PRESS RELEASE

Rekeep S.p.A.: The Board of Directors approves the Half-year Financial Report at 30 June 2019, which shows an additional increase in sales and profit margins

Consolidated highlights for the 1st half of 2019 (compared to the 1st half of 2018)[1]:

- **Revenue**: **€490.1 million** (+5.1%, compared to €466.3 million at 30 June 2018);
- **Normalized EBITDA[2]**: **€57.1 million** (+2.1%, compared to €55.9 million at 30 June 2018);
- **Normalized EBIT*:* €38.2 million** (+3.0%, compared to €37.1 million at 30 June 2018);
- **Net Profit ***: **€3.8 million** (compared to €11.5 million at 30 June 2018).

(*) It should be noted that the consolidated results of operations at 30 June 2019 relate to a different consolidation perimeter from those for the period ended 30 June 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), 27 August 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, examined and approved the **Consolidated Half-year Financial Report at 30 June 2019**, **which shows a further improvement in revenues and profit margins**.

"During the first half of 2019 the rise in the volume of business went on gathering pace thanks to the good performance of the facility management segment, especially in the healthcare market. This, together with satisfactory profit margins and the outcome of the favourable effect of the cost saving measures taken in previous periods, enables the Group to continue to take an optimistic view of the future, certain as we are of Rekeep's potential and its capacity to face the challenges of an increasingly competitive market as a leading player" - commented **Giuliano Di Bernardo, *Chairman and Chief Executive Officer of Rekeep S.p.A.*.**

Rekeep Group main Consolidated Results at 30 June 2019

At 30 June 2019, **Revenue** for the Rekeep Group reached **€490.1 million**, **up by 5.1%** compared to €466.3 million in the first half 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 €52.4 million, showing an improvement of 5.1% compared to €49.9 million at 30 June 2018. **Net of non-recurring and start-up costs**, **Normalized EBITDA**[2] was equal to **€57.1 million**, showing an improvement of 2.1**%** compared to €55.9 million in the first half of 2018.

EBIT was €32.6 million, showing an improvement of 6.6% compared to €30.6 million achieved in the same period of 2018. **Normalized EBIT**[2]**, net of non-recurring and start-up costs, was €38.2 million**, showing an improvement of 3.0% compared to €37.1 million in the same period of 2018.

Net Profit at 30 June 2019 was €3.8 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 for the first half of 2019, is barely comparable to that reported at 30 June 2018, equal to €11.8 million, since the latter did not included CMF S.p.A. in the consolidation perimeter of the Rekeep Group.

Net Financial Indebtedness at 30 June 2019 amounted to **€328.3 million**, compared to €347.9 million at 31 December 2018. This value in the first half of 2019 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 at 30 June 2019 would have been equal to €280.0 million, compared to €298.8 million at 31 December 2018 and to €289.7 million at 30 June 2018 (setting out the effects of the merger of CMF S.p.A. referred to above in a proforma).

Business highlights

During the first half of 2019, the Rekeep Group won tendered contracts and renewed existing contracts generating new orders of about €270 million, compared to €392 million at 30 June 2018. Considering that during the first half of 2018 a substantial portion of the business acquired came from the actual subscription compliant to the MIES 2 agreement tender awarded in 2017, the Group gained contracts, net of the impact of MIES2, worth €217 million at 30 June 2019 compared to €213 million at 30 June 2018. This confirms the strong evidence of the dynamism of Rekeep's marketing efforts.

Main Events occurred after 30 June 2019

On **4 July** 2019, **Rekeep** announced that it had acquired, through its subsidiary Sicura S.p.A., 80% of the quota capital of Emmetek S.r.l., a company specialising in the design, prefabrication and installation of pumping stations, water reserves for fire-fighting purposes, sprinkler networks and extinguishing systems, as well as in routine and non-routine maintenance of extinguishing systems with various types of extinguisher and pump units. The transaction provided for a quotaholders' agreement definition, including put and call options on the remaining 20% of the capital, which may not be exercised before the approval of Emmetek's financial statements at 31 December 2021. This transaction falls within the scope of the Rekeep Group's growth plan, in terms of skills and personnel, in the safety and fire prevention systems sector and in particular within the scope of Sicura's strategy, with the aim of completing the offer of adjustable and full solutions for the service of properties.

On **1 August 2019** the subsidiary e-Digital Services took the new company name of Rekeep Digital.

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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.*

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

Consolidated statement of financial position of the Rekeep Group at 30 June 2019:

(in thousands of Euro)	**June 30, 2019**	**December 31, 2018 Restated**
Assets		
Non-current assets		
Property, plant and equipments	73.175	67.991
Property, plant and equipments under lease	50.352	51.635
Goodwill	407.622	407.622
Other intangible assets	25.598	25.634
Investments accounted for under the equity method	11.531	19.207
Other investments	4.908	4.905
Non-current financial assets	5.549	5.662
Other non-current assets	2.949	2.897
Deferred tax assets	15.760	15.985
Total non-current assets	**597.444**	**601.538**
Current assets		
Inventories	8.829	7.421
Trade receivables and advances to suppliers	425.255	417.930
Current taxes receivables	8.850	14.658
Other current assets	29.986	22.320
Current financial assets	4.786	5.532
Cash and cash equivalents	96.702	94.733
Total current assets	**574.408**	**562.594**
Assets classified as held for sale	0	0
Total assets classified as held for sale	**0**	**0**
Total assets	**1.171.852**	**1.164.132**

(in thousands of Euro)	**June 30, 2019**	**December 31, 2018 Restated**
Shareholders' equity and Liabilities		
Share capital	109.150	109.150
Reserves	18.569	3.245
Retained earnings	33.763	34.207
Profit attributable to equity holders of the Parent	3.731	15.734
Equity attributable to equity holders of the Parent	*165.213*	*162.336*
Share capital and reserves attributable to non-controlling interests	597	552
Profit attributable to non-controlling interests	44	108
Equity attributable to non-controlling interests	*641*	*660*
Total shareholders' equity	**165.854**	**162.996**
Non-current liabilities		
Employee termination indemnity	15.564	14.730
Provisions for risks and charges, non-current	24.623	25.189
Long-term financial debt	396.007	409.573
Deferred tax liabilities	14.455	14.527
Other non-current liabilities	572	660
Total non-current liabilities	**451.221**	**464.679**
Current liabilities		
Provisions for risks and charges, current	5.596	6.948
Trade payables and contractual liabilities	403.656	399.602
Current tax payables	4.508	954
Other current liabilities	107.254	90.360
Bank borrowings, including current portion of long-term debt, and other financial liabilities	33.763	38.593
Total current liabilities	**554.777**	**536.457**
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	**1.171.852**	**1.164.132**

Consolidated statement of income of the Rekeep Group at 30 June 2019:

(in thousands of Euro)	For the 6 months ended June 30,	
	2019	**2018 Restated**
Revenues		
Revenue from contract with customers	489.046	943.740
Other revenue	1.004	6.142
Total revenues	**490.050**	**949.882**
Operating costs		
Costs of raw materials and consumables	(83.109)	(140.144)
Change in inventories of finished and semi-finished products	725	43
Costs for services and use of third party assets	(147.320)	(315.217)
Personnel costs	(205.930)	(392.548)
Other operating costs	(3.339)	(6.660)
Lower costs for internal work capitalised	1.361	4.140
Amortization, depreciation, write-downs and write-backs of assets	(19.097)	(39.378)
Accrual of provisions for risks and charges	(721)	(2.584)
Total operating costs	**(457.430)**	**(892.348)**
Operating Income	**32.620**	**57.534**
Financial income and expenses		
Share of net profit of associates	708	1.466
Dividend and net income/(loss) from sale of investments	776	(843)
Financial income	2.240	1.597
Financial expences	(22.785)	(36.037)
Gains /(losses) on exchange rate	(35)	(156)
Profit (loss) before taxes from continuing operations	**13.524**	**23.561**
Income taxes	(9.749)	(8.228)
Profit (loss) from continuing operations	**3.775**	**15.333**
Profit (loss) from discontinued operation	0	0
Net profit (loss)	**3.775**	**15.333**
Net profit (loss) attributable to non controlling interests	(44)	(108)
Net profit (loss) attributable to equity holders of the Parent	**3.731**	**15.225**

Consolidated statement of cash flow of the Rekeep Group at 30 June 2019:

(in thousands of Euro)	For the 6 months ended June 30,	
	2019	**2018 Restated**
Net profit (loss) from continuing operations	3.775	11.517
Income taxes for the period	9.749	8.422
Profit (loss) before taxes from continuing operations	**13.524**	**19.939**
Amortization, depreciation, write-downs and (write-backs) of assets	19.097	18.502
Accrual (reversal) of provisions for risks and charges	721	774
Employee termination indemnity provision	512	486
Payments of employee termination indemnity	(1.310)	(1.100)
Utilization of provisions	(2.639)	(3.887)
Share of net profit of associates	(708)	(1.059)
Financial charges (income) for the period	20.580	12.250
Operating cash flows before movements in Working Capital	**49.776**	**45.906**
Decrease (increase) of inventories	(1.408)	83
Decrease (increase) of trade receivables and advances to suppliers	(8.653)	29.894
Decrease (increase) of other current assets	(6.020)	9.138
Increase (decrease) of trade payables and advances from customers	4.054	(16.826)
Increase (decrease) of other current liabilities	15.363	10.837
Change in Working Capital	**3.336**	**33.126**
Net interests received (paid) in the period	(19.067)	(10.916)
Income taxes paid in the period	(167)	(90)
Net cash flow from operating activities	**33.878**	**68.026**
Purchase of intangible assets, net of sales	(3.233)	(2.863)
Purchase of property, plant and equipment	(14.687)	(12.101)
Proceeds from sales of property, plant and equipment	241	386
Disposal (acquisition) of investments	7.991	(509)
Decrase (increase) of financial assets	1.141	(854)
Net cash used in business combination	0	(1.718)
Net cash from assets held for sale	45	145
Net cash flow from (used in) investing activities	**(8.503)**	**(17.514)**
Change in finance lease liabilities	53	(192)
Acquisition (payments) on operating leasing	(3.869)	(3.727)
Proceeds from non-current borrowings	1.546	6.676
Repayment of non-current borrowings	(11.495)	0
Proceeds from/(repayment of) current borrowings	(4.673)	(904)
Other change in financial debt	(4.847)	(10.476)
Dividends paid	0	507
(Acquisition)/sale of minority interests in subsidiaries	(1)	(382)
Translation differences	(91)	0
Net cash flow from/(used in) financing activities	**(23.377)**	**(8.498)**
Changes in cash and cash equivalents	**1.998**	**42.014**
Cash and cash equivalents at the beginning of the year	94.733	59.870
Changes in cash and cash equivalents	1.998	42.014
Differences on cash and cash equivalents in foreign currencies	(29)	173
Cash and cash equivalents at the end of the period	**96.702**	**102.057**

Details of cash and cash equivalents		
Cash and bank current accounts	96.702	102.057
Total cash and cash equivalents	**96.702**	**102.057**

(in thousands of Euro)	**June 30, 2019**	**December 31, 2018 Restated**
Long-term financial debt	396.007	409.573
Bank borrowings, including current portion of long-term debt, and other financial liabilities	33.763	38.593
Gross financial indebtedness	**429.770**	**448.166**
Cash and cash equivalents	(96.702)	(94.733)
Current financial assets	(4.786)	(5.532)
Net financial indebtedness	**328.282**	**347.901**