director
	Abitare In Development 5 S.r.l.	Sole Director
	GMC Holding S.r.l.	Director
	Porta Naviglio Grande S.r.l.	Director
	Hommi S.r.l.	Sole Director
	Volaplana S.r.l.	Sole Director
	City Zeden S.r.l.	Sole Director
Nicla Picchi	UnipolSai S.p.A.	Sole Director
	Sabaf S.p.A.	Sole Director

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

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

Name and Surname	Company	Office
Ivano Passoni	I.R.E. S.r.l.	Sole Director
	Compagnia dei Beni Stabili S.r.l.	Chairman of the Board of Directors/Shareholder
	Fondazione Caritas Ambrosiana	Director
	Pascarosa Società Semplice	Managing Partner
	NPL RE VALUE SRL	Director
	Scherna Monza A.S.D.	Auditor
	Corioni S.r.l.	Chairman of the Board of Statutory Auditors
	Epipoli S.p.A.	Chairman of the Board of Statutory Auditors
	Ambrogio Moro S.p.A.	Standing Auditor
	AEVV Impianti S.r.l.	Standing Auditor
	Candy Hoover Group S.r.l.	Standing Auditor
	Gias S.r.l.	Standing Auditor
	Haier Europe Appliances Solutions S.p.A.	Standing Auditor
	I.P.A. Industria Porcellane S.p.A.	Standing Auditor
	Mplus Cosmetics S.r.l.	Standing Auditor
	Zerowatt Hoover S.p.A.	Standing Auditor
	Talent Garden S.p.A.	Standing Auditor
	Talent Garden Med S.r.l.	Standing Auditor
	Bunz Raccolta S.p.A.	Substitute Auditor
	COMM3000 S.p.A.	Substitute Auditor
	Immobiliare Falco S.p.A.	Substitute Auditor
	Servovalve 1967 S.p.A.	Substitute Auditor
	Taf Abrasivi S.p.A.	Substitute Auditor
Marco Dorizzi	Candy Hoover Group S.r.l.	Standing Auditor
	Homizy S.p.A.	Standing Auditor
	Zerowatt Hoover S.p.A.	Standing Auditor
	COMM3000 S.p.A.	Chairman of the Board of Statutory Auditors
	RSM Società di revisione organizzazione contabile S.p.A.	Standing Auditor
	Mplus Cosmetics S.r.l.	Chairman of the Board of Statutory Auditors
	Immobiliare di Valle Artogna S.r.l.	Sole Director
	I.P.A. Industria Porcellane S.p.A.	Chairman of the Board of Statutory Auditors
	GIAS S.r.l.	Chairman of the Board of Statutory Auditors
	Tomo S.p.A. in liquidazione	Standing Auditor
	Ulisse Due S.r.l. in liquidazione	Standing Auditor
	Ellisse S.r.l.	Auditor
	Altea S.p.A.	Substitute Auditor
	Compagnia dei Beni Stabili S.r.l.	Substitute Auditor/Shareholder

Matteo Ceravolo	Haier Europe Appliance Solutions S.p.A.	Standing Auditor
	Pigreco Corporate Finance S.r.l.	Director/Shareholder
	Foodness S.p.A.	Director
	Red Tractor S.r.l.	Director
	Blue Financial Communication S.p.A.	Standing Auditor
	First For Progress S.p.A.	Standing Auditor
	First Capital S.p.A.	Standing Auditor
	Maniva S.p.A	Standing Auditor
	TCH S.r.l.	Standing Auditor
	Beauty S.r.l.	Liquidator
	Cogeme Set in liquidazione	Standing Auditor
	First Sicav S.p.A.	Standing Auditor
	Antress S.p.A.	Standing Auditor
	Homizy S.p.A.	Standing Auditor

Consolidated Financial Report

AS AT 30 SEPTEMBER 2022

Consolidated Statement of Financial Position

	Note	30.09.2022	Related parties	30.09.2021	Related parties
Property, plant and equipment	1	12,095,616		8,980,198	
Intangible assets	2	1,829,560		1,673,954	
Financial activities	3	310,968		-	
Equity investments in other companies	4	4,715,514		4,370,694	
Deferred tax assets	5	2,381,742		1,172,151	
TOTAL NON-CURRENT ASSETS		21,333,400		16,196,997	
Inventory	6	305,379,872		209,663,389	
Trade receivables	7	283,950		293,443	
Other current assets	8	13,175,590		12,105,347	
Current tax assets	9	11,335,985		5,944,427	
Cash and cash equivalents	10	32,365,487		13,778,285	
TOTAL CURRENT ASSETS		362,540,884		241,784,891	
TOTAL ASSETS		383,874,284		257,981,888	
Share capital		132,654		129,677	
Reserves		51,302,326		39,494,362	
Profit (loss) carried forward		32,743,810		20,552,052	
Profit (loss) for the year		7,892,419		12,191,758	
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		92,071,209		72,367,849	
Profit and reserves attributable to non-controlling interests		3,936,171		468,661	
EQUITY	11	96,007,380		72,836,510	
Non-current financial liabilities	12	130,636,766		72,167,050	
Employee benefits	13	325,982		325,142	
Other non-current liabilities	14	281,755	281,755	284,793	252,759
Customer down payments and deposits	15	80,866,928		65,452,039	
Deferred tax liabilities	5	10,434,062		6,466,158	
TOTAL NON-CURRENT LIABILITIES		222,545,493		144,695,182	
Current financial liabilities	12	17,915,573		16,710,663	
Trade payables	16	23,747,452	22,921	11,704,006	52,032
Other current liabilities	17	12,025,471	1,020,271	8,805,177	671,021
Customer down payments and deposits	15	11,091,600		2,414,355	
Current tax liabilities	18	541,315		815,995	
TOTAL CURRENT LIABILITIES		65,321,411		40,450,196	
TOTAL LIABILITIES		287,866,904		185,145,378	
TOTAL LIABILITIES AND EQUITY		383,874,284		257,981,888	

Consolidated Income Statement

	Note	30.09.2022	Related parties	30.09.2021	Related parties
Revenue from sales	19.1	20,649,915		50,436,019	
Change in inventory for progress of works	19.2	79,765,416		20,653,707	
Change in inventory for new sites purchased	19.3	16,866,000		49,698,315	
Other revenue	19.4	4,895,857		4,029,629	
TOTAL REVENUE	19	122,177,188		124,817,670	
Property purchased for redevelopment for sale		16,866,000		49,698,315	
Property purchased for redevelopment for rental			-	2,250,000	
Raw materials, consumables, supplies and goods		56,760		84,066	
Services	20.1	84,445,199	2,803,296	50,284,678	3,209,812
Rentals and similar		295,451		210,695	
Personnel expenses	20.2	2,440,315	200,000	2,108,140	200,000
Depreciation/Amortisation	20.3	1,148,685		959,476	
Impairment losses and provisions	20.4	598,047	52,547	476,547	52,547
Other operating expenses	20.5	1,942,441		1,882,119	
TOTAL OPERATING EXPENSES	20	107,792,898		107,954,036	
EBIT		14,384,290		16,863,634	
Financial income	21	345,345		2,175,876	
Financial expenses	21	(3,493,957)		(2,336,621)	
EBT		11,235,678		16,702,889	
Income taxes	22	(3,319,440)		(4,540,687)	
PROFIT (LOSS) FOR THE YEAR		7,916,238		12,162,202	
Of which:					
Net profit (loss) attributable to non-controlling interests		23,819		(29,556)	
Net profit (loss) attributable to the owners of the Parent		7,892,419		12,191,758	

Earnings per share	23	0.30	0.47
Diluted earnings per share	23	0.30	0.47

Consolidated Comprehensive Income Statement

	Note	30.09.2022	30.09.2021
Profit (loss) for the year		7,916,238	12,162,202
Other comprehensive income			
<i>That will not be subsequently reclassified in profit or loss for the year</i>			
Employee benefits		104,593	(29,135)
Tax effect		(25,102)	6,993
Total		79,491	(22,142)
<i>That will be subsequently reclassified in profit or loss for the year</i>			
Hedging instruments		343,002	(32,034)
Tax effect		(82,320)	7,689
Total		260,682	(24,345)
Total change in OCI reserve		340,173	(46,487)
Comprehensive income for the period		8,256,411	12,115,715

Earnings per share	23	0.31	0.47
Diluted earnings per share	23	0.31	0.47

Consolidated Statement of Cash Flow (indirect method)

	30.09.2022	30.09.2021
Operating activities		
Profit (loss) for the year	7,916,238	12,162,202
Income taxes	3,319,440	4,540,687
Financial income	(345,345)	(2,175,876)
Financial expenses	3,493,957	2,336,590
(Gains)/losses on the sale of companies	(5,431)	-
Net accruals to provisions	705,170	157,292
Accrual to stock grant reserve	1,733,794	2,379,457
Impairment and depreciation/amortisation of property. plant and equipment and intangible assets	1,148,685	959,476
Cash flows before changes in net working capital	17,966,508	20,359,828
Decrease/(increase) in inventory	(95,716,483)	(70,605,100)
Increase/(decrease) in trade payables	12,043,446	(795,964)
Decrease/(increase) in trade receivables	9,493	(440,289)
Change in other current/non-current assets and liabilities	19,380,920	10,642,557
Net financial income/expenses collected/paid	(3,571,701)	(2,686,157)
Taxes paid	-	(1,648,517)
Use of provisions	(48,217)	(339,386)
Cash flows from (used in) operating activities (A)	(49,936,034)	(45,513,028)
Investing activities		
Investments in property. plant and equipment	(228,900)	(181,530)
Disposal of property. plant and equipment	5,431	-
Real estate investments	(3,223,890)	(2,681,154)
Investments in intangible assets	(966,917)	(1,027,960)
Disposal of intangible assets	-	-
Other equity investments	-	(2,974)
Sale of company. net of cash and cash equivalents	-	-
Cash flows from (used in) investing activities (B)	(4,414,276)	(3,893,618)
Financing activities		
Bank loans raised	79,749,269	48,258,787
Bank loan repayments	(19,868,868)	(20,855,936)
Change in current/non-current financial liabilities	(123,554)	301,085
Net change in current financial assets	-	-
Share capital increase against consideration	13,180,665	-
Cash flows from (used in) financing activities (C)	72,937,512	27,703,936
Net cash flows in the period (A)+(B)+(C)	18,587,202	(21,702,710)
Cash and cash equivalents at the beginning of the year	13,778,285	35,480,995
Increase/(decrease) in cash and cash equivalents from 1 October to 30 September	18,587,202	(21,702,710)
Cash and cash equivalents at the end of the year	32,365,487	13,778,285

Statement of Changes in Equity

	Share capital	Share premium	Legal reserve	Stock grant reserve	FTA reserve	Consolidation reserve	OCI reserve	Profit carried forward from previous years	Profit for the year	Equity attributable to non-controlling interests	Total	
Equity at 1 October 2020	129,677	36,886,372	39,651	-	282,731	-	(45,220)	11,354,847	9,197,205	57,845,263	498,217	58,343,480
Profit (loss) for the year									12,191,758	12,191,758	(29,556)	12,162,202
Actuarial valuation of TFR								(22,142)		(22,142)		(22,142)
Hedging derivatives valuation							(24,345)			(24,345)		(24,345)
Stock grant plan				2,379,457					2,379,457		2,379,457	
Change in scope of consolidation					(2,142)				(2,142)		(2,142)	
Allocation of the profit for the year								9,197,205	(9,197,205)		-	
Equity at 30 September 2021	129,677	36,886,372	39,651	2,379,457	280,589	-	(91,707)	20,552,052	12,191,758	72,367,849	468,661	72,836,510

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

NOTE to the Consolidated Financial Report

Accounting standards and measurement criteria

Basis of presentation

The consolidated financial statements for the year ended 30 September 2022 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005. IFRSs also include the International Accounting Standards ('IAS') still in force, as well as all interpretative documents issued by the IFRS Interpretation Committee, formerly the International Financial Reporting Interpretations Committee ('IFRIC') and before that the Standing Interpretations Committee ('SIC'). The consolidated financial statements are prepared on a historical cost basis, except for the fair value measurement of certain financial instruments.

These financial statements are based on the going concern assumption.

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

Financial Statements

The consolidated financial statements of the Abitare In Group as at 30 September 2022 comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes, prepared in accordance with IFRS.

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

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

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

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

Statement of Amounts in the Consolidated Financial Statements and Notes

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

Basis of consolidation

Scope of consolidation

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

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

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

The minority shareholders' interest in the net assets of consolidated subsidiaries is identified separately from the Group's equity. This interest is determined at the acquisition date on the basis of the fair value of the minority interest or as a proportion of the current value of the recognised net assets of the acquiree and after that date in changes in equity. The choice of measurement method is made on a transaction-by-transaction basis. Losses attributable to third parties in a consolidated subsidiary may exceed the non-controlling interests in the subsidiary's equity; in such cases non-controlling interests will present a negative balance.

The effects of changes in the shareholdings of subsidiaries that do not involve acquisition/loss of control are recorded under changes in equity.

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

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

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

* 70,72% owned by Abitare In S.p.A. through Homizy S.p.A.

Compared to the previous year, the scope of consolidation is unchanged. On 4 July 2022, the direct merger of Richard S.r.l. into Abitare In Development 4 S.r.l. was finalised. The subsidiaries prepare their annual financial statements in accordance with the regulations applicable in Italy and Italian GAAP, and it was therefore necessary to carry out a conversion process from these accounting standards to IFRS in order to align them with the Group's accounting standards.

Assessment Criteria

Revenue Recognition and Inventory

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

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

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

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

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

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

- a) real estate projects for which the preliminary conveyance agreements have yet to be signed;
- b) real estate projects for which, although the preliminary conveyance agreements have been signed, the conditions under the aforementioned paragraph 35 are not met;
- c) real estate projects for which the preliminary conveyance agreements have been signed and the conditions under the aforementioned paragraph 35 are met;
- d) conveyancing completed after finalising the related final conveyance agreement (by public deed).

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

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

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

is recognised in the income statement. The related change is recognised in the income statement under "Change in inventory for progress of works".

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

Property, plant and equipment

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

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

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

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

Intangible assets

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

Vice-versa, development costs can be capitalised if the following conditions are satisfied: i) the project is clearly identified and the associated costs can be identified and measured reliably; ii) the technical feasibility of the project has been established; iii) there is a clear intention to complete the project and sell the intan-

gible assets generated by the project; iv) a potential market exists or, in the case of internal use, the usefulness of the intangible asset has been established for the production of the intangible assets generated by the project; v) adequate technical and financial resources to complete the project are available.

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

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

Category	Amortisation rate
Development costs	20%
Other assets	20%

Leasing

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

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

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

With reference to options:

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

Impairment of assets

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

Equity investments in other companies

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

Business combinations

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

The consideration transferred in the business combination is equivalent to the fair value at the acquisition date of the assets transferred, the liabilities assumed and the equity instruments issued for the purpose of the acquisition, and also includes any contingent consideration, that is, any portion of the consideration whose amount and payment are dependant on future events. The contingent consideration is recognised on an Acquisition-Date Fair Value basis and any subsequent changes in fair value are recognised through

other comprehensive income if the contingent consideration is a financial asset or liability. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

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

Trade and other receivables

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

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

Impairment

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

Cash and cash equivalents

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

Equity

Share capital

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

Reserves

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

Retained earnings (losses)

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

Share-based payment

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

Employee benefits

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

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

Financial assets

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

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

Financial assets measured at amortised cost

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

recognition of the credit; interest is recognised as gross; 3) recognition of additional losses expected over the life of the receivable when the loss occurred; interest is recognised as net (the amortised cost is revised as the Internal Return Rate changes seeing that the cash flows changed due to the occurrence of the trigger event).

Financial assets measured at fair value through other comprehensive income (FVOCI)

This category includes the financial assets for which the following requirements have been met: i) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and through the sale of the asset itself; and ii) the contractual terms of the asset provide for cash flows represented solely by payments of the principal and interest on the principal to be repaid. In addition, the equity instruments (equity investments in which the Group does not exercise control or significant influence) for which the Group applies the option granted by the principle of measuring these instruments at fair value through other comprehensive profitability (see paragraph 4 above in this regard) are also classified in this category. These assets are initially recognised at fair value. At their subsequent measurement, the valuation at the time of measurement is updated and any changes in fair value are recognised in Other comprehensive income. Any impairment losses, interest income and gains or losses on exchange rate differences are recognised in Profits or loss for the year.

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

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

Impairment on financial assets measured at amortised cost

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

In particular:

- Stage 1: includes i) newly acquired credit exposures, ii) exposures that have not undergone a significant deterioration in credit risk since the initial recognition date and iii) exposures with low credit risk.
- Stage 2: includes credit exposures that, though not impaired, have suffered a significant deterioration in credit risk since the initial recognition date.
- Stage 3: includes impaired credit exposures. For exposures belonging to stage 1, the total value adjustments are equal to the expected loss calculated over a period of up to one year. For exposures belonging to stages 2 or 3, the total adjustments are equal to the expected loss calculated over a

time horizon equal to the entire life of the exposure. The criteria for determining the impairment to be made to receivables are based on discounting expected cash flows by principal and interest. For the purposes of calculating the present value of the flows, the fundamental elements include the identification of the estimated collections, their collection dates and the discount rate to be applied. In particular, the amount of the loss is obtained as the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original interest rate of the financial asset. These assets are classified as current assets, except for quotas maturing after more than 12 months, which are included among non-current assets

Derivative financial instruments

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

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

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

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

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

Financial liabilities

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

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

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

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

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

Provisions for risks and charges

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

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

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

Income taxes

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

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

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

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

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

Use of estimates

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

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

- Valuation of work in progress and revenue recognition: the method adopted is that of the actual cost in relation to the expected cost to finish; this valuation is subject to assumptions, assumptions and estimates on the cost to finish and the related margin.
- Taxes: income taxes, relating to non-exempt operations only, are estimated based on the forecast of the actual amount that will have to be paid to the tax authorities when filing a tax return; deferred tax assets are accounted for on the basis of income expectations for future years, taking into account the tax regime applicable to the Company, and are determined using the tax rates that are expected to be applicable in the periods in which the temporary differences will be realised or extinguished.
- Medium- and long-term share-based incentive plans: medium- and long-term share-based incentive plans provide that at the end of each accounting period, an estimate of the number of rights that will accrue until maturity is updated. The valuation is made with the help of external experts.

New accounting standards, amendments and interpretations applicable from 1 January 2021

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. The amendment had no effect on the consolidated financial statements at 30 September 2022.

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. The amendment had no effect on the consolidated financial statements at 30 September 2022.

On 31 March 2021, the IASB published an amendment entitled "Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)" which extended by one year the period of application of the amendment to IFRS 16, issued in 2020, relating to concessions to lessees, due to Covid-19. The amendments apply from 1 April 2021 with the possibility of early adoption. The amendment had no effect on the consolidated financial statements at 30 September 2022.

IFRS accounting standards, amendments and interpretations of future effectiveness

With reference to the IFRS standards, approved by the IASB and endorsed for adoption in Europe, whose mandatory effective date is after 30 September 2022, the following is noted.

Amendment to IAS 16 - Property, plant and machinery: regulates the accounting treatment of proceeds from assets before intended use. The amendment is mandatory for financial years starting on or after 1 January 2022.

Amendment to IAS 37 - Provisions, contingent liabilities and contingent assets: deals with onerous contracts and costs of fulfilling a contract. The amendment is mandatory for financial years starting on or after 1 January 2022.

Amendment to IFRS 3 - Business Combinations: reference to the conceptual framework. The amendment is mandatory for financial years starting on or after 1 January 2022.

Annual improvements to IFRSs - 2018-2020 Cycle. Mandatory for financial years starting on or after 1 January 2022. IFRS 17 - Insurance Contracts. First application of the principle mandatory for financial years starting on or after 1 January 2023.

Amendment to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: disclosure of accounting policies. Compulsory amendment for financial years starting on or after 1 January 2023.

Amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: deals with the definition of accounting estimates. Compulsory amendment for financial years starting on or after 1 January 2023.

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

Notes to key items of the statement of financial position

Note 1. Property, plant and equipment

The table below shows the breakdown of the item property, plant and equipment at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Property	5,292,748	5,416,105	(123,357)
Plant and machinery	22,619	18,661	3,958
General equipment	27,766	15,411	12,355
Other property, plant and equipment	847,439	848,867	(1,428)
Assets under construction and payments on account	5,905,044	2,681,154	3,223,890
Total	12,095,616	8,980,198	3,115,418

The table below shows changes in Property, plant and equipment at the reporting dates 30 September 2022 and 30 September 2021, by individual asset category.

	Property	Plant and machinery	General equipment	Other property, plant and equipment	Assets under construction	Total property, plant and equipment
Opening balance						
Cost	5,962,146	37,917	19,722	1,271,101	2,681,154	9,972,040
Amortisation (accumulated amortisation)	(546,041)	(19,256)	(4,311)	(422,234)	-	(991,843)
Carrying amount	5,416,105	18,661	15,411	848,867	2,681,154	8,980,198
Changes in the period						
Increases for acquisitions	30,672	12,150	14,543	193,723	3,223,890	3,474,978
Decreases for disposals	-	-	-	(32,513)	-	(32,513)
Reclassifications (of carrying amount)	-	-	-	-	-	-
Amortisation in the year	(154,029)	(8,192)	(2,188)	(172,963)	-	(337,372)
Fund use	-	-	-	10,325	-	10,325
Total changes	(123,357)	3,958	12,355	(1,428)	3,223,890	3,115,418
Closing balance						
Cost	5,992,818	50,067	34,265	1,432,311	5,905,044	13,414,505
Amortisation (accumulated amortisation)	(700,070)	(27,448)	(6,499)	(584,872)	-	(1,318,889)
Carrying amount	5,292,748	22,619	27,766	847,439	5,905,044	12,095,616

The item "Assets under construction" increased exclusively due to the costs incurred for the realisation of buildings intended for leasing in the form of co-living in the subsidiaries Smartcity S.r.l. and Deametra S.r.l. for Euro 1,484 thousand and Euro 1,740 thousand, respectively.

The item "other property, plant and equipment" increased primarily due to costs incurred for the refurbishment of the Viale Umbria 32 Showroom for a totalling Euro 164 thousand.

Note 2. Intangible assets

The table below shows the breakdown of the item Intangible assets at 30 September 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Development costs	1,182,715	1,011,508	171,207
Concessions. licences. trademarks and similar rights	2,451	844	1,607
Assets under construction and payments on account	23,504	504	23,000
Other intangible assets	620,890	661,098	(40,208)
Total	1,829,560	1,673,954	155,606

The table below shows changes in Intangible assets at the reporting dates 30 September 2022 and 30 September 2021, 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	2,039,541	24,382	504	999,653	3,064,080
Amortisation (accumulated amortisation)	(1,028,033)	(23,538)	-	(338,555)	(1,390,125)
Carrying amount	1,011,508	844	504	661,098	1,673,954
Changes in the period					
Increases for acquisitions	715,494	1,770	23,000	226,655	966,919
Reclassifications (of carrying amount)	-	-	-	-	-
Amortisation in the year	(544,287)	(163)	-	(266,863)	(811,313)
Total changes	171,207	1,607	23,000	(40,208)	155,606
Closing balance					
Cost	2,755,035	26,152	23,504	1,226,308	4,030,999
Amortisation (accumulated amortisation)	(1,572,320)	(23,701)	-	(605,418)	(2,201,439)
Valore di bilancio	1,182,715	2,451	23,504	620,890	1,829,560

The increase in development costs and other intangible assets is attributable, for an amount of Euro 715 thousand, to the investment made by the Group in the development and integration of the Corporate E-Commerce platform Abitare In, fully integrated with all corporate processes, for the sale of houses on-line and the development and integration of an on-line flat configurator. These costs relate to costs for services rendered by third parties. The development costs incurred by the Group relate to projects that meet the requirements of IAS 38.

In addition, the item 'other intangible assets' increased by Euro 204 thousand due to the recognition of the right of use pertaining to the lease contract for the new offices at Viale Umbria, 36.

Note 3. Financial assets

As of 30 September 2022, this item consisted of the financial assets arising from the mark-to-market valuation of cash flow hedge derivatives entered into by Abitare In S.p.A. and the subsidiary Porta Naviglio Grande S.r.l.

Note 4. Equity investments in other companies

The item in question is mainly represented by the shares, equal to 7.3% of the share capital, held in Tecma Solutions S.p.A., a company listed on Euronext Growth Milan, specialised in Real Estate Business Innovation for an amount of Euro 4,713 thousand.

The carrying amount increased by Euro 345 thousand as a result of the revaluation generated by the alignment of the carrying amount to the fair value at 30 September 2022 as the asset is classified as Financial assets at fair value through profit or loss (FVTPL). The quoted value at 30 September 2022 of Euro 8.2 per share was used as the fair value benchmark.

The residual amount of Euro 3 thousand refers to shares held in Banca di Credito Cooperativo.

Note 5. Deferred tax assets and liabilities

The net balance of deferred tax assets and liabilities at 30 September 2022 is as follows.

	30.09.2022	30.09.2021	Change
Deferred tax assets	2,381,742	1,172,151	1,209,591
Payables for deferred tax liabilities	(10,434,062)	(6,466,158)	(3,967,904)
Net position	(8,052,320)	(5,294,007)	(2,758,313)

This item includes the balance of prepaid and deferred taxes on temporary differences between the carrying amount of an asset or liability and the value for tax purposes of that same asset or liability.

The net change in deferred tax assets and liabilities is as shown below:

	30.09.2021	Recognised in Income Statement	Recognised In Equity	30.09.2022
ACE	8,740	93,761	-	102,501
Capital increase IAS 32	-	3,685	339,216	342,901
Director's remuneration	160,560	92,160	-	252,720
Unpaid employee bonuses	115,104	29,160	-	144,264
Measurement of work in progress in accordance with IFRS 15	(7,907,979)	(3,787,370)	-	(11,695,349)
Leases in accordance with IAS 17	(20,119)	(7,258)	-	(27,377)
Employee benefits in accordance with IAS 19	24,732	(4,090)	(25,102)	(4,460)
Derecognition of multi-year costs in accordance with IAS 38	184,340	(156,641)	-	27,699
Hedging derivatives valuation	7,689	-	(82,320)	(74,631)
Tax losses of subsidiary Richard Srl	2,928	356,156	-	359,084
Inventory adjustment to reflect intercompany mark-up	2,129,998	390,330	-	2,520,328
Total	(5,294,007)	(2,990,107)	231,794	(8,052,320)

Note 6. Inventory

The table below shows the breakdown of Inventory at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Real estate developments under way	3,356,850	3,043,421	313,429
Advances on inventory	298,610,491	189,836,692	108,773,799
Finished products	3,412,531	16,783,276	(13,370,745)
Total	305,379,872	209,663,389	95,716,483

	Real estate developments under way	Advances on inventory	Finished products
Abitare In Development 4 Srl	-	9,714,056	-
Abitare In Development 5 Srl	-	10,475,811	1,597,293
Abitare In Development 7 Srl	-	-	1,527,797
Accursio S.r.l.	-	17,865,238	-
City Zeden S.r.l.	251,450	-	-
Citynow S.r.l.	742,770	-	-
Immaginare Srl	-	836,237	-
Lambrate Twin Palace Srl	-	12,949,044	-
Milano City Village Srl	-	79,201,632	-
Milano Progetti Srl	-	28,694,404	-
Mivivi Srl	1,343,439	3,693,144	287,441
MyCity Srl	-	10,119,844	-
Palazzo Naviglio Srl	-	30,911,294	-
Porta Naviglio Grande	-	12,659,642	-
Savona 105 Srl	-	29,545,169	-
TheUnits Srl	-	1,655,853	-
Trilogy Towers Srl	-	50,289,123	-
Volaplana Srl	569,783	-	-
Ziro Srl	449,408	-	-
Total	3,356,850	298,610,491	3,412,531

The item "Finished Products" mainly refers to apartments completed by the subsidiary Abitare In Development 7 S.r.l. and the subsidiary Abitare In Development 5 S.r.l. The item "Real estate developments in progress" refers to projects in progress and not yet completed as of 30 September 2022 and includes costs incurred for the acquisition of properties to be developed for a total amount of Euro 104,640 thousand. The duration of the production cycle that characterises the Abitare In Group's reference sector is influenced by various factors, such as the authorisation process and, in general, relations with the public administration, special requests for customisation by customers and the planning of works. For this reason, the amount of projects that will be realised within 12 months cannot be precisely determined. This item is mainly made up of the stock held by the subsidiary Milano City Village for Euro 79,202 thousand, Milano Progetti S.r.l. for Euro 28,694 thousand, Abitare In Development 5 S.r.l. for Euro 10,476 thousand, Savona 105 S.r.l. for Euro 29,545 thousand, Trilogy Towers S.r.l. for Euro 50,289 thousand, Palazzo Naviglio S.r.l. for Euro 30,911 thousand, Porta Naviglio Grande S.r.l. for Euro 12,660 thousand, My City S.r.l. for Euro 10,120 thousand, Lambrate Twin Palace S.r.l. for Euro 12,949 thousand, Accursio S.r.l. for Euro 17,865 thousand and Abitare In Development 4 S.r.l. for Euro 9,714 thousand.

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

Note 7. Trade receivables

Trade receivables amounted to Euro 284 thousand compared to Euro 293 thousand at the end of the previous reporting period. These receivables are recognised net of the provision for bad debts. There are no past due receivables.

Note 8. Other current assets

Other current assets amounted to Euro 13,176 thousand compared to Euro 12,105 thousand at the end of the previous reporting period.

	30.09.2022	30.09.2021	Change
Down payments/deposits on real estate complexes purchased	8,255,930	6,820,672	1,435,258
Accrued income and prepaid expenses	3,676,139	3,972,466	(296,327)
Other current assets	1,243,521	1,312,209	(68,688)
Other current assets	13,175,590	12,105,347	1,070,243

The item " Down payments/purchases of real estate complexes" consists of:

- payment of Euro 470 thousand for the purchase without recourse from Banco BPM of the receivable from Immobiliare Tacito, for a nominal amount of Euro 11,000 thousand; the receivable is secured by a mortgage on the property located in Milan, Viale Tacito, near two other complexes owned by the subsidiaries Milano City Village S.r.l. and Milano Progetti S.r.l.;
- payment of Euro 203 thousand as confirmatory deposit for the purchase of the entire shareholding in the company New Tacito S.r.l., owner of a real estate complex located in Milan, via Tacito. The purchase will be finalised by July 2026. The total consideration agreed upon for the purchase of the real estate complex is Euro 236 thousand;
- payment of Euro 1,000 thousand as deposit for the purchase of the real estate complex located in Milan, in the area south of Porta Romana. Finalisation is subject to obtaining the urban plan implementation agreement. The total price agreed upon for the purchase of the 100% stake is Euro 16,000 thousand. The balance of the price will be paid concurrently with the signing of the definitive contact;
- payment of Euro 1,727 thousand as deposit for the purchase of the real estate complex located in Milan, Nolo district. The total consideration agreed upon for the purchase of the real estate complex is Euro 2,700 thousand. The balance of the price will be paid concurrently with the signing of the definitive contact;
- payment of Euro 450 thousand as deposit for the purchase of the real estate complex located in Milan, Corvetto area. The total consideration agreed upon for the purchase of the real estate complex is equal to Euro 3,000 thousand. The purchase will be finalised by 31 October 2022 and the balance of the price will be paid upon signing of the final contract;
- payment of Euro 750 thousand as a deposit for the purchase of the real estate complex located in Milan, via Tucidide. The total consideration agreed upon for the purchase of the real estate complex is Euro 12,500 thousand. The balance of the price will be paid on the date the final contract is signed, which will be finalised by 31 December 2022;

- payment of Euro 900 thousand as a deposit for the purchase of the real estate complex located in Milan, Bisceglie area. The total consideration agreed upon for the purchase of the real estate complex is Euro 5,000 thousand. The balance of the price will be paid on the date the final contract is signed, which will be finalised by 31 January 2023;
- payment of Euro 1,756 thousand as a deposit for the purchase of the real estate complex located in Milan, in the Greco Pirelli area. The total amount agreed upon for the purchase of the real estate complex is Euro 7,560 thousand. The balance of the price will be paid on the date the final contract is signed, which will be finalised by December 2022;
- payment of Euro 1,000 thousand as a deposit for the purchase of the real estate complex located in Milan. The total consideration agreed upon for the purchase of the real estate complex is Euro 10,500 thousand. The balance of the price will be paid on the date the definitive contract is signed, which will be finalised by 29 February 2024.

Accrued income and prepaid expenses mainly include:

- assets related to costs incurred for the acquisition of sales contracts, such as commissions, in the amount of Euro 787 thousand;
- prepayment of multi-year surety costs totaling Euro 1,895 thousand;

The item "Other current assets" is mainly made up of the receivable of the subsidiary Abitare In Maggiolina S.r.l. for Euro 719 thousand accrued from suppliers as contractual repayments, paid in October.

Note 9. Current tax assets

Current tax assets amounting to Euro 11,336 thousand, are mainly represented by:

- VAT credit amounting to Euro 9,723 thousand;
- tax credit recognised to Abitare In S.p.A. and Homizy S.p.A., respectively of Euro 289 thousand and Euro 490 thousand, for the costs aimed at their admission to listing on a regulated market pursuant to Article 1, paragraphs 89 to 92, of Law No. 205 of 27 December 2017;
- IRES account receivable amounting to Euro 746 thousand.

Note 10. Cash and cash equivalents

The table below shows the breakdown of cash and cash equivalents at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Bank and postal accounts	32,364,996	13,776,538	18,588,458
Cash-in-hand and cash equivalents	491	1,747	(1,256)
Cash and cash equivalents	32,365,487	13,778,285	18,587,202

The balance of the item cash and cash equivalents, denominated entirely in euros, represents cash and cash equivalents and the existence of cash and cash equivalents at the closing dates of the financial years.

Cash and cash equivalents as of 30 September 2022 were free of encumbrances or restrictions on use in the amount of Euro 25,821 thousand. Restricted cash and cash equivalents or with restrictions on use are held by the subsidiary Milano Progetti S.r.l. for an amount of Euro 5,000 thousand and by the subsidiary MyCity S.r.l. for an amount of Euro 1,544 thousand.

Note 11. Equity

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

The table below shows reconciliation between the parent company's equity and net profit and the consolidated figures at 30 September 2022:

	Profit (loss)	Equity
Abitare In SpA	7,692,297	61,775,241
Profit (loss) of subsidiaries	8,520,338	8,520,338
Intergroup dividends	(7,900,000)	-
Write-down of subsidiary investments	500,000	-
Intergroup profits included in the value of inventories net of tax effect	(897,877)	(5,447,628)
Other changes	1,480	26,393
Difference between carrying amount and their equity	-	31,133,036
Shareholders' equity and profit for the year as reported in the consolidated financial statements	7,916,238	96,007,380
Shareholders' equity and profit for the year attributable to third parties	23,819	3,936,171
Shareholders' equity and profit for the year attributable to the Group	7,892,419	92,071,209

Oci reserve

The item in question shows a positive value of Euro 248 thousand (negative Euro 92 thousand at 30 September 2021) and includes:

- the gains/(losses) that will be transferred to the income statement, relative to the cash flow hedge reserve on the hedging derivatives of Abitare In S.p.A. and Porta Naviglio Grande S.r.l., which show a positive value of Euro 261 thousand.
- the gains/(losses) that will not be transferred to the income statement relating to the actuarial valuation of the provision for severance pay as required by IAS 19, which show a positive value of Euro 79 thousand (negative for Euro 22 thousand as of 30 September 2021).

Capital and reserves attributable to non-controlling interests

This item amounted to Euro 3,936 thousand (Euro 469 thousand as of 30 September 2021) and mainly refers to the minority interests of the subsidiaries Homizy S.p.A., Deametra S.r.l., Smartcity S.r.l., Hommy S.r.l. and Housenow S.r.l.

Stock Grant

On 31 May 2021, the shareholders' meeting of AbitareIn S.p.A. approved the 1:10 stock split, effective as of 21 June 2021. The same shareholders' meeting also approved the "Stock Grant Plan 2021-2023" for the executive directors of the Company and the Strategic Manager, together with the free share capital increase to service said Plan. The Stock Plan is part of the Company's directors' remuneration policy and provides for the free assignment of shares to executive directors upon the achievement of certain performance targets set by the Board of Directors. The Plan is also aimed at the Company's Executive with Strategic Responsibilities.

The Plan has a time horizon of three years and is aimed at promoting and pursuing the objectives of aligning the beneficiaries' remuneration to the interests of the shareholders, as well as building the loyalty of the management, envisaging an overall free assignment of a maximum of 900,000 shares to the executive directors and 120,000 shares to the Manager (also taking into account the above-mentioned split) upon achievement of the envisaged objectives. During the year, the stock grant reserve increased by an amount of Euro 1,734 thousand.

Note 12. Current and non-current financial liabilities

The table below shows the breakdown of current and non-current financial liabilities at 30 September 2022 and 30 September 2021.

	30.09.2022			30.09.2021			Change
	non-current portion	current portion	Total	non-current portion	current portion	Total	
Medium/long-term bank loans	130,084,446	17,716,181	147,800,627	71,639,614	16,362,832	88,002,446	59,798,181
Short-term bank loans	-	-	-	-	-	-	-
Other financial payables	552,320	199,392	751,712	527,436	347,830	875,267	(123,555)
Total	130,636,766	17,915,573	148,552,339	72,167,050	16,710,663	88,877,713	59,674,626

Bank loans

During the year, the following new loans were obtained:

- Unsecured loan held by the subsidiary Abitare In Development 4 S.r.l. for a total amount of Euro 5,785 thousand with surety from the MCC guarantee fund for small and medium-sized enterprises pursuant to Decree Law No. 23 of 8 April 2020, converted into Law No. 40 of 5 June 2020;
- Unsecured loan in favour of the subsidiary Citynow S.r.l. for a total amount of Euro 2,000 thousand with surety from the MCC guarantee fund for small and medium-sized enterprises in accordance with Law Decree No. 23 of 8 April 2020, converted into Law No. 40 of 5 June 2020;
- Unsecured loan in the subsidiary Volaplana S.r.l. for a total amount of Euro 5,000 thousand with surety from the MCC guarantee fund for small and medium-sized enterprises in accordance with Law Decree No. 23 of 8 April 2020, converted into Law No. 40 of 5 June 2020;
- Unsecured loan by the subsidiary Mivivi S.r.l. for a total amount of Euro 5,000 thousand with surety from the MCC guarantee fund for small and medium-sized enterprises pursuant to Decree Law No. 23 of 8 April 2020, converted into Law No. 40 of 5 June 2020;
- Mortgage loan in the subsidiary Accursio S.r.l. for an amount up to a maximum of Euro 30,900 thousand with a mortgage on the building;
- Mortgage loan held by the subsidiary Abitare In Development 5 S.r.l. for an amount up to a maximum of Euro 25,100 thousand with a mortgage on the building;
- Mortgage loan held by the subsidiary Abitare In Development 3 S.r.l. for a total amount of Euro 1,500 thousand with mortgage on the building;
- Loans held by the parent company Abitare In S.p.A. for a total amount of Euro 8,600 thousand;
- Loan granted to the parent company Abitare In S.p.A. for a total amount of Euro 1,400 thousand with a surety from the MCC guarantee fund for small and medium-sized enterprises pursuant to Law Decree No. 23 of 8 April 2020, converted into Law No. 40 of 5 June 2020.

During the year, the following loans were repaid:

- Mortgage loan held by the subsidiary Abitare In Development 7 S.r.l. for an amount up to a maximum of Euro 17,000 thousand with a mortgage on the building;
- Mortgage loan held by the subsidiary Abitare In Development 5 S.r.l. in the amount of Euro 8,300 with mortgage on the building;
- Unsecured loan by the subsidiary Abitare In Development 4 S.r.l. for an amount of Euro 4,700 thousand with pledge on the subsidiary Abitare In S.p.A.'s shares in Abitare In Development 4 S.r.l.

loan type (Euro/000)	Borrower company	Amount disbursed/approved*	Underwriting date	End date	Payable within the next financial year	Payable beyond next financial year	Total Debt book value	Total debt nominal value	Mortgage on real estate/guarantees	Covenants
Mortgage loan	Abitare In Development 3 S.r.l.	3,000	22,06,2018	30,06,2033	178	2,040	2,218	2,237	6,000	No
Landed property loan	Abitare In Development 3 S.r.l.	1,500	05,05,2022	30,06,2033	116	1,336	1,452	1,459	3,000	No
Unsecured loan	Abitare In Development 4 S.r.l.	5,875	04,03,2022	03,03,2027	13	5,852	5,865	5,875	n/a	No
Landed property loan	Abitare In Development 5 S.r.l.	25,100	07,07,2022	31,12,2032	30	4,155	4,185	4,500	50,200	Yes
Loan	Abitare In S.p.A.	1,300	16,07,2019	31,12,2023	454	115	569	569	n/a	No
Loan	Abitare In S.p.A.	5,200	23,09,2020	23,09,2025	1,292	2,616	3,908	3,930	n/a	Yes
Loan	Abitare In S.p.A.	4,500	20,05,2021	31,05,2025	4,487	-	4,487	4,500	n/a	Yes
Loan	Abitare In S.p.A.	5,000	29,07,2021	29,07,2023	5,004	-	5,004	5,000	n/a	No
Loan	Abitare In S.p.A.	1,400	23,06,2022	31,07,2027	4	1,400	1,404	1,400	n/a	No
Loan	Abitare In S.p.A.	2,600	27,05,2022	26,05,2027	14	2,595	2,609	2,600	n/a	No
Loan	Abitare In S.p.A.	3,000	18,07,2022	31,12,2025	500	2,505	3,005	3,000	n/a	Yes
Loan	Abitare In S.p.A.	3,000	29,07,2022	28,07,2025	615	2,383	2,998	3,000	n/a	No
Landed property loan	Accursio S.r.l.	30,900	31,12,2021	31,12,2031	60	10,045	10,105	10,500	61,800	No
Unsecured loan	Citynow S.r.l.	2,000	01,02,2022	01,02,2028	220	1,764	1,984	2,000	n/a	No
Landed property loan	Lambrate Twin Palace S.r.l.	18,100	25,05,2021	31,03,2049	-	3,291	3,291	3,300	36,200	No
Landed property loan	Milano City Village S.r.l.	42,000	31,07,2018	31,12,2028	2,816	30,845	33,661	33,456	84,000	Yes
Credit facility backed by landed property	Milano Progetti S.r.l.	10,500	28,12,2020	31,12,2023	215	10,239	10,454	10,239	21,000	No
Unsecured loan	Mivivi S.r.l.	5,000	06,05,2022	06,05,2028	15	4,953	4,968	5,000	n/a	No
Mortgage loan	MyCity S.r.l.	2,500	17,05,2019	31,12,2034	138	2,350	2,487	2,500	5,000	No
Landed property loan	Palazzo Naviglio S.r.l.	14,950	18,02,2020	17,02,2035	468	11,388	11,856	11,835	29,900	No
Landed property loan	Porta Naviglio Grande S.r.l.	11,802	14,01,2021	14,12,2025	-	3,051	3,051	3,250	23,604	Yes
Landed property loan	Savona 105 S.r.l.	37,500	03,12,2020	31,12,2030	70	10,773	10,842	10,950	75,000	Yes
Landed property loan	TheUnits S.r.l.	3,100	15,02,2021	28,02,2038	17	478	494	500	6,200	No
Landed property loan	Trilogy Towers S.r.l.	19,700	28,02,2019	28,02,2029	964	10,972	11,936	11,933	39,400	Yes
Unsecured loan	Volaplana S.r.l.	5,000	12,01,2022	11,01,2028	27	4,938	4,965	5,000	n/a	No
Total						17,716	130,085	147,801	148,534	

* For real estate loans, disbursement is foreseen at the State of Works Progress (SAL) up to the amount indicated.

The following is a sensitivity analysis that was determined based on the Group's 30 September 2022 exposure and concerns the effect on the income statement of rate changes, upward and downward.

The columns show the increase (+) or, on the contrary, a decrease (-) in financial expenses compared to the value in the Consolidated Financial Statements 2022.

Rate changes		Sensitivity on rates (Euro thousand)	
(+)	(-)	(+)	(-)
+50 BP	-50 BP	743	(743)
+100 BP	-100 BP	1,485	(1,485)
+200 BP	-200 BP	2,971	(2,971)
+300 BP	-300 BP	4,456	(4,456)

Below is a table summarising the financial covenants in some of the Abitare In Group's loan agreements:

Loan	Frequency and date of last calculation	Parameter	Limit	Parameter at last reporting date
Abitare In S.p.A. (BCC)	Financial year (30.09.2022)	Consolidated net financial debt/consolidated Ebitda	< 3.75	7.20
Abitare In S.p.A. (BCC)	Financial year (30.09.2022)	consolidated net financial debt/consolidated equity	< 1.75	1.21
Abitare In S.p.A. (BPER)	Financial year (30.09.2022)	consolidated net financial debt/consolidated equity	< 1.75	1.21
Abitare In S.p.A. (BPER)	Financial year (30.09.2022)	net financial debt in financial statements/equity in financial statements	< 0.75	0.14
Abitare In S.p.A. (MPS)	Financial year (30.09.2022)	consolidated net financial debt/consolidated equity	< 2.10	1.21
Abitare In Development 5 S.r.l.	Financial year (30.09.2022)	Loan to Cost/Loan to Value	< 69.8%/51%	69.23%
Milano City Village S.r.l.	Financial year (30.09.2022)	Loan to Cost	< 62.4%	58.80%
Porta Naviglio Grande S.r.l.	Financial year (30.09.2022)	Loan to Cost/Loan to Value	< 63%/45%	49.77%
Savona 105 S.r.l.	Calendar year (31.12.2021)	Loan to Cost	< 69.5%	59.19%
Trilogy Towers S.r.l.	Calendar year (31.12.2021)	Loan to Cost/Loan to Value	< 63%/70%	40.00%

As of 30 September 2022, the financial covenants had been fully complied with, with the exception of the consolidated Net Financial Debt/Consolidated EBITDA ratio envisaged by the loan to Abitare In S.p.A. stipulated with BCC. On 30 November 2022, the decision-making bodies of the bank accepted the waiver request. In compliance with IAS 1, since the resolution was made after the closing date of the financial year,

the loan was classified as due within 12 months. At the date of this annual report, as a result of the above resolution, the loan amounting to Euro 4,487 thousand was again due beyond 12 months.

The item other financial payables is mainly composed of the financial payable to the leasing company for the purchase of the property located at 57 Via Amadeo, 57 in the amount of Euro 382 thousand, the financial payable for the leasback leasing contract, relative to office machinery, signed with BNL in the amount of Euro 59 thousand, the financial payable relative to the long-term right of use of the property used by the Chairman of the Board of Directors in the amount of Euro 100 thousand and the long-term right of use of the property used as offices located at 32 Viale Umbria for an amount of Euro 171 thousand.

Note 13. Employee benefits

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

	30.09.2022	30.09.2021
Annual inflation rate	3.50%	1.00%
Technical annual discount rate	2.50%	0.70%
Annual rate of salary increase	2.50%	2.50%

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

Balance at 30 September 2021	325,142
Financial expenses	2,182
Advances paid and settlements	(29,192)
Accruals	107,123
Actuarial gains (losses)	(79,273)
Balance at 30 September 2022	325,982

Note 14. Other non-current liabilities

As at 30 September 2021, the item "Other non-current liabilities" consisted of the provision for termination indemnities in the amount of Euro 282 thousand.

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

Balance at 30 September 2021	252,759
Financial expenses	1,769
Advances paid and settlements	-
Accruals	52,547
Actuarial gains (losses)	(25,320)
Balance at 30 September 2022	281,755

Nota 15. Customer down payments and deposits

The item down payments is composed of advances and deposits collected against contracts signed for the sale of property units under construction. In particular, the payable for non-current down payments and deposits, equal to Euro 80,867 thousand, is attributable to the subsidiaries Milano City Village S.r.l. for Euro 25,734 thousand, Trilogy Towers S.r.l. for Euro 16,999 thousand, Palazzo Naviglio S.r.l. for Euro 8,765 thousand, Porta Naviglio Grande S.r.l. for an amount of Euro 7,526 thousand, Savona 105 S.r.l. for an amount of Euro 12,497 thousand, Abitare In Development 5 S.r.l. for an amount of Euro 1,229 thousand, TheUnits S.r.l. for an amount of Euro 1,285 thousand, MyCity S.r.l. for an amount of Euro 4,398 thousand and Lambrate Twin Palace for an amount of Euro 2,435 thousand.

The current payable for deposits and payments on account, amounting to Euro 11,092 thousand, is held by the subsidiary Abitare In Development 7 S.r.l. for an amount of Euro 70 thousand and Abitare In Development 5 S.r.l. for an amount of Euro 22 thousand. In addition, the item in question includes the deposit paid to the subsidiary Mila-no Progetti S.r.l. by the Supernova Group following the stipulation of the preliminary agreement for the sale, to the latter, of the real estate complex owned by the subsidiary for an amount of Euro 11,000 thousand.

Nota 16. Trade payables

Trade payables amounted to Euro 23,747 thousand (Euro 11,704 thousand as of 30 September 2021) and are stated at nominal value. All payables are due within one year. Payables mainly refer to suppliers engaged in production activities. There are no payables for significant amounts in currencies other than the euro.

Note 17. Other current liabilities

The table below shows the breakdown of other current liabilities at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Variazione
Town planning costs	3,450,676	3,013,786	436,890
Other payables	8,368,431	5,547,302	2,821,129
Accrued expenses and prepaid income	137,998	192,454	(54,456)
Social security contributions payable	68,366	51,635	16,731
Other current liabilities	12,025,471	8,805,177	3,220,294

Payables arising from the payment in instalments of urbanisation charges for the subsidiaries Maggiolina S.r.l., Trilogy Towers S.r.l., Porta Naviglio Grande S.r.l., Deametra S.r.l. and Smartcity S.r.l. amounted to Euro 367 thousand, Euro 634 thousand, Euro 400 thousand, Euro 997 thousand and Euro 1,053 thousand respectively.

The item other payables mainly includes:

- Debt for withholding as guarantee towards the contractor company entrusted with the construction of the buildings owned by the subsidiaries Abitare in Maggiolina S.r.l., Milano City Village S.r.l., Palazzo Naviglio S.r.l. and Trilogy Towers S.r.l. for a total amount of Euro 5,444 thousand;
- Debt for guarantee withholding towards the contractor company entrusted with the demolition and reclamation of the real estate projects of the subsidiaries MyCity S.r.l., Lambrate Twin Palace S.r.l., Milano Progetti S.r. and Mivivi S.r.l. for a total amount of Euro 670 thousand;
- Provision for current risks in the amount of Euro 545 thousand for the allocation of bonuses to employees;
- Due to directors for unpaid accrued remuneration in the amount of Euro 1,020 thousand.

Note 18. Current tax liabilities

Current tax liabilities are mainly composed of IRAP payable in the amount of Euro 153 thousand and IMU payable in the amount of Euro 318 thousand.

Notes to the key items in the Income Statement

Note 19. Revenues and changes in progress and finished products

Total revenue amounted to Euro 122,177 thousand as of 30 September 2022, compared to Euro 124,818 thousand as of 30 September 2021. This change is mainly due to the increase in the item Revenues from sales and services for Euro 29,786 thousand, the item Change in inventories for the new site purchase for Euro 32,832 thousand and the item Change in inventories for work in progress for Euro 59,112 thousand.

The breakdown of revenues from sales and services by category of activity and geographical area is omitted as the business is conducted entirely in Italy.

Note 19.1 Revenues from sales and services

Revenues from sales and services amounting to Euro 20,650 thousand as of 30 September 2022 mainly refer to the sale of residential units by the company Abitare In Development 7 S.r.l. for a total amount of Euro 16,092 thousand and by the company Abitare In Development 5 S.r.l. for a total amount of Euro 4,558 thousand.

Note 19.2 Changes in inventories for new site purchases

As of 30 September 2022, this item included the costs incurred for the acquisition of the real estate complex by the subsidiary Immaginare S.r.l. in the amount of Euro 716 thousand and by the subsidiary Accursio S.r.l. in the amount of Euro 16,150 thousand.

Note 19.3 Changes in inventory for progress of work

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

	30.09.2022	30.09.2021	Change
Abitare In Development 4 Srl	726,056	75,970	650,086
Abitare In Development 5 Srl	1,408,362	249,309	1,159,053
Abitare In Development 6 Srl	-	37,136	(37,136)
Abitare In Development 7 Srl	(14,968,038)	(4,582,863)	(10,385,175)
Abitare In Maggiolia Srl	(2,220,412)	(23,011,553)	20,791,141
Accursio Srl	1,094,227	192,237	901,990
City Zeden Srl	122,134	129,316	(7,182)
Citynow Srl	742,770	-	742,770
Immaginare Srl	120,237	65,787	54,450
Lambrate Twin Palace Srl	6,058,280	1,544,141	4,514,139
Milano City Village Srl	30,388,870	13,230,628	17,158,242
Milano Progetti Srl	5,385,115	1,945,286	3,439,829
Mivivi Srl	3,329,765	18,213	3,311,552
My City Srl	5,326,520	310,759	5,015,761
Palazzo Naviglio Srl	14,487,181	4,903,594	9,583,587
Porta Naviglio Grande Srl	(847,380)	6,584,095	(7,431,475)
Richard Srl	-	1,193,776	(1,193,776)
Savona 105 Srl	(825,958)	9,676,806	(10,502,764)
TheUnits Srl	619,144	215,057	404,087
Trilogy Towers Srl	27,917,511	7,757,853	20,159,658
Volaplana Srl	451,624	118,160	333,464
Ziro Srl	449,408	-	449,408
Total	79,765,416	20,653,707	59,111,709

Note 19.4 Other operating revenue

Other operating revenues of Euro 4,896 thousand as of 30 September 2022 mainly include:

- Revenues pertaining to the tax credit recognised to Abitare In S.p.A. and Homizy S.p.A., of Euro 289 thousand and 490 thousand, respectively, for the costs aimed at their admission to listing on a regulated market, pursuant to Article 1, paragraphs 89 to 92, of Law No. 205 of 23 December 2017;
- Non-repayable grant pursuant to Article 25 of Decree-Law No. 34 of 19 May 2020 of Euro 296 thousand and from the non-repayable grant pursuant to Article 1 paragraph 5 of Decree-Law No. 73 of 2021 of Euro 150 thousand recognised to the subsidiary Milano City Village S.r.l.;
- Suspended costs inherent to investments in buildings intended for leasing in the form of coliving in the subsidiaries Smartcity S.r.l. and Deametra S.r.l. for Euro 1,484 thousand and Euro 1,740 thousand, respectively;
- The tax credit for R&D activities amounting to Euro 70 thousand.

Note 20. Operating expenses

As of 30 September 2022, this item includes the costs incurred for the purchase of the real estate complex intended for sale by the subsidiaries Accursio S.r.l. and Immaginare S.r.l. for Euro 16,150 thousand and Euro 716 thousand, respectively.

Note 20.1 Costs for services

Costs for services breaks down as follows:

	30.09.2022	30.09.2021	Change
Legal. notarial and administrative consultancy	1,019,590	1,165,030	(145,440)
Technical consultancy	1,066,472	1,929,251	(862,779)
Design and project management	7,950,919	3,518,915	4,432,004
Construction costs	56,046,337	25,227,544	30,818,793
Rehabilitation	4,355,811	1,278,519	3,077,292
Demolition	1,200,755	1,295,963	(95,208)
Construction charges	3,485,892	3,581,994	(96,102)
Directors	2,719,891	3,130,191	(410,300)
Statutory auditors. auditing firm and supervisory body	276,445	410,438	(133,993)
Marketing and advertising	700,565	953,833	(253,268)
Furniture costs	162,219	1,218,130	(1,055,911)
Brokerage fees	666,821	877,902	(211,081)
Sureties	1,183,076	640,134	542,942
Insurance	377,712	350,104	27,608
Utilities	109,513	103,979	5,534
Other	3,123,181	4,602,751	(1,479,570)
Total	84,445,199	50,284,678	34,160,521

Note 20.2 Personnel expenses

The breakdown of personnel expenses is as follows:

	30.09.2022	30.09.2021	Change
Wages and salaries	1,737,315	1,501,192	236,123
Social security costs	566,738	489,762	76,976
Severance indemnity reserve (TFR)	107,123	104,745	2,378
Other expenses	29,139	12,440	16,699
Total personnel expenses	2,440,315	2,108,140	332,175

Employees

The table below shows the average and exact number of employees per category for the financial years ending 30 September 2022 and 30 September 2021:

	30.09.2022		30.09.2021	
	Average	End-of-period	Average	End-of-period
Executives	2	2	2	2
Office workers	41	46	37	37
Total	43	48	39	39

Note 20.3 Depreciation/Amortisation

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

	30.09.2022	30.09.2021	Change
Amortisation of intangible assets	811,313	616,604	194,709
Depreciation of property, plant and equipment	337,372	342,872	(5,500)
Total amortisation/depreciation	1,148,685	959,476	189,209

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

Note 20.4 Impairment losses and provisions

The item "Impairment losses and provisions" is composed of the provision for severance indemnities recognised to directors in the amount of Euro 53 thousand and the provision for employee bonuses in the amount of Euro 545 thousand.

Note 20.5 Other operating expenses

Other operating expenses amounted to Euro 1,942 thousand and mainly included indirect taxes of Euro 1,435 thousand (of which IMU of Euro 1,021 thousand), contractual penalties of Euro 136 thousand, and for the remainder subscriptions and membership fees and losses incurred for various reasons.

Note 21. Financial income and Expenses

As of 30 September 2022, financial income amounted to Euro 345 thousand and referred exclusively to the fair value revaluation of the investment in Tecma Solution S.p.A.;

Financial expenses amounted to Euro 3,494 thousand and Euro 2,337 thousand for the years ended 30 September 2022 and 30 September 2021, respectively. This change is mainly attributable to the increase in average financial debt to credit institutions.

Note 22. Income taxes

The table below shows the breakdown of income taxes as at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Current	329,333	2,407,304	(2,077,971)
Deferred	2,990,107	2,133,383	856,724
Income taxes	3,319,440	4,540,687	(1,221,247)

For details of deferred taxes, see the table in Note 5. "Deferred tax assets and liabilities".

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

IRES tax	%	2022	2021
EBT		11,235,678	16,702,889
Theoretical tax liability (%)	24%	2,696,563	4,008,693
Increases:			
IMU TAX		915,358	743,360
Unpaid remuneration and employee bonuses		1,167,750	876,741
Other increases		4,213,079	834,070
Total		6,296,187	2,454,171
Decreases:			
Paid remuneration and employee bonuses		592,000	350,400
Dividends and revaluations		344,820	2,071,720
Deduction for prior losses. ACE (aid to economic growth). IRAP tax and contributions		738,723	279,068
Changes in consolidated IAS entries		12,891,444	8,055,462
Interest Adjustment for CNM		1,582,461	-
Other decreases		1,382,417	451,781
Total		17,531,865	11,208,431
IRES tax base		-	7,948,629
IRES tax pertaining to the period		-	1,907,671
Contingent assets IRES previous year		(23,765)	-
IRES		(23,765)	1,907,671
IRAP tax		2022	2021
Difference between income and costs not considered for IRAP tax purposes		17,786,123	22,184,768
Theoretical tax liability (%)	3.90%	693,659	865,206
Increases:			
Costs for collaborators and directors		2,805,800	695,645
IMU TAX		1,020,716	766,595
Other increases		1,584,308	766,211
Total		5,410,824	2,228,451
Decreases			
Grants for the year		902,310	144,337
Tax wedge deductions		2,361,200	2,202,107
Changes in consolidated IAS entries		12,891,444	8,055,462
Other decreases		771,526	620,327
Total		16,926,480	11,022,233
IRAP tax base		6,270,467	13,390,986
IRAP tax pertaining to the period*		353,127	499,633*

* net of the amount pursuant to Law Decree 34/2020 equal to Euro 61.113

Note 23. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding in the period. For the purpose of the diluted earnings per share, the ordinary shares that will potentially issued following the achievement of the targets defined in the stock grant plan have not been taken into account as they cannot be determined as of today.

The table below shows the breakdown of basic and diluted earnings per share for the years ended 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Net profit (loss) attributable to the owners of the Parent (Euro)	7,916,238	12,162,202	(4,245,964)
No. of shares outstanding	26,530,812	25,939,380	591,432
Number of potential ordinary shares	-	-	-
Average number of shares outstanding considered in the calculation of diluted earnings per share	26,530,812	25,939,380	591,432
Earnings per share (Euro)	0.30	0.47	(0.17)
Diluted earnings per share (Euro)	0.30	0.47	(0.17)
	30.09.2022	30.09.2021	Change
Net profit (loss) attributable to the owners of the Parent in statement of comprehensive income (Euro)	8,256,411	12,115,715	(3,859,304)
No. of shares outstanding	26,530,812	25,939,380	591,432
Number of potential ordinary shares	-	-	-
Average number of shares outstanding considered in the calculation of diluted earnings per share	26,530,812	25,939,380	591,432
Earnings per share (Euro)	0.31	0.47	(0.16)
Diluted earnings per share (Euro)	0.31	0.47	(0.16)

Note 24. Related-party transactions

Pursuant to IAS 24, related parties of the Group are companies and individuals that are able to exercise control, joint control or have significant influence on the Group and its subsidiaries.

Intercompany transactions are of a business and financial nature and tend to be formalised by contracts. Such transactions are carried out at arm's length and carefully monitored by the Board of Directors. The transactions with the counterparties in question are related to the normal operations of the single entity; there are no transactions of an atypical or unusual nature.

There are no related parties other than those already identified, with the exception of the companies belonging to the consolidation area and the directors, statutory auditors and persons with strategic responsibilities, whose remuneration is shown below:

	30.09.2022
Directors' remuneration	2,719,891
Directors' Severance Indemnity Reserve (TFM)	52,547
Statutory Auditors' remuneration	83,405
Remuneration of executive with strategic responsibilities	200,000
Total	3,055,843

Commitments and guarantees provided by the Group

In addition to what has already been reported in note 12, Abitare In guarantees the fulfilment of the obligations assumed by the subsidiaries, towards Reale Mutua Assicurazioni, against the issuance by the latter of the sureties that the same subsidiaries provide in favour of third parties. As at 30 September 2022, the total amount of the guarantee was Euro 145 million.

The guarantees issued by Abitare In S.p.A. on behalf of the subsidiaries in favour of credit institutions are listed below:

Company	Amount guaranteed	Date of issue	Type of guarantee
Abitare In Development 3 Srl	3,000,000	22,06,2018	Loan repayment guarantee
Abitare In Development 4 Srl	1,175,000	03,03,2022	Comfort letter of 1.7 mln
Abitare In Development 5 Srl	4,500,000	07,07,2022	Loan repayment guarantee
Accursio Srl	10,500,000	29,12,2021	Loan repayment guarantee
Citynow Srl	400,000	01,02,2022	Loan repayment guarantee
Lambrate Twin Palace Srl	3,300,000	25,05,2021	Comfort letter of 3.3 mln and subordination of 2 mln loan
Milano Progetti Srl	10,500,000	23,12,2020	Subordination of shareholder financing
Mivivi Srl	5,000,000	06,05,2022	Loan repayment guarantee
MyCity Srl	2,500,000	17,05,2019	Loan repayment guarantee
Porta Naviglio Grande Srl	3,650,000	17,12,2020	Loan repayment guarantee
Savona 105 Srl	10,950,000	03,12,2020	Loan repayment guarantee
Volaplana Srl	5,000,000	11,01,2022	Loan repayment guarantee

Financial risk management policy

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

Information on the carrying amount and fair value of financial instruments

IFRS 7 and IFRS 13 require the classification of financial instruments measured at fair value to be based on the quality of the sources of the inputs used in determining fair value. In particular, IFRS 7 and IFRS 13 define 3 levels of fair value:

- Level 1: financial assets/liabilities are classified in this level if their fair value is determined on the basis of quoted prices (unadjusted) in active markets, either Official or Over the Counter of identical assets or liabilities;
- level 2: financial assets/liabilities are classified in this level if their fair value is determined on the basis of inputs other than the quoted prices referred to in level 1, but which are observable directly or indirectly on the market for these assets/liabilities
- level 3: financial assets/liabilities whose fair value is determined on the basis of unobservable market data are classified in this level. This category includes instruments measured on the basis of internal estimates, performed using proprietary methods based on industry best practices.

There were no transfers between the different levels of the fair value hierarchy during the periods considered.

The table below summarises the comparison for financial assets and liabilities between their carrying value and their fair value calculated as at 30 September 2022 based on the level reflecting the inputs used in determining fair value:

(In Euro)	Note	As at 30.09.2022		
		Carrying amount	Level 1	Level 2
Assets				
Financial activities	3	310,968	310,968	-
Equity investments in other companies	4	4,715,514	4,715,514	-
Trade receivables	7	283,950	-	283,950
Other current assets	8	13,175,590	-	13,175,590
Cash and cash equivalents	10	32,365,487	32,365,487	-
Liabilities				
Non-current financial liabilities	12	130,636,766	130,636,766	-
Other non-current liabilities	14	281,755	-	281,755
Current financial liabilities	12	17,915,573	17,915,573	-
Customer down payments and deposits	15	11,091,600	-	11,091,600
Trade payables	16	23,747,452	-	23,747,452
Other current liabilities	17	12,025,471	-	12,025,471

Contingent liabilities and main pending litigation

See the Interim Report on Operations.

Transactions resulting from atypical and/or unusual operations

According to CONSOB Communication No. DEM/6064296 of 28 July 2006, it should be noted that during the financial year ended 30 September 2022, the Abitare In Group did not engage in any atypical and/or unusual transactions, as defined in the same communication.

Significant non-recurring events and transactions

Pursuant to CONSOB Communication No. DEM/6064296 of 28 July 2006, it should be noted that during the financial year ended 30 September 2022, the Abitare In Group did not undertake any significant non-recurring events and transactions, as defined in the communication.

Policy on contributions by Public Administrations

Below is the information on the contributions made by the Public Administration to the Abitare In Group:

- Euro 45 thousand as non-repayable contributions by economic operators pursuant to Legislative Decree no. 41/2021 Sostegni bis within the framework of the facilities introduced to counter the economic and financial effects deriving from the measures to contain the Covid-19 epidemiological emergency;
- Euro 45 thousand as non-repayable contributions by economic operators pursuant to DL 73/2021 Sostegni bis within the framework of the facilitations introduced to counter the economic and financial effects deriving from the measures to contain the epidemiological emergency from Covid-19;
- Euro 296 thousand as a non-repayable contribution pursuant to Article 25 of Decree-Law No. 34 of 19 May 2020 granted to the subsidiary Milano City Village S.r.l.;
- Euro 150 thousand as non-refundable grant pursuant to Article 1 paragraph 5 of Decree-Law No. 73 of 2021 recognised to the subsidiary Milano City Village S.r.l.;
- Euro 289 thousand as tax credit recognised to the parent company Abitare In S.p.A. for the costs aimed at the company's admission to the Euronext Milan regulated market, Euronext STAR Milan segment, pursuant to Article 1, paragraphs 89 to 92, of Law no. 205 of 23 December 2017;
- Euro 490 thousand as a tax credit granted to the subsidiary Homizy S.p.A. for the costs aimed at the company's admission to the regulated market Euronext Growth Milan, professional segment, pursuant to Article 1, paragraphs 89 to 92, of Law No. 205 of 23 December 2017;
- Euro 27 thousand as a tax credit for investments in Research & Development pursuant to Article 244, paragraph 1 of Legislative Decree No. 34 of 2020 recognised to the parent company Abitare In S.p.A.;
- Euro 2 thousand as tax credit for investments in Research & Development, technological innovation 4.0 and other innovative activities pursuant to Article 1, paragraph 198 of Law 160 of 2019 recognised to the parent company Abitare In S.p.A.

Fees to the Auditing Company

Below are details of the fees charged for the financial year ending 30 September 2022 for audit and non-audit services rendered by the auditing firm BDO S.p.A.

Amounts in K€	30.09.2022
Statutory audit	108
Other assurance services	35
Total	143

**Declaration of the Consolidated Financial Statements pursuant to
Article 154-bis, paragraph 5, of Legislative Decree No. 58/1998
(Consolidated Finance Act)**

1. We, the undersigned Luigi Francesco Gozzini and Cristiano Contini, acting respectively as Chief Executive Officer and Executive Responsible for the Corporate Accounting Information of Abitare In S.p.A., taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, certify:

- the adequacy in relation to the characteristics of the company, and
- the effective application of administrative and accounting procedures for the preparation of the Consolidated Financial Statements as at 30 September 2022.

2. We also certify that:

2.1 The Consolidated Financial Statements as at 30 September 2022:

- a) have been prepared in accordance with the International Financial Reporting Standards recognised in the European Union under EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- b) correspond to the underlying accounting entries and records;
- c) provides a true and fair view of the financial and economic position of the issuer and the group of companies included in the consolidation scope.

2.2 The Management Report includes a reliable analysis of the important events that occurred in the year and of their impact on the Consolidated Financial Statements, together with a description of the main risks and risks and uncertainties of the year.

Milan, 13 December 2022

Luigi Francesco Gozzini
(CEO)

Cristiano Contini
(Executive Responsible for Corporate Accounting
Information)

Abitare In S.p.A.

Independent auditor's report pursuant
to article 14 of Legislative Decree n.
39, dated January 27, 2010 and article
10 of EU Regulation n. 537/2014

Consolidated Financial statements as of
September 30, 2022

*This report has been translated into English from the original, which was prepared in Italian and represents
the only authentic copy, solely for the convenience of international readers.*

GRV/VDL/git - RC058152022BD0704

BDO

Independent auditor's Report

pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

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

Report on the Consolidated Financial Statements**Opinion**

We have audited the consolidated financial statements of Abitare In S.p.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of September 30, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the statement of consolidated changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements give a true and fair view of the financial position of the Group as of September 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree N. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter**WORK IN PROGRESS OF REAL ESTATE DEVELOPMENT**

PARAGRAPH: RECOGNITION OF REVENUES AND INVENTORIES; USE OF ESTIMATES

NOTE 6: INVENTORY

NOTE 19: REVENUES AND CHANGE IN WORK IN PROGRESS AND FINISHED PRODUCTS

The Group booked EUR 299 million as "Real estate developments under way" among "Inventory" as of September 30, 2022.

As described in paragraph "Revenue and inventory recognition" within the "Measurement Criteria", the Group accounts, in compliance with the international accounting standard IFRS 15, paragraph 35 in reference to real estate projects for which preliminary contracts have been signed for purchase and sale of real estate, inventories are valued using the percentage of completion method in relation to construction costs.

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

For the reasons set out above, and in view of the significance of this caption, we have considered the assessment of the inventories of work in progress, a key audit matter of the consolidated financial statements.

Responsibilities of Directors and Those Charged with Governance for the consolidated financial statements

The Directors of Abitare In S.p.A. are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree N. 38/05 and, within the limits of the law, for such internal control as Directors they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in terms prescribed by law, the Group's financial reporting process.

Audit response

The audit procedures applied in response to this key aspect concerned, among the others:

- Examination of the methods used by the Group to determine the work in progress, analyzing the methods and assumptions used by the directors;
- Physical inspections of the construction sites subject to a real estate initiative;
- Understanding and recording of the controls put in place by the Group on the process of estimating the work in progress;
- Examination of the reasonableness of the forecasts of costs and revenues to finish the real estate initiative;
- Check for the clerical accuracy of the model used for the purpose of the work in progress calculation.

We checked the adequacy of the information provided in the notes to the consolidated financial statements

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

We were initially engaged by the shareholders meeting of Abitare In S.p.A. on December 23, 2020 to perform the audits of the consolidated financial statements of each fiscal year starting from September 30, 2021 to September 30, 2029.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to those charged with governance.

Report on other legal and regulatory requirements**Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815**

The Directors of Abitare In S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the consolidated financial statements, to be included in the Annual financial report.

We have performed the procedures required under audit standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements to the requirements of the Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked-up, in all material respects, in compliance to the requirements of Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10 and of article 123-bis of Legislative Decree n. 58/98

The directors of Abitare In S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Abitare In S.p.A. as of September 30, 2022, including their consistency with the consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph. 4, of Legislative Decree n. 58/98, with the consolidated financial statements of Abitare In S.p.A. as of September 30, 2022 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the report on operations and the above mentioned specific information of the corporate governance report are consistent with the consolidated financial statements of Abitare In S.p.A. as of September 30, 2022 and are compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, letter e), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, December 29, 2022

BDO Italia S.p.A.

Signed by
Giovanni Rovelli
Partner

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

**Report of the Board of Auditors to the General
Meeting of Shareholders called for the approval of the
Annual Report and Financial Statements as at 30
September 2022 (pursuant to Article 153 of Italian
Legislative Decree no. 58/98, and to Article 2429,
paragraph 2 of the Italian Civil Code)**

Dear Shareholders,

In accordance with Article 153 of Italian Legislative Decree no. 58/1998, the Italian Consolidated Law on Finance (*Testo Unico della Finanza* or TUF) and with Article 2429, paragraph 2 of the Italian Civil Code, the Board of Auditors shall report to the General Meeting on the performance of operations in the financial year and on the activities it carried out fulfilling its duties; it shall also make observations and proposals on the financial statements, their approval and on the matters it is responsible for.

In the reporting year, the Board of Auditors performed its supervisory tasks in compliance with the terms laid down by the applicable legislation and in accordance with the principles of conduct recommended by the Italian National Council of Chartered Accountants and Accounting Experts, as well as with the provisions issued by CONSOB (Italian Securities and Exchange Commission) on corporate controls and on the activities of the Board of Auditors, and with the instructions contained in the Corporate Governance Code adopted by Borsa Italiana S.p.A. (the “**Code**”) which Abitare In S.p.A. (hereinafter referred to also as “**Abitare In**” or “**Company**”) also adopted with

Board resolution passed on 13 January 2021.

To this end, besides attending the meetings of the Board of Directors and of the Board Committees, the Board of Auditors constantly exchanged information with the relevant administration and audit units, with the Body in charge of supervising the effectiveness of, compliance with and update of the Company’s Organization, Management and Control Model under Italian Legislative Decree no. 231/01 (“**OdV**”), as well as with BDO S.p.A., the independent audit firm retained for the statutory audit of the accounts.

The Board of Auditors

The Board of Auditors in office on the date of this report was appointed by the General Meeting of Shareholders on 23 December 2020 and its members are:

- Ivano Passoni (Chairman);
- Marco Dorizzi (Standing Auditor);
- Matteo Alfonso Ceravolo (Standing Auditor).

The Alternate Auditors are Fanny Butera and Mariateresa Giangreco.

The main offices and directorships held by the members of the Board of Auditors are listed in the Report on the Company Corporate Governance and Ownership Structure, which was prepared in accordance with Article 123-bis of the Italian Consolidated Law on Finance and approved by the BoD on 13 December 2022.

The Board of Auditors states that all its members comply with the regulatory provisions issued by CONSOB on multiple directorships/interlocking positions.

The Company's Annual Report and Financial Statements as at 30 September 2022 were prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as in compliance with the measures issued for the implementation of Article 9 of Italian Legislative Decree 38/2005. It consists of the documents required by IAS 1, namely: Statement of financial position (balance sheet) as at the reporting date, a statement of profit and loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period, the notes to the financial statements and the comparative figures vs. the previous reporting period. The Company prepared its annual report and financial statements as at 30 September 2022 in accordance with the IAS/IFRS setting forth the comparative figures as at 30 September 2021, as described in the basis of presentation. The date of first adoption of the IAS/IFRS was 1 October 2016, which was the date of IFRS first adoption for the consolidated financial statements of the Abitare In Group.

Going concern basis

At its meeting held on 13 December 2022, the Board of Directors approved the draft annual report and financial statements as at 30 September 2022, which are presented on a going concern basis.

Within its periodic audits, the Board of Auditors constantly monitored the developments in the Company's profit and loss, financial and cash flow situation and it found no elements that could raise doubts about the

going concern basis underlying these financial statements.

Non-recurring material transactions

It is pointed out that, in the reporting period, the subsidiary Homizy S.p.A. was listed on the Euronext Growth Milan market – Professional Segment. Through the incorporation of Homizy S.p.A. the Abitare In Group entered the lease market, the new strategic business line dedicated to the development of properties to be leased out through co-living solutions.

Impairment testing procedure

The Note to the financial statements gives the information on and the outcomes of the impairment testing process that was carried out. This Board of Auditors is of the opinion that the impairment testing procedure adopted by the Company is appropriate.

Atypical or unusual transactions

In the reporting period the Company did not carry out any atypical or unusual transactions as defined in CONSOB communication DEM/6064293 of 28 July 2006.

Intra-group transactions or transactions with related parties

Pursuant to Article 2391-bis of the Italian Civil Code and to CONSOB resolution 17221 of 12 March 2010 adopting its "*Regulations containing provisions relating to transactions with related parties*", which was then amended with CONSOB resolution no. 17389 of 23 June 2010, and pursuant to CONSOB resolution no. 21624 of 10 December 2010, the Board of Directors adopted the "*Procedure relating to transactions with related parties of Abitare In S.p.A.*" (the "**Regulation**") on 13 January

2021.

It is pointed out that the Regulation adopted by the Company and applying to the transactions carried out in FY 2022 is consistent with the principles laid down in the aforementioned CONSOB Regulation and has been published on the Company's website.

Transactions with related parties are reported in the Notes to the Company's separate financial statements and to the Group's consolidated financial statements, along with the subsequent effects on profit or loss and the financial position.

This Board supervised compliance with the Regulation and correctness of the process followed by the Board of Directors and by the relevant Committee about qualification as related parties and has nothing to report.

Activities carried out by the Board of Auditors in FY 2022

In performing its activities, the Board:

- Supervised compliance with the applicable law and with the Deed of Incorporation;
- Supervised compliance with the principles of good administration;
- Attended the meetings of the Board of Directors, cooperated with the Remuneration Committee, with the Committee for Transactions with Related Parties and Internal Control, Risk Management and Sustainability and regularly obtained information from the Directors, at least on a quarterly basis, about the general performance of operations and the outlook, as well as about material transactions in terms of profit or loss, cash flows and financial positions, carried out by the Company and by the Group of companies it is the Parent of (the "Group"), verifying

that the adopted resolutions were not blatantly imprudent, reckless, potentially in conflict of interest or conflicting with any resolutions passed by the General Meeting or fit to jeopardize the Company's assets and equity; it is pointed out that the BoD deemed it unnecessary to set up an Appointments Committee, given the Company's structure and size, considering also its ownership structure, as well as the list-based voting mechanism provided for by the Articles of Association, which ensures a transparent appointment procedure and a balanced composition of the Board of Directors. It is also reported that, on 19 September 2022, the BoD set up a Risk and Control Committee within the Board itself, in compliance with Article 3, Recommendation 16, of the Corporate Governance Code, appointing Nicla Picchi as the Committee Chair and Mario Benito Mazzoleni and Eleonora Reni as the Committee members and approving the Committee regulation.

- Supervised the appropriateness of the Company's organizational structure, through direct observation, collection of information from the relevant Corporate Function Holders and interaction with the Board Committees;
- Supervised the consistency of the Company's decision-making structure with the decision-making powers entered in the Business Register, with its solid line reporting structure, with the decision making and implementing process, with the financial reporting process and with the definition and actual operation of the various levels of control;
- Supervised the adequacy and proper operation of the internal

control and risk management system by attending the meetings of the BoD, which, until 19 September 2022, was vested as a whole with the function of the Risk and Control Committee and, after that date, interacting with the newly set up Risk and Control Committee, also by obtaining information from the Directors in charge of the internal control and risk management system, from the relevant Function Holders, from the Independent Audit Firm's representatives and from the OdV. This Board also held meetings with the Company's Internal Audit Executive, Mr. Cesare Mileto, from whom it obtained information on the progress in the implementation of the Audit Plan for the reporting year, on the results of the audits carried out and on the remediation actions planned and implemented, as well as on the related follow-up activities;

- Analyzed, finding no issues or problems, the 2022-2024 medium-term plan, which was prepared by the Company's Management and approved by the BoD on 13 June 2022, the draft separate and consolidated financial statements, the transactions that were material in terms of profit or loss, financial position or cash flows, including any atypical or unusual transactions, intra-group transactions or transactions with related parties or transactions potentially in conflict of interests, as appropriately disclosed by the Directors in their report;
- Supervised the adequacy of the administration-accounting system, through meetings with the Chief Financial Officer, who is also the manager in charge of preparing the corporate accounting documents, Mr. Cristiano Contini, and with the

Independent Audit Firm BDO S.p.A., also in order to exchange data and information;

- Supervised the methods for the implementation of the Corporate Governance rules adopted by the Company, also in compliance with the principles laid down in the Code. Specifically, this Board:
 - Verified proper application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members;
 - Verified the independence of the Independent Audit Firm;
 - Assessed the independence of its members;
- Assessed the composition, size and operation of the BoD and of the appointed Committees, especially as regards the requirements to be met by independent directors, the determination of remunerations and the completeness, skills and responsibilities associated with each corporate function, with a favourable outcome;
- Supervised the adequacy of the instructions given to the subsidiaries, pursuant to Article 114, paragraph 2, of the Italian Consolidated Law on Finance. Thanks to said instructions, the subsidiaries promptly provided the Company with all the necessary information to comply with its reporting obligations laid down by law;
- Supervised transactions with Related Parties and intra-group transactions; in this regard, we are of the opinion that the related reporting is adequate;
- Supervised proper fulfilment by the Company of its obligations

under the Market Abuse Regulation, including the ones concerning internal dealings, its obligations in terms of "Savings Protection" and on corporate reporting and disclosures.

In the light of the above and considering the evolving nature of the Internal Control and Risk Management System, the analyses that were performed and the information that was obtained did not show any elements that might be ground for this Board to assess the Company's Internal Control and Risk Management system in its entirety as inadequate.

At the regular meetings that this Board had with the Internal Audit Function Holder and the OdV, no issues or problems were reported within their respective scopes of responsibility.

In the period, the activities of the Internal Audit department focused on the audits provided for by the Internal Audit Annual Plan for the FY, which was submitted to the BoD on 5 July 2021, besides audits on specific matters, which were started in the FY, on the input given by the Director in charge of the Internal Control and Risk Management System or by the Committee in charge of Internal Control, Risk Management and Transactions with Related Parties (whose function was performed by the BoD as a whole until the Committee was set up on 19 September 2022) and, lastly, the comparison of the process risks set out in the Audit Plan to the ERM Report, which was approved by the BoD on 12 July 2022. Specifically, the Audit Plan for the FY focused on the purchasing cycle and information systems. The treasury management and personnel management processes were also audited. Furthermore, internal audits were performed on specific topics, such as: the time schedule of the

closing of the accounts, the purchasing procedure, the cyber security systems, treasury management (remote banking services), personnel management and the operation of the management control and reporting system.

Having regard to the purchasing cycle and to the purchasing procedure, the Internal Audit department found that *"The organization is progressively adopting, with a procedural approach, all the necessary behaviours to comply with the defined authorizing process and with the criteria for its proper implementation,"* but, nonetheless, *"The audits showed that a material portion of formal checks is still carried out after receiving the invoices (the payment of which - it is worth noting - is blocked in case of non-compliance with the set criteria pending their correction in accordance with the procedure). However, as shown in the table, this is not material from a business risk standpoint, but rather it simply entails operational inefficiency. The cases in which correction is made afterwards were analyzed in order to understand the causes of non-compliance with the procedure."*

Internal Audit Executive Mileto also reported that the Company *"is continuing with the functional analysis of digitalization of the entire process with the support of management applications, in order to eliminate all manual activities and to ensure that the behaviour of those requesting a product/service becomes more automatic. Furthermore, this new process is intended also to manage procurement information from the early stage of bidding by the invited vendors and to ensure that the information collected during negotiations and bid comparison is made more formalized and usable, also for vendor qualification purposes."*

Having regard to the information systems and cyber security, the Internal Audit department pointed out that the Company has assigned the assessment of its IT security to external firms, identifying “*the risks, including exposed credentials, the software security status, unsafe configurations of network protocols and the areas to be improved in compliance with the best practices on infrastructure security.*”

*The identified risks gave evidence of some lack of security, which might increase the area incursion for the more sophisticated and skilled attackers, with the possibility of finding an entry point to the network, establishing persistence and gaining privileged control of the corporate production environments and of sensitive information assets. In any case, the risk was very modest in the present server fleet and the implemented protocols corrected the aforementioned shortcoming.” Nevertheless, the Internal Audit department considered that “*In general, the tests did not find any serious vulnerability and the recommendations concerning the most severe risks have already been implemented or are being implemented*” [...] “*As regards the alarm concerning cyber-attacks from Russia or by organizations working for Russia, it is worth repeating that the Company has no relations with IT infrastructure and systems having that origin.*”*

In the last 3 months all the activities that were scheduled for and still pending in the previous period were completed.

Furthermore, in order to meet more stringent requirements in terms of cybersecurity, all the archives and e-mail boxes were migrated to a cloud (Microsoft365 portal). The partner vendor that carried out the project was VODAFONE. With that migration, the target of having higher control on the hardware and software infrastructure with remote

policies was achieved and, thus, the security of the information systems was considerably increased”.

As regards the personnel management process, Chief Audit Executive Mileto recommended that 2 processes be systematically organized, namely oversight on personnel training and focus on the process for the turnover of key function holders.

The annual report prepared by the Board of Directors on Corporate Governance and on the Ownership Structure did not show any issues worth reporting to you.

Supervisory activities on the financial reporting process

This Board verified that appropriate rules and procedures are in place to steer the process of collection, preparation and presentation of financial information.

Therefore, this Board has assessed the financial reporting process as appropriate and is of the opinion that there is nothing to be reported to the General Meeting of Shareholders.

Supervisory activities on non-financial reporting and disclosures

The Board supervised compliance with Italian Legislative Decree 254/2016, verifying that the Company is not a large-sized Public Interest Entity (PIE) required to report its non-financial performances under Italian Legislative Decree 254/2016.

Complaints lodged and offences reported pursuant to Article 2408 of the Italian Civil Code. Any omissions, reprehensible deeds or irregularities found

No complaints were lodged with and no offences were reported to this

Board under Article 2408 of the Italian Civil Code and no omissions, reprehensible deeds or irregularities were found.

Remuneration of the Directors, of the General Manager and of Senior Managers vested with strategic responsibilities

On 28 April 2021, the Company's BoD approved the Remuneration Policy applying to the members of the Board of Directors and to its senior managers vested with strategic responsibilities, which had been reviewed on 23 April 2021 by the Remuneration Committee; the BoD also determined the related performance objectives. On 28 April 2021, the Company's BoD approved the adoption of a Remuneration Plan for the 2021-2023 period (the "Plan"), to be submitted to the General Meeting of Shareholders for its approval under Article 114-bis of the Italian Consolidated Law on Finance, which shall apply to those who, on the share allotment date, are in office as executive Directors of the Company – at present Directors Luigi Francesco Gozzini and Marco Grillo – or those who have a permanent employment relationship with the Company and, specifically, who qualify as Senior Managers vested with Strategic Responsibilities of the Company - at present Mr. Marco Scalvini. On 31 May 2021, the Company's shareholders approved the "2021-2023 Stock Grant Plan" intended for the Company's Executive Directors and for its Senior Manager vested with strategic responsibilities, as well as an increase free of charge in the capital serving the 2021-2023 Stock Grant Plan of a maximum nominal value of Euro 5,100 equal to 1,020,000 shares at the most.

On 21 December 2021, after the Remuneration Committee gave its favourable opinion at its meeting held on the same date, in which this

Board participated finding nothing to object, the BoD approved the report on the remuneration policy and on the remuneration awarded under Article 123-*ter* of the Italian Consolidated Law on Finance and approved the awarding to its members of the short-term variable components (MBO) and of the medium and long term variable components (LTIP) of their respective remuneration. On 22 January 2022, the General Meeting of Shareholders resolved, with binding vote, the approval of the first section of the report on the remuneration policy for the FY ending on 30 September 2022, under Article 123-*ter* of the Italian Consolidated Law on Finance. On the same date, the General Meeting of Shareholders also approved, with non-binding vote, the second section of the report on the remuneration policy concerning the remunerations paid in the FY ended on 30 September 2021, under Article 123-*ter* of the Italian Consolidated Law on Finance. At its meeting held on 13 December 2022, after the Remuneration Committee gave its favourable opinion, the BoD resolved the approval of the report on the remuneration policy and on the remunerations paid in the FY ended on 30 September 2022 under Article 123-*ter* of the Italian Consolidated Law on Finance.

Other opinions expressed by the Board of Auditors

In FY 2022, the Board of Auditors did not express other opinions.

Supervision under Italian Legislative Decree no. 39/2010 – assessment of the independence of the Audit Firm

This Board supervised the statutory audit of the annual consolidated and separate accounts, and the independence of the Audit Firm retained for that task, with special focus on non-audit services provided and on the

outcome of the statutory audit of the accounts.

Having regard to the independence of the Audit Firm BDO S.p.A., on a preliminary basis the Board of Auditors examined the proposals for the assignment of non-audit tasks to the Audit Firm, assessing especially their compliance with the prohibitions laid down in Article 5 of Regulation (EU) 537/2014 and the absence of any risks to the statutory auditor's independence resulting from the provision of non-audit services. As the requirements laid down by the applicable legislation were met, this Board approved the assignment of the service to BDO S.p.A.

In FY 2022 the Independent Audit Firm provided the Group with the services reported in the Note to the Financial Statements. Specifically, besides the statutory audit of the accounts, the Audit Firm provided the Group with non-recurring services functional to the IPO concerning Homizy S.p.A. This Board of Auditors represents that the fees paid to the Independent Audit Firm are consistent with the size, complexity and features of the services provided and that the non-audit services assigned to the Audit Firm are not such as to jeopardize its independence.

It is also worth mentioning that, in the three consecutive FYs before the 2021/2022 FY, BDO S.p.A. did not provide any services to the Company and to the Group other than statutory audit services.

Observations and proposals on requests for additional information (emphasis of matter) contained in the Independent Auditors' Report

It is represented that BDO S.p.A. issued:

- In its capacity as the appointed Independent Auditor, the reports required by Article 14 of Italian Legislative Decree 39/2010 and

Article 10 of Regulation (EU) 537/2014; said reports give an opinion with no remarks on the separate and consolidated financial statements and certify that they provide a true and correct representation of the financial and capital position of the Company and of the Group as at 30 September 2022, as well as of profit or loss and cash flows in compliance with the applicable accounting and financial reporting standards;

- The additional report under Article 11 of Regulation (EU) 537/2014, stating that no problems were found, along with the confirmation under Article 6 of Regulation (EU) 537/2014 that no situations have emerged that may compromise its independence.

Self-assessment of the Board of Auditors

In compliance with "*Rules of Conduct of the Boards of Auditors of listed companies*" issued by the Italian National Council of Chartered Accountants and Accounting Experts, which require that the Board of Auditors carry out, after its appointment and thereafter on a yearly basis, an assessment of the activities it performed vs. its planned activities, of the eligibility of its members, of its suitable composition in terms of fit and proper requirements, as well independence requirements, and of the availability of appropriate time and resources consistently with the complexity of its duties (the "**Self-assessment**"), it is reported that this Board of Auditors carried out its Self-assessment for FY 1 Oct. 2021-30 Sept. 2022, recorded in separate minutes, whose favourable outcomes are specifically described in the Self-assessment Report and in the "*2022 Report on Corporate Governance and Ownership Structure*" of the Company under Article 123-bis of the Italian Consolidated Law on

Finance. Specifically, this Board positively assessed: its proper and effective operation and its suitable composition, both as regards the requirements laid down by the applicable legislation for its members and as regards skills and expertise, both individual and of the Board as a whole.

Meetings of the Board of Auditors, of the Board of Directors and of the Board Committees

In FY 2022:

- 6 meetings of the Board of Auditors were held, lasting on average 3.4 hours each;
- The Board of Auditors had regular meetings and exchanged information with the Representatives of BDO S.p.A.;
- 18 meetings of the Board of Directors were held. In this regard, it is reported that the Board of Directors has 6 members, namely Directors Marco Claudio Grillo, Luigi Francesco Gozzini, Eleonora Reni, Mario Benito Mazzoleni, Giuseppe Carlo Ferdinando Vegas and Nicla Picchi, 3 of whom are independent directors (Mazzoleni, Vegas and Picchi); 2 directors out of 6 are women;
- 1 meeting of the Remuneration Committee was held 1 meeting, which was attended by 1 member of the Board of Auditors participated, whereas no meetings of the Related Party Committee were held;
- 7 meetings of the OdV were held.

The Board of Auditors attended the meetings of the Board of Directors.

Lastly, 1 General Meeting of Shareholders was held, on 22 January 2022, and was attended by all Directors and by all members of the Board

of Auditors.

On 13 December 2022, Chief Executive Officer Luigi Francesco Gozzini and the Manager in charge of the preparation of the corporate accounting documents, Cristiano Contini, issued the certification under Article 154-bis of the Italian Consolidated Law on Finance, warranting that the separate and consolidated financial statements were prepared in compliance with the International Accounting Standards and International Financial Reporting Standards endorsed by the European Union under Regulation (EC) no 1606/2002 of the European Parliament and of the Council of 19 July 2002, are consistent with the accounting books and entries and are fit to provide a true and correct representation of the financial and cash flow position and of the profit or loss of the Issuer and of the Group.

The Board of Auditors assessed the completeness and adequacy of the information provided by the Board of Directors in its reports, also about any material risks and uncertainties, as well as about the disputes to which the Company and the Group are exposed.

As stated by the Directors, no significant events occurred after the reporting date.

The Board of Auditors hereby expresses its favourable opinion on the approval of the Annual Report and separate and consolidated Financial Statements as at 30 September 2022 and agrees with the proposal for resolution submitted by the Board of Directors concerning the allocation of the profit (loss) for the period.

Milan, 29 December 2022

The Board of Auditors

(Ivano Passoni)

(Marco Dorizzi)

(Matteo Ceravolo)

Financial Statements

AT 30 SEPTEMBER 2022

Individual Statement of Financial Position

	Note	30.09.2022	Related parties	30.09.2021	Related parties
Intangible assets	1	2,447,176		2,591,926	
Property, plant and equipment	2	1,567,180		1,587,095	
Equity investments in subsidiaries	3.1	6,874,658	6,874,658	5,992,658	5,992,658
Equity investments in other companies	3.2	4,715,514		4,370,694	
Non-current financial assets	4	44,111,935	43,937,921	47,231,640	47,231,640
Prepaid taxes	5	290,098		266,425	
TOTAL NON-CURRENT ASSETS		60,006,561		62,040,438	
Trade receivables	6	9,990		976	
Receivables from subsidiaries	7	19,856,939	19,856,939	15,646,163	15,646,163
Current financial assets	4	10,668,158	10,668,158	-	-
Other current assets	8	1,382,981		1,324,760	
Current tax assets	9	6,128,917		2,568,528	
Cash and cash equivalents	10	4,926,191		1,058,799	
TOTAL CURRENT ASSETS		42,973,176		20,599,226	
TOTAL ASSETS		102,979,737		82,639,664	
Share capital		132,654		129,677	
Reserves		45,033,840		39,216,047	
Previous years' profit (loss)		8,916,450		2,156,305	
Operating profit		7,692,297		6,760,145	
EQUITY	11	61,775,241		48,262,174	
Non-current financial liabilities	12	12,875,498		15,781,035	
Employee benefits	13	315,126		319,931	
Other non-current liabilities	14	281,755	281,755	272,270	252,759
Payables for deferred tax liabilities	5	42,349		586	
TOTAL NON-CURRENT LIABILITIES		13,514,728		16,373,822	
Current financial liabilities	12	14,320,590	1,725,521	10,340,864	8,766,238
Trade payables	15	952,008	20,321	1,551,940	39,552
Payables to subsidiaries	16	10,859,565	10,859,565	4,775,478	4,775,478
Other current payables and liabilities	17	1,434,015	321,000	1,111,167	21,000
Current tax liabilities	18	123,590		224,219	
TOTAL CURRENT LIABILITIES		27,689,768		18,003,668	
TOTAL LIABILITIES		41,204,496		34,377,490	
TOTAL LIABILITIES AND EQUITY		102,979,737		82,639,664	

Individual Income Statement

	Note	30.09.2022	Related parties	30.09.2021	Related parties
Revenue for services	19.1	9,225,776	9,225,776	8,993,241	8,993,241
Other revenue	19.2	618,184	55,326	687,903	421,631
TOTAL REVENUE	19	9,843,960		9,681,144	
Raw materials, semi-finished products and other materials purchased		56,760		80,967	
Services	20.1	6,282,046	2,383,084	7,674,773	3,552,330
Rental and similar		77,429		74,222	
Personnel expenses	20.2	2,352,629	200,000	2,059,064	200,000
Deprecation/Amortisation	20.3	1,314,041		1,125,731	
Impairment losses and provisions	20.4	598,047	52,547	476,547	52,547
Other operating expenses	20.5	351,989		347,725	
TOTAL OPERATING EXPENSES	20	11,032,941		11,839,029	
EBIT		(1,188,981)		(2,157,885)	
	21	(500,000)	(500,000)	-	
Financial income	22	10,009,755	7,900,000	8,983,701	6,911,981
Financial expenses	22	(477,493)		(316,672)	
EBT		7,843,281		6,509,144	
Income taxes	23	(150,984)		251,001	
Profit (loss) for the year from operating activities		7,692,297		6,760,145	
Profit (loss) for the year		7,692,297		6,760,145	

Individual Comprehensive Income Statement

	30.09.2022	30.09.2021
Profit (loss) for the year	7,692,297	6,760,145
Other comprehensive income		
<i>That will not be subsequently reclassified in profit or loss for the year</i>		
Employee benefits	104,593	(29,135)
Tax effect	(25,102)	6,993
Total	79,491	(22,142)
<i>That will be subsequently reclassified in profit or loss for the year</i>		
Hedging instruments	193,525	(19,511)
Tax effect	(46,446)	4,683
Total	147,079	(14,828)
Total change in OCI reserve	226,570	(36,970)
Comprehensive income for the period	7,918,867	6,723,175

Individual statement of cash flows (indirect method)

Statement of Change in Equity

	Share capital	Share premium reserve	Legal reserve	Stock grant reserve	FTA reserve	OCI reserve	Profit carried forward from previous years	Profit for the year	Total
Equity at 1 ottobre 2020	129,677	36,886,375	39,651	-	(7,246)	(45,220)	1,590,285	566,020	39,159,542
Profit (loss) for the year							6,760,145	6,760,145	
Adtuarial valuation of TFR						(22,142)		(22,142)	
Stock grant plan				2,379,457				2,379,457	
Derivative fair value measurement						(14,828)		(14,828)	
Change in the consolidation scope								-	
Allocation for the profit for the year						566,020	(566,020)	-	
Equity at 30 September 2021	129,677	36,886,375	39,651	2,379,457	(7,246)	(82,190)	2,156,305	6,760,145	48,262,174

	30.09.2022	30.09.2021
Operating activities		
Profit (loss) for the year	7,692,297	6,760,145
Income taxes	150,984	(251,001)
Financial income	(10,009,755)	(8,983,701)
Financial expenses	477,493	316,672
(Gains)/losses on the sale of companies	(5,431)	-
Net accruals to provision	1,203,127	578,843
Accrual to stock grant reserve	1,733,794	2,379,457
Impairment and depreciation/amortisation of property, plant and equipment and intangible assets	1,314,040	1,125,731
Cash flows before changes in net working capital	2,556,549	1,926,146
Increase/(decrease) in trade payables		
Decrease/(increase) in trade receivables	(2,909,461)	(4,155,404)
Change in other current/non-current assets and liabilities	(4,030,460)	(526,002)
Net financial income/expenses collected/paid	7,071,393	6,556,040
Taxes paid	-	(224,397)
Use of provisions	(51,819)	(339,368)
Cash flows from (used in) operating activities (A)	6,810,028	7,283,425
Investing activities		
Investments in property, plant and equipment	(207,227)	(150,293)
Disposal of property, plant and equipment	5,431	-
Investments in Equity investments	-	(412,974)
Investments in intangible assets	(942,147)	(967,952)
Disposal of intangible assets	-	-
Changes in non-current financial assets	(8,789,439)	(15,671,513)
Cash flows from (used in) investing activities (B)	(9,933,382)	(17,202,731)
Financing activities		
Bank loans raised	10,000,000	9,240,157
Bank loans repayments	(1,683,618)	(8,348,047)
Change in current/non-current financial liabilities	(5,186,042)	3,905,461
Net change in current financial assets	-	-
Share capital increase against consideration	3,860,406	-
Cash flows from (used in) financing activities (C)	6,990,746	4,797,571
Net cash flows in the period (A)+(B)+(C)	3,867,392	(5,121,735)
Cash and cash equivalents at the beginning of the year	1,058,799	6,180,534
Increase/(decrease) in cash and cash equivalents from 1 October to 30 September	3,867,392	(5,121,735)
Cash and cash equivalents at the end of the period	4,926,191	1,058,799

NOTES TO THE Financial Statements

Corporate information

Abitare In S.p.A. is a joint-stock company incorporated in 2016 in Italy, registered in the Company Register of Milan, with registered office in Milan, via degli Olivetani 10/12. The Company mainly carries out real estate development activities through its subsidiaries.

Unless otherwise specified, all amounts shown in the financial statements and in the notes are in Euro. The figures shown in the financial statements and in the notes are rounded up/down to ensure consistency with the figures shown in the statement of financial position and the income statement. In its capacity as Parent Company, Abitare In has also prepared the consolidated financial statements of the Group as at 30 September 2022.

Accounting standards and measurement criteria

Basis of presentation

The separate financial statements for the year ended 30 September 2022 have been prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as the provisions implementing Art. 9 of Legislative Decree no. 38/2005. IFRS also means the International Accounting Standards ("IAS") still in force, as well as all the interpretations issued by the IFRS Interpretation Committees, previously referred to as the International Financial Reporting Interpretations Committee ("IFRIC") and even earlier as Standing Interpretations Committee ("SIC"). These financial statements as at 30 September 2022 are the first IFRS financial statements prepared by the Company by virtue of the translating of the Company's shares on the MTA market, STAR segment. The attachment to the financial statements "First-time application of IFRS" provides the information required by IFRS 1 and, specifically, a description of the impacts that the transition to the IFRS has had on Abitare In S.p.A.'s financial position and earnings.

The financial statements have been prepared on the basis of the historical cost principle, except for the fair value measurement of certain financial instruments.

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

These separate financial statements for the year ended 30 September 2022 are authorised with resolution of the Board of Directors of 13 December 2022.

Financial Statements

The separate financial statements of Abitare In as at 30 September 2022 include the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes, all prepared in accordance with the IFRS.

The schedules of the statement of financial position provide a classification of current and non-current assets and current and non-current liabilities where: (i) non-current assets include positive balances with a normal

operating cycle beyond 12 months; (ii) current assets include positive balances with a normal operating cycle within 12 months, and cash and cash equivalents; (iii) non-current liabilities include payables beyond 12 months; (iv) current liabilities include payables within 12 months.

Finally, the statement of cash flows was prepared using the indirect method to determine cash flows from operating activities. Under this method, profit (loss) for the year is adjusted to account for the effects of non-cash transactions, any deferral or provision allocated for previous or future operational receipts or payments and any revenue or expense items associated with cash flows from investing or financing activities.

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

Statement of amounts in the consolidated financial statements and notes

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

Measurement criteria

Revenue recognition

Revenues from contracts with customers have defined the rules to measure and recognise revenue from contracts for the sale of goods and services. The standard provides for a five-step model for revenue recognition for an amount that reflects the consideration which the entity believes to have the right to receive in exchange for the transfer of goods or services to the customer. The scope of application of the standard consists of all revenues deriving from contracts with customers, except for those regulated by other IAS/IFRS such as leases, insurance contracts and financial instruments. The fundamental steps for recognising revenue according to IFRS 15 are:

- identifying the contract with the customer;
- identifying the contractual obligations;
- determining the price;
- allocating the price at the contractual obligations;
- the revenue recognition criteria when the entity meets each contractual obligation.

Revenue from Abitare In S.p.A. from sales of goods and services is attributable to the provision of services. The provision of services mainly refers to technical-professional services and remuneration of royalties to subsidiaries.

Dividends

Dividends are recognised at the time when shareholders are entitled to payment, which normally corresponds to the date of the Annual Shareholders' Meeting called to resolve on the distribution of dividends.

Property, plant and equipment

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

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

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

The following main economic-technical rates have been used:

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

Intangible assets

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

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

Intangible assets acquired through business combinations are recognised at their fair value at the acquisition date if such value can be measured reliably. Software licences purchased are capitalised on the basis of the

costs incurred to purchase them and prepare them for use. Amortisation is on a straight-line basis over the asset's estimated useful life. Intangible assets with a finite useful life are stated less any accumulated amortisation and accumulated impairment losses, to be calculated in accordance with the methods described in the following Section.

The following main economic-technical rates have been used:

Category	Depreciation rates
Development costs	20%
Other assets	20%

Leases

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

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

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

With reference to options:

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

Impairment of assets

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

Equity investments in subsidiaries

Equity investments in subsidiaries are recognised at the cost adjusted in the presence of impairment losses. These impairment losses are quantified on the basis of the recoverable amount determined with reference to the cash flows that the investee company will be able to produce prospectively. The positive difference, emerging at the time of purchase, between the acquisition cost and the share of shareholders' equity at the current value of the investee pertaining to the company is, therefore, included in the carrying amount of the equity investment. Any impairment of this positive difference shall not be reversed in subsequent periods even if the conditions that had led to the impairment cease to apply. If any portion of the Company's losses in the investee exceeds the carrying amount of the equity investment, the equity investment is zeroed, and the amount of the additional losses is recognised as a provision under liabilities if the Company is obliged to meet them. Any financial receivables that constitute medium/long-term interests in investees, whether they are subsidiaries, joint ventures and/or associates, are classified and measured in accordance with the provisions of IFRS 9, including, where significant, the application of the expected loss model to measure any impairment losses.

Equity investments in other companies

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

Trade and other receivables

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

Receivables from customers exclusively for services rendered are recognised when the services have been completely supplied and, thus, when the ensuing right to receive the payment arises. Financial assets other than receivables from customers are recognised at the settlement date. On initial recognition, financial assets of such type are measured at cost, equivalent to the fair value of the instrument, inclusive of directly attributable transaction costs and revenue. Receivables with a due date beyond one year, non-interest bearing or bearing interest below the market rate, are discounted at rates equivalent to the return on instruments that have comparable technical characteristics and risk/yield profiles. Following initial recognition, financial assets of this category are measured at amortised cost. The initial recognition value is therefore adjusted

to take into account repayments of principal, any impairment and the amortisation of the difference between the amount repaid and the initial carrying amount. Amortisation is effected at the actual internal interest rate, which is the rate that equalises, at the time of initial recognition, the present value of the expected cash flows and the initial carrying amount (amortised cost method). Vice-versa, trade receivables are measured at historical cost and are not amortised in view of their short due date. If there is objective evidence of impairment, the asset's value is reduced to the discounted value of expected future cash flows. Impairment losses are recognised through profit or loss. The asset's value is reinstated in subsequent periods if the reasons for the impairment no longer apply, up to the value it would have had at amortised cost if no impairment had occurred.

Impairment

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

Cash and cash equivalents

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

Equity

Share capital

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

Reserves

Reserves consist of equity reserves for specific uses. They also include the reserve created on the first-time adoption of the international financial reporting standards. Retained earnings (losses). These include earnings (losses) of previous years, specifically, the portion not distributed or set aside as reserve (in the case of profits) or not covered (in the case of losses).

Share-based payment

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

Employee benefits

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

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

Financial assets

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

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

Financial assets measured at amortised cost

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

Financial assets measured at fair value through other comprehensive income (FVOCI)

This category includes the financial assets for which the following requirements have been met: i) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and through the sale of the asset it-self; and ii) the contractual terms of the asset provide for cash flows represented solely by payments of the principal and interest on the principal to be repaid. In addition, the equity instruments (equity investments in which the Group does not exercise control or significant influence) for which the Group applies the option granted by the principle of measuring these instruments at fair value through other comprehensive profitability (see paragraph 4 above in this regard) are also classified in this category. These assets are initially recognised at fair value. At their subsequent measurement, the valuation at the time of measurement is updated and any changes in fair value are recognised in Other comprehensive income. Any impairment losses, interest income and gains or losses on exchange rate differences are recognised in Profits or loss for the year.

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

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

Impairment on financial assets measured at amortised cost

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

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

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce the risk of variability in the interest rate. All derivative financial instruments are measured at fair value. When the financial instruments have the characteristics to be accounted for under hedge accounting, the following accounting treatment is applied:

- Fair value hedge - If a derivative financial instrument is designated to hedge the exposure to changes in the fair value of an asset or liability attributable to a particular risk that may have an impact on the income statement, the gain or loss deriving from subsequent measurements of the fair value of the hedging instrument is recognised in the income statement. The gain or loss on the hedged item, attributable to the hedged risk, changes the carrying amount of this item and is recognised in the income statement.
- Cash flow hedge - If a derivative financial instrument is designated to hedge the exposure to variability in the future cash flows of an asset or liability recognised in the balance sheet or a highly probable transaction that could have an impact on the income statement, the effective portion of the gains or losses on the derivative financial instrument is recognised as a component of total profit or loss. The cumulative gain or loss is eliminated from equity and recognised in the income statement in the same period when the related economic effect of the transaction being hedged is recognised. The gain or loss associated with a hedge (or part of a hedge) that has become ineffective is recognised in the income statement.
If a hedging instrument or a hedging relationship is closed, but the hedged transaction has not yet taken place, cumulative gains and losses, up to that moment recognised in equity, are recognised in the income statement when the related transaction takes place. If the transaction being hedged

is no longer considered likely, the unrealised gains or losses suspended in equity are immediately recognised in the income statement.

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

Financial liabilities

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

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

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

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

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

Provisions for risks and charges

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

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

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

Income taxes

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

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

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

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

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

Use of estimates

In preparing the financial statements and the related notes in accordance with the IFRS, the management is required to make estimates and assumptions that have an impact on the value of revenue, costs, assets and liabilities in the financial statements and on disclosures of contingent assets and liabilities at the reporting date. The final figures may differ from these estimates due to the uncertainty underlying the assumptions and the conditions on which the estimates are based. Consequently, any change in the conditions underlying the associated opinions, assumptions and estimates could have a significant impact on subsequent performance. Estimates are used to determine the fair value of real estate investments, financial instruments and derivatives. The management reviews the estimates and assumptions periodically and, if necessary, these are backed by opinions and studies of independent consultants of primary standing (e.g. property appraisal). The effects of any changes are reflected in the income statement.

The following estimates used in the financial statements are deemed significant in that they involve extensive use of subjective opinions, assumptions and estimates:

- Taxes: income taxes, related only to non-exempt operations, are estimated on the basis of the forecast of the actual amount that will be payable to the Revenue Agency in the annual tax return. Prepaid taxes are recognised on the basis of income forecasts for the coming years, taking into account the tax regime applicable to the Company, and are calculated at the tax rates that are expected to apply in the reporting periods in which the temporary differences will be realised or settled.
- Assessment of the progress of works and recognition of revenue: the method used is that of final cost based on the estimated cost to complete; this measurement is based on assumptions and estimates of the costs to complete and the related margin.
- Medium/long-term share-based incentive plans: these plans provide that the estimated number of rights accruing up to maturity is updated at the end of each reporting period. The measurement is made with the help of external experts.

New accounting standards, amendments and interpretations applicable from 1 January 2021

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. The amendment had no effect on the financial statements at 30 September 2022.

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. The amendment had no effect on the financial statements at 30 September 2022.

On 31 March 2021, the IASB published an amendment entitled "Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)" which extended by one year the period of application of the amendment to IFRS 16, issued in 2020, relating to concessions to lessees, due to Covid-19. The amendments apply from 1 April 2021 with the possibility of early adoption. The amendment had no effect on the financial statements at 30 September 2022.

IFRS accounting standards, amendments and interpretations of future effectiveness

With reference to the IFRS standards, approved by the IASB and endorsed for adoption in Europe, whose mandatory effective date is after 30 September 2022, the following is noted.

Amendment to IAS 16 - Property, plant and machinery: regulates the accounting treatment of proceeds from assets before intended use. The amendment is mandatory for financial years starting on or after 1 January 2022.

Amendment to IAS 37 - Provisions, contingent liabilities and contingent assets: deals with onerous contracts and costs of fulfilling a contract. The amendment is mandatory for financial years starting on or after 1 January 2022.

Amendment to IFRS 3 - Business Combinations: reference to the conceptual framework. The amendment is mandatory for financial years starting on or after 1 January 2022.

Annual improvements to IFRSs - 2018-2020 Cycle. Mandatory for financial years starting on or after 1 January 2022. IFRS 17 - Insurance Contracts. First application of the principle mandatory for financial years starting on or after 1 January 2023.

Amendment to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: disclosure of accounting policies. Compulsory amendment for financial years starting on or after 1 January 2023.
Amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: deals with the definition of accounting estimates. Compulsory amendment for financial years starting on or after 1 January 2023.

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

NOTES

to key items of the Statement of Financial Position

Note 1. Property, plant and equipment

The table below shows the breakdown of the item property, plant and equipment at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Property	644,656	657,404	(12,748)
Plant and machinery	19,816	15,609	4,207
General equipment	27,766	15,411	12,355
Other property, plant and equipment	874,942	898,671	(23,729)
Total	1,567,180	1,587,095	(19,915)

The table below shows changes in Property, plant and equipment at the reporting dates 30 September 2022 and 30 September 2021, by individual asset category.

	Property	Plant and machinery	General equipment	Other property, plant and equipment	Total property, plant and equipment
<i>Opening balance</i>					
Cost	720,442	34,492	19,722	1,333,471	2,108,127
Amortisation (accumulated amortisation)	(63,038)	(18,883)	(4,311)	(434,800)	(521,032)
Carrying amount	657,404	15,609	15,411	898,671	1,587,095
<i>Changes in the period</i>					
Increases for acquisitions	9,000	12,151	14,542	193,723	229,416
Decreases for disposals	-	-	-	(32,513)	(32,513)
Reclassifications (of carrying amount)	-	-	-	-	-
Amortisation in the year	(21,748)	(7,944)	(2,187)	(195,264)	(227,143)
Fund use	-	-	-	10,325	10,325
Total changes	(12,748)	4,207	12,355	(23,729)	(19,915)
<i>Closing balance</i>					
Cost	729,442	46,643	34,264	1,494,681	2,305,030
Amortisation (accumulated amortisation)	(84,786)	(26,827)	(6,498)	(619,739)	(737,850)
Carrying amount	644,656	19,816	27,766	874,942	1,567,180

The item "Other property, plant and equipment" increased primarily due to costs mainly incurred for the refurbishment of the viale Umbria 32 showroom, totalling Euro 164 thousand.

Note 2. Intangible assets

The table below shows the breakdown of the item Intangible assets at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Development cost	1,092,471	881,364	211,107
Concessions, licences, trademarks and similar rights	358	392	(34)
Assets under construction and payments on account	504	504	-
Other intangible assets	1,353,843	1,709,666	(355,823)
Total	2,447,176	2,591,926	(144,750)

The table below shows changes in Intangible assets at the reporting dates 30 September 2022 and 30 September 2021, by individual asset category.

	Concessions, licences, trademarks and similar rights	Assets under construction and payments on account	Other intangible assets	Total intangible assets
Opening balance				
Cost	1,840,044	23,817	504	3,062,015
Amortisation (accumulated amortisation)	(958,680)	(23,425)	-	(1,352,349)
Carrying amount	881,364	392	504	1,709,666
Changes in the period				
Increases for acquisitions	715,494	-	-	226,653
Reclassifications (of carrying amount)				-
Amortisation in the year	(504,387)	(34)	-	(582,476)
Total changes	211,107	(34)	-	(355,823)
Closing balance	2,555,538	23,817	504	3,288,668
Cost	2,555,538	23,817	504	3,288,668
Amortisation (accumulated amortisation)	(1,463,067)	(23,459)	-	(1,934,825)
Carrying amount	1,092,471	358	504	1,353,843
Total	2,447,176	358	504	2,447,176

The increase in development costs and other intangible assets is attributable, in the amount of Euro 715 thousand, to the investment made by the company in relation to the development and integration of the Corporate Abitare In E-Commerce platform, fully integrated with all business processes, aimed at the sale of houses online and the development and integration of an online apartment configurator. These costs refer to services supplied by third parties. Development costs incurred by the Group refer to projects that satisfy the requirements of IAS 38.

In addition, the item "other intangible assets" increased by Euro 204 thousand due to the registration of the right of use pertaining to the lease agreement for the new offices at Viale Umbria, 36.

Note 3. Equity investments

Note 3.1 Equity investments in subsidiaries

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

Subsidiaries	30.09.2021	Cost Incr.(decr.)	30.09.2022
Abitare In Development 3 Srl	205,000	-	205,000
Abitare In Development 4 Srl	210,000	100,000	310,000
Abitare In Development 5 Srl	22,000	-	22,000
Abitare In Development 6 Srl	15,000	15,000	30,000
Abitare In Development 7 Srl	150,000	-	150,000
Abitare In Maggiolina Srl	1,981,658	(500,000)	1,481,658
Accursio Srl	500,000	180,000	680,000
City Zeden Srl	13,000	5,000	18,000
Citynow Srl	10,000	-	10,000
Creare Srl	10,000	-	10,000
Deametra Srl	10,000	(10,000)	-
Homizy SpA	86,000	-	86,000
Immaginare Srl	12,000	10,000	22,000
Lambrate Twin Palace Srl	30,000	70,000	100,000
Milano City Village Srl	752,000	-	752,000
Milano Progetti Srl	870,000	280,000	1,150,000
Mivivi Srl	17,000	50,000	67,000
MyCity Srl	52,000	80,000	132,000
Palazzo Naviglio Srl	260,000	130,000	390,000
Porta Naviglio Grande Srl	110,000	100,000	210,000
Savona 105 Srl	210,000	280,000	490,000
Smartcity Srl	23,000	(23,000)	-
TheUnits Srl	28,000	20,000	48,000
Trilogy Towers Srl	390,000	80,000	470,000
Volaplana Srl	16,000	10,000	26,000
Ziro Srl	10,000	5,000	15,000
Total	5,992,658	882,000	6,874,658

During the year, the shareholdings in Deametra S.r.l. and Smartcity S.r.l. were sold to the subsidiary Homizy S.p.A.

The increase in the shareholdings of the other companies is due to the waiver of the loan to cover losses.

Note 3.2 Equity investments in other companies

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

Other companies	30.09.2021	Cost Incr. (decr.)	30.09.2022
Tecma Solutions S.p.A.	4,367,720	344,820	4,712,540
BCC	2,974	-	2,974
Total	4,370,694	344,820	4,715,514

The list of equity investments in subsidiaries, with an indication of the breakdown of shareholders' equity and equity interests, is as follows:

Subsidiaries	Registered office	Share capital	Equity as at 30.09.2022	Of which operating result	%	% exercisable voting rights	Amount allocated in the financial statements at cost	Difference between shareholders' equity and shareholding value
Abitare In Development 3 Srl	Milano	10,000	45,157	6,695	100%	100%	205,000	(159,843)
Abitare In Development 4 Srl	Milano	10,000	44,051	(86,847)	100%	100%	310,000	(265,949)
Abitare In Development 5 Srl	Milano	10,000	981,594	969,451	100%	100%	22,000	959,594
Abitare In Development 6 Srl	Milano	10,000	14,260	(13,775)	100%	100%	30,000	(15,740)
Abitare In Development 7 Srl	Milano	10,000	1,236,555	(825,921)	100%	100%	150,000	1,086,555
Abitare In Maggiolina Srl	Milano	100,000	351,434	(175,917)	100%	100%	1,481,658	(1,130,224)
Acciuso Srl	Milano	10,000	36,317	(160,057)	100%	100%	680,000	(643,683)
City Zeden Srl	Milano	10,000	14,030	(2,257)	100%	100%	18,000	(3,970)
Citynow Srl	Milano	10,000	10,915	915	100%	100%	10,000	915
Creare Srl	Milano	10,000	10,734	541	100%	100%	10,000	734
Deametra Srl	Milano	50,000	61,954	(13,624)	70.72%	70.72%	-	61,954
Homizi SpA	Milano	115,850	13,836,109	(385,951)	70.72%	70.72%	86,000	13,750,109
Immaginare Srl	Milano	10,000	11,000	(10,433)	100%	100%	22,000	(11,000)
Lambrate Twin Palace Srl	Milano	10,000	18,881	(62,775)	100%	100%	100,000	(81,119)
Milano City Village Srl	Milano	10,000	175,144	150,836	100%	100%	752,000	(576,856)
Milano Progetti Srl	Milano	10,000	43,762	(276,120)	100%	100%	1,150,000	(1,106,238)
Mivivi Srl	Milano	10,000	20,661	(42,427)	100%	100%	67,000	(46,339)
MyCity Srl	Milano	10,000	17,653	(78,721)	100%	100%	132,000	(114,347)
Palazzo Naviglio Srl	Milano	10,000	15,599	(134,405)	100%	100%	390,000	(374,401)
Porta Naviglio Grande Srl	Milano	10,000	128,687	(101,369)	100%	100%	210,000	(81,313)
Savona 105 Srl	Milano	10,000	24,994	(275,016)	100%	100%	490,000	(465,006)
Smartcity Srl	Milano	50,000	53,504	(47,360)	70.72%	70.72%	-	53,504
TheUnits Srl	Milano	10,000	15,239	(15,981)	100%	100%	48,000	(32,761)
Trilogy Towers Srl	Milano	10,000	19,722	(94,898)	100%	100%	470,000	(450,278)
Volaplana Srl	Milano	10,000	14,682	(8,924)	100%	100%	26,000	(11,318)
Ziro Srl	Milano	10,000	17,970	2,970	100%	100%	15,000	2,970
Total amount allocated in the financial statements				6,874,658			10,345,950	

With reference to the shareholdings, the book value of the shareholding in Abitare In Maggiolina S.r.l. was adjusted by Euro 500 thousand. This adjustment of the book value is strictly related to the financial income deriving from the dividend distributed by the subsidiary in the amount of Euro 3,900 thousand. Negative differences between the value of the equity investment and the net worth attributable to it do not represent impairment losses, as the value of equity investments and financial beliefs are deemed recoverable from the expected cash flows resulting from the completion of projects.

The item in question is mainly represented by the shares held in Tecma Solutions S.p.A. (7.3% of the share capital), a company listed on the Euronext Growth Milan, specialised in Real Estate Business Innovation for an amount equal to Euro 4,713 thousand.

The carrying amount increased by Euro 345 thousand due to the revaluation generated by the alignment of the carrying amount to fair value at 30 September 2022 as the asset is classified as Financial assets at fair value through profit or loss (FVTPL). The quoted value at 30 September 2022 of EUR 8.2 per share was used as the fair value benchmark.

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

Current and non-current financial assets consist of loans granted to subsidiaries and are interest-bearing

In addition, this item consists of the financial assets arising from the mark-to-market valuation of cash flow hedge derivatives entered into by Abitare In S.p.A. in the amount of Euro 174 thousand.

Note 5. Deferred tax assets and liabilities

Deferred tax assets as at 30 September 2022 amount to Euro 290 thousand, mainly relating to temporary differences on the temporary differences between the accounting and tax values of intangible assets for Euro 70 thousand for some real estate and on the provision for employee bonuses for Euro 131 thousand.

Note 4. Current and non-current financial assets

The composition and movements of current and non-current financial assets, towards subsidiaries, are as follows:

Subsidiaries	Opening position		Change in period			Closing position			
	Non-current financial assets	Provision for impairment	Balance at 30.09.2021	Incr. (decr.) receivables	Reclassification of provision for impairment	Reversal	Non-current financial assets	Provision for impairment	Balance at 30.09.2022
Abitare In Development 3 Srl	1,131,259	-	1,131,259	-	-	-	1,131,259	-	1,131,259
Abitare In Development 4 Srl	4,402,389	-	4,402,389	(365,579)	-	-	4,036,810	-	4,036,810
Abitare In Development 5 Srl	2,535,310	-	2,535,310	(305,000)	-	-	2,230,310	-	2,230,310
Abitare In Development 6 Srl	1,165,898	-	1,165,898	(1,165,668)	-	-	230	-	230
Accusio Srl	5,000	-	5,000	7,141,169	-	-	7,146,169	-	7,146,169
City Zeden Srl	823,000	-	823,000	1,178,000	-	-	2,001,000	-	2,001,000
Deametra Srl	963,000	-	963,000	(963,000)	-	-	-	-	-
Immaginare Srl	498,000	-	498,000	276,088	-	-	774,088	-	774,088
Lambrate Twin Palace Srl	2,385,000	-	2,385,000	638,000	-	-	3,023,000	-	3,023,000
Milano Progetti Srl	9,243,711	-	9,243,711	(383,711)	-	-	8,860,000	-	8,860,000
Mivivi Srl	1,772,994	-	1,772,994	41,000	-	-	1,813,994	-	1,813,994
MyCity Srl	1,923,337	-	1,923,337	408,500	-	-	2,331,837	-	2,331,837
Porta Naviglio Grande Srl	4,769,500	-	4,769,500	(100,000)	-	-	4,669,500	-	4,669,500
Richard Srl	39,000	-	39,000	(39,000)	-	-	-	-	-
Savona 105 Srl	3,220,912	-	3,220,912	379,000	-	-	3,599,912	-	3,599,912
Smartcity Srl	2,303,722	-	2,303,722	(2,303,722)	-	-	-	-	-
TheUnits Srl	278,000	-	278,000	32,900	-	-	310,900	-	310,900
Volaplana Srl	514,000	-	514,000	176,500	-	-	690,500	-	690,500
Ziro Srl	-	-	-	1,318,412	-	-	1,318,412	-	1,318,412
Total financial assets vs. non-current subsidiaries	37,974,032	-	37,974,032	5,963,889	-	-	43,937,921	-	43,937,921
Abitare In Development 7 Srl	58,812	-	58,812	370,000	-	-	428,812	-	428,812
Milano City Village Srl	6,028,600	-	6,028,600	700,000	-	-	6,728,600	-	6,728,600
Palazzo Naviglio Srl	1,485,800	-	1,485,800	(129,500)	-	-	1,356,300	-	1,356,300
Trilogy Towers Srl	1,684,396	-	1,684,396	470,050	-	-	2,154,446	-	2,154,446
Total financial assets vs. current subsidiaries	9,257,608	-	9,257,608	1,410,550	-	-	10,668,158	-	10,668,158
Total financial assets vs. subsidiaries	47,231,640	-	47,231,640	7,374,439	-	-	54,606,079	-	54,606,079

Note 6. Trade receivables

Trade receivables amount to Euro 10 thousand. These receivables are recognised net of the provision for bad debt. There are no past due receivables.

Note 7. Receivables from subsidiaries

This item amounted to Euro 19,857 thousand (Euro 15,646 thousand as at 30 September 2021) and includes:

	30.09.2022	30.09.2021	Change
Receivables for interest on interest-bearing loans	2,802,388	1,800,338	1,002,050
Group VAT credit	185,173	97,268	87,905
Receivables for CNM	828,563	2,828,393	(1,999,830)
Trade receivables	14,742,693	7,970,189	6,772,504
Miscellaneous receivables	1,298,122	2,949,975	(1,651,853)
Total	19,856,939	15,646,163	4,210,776

CNM receivables consist of the assumption by Abitare In S.p.A., as the tax consolidating entity, of the tax charges generated by the subsidiaries.

Trade receivables and sundry receivables mainly refer to receivables from subsidiaries for invoices issued and invoices to be issued, mainly related to chargebacks of administrative services, technical expenses, intellectual property remuneration and other items.

Note 8. Other current assets

Other current assets amounted to Euro 1,383 thousand (Euro 1,325 thousand at the end of the previous reporting period). This item is mainly refer to:

- the payment of Euro 470 thousand for the purchase without recourse, from Banco BPM, of the receivable due from Immobiliare Tacito s.r.l. of a nominal amount of Euro 11,000 thousand. The receivable is secured by a mortgage on the property situated in Via Tacito in Milan, 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 203 thousand to purchase a 100% equity investment in the company New Tacito s.r.l., owner of a real estate complex in Via Tacito in Milan. The purchase will be completed by July 2026. The total agreed price to purchase the real estate complex is Euro 236 thousand.

It also includes, for Euro 412 thousand, prepayments and accrued income, mainly relating to software licenses and insurance premiums.

Note 9. Current tax assets

Current tax assets (Euro 6,129 thousand) mainly refer to:

- VAT receivable of Euro 5,009 thousand;
- tax credits pertaining of Euro 289 thousand for the costs related to admission to listing on a regulated market pursuant to Article 1, paragraphs 89 to 92, of Law No. 205 of 27 December 2017;
- IRIS (corporate income tax) receivables of Euro 746 thousand.

Note 10. Cash and cash equivalents

The table below shows the breakdown of cash and cash equivalents as at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Bank and postal accounts	4,925,702	1,058,724	3,866,978
Cash-in-hand and cash equivalents	489	75	414
Total	4,926,191	1,058,799	3,867,392

The balance of cash and cash equivalents, fully reported in Euro, reflects liquid funds, cash-in-hand and cash equivalents at the respective reporting dates.

Cash and cash equivalents held at 30 September 2022 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 positive value of Euro 144 thousand (negative for Euro 82 thousand as at 30 September 2021) and includes:

- gains/(losses) that will be transferred to the income statement, relating to the cash flow hedge reserve on the hedging derivative, which shows a positive value of Euro 147 thousand.
- gains/(losses) that will not be transferred to the income statement relating to the actuarial valuation of the provision for severance pay as required by IAS 19, which show a positive value of Euro 79 thousand (negative for Euro 22 thousand as at 30 September 2021).

Stock Grant

On 31 May 2021, the Shareholders' Meeting of AbitareIn S.p.A. approved the 1:10 stock split of the shares, operational starting from 21 June 2021. The same meeting also approved the "2021-2023 Stock Grant Plan" for executive directors of the Company and Strategic Manager, together with the free share capital increase to service the Plan. The Stock Plan is part of the remuneration policy for the Company's directors and provides for the free assignment of shares to executive directors, subject to achieving specific performance targets established by the BoD. The Plan is also aimed at the Company's Executive with Strategic Responsibilities.

The Plan has a three-year time frame and aims to promote and pursue the objectives of aligning the remuneration of beneficiaries with the interests of shareholders as well as retaining the management, by envisaging overall, upon achievement of the set targets, the free assignment of a maximum of 900,000 shares in favour of the executive directors and 120,000 shares in favour of the Manager (also considering the split mentioned above).

Note 12. Current and non-current financial liabilities

The table below shows the breakdown of non-current financial liabilities at 30 September 2022 and 30 September 2021.

	30.09.2022			30.09.2021		
	non-current portion	current portion	Total	non-current portion	current portion	Total
Medium/long-term bank loans	11,613,976	12,370,746	23,984,722	14,202,626	1,401,865	15,604,491
Short-term bank loans	-	-	-	-	-	-
Other financial payables	1,261,522	1,949,844	3,211,366	1,578,409	8,938,999	10,517,408
Total	12,875,498	14,320,590	27,196,088	15,781,035	10,340,864	26,121,899
						1,074,189

loan type (Euro/000)	Amount disbursed/ approved	Underwriting date	End date	Payable within the next financial year	Payable beyond the next financial year	Total Debt book value	Total debt nominal value	Mortage on real estate/ guarantees	Covenants
Loan	1,300	16,07,2019	31,12,2023	454	115	569	569	n/a	No
Loan	5,200	23,09,2020	23,09,2025	1,292	2,616	3,908	3,930	n/a	Yes
Loan	4,500	20,05,2021	31,05,2025	4,487	-	4,487	4,500	n/a	Yes
Loan	5,000	29,07,2021	29,07,2023	5,004	-	5,004	5,000	n/a	No
Loan	1,400	23,06,2022	31,07,2027	4	1,400	1,404	1,400	n/a	No
Loan	2,600	27,05,2022	26,05,2027	14	2,595	2,609	2,600	n/a	No
Loan	3,000	18,07,2022	31,12,2025	500	2,505	3,005	3,000	n/a	Yes
Loan	3,000	29,07,2022	28,07,2025	615	2,383	2,998	3,000	n/a	No
Total				12,370	11,614	23,985	23,999		

The following new loans were granted during the first half of the financial year:

- Loans for a total amount of Euro 8,600 thousand;
- Loan for a total amount of Euro 1,400 thousand with surety of the MCC guarantee fund for small and medium enterprises pursuant to Decree Law No. 23 of 8 April 2020, converted into Law No. 40 of 5 June 2020.

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

Loan	Frequency and date of the last calculation	Parameter	Limit	Parameter at last reporting date
Abitare In S.p.A. (BCC)	Financial year (30.09.2022)	Consolidated net financial debt/consolidated Ebitda	≤ 3.75	7.20
Abitare In S.p.A. (BCC)	Financial year (30.09.2022)	Consolidated net financial debt/consolidated equity	≤ 1.75	1.21
Abitare In S.p.A. (BPER)	Financial year (30.09.2022)	Consolidated net financial debt/consolidated equity	≤ 1.75	1.21
Abitare In S.p.A. (BPER)	Financial year (30.09.2022)	Net financial debt in financial statements/equity in financial statements	≤ 0.75	0.14
Abitare In S.p.A. (MPS)	Financial year (30.09.2022)	Consolidated net financial debt/consolidated equity	≤ 2.10	1.21

As of 30 September 2022, the financial covenants had been fully complied with, with the exception of the consolidated Net Financial Debt/Consolidated EBITDA ratio envisaged by the loan to Abitare In S.p.A. stipulated with BCC. On 30 November 2022, the decision-making bodies of the bank accepted the waiver request. In compliance with IAS 1, since the resolution was made after the closing date of the financial year, the loan was classified as due within 12 months. At the date of preparation of this annual report, as a result of the above resolution, the loan amounting to Euro 4,487 thousand was again due beyond 12 months.

The item "Other financial payables" is mainly composed of the financial payable to the leasing company for the purchase of the property located at 57 Via Amadeo, 57 in the amount of Euro 382 thousand, the financial

payable for the leaseback contract for office machinery signed with BNL in the amount of Euro 59 thousand, the financial payable relative to the long-term right of use of the property used by the Chairman of the Board of Directors in the amount of Euro 100 thousand, and the long-term right of use of the property used as offices located at 32 Viale Umbria for an amount of Euro 171 thousand.

Note 12.1 Financial debt

Financial debt	30.09.2022	30.09.2021	Change
amounts in Euro			
A. Cash and cash equivalents	4,926,191	1,058,799	3,867,392
B. Means equivalent to cash and cash equivalents	-	-	-
C. Other current financial assets	13,470,546	1,800,338	11,670,208
D. Liquidity (A)+(B)+(C)	18,396,737	2,859,137	15,537,600
E. Current financial payables	-	-	-
F. Current position of non-current debt	14,320,590	10,341,864	3,978,726
G. Current financial debt (E)+(F)	14,320,590	10,341,864	3,978,726
H. Net current financial debt (G)-(D)	(4,076,147)	7,482,727	(11,558,874)
I. Non-current financial payables	12,875,498	15,781,035	(2,905,537)
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
L. Non-current financial debt (I)+(J)+(K)	12,875,498	15,781,035	(2,905,537)
M. Total financial debt (H)+(L)	8,799,351	23,263,762	(14,464,411)

Net financial debt as of 30 September 2022 was Euro 8.8 million compared to Euro 23.2 million as of 30 September 2021. Net financial debt improved mainly as a result of the increase in cash and cash equivalents of Euro 3,867 thousand and the recognition of loans due within 12 months to the subsidiaries Milano City Village S.r.l., Trilogy Towers S.r.l., Palazzo Naviglio S.r.l. Abitare In Development 7 S.r.l. and for an amount of Euro 6,729 thousand, Euro 2,154 thousand, Euro 1,356 thousand and Euro 429 thousand, respectively.

Note 13. Employee benefits

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

	30.09.2022	30.09.2021
Annual inflation rate	3.50%	1.00%
Technical annual discount rate	2.50%	0.70%
Annual rate of salary increase	2.50%	2.50%

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

Balance at 30 September 2021	319,931
Financial expenses	2,182
Advances paid and settlements	(51,819)
Accruals	105,080
Actuarial gains (losses)	(60,248)
Balance at 30 September 2022	315,126

Note 14. Other non-current liabilities

As at 30 September 2022, the item "Other non-current liabilities" consisted of the severance indemnity reserve (Euro 282 thousand).

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

Balance at 30 September 2021	252,759
Financial expenses	1,769
Advances paid and settlements	-
Accruals	52,547
Actuarial gains (losses)	(25,320)
Balance at 30 September 2022	281,755

Note 15. Trade payables

Trade payables amounted to Euro 952 thousand (Euro 1,552 thousand as at 30 September 2021) and are recognised at nominal value. All payables fall due within the next year. The payables represent the amounts due for the provision of services and consultancy, remuneration and miscellaneous supplies. There are no significant payables in currencies other than the Euro.

Note 16. Payables to subsidiaries

They totaled Euro 10,860 thousand (Euro 4,775 thousand as at 30 September 2021) and include:

	30.09.2022	30.09.2021	Change
CNM payables	920,373	687,621	232,752
Group VAT payables	8,784,552	3,727,516	5,057,036
Trade payables	1,113,565	284,007	829,558
Miscellaneous payables	41,075	76,334	(35,259)
Total	10,859,565	4,775,478	6,084,087

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

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

Note 17. Other current liabilities

The table below shows the breakdown of other current liabilities at 30 September 2022 and 30 September 2021.

	30.09.2022	30.09.2021	Change
Other provisions for risk and charges	545,500	424,000	121,500
Other payables	697,614	509,745	187,869
Accrued expenses and prepaid income	126,033	126,739	(706)
Social security contributions payable	64,868	50,683	14,185
Total	1,434,015	1,111,167	322,848

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

Other payables consist mainly of payables for deferred remuneration for Euro 291 thousand and retention money payable to directors in the amount of Euro 321 thousand.

Note 18. Current tax liabilities

The item Current Tax Liabilities amounting to Euro 124 thousand is mainly composed of the payable to the tax authorities for IRAP amounting to Euro 85 thousand.

NOTES

to key items in the Income Statement

Note 19. Revenue

The total value of revenues increased from Euro 9,681 thousand as at 30 September 2021 to Euro 9,844 thousand as at 30 September 2022. The change is mainly due to the increase in the item "Revenue from services".

Note 19.1 Revenue from Services

Revenue from services of Euro 9,226 thousand relates to the invoicing of services to subsidiaries. With regard to inter-group policies for invoicing services during the FY 2022, a partial change was made to correctly identify the value of intellectual property (IP) services with respect to the technical, commercial, marketing and administrative management activities. 2 main IPs have been identified, the use of Software and the use of Know-How, established and made available to subsidiaries on the basis of dedicated contracts of use. The parent company submitted an application for a Patent Box to recognise the tax credit on the profit deriving from exploiting the identified IPs.

Note 19.2 Other revenue

Other revenues of Euro 618 thousand mainly include:

- Revenue related to the tax credits of Euro 289 thousand for the costs related to admission to listing on a regulated market pursuant to Article 1, paragraphs 89 to 92, of Law No. 205 of 27 December 2017;
- Revenue of chargebacks of costs pertaining to subsidiaries of Euro 55 thousand
- revenue accrued on tax credits for Research & Development of services Euro 70 thousand.

Note 20. Operating expenses

At 30 September 2022 it amounted to Euro 11,033 thousand and mainly includes costs for services.

Note 20.1 Services

Costs for services break down as follows:

	30.09.2022	30.09.2021	Change
Legal. notarial and administrative consultancy	349,277	701,127	(351,850)
Technical consultancy professional	826,589	978,727	(152,138)
Press office	18,616	89,341	(70,725)
Directors' remuneration	2,343,028	2,687,899	(344,871)
Statutory auditors. auditing firm and supervisory body	134,156	300,863	(166,707)
Marketing and advertising	676,349	956,833	(280,484)
Software licensing fee	447,068	349,975	97,093
Research. education and training	122,518	41,142	81,376
Insurance	63,300	101,723	(38,423)
Utilities	104,808	95,102	9,706
Miscellaneous cost recharged to subsidiaries	55,326	266,299	(210,973)
Other	1,141,011	1,105,743	35,268
Total	6,282,046	7,674,773	(1,392,727)

As at 30 September 2022, Directors' remuneration includes the costs related to the stock grant plan amounting to Euro 1,734 thousand.

Note 20.2 Personnel expenses

The breakdown of personnel expenses is as follows:

	30.09.2022	30.09.2021	Change
Wages and salaries	1,671,338	1,465,625	205,713
Social security costs	547,072	478,703	68,369
Severance indemnity reserve (TFR)	105,080	102,296	2,784
Other expenses	29,139	12,440	16,699
Total	2,352,629	2,059,064	293,565

Employees

The table below shows the average/end-of-period number of employees by category, as at 30 September 2022 and 30 September 2021:

	30.09.2022	30.09.2021		
	Average	End-of-period	Average	End-of-period
Executives	2	2	2	2
Office workers	41	44	37	37
Total	43	46	39	39

Note 20.3 Depreciation/Amortisation

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

	30.09.2022	30.09.2021	Change
Amortisation of intangible assets	1,086,897	916,093	170,804
Deprecation of property. plant and equipment	227,143	209,638	17,505
Total	1,314,040	1,125,731	188,309

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

Note 20.4 Impairment losses and provisions

The item "Impairment losses and provisions" consists equal to Euro 53 thousand accrual to the directors' severance indemnity reserve and the provision of the employee bonus equal to Euro 545 thousand.

Note 20.5 Other operating expenses

Other operating expenses amount to Euro 352 thousand and mainly include subscriptions and membership fees and various losses.

Note 21 Reinstatement/(write-down) subsidiary investments

The item "Reinstatement/(write-down) of investments in subsidiaries" consists of the adjustment of the carrying value of the investment in Abitare In Maggiolina S.r.l. in the amount of Euro 500 thousand.

Note 22. Financial income and expenses

Financial income as at 30 September 2022 amounted to Euro 10,010 thousand and referred mainly to the re-measurement at fair value of the equity investment in Tecma Solution S.p.A., amounting to Euro 345 thousand, the dividend distributed by the subsidiary Abitare in Maggiolina S.r.l. amounting to Euro 3,900 thousand, the dividend distributed by the subsidiary Abitare in Development 7 S.r.l. amounting to Euro 4,000 thousand and the interest accrued on medium/long-term loans disbursed to the subsidiaries for Euro 1,765 thousand.

Financial expenses amount to Euro 477 thousand arising from payables to banks.

La riconciliazione tra l'onere fiscale effettivo iscritto in bilancio e l'onere fiscale teorico, determinato per le imposte IRES, IRAP e sulla base dell'aliquota fiscale teorica, è la seguente:

IRES tax	%	2022	2021
EBT		7,843,281	6,509,144
Theoretical tax liability %	24%	1,882,387	1,562,195
<i>Increases:</i>			
IMU tax		4,154	2,680
Unpaid remuneration and employee bonuses		866,500	450,741
Other increases		784,305	180,511
Total		1,654,959	633,932
<i>Decreases:</i>			
Paid remuneration and employee bonuses		424,000	224,400
Dividends and revaluations		7,849,820	7,866,720
Deduction for prior losses. ACE (aid to economic growth). IRAP tax and contributions		714,366	124,383
Other decreases		379,643	488,144
Total		9,367,829	8,703,647
IRES tax base		130,411	(1,560,571)
IRES tax pertaining to the period		31,299	(374,537)
Contingent income from previous year's IRES tax		(24,076)	-
IRAP tax		7,223	-

IRAP tax	2022	2021
Difference between income and costs not considered for IRAP tax purposes	1,874,407	2,864,911
Theoretical tax liability %	5.57%	104,404
<i>Increases:</i>		
Costs for collaborators and directors	2,419,307	343,353
IMU tax	4,154	5,153
Other increases	1,389,366	557,159
Total	3,812,827	905,665
<i>Decreases:</i>		
Grants for the year	358,317	70,337
Tax wedge deductions	2,278,218	2,114,107
Other decreases	572,187	620,327
Total	3,208,722	2,804,771
IRAP tax base	2,478,512	965,805
IRAP tax pertaining to the period*	138,053	53,795*

* net to the amount pursuant to Law Decree 34/2020 equal to Euro 61.113

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 the.

Transactions with Group companies

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

The following table provides a summary of relations during the year.

Company	Financial receivables	Trade receivables	Other current receivables	Financial payables	Trade payables	Other current payables
Abitare In Development 3 S.r.l.	1,233,471	70,961	148,243	-	292,800	26,489
Abitare In Development 4 S.r.l.	4,215,232	285,328	45,955	-	-	-
Abitare In Development 5 S.r.l.	2,310,572	2,265,924	363,350	-	-	116,678
Abitare In Development 6 S.r.l.	7,304	3,550	-	-	-	3,562
Abitare In Development 7 S.r.l.	463,635	7,335	-	-	-	326,787
Abitare In Maggiolina S.r.l.	-	11,700	6	1,725,521	-	60,132
Accursio S.r.l.	7,400,734	11,700	198,774	-	-	34,491
City Zeden S.r.l.	2,045,407	18,006	5,958	-	-	3,297
Citynow S.r.l.	-	11,700	9,523	-	-	11,272
Creare S.r.l.	-	1,700	195	-	-	7,065
Deametra S.r.l.	2,192	-	2,316	-	-	3,796
Homizy S.p.A.	-	50,893	-	-	-	223,528
Hommi S.r.l.	-	850	-	-	-	1,878
Housenow S.r.l.	-	850	-	-	-	5,108
Immaginare S.r.l.	803,276	33,793	2,710	-	-	2,285
Lambrate Twin Palace S.r.l.	3,140,760	3,047,365	96,814	-	-	336,640
Milano City Village S.r.l.	6,923,409	493,238	40,630	-	777,631	3,260,216
Milano Progetti S.r.l.	9,871,164	1,643,570	101,896	-	-	60,521
Mivivi S.r.l.	1,915,222	130,353	63,904	-	-	8,627
MyCity S.r.l.	2,525,015	1,645,691	119,915	-	-	11,962
Palazzo Naviglio S.r.l.	1,404,203	164,325	14,296	-	-	1,286,947
Porta Naviglio Grande S.r.l.	4,823,220	1,395,058	41,335	-	-	2,287,239
Savona 105 S.r.l.	3,719,168	3,089,600	709,125	-	-	472,368
Smartcity S.r.l.	5,243	945	7,832	-	-	7,346
The Units S.r.l.	321,291	40,374	282,841	-	43,134	61,857
Trilogy Towers S.r.l.	2,222,313	278,769	43,220	-	-	1,118,090
Volaplana S.r.l.	715,824	27,415	10,616	-	-	5,982
Ziro S.r.l.	1,339,811	11,700	2,403	-	-	1,835
Total	57,408,466	14,742,693	2,311,857	1,725,521	1,113,565	9,745,998

Company	Revenue for services	Other revenue	Interest income on loans	Costs for services
Abitare In Development 3 S.r.l.	10,000	1,700	36,460	1,700
Abitare In Development 4 S.r.l.	10,000	1,700	130,189	1,700
Abitare In Development 5 S.r.l.	2,260,024	5,900	80,262	5,900
Abitare In Development 6 S.r.l.	-	1,700	7,075	1,700
Abitare In Development 7 S.r.l.	-	1,700	34,823	1,700
Abitare In Maggiolina S.r.l.	10,000	1,700	-	1,700
Accursio S.r.l.	10,000	1,700	190,904	1,700
City Zeden S.r.l.	10,000	1,700	40,650	1,700
Citynow S.r.l.	10,000	1,700	-	1,700
Creare S.r.l.	-	1,700	-	1,700
Deametra S.r.l.	-	2,890	2,192	2,890
Homizy S.p.A.	50,043	850	-	850
Hommi S.r.l.	-	850	-	850
Housenow S.r.l.	-	850	-	850
Immaginare S.r.l.	10,000	7,340	25,652	7,340
Lambrate Twin Palace S.r.l.	2,408,852	1,700	93,567	1,700
Milano City Village S.r.l.	491,538	1,700	194,809	1,700
Milano Progetti S.r.l.	-	1,700	347,758	1,700
Mivivi S.r.l.	20,000	1,700	59,341	1,700
MyCity S.r.l.	2,671,868	1,700	73,818	1,700
Palazzo Naviglio S.r.l.	162,624	1,700	47,903	1,700
Porta Naviglio Grande S.r.l.	10,000	1,700	153,720	1,700
Savona 105 S.r.l.	320,124	1,700	119,256	1,700
Smartcity S.r.l.	-	945	5,243	945
The Units S.r.l.	463,634	1,700	10,391	1,700
Trilogy Towers S.r.l.	277,069	1,700	67,867	1,700
Volaplana S.r.l.	10,000	1,700	21,656	1,700
Ziro S.r.l.	10,000	1,700	21,399	1,700
Total	9,225,776	55,325	1,764,935	55,325

Other related-party transactions

Total remuneration for the period of directors, statutory auditors and key managers of the Group amounted to Euro 2,636 thousand and is detailed in the table below:

	30.09.2022
Directors' remuneration	2,343,028
Directors' Severance Indemnity Reserve (TFM)	52,547
Statutory Auditors' remuneration	40,056
Remuneration of executive with strategic responsibilities	200,000
Total	2,635,631

Commitments and guarantees provided by the Group

Listed below are the guarantees issued by Abitare In S.p.A. on behalf of subsidiaries in favour of the credit institutions:

Subsidiaries	Amount guaranteed	Date of issue	Type of guarantee
Abitare In Development 3 Srl	3,000,000	22,06,2018	Loan repayment guarantee
Abitare In Development 4 Srl	1,175,000	03,03,2022	Comfort letter of Eur 1,7m
Abitare In Development 5 Srl	4,500,000	07,07,2022	Loan repayment guarantee
Accursio Srl	10,500,000	29,12,2021	Loan repayment guarantee
Citynow Srl	400,000	01,02,2022	Loan repayment guarantee
Lambrate Twin Palace Srl	3,300,000	25,05,2021	Comfort letter of Eur 3,3m and subordination of Eur 2m loan
Milano Progetti Srl	10,500,000	23,12,2020	Subordination of shareholder financing
Mivivi Srl	5,000,000	06,05,2022	Loan repayment guarantee
MyCity Srl	2,500,000	17,05,2019	Loan repayment guarantee
Porta Naviglio Grande Srl	3,650,000	17,12,2020	Loan repayment guarantee
Savona 105 Srl	10,950,000	03,12,2020	Loan repayment guarantee
Volaplana Srl	5,000,000	11,01,2022	Loan repayment guarantee

	(In Euro)		As at 30.09.2022			
		Notes	Carrying amount	Level 1	Level 2	Level 3
Assets						
Equity investments in subsidiaries	3,1	6,874,658	35,825,415	-	6,788,658	
Equity investments in other companies	3,2	4,715,514	4,715,514	-	-	
Trade receivables	6	9,990	-	-	9,990	
Receivables from subsidiaries	7	19,856,939	-	-	19,856,939	
Other current assets	8	1,382,981	-	-	1,382,981	
Current financial assets	9	10,668,158	10,668,158	-	-	
Cash and cash equivalents	10	4,926,191	4,926,191	-	-	
Liabilities						
Non-current financial liabilities	12	12,875,498	12,875,498	-	-	
Other non-current liabilities	14	281,755	-	-	281,755	
Current financial liabilities	12	14,320,590	14,320,590	-	-	
Trade payables	15	952,008	-	-	952,008	
Payables to subsidiaries	16	10,859,565	-	-	10,859,565	
Other current liabilities	17	1,434,015	-	-	1,434,015	

Financial risk management policy

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

Information on the carrying amount and fair value of financial instruments

IFRS 7 and IFRS 13 require that financial instruments measured at fair value are classified on the basis of the quality of the inputs used to determine their fair value. More specifically, IFRS 7 and IFRS 13 provide for 3 fair value levels:

- level 1: financial assets and liabilities whose fair value is determined on the basis of quoted prices (unadjusted) in active markets (regulated and over the counter) for identical assets or liabilities;
- level 2: financial assets and liabilities whose fair value is determined on the basis of inputs other than the quoted prices in level 1, but which, for such assets and liabilities, are directly or indirectly observable on the market;
- level 3: financial assets and liabilities whose fair value is determined on the basis of unobservable market data. This category includes instruments measured on the basis of internal estimates using proprietary methods in accordance with sector-specific best practices.

No transfers between the different levels of the fair value hierarchy were made in the relevant periods.

The table below provides a summary of assets and liabilities measured at fair value at 30 September 2022, based on the level that reflects the inputs used to determine their fair value:

Contingent liabilities and main pending litigations

See the Interim report on operations.

Transactions deriving from atypical and/or unusual operations

Pursuant to CONSOB Communication No. DEM/6064296 of 28 July 2006, it is specified that during the financial year ending 30 September 2022, the company Abitare In S.p.A. did not carry out any atypical and/or unusual transactions, as defined in the same communication.

Significant non-recurring events and transactions

Pursuant to CONSOB Communication No. DEM/6064296 of 28 July 2006, it should be noted that during the financial year ended 30 September 2022, the company Abitare In S.p.A. did not carry out any significant non-recurring events and transactions, as defined in the same communication.

Information on contributions granted by the Public Administration

Below is the information related to the contributions granted by the Public Administration to the company Abitare In:

- Euro 289 thousand as a tax credit for costs aimed at the company's admission to the Euronext Milan regulated market, Euronext STAR Milan segment, pursuant to Article 1, paragraphs 89 to 92, of Law No. 205 of 23 December 2017;
- Euro 27 thousand as a tax credit for investments in Research & Development pursuant to Article 244, paragraph 1 of Legislative Decree No. 34 of 2020;
- Euro 2 thousand as tax credit for investments in Research & Development, technological innovation 4.0 and other innovative activities pursuant to Article 1, paragraph 198 of Law No. 160 of 2019.

Fees paid to the Auditing Firm

The table below shows the breakdown of the fees recognised for the six months ended 30 September 2022 for auditing services and other services supplied by the Auditing Firm BDO S.p.A.

Amount in thousands of Euro	30.09.2022
Statutory audit	45
Other assurance services	-
Total	45

Proposal to approve the financial statements and the allocation of the profit for the year as at 30 September 2022

Dear Shareholders, in submitting the Financial Statements for the year ended 30 September 2022 for your approval, we propose that the profit for the year of Euro 7,692,297 be carried forward.

Declaration of the financial statements pursuant to article 154-bis of legislative decree 58/1998 (consolidated finance act)

1. We, the undersigned, Luigi Francesco Gozzini and Cristiano Contini, acting respectively as Chief Executive Officer and Executive Responsible for Corporate Accounting Information for 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 in relation to the characteristics of the company, and
 - the effective application of the administrative and accounting procedures for the preparation of the Financial Statements at 30 September 2022.
2. We also certify that:
 - 2.1 The Financial Statements at 30 September 2022:
 - a) have been prepared in accordance with the International Financial Reporting Standards recognized in the European Union under the EC regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) correspond to the underlying accounting entries and records;
 - c) provides a true and fair view of the financial performance and financial position of the issuer and of all of the companies included in the consolidation scope.
 - 2.2 The management report includes a reliable analysis of the important events that occurred in the year and of their effects on the abridged consolidated financial statements, together with a description of the main risks and uncertainties.

Milan, 13 December 2022

Luigi Francesco Gozzini
(CEO)

Cristiano Contini
(Executive Responsible for Corporate Accounting Information)



Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

Independent auditor's Report

pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

Abitare In S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

Financial statements as of September 30, 2022

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.

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

Report on the financial statements

Opinion

We have audited the financial statements of Abitare In S.p.A. (the "Company"), which comprise the statement of financial position as of September 30, 2022, the income statement, the statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements give a true and fair view of the financial position of the Company as of September 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree N. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Audit response
ENHANCEMENT OF EQUITY INVESTMENTS AND FINANCING IN SUBSIDIARIES NOTE 3.1: EQUITY INVESTMENTS IN SUBSIDIARIES NOTE 4: CURRENT AND NON-CURRENT FINANCIAL ASSETS	<p>The audit procedures applied in response to this key aspect concerned, among other things:</p> <ul style="list-style-type: none"> ▪ Understanding and recording of the relevant controls put in place by the company on the recoverability process; ▪ Check for the reasonableness of the main assumptions adopted by the company for the formulation of forecasts of cash flows from subsidiaries; ▪ Comparison with the financial statements of subsidiaries, in particular with the respective shareholders' equity. <p>We have also checked the adequacy of the information provided in the notes to the financial statements.</p>
The financial statements include amount referred to "Equity investments in subsidiaries" for Euro 7 million and "Current and non-current financial assets" relating to financing granted to subsidiaries for Euro 55 million.	
As indicated in the aforementioned notes, the recoverability of these assets was assessed by the Company in light of the forecasting of cash flows expected from the completion of the real estate development projects.	
For the above mentioned reasons, and taking into account the significance of these items, we considered the valuation of equity investments and non-current financial assets to be a key aspect of the separate financial statements audit.	

Responsibilities of Directors and Those Charged with Governance for the Financial Statements
The Directors of Abitare In S.p.A. are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree N. 38/05 and, within the terms provide by the law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing, in terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:
<ul style="list-style-type: none"> ▪ Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. ▪ Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. ▪ Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. ▪ Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. ▪ Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We have also provided those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.



Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

We were initially engaged by the shareholders meeting of Abitare In S.p.A. on December 23, 2020 to perform the audits of the financial statements of each fiscal year starting from September 30, 2021 to September 30, 2029.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to those charged with governance.

Report on other legal and regulatory requirements

Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815

The directors of Abitare In S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the financial statements, to be included in the Annual financial report.

We have performed the procedures required under audit standard (SA Italia) no. 700B in order to express an opinion on the compliance of the financial statements to the requirements of the Delegated Regulation. In our opinion, the financial statements have been prepared in XHTML format in compliance to the requirements of Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10 and of article 123-bis of Legislative Decree n. 58/98.

The directors of Abitare In S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Abitare In S.p.A. as of September 30, 2022, including their consistency with the financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph. 4, of Legislative Decree n. 58/98, with the financial statements of Abitare In S.p.A. as of September 30, 2022 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the report on operations and the above mentioned specific information of the corporate governance report are consistent with the financial statements of Abitare In S.p.A. as of September 30, 2022 and are compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, letter e), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, December 29, 2022

BDO Italia S.p.A.

Signed by
Giovanni Rovelli
Partner

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.