



**ABITAREIN: THE BOARD OF DIRECTORS APPROVES THE INTERIM DIRECTORS' REPORT AS AT
31 DECEMBER 2021
(1st QUARTER OF THE FINANCIAL YEAR)**

CONSOLIDATED REVENUE EQUAL TO EURO 35.5 MLN

CONSOLIDATED ADJ EBT¹ EQUAL TO EURO 8.7 MLN

**THE INCREASE IN CONSTRUCTION COSTS FOR CONSTRUCTION CAUSED BY THE SHORTAGE
OF RAW MATERIALS IS RECOGNISED IN THE FINANCIAL STATEMENTS**

**CONFIRMED THE POSTPONEMENT TO THE FISCAL YEAR 2023 OF THE DELIVERY OF THE 420
APARTMENTS OF THE PROJECTS MILANO CITY VILLAGE, PALAZZO NAVIGLIO AND TRILOGY
TOWERS**

**THE MAIN MARKET TRENDS ARE CONFIRMED: GROWING DEMAND, INSUFFICIENT SUPPLY
AND HOUSE PRICES INCREASING SHARPLY**

FINANCIAL HIGHLIGHTS (consolidated figures as at 31 December 2021 - prepared in accordance with IFRS international accounting standards)

- **CONSOLIDATED REVENUE EQUAL TO EURO 35.5 MLN** (Euro 44.0 mln as at 31/12/2020).
Revenue net of purchases of new areas amounts to Euro 19.3 mln (Euro 16.6 mln as at 31/12/2020)
- **CONSOLIDATED ADJ¹ EBT EQUAL TO EURO 8.7 MLN** (Euro 3.1 mln as at 31/12/2020)
- **GROUP'S CONSOLIDATED NET PROFIT EQUAL TO EURO 7.7 MLN** (Euro 2.9 mln as at 31/12/2020)
- **NET FINANCIAL POSITION EQUAL TO EURO 84.4 MLN** (Euro 75.1 mln as at 30/09/2021),
Euro 68.6 mln net of the Euro 15.8 mln invested to purchase new areas

¹ Adjusted due to higher notional costs (Euro 0.4 million) as a result of applying IFRS 2 in relation to the allocation of the Stock Grant established in favour of the management

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- **GROUP CONSOLIDATED EQUITY EQUAL TO EURO 84.5 MLN (Euro 72.4 mln as at 30/09/2021)**

HIGHLIGHTS AT THE CURRENT DATE

- **Pipeline, property under development: 300,000 square meters of net saleable area for 3,318 standard-size units² (of which 317 of social housing)**
- **Average net saleable area purchase cost: Euro 551/m² of net saleable area**
- **Order book: 618 standard-size units³ for Euro 254 mln (net of the units delivered)**
- **Down payments/deposits based on preliminary conveyance agreements signed: Euro 79 million**
- **Standard-size units³ delivered: 381 for Euro 121 mln**
- **Mortgages and loans approved: Euro 249.6 mln of which Euro 109 million used**

Milan, 14 February 2022 – The Board of Directors of AbitareIn S.p.A., a leading Milan based company operating in residential development, listed on the Euronext Milan market, Euronext STAR Milan segment, today approved the consolidated Interim Directors' Report as at 31 December 2021, relating to the first quarter of the year (please note that the Company ends its financial year on 30 September).

Marco Grillo, CEO of the Company, commented: *"The residential market in our city continues to grow, in terms of both volumes and sales prices, even exceeding pre-pandemic figures. The adjustment of our business strategies to the new economic context and the introduction of the new "micro-campaign" commercial methodology will allow us to better align the sales prices of the apartments with the potential prices of a fast-growing market while reducing the time to delivery for customers.*

² No. of apartments, considering an average surface area of 92 m² for the marketing in unrestricted building and 82 m² for social housing. The actual number of apartments built and for which contracts have been signed - without prejudice to the combined floor area (m²) - may vary depending on the custom size of the real estate units

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Our mission, in the current context where there is still a huge gap between supply and demand for houses, is to continue to offer a quality product, at affordable prices, for Milanese families."

Luigi Gozzini, Chairman, continued: *"The first quarter of the year is still characterised by the effects of the health emergency. The increase in costs to procure raw materials that is affecting construction companies is a daily topic. Our aim is to continue to support the supply chain and ensure that our customers receive a quality product in the times agreed.*

We are very proud of our product, which makes a real contribution to the renovation of an outdated, non-performing and highly polluting housing stock, which poses a real challenge for the future of our country. In addition, thanks to the high standards followed to build them, our projects allow access to those opportunities offered by the various tax benefits granted for this very purpose."

Summary of the main consolidated economic and financial results as at 31 December 2021

The first quarter of the year ended with **CONSOLIDATED REVENUE** equal to Euro 35.5 mln (Euro 44 mln in the same period of the previous year), deriving from:

- **Euro 10 mln change in inventory for progress of works**, net of discharge due to delivery (consequent to notarial deed) of apartments to customers (negative for Euro 4.8 mln in the first quarter of the previous year);
- **Euro 9 mln in Sales Revenue** deriving from **notarial deeds for the real estate units** (Euro 21.1 mln in the first quarter of the previous year);
- **Euro 16.2 mln change in inventory due to the purchase of new real estate complexes** (Euro 27.4 mln in the first quarter of the previous year).

Production progress is equal to Euro 19.5 mln (Euro 13.5 mln in the first quarter of the previous year).

CONSOLIDATED ADJ³ EBT amounts to Euro 8.7 million. The EBT figure was **prudentially adjusted** downwards to take account of the increase in the construction costs on construction sites scheduled for delivery in the coming 15 months. The adjustment, totalling about Euro 5.6 mln, is mainly due to the **agreements finalised with the contractors** on these construction sites in order to support the production chain and guarantee customers the delivery of a quality product without any further deadline slippages.

³ Adjusted due to higher notional costs (Euro 0.4 million) as a result of applying IFRS 2 in relation to the allocation of the Stock Grant established in favour of the management

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The **EBT** figure **includes** the financial income from the **IPO of the subsidiary Homizy S.p.A.**, for Euro 5.9 mln.

The EBT is also **increased**, by Euro 1.9 mln, by income not deriving from operating activities, given by the capital gain from the re-measurement at fair value of the equity investment in Tecma Solutions S.p.A.

The **CONSOLIDATED NET FINANCIAL POSITION** is equal to **Euro 84.4 mln** (Euro 75.1 mln as at 30 September 2021), an increase of Euro 9.3 mln compared to 30/09/2021, versus total investments of Euro 32.6 mln, comprising Euro 15.8 mln for purchase of new areas and Euro 16.8 mln for work on orders in progress (progress of construction sites). Net of investments to purchase new areas, the consolidated NFP would have amounted to Euro 68.6 mln.

Consolidated Net Financial Position	31.12.2021	30.09.2021	Change
amounts in Euro			
A. Cash and cash equivalents	14.425.024	13.778.285	646.739
B. Means equivalent to cash and cash equivalents	-	-	-
C. Other current financial assets	-	-	-
D. Liquidity (A) + (B) + (C)	14.425.024	13.778.285	646.739
E. Current financial payables	-	-	-
F. Current portion of non-current debt	19.494.017	16.710.663	2.783.354
G. Current financial debt (E) + (F)	19.494.017	16.710.663	2.783.354
H. Net current financial debt (G) - (D)	5.068.993	2.932.378	2.136.615
I. Non-current financial payables	79.374.413	72.167.050	7.207.363
J. Debt instruments	-	-	-
K. Trade payables and other non-current payables	-	-	-
L. Non-current financial debt (I) + (J) + (K)	79.374.413	72.167.050	7.207.363
M. Total financial debt (H) + (L)	84.443.406	75.099.428	9.343.978

Development pipeline

As at the date of approval of this report, the AbitareIn Group is the owner or promissory buyer, net of the projects already finished and delivered, of **22 areas**, corresponding to **300,000 square meters** equivalent to over **3,300 standard-size apartments** located in various semi-central areas of the City, in areas with high potential growth.

Of the more than **3,300 apartments** in the pipeline, without considering the commercialization in progress, **618 apartments have already been sold** (on a preliminary basis), for a **value of € 254 mln**, with **contractual advances** (guaranteed by an insurance surety policy) **for € 79 mln**.

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Registered office: Via degli Olivetani 10/12, 20123 Milan – Operating Headquarters: Viale Umbria 32, 20135 Milan

Company listed on STAR segment of the MTA - Italian Equities Market (ticker ABT.MI) - VAT no. 09281610965 - Tel. +39 / 02 - 67 02 550

info@abitareinspa.com – abitareinspa.pec@legalmail.it

Share capital Euro 132,654.06 fully paid in – Share premium reserve: € 40,743,804



The Group has **delivered 381 apartments to date**, divided into the three projects Abitare In Poste, Abitare In Maggiolina and Olimpia Garden, for a **total value of € 121 mln**, while 483 apartments are currently under construction.

The residential property market in Milan

In 2021, the housing market fully closed the 2020 gap, resuming that upward trend that had begun before the pandemic. In the third quarter of 2021, Milan recorded 6,125 conveyancing transactions, surpassing by far not only the volumes of the third quarter of 2020 (+23.4%), but also the figure for the same period in 2019 (+4.3%)⁴.

Last year also saw a generalised increase in prices (+4.1%)⁵, with new builds reaching an average sales price of Euro 5,798/m²⁶, due to the development of an increasingly selective demand - which prefers the quality and performance that only new buildings can guarantee - combined with a structural supply shortage.

Forecasts for the near future also remain extremely positive: in Milan house prices will rise by another 4.2% by the end of 2022⁷ (+6.5% for new builds⁸), alongside an increase in volumes, which are expected to reach 27,700 transactions in 2022⁹.

Subsequent events

In the current period, AbitareIn will continue to work both on ongoing (and new) development sites and on obtaining the required authorisations, whilst also focussing constantly on scouting new areas to further consolidate its position of leadership in Milan.

In this regard, due to the direct and indirect effects of the pandemic emergency, the deliveries of the 420 apartments (for a total amount of € 180 mln) for the Milan City Village, Palazzo Naviglio and Trilogy Towers projects, originally planned for 2022, have been rescheduled for I half 2023 (Milano City Village e Palazzo Naviglio e for II half 2023 (Trilogy Towers).

The management also intends to adopt a sales strategy for new operations that involves the forward movement of certain commercialisations and the introduction of the so called "micro-

⁴ OMI – Residential property market, statistics for the third quarter of 2021

⁵ Nomisma Real Estate Market Observatory

⁶ Observations of the Property Commission of the Chamber of Commerce of Milan, Monza Brianza, Lodi

⁷ Immobiliare.it

⁸ Idealista.it

⁹ Real Estate Scenarios - 2021 report on the real estate market of the Metropolitan City of Milan | A new Milan

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campaign" to align sales prices to potential market prices and to reduce the time between the sale and the handover of the real estate units, without increasing the level of business risk. In the short term and in view of the postponement of the collection of deposits and advances from customers, this strategic choice may lead to an increase in the cash requirements of vehicles in the development phase prior to marketing. This cash requirement will be satisfied by the liquidity made available to the Parent Company, with a consequent possible slowdown in the purchase of new areas in previous years.

Furthermore, the Company is currently analyzing the new opportunities offered by the tax benefits in support of the renovation of the building stock, verifying on which construction sites will be applicable and under what conditions.

Finally, with reference to the increase in construction costs witnessed in recent months. the Company has developed several strategies to cope with this circumstance, starting from a careful and opportunistic planning of the residential projects, multi-year direct agreements at Group level with several suppliers, to offset any future increases. Finally, the introduction, within the contracts with customers, of a so-called "price adjustment" clause, which allows the sale price of the apartments already subject to a preliminary contract to be changed based on the index of construction costs issued by ISTAT.

It is noted that, the Interim Directors' Report as at 31 December 2021, will be made available to the public at the company's registered office, on the Company's website www.abitareinspa.com under the "Investors" Section and on the authorised storage mechanism 1 Info Storage (www.1info.it/PORTALE1INFO).

The Manager in charge of preparing the accounting and corporate documents Cristiano Contini declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Law on Finance (Legislative Decree 58/1998), that the accounting information contained in this press release corresponds to the documentary results, accounting books and records.

In this press release, in addition to the conventional financial indicators required by IFRS, there are some alternative performance indicators (for example EBT ADJ) to allow a better assessment of the economic and financial performance. These indicators are calculated according to the usual market practices.

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AbitareIn S.p.A. is a company that leads the residential development sector in the city of Milan founded by Luigi Gozzini and Marco Grillo. The Company only undertakes residential urban regeneration projects, offering an aspirational product tailored to the living needs of today's families. AbitareIn stands out for its extremely innovative business model that involves creating a completely customisable "home" product that benefits from the economies of scale typical of an industrialised model. AbitareIn's strength is the

implementation of a marketing strategy that permits real estate units to be sold before construction work begins. The company has been listed on the AIM Italia market of Borsa Italiana since April 2016. From 1 March 2021 it has been listed on the STAR segment of the MTA - Italian Equities Market (ticker: ABT.MI).

Codice alfanumerico per le azioni: ABT

Codice ISIN: IT IT0005445280

Contatti:

Investor relations

AbitareIn

Eleonora Reni

ereni@abitareinspa.com

Press Office

Barabino&Partners

Federico Vercellino – 331.57.45.171

f.vercellino@barabino.it

Alice Corbetta – 340.45.57.565

a.corbetta@barabino.it

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Consolidated Statement of Financial Position

	amounts in Euro	31.12.2021	30.09.2021
Property, plant and equipment	9.139.417	8.980.197	
Intangible assets	1.928.473	1.673.955	
Equity investments in other companies	6.295.939	4.370.694	
Deferred tax assets	1.559.328	1.172.151	
TOTAL NON-CURRENT ASSETS	18.923.157	16.196.997	
Inventory	235.090.508	209.663.389	
Trade receivables	345.134	293.443	
Other current assets	11.184.273	12.105.347	
Current tax assets	6.991.563	5.944.427	
Cash and cash equivalents	14.425.024	13.778.285	
TOTAL CURRENT ASSETS	268.036.502	241.784.891	
TOTAL ASSETS	286.959.659	257.981.888	
Share capital	132.654	129.677	
Reserves	43.852.973	39.494.362	
Profit (loss) carried forward	32.743.810	20.552.052	
Profit (loss) for the year	7.797.394	12.191.758	
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	84.526.831	72.367.849	
Profit and reserves attributable to non-controlling interests	3.875.871	468.661	
EQUITY	88.402.702	72.836.510	
Non-current financial liabilities	79.374.413	72.167.050	
Employee benefits	298.542	325.142	
Other non-current liabilities	269.641	284.793	
Customer down payments and deposits	67.623.684	65.452.039	
Deferred tax liabilities	7.063.549	6.466.158	
TOTAL NON-CURRENT LIABILITIES	154.629.829	144.695.182	
Current financial liabilities	19.494.017	16.710.663	
Trade payables	12.558.806	11.704.006	
Other current liabilities	8.896.763	8.805.177	
Customer down payments and deposits	2.290.081	2.414.355	
Current tax liabilities	687.461	815.995	
TOTAL CURRENT LIABILITIES	43.927.128	40.450.196	
TOTAL LIABILITIES	198.556.957	185.145.378	
TOTAL LIABILITIES AND EQUITY	286.959.659	257.981.888	

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Consolidated Income Statement

	amounts in Euro	31.12.2021	31.12.2020
Revenue from sales	9.014.152	21.180.952	
Change in inventory for new sites purchased	16.150.000	27.386.991	
Change in inventory for progress of works	10.091.824	(4.835.772)	
Other revenue	250.800	330.476	
TOTAL REVENUE	35.506.776	44.062.647	
Property purchased for redevelopment for sale	16.150.000	27.386.991	
Raw materials, consumables, supplies and goods	12.152	26.340	
Services	16.674.789	13.060.484	
Rentals and similar	183.247	35.283	
Personnel expenses	603.629	524.249	
Depreciation/Amortisation	261.867	195.497	
Impairment losses and provisions	13.337	6.518	
Other operating expenses	329.147	750.548	
TOTAL OPERATING EXPENSES	34.228.168	41.985.910	
EBIT	1.278.608	2.076.737	
Financial income	7.818.857	1.601.006	
Financial expenses	(823.644)	(519.680)	
EBT	8.273.821	3.158.063	
Income taxes	(519.911)	(212.052)	
PROFIT (LOSS) FOR THE YEAR	7.753.910	2.946.011	
Of which:			
Net profit (loss) attributable to non-controlling interests	(43.484)	(7.440)	
Net profit (loss) attributable to the owners of the Parent	7.797.394	2.953.451	
Earning per share	0,30	0,11	
Diluted earnings per share	0,30	0,11	

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Consolidated Statement of Comprehensive Income

	amounts in Euro	31.12.2021	31.12.2020
Profit (loss) for the year		7.753.910	2.946.011
Other comprehensive income			
<i>That will not be subsequently reclassified in profit or loss for the year</i>			
Employee benefits	55.951	(17.461)	
Tax effect	(13.428)	4.114	
Total	42.523	(13.347)	
<i>That will be subsequently reclassified in profit or loss for the year</i>			
AFS financial assets	28.488	-	
Tax effect	(6.837)	-	
Total	21.651	-	
Total change in OCI reserve		64.174	(13.347)
Comprehensive income for the period		7.818.084	2.932.664

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Consolidated Statement of Cash Flows (indirect method)

	amounts in Euro	31.12.2021	31.12.2020
<i>Operating activities</i>			
Profit (loss) for the year	7.753.910	2.946.011	
Income taxes	519.911	212.052	
Financial income	(7.818.857)	(1.601.006)	
Financial expenses	823.644	519.679	
(Gains)/losses on the sale of companies	-	-	
Net accruals to provisions	43.326	30.668	
Accrual to stock grant reserve	437.008	-	
Impairment and depreciation/amortisation of property, plant, equipment and intangible assets	261.867	195.497	
Cash flows before changes in net working capital	2.020.809	2.302.901	
Decrease/(increase) in inventory	(25.427.119)	(22.433.640)	
Increase/(decrease) in trade payables	854.800	(2.039.512)	
Decrease/(increase) in trade receivables	(51.693)	(171.070)	
Change in other current/non-current assets and liabilities	1.553.316	1.522.158	
Net financial income/expenses collected/paid	(739.161)	(919.593)	
Taxes paid	-	-	
Use of provisions	-	(5.400)	
Cash flows from (used in) operating activities (A)	(21.789.048)	(21.744.156)	
<i>Investing activities</i>			
Investments in property, plant and equipment	(55.309)	(29.087)	
Disposal of property, plant and equipment	-	-	
Real estate investments	(187.037)	-	
Investments in intangible assets	(433.256)	(314.726)	
Disposal of intangible assets	-	-	
Other equity investments	-	-	
Sale of company, net of cash and cash equivalents	-	-	
Cash flows from (used in) investing activities (B)	(675.602)	(343.813)	
<i>Financing activities</i>			
Bank loans raised	13.634.366	16.525.627	
Bank loan repayments	(3.672.845)	(14.015.348)	
Change in current/non-current financial liabilities	(54.713)	(10.597)	
Net change in current financial assets	-	-	
Share capital increase against consideration	13.204.581	-	
Cash flows from (used in) financing activities (C)	23.111.389	2.499.682	
Net cash flows in the period (A)+(B)+(C)	646.739	(19.588.287)	
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	646.739	(19.588.287)	
Cash and cash equivalents at the end of the year	14.425.024	15.892.708	

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