



PRESS RELEASE

ABITAREIN APPROVES THE INTERIM DIRECTORS' REPORT AS AT JUNE 30, 2022 (THIRD QUARTER)

**DOUBLE OF PRODUCTION COMPARED TO THE PREVIOUS YEAR (from € 41.9 mln as of June 30, 2021
to € 81.4 mln as of June 30, 2022)**

**FIRST SIGNS OF DECREASE OF CONSTRUCTION COSTS ALSO AIDED BY DECLINES IN SOME RAW
MATERIALS AND SEMI-FINISHED GOODS**

PRODUCT SHORTAGE AND GROWTH IN PROPENSITY TO BUY STILL PUSH UP SELLING PRICES

FINANCIAL HIGHLIGHTS (consolidated figures as at June 30, 2022 – prepared in accordance with IFRS international accounting standards)

- **CONSOLIDATED REVENUE EQUAL TO EURO 103.8 MILLION** (Euro 90.8 million as at June 30, 2021)
- **CONSOLIDATED EBT equal to € 9.7 MILLION** (€ 11.2 million as at June 30, 2021) conditioned, in decrease, by the following items:
 - €5.9 million of income deriving from the IPO of the subsidiary Homizy, recognised instead directly in equity, without going through profit or loss (although it resulted in a positive cash flow equal to the above amount)
 - Downward adjustment of €5.6 million, already entirely envisaged with the approval of the figures of the first quarter, due to the increase in construction costs on the construction sites nearing the hand over,
 - €1.3 million of notional costs as a result of applying IFRS 2 in relation to the allocation of the Stock Grant established in favour of the management.
- **ADJ EBT EQUAL TO EURO 22.5 MILLION** (€ 12.6 million as at June 30, 2021) including the income for the IPO of Homizy and net of items abovementioned.
- **GROUP CONSOLIDATED EQUITY EQUAL TO EURO 89.4 MILLION** (€ 72.4 million as at September 30, 2021).
- **NET FINANCIAL DEBT EURO 108.8 MILLION** (Euro 75.1 million as at September 30, 2021), versus € 15.8 million of investments for area acquisition and € 54.6 million of investments for construction progress.

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- **GROUP'S CONSOLIDATED NET PROFIT EQUAL TO EURO 5.7 MILLION** (Euro 7.9 million as at June 30, 2021) to which must be added € 5.9 mln of the income from the Homizy IPO, already accounted for in the equity reserve.

HIGHLIGHTS AT THE CURRENT DATE (net of delivered units)

- **PIPELINE, PROPERTY UNDER DEVELOPMENT: 296,000 SALEABLE SQUARE METRES FOR 3,274 STANDARD UNITS¹ (317 social housing units)**
- **AVERAGE PURCHASE COST PER SALEABLE AREA: EURO 551/SQM**
- **ORDER BOOK: 683 STANDARD UNITS FOR EURO 297.4 MILLION**
- **DOWN PAYMENTS/DEPOSITS BASED ON PRELIMINARY CONVEYANCE AGREEMENTS SIGNED: EURO 93.1 MILLION**
- **STANDARD UNITS DELIVERED: 412 for 132.2 million**
- **REAL ESTATE LOANS APPROVALS: EURO 248 MILLION OF WHICH EURO 120 MILLION USED**

Milan, 8 August 2022 - The Board of Directors of AbitareIn S.p.A., a leading Milan based company in residential development, listed on the MTA market, STAR segment, of Borsa Italiana, today approved the Interim Report on consolidated operations of the Company as at June 30, 2022 (third quarter of the fiscal year).

Luigi Gozzini, President of AbitareIn, comments on the results as follows: "*Thanks to the doubling, compared to the previous year, of construction activities on our sites, we are able to confirm, by October, the start of deliveries to clients of the Palazzo Naviglio and Milano City Village projects. In fiscal year 2023, 420 apartments will be delivered, including the Trilogy Towers project, for €180 mln, with proceeds, net of deposits already paid by clients, of €130 mln, of which €76 mln will go to reduce the Group's debt, consisting, let us remember, of land loans. This year's profitability is affected by the increase in construction costs on the 5 projects marketed before the introduction in the sales preliminary deeds of the "price adjustment clause," € 21 mln total higher costs, which we have incorporated in our results and planning, starting in the first quarter of the year.*"

Adds **Marco Grillo, A.D. of the Company**, "*Even in this second half of the year, the residential market in Milan continues in its upward trend. The scarcity of supply, combined with the growth of the propensity to buy on the part of families and investors, continues to influence the trend of sales prices, which are expected to grow in the coming years as well, always remembering that our City, as various*

¹ 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 level of customisation of the surface area of the real estate units.



studies state, is still far from reaching its maximum potential. On the other hand, we are beginning to see the first signs of settling - and descending - construction costs, thanks in part to the decline in some raw and semi-finished materials."

Summary of the main consolidated economic and financial results as at June 30, 2022

The third quarter of the fiscal year closed with **CONSOLIDATED REVENUE of Euro 103.8 million**, (euro 90.8 million as at June 30, 2021), **substantially influenced by the progress of work on construction sites**. In fact, the revenues derive mostly from:

- **Euro 63.0 million in change in inventory due to progress of work** - net of discharge due to delivery (consequent to notarial deed) of apartments to customers (Euro 10.0 million in the third quarter of 2021),
- **Euro 16.9 million in change in inventory due to the purchase of new real estate complexes** (Euro 39.2 million in the third quarter of 2021),
- **Euro 19.4 million in Sales Revenue**, deriving from notarial deeds of real estate units delivered to customers (Euro 40.8 million in the third quarter of 2021),

Progress in production amounts to Euro 81.4 million (euro 41.9 million in the third quarter 2021) for the prosecution of construction works in the sites of Milano City Village, Trilogy Towers and Palazzo Naviglio and the preparatory works of di Lambrate Twin Palace, Cadolini ex-Plasmon, Porta Naviglio Grande, Savona 105, Balduccio Dodici and NoLo.

CONSOLIDATED EBT is equal to Euro 9.7 million, conditioned, in decrease, by the following items:

- **€5.9 million** of income deriving from the IPO of the subsidiary Homizy, recognised instead directly in equity, without going through profit or loss (in fact, a different accounting treatment has been envisaged compared to what was communicated with the approval of the interim statement as at 31 December 2021, where it had been expressly specified). The other accounting method does not affect the Group's equity.
- **Downward adjustment of €5.6 million**, already entirely envisaged with the approval of the figures of the first quarter, due to the increase in construction costs on the construction sites nearing the hand over, following the definition of agreements with the contractors of these construction sites aimed at supporting the production chain and ensuring the delivery of a quality product to customers without further delays in timing.

In this regard, it is recalled that the overall margin is affected by the increase in construction costs which occurred over the last year, which, on the 5 projects marketed before the occurrence of this increase, amounts to a total of about € 21 million. On these 5 projects there was no provision for the inclusion of the so-called "price adjustment clause," which allows the sale price of apartments already

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subject to the preliminary contract to be changed on the basis of the construction cost index issued by ISTAT, introduced, however, in all subsequent commercializations.

- **€1.3 million** of notional costs as a result of applying IFRS 2 in relation to the allocation of the Stock Grant established in favour of the management.

Therefore, taking into account the income from the Homizy IPO and net of aforementioned items, the **EBT ADJ is € 22.5 mln.**

The EBT is also increased, by €0.4 million, 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.

CASH AND CASH EQUIVALENT as at June 30, 2022 is equal to euro 25.4 million (euro 13.8 million as at September 30, 2021).

The **CONSOLIDATED FINANCIAL DEBT** is equal to **Euro 108.8 MILLION** (Euro 75.1 million as at September 30, 2021) influenced upward by the construction progress on the ongoing projects , with total investments of € 54.6 mln, and purchases of new areas for € 15.8 mln (net of advance payments made in previous years).

Therefore, against total investments of € 70.4 mln, net financial debt increased by € 33.7 mln.

	Financial Debt		30.09.2021	Change
	30.06.2022	amounts in Euro		
A. Cash and cash equivalents	25.391.464		13.778.285	11.613.179
B. Means equivalent to cash and cash equivalents	-		-	-
C. Other current financial assets	-		-	-
D. Liquidity (A) + (B) + (C)	25.391.464		13.778.285	11.613.179
E. Current financial payables	-		-	-
F. Current portion of non-current debt	21.344.142		16.710.663	4.633.479
G. Current financial debt (E) + (F)	21.344.142		16.710.663	4.633.479
H. Net current financial debt (G) - (D)	(4.047.322)		2.932.378	(6.979.700)
I. Non-current financial payables	112.858.036		72.167.050	40.690.986
J. Debt instruments	-		-	-
K. Trade payables and other non-current payables	-		-	-
L. Non-current financial debt (I) + (J) + (K)	112.858.036		72.167.050	40.690.986
M. Total financial debt (H) + (L)	108.810.714		75.099.428	33.711.286

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Overview on the development pipeline

At the current date, the AbitareIn Group is the owner of 22 areas in the City of Milan (of which 6 on a preliminary basis), corresponding to a total of 296,000 saleable square metres of projects under development, equal to 3,274² equivalent apartments. The different areas are in different stages of development.

As of today, the order book has more than 680 apartments sold on a preliminary basis, with a countervalue of € 297.4 mln, with contracted advances (secured by an insurance surety policy) of € 93.1 mln.

The Group has delivered 412 apartments, split between the three projects Abitare In Poste, Abitare In Maggiolina and Olimpia Garden, for a total value of €132.2m, while 551 apartments are currently under construction, of the total value of €237m.

As for the "maturity" of the pipeline, i.e., the progress of the authorization processes, thanks to the work carried out by a team specialised in this area, within AbitareIn, which is responsible for carrying out the preparatory activities to obtain the necessary authorisations to carry out the projects, more than 1,280 equivalent apartments will be ready for marketing³ by the end of 2022, while more than 2,460 equivalent apartments will be ready for marketing by the end of 2023 (cumulative figure).

The residential property market

Even the second half of the year confirms the strongly positive trend of the residential market.

This is confirmed by the results of our marketings, which thanks to new sales strategies are maximizing the potential of the market, and it is confirmed by the studies and forecasts, which report almost daily news about the increase in demand and prices: the most recent, the study prepared by Nomisma⁴, which predicts, between now and 2024, a cumulative increase in house purchase prices of 12%.

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 level of customisation of the surface area of the real estate units.

³ Construction site that can be launched within 12 months

⁴ 2° Rapporto sul Mercato Immobiliare 2022: analisi congiunturale e prospettive future

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The main reason lies in housing demand, which is at an all-time high, with 3.7 percent of households saying they are looking for a home, and an additional 9.6 percent intending to start looking within a year.

Main events after the reporting date

After the end of the period, the Group continued its operations in the pipeline areas, both in relation to those with construction already underway and those at a less advanced stage. Preparation activities for the construction of the properties are carried out continuously by the Group, having a pipeline of 22 areas in various stages.

To date, three projects, Milano City Village, Palazzo Naviglio and Trilogy Towers, are nearing completion, with the presentation of the completion of the work scheduled for the month of October 2022 for the first two projects (for Milano City Village – first building - and Palazzo Naviglio, where the completion inspections with customers have already begun).

Instead, with regard to the other areas under development, urban-planning type activities aimed at obtaining the permits are currently under way for some reclamation and demolition activities have already begun (or completed) for other areas, while construction tenders are in progress for other ones. In this regard, at the end of July, works were awarded for the Porta Naviglio Grande project to the construction company Chianese Group s.r.l., with the start of work scheduled for September.

Outlook

During the current year, the marketing started in recent months will also continue, again through the strategy of the so-called "micro-campaigns".

Land development and pipeline value appreciation activities will also continue at full speed, which saw a considerable advancement in the authorisation processes of the numerous projects in the pipeline. Work is also nearing completion on three projects under construction, Milano City Village, Palazzo Naviglio and Trilogy Towers, for 420 flats, with the presentation of the end of work scheduled for October 2022 for the first two projects (Milano City Village - first building - and Palazzo Naviglio, on which completion inspections with clients have already begun).

Finally, with reference to the increase in the cost of raw materials and, in general, in the construction costs that occurred in recent months, there are the first signs of a decline in these prices, also favored by the decline in some raw materials and semi-finished products. In any case, in the last few months, AbitareIn has developed various strategies to deal with this situation, starting from a careful and opportunistic planning for launching the various residential projects, together with the conclusion of

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multi-year agreements with various strategic partners, in order to sterilise any future increases. In addition, the preliminary contracts with customers of the latest projects include a so-called "price adjustment" clause, which allows the sale price of the apartments already subject to a preliminary contract to be changed on the basis of the index of construction costs issued by ISTAT.

It is noted that, the Interim Directors' Report as at June 30, 2022, is 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.

It should also be pointed out that in this press release, in addition to the conventional financial indicators provided for by IFRS, some alternative performance indicators (e.g. EBT ADJ) are presented in order to allow for a better assessment of the economic and financial performance. These indicators are calculated according to the usual market practices.

AbitareIn S.p.A. represents innovation and a paradigm shift in the residential development sector, driven by its democratic vision of living that combines urban regeneration, affordability and the needs of today's families.

Efficiency, industrialisation and the creation of an identity brand are the foundations of a continuous and sustainable growth of the business model that focuses on the person and the home as an "aspirational" consumer product.

AbitareIn is thus committed to renovating the city's disused building stock and reviving its urban fabric, investing in projects of great aesthetic, environmental and social value and dedicating itself to responsible, far-sighted action; aware first and foremost of the essential nature of its new role as #stiliurbani. The company has been listed on the Euronext Growth Milan of Borsa Italiana since April 2016. From 1 March 2021 it has been listed on the Euronext STAR Milan (ticker: ABT.MI).

Alphanumeric code of the shares: ABT

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Share capital Euro € 132,654.06 fully paid in – Share premium reserve: Euro 40,827,659



Consolidated Income Statement

	30.06.2022	30.06.2021
Revenue from sales	19.362.415	40.837.215
Change in inventory for new sites purchased	16.866.000	39.217.109
Change in inventory for progress of works	62.967.296	10.009.603
Other revenue	4.575.706	729.246
TOTAL REVENUE	103.771.417	90.793.173
Property purchased for redevelopment for sale	16.866.000	39.217.109
Raw materials, consumables, supplies and goods	43.464	72.341
Services	70.400.124	36.132.102
Rentals and similar	258.206	211.487
Personnel expenses	1.853.030	1.911.452
Depreciation/Amortisation	835.537	658.556
Impairment losses and provisions	357.410	34.410
Other operating expenses	1.403.029	1.504.117
TOTAL OPERATING EXPENSES	92.016.800	79.741.574
EBIT	11.754.617	11.051.599
Financial income	345.159	1.842.113
Financial expenses	(2.406.792)	(1.724.528)
EBT	9.692.984	11.169.184
Income taxes	(3.953.733)	(3.211.170)
PROFIT (LOSS) FOR THE YEAR	5.739.251	7.958.014
Of which:		
Net profit (loss) attributable to non-controlling interests	(4.201)	(22.265)
Net profit (loss) attributable to the owners of the Parent	5.743.452	7.980.279
 Earnings per share	0,23	0,30
Diluted earnings per share	0,23	0,30

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Consolidated Statement of Comprehensive Income

	30.06.2022	30.06.2021
Profit (loss) for the year	5.739.251	7.958.014
Other comprehensive income		
<i>That will not be subsequently reclassified in profit or loss for the year</i>		
Employee benefits	95.206	(30.999)
Tax effect	(22.850)	7.439
Total	72.356	(23.560)
<i>That will be subsequently reclassified in profit or loss for the year</i>		
Hedging instruments	226.365	(46.124)
Tax effect	(54.328)	12.868
Total	172.037	(33.256)
Total change in OCI reserve	244.393	(56.816)
Comprehensive income for the period	5.983.644	7.901.198
Earnings per share	0,23	0,30
Diluted earnings per share	0,23	0,30
Number of shares	26.530.812	25.939.380

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Consolidated Statement of Financial Position

	30.06.2022	30.09.2021
Property, plant and equipment	11.937.843	8.980.197
Intangible assets	1.864.254	1.673.955
Financial activities	194.331	-
Equity investments in other companies	4.715.514	4.370.694
Deferred tax assets	2.006.444	1.172.151
TOTAL NON-CURRENT ASSETS	20.718.386	16.196.997
Inventory	288.616.193	209.663.389
Trade receivables	339.675	293.443
Other current assets	11.584.972	12.105.347
Current tax assets	10.181.443	5.944.427
Cash and cash equivalents	25.391.464	13.778.285
TOTAL CURRENT ASSETS	336.113.747	241.784.891
TOTAL ASSETS	356.832.133	257.981.888
Share capital	132.654	129.677
Reserves	50.782.796	39.494.362
Profit (loss) carried forward	32.743.810	20.552.052
Profit (loss) for the year	5.743.452	12.191.758
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	89.402.712	72.367.849
Profit and reserves attributable to non-controlling interests	3.913.640	468.661
EQUITY	93.316.352	72.836.510
Non-current financial liabilities	112.858.036	72.167.050
Employee benefits	303.773	325.142
Other non-current liabilities	275.886	284.793
Customer down payments and deposits	74.151.826	65.452.039
Deferred tax liabilities	10.784.535	6.466.158
TOTAL NON-CURRENT LIABILITIES	198.374.056	144.695.182
Current financial liabilities	21.344.142	16.710.663
Trade payables	31.496.620	11.704.006
Other current liabilities	11.874.063	8.805.177
Customer down payments and deposits	138.100	2.414.355
Current tax liabilities	288.800	815.995
TOTAL CURRENT LIABILITIES	65.141.725	40.450.196
TOTAL LIABILITIES	263.515.781	185.145.378
TOTAL LIABILITIES AND EQUITY	356.832.133	257.981.888

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Consolidated Statement of Cash Flows (indirect method)

	30.06.2022	30.06.2021
<i>Operating activities</i>		
Profit (loss) for the year	5.739.251	7.953.014
Income taxes	3.953.733	3.211.170
Financial income	(345.159)	(1.842.113)
Financial expenses	2.406.753	1.726.447
(Gains)/losses on the sale of companies	-	-
Net accruals to provisions	440.553	108.862
Accrual to stock grant reserve	1.296.787	967.132
Impairment and depreciation/amortisation of property, plant and equipment and intangible assets	835.537	658.556
Cash flows before changes in net working capital	14.327.455	12.783.068
Decrease/(increase) in inventory	(78.952.804)	(49.120.334)
Increase/(decrease) in trade payables	19.792.613	(1.501.119)
Decrease/(increase) in trade receivables	(46.233)	296.843
Change in other current/non-current assets and liabilities	4.383.757	6.680.943
Net financial income/expenses collected/paid	(2.837.058)	(2.225.714)
Taxes paid	-	(1.155.723)
Use of provisions	(28.552)	(32.198)
Cash flows from (used in) operating activities (A)	(43.360.822)	(34.274.234)
<i>Investing activities</i>		
Investments in property, plant and equipment	(214.502)	(248.468)
Disposal of property, plant and equipment	-	-
Real estate investments	(2.997.270)	(2.237.760)
Investments in intangible assets	(771.708)	(669.897)
Disposal of intangible assets	-	-
Other equity investments	-	(2.974)
Sale of company, net of cash and cash equivalents	-	-
Cash flows from (used in) investing activities (B)	(3.983.480)	(3.159.099)
<i>Financing activities</i>		
Bank loans raised	59.847.397	31.921.602
Bank loan repayments	(13.995.665)	(17.099.530)
Change in current/non-current financial liabilities	(93.660)	(52.377)
Net change in current financial assets	-	-
Share capital increase against consideration	13.199.409	-
Cash flows from (used in) financing activities (C)	58.957.481	14.769.695
Net cash flows in the period (A)+(B)+(C)	11.613.179	(22.663.638)
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 June	11.613.179	(22.663.638)
Cash and cash equivalents at the end of the year	25.391.464	12.817.357

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