PRESS RELEASE

Rekeep S.p.A.: The Board of Directors approves the Interim Report on Operations at 31 March 2019, which recorded satisfactory growth in revenues and steadily rising profit margins

Consolidated highlights for the first quarter of 2019 (compared to the first quarter of 2018)[1]:

- **Revenue**: **€248.4 million** (+4.9% compared to €236.7 million at 31 March 2018);
- **Normalized EBITDA[2]**: **€32.2 million** (+0.2% compared to €32.1 million at 31 March 2018);
- **Net Profit ***: **€2.4 million** (compared to €8.6 million at 31 March 2018).

*(*) **It should be noted that the consolidated results of operations at 31 March 2019 relate to a different consolidation perimeter from those for the period ended 31 March 2018 and that therefore some comparisons might not be significant, especially with regard to Net Profit. It is in fact noted that the merger of CMF S.p.A. into its subsidiary Rekeep S.p.A. became effective on 1 July 2018.***

Zola Predosa (Bologna), 15 May 2019 – The Board of Directors of **Rekeep S.p.A.** ("**Rekeep**"), parent company of the leading Italian group operating in the Integrated Facility Management sector, met under the chairmanship of Giuliano Di Bernardo and approved the **Interim Report on Operations at 31 March 2019**, **which recorded a further substantial increase in revenues and an improvement in profit margins.**

"*The results we achieved in the first quarter of 2019 enable us to view the remainder of the year with a degree of cautious optimism; another more substantial rise in turnover with a gradual increase in profit margins, over and above this in a challenging scenario in which there have been a lower number of tenders to be awarded during the first three months, once again shows our Group's capacity to retain its leadership in the target sectors, in addition to intercepting market needs proactively by offering new services*", commented **Giuliano Di Bernardo, *Chairman and Chief Executive Officer of Rekeep S.p.A.*.**

Rekeep Group main Consolidated Results at 31 March 2019

At 31 March 2019, **Revenue** for the Rekeep Group came to **€248.4 million**, **up by 4.9%** compared to €236.7 million in the first quarter of 2018.

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1 All the figures in this release take into account the impacts of the first-time adoption of the new IFRS 16, applicable from 1 January 2019.The adoption of this Standard led Rekeep to adapt its financial indicators:

- *EBITDA no longer includes operating lease costs, while EBIT and Net Profit for the period include the depreciation of the right of use asset and interest on lease liabilities*
- *Net Financial Debt includes the financial liability for operating leases calculated as the present value of future lease payments*

2 Normalized EBIT and Normalized EBITDA: values net of start up costs (B2C and international development), as well as "non-recurring" income components or costs for operations that are not repeated frequently in the normal course of business and that have a significant impact on the Group companies' financial position, results of operations and cash flows.

EBITDA[3] amounted to €29.9 million, stable compared to €29.9 million at 31 March 2018. Net of non-recurring and start-up costs, **Normalized EBITDA**[2] was equal to **€32.2 million**, showing an improvement of 0.2**%** compared to €32.1 million in the first quarter of 2018.

EBIT was €19.6 million, compared to €20.3 million achieved in the same period of 2018. **Normalized EBIT**[2]**,** net of said non-recurring and start-up costs, was €22.2 million, compared to €22.6 million in the same period of 2018.

Net Profit at 31 March 2019 was €2.4 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. Therefore, the Net Profit at 31 March 2018, equal to €8.6 million, is barely comparable to that reported in the first quarter of 2019, which did not include CMF S.p.A. in the consolidation perimeter of the Rekeep Group.

Net Financial Indebtedness at 31 March 2019 amounted to **€384.8 million**, compared to €351.9 million at 31 December 2018. This value in the first quarter of 2018 included the financial liability for operating leases following the first-time adoption of the new IFRS16 – Leases from 1 January 2019. Net of this accounting adjustment, the Net Financial Indebtedness would have been equal to €332.7 million at 31 March 2019, compared to €298.9 million at 31 December 2018 and to €342.7 million at 31 March 2018 (setting out the effects of the merger of CMF S.p.A. referred to above in a proforma).

Business highlights

During the first quarter of 2019, in a market scenario in which there have been a lower number of tenders to be awarded, the **Rekeep Group won tendered contracts and renewed existing contracts generating new orders of about €48 million**, compared to €241 million at 31 March 2018. To be mentioned in particular is that the Company practically finished executing the various implementation agreements with the Bodies which signed the CONSIP MIES2 Agreement for the award of an Integrated Technology Multi-Service with energy supply for buildings used by Public Health Administrations. These agreements almost absorbed the maximum available ceilings for each of the two lots awarded to Rekeep.

At 31 March 2019 the **Rekeep Group's Backlog was €2,479.0 million**, compared to €2,672.0 million in the same period of 2018.

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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[3] *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 the 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.*

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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 31 March 2019 (as well as details regarding the net financial indebtedness).

Consolidated statement of financial position of the Rekeep Group at 31 March 2019:

(in thousands of Euro)	**March 31, 2019**	**December 31, 2018 Restated**
Assets		
Non-current assets		
Property, plant and equipments	72.089	67.991
Property, plant and equipments under lease	54.657	55.456
Goodwill	407.622	407.622
Other intangible assets	24.873	25.634
Investments accounted for under the equity method	19.207	19.207
Other investments	4.908	4.905
Non-current financial assets	5.631	5.662
Other non-current assets	2.905	2.897
Deferred tax assets	16.061	16.429
Total non-current assets	**607.953**	**605.803**
Current assets		
Inventories	8.258	7.421
Trade receivables and advances to suppliers	448.777	417.930
Current taxes receivables	8.044	14.658
Other current assets	38.134	22.320
Current financial assets	4.439	5.532
Cash and cash equivalents	54.904	94.733
Total current assets	**562.556**	**562.594**
Assets classified as held for sale	0	0
Total assets classified as held for sale	**0**	**0**
Total assets	**1.170.509**	**1.168.397**

(in thousands of Euro)	**March 31, 2019**	**December 31, 2018 Restated**
Shareholders' equity and Liabilities		
Share capital	109.150	109.150
Reserves	2.940	2.832
Retained earnings	50.453	34.911
Profit attributable to equity holders of the Parent	2.432	15.734
Equity attributable to equity holders of the Parent	*164.975*	*162.627*
Share capital and reserves attributable to non-controlling interests	646	552
Profit attributable to non-controlling interests	13	107
Equity attributable to non-controlling interests	*659*	*659*
Total shareholders' equity	**165.634**	**163.286**
Non-current liabilities		
Employee termination indemnity	15.323	14.730
Provisions for risks and charges, non-current	24.926	25.189

Long-term financial debt	397.843	408.191
Deferred tax liabilities	14.601	14.525
Other non-current liabilities	611	660
Total non-current liabilities	**453.304**	**463.295**
Current liabilities		
Provisions for risks and charges, current	6.080	6.948
Trade payables and contractual liabilities	400.371	399.602
Current tax payables	1.852	954
Other current liabilities	96.949	90.360
Bank borrowings, including current portion of long-term debt, and other financial liabilities	46.319	43.952
Total current liabilities	**551.571**	**541.816**
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	**1.170.509**	**1.168.397**

Consolidated statement of income of the Rekeep Group at 31 March 2019:

(in thousands of Euro)	For the 3 months ended March 31,	
	2019	**2018 Riesposto**
Revenues		
Revenue from contract with customers	247.670	236.538
Other revenue	746	145
Total revenues	**248.416**	**236.683**
Operating costs		
Costs of raw materials and consumables	(48.334)	(40.524)
Change in inventories of finished and semi-finished products	397	0
Costs for services and use of third party assets	(68.295)	(69.790)
Personnel costs	(101.799)	(95.340)
Other operating costs	(1.178)	(1.137)
Lower costs for internal work capitalised	647	0
Amortization, depreciation, write-downs and write-backs of assets	(9.865)	(9.120)
Accrual of provisions for risks and charges	(350)	(487)
Total operating costs	**(228.777)**	**(216.398)**
Operating Income	**19.639**	**20.285**
Financial income and expenses		
Share of net profit of associates	85	843
Dividend and net income/(loss) from sale of investments	49	225
Financial income	2.200	830
Financial expences	(11.558)	(6.685)
Gains /(losses) on exchange rate	2	(62)
Profit (loss) before taxes from continuing operations	**10.417**	**15.436**
Income taxes	(7.972)	(6.804)
Profit (loss) from continuing operations	**2.445**	**8.632**
Profit (loss) from discontinued operation	0	0
Net profit (loss)	**2.445**	**8.632**
Net profit (loss) attributable to non controlling interests	(13)	(66)
Net profit (loss) attributable to equity holders of the Parent	**2.432**	**8.566**

Consolidated statement of cash flow of the Rekeep Group at 31 March 2019:

(in thousands of Euro)	For the 3 months ended March 31,	
	2019	**2018 Riesposto**
Net profit (loss) from continuing operations	2.445	8.632
Income taxes for the period	7.972	6.804
Profit (loss) before taxes from continuing operations	**10.417**	**15.436**
Amortization, depreciation, write-downs and (write-backs) of assets	9.866	9.119
Accrual (reversal) of provisions for risks and charges	350	487
Employee termination indemnity provision	371	233
Payments of employee termination indemnity	(728)	(630)
Utilization of provisions	(1.481)	(2.565)
Share of net profit of associates	(85)	(843)
Financial charges (income) for the period	9.356	5.917
Operating cash flows before movements in Working Capital	**28.066**	**27.154**
Decrease (increase) of inventories	(837)	84
Decrease (increase) of trade receivables and advances to suppliers	(31.657)	(8.689)
Decrease (increase) of other current assets	(14.119)	(9.881)
Increase (decrease) of trade payables and advances from customers	769	1.597
Increase (decrease) of other current liabilities	5.749	1.330
Change in Working Capital	**(40.095)**	**(15.559)**
Net interests received (paid) in the period	(1.372)	(1.260)
Income taxes paid in the period	(16)	(54)
Net cash flow from operating activities	**(13.417)**	**10.281**
Purchase of intangible assets, net of sales	(1.060)	(910)
Purchase of property, plant and equipment	(9.619)	(5.850)
Proceeds from sales of property, plant and equipment	142	321
Disposal (acquisition) of investments	(9)	(506)
Decrase (increase) of financial assets	852	27
Net cash used in business combination	0	(1.718)
Net cash from assets held for sale	40	0
Net cash flow from (used in) investing activities	**(9.654)**	**(8.636)**
Change in finance lease liabilities	155	(154)
Acquisition (payments) on operating leasing	(2.027)	(1.873)
Proceeds from non-current borrowings	1.544	5.000
Repayment of non-current borrowings	(10.300)	0
Proceeds from/(repayment of) current borrowings	(4.673)	3.672
Other change in financial debt	(1.452)	(8.267)
Dividends paid	0	0
(Acquisition)/sale of minority interests in subsidiaries	(0)	0
Translation differences	8	0
Net cash flow from/(used in) financing activities	**(16.745)**	**(1.622)**
Changes in cash and cash equivalents	**(39.816)**	**23**
Cash and cash equivalents at the beginning of the year	94.733	59.870
Changes in cash and cash equivalents	(39.816)	23
Differences on cash and cash equivalents in foreign currencies	(13)	0

Cash and cash equivalents at the end of the period	**54.904**	**59.893**
Details of cash and cash equivalents		
Cash and bank current accounts	54.904	59.893
Total cash and cash equivalents	**54.904**	**59.893**

(in thousands of Euro)	**March 31, 2019**	**December 31, 2018 Restated**
Long-term financial debt	397.843	408.191
Bank borrowings, including current portion of long-term debt, and other financial liabilities	46.319	43.952
Gross financial indebtedness	**444.162**	**452.143**
Cash and cash equivalents	(54.904)	(94.733)
Current financial assets	(4.439)	(5.532)
Net financial indebtedness	**384.819**	**351.878**