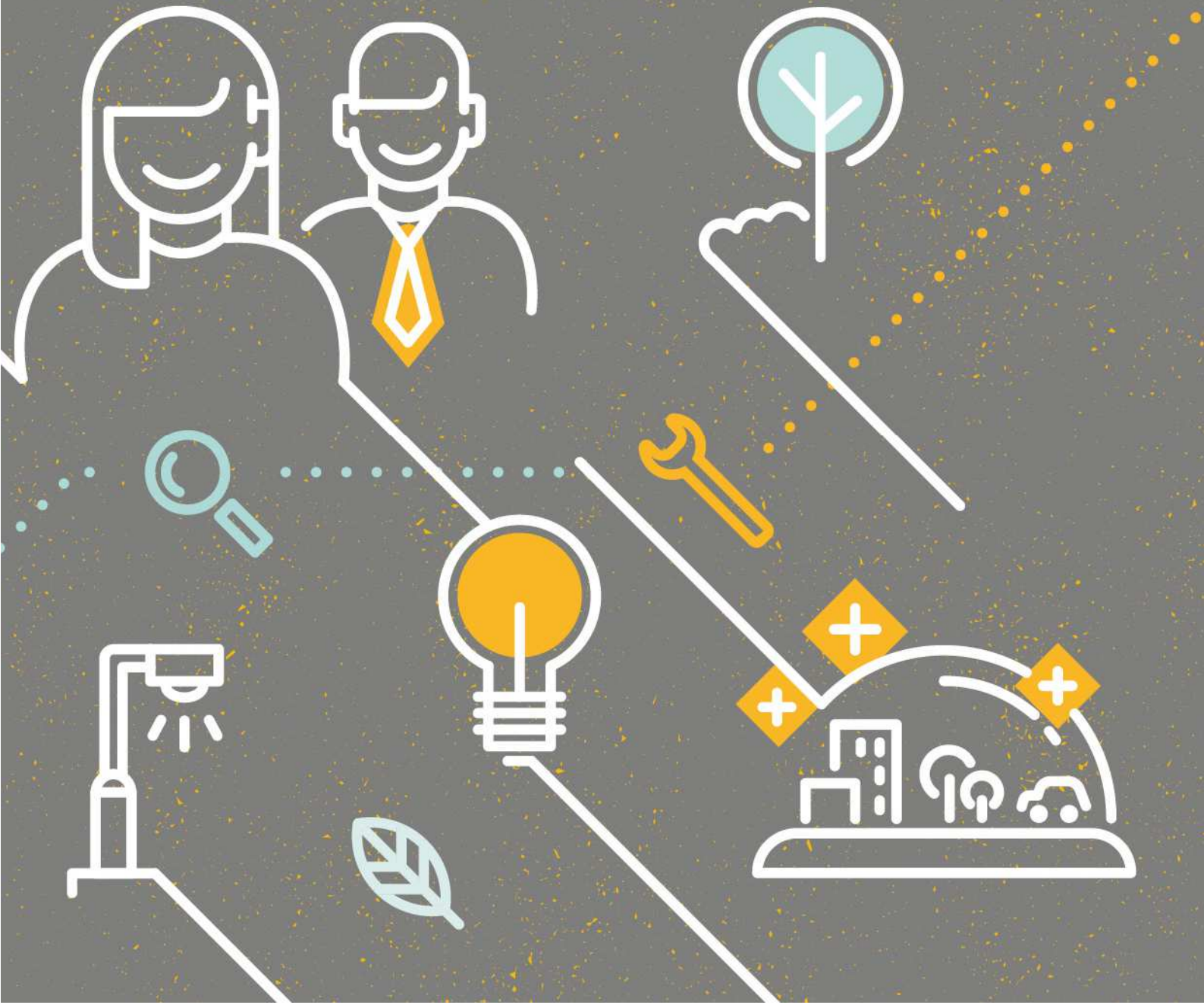
rekeep

minds that work

# INTERIM report on operation

*at 31 march 2021*



# GENERAL INFORMATION

## REGISTERED OFFICE

Via U. Poli, 4
Zola Predosa (Bo)

## BOARD OF DIRECTORS

Appointed by the Shareholders' Meeting
of 24 April 2020

**CHAIRMAN AND CEO**
Giuliano Di Bernardo

**VICE-CHAIRMAN**
Giuseppe Pinna

**MEMBERS OF THE BOARD OF DIRECTORS**
Laura Duò
Rossella Fornasari
Paolo Leonardelli
Gabriele Stanzani
Matteo Tamburini

## BOARD OF STATUTORY AUDITORS

Appointed by the Shareholders' Meeting
of 24 April 2020

**CHAIRMAN**
Germano Camellini

**STANDING AUDITORS**
Marco Benni
Giacomo Ramenghi

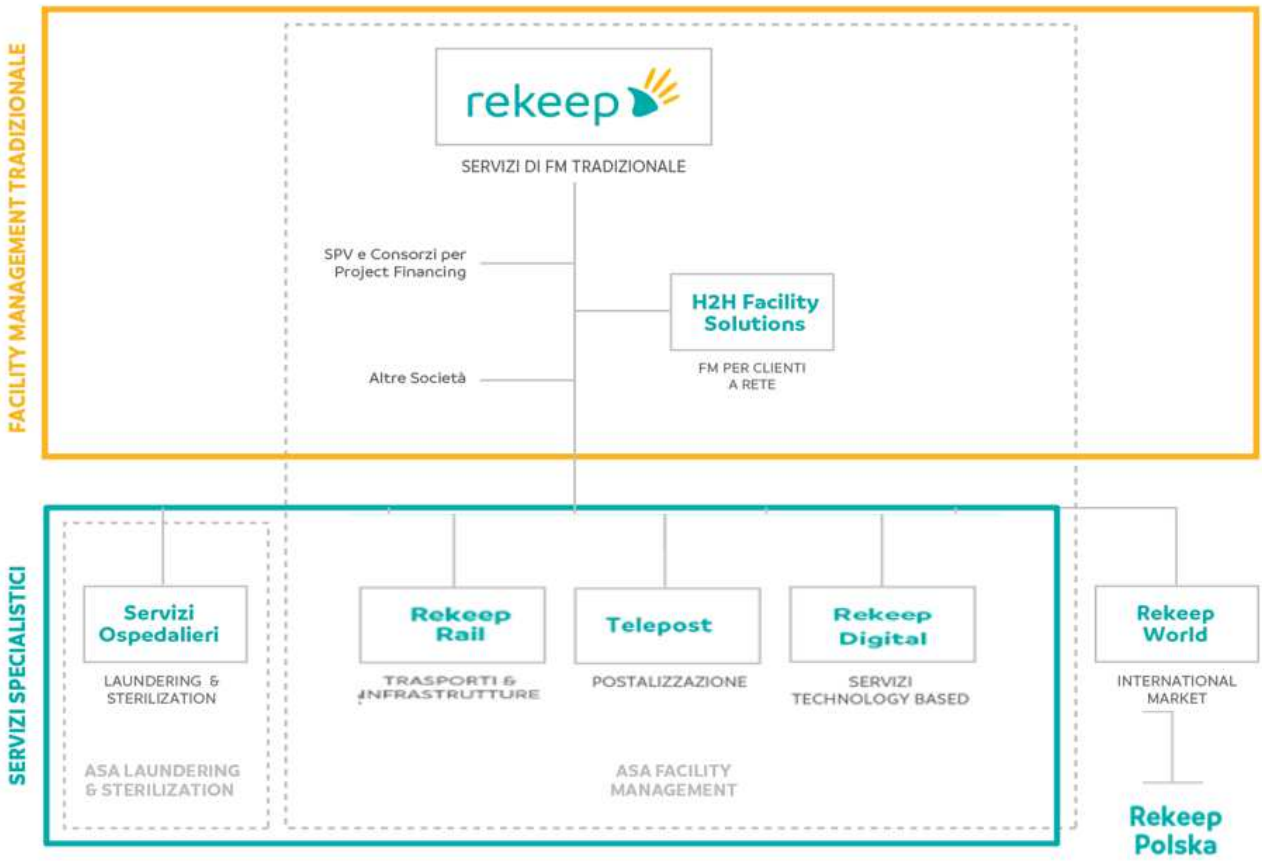
**ALTERNATE AUDITORS**
Michele Colliva
Antonella Musiani

## INDEPENDENT AUDITORS

EY S.p.A.

# PREAMBLE

At 31 March 2021 the Group controlled by Rekeep S.p.A. was composed as follows:




The Rekeep Group is active in the management and provision of integrated services to public and private customers, targeted at properties, the area and to support so-called “Integrated Facility Management” health care activities. At present the Rekeep brand is led by a single operating holding company which combines so-called “traditional” facility management production resources with those related to supporting the whole Group’s business. As early as from the previous financial years a strategy has been pursued by the central holding functions to diversify operations, also through a series of corporate acquisitions, with some “specialist” facility management services beside the historical core business (hygiene services, green spaces and technical and maintenance services), in addition to linen rental and industrial laundering services and surgical instrument sterilization at healthcare facilities and high technology B2B services. Furthermore, the Group started a major process of business development in international markets from the 2015 financial year, by establishing the sub-holding company Rekeep World S.r.l.. The internationalization process led to the start-up of facility operations in France (through the sub-group controlled by Rekeep France S.a.S.), Turkey (through EOS and Rekeep United Yönetim Hizmetleri A.Ş.) and Saudi Arabia (through Rekeep Saudi Arabia Ltd

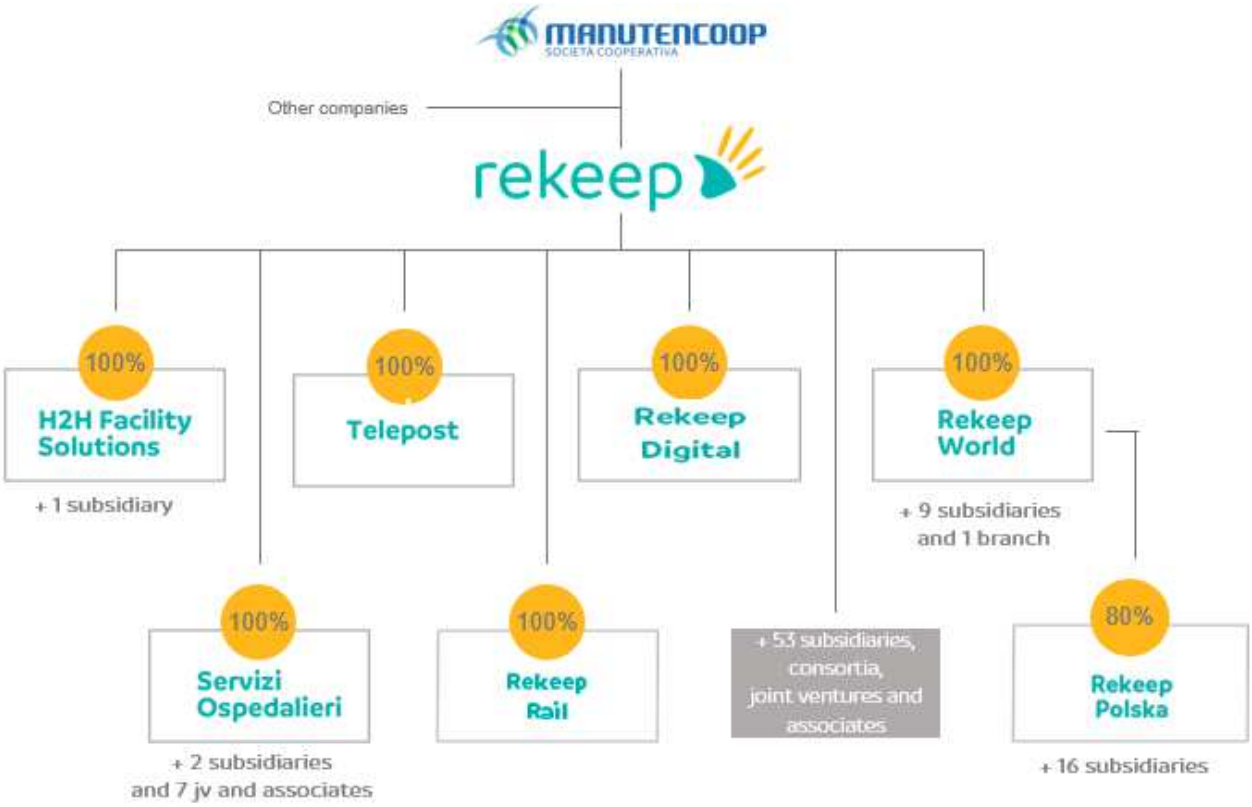
and Rekeep Arabia for Operations and Maintenance Ltd). Finally, the acquisition of the Polish company Rekeep Polska S.A. (formerly Naprzód S.A.), the parent company controlling the group with the same name, served to expand and strengthen the market position in the field of facility management in the healthcare sector.

## Shareholding structure

Ordinary shares issued by Rekeep S.p.A. and fully paid up at 31 March 2021 amounted to 109,149,600, with a par value of € 1 each. They are wholly held by Manutencoop Società Cooperativa, which also carries out Management and Coordination activities.

There are no other share classes. The Parent Company does not hold own shares.

The structure of the new Group controlled by Manutencoop Società Cooperativa, at the date of approval of the Interim Report on Operations, was the following:

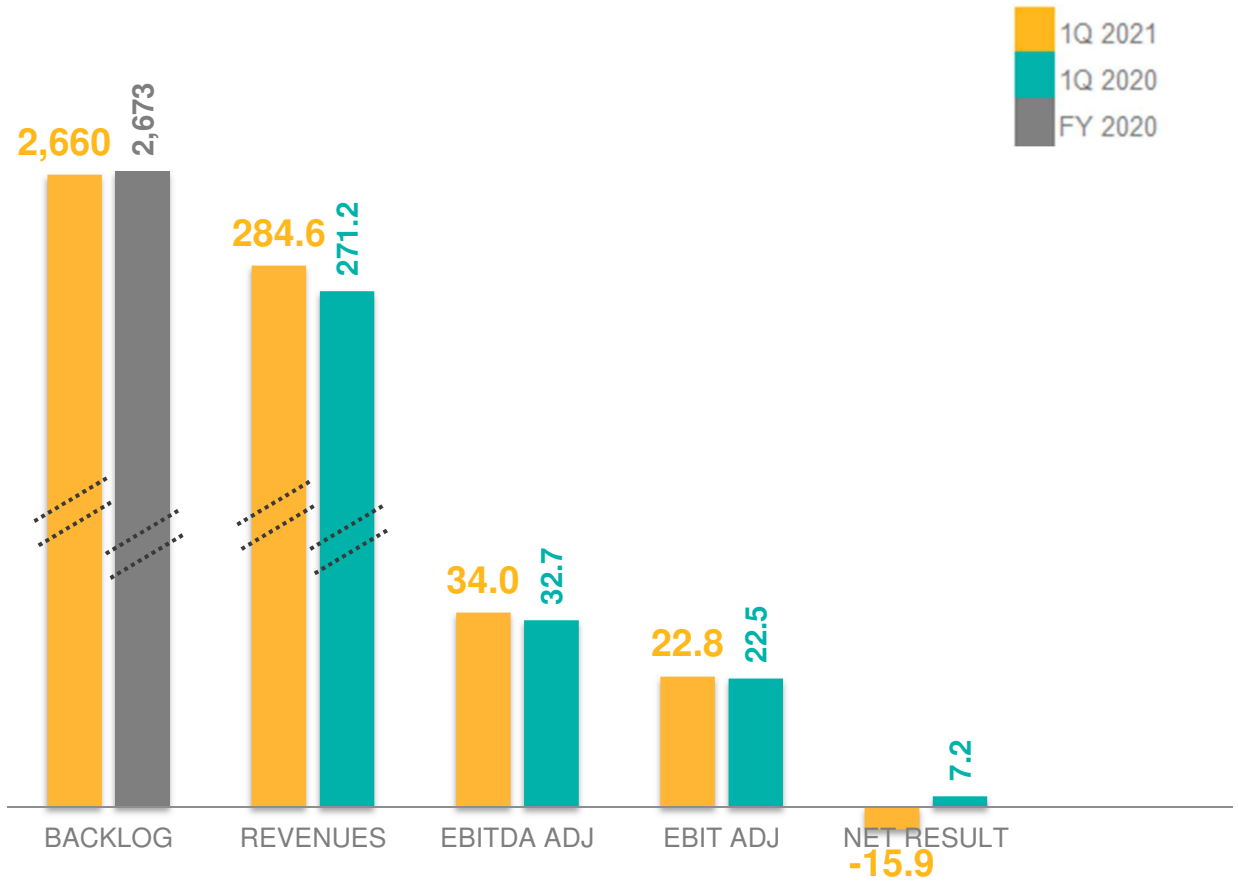


# NON-GAAP FINANCIAL MEASURES

The Rekeep Group's management monitors and assesses the business performance and consolidated results of operations and cash flows by using a number of financial ratios that are not defined under the international accounting standards IAS/IFRS ("Non-GAAP measures") and that are specified below. The Group's management considers that these financial ratios, which are not explicitly expressed in the accounting standards adopted to prepare the Consolidated Financial Statements, provide information which helps to understand and assess its overall financial and equity performance. These are widely used in the sector in which the Group operates but might not be directly comparable with those utilized by other companies, nor are they intended to replace the economic and financial performance ratios prepared in the application of the international accounting standards IAS/IFRS.

| | Definition |
|---|---|
| **Backlog** | The Backlog is the amount of contract fees not yet accrued and connected with the residual term of orders, which are held by the Group in the backlog |
| **Financial Capex** | Financial capex is the net expenditure on the acquisition of equity investments on business combinations and on grants of long-term loans. |
| **Industrial Capex** | Industrial CAPEX are defined as the purchase of (i) Property, plant and equipment, (ii) Property, plant and equipment under lease and (iii) other intangible assets. |
| **NWC** | Consolidated Net Working Capital (NWC) is defined as the consolidated NWOC which is added the amount of other operating assets and liabilities (other current assets, other current liabilities, current tax receivables and payables, current provisions for risks and charges). |
| **NWOC** | Consolidated Net Working Operating Capital (NWOC) is composed of "trade receivables and advance to supplier" and "inventories", net of "trade payables and contract liabilities". |
| **DPO** | DPO (Days Payables Outstanding) is a weighted average of days for payment of consolidated trade payables calculated as the ratio of trade payables, net of VAT on the amounts already received from the supplier, and costs over the last 12 months related to external production factors (included the capex) multiplied by the days of the reference period. |
| **DSO** | DSO (Days Sales Outstanding) is a weighted average of days for collection of consolidated trade receivables calculated as the ratio of trade receivables, net of VAT on the amounts already billed to customers, and revenues over the last 12 months multiplied by the days of the reference period. |

| | |
|---|---|
| **EBIT** | EBIT represents the Profit (Loss) before taxes gross of: i) Financial charges; ii) Financial income; iii) Dividend and income (loss) from sale of investments; iv) Share of net profit of associates; v) Profit (loss) on exchange rate. The Statement of Profit or Loss shows EBIT as "Operating Income". |
| **EBITDA** | EBITDA represents the Operating Income before allocations to the accrual of provisions for risks and amortization/depreciation, write-downs and write-backs of assets. EBITDA is a measure used by the Company's management to monitor and assess its operating performance and it is not identified as an accounting measure under IFRS. Therefore, it must not be considered an alternative measurement for evaluating the trend in the Group's profit/loss. Given that the breakdown of EBITDA is not regulated by the accounting standards, the calculation criteria applied by the Group may not be comparable. |
| **Adjusted EBIT or EBITDA** | Adjusted EBITDA and Adjusted EBIT do not include non-recurring elements recorded in the consolidated Statement of Profit/Loss for the year, as described in paragraph "Non-recurring events and transactions". |
| **Revenues, Normalized EBITDA or EBIT** | Normalized values represent Adjusted measures that also exclude the contribution to the consolidated profit/loss of the start-up activities relating to the subsidiary Yougenio S.r.l. until the second quarter of 2020 and to the sub-group controlled by Rekeep World S.r.l. until the 2019 financial year. |
| **Gross Debt** | Gross Debt is defined as the sum of debts for principal referring to: i) Senior Secured Notes; ii) Bank debts; iii) Current bank overdraft, advance payments and hot money; iv) Obligations arising from assignments of trade receivables with recourse; v) Financial lease obligations. |
| **LTM (Last Twelve Months)** | LTM values relate to the economic values or financial flows identified in the last 12 months, or in the last 4 financial reporting years. |
| **Net Cash** | Net Cash is defined as the balance of "Cash and cash equivalents" net of: i) Bank overdrafts, advance payments and hot money; ii) Obligations arising from assignments of trade receivables with recourse. |
| **Net Debt** | Net Debt is defined as Gross Debt net of the balance of Cash and cash equivalents and Current financial assets. |
| **NFP** | Consolidated Net Financial Position represents the balance of Long-term debt, Derivatives, Bank borrowings (including current portion of long-term debt) and other financial liabilities, net of the amount of receivables and other current financial assets and Cash and Cash equivalents. When it is negative, it is equivalent to the "Net Financial Indebtedness". |
| **Adjusted NFP and NWOC** | Adjusted NWOC and Adjusted NFP include the balance of the trade receivables assigned in the framework of the previous years' assignment without recourse programs and not yet collected by the factoring companies. |



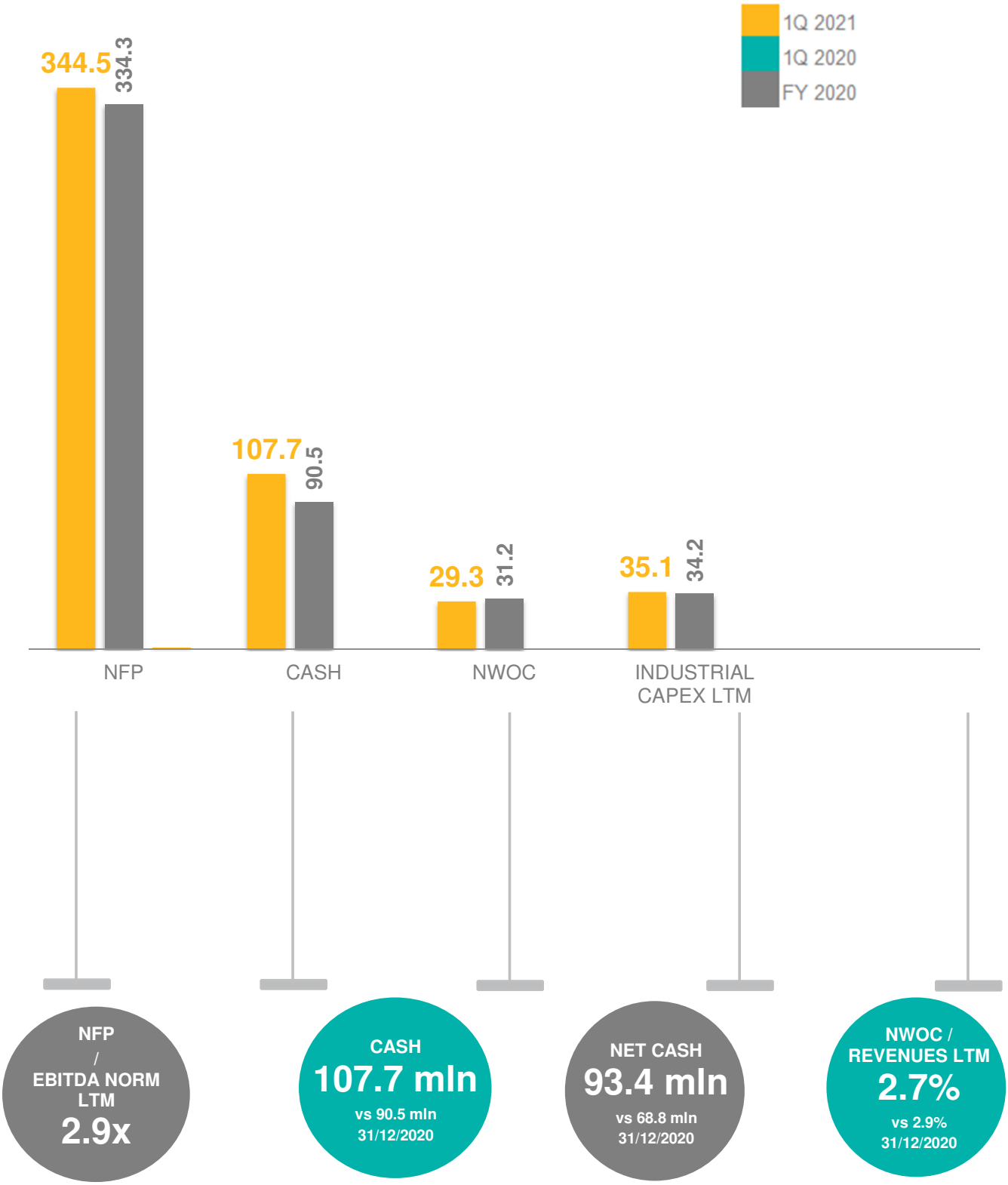

**BACKLOG/ REVENUES LTM**
**2.4x**
vs 2.5x
31/12/2020

**REVENUES**
**+5.0 %**
vs 13.3%
31/03/2020

**EBITDA/ REVENUES**
**11.6%**
vs 11.9%
31/03/2020

**EBITDA NORM/ REVENUES**
**12.0%**
vs 12.4%
31/03/2020

**EBIT NORM/ REVENUES**
**8.0%**
vs 8.7%
31/03/2020


1Q 2021
1Q 2020
FY 2020
344.5
334.3
107.7
90.5
29.3
31.2
35.1
34.2
NFP
CASH
NWOC
INDUSTRIAL CAPEX LTM
NFP / EBITDA NORM LTM 2.9x
CASH 107.7 mln vs 90.5 mln 31/12/2020
NET CASH 93.4 mln vs 68.8 mln 31/12/2020
NWOC / REVENUES LTM 2.7% vs 2.9% 31/12/2020

# INTERIM REPORT ON OPERATIONS

## SIGNIFICANT EVENTS OF THE FIRST QUARTER OF 2021

### *Continuation of the COVID-19 health emergency*

After a year marked by the Covid-19 pandemic, the first months of 2021 still saw the international scenario strongly affected by the health emergency that arose in early 2020. As from February 2021, the third wave of infections and deaths from COVID-19 led to new restrictive measures in many countries, including additional periods of lockdown, albeit in some cases partial, as in Italy. In January signs of optimism came from the start of the vaccination campaign against Coronavirus, although it was conditioned by the availability of vaccines and the time needed for their administration. After an initial period of uncertainty, vaccinations are continuing at a fast pace both in Italy and Europe, as well as in the rest of the world.

There were also signs that the economy was certainly improving in the first quarter of 2021: nevertheless, it had not yet reported an average positive trend, which could in any case become clearer by the end of the year. On the basis of the European data available to the ECB, the recovery in the European economy might take place in the second quarter, after weak conditions prevailed in early 2021, due to the continuation of the pandemic and the measures put in place to contain contagion. In order to fight recession and support recovery, the European Union's economic policy has developed the Next Generation EU plan for the three-year period from 2021 to 2023, an important tool with which it intends to deploy substantial EU resources to offer the countries that have been most affected by the pandemic crisis significant opportunities to finance their investments. On 29 April 2021 the Italian Council of Ministers approved a recovery plan known as the "National Plan for Recovery and Resilience" (PNNR, *Piano Nazionale per la Ripresa e la Resilienza*), which regulates the use of resources of € 70 billion of extra-deficit until 2033, to which must be added national resources for € 30.62 billion for the years from 2021 to 2026, which is currently being examined by the European Commission.

In compliance with the instructions given by the Italian Ministry of Health and the Regional Governments involved, the Parent Company and the Rekeep Group companies are taking preventive measures and issued operating instructions to contain the spreading of the virus and safeguard the users of its services, its workers, its customers and its potential visitors. The Rekeep Group companies are continuing to deliver their services at full working capacity where requested, adopting all the preventive measures necessary to safeguard employees and users. The Management continues to monitor the situation on an ongoing basis in order to be able to take, in real time, any decision required to protect the health of people who are involved for any reason and to limit costs, including through use of the incentives and social shock absorber measures provided by the Government.

The requests for extra services and supplies such as extraordinary sanitization and cleaning, fitting out hospital wards, other non-routine maintenance work, additional bed linen and clothing and other devices and personal protective equipment (PPE) for healthcare personnel continued in the first quarter of 2021.

In terms of results of operations, the quarter confirmed the growth trend in revenues, which came to € 284.6 million at 31 March 2021, up by € 13.5 million compared to the same period of the previous year (+5.0%). Profit margins remained substantially stable: Adjusted EBITDA, in fact, amounted to € 34.0 million for the quarter ended 31 March 2021, against € 33.4 million for the

same quarter of the previous year, and Adjusted EBITDA LTM continued to be on the rise (€ 121.1 million at 31 March 2021 and € 119.7 million at 31 December 2020).

### *New Senior Secured Notes bond issue*

On 18 January 2021, Rekeep S.p.A. announced the launch of an offering of Senior Secured Notes for a total nominal amount of € 350 million. The transaction was successfully formalized on 28 January 2021 with an issue at par due 2026, an annual fixed coupon of 7.25% (payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021) and non-callable repayment until 1 February 2023. The agreement ("Indenture") was signed between the issuer, Law Debenture Trust Corporation p.l.c. as trustee, Unicredit S.p.A. as Security Agent and Bank of New York Mellon as Paying and Transfer Agent. Within the scope of the transaction, JP Morgan Securities Plc and UniCredit Bank AG acted as Joint Global Coordinators and Joint Physical Bookrunners, while Goldman Sachs International and Credit Suisse acted as Joint Bookrunners. The stock was admitted for listing on the EURO MTF multilateral trading facility managed by the Luxembourg Stock Exchange and on the ExtraMOT multilateral trading facility, PRO segment, organized and managed by Borsa Italiana S.p.A.. The bonds were offered for subscription and were placed (i) in the United States of America, only reserved for qualified institutional buyers in accordance with Rule 144A of the Securities Act and (ii) outside of the United States of America in accordance with Regulation S of the Securities Act and in particular in Europe and in Italy, only subject to exemption from the EU and Italian regulations governing public offerings provided for in the Prospectus Directive, the Consolidated Act on Finance and the Issuers' Regulation.

On 9 February 2021, the Company also issued additional Senior Secured Notes with a par value of € 20 million at an issue price of 102.75% plus an amount equal to the interest that would have accrued on the Notes until (and excluding) 9 February 2021 in the event of them being issued on 28 January 2021. These Notes are regulated by the same terms and conditions as those issued previously (annual rate of 7.25% and due 2026) and will be formally registered in the same series as the latter ones.

The proceeds from offering the new Senior Secured Notes (totaling € 370 million), together with Cash and Cash equivalents that were already stated in the Company's accounts, were used to pay off the Senior Secured Notes that had been issued in 2017, with an annual coupon of 9% and due 2022, as well as to pay the costs sustained for the redemption premium of these Notes and replenish the liquidity with which the previous RCF line of credit had been repaid.

At the same time as the issue of 28 January 2021, Rekeep S.p.A. finally signed a new revolving loan agreement that will guarantee a senior secured line of credit ("RCF") for an amount of up to € 75 million, to be used for general purposes and to manage the working capital of the Issuer and its subsidiaries. In particular, the RCF loan agreement was entered into between, among others, Rekeep S.p.A., on the one hand, and on the other, Credit Suisse AG Milan Branch, Goldman Sachs Bank Europe SE, JP Morgan AG and Unicredit S.p.A. (as Mandated Lead Arrangers), Unicredit S.p.A. as Agent and Security Agent, and the Original Lenders. The interest rate applicable to each use of the RCF loan for each interest period will be equal to the percentage rate resulting from the sum of the fixed margin (equal to 3.5) and the applicable EURIBOR parameter.

### *Business development*

In 2021 the Group gained orders for an overall long-term amount of € 203 million, of which € 102 million relating to extensions and renewals of contracts already included in its sales portfolio and € 101 million relating to the development of a new portfolio. The value of contracts acquired in International Markets was equal to about 14% of the total orders gained during the period.

New contracts in the Healthcare sector amounted to € 168.8 million in the first quarter of 2021 (about 83.1% of total orders gained) against orders gained for € 20.8 million in the Public sector (10.2% of the total) and € 13.6 million in the Private sector (6.7% of the total). In terms of Strategic Business Unit ("SBU"), Facility Management (which also includes International Markets) obtained contracts of € 145.3 million while Laundering&Sterilization obtained contracts of € 57.9 million.

In the Healthcare market the Group was awarded a tender within a centralized bidding process launched by the Lazio Regional Government for the management of maintenance and energy services relating to properties used by healthcare facilities. For the Rekeep Polska Group note major orders that were gained for the renewal of portfolio contracts due to expire for hygiene, catering and medical transportation in the hospital sector, which is the key target market of the group.

Moreover, the subsidiary Servizi Ospedalieri S.p.A. gained a new linen rental and industrial laundering agreement at the Policlinico Gemelli in Rome. Finally, contracts were renewed for linen rental and industrial laundering services that were already included in the portfolio at some Health Care Units (ASL) in Toscana Region.

As regards the public Market, some contracts for hygiene services in the portfolio were renewed with Trenitalia S.p.A.; furthermore, a contract was renewed for energy services in favor of the municipality of San Lazzaro di Savena (BO). We must also note new orders for hygiene services in favor of Keolis, a subsidiary of the SNCF group, which is the main customer of subsidiary Rekeep Transport S.a.S., in France.

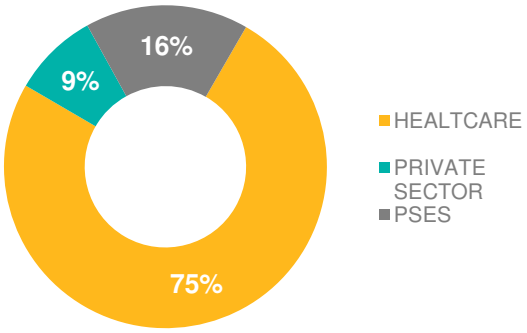
Finally, there were many renewals of expiring contracts, specifically hygiene contracts at shopping center and retail customers in the Private sector.

The **Backlog,** i.e. the amount of contractual revenues related to the residual duration of the job orders in the portfolio at that date, is expressed below in millions of Euro:

| | 31 March 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **Backlog** | 2,660 | 2,673 | 2,834 |

At 31 March 2021 the **Backlog** came to € 2,660 million, unchanged compared to the value posted at the end of 2020 (€ 2,673 million). On the other hand, the Backlog/Revenues ratio was 2.4x (2.5x at 31 December 2020).

**BACKLOG BY MARKET**



# 1. SUMMARY OF RESULTS OF THE FIRST QUARTER OF 2021

| | For the Quarter ended 31 March | | |
|---|---|---|---|
| | 2021 | 2020 | % |
| **Revenues** | 284,634 | 271,166 | + 5.0% |
| **Adjusted EBITDA (*)** | 34,040 | 32,688 | + 4.1% |
| **Adjusted EBITDA % of Revenues** | 12.0% | 12.1% | |
| **Adjusted EBIT (*)** | 22,848 | 22,510 | + 1.5% |
| **Adjusted EBIT % of Revenues** | 8.0% | 8.3% | |
| **Profit (loss) from continuing operations** | (15,885) | 2,985 | |
| **Consolidated net profit (loss)** | (15,869) | 7,202 | |

| | 31 March 2021 | 31 December 2020 | 31 March 2020 |
|---|---|---|---|
| **Net Operating Working Capital (NWOC)** | 29,341 | 31,193 | 31,449 |
| **Net Financial Position (PFN)** | (344,510) | (334,327) | (334,836) |

The 2021 financial year opened with the completion of the abovementioned refinancing transaction of the Rekeep Group, which saw the early redemption of Senior Secured Notes for € 333.9 million that had been issued below par in 2017, due 2022 and an annual fixed rate of 9%, as well as the issue at par of Senior Secured Notes for € 350 million, in addition to a further € 20 million issued above par, due 2026 and an annual fixed rate of 7.25%. The transaction, which will make it possible to achieve considerable savings in terms of financial costs in future financial periods, involves for the year 2021 an increase in non-recurring charges for a total of € 23.7 million relating to the early redemption of the previously-issued notes and the issue of new securities.

The 2020 financial year had started with the sale of Sicura S.p.A. and related subsidiaries, which gave rise to a capital gain of € 5.2 million (net of additional transaction costs) in the Consolidated Financial Statements. According to IFRS5, this capital gain had been stated as “Profit (loss) from discontinued operations” in the Interim Condensed Consolidated Financial Statements at 31 March 2020, as were the results of these operations.

(*) *Adjusted* economic figures are described in the following paragraph “Non-recurring events and transactions”.

# 2. GROUP'S PERFORMANCE OF OPERATIONS AND CONSOLIDATED FINANCIAL POSITION FOR THE QUARTER ENDED 31 MARCH 2021

## 2.1. Consolidated performance of operations in the first quarter of 2021

Below are reported the main income figures relating to the first quarter of 2021 compared to the figures in the same period of 2020.

| *(in thousands of Euro)* | For the quarter ended 31 March | | Change |
|---|---|---|---|
| | 2021 | 2020 | |
| Revenues | 284,634 | 271,166 | 13,468 |
| Costs of production | (251,520) | (238,942) | (12,578) |
| **EBITDA** | **33,114** | **32,224** | **890** |
| **EBITDA %** | **11.6%** | **11.9%** | |
| Amortization, depreciation, write-downs and write-backs of assets | (10,240) | (9,626) | (614) |
| Accrual and reversal of provisions for risks and charges | (952) | (1,512) | 560 |
| **Operating Income (EBIT)** | **21,922** | **21,086** | **836** |
| **EBIT %** | **7.7%** | **7.8%** | |
| Share of net profit of associates | 1,308 | 93 | 1,215 |
| Net financial charges | (34,068) | (11,756) | (22,312) |
| **Profit before taxes (EBT)** | **(10,838)** | **9,423** | **(20,261)** |
| **EBT %** | **N.A.** | **3.5%** | |
| Income taxes | (5,047) | (6,438) | 1,391 |
| **Profit (loss) from continuing operations** | **(15,885)** | **2,985** | **(18,870)** |
| Profit (loss) from discontinued operations | 16 | 4,217 | (4,201) |
| **CONSOLIDATED NET PROFIT (LOSS)** | **(15,869)** | **7,202** | **(23,071)** |
| **CONSOLIDATED NET PROFIT (LOSS) %** | **N.A.** | **2.7%** | |
| Minority interests | (1,191) | (142) | (1,049) |
| **NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | **(17,060)** | **7,060** | **(24,120)** |
| **NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %** | **N.A.** | **2.6%** | |

## NON-RECURRING EVENTS AND TRANSACTIONS

During the first quarter of 2021 the Rekeep Group recognized, in the Statement of Profit/Loss for the period, some "non-recurring" financial items which impacted on the normal dynamics of the consolidated results. Pursuant to CONSOB Communication DEM/6064293 of 28 July 2006, "*significant non-recurring events and transactions*" mean events or transactions whose occurrence is non-recurring or those transactions or events that are not repeated frequently as part of normal operations and have a significant impact on the financial position, results of operations and cash flows of Group companies.

The following non-recurring elements are recorded in the Consolidated Statement of Profit/Loss for the period:

| *(in thousands of Euro)* | For the quarter ended 31 March | |
|---|---|---|
| | 2021 | 2020 |
| Group refinancing costs | 775 | 0 |
| Legal advice on pending administrative disputes | 131 | 102 |
| Structural reorganization consulting fees | 21 | 166 |
| M&As and extraordinary transactions by Group companies | 0 | 96 |
| Other non-recurring expenses | 0 | 100 |
| **NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA** | **926** | **464** |
| Provision for non-recurring charges | 0 | 960 |
| **NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA AND EBIT** | **926** | **1,424** |

In 2021 the disputes pending with the Competition Authority (AGCM) and Consip S.p.A. continued (reference should be made to the paragraph on "Update on Legal Proceedings"). Furthermore, costs associated with the abovementioned refinancing transaction of the Group, which took place in January and February, were also recognized.

In the first quarter of 2020, additional costs were incurred for the acquisition of the Polish group controlled by Rekeep Polska (formerly Naprzód S.A.), which took place on 30 October 2019, as were costs in relation to notices of payment which related to companies that had been acquired in past years and which had not been reported previously since they were still unknown. Moreover, the quarter of 2020 had seen the allocation of the amount estimated for the risk associated with the probable incurrence of additional costs for the cogeneration business conducted at two private industrial sites, mainly relating to previous years.

Consolidated Adjusted EBITDA and EBIT are thus represented as follows:

| *(in thousands of Euro)* | For the quarter ended 31 March | |
|---|---|---|
| | 2021 | 2020 |
| **EBITDA** | **33,114** | **32,224** |
| Non-recurring charges (income) impacting on EBITDA | 926 | 464 |
| **Adjusted EBITDA** | **34,040** | **32,688** |
| **Adjusted EBITDA % on Revenues** | **12.0%** | **12.1%** |
| | | |
| **EBIT** | **21,922** | **21,806** |
| Non-recurring charges (income) impacting on EBITDA and on EBIT | 926 | 1,424 |
| **Adjusted EBIT** | **22,848** | **22,510** |
| **Adjusted EBIT % on Revenues** | **8.0%** | **8.3%** |

As mentioned in the preamble, the "normalized" figures for the first quarter of 2020 still excluded the results for the period of Yougenio S.r.l.. The subsidiary, which provided services to private consumers through an e-commerce platform, was considered in a start-up phase until 2019; however, it did not guarantee an increase in volumes and profit margins sufficient to reach breakeven and therefore, as from 1 May 2020, the company's online services were suspended and a formal resolution was passed to commence the winding-up process on 22 September 2020.

Therefore, consolidated Normalized EBITDA and EBIT – which exclude the contribution given by these start-ups – are shown below:

| *(in thousands of Euro)* | For the quarter ended 31 March | |
|---|---|---|
| | 2021 | 2020 |
| **ADJUSTED EBITDA** | **34,040** | **32,688** |
| Adjusted EBITDA related to start-up activities | 0 | 788 |
| **NORMALIZED EBITDA** | **34,040** | **33,476** |
| **NORMALIZED EBITDA % on Normalized Revenues** | **12.0%** | **12.4%** |
| | | |
| **ADJUSTED EBIT** | **22,848** | **22,510** |
| EBIT related to start-up activities | 0 | 1,094 |
| **NORMALIZED EBIT** | **22,848** | **23,604** |
| **NORMALIZED EBIT % on Normalized Revenues** | **8.0%** | **8.7%** |

## REVENUES

During the quarter ended 31 March 2021 the Group recorded ***Revenues*** of € 284.6 million, against € 271.2 million for the same period of the previous year, with a positive change of € 13.5 million (+5.0%).

Government measures put in place in relation to the "third wave" included containment measures and targeted lockdowns that did not entail a total closure of offices and public facilities, as well as of large private companies and retail operations; likewise, there was no drastic reduction in public and railway transport. On the other hand, the health emergency entailed a positive change in the volumes in the Healthcare sector, in which the Group committed significant resources to meeting a higher demand for sanitation, disinfection and maintenance of the Italian healthcare facilities, as well as an extraordinary supply of PPE. On the other hand, the first quarter of the previous year was partially hit by the effects of the total lockdown imposed during the first phase of the pandemic and the first effects of containment measures (closure of schools and public offices, in particular as from February 2020).

The breakdown of the consolidated Revenues in the first quarter of 2021 is provided below by target Market, compared to the value posted in the same period of the previous year.

## REVENUES BY MARKET

| *(in thousands of Euro)* | For the quarter ended 31 March | | | |
|---|---|---|---|---|
| | 2021 | % of total Revenues | 2020 | % of total Revenues |
| Healthcare | 167,365 | 58.8% | 158,234 | 58.4% |
| Private sector | 60,528 | 21.3% | 51,214 | 18.9% |
| PSEs | 56,741 | 19.9% | 61,718 | 22.8% |
| **CONSOLIDATED REVENUES** | **284,634** | | **271,166** | |

Revenues in the Healthcare sector increased by € 9.1 million compared to the first quarter of 2020, from € 158.2 million to € 167.4 million, thus accounting for 58.8% of total consolidated Revenues. In fact, there was still significant non-routine work requested by hospital trusts as a result of the “third wave” of the Covid-19 health emergency, in particular for cleaning, sanitization, fitting out triage areas and new Covid wards on the part of the Parent Company Rekeep, in addition to the supplies of linen and bulk materials (gowns) for Covid wards and the sale of PPE on the part of Servizi Ospedalieri and Medical Device. These additional activities more than offset the postponement of scheduled non-routine maintenance work and a reduction in the sterilization operations of surgical instruments and in routine hospitalization and outpatient operations, which were forced once again to be slowed down during the "third wave" of the pandemic. In this regard, the acquisition of the Polish sub-group led by

Rekeep Polska, which took place in the fourth quarter of 2019, confirmed and further strengthened the key role of the Healthcare market in the development strategies for the services provided by the Group.

The Private market also showed a volume growth in absolute value (+€ 9.3 million from € 51.2 million in the first quarter of 2020 to € 60.5 million in the first quarter of 2021), which was mainly reported in the facility management sector, relating to increased non-routine work with the customer Telecom and the commencement of hygiene and integrated services on new customers that were acquired by subsidiary H2H Facility Solutions at the end of 2020.

Finally, the Public market, which posted Revenues of € 56.7 million in the quarter, down by 8% compared to the same quarter of 2020 (- € 4.9 million), confirmed itself as the sector most vulnerable to the effects of the measures adopted to cope with the Covid-19 emergency in Italy. Despite a less stringent lockdown compared to the same period of the previous year and a more organized approach to the epidemic, even on the part of the main public operators, a portion of the revenues from cleaning and heat management services at schools, university centers, public offices and museums was no longer recorded, and there was a postponement of some of scheduled non-routine maintenance operations in the first quarter of 2021 too.

### *Analysis of revenues by Segment*

A comparison of Group Revenues by business segment is provided below. The business segments were identified on the basis of IFRS 8 and correspond to the following business areas: "*Facility Management*" and "*Laundering & Sterilization*".

## REVENUES BY SEGMENT

| *(in thousands of Euro)* | For the quarter ended 31 March | | | |
|---|---|---|---|---|
| | 2021 | % of total Revenues | 2020 | % of total Revenues |
| Facility Management | 241,420 | 84.8% | 237,140 | 87.5% |
| *of which International markets* | *35,903* | *12.6%* | *33,958* | *12.5%* |
| Laundering & Sterilization | 44,048 | 15.5% | 34,929 | 12.9% |
| Eliminations | (834) | | (904) | |
| **CONSOLIDATED REVENUES** | **284,634** | | **271,166** | |

The revenues of the Facility Management SBU increased by € 4.3 million compared to the same period of the previous year, from € 231.1 million in the first quarter of 2020 to € 241.4 million in the first quarter of 2021, due to boosting both the healthcare and private markets.

On the other hand, the revenues of the Laundering&Sterilization SBU increased from € 34.9 million for the quarter ended 31 March 2020 to € 44.0 million for the quarter ended 31 March 2021, with an increase of € 9.1 million (+ 26.11%), which was mainly

attributable to higher sales of PPE and the supply of bulk materials (gowns) and mattresses requested by the hospital trusts as a result of the third wave of the health emergency.

The higher volumes in the Laundering&Sterilization sector, driven by the healthcare emergency, confirmed the decline in the relative weight of the Facility Management SBU on total consolidated Revenues (87.5% in 2021 against 84.8% in 2020).

## EBITDA

The Group's EBITDA amounted to € 33.1 million in the quarter ended 31 March 2021, up by € 0.9 million compared to € 32.2 million for the first quarter of 20209. However, EBITDA during the two comparative periods expensed non-recurring costs of € 0.9 million at 31 March 2021 and € 0.5 million at 31 March 2020. Therefore, Adjusted EBITDA, excluding these non-recurring items, amounted to € 34.0 million at 31 March 2021 against Adjusted EBITDA of € 32.7 million at 31 March 2020 (+ € 1.4 million).

Below is provided a comparison of EBITDA by segment for the period ended 31 March 2021 and the period ended 31 March 2020:

## EBITDA BY SEGMENT

| *(in thousands of Euro)* | For the quarter ended 31 March | | | |
|---|---|---|---|---|
| | **2021** | **% of Revenues of the segment** | **2020** | **% of Revenues of the segment** |
| Facility Management | 21,603 | 8.9% | 23,916 | 10.1% |
| *of which International markets* | *(2,258)* | | *349* | |
| Laundering&Sterilization | 11,511 | 26.1% | 8,308 | 23.8% |
| **CONSOLIDATED EBITDA** | **33,114** | **11.6%** | **32,224** | **11.9%** |

The Facility Management sector showed EBITDA of € 21.6 million at 31 March 2021, down by € 2.3 million against € 23.9 million in the same period of 2020. Even excluding the non-recurring items that affected the consolidated results recorded during the two comparative periods, which had an impact of € 0.9 million and € 0.5 million (at 31 March 2021 and 31 March 2020, respectively) on this segment, Adjusted EBITDA by segment showed a slight decline. In the first quarter of 2021, in fact, the sector was affected by the negative contribution given by the International Markets, which was due to delays in operations concerning the contract for cleaning services within the scope of a construction project held by subsidiary Rekeep Saudi Arabia Ltd, despite a positive contribution given by the Group controlled by Rekeep Polska.

Furthermore, it should be noted that, as from the second quarter of 2020, the orders for the provision of cleaning services at schools under the Consip Scuole agreement ceased in Italy compared to the first quarter of 2020, following the re-insourcing of operations on the part of the Ministry of Education, Universities and Research.

EBITDA in the Laundering&Sterilization sector came to € 11.5 million in the first quarter of 2021, which posted a positive performance compared to the same period of 2020 (+ € 3.2 million). The adverse impact of the health emergency was also substantially offset by additional operations performed to meet customers' demand in the health sector as regards EBITDA in the segment, as well as revenues, this being a trend that had already been reported during 2020 and that was also seen during the "third wave".

### *Costs of production*

*Costs of production*, which amounted to € 251.5 million at 31 March 2021, showed an increase of € 12.6 million in absolute value compared to € 238.9 million at 31 March 2020 (+ 5.3%), in line with the trend recorded for revenues.

| *(in thousands of Euro)* | For the quarter ended 31 March | | | |
|---|---|---|---|---|
| | **2021** | **% of total** | **2020** | **% of total** |
| Costs of raw materials and consumables | 51,682 | 20.5% | 50,451 | 21.1% |
| Change in inventories of finished and semi-finished products | 3,348 | 1.3% | 191 | 0.1% |
| Costs for services and use of third-party assets | 82,210 | 32.7% | 74,156 | 31.0% |
| Personnel costs | 112,499 | 44.7% | 111,303 | 46.6% |
| Other operating costs | 1,807 | 0.7% | 2,911 | 1.2% |
| Lower costs for internal work capitalized | (26) | N.A. | (70) | N.A. |
| **TOTAL COSTS OF PRODUCTION** | **251,520** | | **238,942** | |

*Costs of raw materials and consumables* during the first quarter of 2021 amounted to € 51.7 million, up by € 1.2 million (+2.4%) compared to the value posted in the same period of 2020, which led to a slight decline in the impact on total Costs of Production (20.5% at 31 March 2021 compared to 21.1% at 31 March 2020). In the first quarter of 2021 the consumption of clothing and apparel due to the ongoing health emergency became important, as was the cost for fuel consumption following a reduction in the average price of methane and the efficiency improvement actions put into practice in the first quarter of 2020.

*Inventories of finished and semi-finished products* also recorded a positive change of € 3.2 million at 31 March 2021 *(*€ 0.2 million in the first quarter of 2020) in view of the higher inventories of products of Medical Device S.p.A., a Group company dedicated to the production and sale of medical devices and PPE.

*Costs for services and use of third-party assets* came to € 82.2 million at 31 March 2021, up by € 8.1 million compared to the value posted at 31 March 2020 (€ 74.2 million) with an impact of 32.7% on total Costs of Production (31.0% at 31 March 2020). The trend in the related incidence of *Costs for services and use of third party assets* on the total was directly due to production activities (third-party and professional services, as well as consortia costs), which are typically linked to the mix of services being delivered and to any possible resulting make-or-buy choices.

*Personnel costs* showed an increase of € 1.2 million in absolute terms (+ 1.1%) from €111.3 million at 31 March 2020 to € 112.5 million at 31 March 2021, with an incidence on total Costs of Production equal to 44.7% at 31 March 2021 (against 46.6% at 31 March 2020).

The average number of employees in service during the first quarter of 2021 was equal to 27,908 units, while it was 27,367 during the same period in the previous year (of which: 26,186 against 25,546 manual workers), thus remaining substantially stable. As it was said for costs for services, the trend in the number of Group employees, and in particular manual workers, was closely related to the mix of services being delivered, as well as to the impact of related costs on total operating costs.

*Other operating costs* at 31 March 2021 amounted to € 1.8 million (€ 2.9 million at 31 March 2020). The decrease of € 1.1 million was mostly attributable to the contribution of Other operating costs relating to duties, penalties and sundry operating charges.

## Operating income (EBIT)

In the first quarter of 2021 consolidated Operating Income (**EBIT**) stood at € 21.9 million (7.7% of Revenues) against € 21.1 million (7.8% of Revenues) for the same period in 2020.

EBIT for the period was affected by the above-mentioned consolidated performance in terms of EBITDA (+ € 0.9 million compared to the first quarter of the previous year), from which must be deducted *amortization and depreciation* of € 9.2 million (€ 9.2 million at 31 March 2020), of which an amount of € 1.7 million relating to the amortization of Rights of Use (in line with the same period of 2020), as well as *write-downs of receivables and reversals* of € 1.0 million (€ 0.4 million at 31 March 2020). In the first quarter of 2021 *Accruals to provisions for risks and charges (net of reversals)* were also recorded for € 1.0 million (€ 1.5 million at 31 March 2020, which included a non-recurring accrual of € 1.0 million that the parent company Rekeep S.p.A. had accounted for against the risk associated with the probable incurrence of additional costs for co-generation operations performed at two private industrial sites, mainly relating to previous years).

**Adjusted EBIT** (which recognized the same non-recurring items impacting on Adjusted EBITDA, in addition to the aforesaid non-recurring accrual in the first quarter of 2020) came to € 22.8 million and € 22.5 million at 31 March 2021 and 31 March 2020, respectively, with relative profit margins (Adjusted EBIT/Revenues) equal to 8.0% and 8.3%, respectively.

Below is a comparison of Operating Income (EBIT) by business segment for the period ended 31 March 2021 and that posted in the same period in 2020:

## EBIT BY SEGMENT

| *(in thousands of Euro)* | For the quarter ended 31 March | | | |
|---|---|---|---|---|
| | **2021** | **% of Revenues by segment** | **2020** | **% of Revenues by segment** |
| Facility Management | 15,191 | 6.3% | 17,170 | 7.2% |
| *of which International markets* | *(3,150)* | | *(606)* | |
| Laundering&Sterilization | 6,732 | 15.3% | 3,916 | 11.2% |
| **CONSOLIDATED EBIT** | **21,923** | **7.7%** | **21,086** | **7.8%** |

The EBIT in the *Facility Management* segment came to € 15.2 million (6.3% of related segment Revenues) at 31 March 2021, against EBIT by segment of € 17.2 million (7.2% of related segment Revenues) at 31 March 2020 thus showing a decrease compared to the same period in the previous year (- € 2.0 million). The adjusted values reflect this trend, with adjusted EBIT by segment decreasing from € 18.6 million at 31 March 2020 to € 16.2 million at 31 March 2021, and operating profit margins which came to 7.8% and 7.7%, respectively.

EBIT by segment reflected the abovementioned performance in terms of EBITDA (- € 2.3 million) to which must be added lower amortization and depreciation for € 0.5 million, higher write-downs of trade receivables for € 0.6 million. On the other hand, lower net accruals to provisions for future risks and charges were recognized for € 0.5 million (which included the abovementioned non-recurring accruals for € 1.0 million in the first quarter of 2020).

To the positive performance in terms of EBITDA in the *Laundering&Sterilization* segment for the first quarter of 2021 compared to the same period of the previous year, must be added, at segment EBIT level, higher amortization and depreciation for € 0.5 million, as well as non-significant write-downs of trade receivables of less than € 0.1 million (unchanged compared to 31 March 2020) and no accruals to provisions and releases for future risks and charges were recorded in the first quarter of 2021 (against an accrual of € 0.1 million at 31 March 2020). Profit margins by segment then showed an improvement, coming to 15.3% in terms

of EBIT on related Revenues by segment (11.2% at 31 March 2020). No non-recurring items were reported in the segment results in the two comparative quarters.

## Profit before taxes from continuing operations

To the consolidated EBIT must be added the net proceeds of companies valued at equity, equal to € 1.3 million (€ 0.1 million at 31 March 2020) for the recognition of profits that arose at the reporting date of financial statements of certain associates.

Net financial charges of € 34.1 million were also recorded (€ 11.8 million at 31 March 2020), thus obtaining a Result before taxes from continuing operations that posted a loss of € 10.8 million (against a profit of € 9.4 million at 31 March 2020).

Below is provided the breakdown by nature of net financial charges for the first quarter of 2021 and for the same period of the previous year:

| *(in thousands of Euro)* | For the quarter ended 31 March | |
|---|---|---|
| | 2021 | 2020 |
| Dividends, income (charges) from sale of equity investments | 562 | 12 |
| Financial income | 209 | 176 |
| Financial charges | (35,165) | (12,245) |
| Profit (loss) on exchange rate | 326 | 301 |
| **NET FINANCIAL CHARGES** | **(34,068)** | **(11,756)** |

No dividends from non-consolidated companies were collected in the first quarter of 2021(€ 12 thousand at 31 March 2020). On the other hand, net capital gains of € 0.6 million were recognized on the sale of non-consolidated investments.

Financial income amounted to € 0.2 million in the first quarter of 2021, substantially unchanged compared to the same period of 2020.

In the period the impact of *financial charges* on the consolidated results of operations was equal to € 35.2 million compared to € 12.2 million for the same period of 2020.

During the first quarter of 2021, the Group completed a refinancing transaction, which entailed an early redemption of the Senior Secured Notes issued in 2017, due 2022 and a coupon at an annual fixed rate of 9% (for a nominal value of € 333.9 million at the settlement date), as well as the issue of new Senior Secured Notes due 2026 and a coupon at an annual fixed rate of 7.25% for a total amount of € 370.0 million. This transaction, which will allow in the next financial years a reduction in the weight of financial charges on results of operations (payable with a coupon on a six-monthly basis on 1 February and 1 August, as from 1

August 2021) entailed the payment of non-recurring financial charges for € 23.7 million in the first quarter of 2021. Specifically, the Group incurred costs related to the early redemption for € 15.0 million, on the basis of the redemption premium set in the rules of the Senior Secured Noted paid off. The repayment of the Notes also entailed the reversal through profit or loss for the period of the residual additional costs to the issue in 2017, accounted for according to the amortized cost method, equal to € 5.8 million. At the same time as the bond issue the Revolving Credit Facility line of € 50.0 million was repaid, which had not been drawn down at the time of the redemption, with the consequent reversal through profit or loss of the residual portion of the costs concerning this loan (initially equal to € 1.0 million), which are also amortized on a straight-line basis throughout the term of the credit facility (€ 0.3 million).

Finally, non-recurring financial charges include bank fees for the new issue of € 2.6 million.

In addition, during the first quarter of 2021 the newly-issued Senior Secured Notes were affected by the financial charges for the period due to: (i) the financial charges accrued on the coupons, equal to € 4.6 million (€ 7.9 million in the same period of 2020 on the previous bond issue); (ii) the accrued portion of the upfront fees relating to the issue, accounted for according to the amortized cost method, which entailed financial amortization charges of € 0.3 million (€ 0.9 million at 31 March 2020 on the previous bond issue). Furthermore, the income statement includes financial charges of € 2.3 million related to the Notes of 2017 before redemption.

At the same time as the bond issue, the Parent Company entered into a new Super Senior Revolving loan agreement for € 75.0 million (for which no drawdown had been requested at the reporting date), costs of which (initially equal to € 1.3 million) are also amortized on a straight-line basis throughout the term of the credit facility and generated financial charges of € 0.2 million (including commitment fees charged by banks), unchanged compared to the accrued portion generated by the previous Super Senior Revolving credit line in the first quarter of 2020.

Interest discount costs were also recognized for € 1.1 million during the first quarter of 2021 in relation to the assignments of trade and VAT receivables without recourse, unchanged compared to the same period of the previous year.

Finally, foreign exchange gains of € 0.3 million were recorded at 31 March 2021, mainly linked to the fluctuations in Euro/ Turkish Lira and Polish Zloty exchange rates during the period.

## Consolidated net result

From the Result before taxes from continuing operations for the period (equal to a loss of € 10.8 million) must be deducted taxes of € 5.0 million, thus obtaining a Net result from continuing operations consisting of a loss of € 15.9 million (against a profit of € 3.0 million at 31 March 2020).

Consolidated net profit (loss) also included a Profit from discontinued operations of less than € 0.1 million, compared to a positive balance of € 4.2 million at 31 March 2020, which was realized following the completion of the sale of the total share capital of Sicura S.p.A. to Argos Wityu, a pan-European Private Equity fund, on 28 February 2020, which had given rise to a capital gain of € 5.2 million in the Consolidated Financial Statements, net of additional transaction costs and the effects of consolidation.

The table below reports a breakdown of the consolidated tax rate:

| *(in thousands of Euro)* | For the quarter ended 31 March | |
|---|---|---|
| | 2021 | 2020 |
| **Profit before taxes from continuing operations** | **(10,838)** | **9,423** |
| Current, prepaid and deferred IRES tax | (3,403) | (4,874) |
| Current, prepaid and deferred IRAP tax | (1,643) | (1,564) |
| **Net profit (loss) from continuing operations** | **(15,884)** | **2,985** |
| **Tax rate from continuing operations** | **N.A.** | **68.3%** |
| Profit/(loss) before taxes from discontinued operations | 16 | 4,823 |
| Taxes on profit/(loss) from discontinued operations | 0 | (606) |
| **Consolidated net result** | **(15,869)** | **7,202** |
| **Overall tax rate** | **N.A.** | **49.4%** |

As already mentioned, Profit (loss) before taxes was affected by non-recurring financial charges of € 23.7 million relating to the refinancing transaction that took place in early 2021, which have rise to a Loss before taxes from continuing operations for € 10.8 million.

Furthermore, during the first quarter of 2020 the Group recognized a Profit before taxes from discontinued operations equal to € 4.8 million, including the aforementioned capital gain from sale of consolidated investments, which gave rise to a tax effect of € 0.1 million (the balance of the item, however, was not significant at 31 March 2021).

The Group recognized lower current, prepaid and deferred tax of € 1.9 million compared to the previous year, which were affected by a lower IRES tax charge and a substantial lack of changes in IRAP tax.

Finally, the Group reported a consolidated Net loss for the period equal to € 15.8 million, against a consolidated Net profit of € 7.2 million at 31 March 2020.

## Analysis of the Statement of financial position as at 31 March 2021

The statement of Sources and Uses is reported below:

| *(in thousands of Euro)* | 31 March 2021 | 31 December 2020 |
|---|---|---|
| **USES** | | |
| Trade receivables and advances to suppliers | 440,761 | 431,121 |
| Inventories | 9,653 | 12,921 |
| Trade payables and contract liabilities | (421,073) | (412,849) |
| **Net working operating capital** | **29,341** | **31,193** |
| Other elements of working capital | (166,230) | (161,427) |
| **Net working capital** | **(136,889)** | **(130,234)** |
| Property, plant and equipment and assets under finance leases | 88,708 | 88,127 |
| Rights of use for operating leases | 33,607 | 34,415 |
| Goodwill and other intangible assets | 423,790 | 424,215 |
| Investments accounted for under the equity method | 10,422 | 9,140 |
| Other elements of non-current assets | 33,931 | 34,012 |
| **Fixed Assets** | **590,458** | **589,909** |
| Non-current liabilities | (52,890) | (52,812) |
| **NET INVESTED CAPITAL** | **400,679** | **406,863** |
| **SOURCES** | | |
| Equity attributable to non-controlling interests | 4,360 | 3,199 |
| Equity attributable to equity holders of the parent | 51,809 | 69,337 |
| **Shareholders' equity** | **56,169** | **72,536** |
| Net financial indebtedness | 344,510 | 334,327 |
| *of which fair value of call options on subsidiaries' non-controlling interests* | *13,603* | *13,077* |
| **FINANCING SOURCES** | **400,679** | **406,863** |

### Net working capital

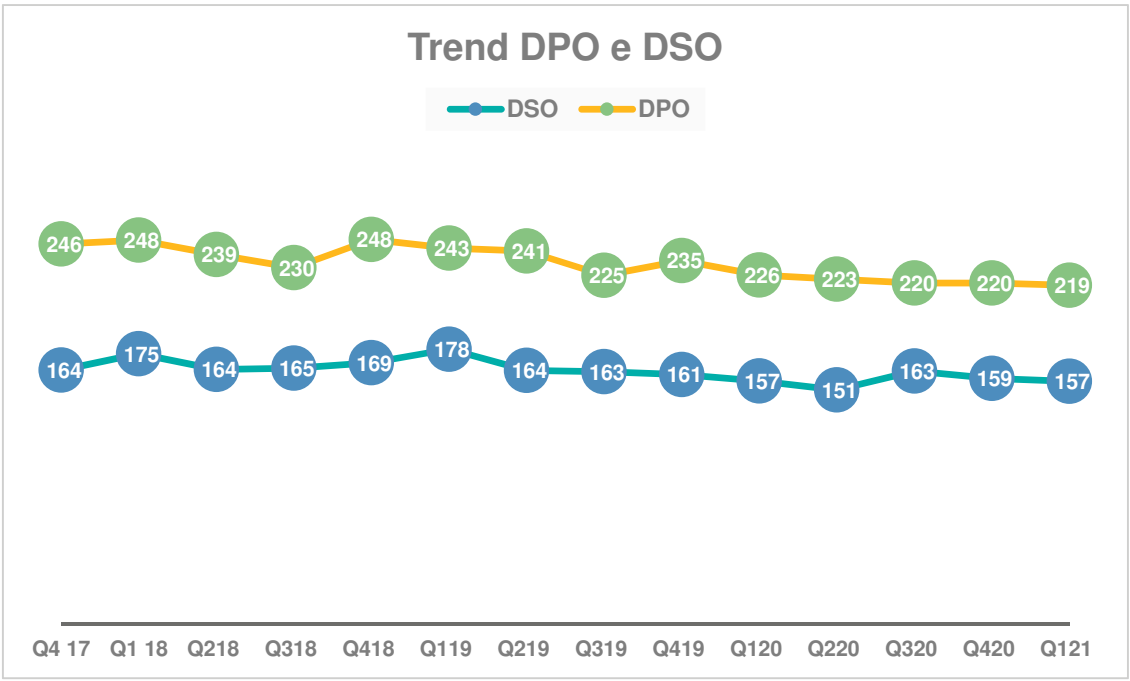
At 31 March 2021 Consolidated Net Working Capital (**NWC**) posted a negative value of € 136.9 million against a negative value of NWC of € 130.2 million at 31 December 2020.

At 31 March 2021, the consolidated Net Working Operating Capital (**NWOC**), composed of trade receivables and advances to suppliers and inventories, net of trade payables and contract liabilities, was equal to € 29.3 million against € 31.2 million at 31 December 2020. Considering the balance of receivables assigned without recourse by the Group and not yet collected by the

factoring agencies (equal to € 69.6 million at 31 March 2021 and € 76.8 million at 31 December 2020) the **Adjusted NWOC** stood at € 98.9 million and € 108.0 million, respectively.

The change in the latter indicator (- € 9.1 million) was mainly due to the balance of trade payables (+ € 8.2 million) against a more significant increase in trade receivables (+ € 2.4 million, while considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring companies).

At 31 March 2021 average DSO was 157 days against 159 days at 31 December 2020 and 157 days at 31 March 2020. Furthermore, average DPO stood at 219 days, showing a decrease compared to the value posted at 31 December 2020 (220 days) and 31 March 2020 (226 days), thus confirming a lower use of leverage on payments to suppliers with respect to the benefits of financial flows obtained from receipts.




The balance of the other elements in working capital at 31 March 2021 was a net liability of € 166.2 million, up by € 4.8 million compared to a net liability of € 161.4 million at 31 December 2020:

| *(in thousands of Euro)* | 31 March 2021 | 31 December 2020 | Change |
|---|---|---|---|
| Current tax receivables | 8,310 | 10,010 | (1,700) |
| Other current assets | 31,552 | 25,636 | 5,916 |
| Provisions for risks and charges, current | (10,957) | (10,550) | (407) |
| Current tax payables | (3,497) | (2,274) | (1,223) |
| Other current liabilities | (191,638) | (184,249) | (7,389) |
| **OTHER ELEMENTS IN WORKING CAPITAL** | **(166,230)** | **(161,427)** | **(4,803)** |

The change in net liability of other working capital elements compared to 31 December 2020 was attributable to a combination of factors, mainly including:

- the increase in the net VAT credit balances of the Group companies that are predominantly subject to a VAT invoicing system based on "Split payment" and "Reverse charge" (+ € 4.2 million). These credit balances allowed, during the first quarter of 2021 the performance of assignments without recourse of the balances on account of refund required from the Tax Authorities, for a total amount of € 5.9 million;
- the decrease in the balance of net current tax receivables, equal to € 4.8 million at 31 March 2021, against a net receivable of € 7.7 million at 31 December 2020.
- At 31 December 2020 the Parent Company Rekeep S.p.A. recorded a liability under "Other current liabilities" of € 82.2 million related to the Competition Authority's fine on the Consip FM4 tender, after the appeal filled by the Company was partially granted. On 22 December 2020, in fact, the Revenue Agency sent the related updated installment plan, deducting the installments already paid as deposit for € 3.0 million. The amount of the debt stated in the accounts also includes estimated surcharges and collection costs (equal to € 2.6 million). Finally, it should be noted that the Company resumed operations to pay monthly installments on 24 January 2021, and this debt was recognized for a residual value of € 77.8 million at 31 March 2021 (€ 79.4 million at 31 December 2020), given the payment of three installments in the quarter.

## Other long-term liabilities

"Other long-term liabilities" include liabilities relating to:

- defined-contribution plans for employee benefits, mainly including Employee Termination Benefits (TFR), equal to € 11.0 million and € 11.3 million at 31 March 2021 and 31 December 2020, respectively;
- long-term portion of Provisions for risks and charges (€ 24.2 million at 31 March 2021 against € 24.7 million at 31 December 2020);
- deferred tax liabilities of € 17.6 million (€ 16.7 million at 31 December 2020).

## Consolidated net financial indebtedness

Details of net financial indebtedness at 31 March 2021 are shown below, as determined on the basis of the instructions laid down in CONSOB Communication no. DEM/6064293 of 28 July 2006, compared to the figures at 31 December 2020.

| *(in thousands of Euro)* | 31 March 2021 | 31 December 2020 |
|---|---|---|
| A. Cash | 158 | 144 |
| B. c/a, bank deposits and consortia, non-proprietary accounts | 107,514 | 90,320 |
| C. Securities held for trading | 0 | 0 |
| **D. Cash and cash equivalents (A) + (B) + (C)** | **107,672** | **90,464** |
| **E. Current financial assets** | **5,260** | **5,994** |
| F. Current bank overdraft | 5,019 | 5,950 |
| G. Current portion of non-current debt | 6,029 | 3,308 |
| H. Other current financial liabilities | 33,299 | 40,790 |
| **I. Current financial indebtedness (F)+(G)+(H)** | **44,347** | **50,048** |
| **J. Net current financial indebtedness (I) - (D) - (E)** | **(68,585)** | **(46,410)** |
| K. Long-term bank debt and Senior Secured Notes | 363,952 | 329,205 |
| L. Other non-current financial liabilities | 49,143 | 51,532 |
| M. Derivatives | 0 | 0 |
| **N. Non-current financial indebtedness (K) + (L) + (M)** | **413,095** | **380,738** |
| **O. NET FINANCIAL INDEBTEDNESS (J) + (N)** | **344,511** | **334,327** |

Consolidated net financial debt increased from € 334.3 million at 31 December 2020 to € 344.5 million at 31 March 2021.

The assignments of trade receivables without recourse continued in the first quarter of 2021. The Parent Company Rekeep S.p.A. and Servizi Ospedalieri S.p.A. entered into a three-year maturity factoring agreement without recourse with Banca Farmafactoring S.p.A., concerning the assignment of receivables, without recourse and on a revolving basis, they claimed from entities in the Italian National Health System and Public Authorities, for an amount of up to € 200 million. During the first quarter of 2021 assignments of receivables without recourse were made under this contract for € 36.6 million. The Parent Company also signed an additional uncommitted factoring agreement with Banca IFIS, concerning the assignment without recourse of trade receivables specifically accepted for the individual transactions carried out. Receivables from private entities and Public Authorities were assigned for € 13.0 million during the period, in consideration of this contract. Furthermore, an additional line for assignments without recourse up to € 20 million on a revolving basis is in place with Unicredit Factoring S.p.A, which is also aimed at converting credit positions into cash specifically agreed with the factor and which was also used for the assignment of receivables from

private individuals for a total amount € 2.4 million during the period. Finally, spot assignments of trade receivables from public customers were carried out with Banca Sistema for € 10.0 million, as were assignments of receivables from private companies and companies in the large-scale retail trade for € 16.1 million and assignments of VAT credits requested for refund for a total of € 5.9 million. All assignments without recourse carried out were subject to derecognition according to IFRS9.

The consolidated net adjusted financial debt for the amount of trade receivables assigned without recourse to factoring companies, which had not been collected by them at the reporting date (totaling € 69.6 million at 31 March 2021 against € 76.8 million at 31 December 2020) came to € 414.1 million against € 411.2 million at 31 December 2020.

Finally, the accounting adjustment related to the remaining discounted value of future operating lease payments (according to IFRS16) was equal to € 39.8 million and € 38.8 million at 31 March 2021 and 31 December 2020, respectively.

At 31 March 2021 the balance of Cash and cash equivalents, net of short-term credit lines (known as "Net Cash") amounted to € 93.4 million (€68.8 million at 31 December 2020):

| *(in thousands of Euro)* | **31 March 2021** | **31 December 2020** |
|---|---|---|
| Cash and cash equivalents | 107,672 | 90,464 |
| Current bank overdraft, advance payments and hot money | (5,019) | (5,950) |
| Obligations arising from assignments of trade receivables with recourse | (9,242) | (15,732) |
| **NET CASH** | **93,411** | **68,782** |

Below is a breakdown of the net financial exposure by bank credit lines and financial leases (Net Debt) compared to 31 December 2020:

| *(in thousands of Euro)* | **31 March 2021** | **31 December 2020** |
|---|---|---|
| Senior Secured Notes (nominal value) | 370,000 | 333,900 |
| Bank debts (nominal value) | 1,414 | 1,407 |
| Financial lease obligations | 4,456 | 6,426 |
| Current bank overdraft, advance payments and hot money | 5,019 | 5,950 |
| Obligations arising from assignments of receivables with recourse | 9,242 | 15,732 |
| Reverse factoring payables | 5,643 | 4,629 |
| **GROSS DEBT** | **395,775** | **368,044** |

| | | |
|---|---|---|
| Current financial assets | (5,260) | (5,994) |
| Cash and cash equivalents | (107,672) | (90,464) |
| **NET DEBT** | **282,843** | **271,586** |

On 28 January 2021 the Parent Company Rekeep S.p.A. formalized the issue of new Senior Secured Notes for a total nominal amount of € 350 million. The Notes are issued at par, due 206 and an annual fixed coupon of 7.25% payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021. In addition, on 9 February 2021 the Company also issued additional Senior Secured Notes with a par value of € 20 million at an issue price of 102.75%, plus an amount equal to the interest that would have accrued on the Notes until (and excluding) 9 February 2021 in the event of them being issued on 28 January 2021. These Notes are regulated by the same terms and conditions as those issued previously (annual rate of 7.25% and due 2026).

At the same time, the Parent Company paid the Senior Secured Notes issued in 2017 with an annual coupon of 9% and due 2022, for a residual nominal value of € 333.9 million.

Finally, lower uses of credit lines for the assignment with recourse of trade receivables (€ 9.2 million al 31 March 2021 against € 15.7 million at 31 December 2020) were recorded, as were uses of reverse factoring lines for € 5.6 million (€ 4.6 million at 31 December 2020) and lower uses in Current bank overdraft, advance payments and hot money (€ 5.0 million al 31 March 2021 and € 5.9 million at 31 December 2020).

The change in Cash and cash equivalents is analyzed in the table below, showing the cash flows for the first quarter of 2021, compared with the figures for the same period of the previous year. A reconciliation between the items in the table below and those in the statutory schedule of the Interim Report on Operations reported in the condensed Explanatory notes pursuant to IAS 7 is reported in the Annexes, to which reference should be made.

| *(in thousands of Euro)* | 2021 | 2020 |
|---|---|---|
| **At 1 JANUARY** | **90,464** | **97,143** |
| Cash flow from current operations | (1,994) | 19,743 |
| Uses of provisions for risks and charges and for employee termination indemnity | (1,483) | (2,318) |
| Change in NWOC | 806 | (17,169) |
| Industrial Capex net of disposals | (7,800) | (7,597) |
| Financial Capex net of disposals | 522 | 51,528 |
| Change in net financial liabilities | 27,391 | 58,560 |
| Other changes | (234) | (12,396) |
| **AT 31 MARCH** | **107,672** | **187,494** |

The overall cash flows mainly reflect:

- outflows from current operations for € 2.0 million (a cash inflow of € 19.7 million at 31 March 2020), which were significantly impacted by the costs of the already mentioned refinancing transaction;
- outflows from the use of provisions for future risks and charges and for employee termination benefits for € 1.5 million (€ 2.3 million at 31 March 2020);
- a cash flow of € 0.8 million (€ 17.2 million at 31 March 2020) generated from changes in NWOC resulting from an outflow correlated to an increase in trade receivables for € 10.7 million (€ 23.4 million for the first quarter of 2020) against inflows relating to a change in inventories for € 3.3 million and in the balance of trade payables for € 8.2 million (+ € 6.5 million at 31 March 2020);
- a cash flow of € 8.5 million used in investing activities (€ 7.7 million at 31 March 2020), net of disposals for € 0.7 million (€ 0.1 million at 31 March 2020);
- inflows from financial investments and disinvestments of € 0.5 million at 31 March 2021 generated from the sale of non-consolidated investments for € 0.8 million, net of a loan paid to an associate, against inflows of € 51.5 million at 31 March 2020, arising from the sale of Sicura S.p.A. for a consideration of € 53.5 million, net of additional transaction costs, which was followed by the acquisition of minority interests of the corporate vehicle controlling the company for € 2.0 million;
- an increase in net financial liabilities for € 27.4 million, which was mainly due to (i) the abovementioned refinancing transaction, which entailed the recognition of a higher capital debt equal to € 36.1 million; (ii) other changes in the liability related to the use of short-term credit lines for hot money and advances on invoices (- € 0.9 million) and for assignments of trade receivables with recourse (- € 6.5 million), as well as for reverse factoring transactions(+ Euro 1,0 million); (iii) a lower liability recognized against factoring firms for amounts received on receivables that had been previously assigned without recourse and returned to them in the subsequent quarter (- € 1.9 million); (iv) an increase in the financial liability recognized on operating and finance leases (- €1.0 million); (v) the change in the balance of accrued interest (+ € 3.3 million). During the first quarter of 2020, there was the recognition of an increase in net financial liabilities for € 58.6 million, mainly linked to activating the Revolving Credit Facility for € 50.0 million, in addition to other changes in the liability related to the use of short-term credit lines for hot money and advances on invoices (+ € 1.3 million) and for assignments of trade receivables with recourse (- € 2.9 million), as well as to the liabilities recognized against factoring firms for amounts received on receivables that had been previously assigned without recourse and returned to them in the subsequent quarter (+ € 15.6 million). Finally, there was the recognition of a higher accrual relating to the coupons of the Notes due 15 June 2020 for € 8.0 million and the payment of a portion of the debt for the dividend resolved by the Parent Company in December 2019 (€ 11 million) during the first quarter;
- outflows arising from other changes recorded in the period for € 0.2 million, mainly due to the net effect of: (i) the changes in the net VAT credit balance of the Group companies, which increased by € 4.2 million in the first quarter of 2021, albeit against assignments without recourse totaling € 5.9 million; (ii) a decrease, among “Other operating current liabilities”, in the payable related to the fine imposed by the Competition Authority in relation to the FM4 Tender (- € 1.7 million); (iii) the

accounting effects of the recognition of contingent liabilities due to the options of purchase subsidiaries' minority shareholdings (put options), equal to - € 0,5 million in the period; (iv) the trend in debt balances for payments due to the members of the Temporary Business Grouping for (- € 2.8 million). Other changes in the first quarter of 2020 absorbed total flows of € 12.4 million, mainly due to the net effect of: (i) the changes in the net VAT credit balance of the Group companies, which increased by 4.4 million during the period albeit against assignments without recourse amounting to € 7.6 million; (ii) a decrease, among "Other operating current liabilities", in the payable related to the fine imposed by the Competition Authority in relation to the FM4 Tender (- € 3.0 million and its consequent payment); (iii) financial flows arising from the deconsolidation of assets and liabilities relating to the Sicura sub-group.

## Industrial and financial Capex

In the first quarter of 2021 the Group made gross capital expenditures which totaled € 8.6 million (€ 7.7 million at 31 March 2020), from which must be deducted disinvestments of € 0.7 million (€ 0.1 million at 31 March 2020):

| *(in thousands of Euro)* | For the quarter ended 31 March | |
|---|---|---|
| | 2021 | 2020 |
| Acquisitions of fixed assets under finance lease | 116 | 132 |
| Purchases of properties | 0 | 946 |
| Purchase of plant and equipment | 7,248 | 5,199 |
| Other capital expenditures in intangible assets | 1,228 | 1,392 |
| **INDUSTRIAL CAPEX** | **8,592** | **7,669** |

Acquisitions of plant and equipment include the purchase of linen on the part of Servizi Ospedalieri S.p.A. for the linen rental and industrial laundering business, which requires periodic and frequent repairs, equal to € 5.1 million at 31 March 2021 against € 4.0 million at 31 March 2020.

Investments in intangible assets amounted to € 1.2 million in the period (€ 1.4 million at 31 March 2020) and mainly related to ICT investments by the Parent Company for the upgrading and enhancement of its SAP infrastructure.

Finally, investments in new finance leases for the quarter related to linen rental and industrial laundering operations of Servizi Ospedalieri S.p.A. for € 0.1 million in line with the same period of the previous year.

Below is reported the breakdown of capital expenditures in terms of SBUs:

| *(in thousands of Euro)* | For the quarter ended | |
|---|---|---|
| | 2021 | 2020 |
| Facility Management | 2,819 | 3,030 |
| *of which relating to International Markets* | *1,260* | *1,449* |
| Laundering & Sterilization | 5,774 | 4,639 |
| **INDUSTRIAL CAPEX** | **8,592** | **7,669** |

Finally, the cash flow for financial investments posted a positive value of € 0.5 million at 31 March, which was generated from the net effect of the collection of the price for the sale of an associate entity for € 0.8 million, partially absorbed by the disbursement of a loan to a non-strategic company for € 0.3 million. At 31 March 2020, the cash flow for investments had posted a positive value of € 51.5 million, due to the net financial effects arising from the sale of Sicura S.p.A., which had entailed the collection of an amount of € 55.0 million on the closing date, net of additional costs of € 1.6 million. On the same date, Rekeep S.p.A. paid a consideration of € 2.0 million for the acquisition of 5.96% of EULIQ VII S.A., a newco with registered office in Luxembourg, which directly controls AED S.r.l., with the aim to maintain and industrial partnership with the group controlled by Sicura S.p.A..

## Change in Net financial liabilities

The table below shows the changes that were recorded in the period in the items making up consolidated financial liabilities:

| *(in thousands of Euro)* | 31 December 2020 | New loans | Refunds/ repayments | Buy-back/ Early redemption | Other changes | 31 March 2021 |
|---|---|---|---|---|---|---|
| Senior Secured Notes | 328,082 | 370,000 | | (333,900) | (1,341) | 362,841 |
| Bank loans | 1,407 | 12 | (5) | | | 1,414 |
| Current bank overdrafts, advance payments and hot money | 5,950 | 5,019 | (5,950) | | | 5,019 |
| Accrued and deferred expenses on loans | 783 | | (1,336) | | 3,747 | 3,195 |
| **BANK DEBTS** | **336,222** | **375,031** | **(7,290)** | **(333,900)** | **2,406** | **372,468** |
| Finance lease obligations | 6,426 | 116 | (2,085) | | | 4,456 |
| Operating lease liabilities | 38,788 | 1,115 | | (206) | 83 | 39,779 |
| Payables for assignments of trade receivables with recourse | 15,732 | 8,468 | (14,958) | | | 9,242 |
| Reverse factoring payables | 4,629 | 5,643 | (4,629) | | | 5,643 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Due to factoring agencies for assignments with recourse | 9,935 | 8,019 | (9,935) | | | 8,019 |
| Put option fair value | 13,077 | | | | 526 | 13,603 |
| Other financial liabilities | 5,976 | 93 | (1,836) | | | 4,232 |
| **FINANCIAL LIABILITIES** | **430,785** | **398,484** | **(40,735)** | **(334,106)** | **3,015** | **457,443** |
| Current financial assets | (5,994) | (32) | 766 | | | (5,260) |
| **NET FINANCIAL LIABILITIES** | **424,790** | **398,452** | **(39,968)** | **(334,106)** | **3,015** | **452,183** |

At 31 March 2021, a significant event was the refinancing transaction prepared by the Parent Company Rekeep S.p.A., which had launched the issue of Senior Secured Notes reserved for institutional investors for € 350 million on 18 January 2021; the transaction was completed on 28 January at an issue price of 100%, followed by an additional issue of Notes for € 20 million on 9 February at an issue price of 102.75% under the same terms and conditions as those issued previously, i.e. due 2026, an annual fixed coupon of 7.25% (payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021) and non-callable repayment until 1 February 2023. Therefore, the debt for principal relating to the Senior Secured Notes was equal to € 370.0 million at 31 March 2021, to which must be added the accounting adjustment on the issue additional costs, accounted for according to the amortized cost method (€ 7.2 million). The financial amortization of this adjustment generated financial costs for € 0.2 million in the first quarter of 2021.

At the same time as the issue of Notes the Company also signed a new revolving loan agreement in a maximum amount of € 75 million. However, the facility was not drawn down during the quarter. The Super Senior Revolving loan agreement provides for compliance with a financial covenant, which is preliminary to the possible use of the line granted. This financial covenant is in line with the market practice for similar financing transactions and is recognized on a quarterly basis on the basis of the data relating to the last 12 months, as resulting from the financial position, results of operations and cash flows approved during the quarter prior to the date of the application for use of the credit facility.

On the other hand, the new issue allowed the repayment of the previously issued Senior Secured Notes, issued in 2017, due 2022 and with an annual fixed coupon of 9%, for an amount on account of principal of € 333.9 million, which was accounted for, according to IFRS 9, net of an adjustment for recognition of discount and issue additional cost for a residual amount of € 5.8 million, fully recycled among financial charges for the period.

Furthermore, at 31 March 2021 there was the recognition of accrued expenses on loans in a total amount of € 4.6 million (related to the amount accrued on the bond coupon due 1 August 2021) and prepaid financial expenses of € 1.5 million, of which an amount of € 1.2 million relating to the remaining amount of costs to be amortized for obtaining the Revolving Credit Facility, for an initial amount of € 1.3 million and amortized on a straight-line basis throughout the term of the credit facility (financial charges of € 0.1 million recognized in the period).

As at the reporting date of the quarter short-term uncommitted credit lines had been used for hot money and advances on invoices for € 5.0 million (aimed at meeting peaks in temporary cash requirements linked to the natural performance of operations), against

a balance of € 5.9 million at 31 December 2020. Furthermore, Rekeep S.p.A. used credit lines for the assignment of trade receivables with recourse with Banca Sistema, concerning receivables from customers in the Public sector. During the first quarter of 2021 assignments were made in an overall nominal amount of € 8.5 million and the lines had been used for € 9.2 million at 31 March 2021 (€ 15.7 million at 31 December 2020). A liability of € 5.6 million was also recognized at 31 March 2021, relating to reverse factoring lines used to ensure a greater amount of cash on some significant suppliers (€ 4.6 million at 31 December 2020).

The Group companies collected amounts of € 8.0 million at 31 March 2021, concerning receivables included in assignments without recourse for which the respective debtors have not made any payment to the bank accounts specified by the factor. These amounts constitute a financial liability for the Group, which gave rise to the payment of said amounts in the first days of the subsequent quarter.

The financial liability relating to the discounted value of future lease payments to be made on property and operating leases amounted to € 39.8 million at 31 March 2021 against € 38.8 million at 31 December 2020. During the first quarter of 2021 new agreements were entered into and rentals were revalued for a present value of € 1.1 million upon recognition, while contracts with a residual value of € 0.2 million were early terminated. On the other hand, a residual debt of € 4.5 million (€ 6.4 million at 31 December 2020) , was recognized against finance leases at 31 March 2021, of which an amount of € 3.8 million for property and equipment of the Laundering&Sterilization SBU and € 0.7 million relating to the Facility Management SBU.

Furthermore, contingent liabilities were recognized under financial liabilities for the acquisition of investments for a total amount of € 13.6 million, relating to the put option granted to the seller on the 20% minority interest under the Investment Agreement which led to the acquisition of Rekeep Polska (€ 12.0 million), in addition to the put option granted in favor of the minority shareholder Rekeep France on the remaining 30% of the share capital (€ 1.6 million).

Finally, “Other financial liabilities” include loans taken out by Group companies against non-banking counterparties.

On the other hand, the balance of short-term financial assets decreased by € 0.7 million during 2021, mainly due to a change in the balance of pledged current accounts used within the scope of the abovementioned agreements for the assignment of trade receivables without recourse, for which the parent company Rekeep S.p.A. operates the collection service (- € 0.7 million). Receivables of € 1.4 million were also recognized in 2020 in relation to the sale by Servizi Ospedalieri S.p.A. of Linea Sterile S.r.l., a non-strategic investment that was sold on 29 December 2020 for a total consideration of € 3.6 million (of which € 1.5 million collected upon closing and € 1.4 million to be collected by the end of 2021).

## 3. UPDATE ON LEGAL PROCEEDINGS

The updates are described below, which were reported at the date of approval of the Interim Report on Operations on the disputes described in the explanatory notes of the Consolidated Financial Statements, to which reference should be made for more details.

### *ANAC's disqualification order - Santobono Pausilipon*

On 10 November 2017 ANAC, after the completion of proceedings initiated in November 2016 following a report made by A.O.R.N. Santobono Pausilipon in Naples, imposed a sanction (the "ANAC Order") on Rekeep S.p.A. (Manutencoop Facility Management S.p.A. at that time), raising objections concerning the failure to provide a declaration relating to the absence of criminal proceedings against one of the Company's proxy holders in the documentation submitted for the same tender, which took place in 2013. On the other hand, this proxy holder met the legal requirements in full. The ANAC order provided, in addition to a fine of € 10 thousand, for the Company to be disqualified from all public tenders for a period of 6 months as from the date of entry in the computerized records of economic operators in public contracts. The Company successfully challenged the order before the Regional Administrative Court, but, within appellate proceedings brought by ANAC, the disqualification order was confirmed by the Council of State; at the end of the procedure for application of extraordinary means of appeal (appeal for review and judicial appeal to the Supreme Court), it became final on 4 December 2020 with the filing of the Supreme Court's judgment no. 27770/2020. As a result of this judgment, any suspension effect of ANAC Resolution no. 1106/2017 was therefore removed, which entails, in addition to a fine of € 10,000, the exclusion of Rekeep S.p.A. from public tender procedures and subcontracting of public contracts for a period of 6 months in accordance with Legislative Decree 50 of 2016 (the "Public Contracts Code"). The entry, which had been previously blacked out by ANAC, was therefore re-inserted in the computerized records of economic operators in public contracts relating to works, services and supplies as from 25 December 2020 and until 17 June 2021. Rekeep S.p.A. had formally asked ANAC to postpone the immediate new reinstatement of the entry in the records until the conclusion of the proceedings initiated by ANAC on the Application for Reexamination submitted on 20 October 2020 and, subordinately, to specify that the disqualifying effects of these records, as provided for by Article 38, paragraph 4, of the "Rules for the management of the Computerized Records of public contracts for works, services and supplies, in accordance with Article 213, paragraph 10, of Legislative Decree no. 50 of 18 April 2016", are only limited to exclusion "from tender procedures or from access to qualification if the expiry of the time limit set for submitting bids or the application for qualification falls within the effective period of the entry". ANAC replied to this notice with an additional memo sent on 5 January 2021, whereby it also notified that it rejected the Company's request and intended to reinstate the entry in question, as any other wording would not be in line with the principle according to which tendering requirements must necessarily be met on an ongoing basis». The Company lodged an appeal against this order before the Lazio Regional Administrative Court, which, by a judgment dated 29 March 2021, declared the appeal inadmissible. The Company filed an appeal against this judgment together with an application for preliminary request, which was accepted by the Council of State by an order dated 23 April 2021. In light of this, any effect of the ANAC order must be regarded as suspended at present. Moreover, following the summary examination of the precautionary proceedings phase, the Council of State held that "the principle of strictly legal typicality of the sanctions (....) has been breached, given that (...) the failure to make a statement with which the Company has been charged under the order does not coincide with a false statement".

A detailed report on the administrative procedures in progress and further assessments made by the Directors at the end of the reporting period of the Consolidated Financial Statements at 31 March 2021 are included in the explanatory notes (notes 14 and 15), to which reference is made.

## 4. SUBSEQUENT EVENTS

Binding agreement for the acquisition of 60% of the quotas of U.Jet S.r.l.

On 1 April 2021, the Group, through its subsidiary Servizi Ospedalieri S.p.A., signed a binding agreement for the acquisition of an investment equal to 60% of the quota capital of U.Jet S.r.l., a leading company in the production of non-woven fabric (TNT) devices mainly aimed at the healthcare market, which can count on 2 clean rooms for the packaging and composition of disposable fabric surgical kits for the healthcare markets, with over 500 facilities served between Italy and Poland. U.Jet, with registered office in Bastia Umbra (PG), achieved pro-forma consolidated revenues of € 11.2 million in 2020, mainly in the Italian market.

The corporate partnership with the current management will create significant development synergies with other Group companies operating in the sector, and will allow the Group to expand its offer of services in support of the healthcare business.

The closing is expected in the second quarter of 2021, and will involve a financial commitment linked to the company's future performance and deferred in more than one tranche over the next two years.

## 5. BUSINESS OUTLOOK

In terms of financial performance, the first quarter of 2021 showed good results obtained in terms of reduction in Net Working Operating Capital, which, at the beginning of the year, did not show the typical increase due to the seasonality of the business: this result was obtained thanks to efforts made in managing working capital on an ongoing basis, on which the Group will continue to work in the coming months of 2021.

This result was even more significant if read together with the refinancing transaction that was completed in January 2021 and that will ensure a clear improvement in terms of financial costs (from a nominal percentage of 9% to a nominal percentage of 7.25%) and further stability in terms of debt repayment (now set at 2026). Furthermore, the bond issue launched in 2021 (for a total of € 370 million) was linked to a new RCF line for a maximum amount of € 75 million, which ensures greater financial flexibility and the possibility of meeting peak requirements for financial resources in the very short-term period.

In terms of results of operations, the good performance recorded in the Facility Management sector in the first quarter of 2021, above all in the private market, and the continuation of the positive trend in the Laundering & Sterilization sector, which was also due to non-routine work linked to the current pandemic emergency, lay good foundations for the achievement of the objectives

set by the Group for the current year. A positive performance was also reported on international markets, despite an opposite signal coming from Saudi Arabia, where the pandemic has led to delays in implementing the infrastructure project in which the Group is involved for the provision of hygiene services; the management is taking any and all measures to stop losses and recover costs as early as in the coming quarters.

For the coming months it is difficult to define what the prevailing trend might be due to the uncertainty caused by the evolution and effects of the pandemic, which unfortunately is still in progress despite the launch of the vaccination campaign in full operation and, in particular, the momentum recorded at the beginning of May, which could lead to an acceleration in the coming months, with benefits at a social level and therefore on a full resumption of activities.

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| *(in thousands of Euro)* | NOTES | 31 March 2021 | 31 December 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipments | 4 | 79,425 | 79,219 |
| Property, plant and equipments under lease | 5 | 42,890 | 43,323 |
| Goodwill | 6-7 | 402,562 | 402,562 |
| Other intangible assets | 6 | 21,228 | 21,653 |
| Investments accounted for under the equity method | 8 | 10,422 | 9,140 |
| Other investments | 9 | 7,129 | 7,130 |
| Non-current financial assets | 9 | 5,799 | 5,529 |
| Other non-current assets | 9 | 3,080 | 3,408 |
| Deferred tax assets | | 17,923 | 17,945 |
| **TOTAL NON-CURRENT ASSETS** | | **590,458** | **589,909** |
| **CURRENT ASSETS** | | | |
| Inventories | | 9,653 | 12,921 |
| Trade receivables and advances to suppliers | 10 | 440,761 | 431,121 |
| Current tax receivables | | 8,310 | 10,010 |
| Other current assets | 10 | 31,552 | 25,636 |
| Current financial assets | 12 | 5,260 | 5,994 |
| Cash and cash equivalents | 12 | 107,672 | 90,464 |
| **TOTAL CURRENT ASSETS** | | **603,208** | **576,146** |
| Assets held for sale | 17 | 0 | 0 |
| **TOTAL NON-CURRENT ASSETS HELD FOR SALE** | | **0** | **0** |
| **TOTAL ASSETS** | | **1,193,666** | **1,166,055** |

| *(in thousands of Euro)* | NOTES | 31 March 2021 | 31 December 2020 |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | | 109,150 | 109,150 |
| Reserves | | 11,753 | 13,055 |
| Retained earnings | | (52,034) | 30,286 |
| Profit/(loss) for the year attributable to equity holders of the Parent | | (17,060) | (83,154) |
| **EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **51,809** | **69,337** |
| Capital and reserves attributable to non-controlling interests | | 3,169 | 496 |
| Profit/(loss) for the year attributable to non-controlling interests | | 1,191 | 2,703 |
| **EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS** | | 4,360 | 3,199 |
| **TOTAL SHAREHOLDERS' EQUITY** | **11** | **56,169** | **72,536** |
| **NON-CURRENT LIABILITIES** | | | |
| Employee termination indemnity | 13 | 11,013 | 11,267 |
| Provisions for risks and charges, non-current | 14 | 24,227 | 24,777 |
| Long-term financial debt | 12 | 413,095 | 380,738 |
| Deferred tax liabilities | | 17,590 | 16,708 |
| Other non-current liabilities | | 60 | 60 |
| **TOTAL NON-CURRENT LIABILITIES** | | **465,985** | **433,550** |
| **CURRENT LIABILITIES** | | | |
| Provisions for risks and charges, current | 14 | 10,957 | 10,550 |
| Trade payables and contract liabilities | 16 | 421,073 | 412,849 |
| Current tax payables | | 3,497 | 2,274 |
| Other current liabilities | 16 | 191,638 | 184,249 |
| Bank borrowings, including current portion of long-term debt, and other financial liabilities | 12 | 44,347 | 50,047 |
| **TOTAL CURRENT LIABILITIES** | | **671,512** | **659,969** |
| Liabilities directly associated with non-current assets held for sale | 17 | 0 | 0 |
| **TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE** | | **0** | **0** |
| **TOTAL LIABILITIES** | | **1,193,666** | **1,166,055** |

## CONSOLIDATED STATEMENT OF PROFIT (LOSS) FOR THE PERIOD

| *(in thousands of Euro)* | NOTES | For the quarter ended | |
|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 |
| **REVENUE** | | | |
| Revenue from contracts with customers | | 283,981 | 269,236 |
| Other revenue | | 653 | 1,930 |
| **TOTAL REVENUE** | | **284,634** | **271,166** |
| **OPERATING COSTS** | | | |
| Costs of raw materials and consumables | | (51,682) | (50,451) |
| Change in inventories of finished and semi-finished products | | (3,348) | (191) |
| Costs for services and use of third-party assets | | (82,210) | (74,156) |
| Personnel costs | | (112,499) | (111,303) |
| Other operating costs | | (1,807) | (2,911) |
| Lower costs for internal work capitalized | | 26 | 70 |
| Amortization, depreciation, write-downs and write-backs of assets | 4-5-6 | (10,240) | (9,626) |
| Accrual (reversal) to provisions for risks and charges | 14 | (952) | (1,512) |
| **TOTAL OPERATING COSTS** | | **(262,712)** | **(250,080)** |
| **OPERATING INCOME** | | **21,922** | **21,086** |
| **FINANCIAL INCOME AND EXPENSES** | | | |
| Share of net profit of associates | 8 | 1,308 | 93 |
| Dividend and net income/(loss) from sale of investments | | 562 | 12 |
| Financial income | | 209 | 176 |
| Financial expenses | | (35,165) | (12,245) |
| Gains / (losses) on exchange rate | | 326 | 301 |
| **Profit/(loss) before taxes** | | **(10,838)** | **9,423** |
| Income taxes | | (5,046) | (6,438) |
| **Profit/(loss) from continuing operations** | | **(15,885)** | **2,985** |
| Profit/(loss) from discontinued operations | 17 | 16 | 4,217 |
| **Net profit (loss) for the period** | | **(15,869)** | **7,202** |
| Net profit (loss) attributable to non- controlling interests | | (1,191) | (142) |
| **NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **(17,060)** | **7,060** |

| | For the quarter ended | |
|---|---|---|
| | 31 March 2021 | 31 March 2020 |
| Basic earnings/(losses) per share | (0.156) | 0.065 |
| Diluted earnings/(losses) per share | (0.156) | 0.065 |
| Basic earnings/(losses) per share from continuing operations | (0.156) | 0.026 |
| Diluted earnings/(losses) per share from continuing operations | (0.156) | 0.026 |

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| *(in thousands of Euro)* | NOTES | For the quarter ended | |
|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 |
| **NET PROFIT/LOSS FOR THE PERIOD** | | **(15,869)** | **7,202** |
| *Other components of the comprehensive income, which will be subsequently reclassified under profit/(loss) for the period:* | | | |
| Differences arising from translation of financial statements in foreign currency | | (458) | 623 |
| Share of other comprehensive income for the period of entities accounted for using the equity method, which will be subsequently reclassified under profit/(loss) for the period | 8 | (39) | (69) |
| **Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/(loss) for the period** | | **(497)** | **554** |
| **TOTAL PROFIT/(LOSS) IN THE STATEMENT OF COMPREHENSIVE INCOME, NET OF TAXES** | | **(497)** | **554** |
| **TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAXES** | | **(16,366)** | **7,757** |
| Equity holders of the Parent | | (17,528) | 7,678 |
| Non-controlling interests | | 1,162 | 79 |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| *(in thousands of Euro)* | NOTES | For the quarter ended | |
|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 |
| **Net profit (loss) from continuing operations** | | **(15,869)** | **2,985** |
| Income taxes for the period | | 5,046 | 6,438 |
| **Profit before taxes for the period** | | **(10,822)** | **9,423** |
| Profit/(loss) from discontinued operations for the period | | 16 | 4,217 |
| Capital gains (losses) from disposal on equity investments | | 0 | (14,899) |
| Other unrealized write-downs on discontinued operations | | 0 | 409 |
| Amortization, depreciation, write-downs and (write-backs) of assets | | 10,240 | 10,227 |
| Accrual (reversal) of provisions for risks and charges | | 952 | 1,520 |
| Employee termination indemnity provision | | 115 | 230 |
| Payments of employee termination indemnity | | (369) | (697) |
| Utilization of provisions for risks and charges | | (1,114) | (1,622) |
| Share of net profit of associates, net of dividends collected | | (1,308) | (93) |
| Financial charges (income) for the period | | 34,630 | 12,143 |
| **Operating cash flows before movements in working capital** | | **32,340** | **20,858** |
| *Of which relating to discontinued operations* | | *0* | *(8,050)* |
| *Of which relating to continuing operations* | | *32,340* | *28,908* |
| Decrease (increase) of inventories | | 3,268 | (379) |
| Decrease (increase) of trade receivables | | (10,686) | (23,431) |
| Decrease (increase) of other current assets | | (5,588) | (6,842) |
| Increase (decrease) of trade payables | | 8,224 | 6,641 |
| Increase (decrease) of other current liabilities | | 6,927 | 462 |
| **Change in Working Capital** | | 2,145 | (23,550) |
| Net interest received (paid) in the period | | (24,881) | (2,503) |
| Income taxes paid in the period | | (1,220) | (1,666) |
| **Net cash flow from operating activities** | | **8,383** | **(6,861)** |
| (Purchase of intangible assets, net of sales) | 6 | (1,228) | (1,392) |
| (Purchase of property, plant and equipment) | 4-5 | (7,248) | (6,277) |
| Proceeds from sales of property, plant and equipment | 4-5 | 676 | 72 |
| (Net acquisition of investments) | | 776 | (2,000) |
| Decrease (increase) of financial assets | | (302) | 380 |
| Financial effects of business combinations | | 0 | 0 |

| *(in thousands of Euro)* | NOTES | For the quarter ended | |
|---|---|---|---|
| | | 31 March 2021 | 31 March 2020 |
| Discontinued operations | 17 | 0 | 55,041 |
| **Net cash flow from (used in) investing activities** | | **(7,326)** | **45,824** |
| Change in finance lease debt | 12 | (1,969) | (519) |
| New (repayment of) operating leases | 12 | (124) | (2,393) |
| Proceeds from non-current borrowings | 12 | 370,000 | 52,324 |
| Repayment of non-current borrowings | 12 | (333,900) | (2,078) |
| Proceeds from/(repayment of) current borrowings | 12 | (931) | 1,286 |
| Other change in financial debt | 12 | (16,467) | 2,093 |
| (Acquisition)/sale of minority interests in subsidiaries | | 0 | 52 |
| Differences from financial statements translation in foreign currency | | (480) | 804 |
| **Net cash flow from / (used in) financing activities** | | **16,130** | **51,568** |
| **Changes in cash and cash equivalents** | | **17,186** | **90,532** |
| Cash and cash equivalents at the beginning of the period | | 90,464 | 97,143 |
| Changes in cash and cash equivalents | | 17,186 | 90,532 |
| Translation differences on cash and cash equivalents | | 22 | (180) |
| **Cash and cash equivalents at the end of the period** | | **107,672** | **187,494** |
| **Details of cash and cash equivalents:** | | | |
| Cash and bank current accounts | | 107,672 | 187,494 |
| **TOTAL CASH AND CASH EQUIVALENTS** | | **107,672** | **187,494** |

## SUPPLEMENTARY INFORMATION

| *(in thousands of Euro)* | For the quarter ended | |
|---|---|---|
| | 31 March 2021 | 31 March 2020 |
| Interest paid | (25,089) | (2,677) |
| Interest received | 208 | 174 |
| Dividends received | 0 | 12 |

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| | Share Capital | Reserves | Retained earnings | Result for the period | Total Shareholders' equity attributable to equity holders of the parent | Equity attributable to non-controlling interests | Total Shareholders' equity |
|---|---|---|---|---|---|---|---|
| **1 January 2021** | **109,150** | **13,055** | **30,286** | **(83,154)** | **69,337** | **3,199** | **72,536** |
| Allocation of previous year result | | (834) | (82,320) | 83,154 | **0** | | **0** |
| Comprehensive income (loss) for the period | | (468) | | (17,060) | **(17,528)** | 1,161 | **(16,367)** |
| **31 March 2021** | **109,150** | **11,753** | **(52,034)** | **(17,060)** | **51,809** | **4,360** | **56,169** |

| | Share Capital | Reserves | Retained earnings | Result for the period | Total Shareholders' equity attributable to equity holders of the parent | Equity attributable to non-controlling interests | Total Shareholders' equity |
|---|---|---|---|---|---|---|---|
| **1 January 2020** | **109,150** | **5,710** | **33,824** | **3,285** | **151,970** | **836** | **152,806** |
| Allocation of previous year result | | 860 | 2,425 | (3,285) | **0** | | **0** |
| Acquisition/sale of minority interests in subsidiaries | | | | | **0** | (52) | **(52)** |
| Comprehensive income (loss) for the period | | 618 | | 7,060 | **7,678** | 79 | **7,757** |
| **31 March 2020** | **109,150** | **7,188** | **36,249** | **7,060** | **159,647** | **863** | **160,510** |

# 1. GENERAL INFORMATION

The Interim Report on Operations of the Group controlled by Rekeep S.p.A. ("the Rekeep Group" or "the Group") for the quarter ended 31 March 2021 is made up of the Interim Report on Operations and of the interim condensed Consolidated Financial Statement at 31 March 2021, prepared in accordance with IAS 34 – Interim Financial Reporting. The publication of the Rekeep Group's Interim Report on Operations was authorized by a resolution passed by the Board of Directors on 13 May 2020.

On 31 March 2021 the share capital of Parent Company Rekeep S.p.A. was wholly held by the sole shareholder Manutencoop Società Cooperativa, which carries out Management and Coordination activities.

# 2. ACCOUNTING STANDARD AND BASIS OF PRESENTATION

The interim condensed Consolidated Financial Statements at 31 March 2021 comprise the Consolidated Statement of financial position, the Consolidated Statement of profit or loss for the period, the Consolidated Statement of other comprehensive income, the Consolidated Statement of Cash flows, the Consolidated Statement of changes in Shareholders' Equity and the related condensed Explanatory Notes.

After assessing any possible uncertainties surrounding the Group's ability to continue as a going concern, including financial risks described in note 18 and other market risks associated with the proceedings in progress described in notes 13 and 14, the directors decided to prepare the interim condensed Consolidated Financial Statements on a going-concern basis.

The Statement of Financial Position sets forth assets and liabilities distinguishing between current and non-current. The Consolidated Statement of profit or loss for the period is classified by nature, while the Consolidated Statement of other comprehensive income sets forth the result for the period added with income and expenses that, as expressly required by IFRS, are directly recognized in the Shareholders' Equity. The Statement of Cash flows has been prepared on the basis of the indirect method and presented in accordance with IAS 7, distinguishing between cash flow from operating, investing and financing activities.

The interim condensed Consolidated Financial Statements at 31 March 2021 have been presented in Euro, which is the Group's functional currency. All values showed in the statements and in the explanatory notes are in thousands of Euro, unless otherwise stated.

The balance sheet values recognized in the Statements and Explanatory Notes are compared to those relating to 31 December 2020, while the income statement values, included in the Statement of other comprehensive income and those reported in the Statement of Cash Flows, are compared to those relating to the first quarter of 2020.

On 13 February 2020 a binding agreement was signed for the sale of the total share capital of the subsidiary Sicura S.p.A.. According to IFRS5, at the reporting date of the Consolidated Financial Statements at 31 December 2019, the value of assets

relating to the sub-group controlled by Sicura S.p.A. and the associated liabilities was reclassified under “Assets held for sale” and “Liabilities associated with assets held for sale”. Again according to the same accounting standard, the transaction was described as “Discontinued operation” in the interim condensed Consolidated Financial Statements at 31 March 2020 and the results of operations for the period until the date of disposal were recognized as “Profit (loss) from discontinued operations”.

## 2.1 Statement of compliance with international accounting standard (IFRS)

The interim condensed Consolidated Financial Statements at 31 March 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed Consolidated Financial Statements do not include all information required for complete annual accounts prepared according to IAS 1: therefore, they must be read together with the Consolidated Financial Statements at 31 December 2020.

## 2.2 Changes in accounting standards and disclosures

The criteria adopted for the preparation of the interim condensed Consolidated Financial Statements at 31 March 2021 are consistent with those used to prepare the consolidated Financial Statements at 31 December 2020, to which reference is made for their detailed presentation, with the exception of the standards and interpretations which are newly issued and applicable from 1 January 2021.

The Group has not proceeded with the early adoption of any standard, interpretation or improvement issued but not yet mandatorily in force.

### *New or revised IFRS and interpretations applicable from 1 January 2021 or subsequent financial periods*

*Amendments to IAS 1 - "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.* On 23 January 2020 the IASB published these amendments in order to clarify the presentation of liabilities in the financial statements of entities. Specifically they: (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and in particular on the right to defer settlement by at least twelve months; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The new amendments will be applicable from 1 January 2023 (with the IASB’s decision to postpone the date of first-time adoption, which was previously scheduled on 1 January 2022).

Amendments to IFRS 3 - *Business combinations*, IAS 16 - *Property, Plant and Equipment*, IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*, Annual Improvements 2018-2020. On 14 May 2020 the IASB published a package of amendments that clarify and make minor changes to the following IFRS:

- *IFRS 3: Updating a reference to the Conceptual Framework* (no change in the accounting treatment of business combinations);
- *IAS 16:* the amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. The entity must recognize such sales as revenues separately from related costs through profit or loss.
- *IAS 37:* the amendment clarifies the costs to be included in the measurement of losses generated from a contract.

The new amendments will become applicable from 1 January 2022.

Amendments to IFRS 4 - *Insurance Contracts - Deferral of IFRS 9:* On 25 June 2020 the IASB published an amendment to support entities in the implementation of the new standard and to make it easier to report their financial performance. The new amendment will be applicable from 1 January 2021.

IFRS 7 - *Financial Instruments: Disclosures*, IFRS 9 - *Financial Instruments* and IAS 39 - *Financial Instruments: Recognition and Measurement*. On 27 August 2020 the International Accounting Standards Board published the Interest Rate Benchmark Reform (amendments to IFRS 9, IAS 39 and IFRS 7) – Phase 2 in order to take account of the impact of the reform itself on financial reporting in the period preceding the replacement of an existing interest rate benchmark with an alternative reference rate. The amendments provide for temporary and limited exceptions to the provisions governing hedge accounting. The entities shall apply the amendments as from the financial periods ending after 1 January 2021.

IFRS17 – *Insurance Contracts:* it was published by the IASB on 18 May 2017. The new accounting standard aims to help investors, but not only investors, to better understand the insurers' risk exposure, profitability and financial position. On 25 June 2020 the IASB amended the IFRS 17, which had been issued in May 2017, in order to facilitate the implementation of the standard and make it easier to describe financial results. IFRS 17, including its amendments, will be applicable to annual financial statements for financial periods commencing after 1 January 2023.

No significant impact is expected from the application of the new standard on the Consolidated Financial Statements, as the Group companies do not conduct any insurance business.

## 2.3 Discretionary assessments and significant accounting assumptions

The preparation of the consolidated Financial Statements requires directors to make discretionary assessments, estimates and assumptions that affect the amounts of revenues, costs, assets and liabilities, and the indication of contingent liabilities at the date of the financial statements. However, the uncertainty of these assumptions and estimates could lead to outcomes which may require a significant adjustment to the carrying amount of said assets and/or liabilities in the future.

## Discretionary assessments

The main decisions taken by the directors, on the basis of discretionary assessments (excluding those relating to accounting estimates), in the application of the accounting standards of the Group, with a significant effect on the values recognized in the accounts relate to the adoption of the continuity of values principle for the recognition of business combinations under common control. Application of this principle gives rise to the recognition in the statement of financial position of values equal to those that would be recorded if the companies involved in the business combination had always been combined. The net assets of the acquiree and of the acquiring entity are therefore recorded on the basis of the carrying amounts included in their respective accounts before the transaction.

## Uncertainty of estimates

The key assumptions regarding the future and other significant sources of uncertainty relating to estimates as at the period ending date of the interim condensed Consolidated Financial Statements are detailed below.

### *Impairment test*

Goodwill is subject to impairment test at least annually, or more frequently if there is an indication of potential impairment in the carrying amounts. This requires an estimate of the value in use of the CGU (cash-generating unit) to which the goodwill is allocated, in turn based on an estimate of expected cash flows from the CGU and their discounting on the basis of a suitable discount rate. At 31 March 2021 the carrying amount of the goodwill was equal to € 402,568 thousand (unchanged compared to 31 December 2020). See note 6 for more details.

### *Recognition of revenues and costs from contracts with customers*

The Group uses the percentage of completion method to account for activities on long-term contracts for the building and improvement of properties or technological plants for which it does construction work. The margins recognized in profit and loss depend both on the progress of the works and the margins on the entire work when completed; therefore if work in progress and margins on work not yet completed are to be recognized correctly, the Directors must make correct estimates of the costs of completion, possible increases in cost, delays, extra costs and penalties which could reduce the expected margin. The use of the percentage of completion method requires the Group to estimate the costs of completion, which entails the adoption of assumptions depending on factors which could change in time and could therefore have a substantial impact on current estimates. Should actual costs be different from estimated costs, this change will impact on the results for future periods.

### *Deferred tax assets and likelihood of these being reversed in the future*

Deferred tax assets are recognized to the extent that there is a likelihood of there being sufficient future taxable profit for the losses to be utilized. This means that the management must make a strong commitment to working out a correct estimate of the

amount of tax assets which can be recognized on the basis of the level of future taxable profit, the timing of the receipt of the profits and tax planning strategies.

### *Recognition of the present value of liabilities for Put Options on minority shares of subsidiaries and of the present value of liabilities for Earn-outs on acquisitions made*

The Group holds majority interests in subsidiaries in relation to which the minority shareholders hold Put options, which can be exercised in the future at prices determined on the basis of certain parameters that require estimates from management for the purposes of reliable valuation.

### *Income taxes for the period*

The income taxes for the period have been recognized by applying the best estimate of the expected weighted-average tax rate for the entire current financial year to the results for the period. A separate estimate is determined for IRES tax and IRAP tax, as provided by IAS 34 B.14. The amounts allocated for taxes in the interim period are adjusted in subsequent interim periods of the same year pursuant to any changes in the estimated annual tax rate.

### *Other financial statement items*

Management also needed to use estimates in determining:

- main assumptions applied to the actuarial valuation of the TFR (employee termination indemnity), such as the future turnover rate and discount financial rates;
- assumptions applied to the measurement of obligations arising from Rights of use.

## Consolidation principles

The interim condensed Consolidated Financial Statements include the financial statements of Rekeep S.p.A. (the "Parent Company", "Rekeep S.p.A." or merely "Rekeep") and of its subsidiaries, prepared as at 31 March 2021. The financial statements of the subsidiaries have been prepared by adopting for each closing date the same accounting standards as those applied for the parent company.

All Intra-Group balances and intercompany transactions, including unrealized profits or losses arising from intra-Group transactions, which are recognized under assets, are eliminated in full.

Subsidiaries are consolidated on a line-by-line basis starting from the acquisition date, i.e. the date on which the Group acquires control, and are deconsolidated on the date in which control is transferred out of the Group. Acquisitions of subsidiaries, with the exception of those deriving from combinations of entities subject to joint control, are accounted for using the purchase method. This involves the allocation of the cost of the business combination to the fair values of assets, liabilities and contingent liabilities acquired at the acquisition date and the inclusion of the result of the acquiree starting from the date of acquisition until the end of

the financial year. If the Group loses control over an investee company, it eliminates the related assets (including goodwill), liabilities, minority interests and other equity components, while any gain or loss is recognized in the income statement. Any equity investment retained is recorded at fair value.

Joint-ventures with other shareholders and associates are accounted for under equity method. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Minority interests represent the portion of profits or losses and net assets not held by the Group and are disclosed under a separate item in the consolidated Statement of profit or loss for the period and in the Consolidated Statement of Financial Position under Equity items, separately from the Group's Equity.

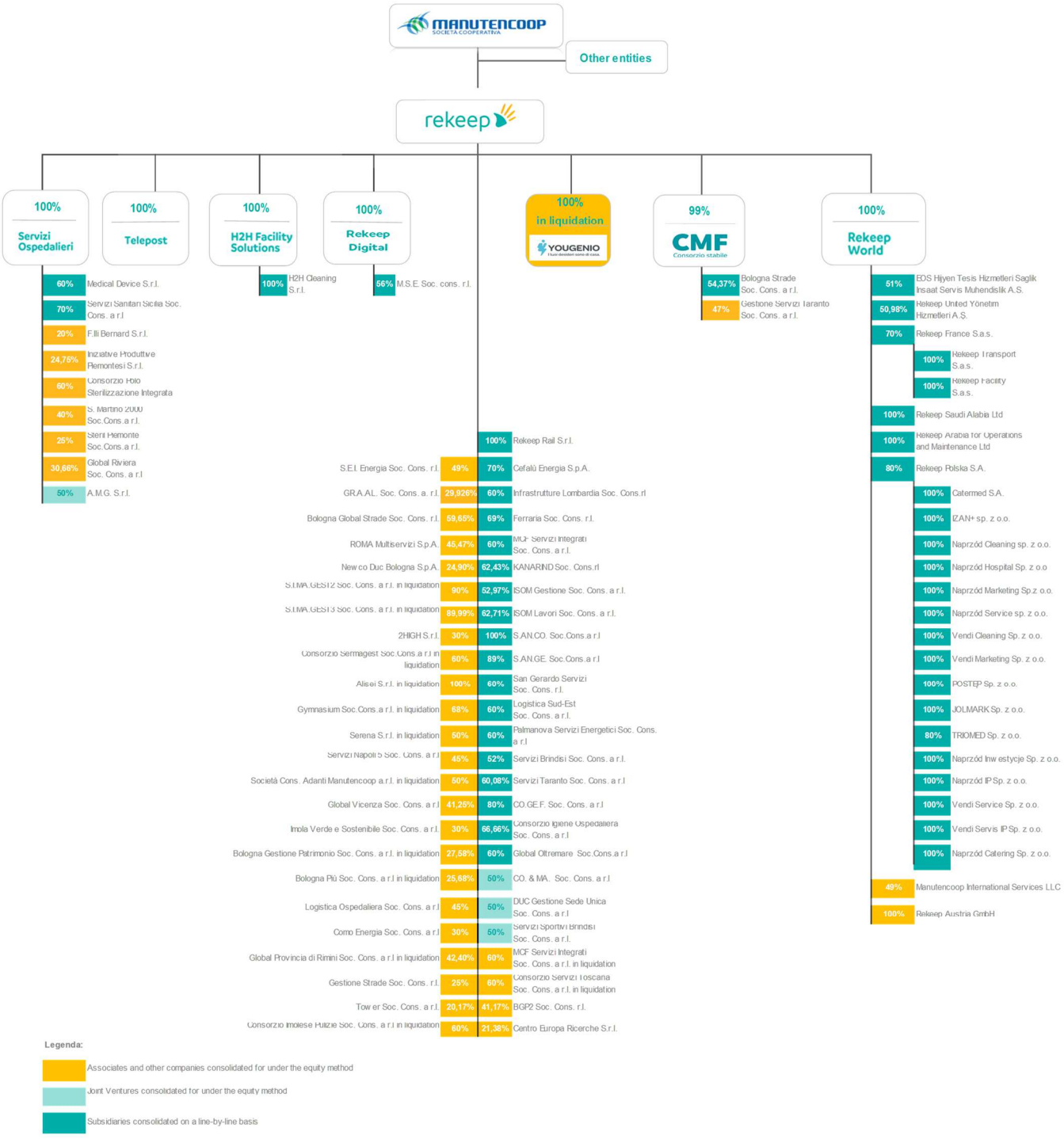
### *Conversion of financial statements of foreign companies*

The financial statements are presented in Euro, the Group's functional and reporting currency. Statements of financial position and income statements stated in foreign currency are converted into Euro using the year-end exchange rates for the items of the Statement of Financial Position and average exchange rates for items in the Income Statement. Differences arising from the conversion of opening shareholders' equity at year-end exchange rates are charged to the currency conversion reserve, together with the difference arising from the conversion of the result for the period at average exchange rate with respect to year-end exchange rates.

At the time of disposal of the economic entity from which translation differences emerged, the accumulated exchange differences reported in the statement of other comprehensive income are reclassified in the Consolidated Statement of Profit/ Loss for the period.

| Currency | | Exchange rate at 31 March 2021 | Average exchange rate for the quarter ended 31 March 2021 |
|---|---|---|---|
| PLN | Zloty – Poland | 4.6508 | 4.5457 |
| QAR | Qatar Riyal – Qatar | 4.2679 | 4.3856 |
| SAR | Saudi Arabian Riyal – Saudi Arabia | 4.3969 | 4.5182 |
| TRY | Turkish Lira - Turkey | 9.7250 | 8.9156 |

The scope of consolidation at 31 March 2021 is shown below.


MANUTENCOOP SOCIETÀ COOPERATIVA
Other entities
rekeep
100% Servizi Ospedalieri
60% Medical Device S.r.l.
70% Servizi Sanitari Sicilia Soc. Cons. a r.l.
20% F.lli Bernard S.r.l.
24,75% Iniziative Produttive Piemontesi S.r.l.
60% Consorzio Polo Sterilizzazione Integrata
40% S. Martino 2000 Soc.Cons.a r.l.
25% Steril Piemonte Soc.Cons.a r.l.
30,66% Global Riviera Soc. Cons. a r.l
50% A.M.G. S.r.l.
100% Telepost
100% H2H Facility Solutions
100% H2H Cleaning S.r.l.
100% Rekeep Digital
56% M.S.E. Soc. cons. r.l.
100% in liquidation
YOUGENIO
100% Rekeep Rail S.r.l.
S.E.I. Energia Soc. Cons. r.l. 49% 70% Cefalù Energia S.p.A.
GR.A.AL. Soc. Cons. a. r.l. 29,926% 60% Infrastrutture Lombardia Soc. Cons.rl
Bologna Global Strade Soc. Cons. r.l. 59,65% 69% Ferraria Soc. Cons. r.l.
ROMA Multiservizi S.p.A. 45,47% 60% MCF Servizi Integrati Soc. Cons. a r.l.
New co Duc Bologna S.p.A. 24,90% 62,43% KANARIND Soc. Cons.rl
S.I.MA.GEST2 Soc. Cons. a r.l. in liquidation 90% 52,97% ISOM Gestione Soc. Cons. a r.l.
S.I.MA.GEST3 Soc. Cons. a r.l. in liquidation 89,99% 62,71% ISOM Lavori Soc. Cons. a r.l.
2HIGH S.r.l. 30% 100% S.AN.CO. Soc.Cons.a r.l
Consorzio Sermagest Soc.Cons.a r.l in liquidation 60% 89% S.AN.GE. Soc.Cons.a r.l
Alisei S.r.l. in liquidation 100% 60% San Gerardo Servizi Soc. Cons. r.l.
Gymnasium Soc.Cons.a r.l. in liquidation 68% 60% Logistica Sud-Est Soc. Cons. a r.l.
Serena S.r.l. in liquidation 50% 60% Palmanova Servizi Energetici Soc. Cons. a r.l
Servizi Napoli 5 Soc. Cons. a r.l 45% 52% Servizi Brindisi Soc. Cons. a r.l.
Società Cons. Adanti Manutencoop a.r.l. in liquidation 50% 60,08% Servizi Taranto Soc. Cons. a r.l
Global Vicenza Soc. Cons. a r.l. 41,25% 80% CO.GE.F. Soc. Cons. a r.l
Imola Verde e Sostenibile Soc. Cons. a r.l. 30% 66,66% Consorzio Igiene Ospedaliera Soc. Cons. a r.l
Bologna Gestione Patrimonio Soc. Cons. a r.l. in liquidation 27,58% 60% Global Oltremare Soc.Cons.a r.l
Bologna Più Soc. Cons. a r.l in liquidation 25,68% 50% CO. & MA. Soc. Cons. a r.l
Logistica Ospedaliera Soc. Cons. a r.l. 45% 50% DUC Gestione Sede Unica Soc. Cons. a r.l
Como Energia Soc. Cons. a r.l. 30% 50% Servizi Sportivi Brindisi Soc. Cons. a r.l.
Global Provincia di Rimini Soc. Cons. a r.l in liquidation 42,40% 60% MCF Servizi Integrati Soc. Cons. a r.l. in liquidation
Gestione Strade Soc. Cons. r.l. 25% 60% Consorzio Servizi Toscana Soc. Cons. a r.l. in liquidation
Tower Soc. Cons. a r.l. 20,17% 41,17% BGP2 Soc. Cons. r.l.
Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation 60% 21,38% Centro Europa Ricerche S.r.l.
99% CMF Consorzio stabile
54,37% Bologna Strade Soc. Cons. a r.l.
47% Gestione Servizi Taranto Soc. Cons. a r.l.
100% Rekeep World
51% EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.
50,98% Rekeep United Yönetim Hizmetleri A.Ş.
70% Rekeep France S.a.s.
100% Rekeep Transport S.a.s.
100% Rekeep Facility S.a.s.
100% Rekeep Saudi Alabia Ltd
100% Rekeep Arabia for Operations and Maintenance Ltd
80% Rekeep Polska S.A.
100% Catermed S.A.
100% IZAN+ sp. z o.o.
100% Naprzód Cleaning sp. z o.o.
100% Naprzód Hospital Sp. z o.o
100% Naprzód Marketing Sp.z o.o.
100% Naprzód Service sp. z o.o.
100% Vendi Cleaning Sp. z o.o.
100% Vendi Marketing Sp. z o.o.
100% POSTEP Sp. z o.o.
100% JOLIMARK Sp. z o.o.
80% TRIOMED Sp. z o.o.
100% Naprzód Inwestycje Sp. z o.o.
100% Naprzód IP Sp. z o.o.
100% Vendi Service Sp. z o.o.
100% Vendi Servis IP Sp. z o.o.
100% Naprzód Catering Sp. z o.o.
49% Manutencoop International Services LLC
100% Rekeep Austria GmbH
Legenda:
Associates and other companies consolidated for under the equity method
Joint Ventures consolidated for under the equity method
Subsidiaries consolidated on a line-by-line basis

During the first quarter of 2021 note the following events:

› on 4 January 2021 the sale of investment of 20% in the quota capital of Gico Systems S.r.l..

## 3. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in property, plant and equipment in the period ended 31 March 2021.

| | Property | Plant and equipment | Total |
|---|---|---|---|
| **At 1 January 2021, net of accumulated depreciation and impairment** | **17,925** | **61,294** | **79,219** |
| Additions from acquisitions | | 7.248 | 7,248 |
| Disposals | | (676) | (676) |
| Depreciation | (243) | (5,240) | (5,483) |
| Others | (101) | (782) | (883) |
| **At 31 March 2021** | **17,581** | **61,844** | **79,425** |
| At 1 January 2021 | | | |
| Historical cost | 22,363 | 417,977 | 440,340 |
| Accumulated depreciation and impairment losses | (4,438) | (356,683) | (361,121) |
| **NET BOOK VALUE** | **17,925** | **61,294** | **79,219** |
| At 31 March 2021 | | | |
| Historical cost | 22,262 | 423,767 | 446,029 |
| Accumulated depreciation and impairment losses | (4,681) | (361,923) | (366,604) |
| **NET BOOK VALUE** | **17,581** | **61,844** | **79,425** |

The additions from acquisitions recognized for the first quarter of the year refer to the linen in the Laundering & Sterilization segment for € 5,128 thousand and to the purchases of other machinery and specific equipment for € 2,120 thousand.

Disposals were also made for € 676 thousand.

## 4. PROPERTY, PLANT AND EQUIPMENT UNDER LEASE

The table below shows the changes in property, plant and equipment under finance and operating lease in the year ended 31 December 2021.

| | Property under finance lease | Plant and equipment under finance lease | Rights of use of properties | Rights of use of plant and machinery | Total |
|---|---|---|---|---|---|
| **At 1 January 2021, net of accumulated depreciation and impairment** | **4,315** | **4,593** | **26,711** | **7,704** | **43,323** |
| Additions from acquisitions | | 116 | 276 | 839 | 1,231 |
| Early termination | | | (30) | (176) | (206) |
| Depreciation | (32) | (327) | (928) | (766) | (2,053) |
| Others | | 619 | (18) | (5) | 596 |
| **At 31 March 2021** | **4,282** | **5,001** | **26,011** | **7,596** | **42,890** |
| At 1 January 2021 | | | | | |
| Historical cost | 4,991 | 9,908 | 49,063 | 29,838 | 93,799 |
| Accumulated depreciation and impairment losses | (676) | (5,315) | (22,351) | (22,133) | (50,476) |
| **NET BOOK VALUE** | **4,315** | **4,593** | **26,711** | **7,704** | **43,323** |
| At 31 March 2021 | | | | | |
| Historical cost | 4,991 | 10,643 | 49,291 | 30,496 | 95,420 |
| Accumulated depreciation and impairment losses | (709) | (5,642) | (23,279) | (22,899) | (52,530) |
| **NET BOOK VALUE** | **4,282** | **5,001** | **26,011** | **7,596** | **42,890** |

Property, plant and equipment under finance lease reported changes during the first quarter of the year, which were due to depreciation for the period, as well as to the execution of new lease agreements for a total of € 116 thousand in the Laundering&Sterilization segment.

Property, plant and equipment under operating lease, stated as “Rights of use on Properties” and “Rights of use on plant and machinery” showed an increase, during the first quarter of the year, as a result of the execution of new property lease agreements for € 276 thousand and new long-term hire of vehicles that make up the corporate fleets and equipment of the Group for € 839 thousand. Furthermore, there was the early termination of some lease and long-term hire agreements for a total of € 206 thousand.

## 5. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the period ended 31 March 2021.

| | Other intangible assets | Goodwill | Total |
|---|---|---|---|
| **At 1 January 2021, net of accumulated amortization and impairment** | **21,653** | **402,562** | **424,214** |
| Additions from acquisitions | 1,228 | | 1,228 |
| Amortization | (1,656) | | (1,656) |
| Others | 4 | | 4 |
| **At 31 March 2021** | **21,229** | **402,562** | **423,790** |
| At 1 January 2021 | | | |
| Historical cost | 125,702 | 404,879 | 530,582 |
| Accumulated amortization and impairment losses | (104,050) | (2,318) | (106,367) |
| **NET BOOK VALUE** | **21,653** | **402,562** | **424,214** |
| At 31 March 2021 | | | |
| Historical cost | 126,934 | 404,879 | 531,814 |
| Accumulated amortization and impairment losses | (105,706) | (2,318) | (108,023) |
| **NET BOOK VALUE** | **21,229** | **402,562** | **423,790** |

Goodwill is tested annually for impairment. For more details see note 6.

*Other intangible assets*, amounting to € 21,229 thousand at 31 March 2021, mainly consist of investments in software carried out as part of the projects aimed at upgrading and enhancing the corporate information systems. The additions from acquisitions for the period (€ 1,228 thousand) were mainly attributable to Parent Company Rekeep S.p.A. and relating to the implementation and upgrading of software platforms used by the Group.

## 6. IMPAIRMENT TEST OF GOODWILL

The Group's Management believe that the SBU structure identified in corporate reporting (regardless of the legal personality of legal entities) should be reflected, consistently with the provisions of the accounting standards, also at the level of the CGUs used for impairment tests. The SBUs identified and their composition, in corporate terms, are defined as follows.

### *SBU – Facility management*

The SBU is identified with:

- Rekeep S.p.A.
- H2H Facility Solutions S.p.A.
- Telepost S.r.l., a specialist company for internal mailing services
- Rekeep Digital S.r.l., which is active in the sector of high technology services to businesses
- Rekeep World S.r.l. and its foreign subsidiaries, dedicated to commercial development in international markets
- other minor investee companies operating in the same segment.

The SBU also includes Yougenio S.r.l., providing facility management services to the B2C market, in relation to which, however, the management considered it appropriate to not continue operations as from May 2020, while starting operations for its winding-up on 22 September 2020 with consequent deconsolidation.

### *SBU – Laundering & Sterilization*

The SBU is identified with:

- Servizi Ospedalieri S.p.A., operating in the linen rental and industrial laundering segment for hospitals and the sterilization of linen and surgical instruments
- Medical Device S.r.l., acquired during 2018 and specializing in the production of disposable kits containing all the devices needed to support the healthcare team in performing surgical procedures
- other minor investee companies active in the same segment in Italy.

The table below sets forth the carrying amounts of the goodwill recognized in the interim condensed Consolidated Financial Statements at 31 March 2021, broken down into the different CGUs.

| | 31 March 2021 | 31 December 2020 |
|---|---|---|
| Goodwill allocated to Facility Management CGU | 388,753 | 388,753 |
| *of which International markets* | *34,514* | *34,514* |
| Goodwill allocated to Laundering & Sterilization CGU | 13,809 | 13,809 |
| **CONSOLIDATED GOODWILL** | **402,562** | **402,562** |

Goodwill is subject to impairment testing on an annual basis or more frequently if there are indications that the asset may have suffered an impairment loss.

On 31 March 2021 the Directors did not report any risk of impairment on the value of the cash generating units, including after considering the headroom noted in the sensitivity analyses and stress tests conducted at the reporting date of the Consolidated

Financial Statements at 31 December 2020, which support the recoverability of consolidated assets even in the presence of any possible risk of significant amount and the losses accrued in the current year. Therefore, have been not proceed with any formal update of impairment tests at 31 December 2020.

## 7. INVESTMENTS VALUED FOR UNDER THE EQUITY METHOD

The Group holds some investments which are accounted under the equity method in the Consolidated Financial Statements. These companies include associates, joint-ventures and subsidiaries in liquidation, as listed in Annex I.

At 31 March 2021 the net book value of investments valued at Equity reported a net amount of €10,066 thousand, against a net amount of € 8,807 thousand at the end of the previous year.

| | Net Assets 31 March 2021 | Net Assets 31 December 2020 |
|---|---|---|
| Investments valued for under the Equity method | 10,422 | 9,140 |
| Provision for risks on investments | (356) | (333) |
| **INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD** | **10,066** | **8,807** |

The breakdown of changes during the period is shown in Annex II attached to the Interim Report on Operations, to which reference should be made.

During the first quarter of 2021 investments accounted for under the equity method recorded a positive result of € 1,308 thousand, for the share attributable to the Group, as a result of the recognition of income from equity investments of € 1,506 thousand and write-downs of € 198 thousand. Furthermore, negative effects were recognized directly in the consolidated Equity to an overall amount of € 40 thousand.

## 8. OTHER NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets at 31 March 2021 and at 31 December 2020:

| | 31 March 2021 | 31 December 2020 |
|---|---|---|
| Other investments | 7,129 | 7,130 |
| Non-current financial assets | 5,799 | 5,529 |

| | | |
|---|---|---|
| Other non-current assets | 3,080 | 3,408 |
| **OTHER NON-CURRENT ASSETS** | **16,008** | **16,067** |

The financial assets accounted for as *Other investments* relate to investments in companies in which the Group has no significant or controlling interests and that have been acquired for strategic/production purposes. There are also investments in National Cooperative Consortia, as well as investments in production sites, or in other minor activities such as industrial laundering services, performed by minor companies that may also act as sub-contractors.

Other investments are measured at purchase or establishment cost, since there is no active market in the securities concerned, which for the most part cannot be freely transferred to third parties due to limitations and restrictions preventing their free circulation.

*Non-current financial assets*, amounting to € 5,799 thousand at 31 March 2021 (€ 5,529 thousand at 31 December 2020), are composed of:

- € 1,594 thousand of non-current financial receivables due from associates, affiliates and joint ventures (€ 1,581 thousand at 31 December 2020). The face value of these receivables is € 1,623 thousand, while the provision for discounting amounts to € 29 thousand. Some of these are non-interest bearing since they were drawn down proportionally from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying Eurirs as the reference interest rate, plus a spread;
- € 4,104 thousand of non-current financial receivables from third parties, up compared to 31 December 2020 (€ 3,847 thousand). During the first quarter of 2021 the Parent Company granted loans to non-consolidated companies for € 257 thousand. At 31 December 2020 the balance included the receivable of € 1,104 thousand for the sale of the investment equal to 15% of the quota capital of Linea Sterile S.r.l., held by the subsidiary Servizi Ospedalieri S.p.A., which took place in December 2020. At 31 December 2020 the item also included the long-term portion, equal to € 2,357 thousand, of the deferred price relating to the sale of 95% of the quota capital of MFM Capital S.r.l. to 3i EOPF, which took place in December 2018 (unchanged at 31 March 2021).
- € 101 thousand of securities held to maturity, which remained unchanged compared to 31 December 2020.

Furthermore, the item is composed of security deposits related to long-term manufacturing contracts (€ 2,065 thousand) and long-term prepaid expenses relating to certain job orders (€ 758 thousand).

## 9. TRADE RECEIVABLES, ADVANCES TO SUPPLIERS AND OTHER CURRENT RECEIVABLES

The following table includes the breakdown of Trade receivables and advances to suppliers and Other current operating receivables at 31 March 2021 and 31 December 2020:

| | 31 March 2021 | of which from related parties | 31 December 2020 | of which from related parties |
|---|---|---|---|---|
| Contract assets | 27,275 | | 29,111 | |
| Trade receivables, gross | 424,875 | | 413,443 | |
| Allowance for doubtful accounts | (30,725) | | (29,759) | |
| **Trade receivables from third parties** | **421,425** | **0** | **412,795** | **0** |
| Trade receivables from Manutencoop Società Cooperativa | 66 | 66 | 57 | 57 |
| Trade receivables from Rekeep Group companies | 9,494 | 9,494 | 8,637 | 8,637 |
| Trade receivables from Affiliates and Joint Ventures | 5,774 | 5,774 | 4,031 | 4,031 |
| **Trade receivables from Group** | **15,334** | **15,334** | **12,725** | **12,725** |
| Advances to suppliers | 4,002 | 1 | 5,601 | 2 |
| **TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS** | **440,761** | **15,335** | **431,121** | **12,727** |
| Other tax receivables due within 12 months | 16,078 | | 11,799 | |
| Other current receivables from third parties | 8,657 | | 8,047 | |
| Short-term receivables from social security institutions | 1,264 | | 2,086 | |
| Short-term receivables from employees | 777 | | 72 | |
| **Other current assets from third parties** | **26,776** | **0** | **22,004** | **0** |
| Current assets from Manutencoop Società Cooperativa | 4 | 4 | 14 | 14 |
| Current assets from associates | 255 | 255 | 282 | 282 |
| Current assets from affiliates | 22 | 22 | 22 | 22 |
| **Other current assets from Group** | **281** | **281** | **318** | **318** |
| Accrued income | 816 | | 1,121 | |
| Prepaid expenses | 3,679 | | 2,193 | |
| **Accrued income and prepaid expenses** | **4,495** | **0** | **3,314** | **0** |
| **OTHER CURRENT ASSETS** | **31,552** | **281** | **25,636** | **318** |

The balance of trade receivables and advances to suppliers, which also includes contract assets, amounted to € 440,761 thousand at 31 March 2021, showing an increase of € 9,640 thousand compared to the amount at 31 December 2020 (€ 431,121 thousand).

The change in question was due to the increase in trade receivables from third parties, while receivables from other Group companies remained substantially unchanged. Finally, the value of contract assets recorded a decrease of € 1,836 thousand, while the value of the provision for bad debts showed an increase of € 966 thousand.

The Group continued to hold contracts for the assignment without recourse of trade receivables from third parties during 2021. On 27 December 2018 the Parent Company Rekeep S.p.A. and Servizi Ospedalieri S.p.A. signed a new 3-year maturity factoring agreement with Bancafarmafactoring S.p.A (which replaces the previous one signed in 2016) concerning the assignment without recourse and on a revolving basis of receivables claimed by the same companies from entities in the National Health System and Public Authorities, in an amount of up to € 200 million.

On 27 June 2018 the Parent Company also signed an uncommitted factoring agreement with Banca IFIS, intended for the assignment without recourse of trade receivables specifically accepted for the individual transactions carried out.

On 18 December 2018 the Parent Company obtained an additional credit line for assignments without recourse of up to Euro 20 million on a revolving basis with Unicredit Factoring S.p.A., which was also aimed at the disinvestment of credit positions specifically agreed with the factor.

The Parent Company also signed an uncommitted factoring agreement with Carrefour Italia Finance S.r.l. for the assignment without recourse of trade receivables claimed from the Carrefour Group companies on 22 March 2019 and an additional uncommitted agreement with MB Facta S.p.A. on 4 December 2019 for the assignment without recourse of trade receivables claimed from the Telecom Group. Finally, spot assignments were made to Banca Sistema S.p.A. and Prime Revenue Inc..

The assignments made during the period are summarized below:

| | **Assignments made in the period ended 31 March 2021** | **Balance of trade receivables assigned without recourse and not yet collected by the Factor** |
|---|---|---|
| Banca Farmafactoring S.p.A. | 36,629 | 30,135 |
| Banca IFIS S.p.A. | 12,970 | 12,868 |
| Unicredit Factoring S.p.A | 2,357 | 3,079 |
| Carrefour Italia Finance S.r.l. | 4,381 | 2,056 |
| MB FACTA S.p.A. | 8,597 | 10,736 |
| Banca Sistema S.p.A. | 9,990 | 7,198 |
| Prime Revenue Inc. | 3,115 | 3,494 |

| | | |
|---|---|---|
| **TOTAL ASSIGNMENTS WITHOUT RECOURSE** | **78,040** | **69,564** |

In all assignments, the assigned trade receivables were subjected to derecognition according to IFRS 9 in consideration of the characteristics of the transactions and entailed interest discount costs totaling € 1,595 thousand.

Finally, trade receivables from the Group amounted to € 15,334 thousand (€ 12,725 thousand at 31 December 2020), in addition to advances for € 1 thousand (€ 2 thousand at 31 December 2020). For more details, reference should be made to Annex III – Related-Party transactions.

A specific provision for bad debts was recognized in connection with non-performing loans, which are difficult to fully recover, amounting to € 30,725 thousand at 31 March 2021 (€ 29,759 thousand at 31 December 2020). Below are the changes for the period:

| | 31 December 2020 | Increases | Uses | Releases | Others | 31 March 2021 |
|---|---|---|---|---|---|---|
| Provision for bad debts | **29,759** | 1,075 | (300) | (29) | 220 | **30,725** |

*Other current assets*, equal to € 31,552 thousand (€ 25,636 thousand at 31 December 2020), showed a total increase of € 5,916 thousand for the year.

The most significant entries of this item are made up of:

- tax receivables, mostly relating to the VAT payments made by the Group companies (€ 13,222 thousand against € 9,107 thousand at 31 December 2020), which systematically show a credit balance given the widespread application of the regulations governing “Split-payment” and “Reverse charge” to the cycle of purchasing and sales invoicing. Assignments without recourse of VAT receivables held by some Group companies were made during the first quarter of 2021 for a nominal total amount of € 5,863 thousand;
- receivables for credit balances of current accounts held at Unicredit, managed in the name and on behalf of INPDAP (Social Security Institute for employees in public administration), as envisaged in a property management contract entered into with the aforementioned authority, for € 2,172 thousand. At present some restrictions have been placed on said accounts as a result of the dispute that has arisen with INPDAP. Therefore, for the purposes of an accurate presentation, it was deemed appropriate to classify said item under *Other current receivables*, instead of cash and cash equivalents.

## 10. SHARE CAPITAL AND RESERVES

| | 31 March 2021 | 31 December 2020 |
|---|---|---|
| Share Capital – Ordinary shares | 109,150 | 109,150 |

Ordinary shares have a nominal value of Euro 1 each. Ordinary shares issued and fully paid up at 31 March 2021 amounted to 109,149,600.

The Parent Company does not hold own shares.

## Reserves and Retained Earning

The table below shows changes in Equity reserves in the year.

The item *Other reserves* includes, among the others, the balance of the following items:

- the reserve originating from the recognition of joint operations, which includes the differences between the purchase cost and the net carrying amount of the assets acquired under business combinations between jointly-controlled entities, for a negative amount of € 244,186 thousand, for the recognition of the effects of the merger of CMF S.p.A. by incorporation into Rekeep S.p.A. during the 2018 financial year;
- the Parent Company's extraordinary reserve equal to € 43,967 thousand.

| | Share premium reserve | Legal reserve | Reserves for effects on SE of equity-accounted companies | Translation reserve | SORIE reserve | Other reserves | Total reserves |
|---|---|---|---|---|---|---|---|
| **31 December 2019** | **145,018** | **21,830** | **3,536** | **16** | **(5,977)** | **(158,713)** | **5,710** |
| Allocation of profits of previous years | | | | (16) | 876 | 5,471 | 6,601 |
| Economic effects accounted for in equity | | | (105) | 873 | (25) | | 743 |
| **31 December 2020** | **145,018** | **21,830** | **3,431** | **873** | **(5,126)** | **(152,972)** | **13,054** |
| Allocation of profits of previous years | | | | (16) | 876 | (1,693) | (833) |
| Economic effects accounted for in equity | | | (40) | (429) | | | (469) |
| **31 March 2021** | **145,018** | **21,830** | **3,391** | **428** | **(4,250)** | **(154,665)** | **11,752** |

The table below shows changes in *Retained earnings*:

| | Accumulated profits (losses) of the Parent Company | Consolidation reserve | Total retained earnings |
|---|---|---|---|
| **31 December 2019** | **3,809** | **30,015** | **33,825** |
| Allocation of profits of previous years | | (3,316) | (3,316) |
| Change in consolidation area | | (222) | (222) |
| **31 December 2020** | **3,809** | **26,477** | **30,286** |
| Allocation of profits of previous years | | (82,321) | (82,321) |
| **31 March 2021** | **3,809** | **(55,844)** | **(52,034)** |

Below is the breakdown of Shareholders' Equity attributable to minority shareholders. For a detailed list of the companies in which minority interests are held, reference should be made to the paragraph Consolidation Principles.

| | 31 March 2021 | 31 December 2020 |
|---|---|---|
| **Equity attributable to minority interests** | **4,361** | **3,199** |
| *of which attributable to:* | | |
| *Subsidiaries of Rekeep World S.r.l.* | (213) | (211) |
| *Other subsidiaries and consortia* | 4,573 | 3,410 |

| | 31 March 2021 | 31 December 2020 |
|---|---|---|
| **Profit attributable to minority interests** | **1,191** | **2,703** |
| *of which attributable to:* | | |
| *Subsidiaries of Rekeep World S.r.l.* | 38 | (84) |
| *Other subsidiaries and consortia* | 1,153 | 2,787 |

The equity and profit (loss) for the period attributable to minority interests relate to the minorities present in some subsidiaries, the most significant of which are described below.

Rekeep World S.r.l., the Group's sub-holding company dedicated to the development of the international market, holds a stake of 70% in the capital of Rekeep France S.a.s. and a stake of 80% if the capital of the Polish company Rekeep Polska. There is no recognition of equity attributable to minority interests of these subsidiaries since there is a put option in favor of the minority shareholders which is recognized as a financial liability in the Consolidated Financial Statements.

During 2018 EOS, a Turkish company in which Rekeep World S.r.l. acquired a majority stake against a stake of 49% held by local partners, and Rekeep United, a Turkish company which was jointly established with local partners holding 49.02% of the share capital, were consolidated for the first time. The valuation of the stake pertaining to minority shareholders was accounted for as an increase in the Shareholders' Equity of non-controlling interests for the year.

Finally, the Shareholders' Equity attributable to minority interests includes the shares pertaining to the non-controlling quotaholders of Medical Device S.r.l., which is 60% owned by Servizi Ospedalieri S.p.A..

## 11. NET FINANCIAL INDEBTEDNESS

Net financial indebtedness amounted to € 344,510 thousand at 31 March 2021, against € 34,327 thousand at 31 December 2020. Below is the breakdown by item of financial statements:

| | 31 March 2021 | 31 December 2020 |
|---|---|---|
| Long-term financial debt | 413,095 | 380,738 |
| Bank borrowings, including current portion of long-term debt and other financial liabilities | 44,347 | 50,047 |
| **Gross financial indebtedness** | **457,442** | **430,785** |
| Medium/long-term derivatives | 0 | 0 |
| **Total gross debt** | **457,442** | **430,785** |
| Cash and cash equivalents | (107,672) | (90,464) |
| Current financial assets | (5,260) | (5,994) |
| **Net financial indebtedness** | **334,510** | **334,327** |

### Current and non-current financial liabilities

The tables below set forth the qualitative breakdown by current and non-current financial liabilities at 31 March 2021 and 31 December 2020.

| | 31 March 2021 | within 1 year | from 1 year to 5 years | after 5 years |
|---|---|---|---|---|
| Senior Secured Notes | 362,841 | | 362,841 | |
| Artigiancassa loan | 1,317 | 239 | 1,077 | |
| ETNO Bank Spółdzielczy mortgage loan | 54 | 24 | 30 | |
| Other bank loans | 42 | 38 | 4 | |

| | 31 March 2021 | within 1 year | from 1 year to 5 years | after 5 years |
|---|---|---|---|---|
| Prepaid interest expenses | (1,589) | (656) | (993) | |
| Accrued interest expenses | 4,784 | 4,784 | 0 | |
| **Long-term bank borrowings and current portion of long-term bank borrowings** | **367,449** | **4,430** | **363,019** | **0** |
| Current account overdrafts, advance payments and hot money | 5,019 | 5,019 | | |
| Finance lease obligations | 4,456 | 943 | 2,540 | 973 |
| Financial liability for operating leases | 39,779 | 7,250 | 22,235 | 10,295 |
| Loans from syndicated shareholders | 547 | 472 | 74 | |
| Loan from Parent Company Manutencoop Società Cooperativa | 8 | 8 | | |
| Other financial liabilities | 3,608 | 1,689 | 1,920 | |
| Obligations from assignments of trade receivables with recourse | 8,019 | 8,019 | | |
| Amounts collected on behalf of assignees of trade receivables | 9,242 | 9,242 | | |
| Obligations arising from reverse factoring transactions | 5,643 | 5,643 | | |
| Options on subsidiaries' minority shareholdings | 13,603 | 1,564 | 12,039 | |
| Debt for the acquisition of investments / business units | 66 | 66 | | |
| Share capital to be paid into investee companies | 3 | 3 | | |
| **TOTAL FINANCIAL LIABILITIES** | **457,443** | **44,347** | **401,828** | **11,267** |

| | 31 December 2020 | within 1 year | from 1 year to 5 years | after 5 years |
|---|---|---|---|---|
| Senior Secured Notes | 328,082 | | 328,082 | |
| Artigiancassa loan | 1,317 | 239 | 1,077 | |
| ETNO Bank Spółdzielczy mortgage loan | 59 | 23 | 36 | |
| Other bank loans | 31 | 21 | 10 | |
| Prepaid interest expenses | (553) | (551) | (2) | |
| Accrued interest expenses | 1,336 | 1,336 | 0 | |
| **Long-term bank borrowings and current portion of long-term bank borrowings** | **330,272** | **1,069** | **329,203** | **0** |

| | 31 December 2020 | within 1 year | from 1 year to 5 years | after 5 years |
|---|---|---|---|---|
| Current account overdrafts, advance payments and hot money | 5,950 | 5,950 | | |
| Finance lease obligations | 6,426 | 1,689 | 3,681 | 1,056 |
| Financial liability for operating leases | 38,788 | 6,527 | 21,128 | 11,133 |
| Loans from syndicated shareholders | 580 | 380 | 200 | |
| Loan from Parent Company Manutencoop Società Cooperativa | 174 | 174 | | |
| Other financial liabilities | 4,474 | 2,237 | 2,237 | |
| Obligations from assignments of trade receivables with recourse | 15,732 | 15,732 | | |
| Amounts collected on behalf of assignees of trade receivables | 9,935 | 9,935 | | |
| Obligations arising from reverse factoring transactions | 4,629 | 4,629 | | |
| Options on subsidiaries' minority shareholdings | 13,077 | 977 | 12,099 | |
| Debt for the acquisition of investments / business units | 745 | 745 | | |
| Share capital to be paid into investee companies | 3 | 3 | | |
| **TOTAL FINANCIAL LIABILITIES** | **430,785** | **50,047** | **368,549** | **12,189** |

*Senior Secured Notes (Rekeep S.p.A.)*

On 28 January 2021 Rekeep S.p.A. launched a high-yield bond issue named "€350,000,000 7.25% Senior Secured Notes due 2026", which is not convertible and not subordinated, for a total amount on account of principal of € 350 million, due 1 February 2026. The Notes, which were reserved for institutional investors, were admitted to listing on the EURO MTF multilateral trading facility managed by the Luxembourg Stock Exchange and on the ExtraMOT multilateral trading facility, PRO segment, organized and managed by Borsa Italiana S.p.A.. The issue took place at par, with a coupon at an annual fixed rate of 7.25% (payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021) and non-callable repayment until 1 February 2023. On 9 February 2021, the Company also issued additional Senior Secured Notes with a par value of € 20 million at an issue price of 102.75% plus an amount equal to the interest that would have accrued on the Notes until (and excluding) 9 February 2021 in the event of them being issued on 28 January 2021. These Notes are regulated by the same terms and conditions as those issued previously (annual rate of 7.25% and due 2026) and will be formally registered in the same series as the latter ones.

The proceeds from offering the new Senior Secured Notes (totaling € 370 million), together with Cash and Cash equivalents that were already stated in the Company's accounts, were used to pay off the Senior Secured Notes that had been issued in 2017

with an annual coupon of 9% and due 2022, as well as to pay the costs sustained for the redemption premium of these Notes and replenish the liquidity with which the previous RCF line of credit had been repaid.

The rules of the bond issue provide for a system of guarantees and covenants to protect the Bondholders' investment. There are in fact some limitations on the financial operations of the Issuer and of its subsidiaries, while allowing the Group to operate freely, provided that the operations carried out contribute added value and cash flows to the Group, at least potentially. These covenants substantiate in some limitations on the possibility of incurring new indebtedness and making distribution of dividends, investments and some types of payments outside the Restricted Group (restricted payments). Furthermore, there are also rules governing the allocation of sums obtained from the sale of fixed assets, the performance of non-recurring and related-party transactions and the release of collateral on corporate assets to third parties. The covenants in question substantiate in the compliance with certain financial parameters (incurrence base financial covenants), the fulfillment of some conditions or the application of a quantitative limit on the performance of the transactions referred to above rather than in a full prohibition on carrying out the aforesaid transactions. Finally note interim reporting obligations concerning the Group's financial position, results of operations and cash flows. The limits and provisions laid down in the rules of the bond issue are in line with market practice for similar operations. The failure by the Issuer to comply with one or more covenants, in addition to significant events that give rise to a state of insolvency, constitute default events. There is the possibility of remedying most of them within a certain period of time. The default event relating to the state of insolvency or the failure to remedy the other default events constitute grounds for acceleration, i.e. the beneficiary's forfeiture of the right to the time limit and the early redemption of the Notes. No default events had occurred and the financial parameters, which are not subject to periodic audits, had been in any case complied with at the reporting date of these Financial Statements.

The financial charges accrued on the bond coupons amounted to € 6,900 thousand in the first quarter of 2021 (of which € 2,254 thousand related to the Senior Secured Notes issued in 2017 and paid off at the same date of the new issue) against € 7,868 thousand in the first quarter of 2020. The upfront fees relating to the issue of Senior Secured Notes, accounted for according to the amortized cost method in accordance with IFRS 9, entailed the recognition of financial amortization charges of € 6,088 thousand during the first quarter of 2021, of which € 5,817 thousand related to write-off of the remaining amount still to be amortized on the Notes paid off.

### *Super Senior Revolving Credit Facility (RCF)*

At the same time as the issue of 28 January 2021, Rekeep S.p.A. signed a new revolving loan agreement that will guarantee a senior secured line of credit ("RCF") for an amount of up to € 75 million, and due 1 August 2025, to be used for general purposes and to manage the working capital of the Issuer and its subsidiaries. The subsidiary Servizi Ospedalieri S.p.A. may also access this facility providing a specific personal security. The interest rate applicable to each use of the RCF loan for each interest period will be equal to the percentage rate resulting from the sum of the fixed margin (equal to 3.5) and the applicable EURIBOR parameter.

The Super Senior Revolving loan agreement provides for compliance with a financial covenant, which is preliminary to the possible use of the line granted. This financial covenant is in line with the market practice for similar financing transactions and

is recognized on a quarterly basis on the basis of the data relating to the last 12 months, as resulting from the financial position, results of operations and cash flows approved during the quarter prior to the date of the application for use of the credit facility. On the reporting date of these financial statements the financial covenants had been complied with. No drawdown was requested on the RCF as from the issue date.

### *Prepaid interest expenses*

At 31 March 2021 the Company recognized prepaid interest expenses of € 1,589 thousand. The item mainly relates to the arrangement fee initially incurred by Rekeep S.p.A. for the execution of the Super Senior Revolving (RCF) loan agreement, initially equal to € 1,260 thousand). These costs will be amortized on a straight-line basis throughout the term of the credit line and amortization charges of € 311 thousand were recognized in the first quarter of 2021, of which € 229 thousand related to the write-off of the remaining amount still to be amortized on the previous RCF line, paid with the new bond issue.

### *Accrued interest expenses*

At 31 March 2021 accrued interest expenses were recognized for € 4,784 thousand, of which € 4,646 thousand relating to the coupon of the Senior Secured Notes due 1 August 2021.

### *ETNO Bank Spółdzielczy (Rekeep Polska) Mortgage Loan*

The amount of € 43 thousand consists of the remaining value of a mortgage loan which was taken out by subsidiary Jol-Mark of the Polish Rekeep Polska Group, due to expire on 31 July 2023.

### *Artigiancassa loan (Rekeep S.p.A.)*

On 21 June 2018 the Company obtained a soft loan from the “Energy and Mobility Fund” of the Marche Regional Government, aimed at supporting the development of energy efficiency of healthcare units. This soft loan is disbursed partly in the form of an 8-year financing on the part of Artigiancassa S.p.A. for an initial amount of € 1,676 thousand and a pre-amortization period of 12 months. The loan does not bear interest and provides for the payment of 14 six-monthly installments falling due on 31 March and 31 December of each year. No installments were paid during the first quarter of 2021.

### *Other bank loans*

Other bank loans amounted to € 43 thousand at 31 March 2021 and relate to mortgages of subsidiary Medical Device S.r.l..

### *Current account overdraft, advance payments and hot money*

At 31 March 2021 this item showed a balance of € 5,019 thousand, against an amount of € 5,950 thousand at the end of the previous year.

Bank overdrafts and advance payments are not backed by guarantees. Their management is linked to temporary cash requirements within inflows and outflows on the reporting date.

### *Finance lease obligations*

The lease agreements entered into are not secured and are signed by the Parent Company Rekeep S.p.A. and subsidiaries Servizi Ospedalieri S.p.A., Medical Device S.r.l., the Turkish subsidiary EOS and some companies in the Polish sub-group. They refer to motor vehicles and plant and machinery, mainly relating to Servizi Ospedalieri S.p.A. that uses them in the laundering and sterilization production processes, and to the Rekeep Polska Group. New finance lease agreement were signed for € 116 thousand during 2021.

### *Financial liability for operating leases*

As at 31 March 2021 financial liability for operating leases amounted to € 39,779 thousand against € 38,788 thousand at 31 December 2020. Specifically, during the year, there were early terminations for € 206 thousand and increases for the execution of new agreements concerning property leases and the long-term hire of vehicles and equipment, equal to € 1,115 thousand.

### *Syndicated loans*

This item refers to financing provided by the consortium members, which are minorities in the consortium companies included within the scope of consolidation, since they are owned or held in joint venture at 50%. In certain cases, these loans are non-interest-bearing loans and are repayable on request. In other cases, they have a contractually defined maturity and, in others, they do not have a contractually defined maturity but will essentially be repayable at the end of the long-term service contract, on the basis of which the consortium company was established. At 31 March 2021 the overall balance of these loans amounted to € 547 thousand (€ 580 thousand at 31 December 2020).

### *Due to factoring agencies*

This item includes receipts from customers on receivables assigned within the factoring of trade receivables without recourse. The amounts collected, equal to € 8,019 thousand at 31 March 2021, were transferred to the factor in the month after the end of the period. Of these, an amount of € 4,516 thousand pertained to the Parent Company Rekeep.

### *Obligations from assignments of receivables with recourse*

The Parent Company Rekeep S.p.A. entered into a new agreement for the assignment with recourse of trade receivables with Banca Sistema S.p.A. concerning receivables from Public Authorities during 2020. In 2021 assignments with recourse were made with regard to trade receivables at a nominal value of receivables of € 8,468 thousand. The exposure was equal to € 9,242 thousand at 31 March 2021 (€ 15,732 thousand at 31 December 2020), of which an amount of € 8,384 thousand relating to the parent company Rekeep S.p.A. and € 858 thousand to subsidiary Servizi Ospedalieri S.p.A..

### *Obligations arising from reverse factoring transactions*

As at 31 March 2021 there were some reverse factoring lines which ensure a greater amount of overdraft facilities with respect to payments to some suppliers. The exposure was equal to € 5,643 thousand at the reporting date of these Consolidated Financial Statements, relating to the lines used by the Parent Company Rekeep S.p.A..

### *Options on subsidiaries' minority shareholdings*

The options on subsidiaries' non-controlling interests were recognized for an amount of € 13,603 thousand at 31 March 2021 (€ 13,077 thousand at 31 December 2020).

Of these an amount of € 12,039 thousand related to the fair value at the date of the Put option granted in favor of the minority shareholder of Rekeep Polska S.A. on 20% of the capital of the company acquired on 30 October 2019. The related strike price is calculated for an amount equal to the product between consolidated EBITDA on a 12-month basis for the quarter immediately preceding that exercise date by a multiple equal to 7.5x, as reduced by the consolidated net financial position and adjustments to Net Working Capital set out in the acquisition contract. This option may be exercised within 1 year as from the fifth year after the acquisition date.

The estimated liability linked to the Put option held by the minorities of Rekeep France S.a.s. for € 1,564 thousand was also recognized at 31 March 2021 (€ 977 thousand at 31 December 2020), whose shareholding of 30% was transferred to third parties on 15 January 2018 under an Investment Agreement signed in 2017. This option may be exercised between 30 June 2021 and 30 June 2023.

### *Debts for the acquisition of investments/business units*

This item amounted to € 66 thousand at 31 March 2021 (€ 745 thousand at 31 December 2020). At 31 December 2020 Rekeep Polska S.A. (formerly Naprzód) recognized payables for the acquisition of minority interests of other companies in the Polish sub-group, equal to € 679 thousand, paid off during the first quarter of 2021.

### *Other financial liabilities*

As at 31 March 2021 other financial liabilities were recorded for € 3,608 thousand, against € 4,474 thousand at 31 December 2020. Other financial liabilities include a loan of € 3,369 thousand granted by the Polish Government to the Polish group's subsidiary Catermed S.A. within the scope of measures put in place to support companies in order to counter the COVID-19 emergency. The loan, which is structured into two lines, i.e. liquidity and preferential financing, has a term of three years and accrues interest. At 31 December 2020 the Parent Company Rekeep S.p.A. also showed the payable for adjustments to the price for the transfer of Sicura S.p.A. for € 800 thousand in accordance with the provisions of the contract of sale signed on 28 February 2020. This debt was paid off in 2021.

## Current and other financial assets

As at 31 March 2021 *Current and other financial assets* amounted to € 5,260 thousand (€5,994 thousand at 31 December 2020) and mainly included:

- the residual short-term share, equal to € 1,408 thousand, of the deferred price referring to the sale of 95% of the quota capital of MFM Capital S.r.l. to 3i European Operational Projects SCSp, which took place in December 2018;
- the short-term share, equal to € 1,448 thousand, of the receivable arising from the sale of the investment equal to 15% of the quota capital of Linea Sterile, held by subsidiary Servizi Ospedalieri, which took place on 29 December 2020;
- the balance of pledged current accounts dedicated to the operation of the service for managing receipts within the scope of assignments of trade receivables without recourse, equal to 415 thousand (€ 821 thousand at 31 December 2020), in addition to receivables from factors for collections the latter wrongly received on receivables assigned in previous periods;
- an overall amount of € 182 thousand of receivables for short-term loans and financial accounts held with non-consolidated Group companies.

## 12. EMPLOYEE TERMINATION INDEMNITY (TFR)

Below are the changes in the liabilities relating to Employee Termination Indemnity (TFR) in the first quarter of 2021, compared with changes in the same period of the previous year.

| | For the quarter ended | |
|---|---|---|
| | 31 March 2021 | 31 March 2020 |
| **AT 1 JANUARY** | **11,267** | **12,443** |
| Additions for business combinations | 0 | 0 |
| Current service cost | 103 | 97 |
| Interest costs on benefit obligations | 12 | 54 |
| Benefits paid | (369) | (697) |
| Net actuarial (gains)/ losses | 0 | 0 |
| Other changes | 1 | 159 |
| IFRS5 Reclassification | 0 | 0 |
| **AT 31 MARCH** | **11,013** | **12,055** |

Below is reported the breakdown of the net cost of employee benefits relating to the termination indemnity:

| | For the quarter ended | |
|---|---|---|
| | 31 March 2021 | 31 March 2020 |
| Current service cost | 103 | 97 |
| Interest costs on benefit obligations | 12 | 54 |
| **Net cost of the benefits recognized through profit or loss** | **114** | **151** |
| Net actuarial (gains)/ losses recognized in equity | 0 | 0 |
| **TOTAL NET BENEFIT COSTS** | **114** | **151** |

Below are reported the data relating to the average number of the Group's employees and of the workers provided to the Group by Manutencoop Società Cooperativa:

| | For the quarter ended | |
|---|---|---|
| | 31 March 2021 | 31 March 2020 |
| Executives | 68 | 77 |
| Office workers | 1,655 | 1,744 |
| Manual workers | 26,186 | 25,546 |
| **AVERAGE STAFF** | **27,908** | **27,367** |

The average number of leased employees provided to the Group by Manutencoop Società Cooperativa was equal to no. 335 units at 31 March 2021 (at 31 March 2020: no. 355 units).

## 13. PROVISIONS FOR RISKS AND CHARGES

The breakdown and changes in the provisions for risks and charges for the period ended 31 March 2021 are shown below:

| | Risks on investments | Risks on job orders | Pending legal disputes | Tax litigation | Agents' indemnity leave | Termination employee benefits | Other provisions | Total |
|---|---|---|---|---|---|---|---|---|
| **At 1 January 2021** | **333** | **7,991** | **24,223** | **490** | **280** | **750** | **1,259** | **35,327** |
| Accruals | | 250 | 593 | | | | 108 | 952 |
| Uses | | (95) | (998) | (12) | | | (9) | (1,114) |
| Reversals | | | | | | | | 0 |

| | Risks on investments | Risks on job orders | Pending legal disputes | Tax litigation | Agents' indemnity leave | Termination employee benefits | Other provisions | Total |
|---|---|---|---|---|---|---|---|---|
| Others | 23 | | | (3) | | | | 20 |
| **At 31 March 2021** | **356** | **8,147** | **23,818** | **475** | **280** | **750** | **1,358** | **35,184** |
| *At 31 March 2021:* | | | | | | | | |
| *Current* | *356* | *8,083* | *613* | *447* | *0* | *750* | *708* | *10,957* |
| *Non-current* | *0* | *64* | *23,205* | *28* | *280* | *0* | *650* | *24,227* |
| ***At 31 December 2020:*** | | | | | | | | |
| *Current* | *333* | *7,928* | *492* | *447* | *0* | *750* | *600* | *10,550* |
| *Non-current* | *0* | *64* | *23,731* | *43* | *280* | *0* | *659* | *24,777* |

### *Provision for risks on investments*

The item, amounting to € 356 thousand at 31 March 2021, includes the provision for unrecoverable future losses of Group companies and related for € 110 thousand to the subsidiary Alisei S.r.l. in liquidation, for € 78 thousand to the subsidiary Manutencoop International Services LLC and for € 168 thousand to the subsidiary Yougenio S.r.l..

### *Provision for risks on job orders*

This provision includes, at consolidated level:

- estimated risks relating to potential disputes with customers, on the report of works;
- estimated penalties charged by customers;
- estimated costs to complete job orders, in respect of which no additional revenues will be paid.

The balance amounted to € 8,147 thousand at 31 March 2021, up by €155 thousand against accruals of € 250 thousand and uses of € 95 thousand.

### *Provision for pending legal disputes*

At the reporting date of the financial statements, the risk was assessed for the Group to be required to pay future compensation in the event of losing cases in legal actions pending with customers, suppliers, employees and others. During the quarter ended 31 March 2021 the provision, totaling € 23,818 thousand, reported increases for accruals for € 593 thousand and decreases for uses totaling € 998 thousand.

Accruals were mainly recognized to cover risks of Parent Company Rekeep S.p.A. for € 335 thousand. Uses in the period refer to the use of provisions recorded in previous years due to the settlement of disputes with suppliers and legal proceedings with other parties.

On 20 January 2016 the Competition Authority ("AGCM") imposed on the Parent company Rekeep S.p.A. (formerly Manutencoop Facility Management S.p.A.) a fine of € 48.5 million due to the breach of competition rules on the part of some companies which had taken part in a European Union tender for cleaning services in school buildings called by CONSIP in 2012 ( "Consip Scuole"). The fine was subsequently reduced to € 14.7 million and paid in full by the Company already during 2019.

On 7 January 2017 the Company served a writ of summons on the entity, asking the Ordinary Court of Rome to establish the unlawfulness of the notice of termination of the agreements and order Consip S.p.A. to compensate for any damage suffered by the Company. The tender performance bond (initially equal to € 24.5 million) might also be partially enforced if the Company loses the case against Consip S.p.A.. ANAC has proceeded with the entry of the contract termination in its computerized records.

Subsequently, on 16 June 2017, Consip officially informed Rekeep S.p.A. of its own decision concerning the exclusion of the Company from the tenders for new agreements relating to cleaning services of barracks ("Consip Caserme") and to cleaning services with health service providers ("Consip Sanità"), with the intention also to confiscate, in this last case, the surety given by the Company during the tender for the amount of approximately € 10.4 million (known as "bid bond). At present, both the Regional Administrative Court and the Council of State have confirmed the order of exclusion and a judicial appeal is pending before the Supreme Court. Following the judgment handed down by the Council of State, Consip S.p.A. asked the guarantors to enforce the guarantees (bid bonds) provided in the interest of Rekeep for the Consip Sanità tender (equal to € 10.4 million) and Consip Caserme (equal to € 3.4 million). Rekeep S.p.A., with independent appeals and additional grounds, challenged these measures before the Lazio Regional Administrative Court, which rejected the appeals. By an order dated 22 March 2021 the Council of State granted the preliminary request submitted by the Company and suspended the enforcement of the judgment that had been appealed against, and adjourned the discussion of the merits of the case to the hearing scheduled on 7 October 2021. However, a single-member board's Presidential decree suspending the challenged judgments was obtained in the meantime. Finally, on 28 July 2020, one of the guarantors (Atradius) served on Rekeep an appeal before the Civil Court of Rome under Article 702-*bis* in order to obtain the payment of the sums relating to the sureties issued for the participation in the Consip Sanità tender, pending the enforcement on the part of Consip. At the first appearance hearing scheduled on 24 March 2021, the Court ordered for the summary procedure to be converted into ordinary procedure and for the parties' to appear at the hearing scheduled on 16 December 2021.

Finally, on 6 March 2020 Consip S.p.A. informed the Company of the exclusion from the tender for the cleaning of museum premises ("Consip Musei"), with the intention of sending the document to ANAC, which may proceed with the entry in the electronic criminal records of "Useful information". On 13 March 2020 a request was also sent for the enforcement of the bid bond relating to this tender (equal to € 2.8 million). The Company challenged these orders before the Regional Administrative Court, which rejected the appeal. However, by an order of 11 March 2021 the Council of State granted the preliminary request submitted by the Company and suspended the enforcement of the judgment that had been appealed against.

The Consip Sanità, Consip Caserme and Consip Musei tenders did not generate consolidated Revenues until 31 March 2021 and were not included in the consolidated backlog at 31 March 2021.

In the Financial Statements at 31 March 2021 the Directors already decided to maintain the provisions for future charges (equal to € 17.5 million), also taking account of the risk of enforcement of the abovementioned performance bond and bid bonds and despite the fact that Rekeep S.p.A. could submit sound arguments against the enforcement of the bonds in court.

The dispute concerning the fine imposed in relation to the FM4 Tender still continued in 2021.

On 23 March 2017, the Competition Authority notified Manutencoop Facility Management S.p.A. (now Rekeep S.p.A.) of the start of an investigation procedure against the Company itself, as well as against CNS – Consorzio Nazionale Servizi Società Cooperativa, Dussmann Service S.r.l., Engie Servizi S.p.A. (formerly Cofely Italia S.p.A.), ManitalIdea S.p.A., Romeo Gestioni S.p.A. e STI S.p.A. and subsequently extended to Exitone S.p.A., Manital Società Consortile per i Servizi Integrati per Azioni Consorzio Stabile, Manital S.c.p.a., Gestione Integrata S.r.l., Kuadra S.r.l. in Liquidation, Esperia S.p.A., Engie Energy Services International SA, Veolia Energie International SA, Romeo Partecipazioni S.p.A., Finanziaria Bigotti S.p.A., Consorzio Stabile Energie Locali S.c.a.r.l. to ascertain whether those companies put in place a possible anti-competitive agreement whose subject matter consisted of the coordination of the procedures for taking part in the tender called by Consip in 2014 for awarding the Facility Management services intended for properties mainly for office use of the Public Administration (known as "FM4 Tender"). On 9 May 2019, after the completion of the abovementioned proceedings, the Competition Authority served the final order, considering the existence of the agreement restricting competition between some of the abovementioned companies and imposing a sanction of € 91.6 million on the Company.

The Lazio Regional Administrative Court's judgment of 27 July 2020 partially granted the appeal submitted by the Company, albeit confirming the Competition Authority's Order as regards the merits, in relation to reasons related to the calculation of the fine and set the parameters for its redetermination. The Competition Authority therefore again set the new fine at € 79.8 million. The Company challenged both the Regional Administrative Court's judgment before the Council of State and orders for the new calculation of the fine before the Regional Administrative Court. Finally, on 22 December 2020 the Competition Authority served on the Company its appeal against the abovementioned Lazio Regional Administrative Court's order, while requesting the confirmation of the order on the FM4 tender, including the initial fine equal to € 91.6 million. The next hearing has been scheduled on 23 September 2021.

Rekeep S.p.A., also on the basis of what has been agreed with its lawyers and maintaining the position it has always taken on the matter, believes that the sanctioning order is completely groundless. The Company therefore considers that the measure is unjustified and declares that it is sure of the absolute correctness of its conduct and of having always acted in compliance with the market rules applicable to the Consip FM4 Tender.

On 31 December 2019 the Company had taken steps to recognize the liability arising from the notice of payment issued by the Revenue Agency – Collection department among "Other current liabilities" in the Statement of Financial Position for the corresponding amount (€ 94,611 thousand). The entry of this debt in the taxpayers' list was made enforceable by the Revenue Agency following the issue of a notice of payment on 18 December 2019. On 23 December 2019 the Company submitted a request for payment of these sums in installments, which was formally granted on 10 January 2020. This order provides for the payment of 72 monthly installments, at an interest rate of 4.5% as from 24 January 2020. The Company has started to pay these installments on a regular basis, waiting for the developments of the legal action expected in the trial proceedings. Decree Law

no. 18 of 17 March 2020, governing “Measures to strengthen the National Health Service and to provide financial support to households, workers and businesses related to the COVID-19 epidemic emergency" ("Cure Italy Decree") has however provided, among others, for the possibility of suspending the payment of installment payment plans already granted by the Revenue Agency. While continuing to have confidence in the reasonableness of the defense arguments, the Directors, given the enforceability of the fine, recognized the debt, and the related cost, relating to expected financial outlay in the financial statements at 31 December 2020 for an amount equal to what is stated in the new Competition Authority’s order (€ 79,800 thousand), even in consideration of the uncertainty surrounding the actual outcome of the appeal against the Regional Administrative Court’s judgment and the appeal on the merits concerning the Competition Authority’s new order of 29 October 2020. The payment of any sum entered in the taxpayers’ list may take place, as already occurred for the sums owed as a deposit in the first stage of the litigation, in installments and within the time limits and according to the methods prescribed by law, also pursuant to Article 19 of Presidential Decree 602/1973 and Ministerial Decree of 6 November 2013, as supplemented by the Directives issued by the Revenue Agency – Collection department. On 22 December 2020, in fact, the Revenue Agency sent the related updated installment plan, deducting three installments already paid as deposit for € 3,010 thousand. The amount of the debt stated in the accounts also includes surcharges and collection costs (equal to 3% of the amount of the debt entered in the taxpayers’ list) for € 2,612 thousand. Finally, it should be noted that the Company resumed operations to pay monthly installments on 24 January 2021.

Furthermore, on 28 June 2019 Consip S.p.A. served on Rekeep S.p.A. the order providing for its exclusion from the FM4 Tender due to the breach of Article 38, paragraph 1.f, of Legislative Decree 163/2006, as well as of Article 68 of Royal Decree 827/1924 and of Article 38, paragraph 2, of Legislative Decree 163/2006, while notifying the enforcement of the provisional guarantees provided by Rekeep S.p.A. in tendering (equal to € 3.9 million). With regard to this exclusion, ANAC initiated a procedure under Article 38, paragraph 1-*ter*, of Legislative Decree no. 163/2006. On 3 July 2019 Rekeep S.p.A. filed an appeal with the Lazio Regional Administrative Court in order to seek the annulment of the acts of Consip S.p.A.; on 10 July 2019 the administrative court ordered for them to be suspended pending its own ruling on the appeal against the Competition Authority’s order, while also scheduling the hearing in chambers for the decision on the preliminary request on 11 September 2019. On that occasion the Lazio Regional Administrative Court partially granted the preliminary request against the order issued by Consip S.p.A., providing on 10 July 2019 for the suspension of only the enforcement of the temporary guarantees until the hearing on the merits scheduled on 15 July 2020, and subsequently postponed on several occasions until 23 June 2021.

On 4 November 2019 the Company submitted an appeal to the Lazio Regional Administrative Court against the proceedings initiated by ANAC, which, at present, have been removed from the docket in consideration of the fact that on 24 January 2020 ANAC ordered to suspend the proceedings while waiting for the settlement of the disputes brought in first instance before the Regional Administrative Court for the Competition Authority’s Consip FM4 orders and the exclusion from the Consip FM4 tender. To date, since the tender has not yet been awarded on a final basis, potential revenues relating to the FM4 Tender have never been included in the Rekeep Group’s backlog.

The Company continues to hold that it considers the Competition Authority’s order unjustified and disproportionate and will continue to take any necessary action against it to protect its rights and interests. While having full confidence in the arguments

discussed with their lawyers and after specifically verifying the consolidated financial planning and the actual conditions to be able to meet non-recurring cash outflows (if any), the Directors do not see any uncertainties for the purposes of assessing the going-concern assumption.

The Company believes that a general delay may actually arise in awarding some tenders attributable to situations of further worsening of the disputes connected with the participation in or the awarding of said tenders. As things stand as regards the abovementioned proceedings, there are no impediments for the Rekeep S.p.A. group companies to the participation and awarding of new calls for tenders by the Public Administration, and, moreover, any other awarding procedure of contracts with private customers still remains valid.

### *Provision for termination employee benefits*

This provision has been set aside to include the amounts due for severance and employee redundancy costs, as part of various restructuring plans implemented by some Group companies over the last few years. The provision recorded a balance equal to € 750 thousand at 31 March 2021 (unchanged compared to 31 December 2020).

### *Provision for tax disputes*

At 31 March 2021 the provision amounted to € 475 thousand, recording uses and other changes which gave rise to a decrease of € 15 thousand during the year.

### *Other provisions for risks and charges*

The provision, amounting to € 1,358 thousand at 31 March 2021, showing an increase of € 99 thousand compared to 31 December 2020 (€ 1,259 thousand) as a result of provisions for € 108 thousand and uses for € 9 thousand.

## 14. CONTINGENT LIABILITIES

As at the date of approval of the Interim Report on Operations at 31 March 2021 contingent liabilities had arisen for the Rekeep Group which had not been recognized in the accounts, for which the Management believes that the related financial risks can be regarded as possible but unlikely or for which these risks cannot be quantified and recognized in the financial statements at 31 March 2021.

### *ANAC's disqualification order - Santobono Pausilipon*

On 10 November 2017 ANAC, after the completion of proceedings initiated in November 2016 following a report made by A.O.R.N. Santobono Pausilipon in Naples, imposed a sanction ("ANAC's Order") on Rekeep S.p.A. (Manutencoop Facility Management S.p.A. at that time), raising objections concerning the failure to provide a declaration relating to the absence of criminal proceedings against one of the Company's proxy holder in the documentation submitted for the same tender in 2013. On the

other hand, this proxy holder met the legal requirements in full. In addition to a fine of € 10 thousand, the ANAC's Order provided for the Company to be excluded from all public tenders for a period of 6 months as from the date of entry in the computerized records of economic operators in public contracts. The Company, which considers that the order is unfounded and based on erroneous legal grounds, in addition to being disproportionate with respect to the alleged infringement, filed an appeal with the Lazio Regional Administrative Court, while asking the President of the competent division to order the immediate suspension of the measure before any discussion on the merits of the case ("request for precautionary measure from a single-member court"). On 15 November 2017 this request was granted and all the effects of the ANAC's Order were suspended. On 21 December 2017 the Lazio Regional Administrative Court granted the appeal, as regards the merits, submitted by the Company and annulled the ANAC's Order. Subsequently, the latter challenged the administrative court's ruling before the Council of State, while submitting a request for precautionary measures for the suspension of the effects of the trial judgment. At the hearing held on 8 March 2018 the Council of State rejected this request, ordering ANAC to pay expenses.

By a judgment published on 27 December 2018, however, the Council of State granted the appeal filed by ANAC against the Lazio Regional Administrative Court's ruling of 21 December 2017, which had annulled the ANAC's Order.

The Company successfully challenged the order before the Regional Administrative Court, but, within appellate proceedings brought by ANAC, the disqualification order was confirmed by the Council of State; at the end of the procedure for application of extraordinary means of appeal (appeal for review and judicial appeal to the Supreme Court), it became final on 4 December 2020 with the filing of the Supreme Court's judgment no. 27770/2020. As a result of this judgment, any suspension effect of ANAC Resolution no. 1106/2017 was therefore removed, which entails, in addition to a fine of € 10,000, the exclusion of Rekeep S.p.A. from public tender procedures and subcontracting of public contracts for a financial period of 6 months in accordance with Legislative Decree 50 of 2016 (the "Public Contracts Code"). The entry, which had been previously blacked out by ANAC, was therefore re-inserted in the computerized records of economic operators in public contracts relating to works, services and supplies as from 25 December 2020 and until 17 June 2021. Rekeep S.p.A. had formally asked ANAC to postpone the immediate new reinstatement of the entry in the records until the conclusion of the proceedings initiated by ANAC on the Application for Re-examination submitted on 20 October 2020 and, subordinately, to specify that the disqualifying effects of these records, as provided for by Article 38, paragraph 4, of the "Rules for the management of the Computerized Records of public contracts for works, services and supplies, in accordance with Article 213, paragraph 10, of Legislative Decree no. 50 of 18 April 2016", are only limited to exclusion "from tender procedures or from access to qualification if the expiry of the time limit set for submitting bids or the application for qualification falls within the effective period of the entry". ANAC replied to this notice with an additional memo sent on 5 January 2021, whereby it also notified that it rejected the Company's request and intended to reinstate the entry in question, as any other wording would not be in line with the principle according to which tendering requirements must necessarily be met on an ongoing basis". The Company lodged an appeal against this order before the Lazio Regional Administrative Court which declared the appeal as inadmissible by a judgment dated 29 March 2021. The Company filed an appeal against this judgment together with an application for preliminary request, which was accepted by the Council of State by an order dated 23 April 2021. In light of this, any effect of the ANAC order must be regarded as suspended at present. Moreover, following the summary examination of the precautionary proceedings phase, the Council of State held that "the principle of strictly

legal typicality of the sanctions (....) has been breached, given that (...) the failure to make a statement with which the Company has been charged under the order does not coincide with a false statement".

Given that ANAC's order provides for the disqualification of Rekeep S.p.A. only from taking part in public tenders and from awarding public contracts under sub-contract agreements, it is believed that this measure does not have a disqualifying effect on the other companies in the Rekeep Group, nor does it have any direct effect on the contracts that are already in the portfolio and included in the Group's backlog. Moreover, ANAC's order does not provide for the disqualification of Rekeep S.p.A. from participating in tenders issued by private parties. The Group's commercial pipeline (corresponding to the total value of the tenders issued by public entities in which the Group has participated and for which it is awaiting the related outcome) is historically segmented among the various subsidiaries and the parent company, Rekeep S.p.A., currently accounts for about 5% of the commercial pipeline at consolidated level. The Company has appointed a representative to lodge an appeal with the European Court of Human Rights in order to protect its interests.

## 15. TRADE PAYABLES, CONTRACT LIABILITIES AND OTHER CURRENT PAYABLES

The table below sets forth the breakdown of the item at 31 March 2021 and 31 December 2020:

| | 31 March 2021 | of which to related parties | 31 December 2020 | of which to related parties |
|---|---|---|---|---|
| Trade payables | 377,062 | | 373,295 | |
| **Trade payables to third parties** | **377,062** | **0** | **373,295** | **0** |
| Trade payables to Manutencoop Società Cooperativa | 4,700 | 4,700 | 5,883 | 5,883 |
| Trade payables to Group companies within 12 months | 14,700 | 14,700 | 12,644 | 12,644 |
| **Trade payables to Manutencoop Group** | **19,400** | **19,400** | **18,527** | **18,527** |
| Advances from customers including contract liabilities | 24,611 | 2 | 21,027 | 1 |
| **Trade payables and contract liabilities** | **421,073** | **19,402** | **412,849** | **18,528** |
| Fees due to directors and statutory auditors | 320 | | 245 | |
| Tax payables | 6,399 | | 7,835 | |
| Payables to social security institutions within 12 months | 30,590 | | 28,269 | |
| Other payables to TJA | 8,172 | | 10,807 | |
| Payables to employees within 12 months | 58,784 | | 49,356 | |
| Other payables within 12 months | 85,063 | | 85,487 | |
| Property collection on behalf of customers | 2,176 | | 2,176 | |

| | 31 March 2021 | of which to related parties | 31 December 2020 | of which to related parties |
|---|---|---|---|---|
| **Other current operating payables to third parties** | **191,504** | **0** | **184,175** | **0** |
| Other current payables to Manutencoop Società Cooperativa | 38 | 38 | 26 | 26 |
| Other payables to Group companies | 31 | 31 | 31 | 31 |
| **Other current operating payables to Manutencoop Group** | **69** | **69** | **57** | **57** |
| Accrued expenses | 48 | | 3 | |
| Deferred income | 15 | | 14 | |
| **Accrued expenses and deferred income** | **63** | **0** | **17** | **0** |
| **Other current operating payables** | **191,636** | **69** | **184,249** | **57** |

Trade payables do not accrue interest and are, on average, settled 90/120 days from the invoice date. The other payables are non-interest bearing payables and are settled, on average, after 30 days, excluding payables due to employees for accrued 13th and 14th monthly pay and holidays paid at 6 months on average, and the amounts due to the Tax Authorities on account of VAT.

Trade payables and contract liabilities amounted to €421,073 thousand at 31 March 2021, against a balance of €412,849 thousand at 31 December 2020, showing an increase of € 8,224 thousand.

*Other current liabilities* showed a balance of € 191,636 thousand at 31 March 2021 (€ 184,249 thousand at 31 December 2020) and are mainly made up of the following items:

- payables to employees of € 58,784 thousand (€ 49,356 thousand at 31 December 2020) including the current monthly salaries to be paid in the months after the end of the financial year, as well as payables for additional monthly salaries to be paid (a portion of the 14th salary, to be paid in the month of July, and the 13th salary, to be paid each year in the month of December). Furthermore, the corresponding payables to social security institutions were recognized for € 30,590 thousand (€ 28,269 thousand at 31 December 2020);
- payables to tax authorities for € 6,399 thousand, mainly relating to the balance of payables for VAT payments on the part of some Group companies and of the IRPEF tax payable for employees (€ 7,835 thousand at 31 December 2020);
- receipts on behalf of Temporary Associations of Companies (ATI) for € 8,172 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mostly relating to job orders under "CONSIP" agreements (€ 10,807 thousand at 31 December 2020).

As at 31 December 2020, *Other payables within 12 months* included the payable relating to the fine imposed by the Competition Authority in relation to the Consip FM4 Tender, which was recognized by the Parent Company Rekeep S.p.A.. While continuing to have confidence in the reasonableness of the defense arguments, the Directors, given the enforceability of the fine, recognized the debt relating to expected financial outlay in the Consolidated Financial Statements at 31 December 2020 for an amount equal

to what is stated in the Competition Authority's order (€ 79,800 thousand), even in consideration of the uncertainty surrounding the actual outcome of the appeal against the Regional Administrative Court's judgment and the appeal on the merits concerning the Competition Authority's new order of 29 October 2020. The payment of the sums entered in the taxpayers' list may take place, as already occurred for the sums owed as a deposit in the first stage of the litigation, pursuant to Article 19 of Presidential Decree 602/1973 and Ministerial Decree of 6 November 2013, as supplemented by the Directives issued by the Revenue Agency – Collection department (against collection charges and surcharges of € 2,612 thousand, which were also recognized under liabilities). Finally, on 22 December 2020, the Revenue Agency sent the related updated installment payment plan, by offsetting the installments already paid as deposit for € 3,010 thousand. The residual debt stated in the Consolidated Financial Statements amounted to € 77,755 thousand at 31 March 2021.

## 16. NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

No non-current assets held for sale and liabilities directly associated with assets held for sale were reported at 31 March 2021.

With regard to the 2020 financial year, on 28 February 2020 the parent company Rekeep S.p.A. sold its full investment in Sicura S.p.A., the Group's sub-holding company which operates in the facility management sector as a provider of specialist services in the fields of safety and fire prevention.

The transfer to Argos Wityu, a pan-European Private Equity fund, entailed the recognition of a consideration of € 55,041 thousand. In the consolidated financial statements for the quarter ended 31 March 2020 the income statement balances relating to the sub-group controlled by Sicura S.p.A. and prior to the date of transfer were reclassified in the Statement of Profit/Loss for the period under a single item of "Profit/(loss) from discontinued operations" in accordance with IFRS5. However, the adoption of this standard did not entail any impact on consolidated net Profit and consolidated equity.

Furthermore, the comparative data were restated, as illustrated in note 3, to which reference should be made.

The Profit (loss) from discontinued operations for the 2020 financial year also included the write-down of the receivable for the remaining consideration claimed by the Parent Company Rekeep S.p.A. in relation to the sale of Energyproject S.r.l., which took place in 2014, for a value equal to € 409 thousand.

### *Financial flows generated from/used in discontinued operations*

Assets held for sale and related associated liabilities, which were entirely attributable to the sub-group controlled by Sicura S.p.A., as well as discontinued operations in previous years, gave rise to the following cash flows:

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Collection of consideration for the sale of from Sicura S.p.A. (2020) | 0 | 55,041 |
| **CASH FLOW FROM DISPOSAL OF OPERATING ASSETS** | **0** | **55,041** |

The sale of Sicura S.p.A. on the part of the parent company Rekeep S.p.A. took place on 28 February 2020 for a gross consideration equal to € 55,041 thousand, which was collected in full as at the reporting date of these financial statements.

## 17. COMMITMENTS AND GUARANTEES

The Group has commitments in place which arise from the execution of finance and operating lease agreements.

Specifically, the Group signed finance lease agreements primarily for plant and equipment used in the production processes of the *Laundering & Sterilization* SBU and for motor vehicles and equipment. Moreover, during 2017 a property lease agreement was signed by subsidiary Servizi Ospedalieri S.p.A. to acquire the factory in Lucca, while the acquisitions of EOS and Medical Device S.r.l. in 2018 and the acquisition of Rekeep Polska (formerly Naprzód) in 2019 contributed additional leases for capital goods and for the use of a property. Finally, new finance lease agreements were executed on the part of Servizi Ospedalieri for € 116 thousand relating to machinery for industrial laundering during the first quarter of 2021.

Furthermore, the Group shows commitments to the execution of property lease agreements for the Group's offices, long-term hire contracts for the corporate fleets of the Group companies and hiring contracts for equipment used in the performance of some work contracts, accounted for in accordance with the new standard IFRS16 as from 1 January 2019.

The tables below report the amount of future lease payments arising from finance leases and the present value of these fees at 31 March 2021 and 31 December 2020:

| | 31 March 2021 | | | |
|---|---|---|---|---|
| | Finance Lease | | Operating Lease | |
| | Lease fees | Present value of lease fees | Lease fees | Present value of lease fees |
| Within one year | 982 | 943 | 8,860 | 7,250 |
| From one year to five years | 2,643 | 2,540 | 26,026 | 22,235 |
| After five years | 1,450 | 973 | 11,360 | 10,295 |
| **TOTAL LEASE FEES** | **5,075** | **4,456** | **46,246** | **39,779** |
| Financial costs | (618) | | (6,467) | |
| **PRESENT VALUE OF LEASE FEES** | **4,456** | **4,456** | **39,779** | **39,779** |

| | 31 December 2020 | | | |
|---|---|---|---|---|
| | Finance Lease | | Operating Lease | |
| | Lease fees | Present value of lease fees | Lease fees | Present value of lease fees |
| Within one year | 1,606 | 1,689 | 8,145 | 6,527 |
| From one year to five years | 3,934 | 3,681 | 24,583 | 21,128 |
| After five years | 1,546 | 1,056 | 12,193 | 11,133 |
| **TOTAL LEASE FEES** | **7,086** | **6,426** | **44,921** | **38,788** |
| Financial costs | (660) | | (6,133) | |
| **PRESENT VALUE OF LEASE FEES** | **6,426** | **6,426** | **38,788** | **38,788** |

At 31 March 2021 the Group also granted sureties to third parties for:

- guarantees against financial obligations amounting to € 10,525 thousand (€ 25,402 thousand compared to 31 December 2020), of which € 2,486 thousand issued in the interest of associates for bank overdrafts and other financial obligations (€ 2,996 thousand at 31 December 2020);
- sureties granted to third parties to ensure the correct fulfillment of contract obligations in place with customers, amounting to € 324,506 thousand (31 December 2020: € 312,660 thousand), of which € 1 thousand issued in the interest of associates;
- other guarantees granted by third parties in favor of associates, joint ventures and other equity investments for € 10,307 thousand (€ 12,697 thousand at 31 December 2020).
- other guarantees granted to third parties to replace security deposits required to activate utilities or to execute lease agreements, as well as for VAT refunds from Inland Revenue Agency, for a total amount of € 53,179 thousand (€ 25,624 thousand at 31 December 2020).

### *Guarantees arising from the Senior Secured Notes issue launched in 2021 and from the Super Senior Revolving loan agreement*

On 18 January 2021, Rekeep S.p.A. announced the launch of an offering of Senior Secured Notes for a total nominal amount of € 350 million. The transaction was successfully formalized on 28 January 2021 with an issue at par due 2026, an annual fixed coupon of 7.25% (payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021) and non-callable repayment until 1 February 2023. On 9 February 2021, the Company also issued additional Senior Secured Notes with a par value of € 20 million at an issue price of 102.75% plus an amount equal to the interest that would have accrued on the Notes until (and excluding) 9 February 2021 in the event of them being issued on 28 January 2021. These Notes are regulated by the same

terms and conditions as those issued previously (annual rate of 7.25% and due 2026) and will be formally registered in the same series as the latter ones.

At the same time as the issue of 28 January 2021, Rekeep S.p.A. finally signed a new revolving loan agreement that will guarantee a senior secured line of credit ("RCF") for an amount of up to € 75 million, to be used for general purposes and to manage the working capital of the Issuer and Servizi Ospedalieri S.p.A..

The payment obligations connected to both the Bond Issue and the Super Senior Revolving (RCF) facility are backed by the following collateral provided:

- a first-degree pledge over the total shares of Rekeep S.p.A., paid by the controlling company Manutencoop Società Cooperativa;
- a pledge over the total shares of subsidiary Servizi Ospedalieri S.p.A.;
- an assignment, by way of security, involving receivables held by Rekeep S.p.A., arising from intercompany loans granted by it to some of its subsidiaries.

Rekeep S.p.A. has also provided, in favor of the subscribers of the Super Senior Revolving facility only, a special lien pursuant to Article 46 of Legislative Decree 385 of 1 September 1993 on some of the personal properties held by it.

The guarantees listed above may be called by the counterparties only in the case that one of the events of default envisaged in the abovementioned contracts occurs; up to the occurrence of the same, the assets covered by the guarantee are fully available to the Rekeep Group companies. At 31 March 2021 no events of default had occurred.

## 18. FINANCIAL RISK MANAGEMENT

Management of financial requirements and the relative risks (mainly interest rate and liquidity risk) is performed centrally by the Group's finance function on the basis of guidelines approved by the Parent Company's Board of Directors which are reviewed periodically. The main objective of these guidelines is to guarantee the presence of a liability structure that is balanced with the composition of the balance sheet assets, in order to maintain a high level of capital strength.

During the last quarter of the 2017 financial year parent company Manutencoop Società Cooperativa carried out a corporate reorganization and refinancing of the entire Manutencoop Group through a newco (CMF S.p.A.). On 6 July 2017 CMF S.p.A. launched a high-yield bond issue named "*€360,000,000 9.0% Senior Secured Notes due 2022*", which is not convertible and not subordinated, for a total amount on account of principal of € 360 million and due 15 June 2022. Furthermore, on 1 July 2018 the merger of CMF S.p.A. by incorporation into its subsidiary Rekeep S.p.A. was completed, according to Article 2501-*bis* (merger with debt). The merger entailed the acquisition, directly by Rekeep S.p.A., of the bond issue. Finally, during 2019 and 2020 some separate buy-back transactions of Senior Secured Notes were carried out for a total amount of € 26.1 million, and, therefore, the outstanding nominal value of the bond issue was equal to € 333.9 million at 31 December 2020.

On 18 January 2021, Rekeep S.p.A. announced the launch of an offering of Senior Secured Notes for a total nominal amount of € 350 million. The transaction was successfully formalized on 28 January 2021 with an issue at par due 2026, an annual fixed coupon of 7.25% (payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021) and non-callable repayment until 1 February 2023. The stock was admitted for listing on the EURO MTF multilateral trading facility managed by the Luxembourg Stock Exchange and on the ExtraMOT multilateral trading facility, PRO segment, organized and managed by Borsa Italiana S.p.A.. On 9 February 2021, the Company also issued additional Senior Secured Notes with a par value of € 20 million at an issue price of 102.75% plus an amount equal to the interest that would have accrued on the Notes until (and excluding) 9 February 2021 in the event of them being issued on 28 January 2021. These Notes are regulated by the same terms and conditions as those issued previously (annual rate of 7.25% and due 2026) and will be formally registered in the same series as the latter ones.

The other financial instruments that are traditionally used by the Group Companies are made up of:

- short-term loans and revolving non-recourse and recourse factoring transactions, as well as reverse factoring, targeted at funding working capital.
- the very short-term credit facilities used for contingent cash requirements;
- medium/long-term loans with a multi-year repayment plan to cover investments in fixed assets and acquisitions of companies and business units.

The Group also uses trade payables deriving from operations as financial instruments. The Group's policy is not to trade financial instruments.

The Group's financial instruments were classed into three levels provided by IFRS 7. In particular, the fair value hierarchy is defined in the following levels:

- Level 1: corresponds to prices of similar liabilities and assets listed on active markets;
- Level 2: corresponds to prices calculated through features taken from observable market data;
- Level 3: corresponds to prices calculated through other features that are different from observable market data.

The table below shows the hierarchy for each class of financial asset measured at fair value at 31 March 2021 and 31 December 2020:

| | | Hierarchy | | | | Hierarchy | | |
|---|---|---|---|---|---|---|---|---|
| | 31 March 2021 | Level 1 | Level 2 | Level 3 | 31 December 2020 | Level 1 | Level 2 | Level 3 |
| ***Financial assets at fair value through profit or loss*** | | | | | | | | |
| Financial receivables, securities and other non-current financial assets | **101** | 101 | | | **101** | 101 | | |
| - of which securities | **101** | 101 | | | **101** | 101 | | |
| ***Available-for-sale financial assets*** | | | | | | | | |
| Financial receivables and other current financial assets | **0** | 0 | | | **0** | 0 | | |
| - of which securities | | | | | **0** | 0 | | |
| - of which hedging derivatives | | | | | **0** | 0 | | |
| - of which non-hedging derivatives | | | | | **0** | 0 | | |
| **TOTAL FINANCIAL ASSETS** | **101** | **101** | | | **101** | **101** | | |

The other financial assets posted in the Statement of financial position are not measured at fair value and the Group had no financial liabilities measured at fair value at 31 March 2021 and 31 December 2020. During the financial year under consideration there were no transfers between fair value measurement levels.

There were no changes in allocation of financial assets that led to a different classification of asset. The Group does not hold instruments to warrant amounts receivable to mitigate credit risk. The carrying amount of financial assets, therefore, represents its potential credit risk.

## *Capital management*

The key objective of the Group's capital management is to guarantee that a solid credit rating is maintained as well as adequate capital ratios to support operations and to maximize value for shareholders.

The Group manages the capital structure and amends it on the basis of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can adjust the dividends paid to shareholders, repay principal or issue new shares.

The Group checks its debt ratio, by assessing the ratio of net debt to the total of own equity and net debt: interest-bearing loans, trade payables, other payables and provisions for employee severance indemnity net of cash and cash equivalents.

| | 31 March 2021 | 31 December 2020 |
|---|---|---|
| Employee termination indemnity | 11,013 | 11,267 |
| Interest-bearing loans | 396,865 | 369,509 |
| Trade payables and contract liabilities | 421,073 | 412,849 |
| Other current payables | 191,638 | 184,249 |
| Other current financial payables | 60,577 | 61,276 |
| Cash and cash equivalents | (107,672) | (90,464) |
| Other current financial assets | (5,260) | (5,994) |
| **Total Net Debt** | **968,234** | **942,692** |
| Group shareholders' equity | 51,809 | 69,337 |
| Undistributed net profit (loss) | 17,060 | 83,154 |
| **Total Capital** | **68,869** | **152,491** |
| **EQUITY AND NET DEBT** | **1,037,103** | **1,095,183** |
| **INDEBTEDNESS RATIO** | **93.4%** | **86.1%** |

The debt ratio showed an increase compared to the value at 31 March 2020 as a result of a decrease in the share capital, which was due to a decrease in the Group's equity following the recognition of the loss carried forward at 31 December 2020.

## 19. OPERATING SEGMENTS

The services provided by the Rekeep Group can be divided into two primary areas of business, which coincide with the Strategic Business Units (SBU) where business is channeled. The latter is not affected by significant seasonality factors. The SBUs identified coincide with the CGUs where the Group's activities are conducted. See note 6 for details.

### *Facility Management SBU*

Facility Management offers a range of logistic and organizational support services targeted at users of properties and aimed at optimizing the management of property-related activities.

The so-called "traditional" Facility Management services provided by the Rekeep Group include the following activities:

- Cleaning;
- Technical Services;

- Landscaping.

Cleaning includes cleaning and hygiene services, sanitation, disinfection, pest control and rat extermination, collection, transport and disposal of hospital waste and employs the highest number of Group employees.

The so-called Technical Services encompass the management, running and maintenance services of property-related systems (including heating and air conditioning systems, electrical systems, fire prevention and safety systems), including:

- design and implementation of redevelopment and adjustment work in line with safety regulations;
- design and installation of devices for energy saving and for the reduction of emissions of pollutants into the atmosphere.

Finally, a third type of activities attributable to the Facility Management service rendered by the Group is the so-called Landscaping, i.e. a service for the maintenance of green areas, which includes both the design and the implementation and maintenance of properties' green areas, and services for the area.

Finally, energy management activities are developed, i.e. technical design, construction and operation of cogeneration plants and operation and maintenance of the same plants to provide customers with energy efficiency solutions.

The Group also expanded its range of services, providing certain specialist facility management services alongside its "traditional" Facility management services, through business combinations or by reorganizing specific business areas. In particular it operates in the sector of:

- mailing and document management services (Telepost S.r.l.);
- facility services in the field of applications, management and sourcing (Rekeep Digital S.r.l.);
- facility services in the field of infrastructure and transport (Rekeep Rail S.r.l.).

Finally, the internationalization process led to the start-up of facility operations in France (through the sub-group controlled by Rekeep France S.a.S.), Turkey (through EOS and Rekeep United Yönetim Hizmetleri A.Ş..) and Saudi Arabia (through Rekeep Saudi Arabia Ltd and Rekeep Arabia for Operations and Maintenance Ltd). Finally, in 2019 the acquisition of the Polish company Rekeep Polska S.A. (formerly Naprzód S.A.), the parent company controlling the group with the same name, served to expand and strengthen the market position in the field of facility management in the healthcare sector.

### *Laundering & Sterilization SBU*

Laundering/sterilization is an industrial activity given in support of public and private healthcare facilities. In Italy, the Rekeep Group operates in this sector in particular through Servizi Ospedalieri S.p.A. and its subsidiaries, which provide the following services:

- collection and distribution of linen in the individual departments;
- management of the linen rooms in the health care facilities;
- supply of disposable items;
- rental of linen with special materials for operating rooms;
- acceptance, treatment, sterilization and redelivery of surgical instruments;

- rental of surgical instruments;
- creation and management of sterilization systems.

The results of operations by segment for the periods ended 31 March 2021 and 31 March 2020:

| | Facility Management | Laundering & Sterilization | Eliminations | Total |
|---|---|---|---|---|
| Segment revenues | 241,120 | 44,048 | (834) | 284,634 |
| Segment costs | (226,229) | (37,137) | 834 | (262,711) |
| **Operating income (loss) by segment** | **15,191** | **6,732** | **0** | **21,923** |
| Share of net profit of associates | 1,226 | 82 | | 1,308 |
| Net financial income (costs) | | | | (34,069) |
| **Profit (loss) before taxes** | | | | **(10,838)** |
| Income taxes | | | | (5,046) |
| Profit (loss) from discontinued operations | 16 | | | 16 |
| **NET PROFIT (LOSS) FOR THE PERIOD ENDED 31 MARCH 2021** | | | | **(15,869)** |

| | Facility Management | Laundering & Sterilization | Eliminations | Total |
|---|---|---|---|---|
| Segment revenues | 237,140 | 34,929 | (904) | 271,166 |
| Segment costs | (219,970) | (31,014) | 904 | (250,080) |
| **Operating income (loss) by segment** | **17,170** | **3,916** | **0** | **21,086** |
| Share of net profit of associates | (21) | 114 | | 93 |
| Net financial income (costs) | | | | (11,756) |
| **Profit (loss) before taxes** | | | | **9,423** |
| Income taxes | | | | (6,438) |
| Profit (loss) from discontinued operations | 4,217 | | | 4,217 |
| **NET PROFIT (LOSS) FOR THE PERIOD ENDED 31 MARCH 2020** | | | | **7,202** |

The table below reports the data relating to assets and liabilities for the Group's operating segments at 31 March 2021 and at 31 December 2020:

| | Facility Management | Laundering & Sterilization | Eliminations | Total |
|---|---|---|---|---|
| Assets allocated to the segment | 499,104 | 128,631 | (2,227) | 625,509 |
| Goodwill | 388,752 | 13,810 | | 402,562 |
| Investments | 11,785 | 5,766 | | 17,551 |
| Other assets not allocated and related taxes | | | | 148,044 |
| **SEGMENT ASSETS AT 31 MARCH 2021** | **899,641** | **148,207** | **(2,227)** | **1,193,665** |
| Liabilities allocated to the segment | 595,867 | 65,265 | (2,227) | 658,906 |
| Other liabilities not allocated and related taxes | | | | 478,591 |
| **SEGMENT LIABILITIES AT 31 MARCH 2021** | **595,867** | **65,265** | **(2,227)** | **1,137,496** |

| | Facility Management | Laundering & Sterilization | Eliminations | Total |
|---|---|---|---|---|
| Assets allocated to the segment | 486,972 | 129,510 | (2,608) | 613,873 |
| Goodwill | 388,752 | 13,810 | | 402,562 |
| Investments | 10,883 | 5,387 | | 16,270 |
| Other assets not allocated and related taxes | | | | 133,350 |
| **SEGMENT ASSETS AT 31 DECEMBER 2020** | **886,606** | **148,707** | **(2,608)** | **1,166,055** |
| Liabilities allocated to the segment | 579,117 | 67,185 | (2,608) | 643,694 |
| Other liabilities not allocated and related taxes | | | | 449,826 |
| **SEGMENT LIABILITIES AT 31 DECEMBER 2020** | **579,117** | **67,185** | **(2,608)** | **1,093,520** |

## 20. TRANSACTIONS WITH RELATED PARTIES

Related party transactions were performed under normal market conditions, i.e. in line with conditions that would be applied between aware and independent parties. Market prices are applied to both commercial and financial transactions.

Non-interest bearing loans are only disbursed in the case of pro-quota financing granted by syndicated shareholders to consortium companies. These loans were, however, discounted in the financial statements of Parent Company Rekeep S.p.A..

The Parent Company not only provides technical-production services relating to the core business, but also administrative and IT services for certain Group companies. The Parent Company also has some administrative and lease service contracts in place with its parent company Manutencoop Società Cooperativa.

Finally, in certain cases the Parent Company provides and performs technical services and works for individuals who hold top management positions within the Group, according to contracts entered into at arm's length. Advances of € 740 thousand collected in consideration of these services were recognized at 31 March 2021 (€ 984 thousand at 31 December 2020).

The main contracts in place with other Rekeep Group companies, controlled by Manutencoop Società Cooperativa, with the latter and its subsidiaries, are shown below:

- Manutencoop Società Cooperativa sub-leased to the Company the part of the property located in Zola Predosa, via Poli no. 4 (BO), for office use. The lease has a term of five years and is tacitly renewable, except in the event of termination by one of the parties. Annual rent is expected to be € 1,320 thousand to be paid in 12 monthly installments;
- Manutencoop Società Cooperativa also leased to Rekeep S.p.A. the part of the property located in Mestre (VE), via Porto di Cavergnago no. 6, for office use. The lease has a term of six years and is tacitly renewable. Annual rent is expected to be € 325 thousand, to be paid in 12 monthly installments.
- on 6 July 2007, Rekeep S.p.A. signed a framework agreement with its parent company, Manutencoop Società Cooperativa, in order to regulate the essential contents of subsequent personnel leases from Manutencoop Società Cooperativa to Rekeep S.p.A. pursuant to Title III, Chapter I of Legislative Decree 276/2003. The contract has a five-year term, and is tacitly renewed, unless terminated by one of the parties. As a result of said agreement, which has the legal nature of a legislative contract that does not grant rights to third parties, Rekeep S.p.A. and parent company Manutencoop Società Cooperativa set out the conditions that regulate any future contracts for the leasing of shareholding personnel of Manutencoop Società Cooperativa, and the operating rules for establishing and terminating said contracts;
- Manutencoop Società Cooperativa is committed, on the basis of contracts stipulated with the individual companies of the Rekeep Group, to preparing pay packets;
- Rekeep S.p.A. signed agreements with Manutencoop Società Cooperativa and the other Group companies for the provision of tax consultancy services.

The breakdown of the balances relating to the transactions carried out by the Group's Companies with related parties is provided in Annex III attached to the Interim Report on Operations.

The Rekeep Group is subject to the management and coordination activities of Manutencoop Società Cooperativa.

Zola Predosa, 13 May 2021

**The Chairman and CEO**

Giuliano Di Bernardo

# ANNEX I

# GROUP COMPANIES

## PARENT COMPANY

| | Currency | Registered Office | City |
|---|---|---|---|
| Rekeep S.p.A. | Euro | Via Ubaldo Poli n. 4 | Zola Predosa (BO) |

## SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

| Name | Registered Office | City | % Held | Currency |
|---|---|---|---|---|
| Bologna Strade Soc. Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 54.37% | Euro |
| Catermed S.A. | ul. Traktorowa n. 126/201, 91-204 | Łódź (Poland) | 100% | PLN |
| Cefalù Energia S.p.A. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 70% | Euro |
| CO.GE.F. Soc. Cons. a r.l | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 80% | Euro |
| Consorzio Igiene Ospedaliera Soc. Cons. a r.l | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 66.66% | Euro |
| Consorzio Stabile CMF | Via Marino Stenico no. 26 | Trento (TN) | 99% | Euro |
| EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S. | Üniversiteler Mahallesi, Bilkent Plaza, A3 Blok, no. 4 | Çankaya/ Ankara | 51% | TRY |
| Ferraria Soc. cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 69% | Euro |
| Global Oltremare Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 60% | Euro |
| H2H Facility Solutions S.p.A. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 100% | Euro |
| H2H Cleaning S.r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 100% | Euro |
| ISOM Lavori Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 62.71% | Euro |
| ISOM Gestione Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 52.97% | Euro |
| IZAN+ sp. z o.o. | ul. Żabiniec no. 46, 31-215 | Kraków (Poland) | 100% | PLN |
| JOL-MARK sp. z o.o. | ul. Portowa no. 16G, 44-100 | Gliwice (Poland) | 80% | PLN |
| KANARIND Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 62.43% | Euro |
| Kolumna Transportu Sanitarnego Triomed sp. z o.o. | ul. Północna no. 22, 20-064 | Lublin (Poland) | 100% | PLN |
| Infrastrutture Lombardia Servizi Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 60% | Euro |
| Logistica Sud Est Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 60% | Euro |

| Name | Registered Office | City | % Held | Currency |
|---|---|---|---|---|
| Medical Device S.r.l. | Via della Tecnica no.52 | Montevarchi (AR) | 60% | Euro |
| MSE Soc. Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 64% | Euro |
| Naprzód Catering sp. z o.o. | ul. Stefana Banacha 1A, 02-097 | Warsaw (Poland) | 100% | PLN |
| Naprzód Cleaning sp. z o.o. | ul. Żabiniec n. 46, 31-215 | Kraków (Poland) | 100% | PLN |
| Naprzód Hospital sp. z o.o. | ul. Żabiniec n. 46, 31-215 | Kraków (Poland) | 100% | PLN |
| Naprzód Inwestycje sp. z o.o. | ul. Żabiniec n. 46, 31-215 | Kraków (Poland) | 100% | PLN |
| Naprzód IP sp. z o.o. in liquidation | ul. Żabiniec n. 46, 31-215 | Kraków (Poland) | 100% | PLN |
| Naprzód Marketing sp. z o.o. | ul. Żabiniec n. 46, 31-215 | Kraków (Poland) | 100% | PLN |
| Naprzód Service sp. z o.o. | ul. Traktorowa n. 126/202, 91-204 | Łódź (Poland) | 100% | PLN |
| Palmanova Servizi Energetici Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 60% | Euro |
| Przedsiębiorstwo Produkcyjno-Handlowo-Usługowe „Postęp" sp. z o.o. | ul. Portowa n.16G, 44-100 | Gliwice (Poland) | 100% | PLN |
| Rekeep Arabia for Operations and Maintenance Ltd | P.O Box 230888, Riyadh, 11321, K.S.A., 28th floor, Kingdom tower. | Riyadh (Saudi Arabia) | 100% | SAR |
| Rekeep Digital S.r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 100% | Euro |
| Rekeep Facility S.a.s. | 52, Boulevard de Sebastopol | Paris | 100% | Euro |
| Rekeep France S.a.s. | 52, Boulevard de Sebastopol | Paris | 70% | Euro |
| Rekeep Polska S.A. | ul. Żabiniec n. 46, 31-215 | Kraków (Poland) | 80% | PLN |
| Rekeep Rail S.r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 100% | Euro |
| Rekeep Saudi Arabia Ltd | P.O Box 230888, K.S.A., 28th floor, Kingdom Tower | Riyadh (Saudi Arabia) | 100% | SAR |
| Rekeep Transport S.a.S. | 4 place Louis Armand-Tour de l'Horloge | Paris | 100% | Euro |
| Rekeep United Yönetim Hizmetleri A.Ş. | United Plaza Örnektepe Mh. İmrahor Cd. Sivaseli Sk. 4 | Istanbul | 50.98% | TRY |
| Rekeep World S.r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 100% | Euro |
| S.AN.CO S.c.a.r.l. | Via Aurelio Saffi, 51 | Bologna | 100% | Euro |
| S.AN.GE S.c.a.r.l. | Viale Sarca 336 – Strada Privata Breda – Edificio 12 | Milan | 89% | Euro |
| San Gerardo Servizi Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 60% | Euro |
| Servizi Brindisi Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 52% | Euro |
| Servizi Ospedalieri S.p.A. | Via Calvino no. 33 | Ferrara | 100% | Euro |
| Servizi Sanitari Sicilia Soc.Cons. a r.l. | Via Calvino no. 33 | Ferrara | 70% | Euro |
| Servizi Taranto Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 60.08% | Euro |
| Telepost S.r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 100% | Euro |
| Vendi Cleaning sp. z o.o. | ul. Traktorowa n.126/201, 91-204 | Łódź (Poland) | 100% | PLN |

| Name | Registered Office | City | % Held | Currency |
|---|---|---|---|---|
| Vendi Marketing sp. z o.o. | ul. Traktorowa n,126, 91-204 | Łódź (Poland) | 100% | PLN |
| Vendi Service sp. z o.o. in liquidation | ul. Traktorowa n.126, 91-204 | Łódź (Poland) | 100% | PLN |
| Vendi Servis IP sp. z o.o. | ul. Traktorowa n.126, 91-204 | Łódź (Poland) | 100% | PLN |

## JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD

| Name | Registered Office | City | % Held | Currency |
|---|---|---|---|---|
| AMG S.r.l. | SS Laghi di Avigliana 48/a | frazione Roata Raffo Busca (CN) | 50% | Euro |
| CO. & MA. Soc. Cons. a r.l. | Via del Parco no. 16 | Tremestieri Etneo (CT) | 50% | Euro |
| DUC Gestione Sede Unica Soc.cons.r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 49% | Euro |
| Legnago 2001 Soc.cons.r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 50% | Euro |
| Servizi Sportivi Brindisi Soc.cons.r.l. in liquidation | Via Licio Giorgieri no. 93 | Rome | 50% | Euro |

## ASSOCIATES AND OTHER COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

| Name | Registered Office | City | % Held | Currency |
|---|---|---|---|---|
| 2High S.r.l. | Via Cartiera no. 120 | Sasso Marconi (BO) | 30% | Euro |
| Alisei S.r.l. in liquidation | Via Cesari no. 68/1 | Modena | 100% | Euro |
| Bologna Gestione Patrimonio Soc.Cons. r.l. in liquidation | Via della Cooperazione no. 9 | Bologna | 27.58% | Euro |
| BGP2 Soc.Cons. r.l. | Via Giovanni Papini no. 18 | Bologna | 41.17% | Euro |
| Bologna Global Strade Soc.Cons. r.l. | Via Pila no. 18 | Sasso Marconi (BO) | 59.65% | Euro |
| Bologna Più' Soc.Cons.r.l in liquidation | Via M.E. Lepido 182/2 | Bologna | 25.68% | Euro |
| Centro Europa Ricerche S.r.l. | Via G. Zanardelli no. 34 | Rome | 21.38% | Euro |
| Como Energia Soc.Cons. r.l. in liquidation | Via Pietro Strazzi no. 2 | Como | 30% | Euro |
| Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation | Via Poiano no. 22 | Imola (BO) | 60% | Euro |
| Consorzio Polo Sterilizzazione Integrata a r.l. | Via Facciolati no. 84 | Padua | 60% | Euro |
| Consorzio Sermagest Soc.Cons. a r.l. in liquidation | Via Filippo Corridoni no. 23 | Rome | 60% | Euro |

| Name | Registered Office | City | % Held | Currency |
|---|---|---|---|---|
| Consorzio Servizi Toscana Soc. Cons. a r.l in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 60% | Euro |
| F.lli Bernard S.r.l. | Stradella Aquedotto no. 21 | Bari | 20% | Euro |
| Gestione Servizi Taranto Soc.Cons.a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 47% | Euro |
| Gestione Strade Soc.Cons.a r.l. | Strada Manara n. 64/B | Parma | 25% | Euro |
| Global Provincia Di Rimini Soc.Cons. r.l. in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 42.40% | Euro |
| Global Riviera Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 30.66% | Euro |
| Global Vicenza Soc.Cons. a r.l. | Via Grandi no. 39 | Concordia Sulla Secchia (MO) | 41.25% | Euro |
| Gymnasium Soc.Cons. r.l. in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 68% | Euro |
| GR.A.AL. Soc. Cons. a. r.l. | Via Guelfa no. 76 | Bologna | 29.926% | Euro |
| Imola Verde e Sostenibile Soc. Cons. a r.l. | Via S. Allende no. 39 | Bologna | 30% | Euro |
| Iniziative Produttive Piemontesi S.r.l. | Corso Einaudi no. 18 | Turin | 24.75% | Euro |
| Logistica Ospedaliera Soc. Cons. a r.l | Via C. Alberto Dalla Chiesa 23/I | Caltanissetta (CL) | 45% | Euro |
| Manutencoop International Services LLC | Qatar Tower, building 35, street 920, zone 63 | Doha (Qatar) | 49% | QAR |
| MCF servizi Integrati Soc.Cons. a r.l. in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 60% | Euro |
| Newco Duc Bologna S.p.A. | Via M.E. Lepido 182/2 | Bologna | 24.90% | Euro |
| Rekeep Austria GmbH in liquidation | IZ NÖ-Süd Straße 2, Obj. M6/7 - 2355 | Wiener Neudorf (Austria) | 100% | Euro |
| Roma Multiservizi S.p.A. | Via Tiburtina 1072 | Rome | 45.47% | Euro |
| San Martino 2000 Soc.Cons. a r.l. | Via al Molo Vecchio | Calata Gadda (GE) | 40% | Euro |
| S.E.I. Energia Soc. Cons. a r.l. | Via Emilia no. 65 | Palermo (PA) | 49% | Euro |
| Serena S.r.l. in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 50% | Euro |
| Servizi Napoli 5 Soc.Cons. a r.l. | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 45% | Euro |
| Simagest 2 Soc. Cons. a r.l in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 90% | Euro |
| Simagest 3 Soc. Cons. a r.l in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 89.99% | Euro |
| Società Consortile Adanti Manutencoop a r.l. in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 50% | Euro |
| Steril Piemonte Soc.Cons. r.l. | Corso Einaudi no. 18 | Turin | 25% | Euro |
| Tower Soc.Cons. a r.l. in liquidation | Via Zanardi no. 372 | Bologna | 20.17% | Euro |
| Yougenio S.r.l. in liquidation | Via Ubaldo Poli no. 4 | Zola Predosa (BO) | 100% | Euro |

# ANNEX II

## EQUITY-ACCOUNTED INVESTMENTS

| | % | Net assets 31 December 2020 | Changes in the period | | | | | Net assets 31 March 2021 | Book value | Provision for risks |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Financial effects | Dividends | Revaluations/ Write-downs | Provision for risks | Effects on shareholder s' equity | | | |
| 2High S.r.l. | 30% | 90 | | | | | | 90 | 90 | 0 |
| Alisei S.r.l. in liquidation | 100% | (110) | | | | | | (110) | 0 | (110) |
| A.M.G. S.r.l. | 50% | 2,379 | | | 29 | | | 2,408 | 2,408 | |
| BGP 2 Soc. Cons. a r.l. | 41.47% | 62 | | | | | | 62 | 62 | |
| Bologna Gestione Patrimonio Soc. Cons. a. r.l. in liquidation | 27.58% | 0 | | | | | | 0 | 0 | |
| Bologna Global Strade Soc. Cons. a. r.l. | 60% | 59 | | | | | | 59 | 59 | |
| Bologna Più Soc. Cons. a r.l. | 25.68% | 5 | | | | | | 5 | 5 | |
| Centro Europa Ricerche S.r.l. | 21.38% | 66 | | | | | | 66 | 66 | |
| Co. & Ma. Soc. Cons. a r.l. | 50% | 5 | | | | | | 5 | 5 | |
| Como Energia Soc. Cons. a r.l. in liquidation | 30% | 7 | | | | | | 7 | 7 | |
| Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation | 60% | 6 | | | | | | 6 | 6 | |
| Consorzio Polo sterilizzazione Integrata | 60% | 1 | | | | | | 1 | 1 | |
| Consorzio Sermagest in liquidation | 60% | 0 | | | | | | 0 | 0 | |
| Consorzio Servizi Toscana ar.l. | 60% | 6 | | | | | | 6 | 6 | |
| DUC Gestioni Soc.Cons. a r.l. | 49% | 10 | | | | | | 10 | 10 | |
| F.lli Bernard S.r.l. | 20% | 1,503 | | | 55 | | | 1,558 | 1,558 | |
| Gestione Servizi Taranto Soc.Cons.a r.l. | 47% | 9 | | | | | | 9 | 9 | |

| | % | Net assets 31 December 2020 | Changes in the period | | | | | Net assets 31 March 2021 | Book value | Provision for risks |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Financial effects | Dividends | Revaluations/ Write-downs | Provision for risks | Effects on shareholder s' equity | | | |
| Gestione Strade Soc.Cons. a r.l. | 25% | 13 | | | | | | 13 | 13 | |
| GICO Systems S.r.l. | 20% | 203 | (203) | | | | | 0 | 0 | |
| Global Provincia di Rimini Soc.Cons. a r.l. | 42.40% | 4 | | | | | | 4 | 4 | |
| Global Riviera Soc.Cons. a r.l. | 30.66% | 9 | | | | | | 9 | 9 | |
| Global Vicenza Soc.Cons. a r.l. | 41.25% | 4 | | | | | | 4 | 4 | |
| GR.A.AL. SOC.CONS a r.l. | 29.93% | 3 | | | | | | 3 | 3 | |
| Gymnasium soc. Cons. A r.l. in liquidation | 68% | 7 | | | | | | 7 | 7 | |
| Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES) | 30% | 6 | | | | | | 6 | 6 | |
| IPP S.r.l. | 24.75% | 382 | | | (5) | | | 377 | 377 | |
| Legnago 2001 Soc. Cons. a r.l. | 50% | 5 | | | | | | 5 | 5 | |
| Logistica Ospedaliera Soc. Cons. a r.l | 45.00% | 5 | | | | | | 5 | 5 | |
| Manutencoop International Services LLC | 49% | (55) | | | | | (23) | (78) | 0 | (78) |
| MCF Servizi integrati Soc. Cons. a r. l. in liquidation | 60% | 6 | | | | | | 6 | 6 | |
| Newco DUC Bologna S.p.A. | 24.90% | 1,788 | | | 50 | | (17) | 1,821 | 1,821 | |
| Rekeep Austria GmbH in liquidation | 100% | 0 | 15 | | (15) | | | 0 | 0 | |
| ROMA Multiservizi S.p.A. | 45.47% | 1,350 | | | 1,368 | | | 2,718 | 2,718 | |
| San Martino 2000 Soc.Cons. a r.l. | 40% | 4 | | | | | | 4 | 4 | |
| S.E.I. Energia Soc. Cons. a r.l. | 49.00% | 5 | | | | | | 5 | 5 | |
| Società - Consortile Adanti Manutencoop a r.l. in liquidation | 50% | 10 | | | | | | 10 | 10 | |

| | % | Net assets 31 December 2020 | Changes in the period | | | | | Net assets 31 March 2021 | Book value | Provision for risks |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Financial effects | Dividends | Revaluations/ Write-downs | Provision for risks | Effects on shareholder s' equity | | | |
| Serena S.r.l. | 50% | 9 | | | | | | 9 | 9 | |
| Servizi Napoli 5 Soc. Cons. a r.l. | 45% | 5 | | | | | | 5 | 5 | |
| Servizi Sportivi Brindisi Soc. Cons. a r.l. in liquidation | 50% | 5 | | | | | | 5 | 5 | |
| Simagest 2 Soc.Cons.a r.l. in liquidation | 90% | 45 | | | | | | 45 | 45 | |
| Simagest 3 Soc.Cons.a r.l. in liquidation | 89.99% | 45 | | | | | | 45 | 45 | |
| Steril Piemonte Soc. Cons. a r.l. | 25% | 1.000 | | | 3 | | | 1,003 | 1,003 | |
| Tower Soc.Cons. a r.l. | 20.17% | 20 | | | | | | 20 | 20 | |
| Yougenio S.r.l. in liquidation | 100% | (168) | 178 | | (178) | | | (168) | 0 | (168) |
| **NET BOOK VALUE** | | **8,806** | **(10)** | **0** | **1,308** | **0** | **(40)** | **10,066** | **10,422** | **(356)** |

# ANNEX III

# RELATED-PARTY TRANSACTIONS

## PARENT COMPANIES

| | | Revenues | Costs | Financial income | Financial charges | | Trade receivables | Financial receivables and others | Trade payables | Financial payables and others |
|---|---|---|---|---|---|---|---|---|---|---|
| Manutencoop Società Cooperativa | 31-Mar-20 | 35 | 6,745 | | 221 | 31-Dec-20 | 57 | 8,915 | 5,912 | 17,040 |
| | 31-Mar-21 | 46 | 7,527 | | | 31-Mar-21 | 66 | 9,237 | 4,715 | 18,661 |

## ASSOCIATES AND JOINT-VENTURES

| | | Revenues | Costs | Financial income | Financial charges | | Trade receivables | Financial receivables and others | Trade payables | Financial payables and others |
|---|---|---|---|---|---|---|---|---|---|---|
| 2HIGH S.r.l. | 31-Mar-20 | | | | | 31-Dec-20 | | | 215 | |
| | 31-Mar-21 | | 27 | | | 31-Mar-21 | | | 253 | |
| Alisei s.r.l. in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | 3 | | | 1 |
| | 31-Mar-21 | | | | | 31-Mar-21 | 3 | | | 1 |
| AMG S.r.l. | 31-Mar-20 | | 58 | | | 31-Dec-20 | 1 | | 331 | |
| | 31-Mar-21 | | 63 | | | 31-Mar-21 | | | 420 | |
| Bologna Gestione Patrimonio Soc.Cons. a r.l. | 31-Mar-20 | (193) | (131) | | | 31-Dec-20 | 165 | | 501 | |
| | 31-Mar-21 | 15 | 58 | | | 31-Mar-21 | 146 | | 559 | |
| Bologna Più Soc.Cons.a r.l. in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | | 3 | 3 | 2 |
| | 31-Mar-21 | | | | | 31-Mar-21 | | 3 | 3 | 2 |
| Bologna Global Strade Soc. Cons. a r.l | 31-Mar-20 | 224 | 477 | | | 31-Dec-20 | 86 | 383 | 1 | |
| | 31-Mar-21 | 100 | | | | 31-Mar-21 | 186 | 383 | 1 | |
| Como Energia Soc.Cons.a r.l. | 31-Mar-20 | | | | | 31-Dec-20 | | | 111 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | | 111 | |
| Consorzio Imolese Pulizie soc.Cons. in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | | 36 | 12 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | 36 | 12 | |
| Consorzio Servizi Toscana Soc.Cons.a r.l in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | 282 | | 177 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | 282 | | 177 | |
| CO.& MA. Soc. Cons. a r.l | 31-Mar-20 | 90 | 138 | | | 31-Dec-20 | 60 | 20 | 568 | |
| | 31-Mar-21 | 90 | 198 | | | 31-Mar-21 | 150 | 20 | 765 | |

| | | Revenues | Costs | Financial income | Financial charges | | Trade receivables | Financial receivables and others | Trade payables | Financial payables and others |
|---|---|---|---|---|---|---|---|---|---|---|
| DUC Gestione Sede Unica Soc. Cons. a r.l. | 31-Mar-20 | 1,791 | 780 | | | 31-Dec-20 | 3,140 | | 1,037 | |
| | 31-Mar-21 | 1,838 | 846 | | | 31-Mar-21 | 4,793 | | 1,443 | |
| Fr.lli Bernard s.r.l. | 31-Mar-20 | 48 | 6 | | | 31-Dec-20 | 76 | 50 | 32 | |
| | 31-Mar-21 | 3 | | | | 31-Mar-21 | 79 | 50 | 33 | |
| Gestione Servizi Taranto Soc.Cons.a r.l. | 31-Mar-20 | | | | | 31-Dec-20 | 1,584 | 32 | 847 | |
| | 31-Mar-21 | 1,331 | 1,253 | | | 31-Mar-21 | 2,781 | 14 | 1,927 | |
| Gestione Strade soc.cons.r.l. | 31-Mar-20 | 49 | 93 | | | 31-Dec-20 | 78 | 63 | 433 | |
| | 31-Mar-21 | 21 | 209 | | | 31-Mar-21 | 102 | 63 | 485 | |
| Gico Systems S.r.l. | 31-Mar-20 | | 434 | | | 31-Dec-20 | 2 | | 984 | |
| | 31-Mar-21 | | 411 | | | 31-Mar-21 | 1 | | 1,124 | |
| Global Provincia di RN Soc.Cons.a r.l. in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | | 70 | 13 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | 70 | 13 | |
| Global Riviera Soc.Cons.a r.l. | 31-Mar-20 | | 2 | | | 31-Dec-20 | | | (14) | |
| | 31-Mar-21 | | 3 | | | 31-Mar-21 | | | (11) | |
| Global Vicenza Soc.Cons. a r.l. | 31-Mar-20 | | 2 | | | 31-Dec-20 | | 10 | 16 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | 10 | 17 | |
| Gymnasium Soc. cons. a r.l in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | 1 | 8 | 33 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | 1 | 8 | 33 | |
| Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES) | 31-Mar-20 | | | | | 31-Dec-20 | 114 | | 102 | 3 |
| | 31-Mar-21 | (23) | (21) | | | 31-Mar-21 | 102 | | 99 | 3 |
| IPP S.r.l. | 31-Mar-20 | | 23 | | | 31-Dec-20 | 27 | 59 | 149 | |
| | 31-Mar-21 | | 51 | | | 31-Mar-21 | 27 | 59 | 186 | |
| Legnago 2001 Soc. Cons. r.l. | 31-Mar-20 | | 1 | | | 31-Dec-20 | 158 | | 59 | |
| | 31-Mar-21 | | 2 | | | 31-Mar-21 | 158 | | 61 | |
| Logistica Ospedaliera Soc. Cons. a r.l. | 31-Mar-20 | | | | | 31-Dec-20 | | | 19 | |
| | 31-Mar-21 | | 6 | | | 31-Mar-21 | | | 22 | |
| MCF Servizi integarti Soc. cons. a r.l. in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | 689 | | 322 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | 689 | | 322 | |
| Newco DUC Bologna S.p.A | 31-Mar-20 | | | | | 31-Dec-20 | | | 51 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | | 51 | |
| Rekeep Austria G.m.b.H. in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | | 8 | | |
| | 31-Mar-21 | | (15) | | | 31-Mar-21 | | 8 | | |
| Roma Multiservizi S.p.A. | 31-Mar-20 | 185 | 299 | 4 | | 31-Dec-20 | 409 | | 627 | |
| | 31-Mar-21 | 159 | 24 | | | 31-Mar-21 | 289 | | 444 | |
| San Martino 2000 Soc.Cons. r.l. | 31-Mar-20 | 393 | 665 | | | 31-Dec-20 | 1,114 | | 531 | |
| | 31-Mar-21 | 355 | 650 | | | 31-Mar-21 | 1,562 | | 1,266 | |
| | 31-Mar-20 | | | | | 31-Dec-20 | | 3 | | |

| | | Revenues | Costs | Financial income | Financial charges | | Trade receivables | Financial receivables and others | Trade payables | Financial payables and others |
|---|---|---|---|---|---|---|---|---|---|---|
| Serena S.r.l. - in liquidation | 31-Mar-21 | | | | | 31-Mar-21 | | 3 | | |
| Servizi Napoli 5 Soc.Cons. a r.l. | 31-Mar-20 | 308 | 304 | | | 31-Dec-20 | 3.853 | | 2,612 | |
| | 31-Mar-21 | 357 | 318 | | | 31-Mar-21 | 3.070 | | 1,930 | |
| S.E.I. Energia Soc. Cons. a r.l. | 31-Mar-20 | 12 | | 6 | | 31-Dec-20 | 44 | 757 | 2,347 | |
| | 31-Mar-21 | 12 | 811 | 6 | | 31-Mar-21 | 58 | 763 | 2,732 | |
| S.I.MA.GEST2 Soc. Cons. r.l. in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | | 75 | 13 | 2 |
| | 31-Mar-21 | | | | | 31-Mar-21 | | 75 | 13 | 2 |
| S.I.MA.GEST3 Soc. Cons. r.l in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | | 3 | 7 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | 3 | 7 | |
| Società Consortile Adanti | 31-Mar-20 | | | | | 31-Dec-20 | | | 53 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | | 53 | |

## SUBSIDIARIES OF MANUTENCOOP COOPERATIVA

| | | Revenues | Costs | Financial income | Financial charges | | Trade receivables | Financial receivables and others | Trade payables | Financial payables and others |
|---|---|---|---|---|---|---|---|---|---|---|
| Cerpac S.r.l. in liquidation | 31-Mar-20 | | | | | 31-Dec-20 | 1 | | | |
| | 31-Mar-21 | | | | | 31-Mar-21 | 1 | | | |
| Nugareto Società Agricola Vinicola S.r.l. | 31-Mar-20 | | | | | 31-Dec-20 | | 6 | | |
| | 31-Mar-21 | | 22 | | 178 | 31-Mar-21 | | 6 | 23 | |
| Sacoa S.r.l. | 31-Mar-20 | 10 | | | | 31-Dec-20 | 12 | | 2 | |
| | 31-Mar-21 | 10 | | | | 31-Mar-21 | 12 | | 2 | |
| Sacoa Servizi Telematici S.r.l. | 31-Mar-20 | | | | | 31-Dec-20 | | | | |
| | 31-Mar-21 | | 1 | | | 31-Mar-21 | | | 3 | |
| Segesta servizi per l'Ambiente S.r.l. | 31-Mar-20 | 1 | | | | 31-Dec-20 | 6 | | | |
| | 31-Mar-21 | 1 | | | | 31-Mar-21 | 8 | | | |

## ASSOCIATES OF MANUTENCOOP SOCIETA' COOPERATIVA OR OTHER RELATED PARTIES

| | | Revenues | Costs | Financial income | Financial charges | | Trade receivables | Financial receivables and others | Trade payables | Financial payables and others |
|---|---|---|---|---|---|---|---|---|---|---|
| Consorzio Karabak Società Cooperativa | 31-Mar-20 | 27 | | | | 31-Dec-20 | 19 | | | |
| | 31-Mar-21 | 22 | | | | 31-Mar-21 | 18 | | | |

| | | Revenues | Costs | Financial income | Financial charges | | Trade receivables | Financial receivables and others | Trade payables | Financial payables and others |
|---|---|---|---|---|---|---|---|---|---|---|
| Consorzio Karabak 2 Società Cooperativa | 31-Mar-20 | 1 | | | | 31-Dec-20 | 1 | | | |
| | 31-Mar-21 | 1 | | | | 31-Mar-21 | 1 | | | |
| Consorzio Karabak 4 Società Cooperativa | 31-Mar-20 | | | | | 31-Dec-20 | | | 1 | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | | 1 | |
| Consorzio Karabak 5 Società Cooperativa | 31-Mar-20 | | | | | 31-Dec-20 | | | | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | | | |
| Consorzio Karabak 6 Società Cooperativa | 31-Mar-20 | | | | | 31-Dec-20 | | | | |
| | 31-Mar-21 | | | | | 31-Mar-21 | | | | |

| | | Revenues | Costs | Financial income | Financial charges | | Trade receivables | Financial receivables and others | Trade payables | Financial payables and others |
|---|---|---|---|---|---|---|---|---|---|---|
| **GRAND-TOTAL** | **31-Mar-20** | **2,982** | **10,040** | **10** | **221** | **31-Dec-20** | **12,727** | **10,530** | **18,528** | **17,077** |
| | **31-Mar-21** | **4,355** | **12,444** | **31** | **178** | **31-Mar-21** | **15,335** | **10,880** | **19,402** | **18,698** |

# ANNEX IV

## STATEMENT OF RECONCILIATION OF THE RECLASSIFIED STATEMENT OF CASH FLOWS AND THE STATUTORY SCHEDULE ITEMS

| | For the quarter ended 31 March | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| **Cash and cash equivalents at the beginning of the period** | | **90,464** | | **97,143** |
| | | | | |
| **Cash flow from current operations:** | | **(1,994)** | | **19,743** |
| Profit before taxes | (10,822) | | 9,423 | |
| Profit (loss) from discontinued operations | 16 | | 4,217 | |
| Capital gains from disposal of discontinued operations | 0 | | (14,899) | |
| Other unrealized write-downs on discontinued operations | 0 | | 409 | |
| Amortizations, depreciations, write-downs (write-backs) of assets | 10,240 | | 10,227 | |
| Accruals (reversals) of provisions | 952 | | 1,520 | |
| Employee termination benefits provision | 115 | | 230 | |
| Share of net profit of associates, net of dividends collected | (1,308) | | (93) | |
| Financial charges (income) in the period | 34,630 | | 12,143 | |
| Net interests received (paid) in the period | (24,881) | | (2,503) | |
| Taxes paid in the period | (1,220) | | (1,666) | |
| **Reclassifications:** | | | | |
| *Non-cash net financial charges accounted for under the Statement of Profit/Loss for the period* | *(9,715)* | | *(9,538)* | |
| *Cash flow from current operations of discontinued operations* | *0* | | *10,274* | |
| | | | | |
| **Uses of provisions for risks and charges and payments of the employee termination indemnity:** | | **(1,483)** | | **(2,318)** |
| Uses of employee terminations benefits | (369) | | (697) | |

| | For the quarter ended 31 March | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| Uses of provisions for risks and charges | (1,114) | | (1,622) | |
| | | | | |
| **CHANGE IN NWOC:** | | **806** | | **(17,169)** |
| Decrease (increase) in inventories | 3,268 | | (379) | |
| Decrease (increase) in trade receivables | (10,686) | | (23,431) | |
| Changes in trade payables | 8,224 | | 6,641 | |
| | | | | |
| **INDUSTRIAL AND FINANCIAL CAPEX:** | | **(7,279)** | | **43,931** |
| (Purchase of intangible assets, net) | (1,228) | | (1,392) | |
| (Purchase of property, plant and equipment) | (7,248) | | (6,277) | |
| Sale of property, plant and equipment | 676 | | 72 | |
| (Acquisition of investments, net) | 776 | | (2,000) | |
| Decrease (increase) of financial assets | (302) | | 380 | |
| Discontinued operations | 0 | | 55,041 | |
| **Reclassifications:** | | | | |
| *Net change in the balance of short-term financial assets* | *32* | | *373* | |
| *Financial effects of business combinations* | *0* | | *(139)* | |
| *Financial effects of discontinued operations* | *0* | | *8,147* | |
| *Cash flow from current operations of discontinued operations* | *16* | | *(10,274)* | |
| | | | | |
| **CHANGE IN NET FINANCIAL LIABILITIES:** | | **27,391** | | **58,560** |
| Change in finance lease debt | (1,969) | | (519) | |
| New (repayment of) operating lease debt | (124) | | (2,393) | |
| Acquisition of non-current borrowings | 370,000 | | 52,324 | |
| Repayment of non-current borrowings | (333,900) | | (2,078) | |
| Proceeds from/(repayment of) short-term bank debt | (931) | | 1,286 | |
| Other changes in financial debt | (16,467) | | 2,093 | |
| **Reclassifications:** | | | | |
| *Non-cash net financial charges accounted for under the Statement of Profit/Loss for the year* | *9,715* | | *9,538* | |
| *Net change in the balance of short-term financial assets* | *(32)* | | *(373)* | |
| *Non-cash elements on acquisitions of rights of use* | *1,115* | | *1,314* | |
| *Financial effects of business combinations* | *0* | | *139* | |

| | For the quarter ended 31 March | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| *Financial effects of discontinued operations* | *(16)* | | *2,770* | |
| | | | | |
| **OTHER CHANGES:** | | **(234)** | | **(12,396)** |
| Decrease (increase) in other current assets | (5,588) | | (6,842) | |
| Change in other current liabilities | 6,927 | | 462 | |
| Acquisition/assignment of minority interests of subsidiaries | 0 | | 52 | |
| Differences arising from translation of financial statements in foreign currency | (458) | | 623 | |
| **Reclassifications:** | | | | |
| *Non-cash elements on acquisitions of rights of use* | *(1,115)* | | *(1,314)* | |
| *Financial effects of discontinued operations* | *0* | | *(5,377)* | |
| | | | | |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | | **107,672** | | **187,494** |

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