PRESS RELEASE

Rekeep S.p.A.: The Board of Directors approves the Interim Report on Operations at 30 September 2018, which shows a new rise in revenues, tendered contracts and renewed existing contracts.

Consolidated highlights for the first nine months of 2018 (compared to the first nine months of 2017):

- **Revenue**: **€686.7 million** (+3.4% compared to €664.5 million);
- **Normalized EBITDA**: **€74.2 million** (in line compared to €74.6 million);
- **Normalized EBIT**: **€50.7 million** (in line compared to €50.7 million);
- **Net Profit**: **€10.5 million** (compared to €17.9 million; however, this figure included an extraordinary income generated from the reporting of non-recurring items accounted for on a prudential basis in previous years);
- **Tendered contracts and renewed existing contracts: €462 million** (+111% compared to €219 million).

Zola Predosa (Bologna), 15 November 2018 – The Board of Directors of **Rekeep S.p.A.** ("Rekeep"), formerly Manutencoop Facility Management S.p.A., which is the leading company of the major Italian group operating in the integrated facility management sector, in today's meeting chaired by Giuliano Di Bernardo, approved the **Interim report on Operations at 30 September 2018.** The Report shows a rise in revenues (+3.4%), as well as in tendered contracts and renewed existing contracts (+111%), stable margins and a change in profits which, on the basis of comparative data, is affected by the non-recurring effects of the reporting of extraordinary items which had impacted favourably on the profit in the first nine months of 2017.

"*There was also a positive reversal of the trend of revenues in the first nine months of 2018, in which an appreciable rise was recorded, while although margins were in line with the figures recorded in the first nine months of 2017, they show that recoveries in efficiency were satisfactory on a quarter-by-quarter basis. On the contrary, our profit at 30 September 2018 was affected, compared to the same period in 2017, by the reporting of non-recurring items during the past year, which had been accounted for on a prudential basis in previous years. NFP improvement was also significant because even if it had to sustain the effects of the merger of CMF, on a pro-forma basis it shows the Group's good cash generation capacity* – said **Giuliano Di Bernardo, Chairman and Chief Executive Officer of Rekeep S.p.A.** – "*Finally, a good increase in tendered contracts and renewed existing contracts, which was definitely satisfactory, gives us confidence in our medium- and long-term business growth*."

Rekeep Group main Consolidated Results at 30 September 2018

As of 30 September 2018, **Revenue** for the Rekeep Group was **€686.7 million**, showing an increase of 3.4% compared to €664.5 million in the first nine months of 2017.

EBITDA[1] (*Margine Operativo Lordo*) came to €64.5 million compared to €74 million at 30 September 2017. Net of non-recurring and start-up costs, **Normalized EBITDA** was **€74.2 million,** in line (-0.4%) with €74.6 million at 30 September 2017.

EBIT (*Risultato Operativo*) was €40.4 million compared to **€**51.9 million in the same period of the previous year. **Normalized EBIT, net of said non-recurring and start-up costs, was €50.7 million**, in line (+0.1%) compared to €50.7 million at 30 September 2017.

Net Profit, equal to €10.5 million, recorded a decrease compared to a net result equal to €17.9 million at 30 September 2017, which, however, had been affected by an extraordinary income generated from the reporting of non-recurring items accounted for on a prudential basis in previous years.

Net Financial Indebtedness at 30 September 2018 amounted to **€323.9 million.** It should be noted that the merger of CMF S.p.A. into its subsidiary Rekeep S.p.A. became effective on 1 July 2018, with the consequent transfer of the title to the Senior Secured Notes in a nominal amount of €360,000,000, at a rate of 9.0% and due 15 June 2022, which CMF S.p.A. issued during 2017. Therefore, as of 31 December 2017, Net Financial Indebtedness was €156.7 million: however, after considering the effects of the merger with CMF S.p.A., pro-forma Net Financial Indebtedness would have been equal to €332.9 million, with a consequent improvement of €9 million at 30 September 2018.

Business highlights

During the first nine months of 2018, **the Rekeep Group won tendered contracts** and renewed existing contracts **for a long-term aggregate amount of about €462 million, up by 111%** compared to €219 million at 30 September 2017.

As of 30 September 2018, the Rekeep Group **won tendered contracts and renewed existing contracts** for **€2,588 million**, compared to €2,608 million at 31 December 2017.

Among the new contracts for the period were the agreements signed with Consip S.p.A. on 20 September 2017, concerning two lots of the "MIES 2" tender for the awarding of an Integrated Multi-Service Technology with energy supply for buildings used by Public Health Administrations. The two lots involve some Italian regions, including Calabria and Sicily (Contract lot 12), as well as Veneto, Friuli Venezia Giulia and Trentino Alto Adige, to which must be added the Lombardy provinces of Bergamo, Brescia, Lecco, Como and Sondrio (Additional lot 14). These Agreements have a term of two years, while each implementation contract that may be signed by Public Authorities in such a time span may have a term of 5/7 years, at the discretion of the Authorities, starting from the activation of each supply, with a total limit of Rekeep S.p.A. that, for the period indicated, can be extended up to approximately €250 million.

In the Healthcare sector, the Group was also awarded, through Servizi Ospedalieri S.p.A., a major 5-year contract for linen rental and industrial laundering services at Umbria region hospitals that are members of Umbria Salute S.c.a.r.l.. In the same sector Rekeep S.p.A. also renewed the contracts for hygiene services

[1] *EBITDA is defined as operating income before accrual to the provisions for risks and charges and amortization/depreciation, write-downs and write-backs of assets. EBITDA is used by management to monitor and assess the group's performance and is not an accounting measure under IFRS. Accordingly, EBITDA should not be considered as an alternative to assess the Group's performance. In view of the fact that EBITDA is not regulated by accounting principles, our determination of EBITDA may differ from the determination made by other companies and may therefore not be comparable to the latter.*

at the San Giovanni Addolorata Hospital in Rome, the Parma Hospital and the Regional Single Health Unit (ASUR) Marche no. 10 in Camerino (province of Macerata).

Rekeep S.p.A.

Rekeep S.p.A. ("Rekeep") is the leading Italian operator and one of the main European players in the Integrated Facility Management sector, i.e., it manages and provides integrated services targeted at properties, the environment and in support of healthcare services. Specifically, the services provided by the Rekeep Group are divided into two main business areas: 1. Integrated Facility Management – property management and maintenance services (environmental hygiene, technical and maintenance services, landscaping, logistics, auxiliary services, heat management, lighting, document management, fire prevention and video surveillance systems) delivered also through specialized companies; 2. Laundering & Sterilization – linen rental and industrial laundering services and linen and surgical instruments sterilization for healthcare operations, delivered through the subsidiary Servizi Ospedalieri S.p.A.. Rekeep's headquarter is located in Zola Predosa (Bologna), it has offices all over Italy and employs more than 17,000 people throughout Italy.

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The following tables present the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of cash flows at 30 September 2018 (as well as details regarding the net financial indebtedness).

Consolidated statement of financial position of the Rekeep Group at 30 September 2018:

(in thousands of Euro)	**September 30, 2018**	**December 31, 2017**
Assets		
Non-current assets		
Property, plant and equipments	67.981	65.564
Property, plant and equipments under lease	6.060	5.779
Goodwill	407.622	370.363
Other intangible assets	23.923	25.169
Investments accounted for under the equity method	23.649	27.294
Other investments	5.926	4.757
Non-current financial assets	9.013	11.369
Other non-current assets	2.882	2.998
Deferred tax assets	17.125	16.383
Total non-current assets	**564.181**	**529.676**
Current assets		
Inventories	7.223	6.057
Trade receivables and advances to suppliers	405.873	429.165
Current taxes receivables	6.525	8.745
Other current assets	27.528	30.842
Current financial assets	1.687	1.870
Cash and cash equivalents	84.754	59.870
Total current assets	**533.590**	**536.549**
Assets classified as held for sale	0	0
Total assets classified as held for sale	**0**	**0**
Total assets	**1.097.771**	**1.066.225**

(in thousands of Euro)	**September 30, 2018**	**December 31, 2017**
Shareholders' equity and Liabilities		
Share capital	109.150	109.150
Reserves	(45.325)	144.854
Retained earnings	34.911	43.755
Profit for the period attributable to equity holders of the Parent	10.340	642
Equity attributable to equity holders of the parent	*109.076*	*298.401*
Capital and reserves attributable to non-controlling interests	630	308
Profit for the period attributable to non-controlling interests	141	73
Equity attributable to non-controlling interests	*771*	*381*
Total shareholders' equity	**109.847**	**298.782**
Non-current liabilities		
Employee termination indemnity	14.925	15.519
Provisions for risks and charges, non-current	25.444	27.624
Subordinated Shareholder Funding	49.700	0

Long-term financial debt	360.884	175.281
Deferred tax liabilities	14.365	12.294
Other non-current liabilities	585	86
Total non-current liabilities	**465.903**	**230.804**
Current liabilities		
Provisions for risks and charges, current	5.414	6.711
Trade payables and advances from customers	369.428	393.022
Current tax payables	4.139	326
Other current liabilities	93.587	93.415
Bank borrowings, including current portion of long-term debt, and other financial liabilities	49.453	43.165
Total current liabilities	**522.021**	**536.639**
Liabilities directly associated with assets classified as held for sale	0	0
Total liabilities directly associated with assets classified as held for sale	**0**	**0**
Total shareholders' equity and Liabilities	**1.097.771**	**1.066.225**

Consolidated statement of income of the Rekeep Group at 30 September 2018:

(in thousands of Euro)	**For the 9 months ended September 30,**	
	2018	**2017**
Revenues		
Revenue from sales and services	685.888	663.312
Other revenue	856	1.147
Total revenues	**686.744**	**664.459**
Operating costs		
Costs of raw materials and consumables	(99.554)	(84.850)
Change in inventories of finished goods	(19)	0
Costs for services and use of third party assets	(232.213)	(232.950)
Personnel costs	(288.685)	(276.189)
Other operating costs	(4.352)	2.557
Capitalized internal construction costs	2.546	933
Amortization, depreciation, write-downs and write-backs of assets	(23.449)	(21.328)
Accrual of provisions for risks and charges	(632)	(764)
Total operating costs	**(646.358)**	**(612.591)**
Operating Income	**40.386**	**51.868**
Financial income and expenses		
Share of net profit of associates	1.201	1.029
Dividends and income from sales of investments	490	175
Financial income	1.241	1.133
Financial charges	(23.197)	(22.671)
Profit/(loss) on exchange rate	(294)	(3)
Profit (loss) before taxes from continuing operations	**19.827**	**31.531**
Income taxes	(9.346)	(13.618)
Profit (loss) from continuing operations	**10.481**	**17.913**
Profit (loss) from discontinued operation	0	0
Net profit (loss) for the period	**10.481**	**17.913**
Net profit (loss) attributable to non controlling interests	(141)	(49)
Net profit (loss) for the period attributable to equity holders of the Parent	**10.340**	**17.864**

Consolidated statement of cash flows of the Rekeep Group at 30 September 2018:

(in thousands of Euro)	For the 9 months ended September 30,	
	2018	**2017**
Net profit (loss) from continuing operations	10.481	17.913
Income taxes for the period	9.346	13.618
Profit before taxes from continuing operations	**19.827**	**31.531**
Amortization, depreciation, write-downs and (write-backs) of assets	23.449	21.328
Accrual (reversal) of provisions for risks and charges	632	764
Employee termination indemnity provision	707	429
Payments of employee termination indemnity	(1.427)	(2.104)
Utilization of provisions	(4.434)	(4.685)
Share of net profit of associates	1.440	573
Financial charges (income) for the period	22.250	21.541
Operating cash flows before movements in Working Capital	**62.444**	**69.377**
Cash flows related to discontinued operations	*0*	*0*
Cash flows related to continuing operations	*62.444*	*69.377*
Decrease (increase) of inventories	(83)	(896)
Decrease (increase) of trade receivables and advances to suppliers	23.938	32.240
Decrease (increase) of other current assets	4.018	(975)
Increase (decrease) of trade payables and advances from customers	(27.074)	18.900
Increase (decrease) of other current liabilities	(3.060)	(9.325)
Change in Working Capital	**(2.262)**	**39.944**
Net interests received (paid) in the period	(10.231)	(26.836)
Income taxes paid in the period	(3.715)	(637)
Net cash flow from operating activities	**46.236**	**81.848**
Purchase of intangible assets, net of sales	(4.382)	(5.148)
Purchase of property, plant and equipment	(16.523)	(17.260)
Proceeds from sales of property, plant and equipment	361	361
Disposal (acquisition) of investments	3.393	(411)
Decrase (increase) of financial assets	1.488	(29)
Net cash used in business combination	(1.529)	0
Net cash from assets held for sale	175	110
Net cash flow from (used in) investing activities	**(17.017)**	**(22.377)**
Change in finance lease liabilities	45	2.871
Proceeds from non-current borrowings	6.676	0
Proceeds from/(repayment of) current borrowings	1.341	(11.857)
Other change in financial debt	(10.235)	(26.050)
Dividends paid	(70)	(25.111)
Change in scope of consolidation	(1.322)	0
Differences on foreign currencies	(107)	0
Net cash flow from/(used in) financing activities	**(3.672)**	**(70.148)**
Changes in cash and cash equivalents	**25.547**	**(10.676)**
Cash and cash equivalents at the beginning of the year	59.870	174.992
Changes in cash and cash equivalents	25.547	(10.676)
Differences on cash and cash equivalents in foreign currencies	(663)	0
Cash and cash equivalents at the end of the period	**84.754**	**164.316**

Details of cash and cash equivalents		
Cash and bank current accounts	84.754	164.316
Total cash and cash equivalents	**84.754**	**164.316**

(in thousands of Euro)	**September 30, 2018**	**December 31, 2017**
Long-term financial debt	360.884	175.281
Bank borrowings, including current portion of long-term debt, and other financial liabilities	49.453	43.165
Gross financial indebtedness	**410.337**	**218.446**
Cash and cash equivalents	(84.754)	(59.870)
Current financial assets	(1.687)	(1.870)
Net financial indebtedness	**323.896**	**156.706**