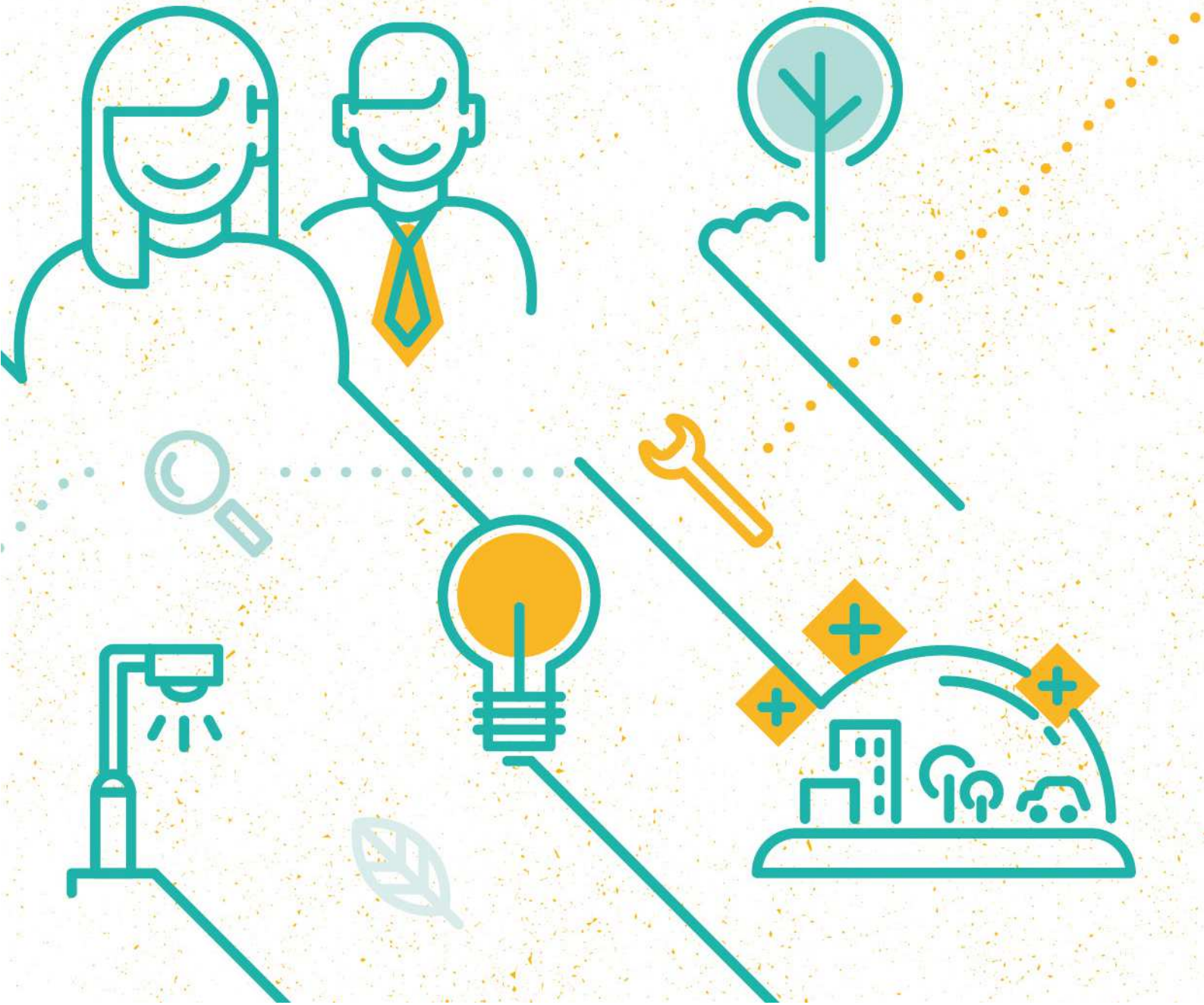
rekeep

minds that work

Interim report on operation

at 30 september 2021



GENERAL INFORMATION

REGISTERED OFFICE

Via U. Poli, 4
Zola Predosa (Bo)

BOARD OF DIRECTORS

Appointed by the Shareholders' Meeting held on 24 April 2020

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
Giuliano Di Bernardo

VICE CHAIRMAN
Giuseppe Pinna

DIRECTORS
Laura Duò
Rossella Fornasari (ceased to hold office on 30 June 2021)
Riccardo Bombardini (appointed on 30 June 2021)
Paolo Leonardelli
Gabriele Stanzani
Matteo Tamburini

BOARD OF STATUTORY AUDITORS

Appointed by the Shareholders' Meeting held on 24 April 2020

CHAIRMAN
Germano Camellini

STATUTORY AUDITORS
Marco Benni
Giacomo Ramenghi

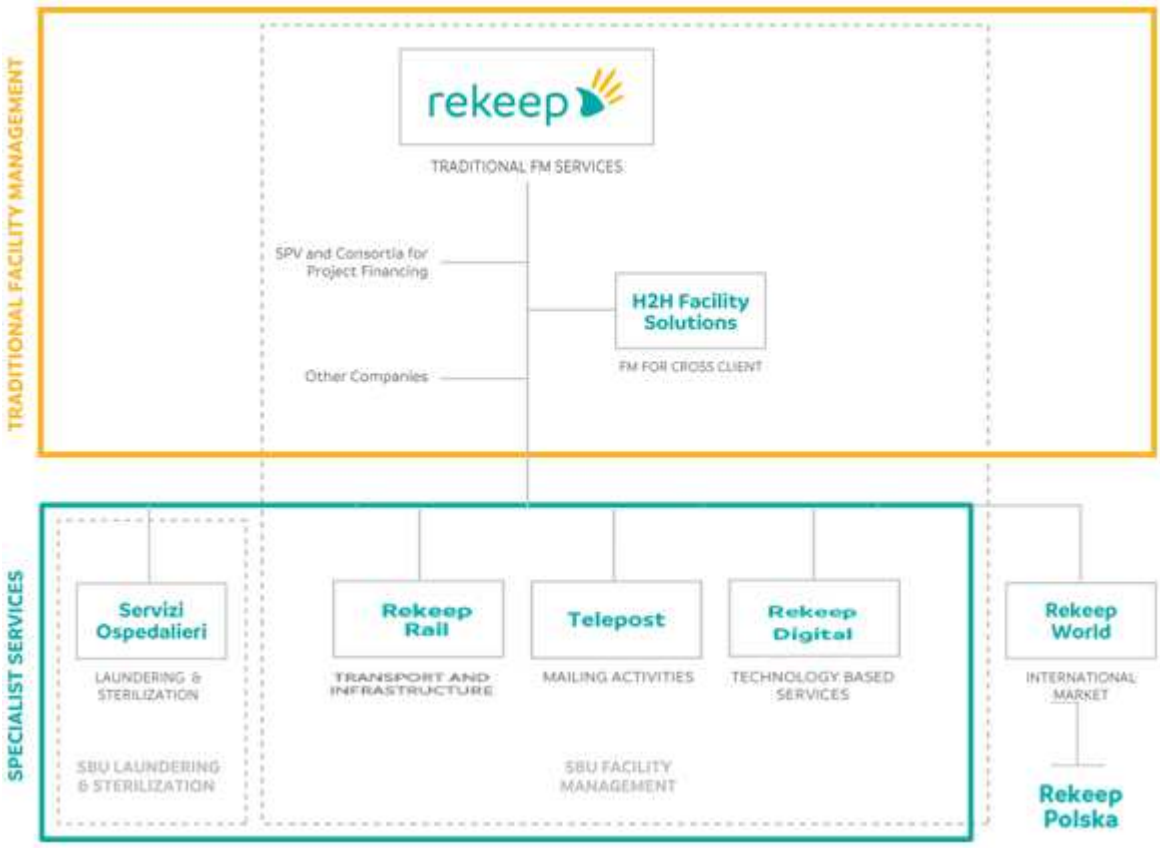
ALTERNATE AUDITORS
Michele Colliva
Antonella Musiani

INDEPENDENT AUDITORS

EY S.p.A.

PREAMBLE

At 30 September 2021 the Group controlled by Rekeep S.p.A. was made up 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 that combines so-called “traditional” facility management production resources with those related to supporting the whole Group’s business. Around the central part of the holding, already in the previous financial years a diversification strategy of the activities was pursued, also through a series of company acquisitions, by placing 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 sterilezation at healthcare facilities and high technology “business to business” (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, Turkey and Saudi Arabia, through directly controlled companies. 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 30 September 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 Group controlled by Manutencoop Società Cooperativa, at the date of approval of this Interim Report on Operations was the following:

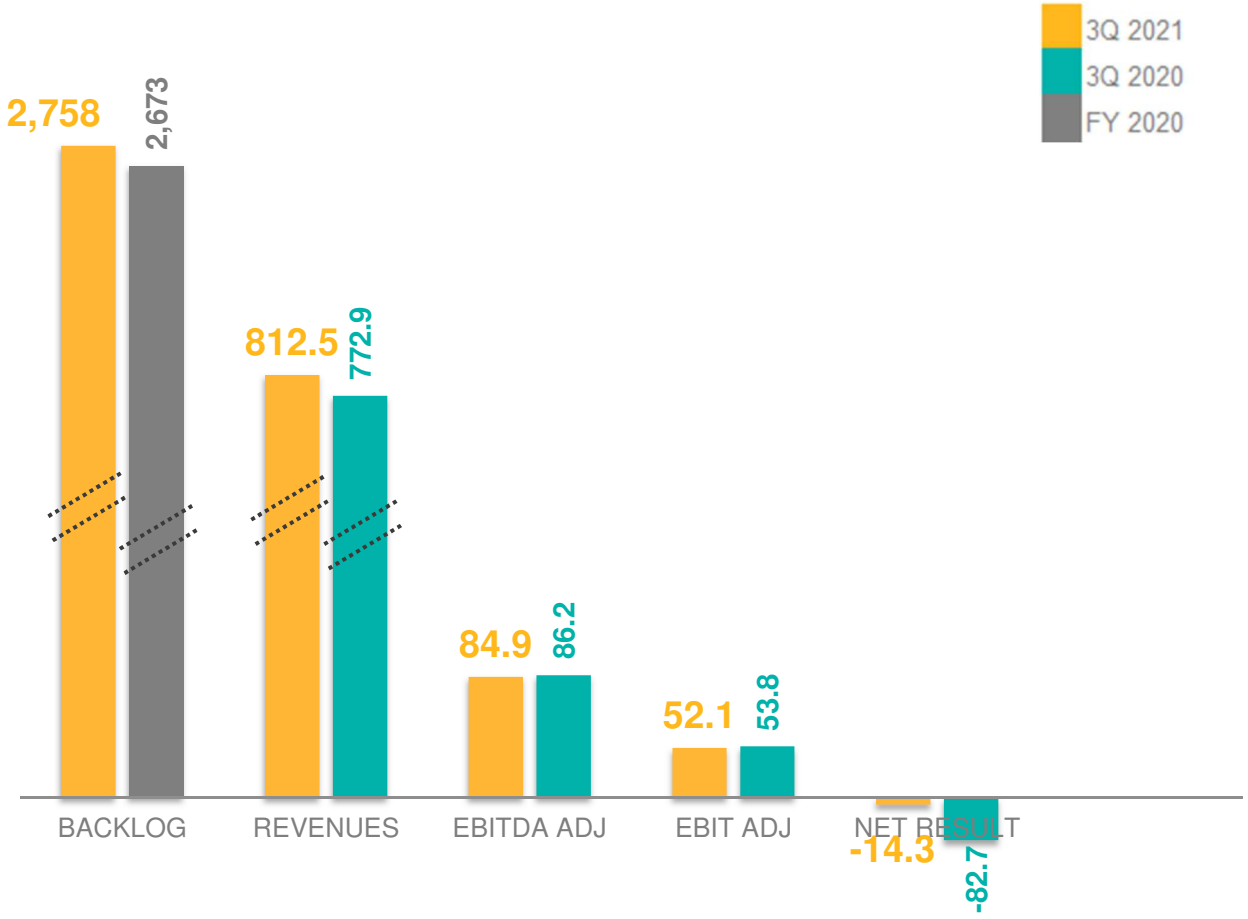


NON-GAAP FINANCIAL MEASURES

The Rekeep Group's management monitors and assesses the consolidated business performance, 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 that have not yet accrued and are connected with the residual term of the orders that the Group holds in its portfolio.
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 the balance of "Trade receivables and advances to suppliers" 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 invoices 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) Dividends and income (loss) from sale of investments; iv) Income (charges) from investments accounted for under the equity method; v) Profit / (loss) on exchange rate. The Statement of Profit or Loss for the year shows EBIT as "Operating Income".
EBITDA	EBITDA represents the Operating Income before "Accrual (reversal) of provisions for risks and charges" 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 to those applied by others.
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".
Gross Debt	Gross Debt is defined as the sum of payables on account of capital relating to: i) Senior Secured Notes; ii) Bank debts; iii) Current account overdrafts, advances and hot money; iv) Obligations arising from assignments of trade receivables with recourse; v) Finance lease debt.
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 reporting periods.
Net Cash	Net Cash is defined as the balance of the "Cash and cash equivalents" net of: i) Current account overdrafts, advances and hot money; ii) Obligations arising from assignments of trade receivables with recourse.
Net Debt	Net Debt is defined as the Gross Debt, net of the balance of Cash and cash equivalents and short-term 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 balance 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 Adjusted NWOC	Adjusted NWOC and Adjusted NFP include the balance of the trade receivables assigned in the framework of the previous years' assignment without recourse programmes, and not yet collected by the factoring companies.



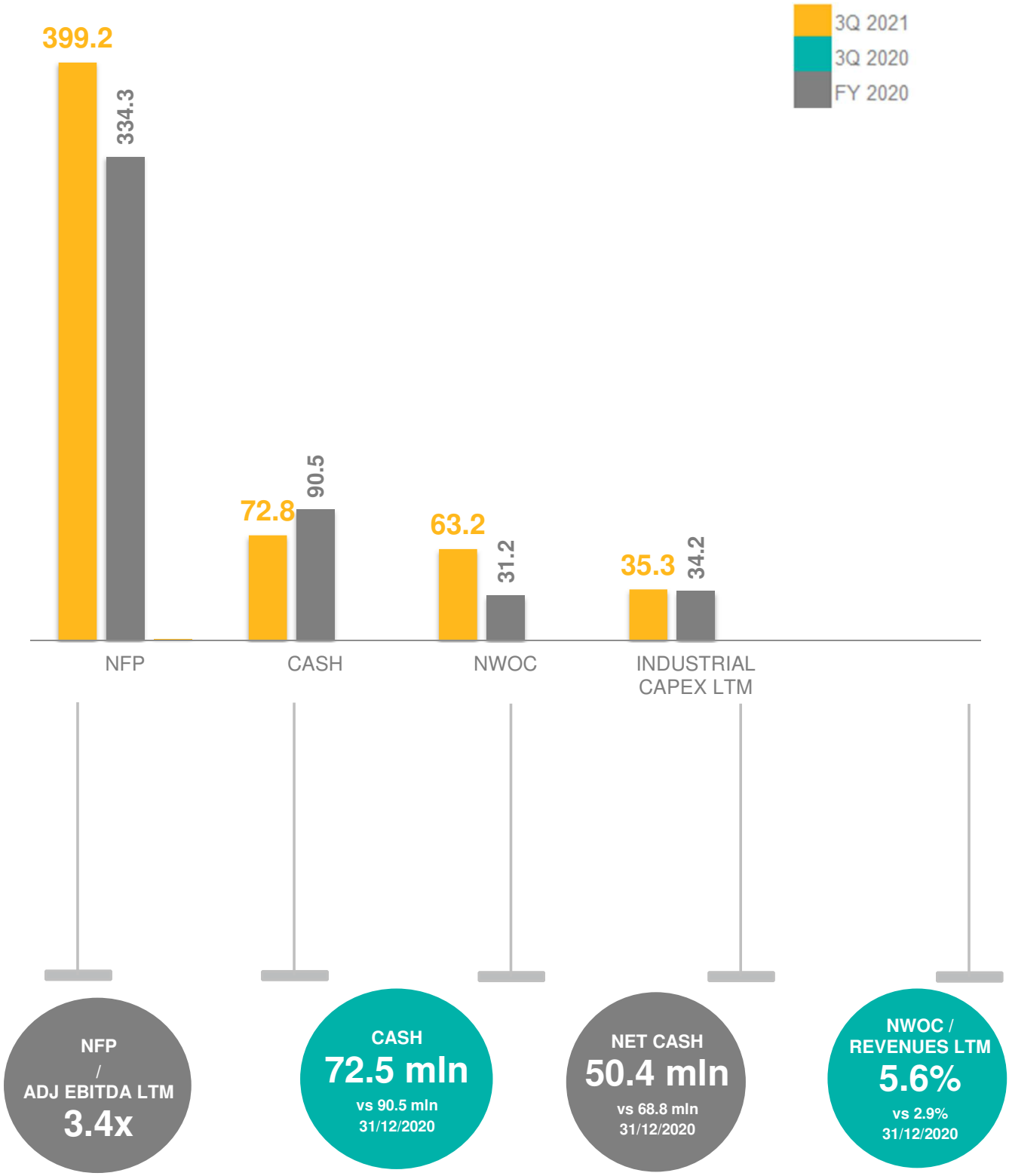
BACKLOG/ REVENUES LTM
2.5x
vs 2.5x 31/12/2020

REVENUES
+5.1 %
vs 11.8% 30/09/2020

EBITDA/ REVENUES
9.8%
vs 10.9% 30/09/2020

ADJ EBITDA / REVENUES
10.4%
vs 11.1% 30/09/2020

ADJ EBIT / REVENUES
6.4%
vs 7.0% 30/09/2020


3Q 2021
3Q 2020
FY 2020
399.2
334.3
72.8
90.5
63.2
31.2
35.3
34.2
NFP
CASH
NWOC
INDUSTRIAL CAPEX LTM
NFP / ADJ EBITDA LTM 3.4x
CASH 72.5 mln vs 90.5 mln 31/12/2020
NET CASH 50.4 mln vs 68.8 mln 31/12/2020
NWOC / REVENUES LTM 5.6% vs 2.9% 31/12/2020

INTERIM REPORT ON OPERATIONS

PREAMBLE ON THE REPORTING OF CONSOLIDATED RESULTS

In order to better understand the comparative data used for the results at 30 September 2021, it should be noted that the 2020 financial year started with the sale of Sicura S.p.A. and its subsidiaries, which gave rise to a capital gain of € 3.5 million (net of additional transaction costs) in the Consolidated Financial Statements. As at 30 September 2020, this capital gain was recognized as “Profit (loss) from discontinued operations” according to the provisions of IFRS5 and the results of these operations were excluded from the scope of “Continuing operations” and classified under the same item of the Statement of Profit/Loss for the period.

MAIN EVENTS OF THE FIRST 9 MONTHS OF 2021

Continuation of the COVID-19 health emergency

The current economic, political and social scenario is still adversely affected by the Covid-19 pandemic that broke out in early 2020 and its effects, despite the vaccination campaign is continuing at a fast pace in the main countries all over the world, thanks to which restrictive measures have been eased.

Global economy continues to show signs of improvement. According to the latest report issued by the Italian Statistics Institute (ISTAT), global economic growth has exceeded pre-crisis levels, supported as it is by the letter of the economic policies of the major governments, which are still expansionary. As reported by the ECB, economy in the Eurozone recorded a recovery in the third quarter of the year too. 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” (PNRR, *Piano Nazionale per la Ripresa e la Resilienza*), which regulates the use of resources made available by the European plan, to which must be added national resources for the years from 2021 to 2026. The Italian PNRR was finally approved by the EU Council Implementing Decision on 13 July 2021, while the first funds were disbursed in August.

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 have issued operating instructions to contain the spreading of the virus and safeguard the users of its services, as well as its workers, customers and 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.

In the first 9 months of 2021, 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, although they went down during the last quarter, giving way to a slow recovery in routine work.

In terms of results of operations, the quarter confirmed the growth trend in revenues, which came to € 812.5 million at 30 September 2021, up by € 39.6 million compared to the same period of the previous year (+ 5.1%). In term of profit margins Adjusted EBITDA LTM came to € 118.5 million at 30 September 2021 compared to € 114.2 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. Furthermore, 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.

Acquisition of 60% of quotas of U.Jet S.r.l.

On 1 June 2021 the Group acquired, through subsidiary Servizi Ospedalieri S.p.A., an investment of 60% in 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 market. In 2020, U.Jet, which is based in Bastia Umbra (PG), achieved pro-forma consolidated Revenues of € 11.2 million, mainly in the Italian market, through agreements with public and private hospitals, distributors, service companies and custom pack manufacturers, although the company also has a commercial footprint in Albania, France, Switzerland, Tunisia and Bulgaria. The company in turn holds a 100% controlling interest in the capital of U.Jet Romania Private Limited Company, based in Sighetu Marmaţiei in Romania.

The transaction was completed by means of a carve-out of U.Jet's core business activities, which were contributed to a NewCo in which Servizi Ospedalieri holds 60%, whilst the remaining stake is held by the management that has controlled it for a long time. The consideration for entering the company's ownership structure amounts to € 5.6 million, of which an amount of € 1 million is subject to an expert appraisal of a property included in the perimeter of the acquisition, which is still in progress, in addition to a price supplement of up to a maximum of € 1.5 million linked to the company's performance in the subsequent financial year.

The corporate partnership with the current management creates significant development synergies with Servizi Ospedalieri itself and with subsidiary Medical Device S.r.l., and allows Rekeep to expand its offer of services in support of the healthcare business, in which at present the Group already achieves about 60% of its consolidated turnover, with more than 500 facilities served in Italy and Poland.

Business development

In the first 9 months of 2021 the Group gained orders for an overall long-term amount of € 670.6 million, of which € 286.5 million relating to extensions and renewals of contracts already included in its sales portfolio and € 384.1 million relating to the development of a new portfolio. The value of contracts acquired in International Markets was equal to about 18% d of the total orders gained during the period.

New contracts in the Healthcare sector amounted to € 438.5 million in the first 9 months of 2021 (about 65.4% of total orders gained) against orders gained for € 103.6 million in the Public sector (15.4% of the total) and € 128.5 million in the Private sector (19.2% of the total). In terms of Strategic Business Unit (“SBU”), Facility Management obtained contracts of € 576.3 million (which also include International Markets), while Laundering&Sterilization obtained contracts of € 94.3 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, as well

as a tender launched by the central purchasing office of the Liguria Regional Government for maintenance and energy services for the Local Health Care Units (ASL) in the Liguria regional health system. For the Rekeep Polska Group we must 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 new agreements for linen rental and industrial laundering at Policlinico Gemelli hospital in Rome and for sterilization of surgical instruments at Ciaccio Hospital Trust in Catanzaro. Finally, contracts were renewed for linen rental and industrial laundering and sterilization services that were already included in the portfolio at some Local 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. and contracts were also signed for hygiene services under the Intercenter 5 Emilia Romagna agreement, as was a 15-year term contract for the concession of services concerning the operation and maintenance of public lighting and thermal and electrical energy systems of the municipal authority's buildings in the district of Anzola dell'Emilia, including energy retrofit and efficiency work. We must also note new orders in France for the provision of hygiene services to Keolis, a subsidiary in the SNCF group, which is the main customer of subsidiary Rekeep Transport S.a.S., as well as to RATP for Paris underground cleaning services.

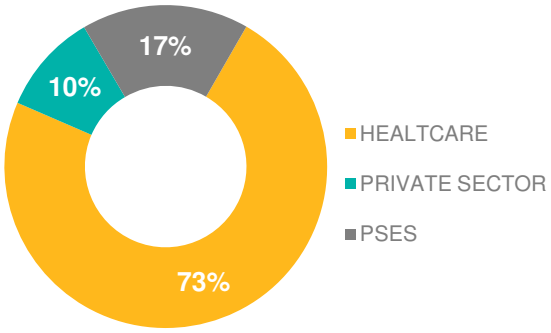
Finally, important renewals were confirmed for expiring contracts, specifically for hygiene services at shopping centers, retail customers and the transport system in the Private sector.

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:

	30 September 2021	30 June 2021	31 December 2020
Backlog	2,758	2,917	2,673

At 30 September 2021 the **Backlog** came to € 2,758 million, recording an increase compared to the value posted at the end of 2020, although showing a slight decline compared to the first half of 2021. However, the Backlog/Revenues ratio was equal to 2.5x (against 2.6x at 30 June 2021 and 2.5x at 31 December 2020).

BACKLOG BY MARKET



1. SUMMARY OF RESULTS OF THE THIRD QUARTER OF 2021

	For the Quarter ended 30 September			For the 9 months ended 30 September		
	2021	2020	%	2021	2020	%
Revenues	259,623	263,186	-1.4%	812,463	772,864	+5.1%
Revenues - International Markets	38,176	35,865		111,885	99,426	
Adjusted EBITDA (*)	25,409	29,247	-13.1%	84,886	86,158	-1.5%
Adjusted EBITDA % on Revenues	9.8%	11.1%		10.4%	11.1%	
Adjusted EBIT (*)	14,796	19,667	-24.8%	52,111	53,758	-3.1%
Adjusted EBIT % on Revenues	5.7%	7.5%		6.4%	7.0%	
Consolidated net result	1,355	(2,132)		(14,284)	(82,728)	

During the third quarter of 2021 the Group recorded ***Revenues*** of € 259.6 million, against € 263.2 million compared to the same period of the previous year, with a net loss of € 3.6 million. The International Markets, and in particular the Polish sub-group led by Rekeep Polska, contributed, during the quarter, revenues of € 38.2 million (of which an amount of € 32.7 million was contributed by the Polish group alone). The increase in consolidated volumes must be analyzed by considering that the comparative quarter reflects in full the effects of the Covid-19 emergency, as well as of the first reopening after full lockdown during the first wave: there was a high request for extra services such as, for example, sanitization and supplies of PPE on the one hand and, on the other, a timid recovery in routine work. The third quarter of 2021, which was still affected by the pandemic that had broken out during the previous year, but marked by less restrictive measures and general reopening, saw a reduction in the volume of non-routine operations, which however continued, partly offset by a more marked recovery in routine work compared to previous quarters.

These considerations also allow us to understand the performance recorded for the quarterly turnover relating to each SBU: revenues achieved by the *Facility Management* SBU showed, in fact, a sharp improvement compared to the third quarter of 2020 (€ 225.3 million in the quarter ended 30 September 2021 against € 224.3 million in the quarter ended 30 September 2020, +€ 1.0 million); on the other hand, there was a decline in revenues in the *Laundering& Sterilization* SBU during the third quarter of 2021, which were affected to a greater extent by the contraction in non-routine work compared to the third quarter of 2020, particularly due to lower sales of PPE and other materials.

An analysis of company performance by market reveals that revenues in the Healthcare sector (- € 0.1 million) remained substantially stable due to a normal decline in volumes of non-routine work of cleaning, sanitization, maintenance of wards, in addition to the supplies of bulk materials (gowns), PPE and mattresses for Covid wards, which were still requested by hospital trusts, although to a lesser extent than in the previous year; this was partly offset by the resumption of some routine operations, such as, for example, the sterilization of surgical instruments or linen rental and industrial laundering, which had been adversely affected by the lack of routine surgery and a reduction in days of regular hospitalization during the "waves" of the epidemic. On

(*) Adjusted values in the income statement are described in the paragraph on “Non-recurring events and transactions” below.

the other hand, the Private and Public markets recorded a decrease in the two comparative quarters, equal to € 2.2 million and € 1.3 million, respectively: in the third quarter of 2021, the volumes of routine work, which were slowly recovering, were only able to partially limit the drop in the volumes of non-routine work requested by the two customer clusters compared to the third quarter of 2020. The performance in the Public market has also been affected by a drop in volumes recorded in Saudi Arabia, where the pandemic has caused delays in the implementation of the infrastructure project in which the Group is involved for the provision of hygiene services.

Adjusted EBITDA for the third quarter of 2021 came to € 25.4 million, showing a decrease of € 3.8 million compared to the same quarter of the previous year (when it was equal to € 29.2 million). The performance of the *Facility Management* SBU showed a decrease compared to the same period of the previous year, which was affected by the same trend recorded for revenues, excluding two factors: (i) a decline in revenues and profit margins recorded in Saudi Arabia for the reasons already described above (- € 2.4 million), (ii) an increase in personnel costs due to the renewal of the National Collective Labor Agreement for employees of companies providing cleaning and integrated/multi-services with effect from 1 July 2021. On the other hand, the *Laundering&Sterilaztion* SBU recorded a reduction in profit margins equal to € 0.8 million compared to the same quarter of 2020, in the same way as for volumes. This performance gave rise to a slight fall in average profit margins (**Adjusted EBITDA/Revenues**), which came to 9.8% for the quarter ended 30 September 2021 against 11.1% for the same period of the previous year.

Adjusted EBIT for the quarter ended 30 September 2021 amounted to € 14.8 million (5.7% of related Revenues) against € 19.7 million for the same period of the previous year (7.5% of related Revenues). The trend was affected, in absolute terms, by the performance already reported for Adjusted EBITDA (- € 3.8 million) to which must be added higher *amortization and depreciation* for €1. 7 million. Furthermore, there was the recognition of lower write-downs of receivables (net of releases) for € 0.5 million, higher impairment losses on other assets for € 0.1 million and lower accruals to provisions for future risks and charges, net of non-recurring accruals, for € 0.2 million.

The EBIT's performance in the third quarter of 2020 was adversely affected by the accrual to the provision for risks of € 82.2 million that was recognized by the Parent Company Rekeep S.p.A. following the Lazio Regional Administrative Court's judgment published on 27 July 2020, which only partially granted the appeal submitted by the Company against the Order served by the Competition Authority (AGCM) on 9 May of the same year.

Finally, the **Consolidated net result** for the quarter was equal to € 1.4 million against a loss of € 2.1 million for the quarter ended 30 September 2020, in particular as a result of a provision for risks of € 82.2 million set aside by the Parent Company Rekeep S.p.A. as referred to above. Furthermore, in addition to the performance in terms of consolidated adjusted EBIT described above, lower net financial charges were recognized for € 2.5 million in the third quarter of 2021, mainly as a result of savings in terms of financial costs due to the new issue of Senior Secured Notes that took place in January 2021. In particular, during the quarter there was the recognition of lower financial charges on Senior Secured Notes (- € 0.5 million), and lower amortized cost charges for € 0.5 million, as well as lower financial charges on the use of the Revolving Credit Facility (RCF) for € 0.5 million, even against

higher additional charges on the line for € 0.1 million, and lower interest discount charges for Euro 0.4 million. Finally, during the quarter higher financial costs were recognized on contingent liabilities for the acquisition of minority interests for € 0.6 million, as were lower financial costs on operating leases for € 0.9 million. Furthermore, lower charges from equity investments for € 7.5 million and higher taxes (+ € 1.5 million) were recognized compared to the same quarter of 2020.

	30 September 2021	30 June 2021	31 December2020
Net Working Operating Capital (NWOC)	63,248	47,615	31,193
Net Financial Position (NFP)	(399,238)	(367,196)	(334,327)

From an equity and financial point of view, the data relating to the Net Working Operating Capital (**NWOC**) at 30 September 2021 recorded an increase compared to the value posted during the previous quarter (+ € 15.6 million), which was more significant compared to the value posted at the end of the previous year (+ € 32.1 million). Specifically, the third quarter of 2021 saw the recognition of higher trade receivables for € 10.7 million and lower trade payables for € 4.7 million, against a Net Financial Position (**NFP**) that reported a negative change equal to € 32.0 million compared to the end of the previous quarter. During the 2021 financial year trade receivables were assigned to factoring companies without recourse for a total of € 183.6 million (of which € 52.1 million during the third quarter) and VAT receivables were assigned without recourse for € 19.3 million (of which € 5.8 million during the third quarter).

At 30 September 2021 DSO was 146 days, showing a substantial decrease compared to both 31 December 2020 (when it was equal to 159 days) and 30 September 2020 (when it was equal to 163 days). The performance of the DPO, which came to 196 days at 30 September 2021, also showed a reduction compared to 220 days at 30 September 2020 and 31 December 2020. The performance of amounts collected from customers and payments to suppliers gave rise to a total absorption of cash flows during the quarter (- € 15.4 million), while showing, despite an improvement in the time required to collect amounts from customers, a reversal of the financial benefit in favor of the flows of payments to suppliers.

The Net Financial Position (**NFP**) showed an increase of € 32.0 million during the quarter. From the cash flows generated from operating activities during the quarter (€ 6.8 million) must be deducted the cash flow absorbed by the change in NWOC (€ 16.4 million) and the uses of resources for net industrial investments (€ 7.6 million), as well as the uses of provisions for future risks and charges and the provision for Employee Termination Indemnity (TFR) for the quarter (€ 0.6 million) and the negative contribution from changes in other operating assets and liabilities that were recorded during the quarter (€ 14.2 thousand) mainly due to the normal seasonal trend in receivables from and payables to employees.

2. THE REKEEP GROUP'S CONSOLIDATED PERFORMANCE OF OPERATIONS AND FINANCIAL POSITION AT 30 SEPTEMBER 2021

2.1. Consolidated results of operations in the first 9 months of 2021

Below are reported the main income figures relating to the first 9 months of 2021, compared to the figures of the corresponding period in 2020.

(in thousands of Euro)	For the 9 months ended 30 September		For the quarter ended 30 September	
	2021	2020	2021	2020
Revenues	812,463	772,864	259,623	263,186
Costs of production	(732,717)	(688,900)	(235,651)	(234,454)
EBITDA	**79,746**	**83,964**	**23,972**	**28,732**
EBITDA %	**9.8%**	**10,9%**	**9.2%**	**10.9%**
Amortization, depreciation, write-downs and write-backs of assets	(31,130)	(29,912)	(10,386)	(9,142)
Accrual of provisions for risks and charges	(1,645)	(87,432)	(227)	(876)
Operating Income (EBIT)	**46,971**	**(33,380)**	**13,359**	**18,714**
EBIT %	**5,8%**	**N.A.**	**5.1%**	**7.1%**
Share of net profit of associates	2,497	(6,689)	940	(6,546)
Net financial charges	(55,107)	(34,835)	(10,226)	(12,683)
Profit before taxes (EBT)	**(5,639)**	**(74,904)**	**4,073**	**(515)**
EBT %	**N.A.**	**N.A.**	**1.6%**	**N.A.**
Income taxes	(8,661)	(9,994)	(2,718)	(1,247)
Profit (loss) from continuing operations	**(14,300)**	**(84,898)**	**1,355**	**(1,762)**
Profit (loss) from discontinued operations	16	2,170	0	(370)
CONSOLIDATED NET PROFIT (LOSS)	**(14,284)**	**(82,728)**	**1,355**	**(2,132)**
CONSOLIDATED NET PROFIT (LOSS) %	**N.A.**	**N.A.**	**0.5%**	**N.A.**
Minority interests	(1,622)	(1,414)	(111)	(789)
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**(15,906)**	**(84,142)**	**1,244**	**(2,921)**
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	**N.A.**	**N.A.**	**0.5%**	**N.A.**

NON-RECURRING EVENTS AND TRANSACTIONS

During the first 9 months of 2021, the Rekeep Group recognized, in the Statement of Profit/Loss for the period, some "non-recurring" items of results of operations, which impacted on the normal dynamics in 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, i.e. those transactions or events that are not repeated frequently as part of normal operations and have a significant impact on the Group companies' financial position, performance of operations and cash flows.

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

(in thousands of Euro)	For the 9 months ended 30 September	
	2021	2020
Group refinancing costs	801	0
Legal advice fees concerning pending administrative disputes	555	257
Legal advice on foreign operations	577	0
Costs from reorganisation of company units	2,208	167
M&A and non-recurring transactions of Group companies	141	574
Transactions with minority shareholders	859	0
Costs associated with Covid-19 emergency	0	1,096
Other non-recurring costs	0	100
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA	**5,140**	**2,194**
Provision for the Competition Authority's fine for the FM4 Tender	0	82,194
Non-recurring provisions for risks on energy contracts	0	2,750
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA AND EBIT	**5,140**	**87,138**

During 2021 disputes continued which were pending with the Competition Authority (AGCM) and Consip S.p.A. (for which reference should be made to the paragraph on the "Update on Legal Proceedings" below"). Furthermore, the Group incurred legal advice costs linked to Group foreign companies. Furthermore, costs associated with the abovementioned refinancing transaction of the Group, which took place in January and February, were also recognized. During the period, non-recurring costs were also incurred for the reorganization of company functions, especially in relation to the departments of International Markets, as were costs relating to the termination of business relationships with shareholders.

In the first 9 months of 2020 an amount of non-recurring costs related to costs for the actions taken by the Group companies in favor of their employees, mostly employed at healthcare facilities strongly impacted by the Covid-19 virus health emergency, which occurred above all during the first half of the year. Additional costs were also incurred in 2020 for the acquisition of the Polish group controlled by Rekeep Polska S.A., which took place on 30 October 2019, as were costs for scouting actions on

potential M&A transactions. Furthermore, costs were accounted for in relation to the tax bills on companies acquired in previous years, which had not been previously recognized as they were not yet known.

As regards non-recurring costs impacting on EBIT, which were allocated in the first 9 months of 2020, probable future additional costs were recognized 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 9 months ended 30 September	
	2021	2020
EBITDA	**79,746**	**83,964**
Non-recurring expenses (income) impacting on EBITDA	5,140	2,194
Adjusted EBITDA	**84,886**	**86,158**
Adjusted EBITDA % on Revenues	**10.4%**	**11.1%**
EBIT	**46,971**	**(33,380)**
Non-recurring expenses (income) impacting on EBITDA and EBIT	5,140	87,138
Adjusted EBIT	**52,111**	**53,758**
Adjusted EBIT % on Revenues	**6.4%**	**7.0%**

REVENUES

During the period ended 30 September 2021 the Group recorded ***Revenues*** of € 812.5 million against € 772.9 million for the same period of the previous year, with a positive change of € 39.6 million (+5,1%).

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 9 months of the previous year had been fully hit by the effects of the full lockdown imposed during the first phase of the pandemic and of containment measures imposed to cope with the emergency, such as in particular the closure of schools and public offices.

The breakdown of consolidated Revenues for the first 9 months of 2021 compared to the figure of the same period in the previous year, as broken down by reference market.

REVENUES BY MARKET

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2021	% on total Revenues	2020	% on total Revenues	2021	2020
Public Authorities	156,219	19.2%	151,235	19.6%	48,992	50,295
Healthcare	477,593	58.8%	462,456	59.8%	153,626	153,703
Private Customers	178,651	22.0%	159,172	20.6%	57,004	59,188
CONSOLIDATED REVENUES	**812,463**		**772,864**		**259,623**	**263,186**

Revenues in the Healthcare sector showed an increase of € 15.1 million in the first 9 months of 2021 compared to the same period of 2020, from € 462.5 million to € 477.6 million, thus achieving a weight of 58.8% of total consolidated Revenues. While recording a decline in the last quarter, during the first 9 months of 2021 there was significant non-routine work requested by hospital trusts, which was generated above all by the "third wave" of the Covid-19 health emergency, specifically for cleaning, sanitization, fitting out triage areas and new Covid wards on the part of the Parent Company Rekeep, as well as 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. On the other hand, there was still limited resumption of routine work at hospitals and scheduled non-routine maintenance work, although there was a marked recovery in the last quarter. 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 (+€ 19.5 million, +12.2%, from € 159.2 million in the first 9 months of 2020 to € 178.7 million in the same period of 2021), mainly reported in the Facility Management sector, which benefited during 2021 from less stringent measures to contain the pandemic than in the same period of the previous year, as well as from an increase in 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.

The Public market also showed a recovery in volumes, achieving Revenues of € 156.2 million in the period, + 3.3% (+ € 5.0 million in absolute values), compared to the same period of 2020 (€ 151.2 million). In particular, in the first 9 months of the year, the public market, which had proven to be the sector most vulnerable to the effects of the measures adopted to cope with the Covid-19 emergency in Italy, also benefitted from 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. However, the volumes recorded in the market were still affected by the emergency in progress, as well as delays in starting up activities in Saudi Arabia, which have already been described.

Analysis of revenues by Segment

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

REVENUES BY SEGMENT

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2021	% on total Revenues	2020	% on total Revenues	2021	2020
Facility Management	700,657	86.2%	660,238	85.4%	225,308	224,301
of which International markets	*111,885*	*13.8%*	*99,426*	*12.9%*	*38,176*	*35,865*
Laundering & Sterilization	114,572	14.1%	115,494	14.9%	35,281	39,533
Eliminations	(2,766)		(2,868)		(966)	(647)
CONSOLIDATED REVENUES	**812,463**		**772,864**		**259,623**	**263,186**

Revenues of the *Facility Management* SBU recorded an increase of € 40.4 million (+ 6.1%) in the first 9 months of 2021 compared to the same period of the previous year, from € 660.2 million to € 700.7 million, boosted by both the healthcare market and the public and private markets. In particular, the sector was still driven by requests for non-routine sanitization work required by the health emergency, which were received particularly during the "third wave", and was less affected than last year by the adoption of restrictive measures.

On the other hand, revenues of the *Laundering&Sterilization* SBU decreased from € 115.5 million for the 9 months ended 30 September 2020 to € 114.6 million for the 9 months ended 30 September 2021, with a decrease equal to € 0.9 million (- 0.8%). The slight decline was mainly attributable to higher sales of PPE and the supply of bulk materials (gowns) and mattresses as requested by the hospital trusts, especially during the first quarter at the same time as the third wave of the health emergency, while it showed a slowdown in the second and third quarters of 2021, especially when compared to the same period of the previous year, when the culmination of the first wave of the Covid-19 emergency and the feeling of uncertainty associated with it had resulted in a significant increase in non-routine work and supplies of equipment.

The performance of volumes in the *Laundering&Sterilization* sector described above confirmed a recovery in the relative weight of the *Facility Management* SBU on total consolidated Revenues (86.2% in 2021 against 85.4% in 2020).

EBITDA

The Group's EBITDA came to € 79.7 million for the 9 months ended 30 September 2021, showing a decrease of € 4.2 million compared to € 84.0 million for first 9 months of 2020. However, EBITDA during the two comparative periods expensed non-

recurring costs of € 5.1 million at 30 September 2021 and € 2.2 million at 30 September 2020. Therefore, Adjusted EBITDA, excluding these non-recurring elements, amounted to € 84.9 million at 30 September 2021, against Adjusted EBITDA of € 86.2 million at 30 September 2020 (- € 1.3 million).

Below is provided a comparison of EBITDA by business segment for the period ended 30 September 2021 compared to the same period of 2020:

EBITDA BY SEGMENT

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2021	% on Revenues by segment	2020	% on Revenues by segment	2021	2020
Facility Management	52,272	7.5%	57,445	8.7%	15,285	19,193
of which International markets	*(221)*		*3,137*		*(442)*	*1,353*
Laundering&Sterilization	27,473	24.0%	26,519	23.0%	8,686	9,539
CONSOLIDATED EBITDA	**79,745**	**9.8%**	**83,964**	**10.9%**	**23,971**	**28,732**

The Facility Management sector showed EBITDA of € 52.3 million at 30 September 2021, down by € 5.1 million compared to € 57.4 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 € 5.0 million and € 2.0 million at 30 September 2021 and 30 September 2020, respectively, on this segment, Adjusted EBITDA by segment came to € 57.3 million, showing a slight decrease. In the first 9 months 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 in Saudi Arabia, despite a positive contribution given by the Group controlled by Rekeep Polska and the recovery of profit margins following the efficiency improvement measures involving the central functions of International markets put in place during the first part of the year.

EBITDA in the *Laundering&Sterilization* business segment for the first 9 months of 2021 came to € 27.5 million, thus achieving a positive performance compared to the same period of 2020 (+ € 1.0 million). As regards EBITDA in the segment, as well as revenues, the adverse impact of the health emergency was also substantially offset by additional work performed to meet customers' demand in the healthcare sector, above all during the first quarter of 2021 at the same time as the “third wave”. The trend was also confirmed by a comparison of Adjusted EBITDA, equal to € 27.6 million, net of non-recurring costs of € 0.1 million at 30 September 2021, and € 26.7 million, net of non-recurring costs of Euro 0.2 million at 30 September 2020, respectively.

Costs of production

At 30 September 2021, *Costs of production*, which amounted to € 732.7 million, showed an increase of € 43.9 million in absolute value compared to € 688.9 million posted at 30 September 2020 (+ 6.4%), in line with the trend recorded on revenues.

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2021	% of total	2020	% of total	2021	2020
Costs of raw materials and consumables	142,784	19.5%	132,123	19.2%	46,302	41,051
Change in inventories of finished and semi-finished products	651	0.1%	(1,291)	-0.2%	(26)	(1,002)
Costs for services and use of third-party assets	241,793	33.0%	235,885	34.2%	76,622	86,924
Personnel costs	340,229	46.4%	313,267	45.5%	110,771	105,055
Other operating costs	7,337	1.0%	9,975	1.4%	2,018	3,037
Capitalization of lower internal construction costs	(77)	N.A.	(1,058)	-0.2%	(36)	(611)
TOTAL COSTS OF PRODUCTION	**732,717**		**688,901**		**235,651**	**234,454**

Costs of raw materials and consumables, in the first 9 months of 2021, came to € 142.8 million, showing an increase of € 10.7 million (+ 8.1%) compared to the value posted in the same period of 2020, which led to a slight decrease in the impact on total Costs of Production (19.5% at 30 September 2021 against 19.2% at 30 September 2020). In the first 9 months of 2021 the consumption of clothing and apparel and disposable items due to the ongoing health emergency became more substantial, although showing a decline compared to the consumption posted in the same period of the previous year, as was the cost for fuel consumption, in line with an increase in heat management operations and energy service.

Furthermore, a positive change in *Inventories of finished and semi-finished products* of € 0.7 million was recognized at 30 September 2021 (against a loss of € 1.3 million at 30 September 2020), which however remained stable compared to the previous quarter. These consist of the inventories of products of the Group companies Medical Service S.r.l. and the newly-acquired U.Jet S.r.l., which are active in the production and sale of medical devices and PPE.

Costs for services and use of third-party assets came to € 241.8 million at 30 September 2021, up by € 5.9 million compared to the value posted at 30 September 2020 (€ 235.9 million) and with an impact of 33.0% (34.2% at 30 September 2020) on total Costs of Production. The trend in the relative 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 increased in absolute terms by € 27.0 million (+ 8.6%) from € 313.3 million at 30 September 2020 to € 340.2 million at 30 September 2021, with an impact on total Costs of Production equal to 46.4% at 30 September 2021 (against 45.5% at 30 September 2020).

The average number of employees in service during the first 9 months of 2021 was equal to 28,140, while it was 27,774 in the same period in the previous year (of which 26,373 against 25,985 manual workers), showing a slight increase. Perfectly symmetrical to what 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 in progress, as is the impact of related costs on total operating costs.

Other operating costs at 30 September 2021 amounted to € 7.3 million (€ 10.0 million at 30 September 2020). The decrease of € 2.7 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 9 months of 2021, Consolidated Operating Income (**EBIT**) came to € 47.0 million (equal to 5.8% of Revenues) against a negative EBIT of € 33.4 million during the same period of 2020.

EBIT for the period was affected by the above-mentioned consolidated performance in terms of EBITDA (- € 0.4 million compared to the same period of the previous year), from which must be deducted higher *amortization and depreciation* of € 1.1 million (€ 28.0 million at 30 September 2021, of which € 5.4 million relating to the amortization of the Rights of Use, showing a slight increase of € 5.1 million compared to the same period of 2020), while deducting higher *write-downs of receivables* and *reversals* of € 0.6 million (€ 3.1 million at 30 September 2021), as well as adding lower write-downs of other assets of € 0.5 million. Furthermore, lower *accruals to provisions for risks and charges (net of reversals)* were recorded for € 85.8 million during the first 9 months of 2021 (Euro 1.6 million at 30 September 2021 against € 87.4 million in the same period of 2020, including non-recurring accruals for € 84.9 million that the parent company 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 and for € 82.2 million stated by the Parent Company Rekeep S.p.A. following the judgment handed down by the Lazio Regional Administrative Court and published on 27 July 2020 within the scope of the “FM4” litigation).

Adjusted EBIT, which recognized the same non-recurring items impacting on Adjusted EBITDA, in addition to the aforesaid non-recurring accruals in the first 9 months of 2020, came to € 52.1 million and € 53.8 million at 30 September 2021 and 30 September 2020, respectively, with relative profit margins (Adjusted EBIT/Revenues) equal to 6.4% and 7.0%, respectively.

Below is a comparison of Operating Income (EBIT) by business segment for the period ended 30 September 2021 and that posted in the same period in 2020:

EBIT BY SEGMENT

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2021	% on Revenues by segment	2020	% on Revenues by segment	2021	2020
Facility Management	34,383	4.9%	(46,339)	-7.0%	9,769	13,872
of which International Markets	*(2,951)*		*335*		*(1,260)*	*385*
Laundering&Sterilization	12,587	11.0%	12,958	11.2%	3,588	4,841
CONSOLIDATED EBIT	**46,970**	**5.8%**	**(33,381)**	**-4.3%**	**13,357**	**18,713**

EBIT in the *Facility Management* sector was equal to € 34.4 million (4.9% of related segment Revenues) at 30 September 2021, against negative EBIT by segment of € 46.3 million at 30 September 2020. In considering the adjusted values, which exclude non-recurring accruals in the comparative period, adjusted EBIT by segment decreased from € 40.6 million at 30 September 2020 to € 39.4 million at 30 September 2021 and operating profit margins decreased from 6.2% to 5.6% at 30 September 2021.

EBIT by segment reflected the abovementioned performance in terms of EBITDA (- € 5.2 million) to which must be added lower amortization and depreciation for € 0.6 million and must be deducted higher write-downs of trade receivables for € 0.4 million. On the other hand, lower net accruals to provisions for future risks and charges were recognized for € 85.7 million (which included the abovementioned non-recurring accruals for € 84.9 million in the first 9 months of 2020).

To the positive performance in terms of EBITDA in the *Laundering&Sterilization* segment for the first 9 months of 2021 compared to the same period of the previous year (+ € 0.1 million), must be deducted, at segment EBIT level, higher *amortization and depreciation* for € 1.7 million, while must be added lower *write-downs of trade receivables* for € 0.3 million and lower *accruals to provisions and releases for future risks and charges* (against an accrual of € 0.1 million at 30 September 2020). Profit margins by segment thus came to 11.0% in terms of EBIT on related Revenues by segment (11.2% at 30 September 2020). In considering non-recurring items impacting on EBITDA, Adjusted EBIT by segment amounted to € 12.7 million and € 13.1 million, respectively, in the two comparative periods.

Profit (loss) before tax from continuing operations

To the consolidated EBIT must be added net income for the companies valued at equity, equal to € 2.5 million (against net charges of € 6.7 million at 30 September 2020) for the recognition of profits stated at the reporting date of the financial statements of some associates.

Net financial charges of € 55.1 million were also recognized (€ 34.8 million at 30 September 2020), thus obtaining a Loss before tax from continuing operations equal to € 5.6 million (against a loss of € 74.9 million at 30 September 2020).

Below is provided the breakdown by nature of net financial charges in the first 9 months of 2021 and for the same period in the previous year:

(in thousands of Euro)	For the 9 months ended 30 September		For the quarter ended 30 September	
	2021	2020	2021	2020
Dividends and income (loss) from sale of investments	752	147	27	75
Financial income	585	1,939	222	416
Financial charges	(56,803)	(37,115)	(10,893)	(13,231)
Profit (loss) on exchange rate	359	194	418	57
NET FINANCIAL CHARGES	**(55,107)**	**(34,835)**	**(10,226)**	**(12,683)**

In the first 9 months of 2021 dividends were collected from non-consolidated companies for € 0.1 million (€ 0.2 million at 30 September 2020). Furthermore, net capital gains from sale of non-consolidated investments were recognized for € 0.7 million.

Financial income amounted to € 0.6 million in the first 9 months of 2021, while they amounted to € 1.9 million in the same period of 2020 following the recognition of a capital gain of € 1.2 million on the purchase of portions of the previous bond issue on the open market on the part of the Parent Company.

In the period the impact of *financial charges* on the consolidated results of operations for the period was equal to € 56.8 million compared to € 37.1 million for the same period of 2020.

In early 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 half 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 in full. 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 included bank fees for the new issue of € 2.6 million.

In addition, during the first 9 months of 2021 the newly-issued Senior Secured Notes were affected by the financial charges for the period due to: (i) the financial charges for the period accrued on the coupons, equal to € 18.4 million (€ 23.0 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 € 1.0 million (€ 3.0 million at 30 September 2020 on the previous bond issue, including the write-off of the portion relating to the Notes repurchased). 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, 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 € 0.9 million (including commitment fees charged by banks), while they amounted to € 0.3 million on the previous Super Senior Revolving credit line in the same period of 2020, when there was a saving in commitment fees. The facility, not used at the end of the period, was subject to two short-term partial drawdowns in August and September in order to meet any possible temporary cash requirements.

Interest discount costs were also recognized for € 2.6 million during the first 9 months of 2021, in relation to the assignments of trade and VAT receivables without recourse, down by € 0.9 million compared to the same period of the previous year.

Finally, foreign exchange gains of € 0.4 million were recorded at 30 September 2021, mainly linked to the fluctuations in Euro/ Turkish Lira and Polish Zloty exchange rates during the period.

Consolidated net Result for the period

From the Profit (loss) before tax from continuing operations for the period (showing a loss of € 5.6 million) must be deducted taxes of € 8.7 million, thus obtaining a net Loss from continuing operations of € 14.3 million (against a loss of € 84.9 million at 30 September 2020).

Consolidated net profit (loss) included a Profit from discontinued operations less than € 0.1 million, against a positive balance of € 2.2 million at 30 September 2020, which was obtained 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 gave rise to a capital gain of € 3.1 million in the Consolidated Financial Statements, net of additional transaction costs and effects of consolidation.

Below is the breakdown of consolidated tax rate:

(in thousands of Euro)	For the 9 months ended 30 September	
	2021	2020
Profit (loss) before tax from continuing operations	**(5,639)**	**(74,904)**
Provision for the Competition Authority's fine for the FM4 Tender (2020)	0	82,194
Profit (loss) before tax from discontinued operations	16	2,711
Consolidated profit (loss) before tax excluding AGCM (2020)	**(5,623)**	**10,001**
Current, prepaid and deferred IRES tax	(4,955)	(6,409)
Current, prepaid and deferred IRAP tax	(3,707)	(3,446)
Tax adjustments for previous periods	2	(137)
Taxes on profit/(loss) from discontinued operations	0	(541)
Consolidated net profit (loss) excluding AGCM (2020)	**(14,284)**	**(533)**
Consolidated tax rate	**N.A.**	**N.A.**

As already mentioned, the Profit (loss) before tax included non-recurring financial charges of € 23.7 million correlated to the refinancing transaction carried out in the first months of 2021, which gave rise to a Loss before tax from continuing operations of € 5.6 million.

In the first 9 months of 2020 the Profit (loss) before tax included a significant accrual relating to the administrative proceedings pending with the Competition Authority (€ 82.2 million), which gives rise to a Loss before tax of € 74.9 million. Therefore, the tax rate for the period is broken down by excluding the effect of this accrual on the consolidated profit (loss) before tax. Furthermore, in the same period of 2020 the Group recognized a Profit before tax from discontinued operations equal to € 2.2 million, including the aforementioned capital gain from sale of consolidated investments, which gave rise to a tax effect of € 0.6 million (the balance of this item was not significant at 30 September 2021).

The Group recognized lower current, prepaid and deferred tax of € 1.3 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 equal to € 14.3 million compared to a Consolidated net loss of € 82.7 million at 30 September 2020.

2.2. Analysis of the statement of financial position at 30 September 2021

The statement of Sources and Uses is reported below:

(in thousands of Euro)	30 September 2021	31 December 2020
USES		
Trade receivables and advances to suppliers	438,538	431,121
Inventories	13,345	12,921
Trade payables and contract liabilities	(388,635)	(412,849)
Net working operating capital	**63,248**	**31,193**
Other working capital elements	(152,076)	(161,427)
Net working capital	**(88,828)**	**(130,234)**
Property, plant and equipment and assets under finance leases	93,653	88,127
Rights of use for operating leases	34,562	34,415
Goodwill and other intangible assets	426,151	424,215
Investments accounted for under the equity method	10,782	9,140
Other items of non-current assets	32,941	34,012
Fixed assets	**598,089**	**589,909**
Non-current liabilities	(51,567)	(52,812)
NET INVESTED CAPITAL	**457,694**	**406,863**
SOURCES		
Equity attributable to non-controlling interests	4,834	3,199
Equity attributable to equity holders of the Parent	53,622	69,337
Shareholders' equity	**58,456**	**72,536**
Net financial indebtedness	399,238	334,327
of which fair value of contingent liabilities due to minority shareholders of subsidiaries	*15,927*	*13,077*
FINANCING SOURCES	**457,694**	**406,863**

Net working capital

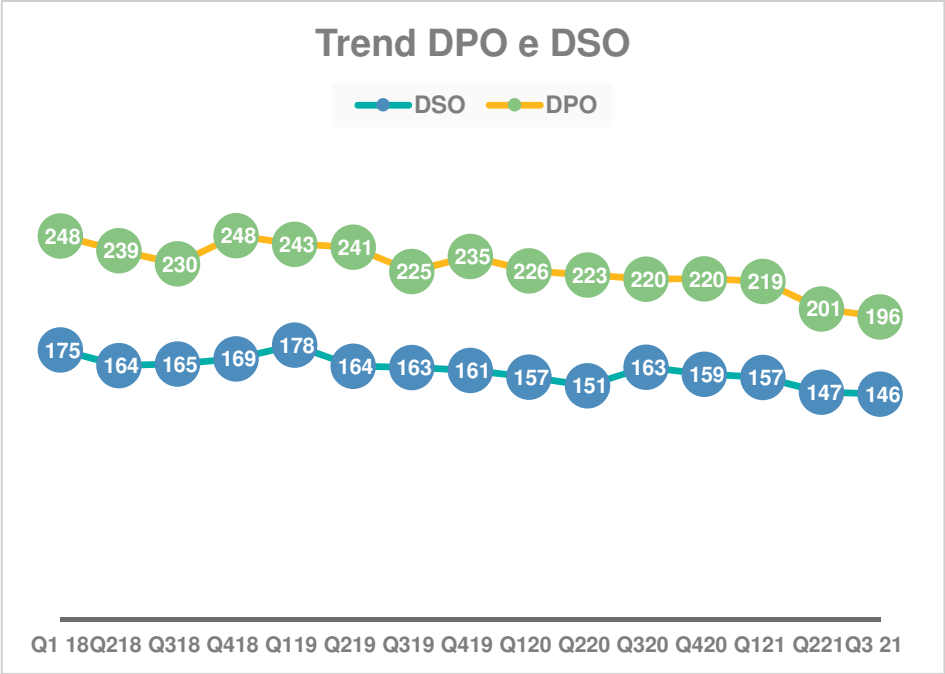
At 30 September 2021, Consolidated Net Working Capital (**NWC**) was negative and equal to € 88.8 million against a negative value of NWC of € 130.2 million at 31 December 2020.

At 30 September 2021, 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 € 63.2 million against € 31.2 million at 31 December 2020. Considering the balance of receivables assigned by the Group without recourse and not yet collected by the

factoring agencies (equal to € 55.6 million at 30 September 2021 and € 76.8 million at 31 December 2020) **Adjusted NWOC** came to € 118.8 million and € 108.0 million, respectively.

The change in this latter indicator (+ € 10.8 million) was mainly linked to the balance of trade payables (- € 24.2 million) against a more significant decrease in trade receivables (- € 13.8 million, considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring companies).

As at 30 September 2021, average DSO was 146 days against 159 days at 31 December 2020 and 163 days at 30 September 2020. Furthermore, average DPO stood at 196 days, showing a decrease compared to the value posted at 31 December 2020 and 30 September 2020 (220 days), thus confirming a lower use of leverage on payments to suppliers with respect to the benefits of financial flows obtained from receipts and achieving a lower level compared to the data recorded on average.



The balance of the other elements in working capital at 30 September 2021 was a net liability of € 152.1 million, down by € 9.3 million compared to a net liability of € 161.4 million at 31 December 2020.

(in thousands of Euro)	30 September 2021	31 December 2020	Change
Current tax receivables	11,185	10,010	1,175
Other current assets	25,826	25,636	190
Provisions for risks and charges, current	(11,322)	(10,550)	(772)
Current tax payables	(3,158)	(2,274)	(884)
Other current liabilities	(174,607)	(184,249)	9,642
OTHER WORKING CAPITAL ELEMENTS	**(152,076)**	**(161,427)**	**9,351**

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

- an 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" (+ € 1.8 million). These credit balances allowed, during the first 9 months 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 € 19.3 million;
- an increase in the balance of net current tax receivables, equal to a net receivable of € 8.0 million at 30 September 2021, against a net receivable of € 7.7 million at 31 December 2020;
- the Parent Company Rekeep S.p.A. recorded a liability of € 82.2 million under "Other current liabilities" at 31 December 2020, concerning the fine imposed by the Competition Authority in relation to the Consip FM4 Tender, after the partial granting of the appeal filed by the Company. 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 included expected 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 the debt was recognized for a remaining value of € 73.6 million at 30 September 2021 (€ 79.4 million at 31 December 2020) given the payment of nine installments during the period.

Other non-current liabilities

"Other non-current liabilities" include liabilities relating to:

- defined-contribution plans for employee benefits, mainly including the Employee Termination Indemnity (TFR), equal to € 11.3 million in both comparative periods;
- long-term portion of Provisions for risks and charges (€ 23.7 million at 30 September 2021 against € 24.7 million at 31 December 2020);
- deferred tax liabilities of € 16.5 million (€ 16.7 million at 31 December 2020).

Consolidated net financial indebtedness

Details of net financial indebtedness at 30 September 2021 are shown below, compared to the figures at 31 December 2020, as determined on the basis of the instructions laid down in CONSOB Communication no. DEM/6064293 of 28 July 2006.

(in thousands of Euro)	30 September 2021	31 December 2020
A. Cash	0	144
B. C/a, bank deposits and consortia, non-proprietary accounts	72,750	90,320
C. Securities held for trading	0	0
D. Liquidity (A) + (B) + (C)	**72,750**	**90,464**
E. Current financial assets	**5,334**	**5,994**
F. Current bank overdraft	3,215	5,950
G. Current portion of non-current debt	6,989	3,308
H. Other current financial liabilities	52,679	40,790
I. Current financial indebtedness (F)+(G)+(H)	**62,883**	**50,048**
J. Current net financial indebtedness (I) - (D) - (E)	**(15,201)**	**(46,410)**
K. Long-term bank debts and Senior Secured Notes	363,497	329,205
L. Other non-current financial liabilities	50,942	51,532
M. Derivatives	0	0
N. Non-current financial indebtedness (K) + (L) + (M)	**414,439**	**380,738**
O. NET FINANCIAL INDEBTEDNESS (J) + (N)	**399,238**	**334,327**

Consolidated net financial indebtedness increased from € 334.3 million at 31 December 2020 to € 399.2 million at 30 September 2021.

The assignments of trade receivables without recourse continued during the first 9 months of 2021. The Parent Company Rekeep S.p.A. and Servizi Ospedalieri S.p.A. signed a 3-year maturity factoring agreement with Bancafarmafactoring S.p.A 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, for an amount of up to € 200 million. During the first 9 months of 2021 assignments without recourse were made under this contract for € 75.4 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 28.9 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, used in the period for the assignment of receivables from private individuals for a total amount € 7.8 million. Finally, spot assignments of trade receivables from public customers with Banca Sistema for € 33.8 million, from private companies and companies in the large-scale retail trade were made for € 37.8 million, as were assignments of VAT credits requested for refund for a total of € 19.3 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 the latter at the reporting date (totaling € 55.6 million at 30 September 2021 against € 76.8 million at 31 December 2020) amounted to € 454.8 million against € 411.2 million at 31 December 2020.

Finally, according to IFRS 16, the carrying amount of future payments discounted for operating leases (in compliance with the previously-applicable IAS 17) was equal to € 39.1 million and € 38.8 million at 30 September 2021 and 31 December 2020, respectively.

At 30 September 2021 the balance of Cash and cash equivalents, net of short-term lines of credit ("Net Cash") amounted to € 50.4 million (€ 68.8 million at 31 December 2020):

(in thousands of Euro)	**30 September 2021**	**31 December 2020**
Cash and cash equivalents	72,750	90,464
Current bank overdraft, advance payments and hot money	(3,215)	(5,950)
Obligations arising from assignments of trade receivables with recourse	(19,162)	(15,732)
NET CASH	**50,373**	**68,782**

Below is the breakdown of the net financial exposure for bank credit lines and finance lease obligations ("*Net Debt*"), compared to 31 December 2020:

(in thousands of Euro)	**30 September 2021**	**31 December 2020**
Senior Secured Notes (nominal value)	370,000	333,900
Bank debts (nominal value)	1,076	1,407
Finance lease obligations	6,271	6,426
Current bank overdraft, advance payments and hot money	3,215	5,950
Obligations arising assignments of receivables with recourse	19,162	15,732

Payables for reverse factoring	5,047	4,629
GROSS DEBT	**404,771**	**368,044**
Receivables and other current financial assets	(5,334)	(5,994)
Cash and cash equivalents	(72,750)	(90,464)
NET DEBT	**326,687**	**271,586**

On 28 January 2021, the Parent Company Rekeep S.p.A. formalized a new Senior Secured bond issue for a total nominal amount of € 350 million. The Notes, issued at par and due 2026, have a coupon equal to an annual fixed rate of 7.25%, payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021. On 9 February 2021, the Company also issued additional Senior Secured Notes for a nominal amount 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).

As the same time, the Parent Company paid off the Senior Secured Notes that had been issued in 2017, with an annual coupon of 9% and due 2022, for a residual nominal amount of € 333.9 million.

Finally, there was the recognition of higher uses of credit lines for the assignment with recourse of trade receivables (€ 19.2 million at 30 September 2021 against € 15.7 million at 31 December 2020), higher uses of reverse factoring lines (€ 5.0 million in the first 9 months of 2021 against € 4.6 million at 31 December 2020) and lower uses in Current bank overdraft, advance payments and hot money (€ 3.2 million at 30 September 2021 and € 6.0 million at 31 December 2020).

The change in consolidated "Cash and cash equivalents" is analyzed in the table below, which shows the cash flows for the first 9 months of 2021, compared with the figures for the same period of the previous year. Reference should be made to Annexes, which contain a reconciliation between the items in the table and those in the statutory schedule provided in the Interim Report on Operations, presented in the condensed Explanatory Notes pursuant to IAS 7.

(in thousands of Euro)	**2021**	**2020**
At 1 JANUARY	**90,464**	**97,143**
Cash flow from current operations	14,740	36,468
Uses of provisions for risks and charges and payments of the Employee Termination Indemnity (TFR)	(2,958)	(5,904)
Change in NWOC	(32,012)	(49,423)
Industrial capex, net of disposals	(22,203)	(21,601)
Financial capex, net of disposals	(4,997)	50,018
Change in net financial liabilities	47,198	9,501
Other changes	(17,480)	(5,327)

AT 30 SEPTEMBER	**72,750**	**110,873**

The overall cash flows mainly reflect:

- a cash inflow from operating activities of € 14.7 million (a cash inflow of € 36.5 million at 30 September 2020), which was significantly affected by the costs of the refinancing transaction mentioned above;
- outflows from the use of provisions for future risks and charges and of the provision for Employee Termination Indemnity (TFR) for € 3.0 million (€ 5.9 million at 30 September 2020);
- a cash flow used for changes in NWOC for € 32.0 million (€ 49.4 million at 30 September 2020) resulting from an outflow correlated to an increase in trade receivables for € 9.9 million (- € 27.5 million in the first 9 months of 2020) and relating to the change in inventories for € 0.2 million against outflows in the balance of trade payables for Euro 24.6 million (- € 19.0 million at 30 September 2020);
- a cash flow of € 22.2 million used in industrial investments (€ 21.6 million at 30 September 2020), already net of disposals of € 0.7 million (€ 0.3 million at 30 September 2020);
- a cash flow used for financial investments and disinvestments, equal to € 5.0 million at 30 September 2021 relating to the acquisition of U.Jet S.r.l. on the part of subsidiary Servizi Ospedalieri for a consideration of € 6.9 million on 1 June 2021, partly offset by the sale of non-consolidated investments for € 0.9 million and the collection of a deferred receivable on the sale of a minority investment made in the previous years, net of a loan granted to an associate company; the inflows were equal to € 50.0 million at 30 September 2020 as a result of the sale of Sicura S.p.A. for a consideration of € 52.7 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 of € 47.2 million, which was mainly due to (i) the refinancing transaction mentioned above, which entailed the recognition of a higher capital debt of € 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 (- € 2.7 million) and for assignments of trade receivables with recourse (+ € 3.4 million), as well as for reverse factoring transactions (+ € 0,4 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 financial liabilities recognized on operating and financial leases (+ € 0.2 million); (v) the change in the balance of accrued interest (+ € 3.6 million). During the first 9 months of 2020 there was the recognition of an increase in net financial liabilities of € 9.5 million, which was mainly due to (i) activating the Revolving Credit Facility for € 50.0 million; (ii) the buy-back of Senior Secured Notes for € 15.8 million through the purchase on the open market in May2020, despite an increase in the balance of financial accruals maturing on coupons (+ € 7.7 million); (iii) a higher liability against factoring firms for the activation of reverse factoring lines (+ € 2.4 million); (iv) the early repayment of the residual debt of € 8.3 million of the CCFS committed credit line originally due in 2023; (v) the payment, during the period, of the dividend that the Parent Company resolved to distribute in December 2019 (- € 13 million); (vi) other changes in the liability related to the use of short-term credit lines for hot money and advances on invoices and for assignments of trade receivables with recourse (- € 9.3 million); (vii) a higher liability against factoring firms for amounts received on receivables previously assigned without recourse and repaid to them in the subsequent

quarter (+ € 1.0 million) against higher receivables from the same firms for the bank accounts subject to pledge, on which services for receipt are operated (+ € 0.9 million); (viii) a reduction in the financial liability recognized on operating and finance leases (- € 2.4 million);

- cash outflows arising from other changes recorded in the period for € 17.5 million, mainly due to the net effect of: (i) changes in the net VAT credit balances of the Group companies, which increased by € 1.8 million during the period, albeit against assignments without recourse totaling € 19.3 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 Consip FM4 Tender (- € 5.8 million); (iii) the changes in debt balances for payments due to the members of the Temporary Business Grouping for (- € 6.0 million); (iv) the increase in the balance of payables to/receivables from employees and related payables to/receivables from social security institutions and Tax Authorities for withholding taxes (- € 2.8 million). Other changes recorded in the first 9 months of 2020 absorbed total flows of € 5.3 million, mainly due to the net effect of the cash inflow generated by the changes in the net VAT credit balance of the Group companies (which decreased by € 2.6 million during the year, even against assignments without recourse amounting to € 28.8 million) and of the trend in debt balances for payments due to the members of the Temporary Business Grouping for (- € 2.0 million).

Industrial and financial Capex

In the first 9 months of 2021 the Group made gross capital expenditures which totaled € 23.0 million (€ 21.9 million at 30 September 2020), from which must be deducted disinvestments of € 0.7 million (€ 0.3 million at 30 September 2020):

(in thousands of Euro)	For the 9 months ended 30 September	
	2021	2020
Acquisitions of fixed assets under finance leases	134	1,430
Increases in owned properties	70	244
Purchase of plant and equipment	20,353	16,851
Other investments in intangible assets	2,417	3,364
INDUSTRIAL CAPEX	**22,974**	**21,888**

Acquisitions of plant and equipment include the purchase of linen by Servizi Ospedalieri S.p.A. for the linen rental and industrial laundering business, which requires periodic and frequent repairs, equal to € 12.6 million at 30 September 2021 against € 10.6 million at 30 September 2020.

Investments in intangible assets for the period amounted to € 2.4 million (€ 3.4 million at 30 September 2020) and mainly related to ICT investments on the part of the Parent Company for the upgrading and enhancement of its SAP infrastructure and other systems.

Finally, investments relating to new finance leases (in accordance with the previously applicable IAS 17) for the period related to the linen rental and industrial laundering operations of Servizi Ospedalieri S.p.A. for € 0.1 million, less than the investments made last year, when the Polish subsidiary Rekeep Polska and the Parent Company Rekeep S.p.A. had invested € 0.3 million and € 0.5 million, respectively, in addition to the investments made by subsidiary Servizi Ospedalieri.

Below is the breakdown of capital expenditures in terms of SBU:

(in thousands of Euro)	For the 9 months ended 30 September	
	2021	2020
Facility Management	8,468	8,759
of which relating to International Markets	*4,674*	*2,651*
Laundering & Sterilization	14,506	13,129
INDUSTRIAL CAPEX	**22,974**	**21,888**

Finally, cash flow from financial investments posted a negative value of € 5.0 million at 30 September, which was generated from the net effect of the consideration for the acquisition of U.Jet S.r.l., equal to € 6.9 million, and the collection of the price for the sale of non-consolidated companies for € 1.6 million, partly absorbed by the disbursement of a loan to a non-strategic company for € 0.3 million. Cash flow from financial investments was positive and equal to € 50.0 million at 30 September 2020, mainly due to the net financial effects arising from the sale of Sicura S.p.A., which entailed the collection of an amount of € 55.0 million on the closing date, net of additional costs of € 2.4 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..

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	Business Combinations	New loans	Repayments/ Payments	Buy-back/ Early termination	Other changes	30 September 2021
Senior Secured Notes	328,082		370,000		(333,900)	(1,523)	362,659
Bank loans	1,407			(305)		(26)	1,076
Current bank overdraft, advance payments and hot money	5,950		3,215	(5,950)			3,215

Accrued expenses and deferred income on loans	783			(17,225)		19,990	3,548
BANK DEBTS	**336,222**		**373,215**	**(23,480)**	**(333,900)**	**18,441**	**370,498**
Finance lease obligations	6,426		134	(289)			6,271
Operating lease liabilities	38,788	1,983	4,143	(5,367)	(456)		39,091
Payables for assignments of trade receivables with recourse	15,732		35,624	(32,194)			19,162
Payables for reverse factoring	4,629		5,047	(4,629)			5,047
Receipts on behalf of assignees of trade receivables without recourse	9,935		11,800	(9,935)			11,800
Fair value Put option/Earn Out	13,077		1,498			1,352	15,927
Other current financial liabilities	5,976	1,472	4,365	(2,272)		(15)	9,526
FINANCIAL LIABILITIES	**430,785**	**3,455**	**435,826**	**(78,167)**	**(334,356)**	**19,778**	**477,322**
Current financial assets	(5,994)		(437)	1,109		(12)	(5,334)
NET FINANCIAL LIABILITIES	**424,790**	**3,455**	**435,389**	**(77,057)**	**(334,356)**	**19,767**	**471,988**

During the first 9 months of 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 30 September 2021, to which must be added the accounting adjustment on additional issue costs, accounted for according to the amortized cost method (€ 8.3 million). The financial amortization of this adjustment generated financial costs of € 1.0 million in the first 9 months of 2021.

At the same time as the issue of Notes the Company also signed a new revolving loan agreement for a maximum amount of € 75 million. The facility was used for an amount of € 12 million on 6 August 2021 and repaid on 3 September 2021; it was subsequently renewed on 15 September 2021 for an amount of € 15 million and repaid on 29 September 2021 in order to meet any possible temporary cash requirements. At 30 September 2021 the RCF facility had not been used. 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 consolidated 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 additional issue cost for a residual amount of € 5.8 million, fully recycled among financial charges for the period.

Furthermore, at 30 September 2021 there was the recognition of accrued expenses on loans in a total amount of € 4.9 million (mainly relating to the amount accrued on the bond coupon due 1 February 2022) and prepaid financial expenses of € 1.3 million, of which an amount of € 1.1 million relating to the remaining amount of costs to be amortized for obtaining the Revolving Credit Facility line, for an initial amount of € 1.3 million and amortized on a straight-line basis throughout the entire term of the credit facility (financial charges of € 0.2 million recognized during the period).

As at the closing date of the period short-term uncommitted credit lines had been used for hot money and advance payments on invoices (in order to meet peaks in temporary cash requirements linked to the physiological performance of operations) of € 3.2 million, against a balance of € 5.9 million at 31 December 2020. Furthermore, Rekeep S.p.A. used credit facilities for the assignment of trade receivables with recourse in place with Banca Sistema concerning receivables from customers in the Public sector market. During the first 9 months of 2021 assignments were made in an overall nominal amount of € 35.6 million and the facilities had been used for € 19.2 million at 30 September 2021 (€ 15.7 million at 31 December 2020). As at 30 September 2021 a liability was also stated for € 5.0 million relating to reverse factoring lines used to ensure a greater amount of overdraft facilities on some major suppliers (€ 4.6 million at 31 December 2020).

The Group companies recorded receipts of € 11.8 million at 30 September 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 at the beginning 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 € 39.1 million at 30 September 2021 against € 38.8 million at 31 December 2020. During the first 9 months of 2021 new agreements were entered into and rentals were revalued for a present value of € 4.1 million upon recognition while contracts were early terminated for a remaining value of € 0.5 million. On the other hand, a residual debt was recognized against finance leases at 30 September 2021, equal to € 6.3 million (€ 6.4 million at 31 December 2020) of which an amount of € 5.4 million for properties and equipment of the *Laundering&Sterilization* SBU and an amount of € 3.9 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 € 15.9 million (€ 13.1 million at 31 December 2020), 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 (€ 12.6 million), in addition to the put option granted in favor of the minority shareholder Rekeep France on the remaining 30% of the share capital (€ 1.9 million), both of which had been already recognized at 31 December 2020. To these must be added the recognition, during 2021, concerning the present fair value of earn-out granted to the assignor within the scope of the acquisition of the 60% quota in U.Jet S.r.l., which took place on 1 June 2021 and equal to € 1.5 million at 30 September 2021.

Finally, "Other financial liabilities" include loans taken out by the Group companies with 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 (- € 1.1 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, € 0.7 million collected during the first half of 2021 and € 1.8 million to be collected by the end of 2022).

3. UPDATE ON LEGAL PROCEEDINGS

The updates are described below, which were reported at the date of approval of the Interim Report 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 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 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 thousand, 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. It was also ordered to proceed with blacking out the entry in the computerized records. 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". The hearing for discussing the substance of the matter was scheduled on 25 November 2021.

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 30 September 2021 are included in the explanatory notes (notes 14 and 15), to which reference is made.

4. SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

No significant events are reported which occurred after the end of the period.

5. BUSINESS OUTLOOK

The growth trend in revenues, which was confirmed by the values at 30 September 2021, showed that solid foundations have been established for achieving the objectives set by the Group for 2021.

During the last quarter of 2021, it is likely that demand for non-routine work will continue and that routine operations will be resumed, albeit moderately. It will also be possible to benefit, to a greater extent, from the effects of the refinancing transaction

that entailed a reduction in the nominal interest rate on debt from nominal 9% to nominal 7.25%, with savings in terms of financial costs, as well as renewed 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.

On international markets, management's efforts continued to stop losses and recover costs associated with delays in the implementation of the project for the provision of hygiene services in Saudi Arabia. The measures put in place by the management in the country, together with the actions already taken to improve efficiency at some central functions of the International markets, are elements that lead to the expectation that revenues and profit margins will remain substantially stable in the area.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	NOTES	30 September 2021	31 December 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	84,416	79,219
Property, plant and equipment under lease	5	43,799	43,323
Goodwill	6-7	406,783	402,562
Other intangible assets	6	19,368	21,653
Investments accounted for under the equity method	8	10,782	9,140
Other investments	9	7,130	7,130
Non-current financial assets and other securities	9	4,672	5,529
Other non-current assets	9	3,035	3,408
Prepaid tax assets		18,104	17,945
TOTAL NON-CURRENT ASSETS		**598,089**	**589,909**
CURRENT ASSETS			
Inventories		13,345	12,921
Trade receivables and advances to suppliers	10	438,538	431,121
Current tax receivables		11,185	10,010
Other current assets	10	25,826	25,636
Current financial assets	12	5,334	5,994
Cash and cash equivalents	12	72,750	90,464
TOTAL CURRENT ASSETS		**566,978**	**576,146**
Non-current assets classified as held for sale		0	0
TOTAL NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,165,067**	**1,166,055**

(in thousands of Euro)	NOTES	30 September 2021	31 December 2020
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		11,704	13,055
Retained earnings		(51,326)	30,286
Profit (loss) attributable to equity holders of the Parent		(15,906)	(83,154)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**53,622**	**69,337**
Capital and reserves attributable to non-controlling interests		3,212	496
Profit (loss) attributable to non-controlling interests		1,622	2,703
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		4,834	3,199
TOTAL EQUITY	**11**	**58,456**	**72,536**
NON-CURRENT LIABILITIES			
Employee termination indemnity	13	11,259	11,267
Provisions for risks and charges, non-current	14	23,678	24,777
Non-current loans	12	414,439	380,738
Deferred tax liabilities		16,538	16,708
Other non-current liabilities		92	60
TOTAL NON-CURRENT LIABILITIES		**466,006**	**433,550**
CURRENT LIABILITIES			
Provisions for risks and charges, current	14	11,322	10,550
Trade payables and contract liabilities	16	388,635	412,849
Current tax payables		3,158	2,274
Other current liabilities	16	174,607	184,249
Bank borrowings, including current portion of long-term debt, and other financial liabilities	12	62,883	50,047
TOTAL CURRENT LIABILITIES		**640,605**	**659,969**
Liabilities directly associated with assets held for sale		0	0
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL LIABILITIES		**1,165,067**	**1,166,055**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands of Euro)	NOTES	For the 9 months ended	
		30 September 2021	30 September 2020
REVENUES			
Revenues from contracts with customers		809,700	771,573
Other revenues		2,763	1,291
TOTAL REVENUES		**812,463**	**772,864**
OPERATING COSTS			
Costs of raw materials and consumables		(142,784)	(132,123)
Change in inventories of finished and semi-finished products		(651)	1,291
Costs for services and use of third-party assets		(241,793)	(235,885)
Personnel costs		(340,229)	(313,267)
Other operating costs		(7,337)	(9,975)
Capitalization of lower internal construction costs		77	1,059
Amortization, depreciation, write-downs and write-backs of assets	4-5-6	(31,130)	(29,912)
Accrual of provisions for risks and charges	14	(1,645)	(87,432)
TOTAL OPERATING COSTS		**(765,492)**	**(806,244)**
OPERATING INCOME		**46,971**	**(33,380)**
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	8	2,497	(6,689)
Dividends and income (loss) from sale of investments		752	147
Financial income		585	1,939
Financial charges		(56,803)	(37,115)
Profit (loss) on exchange rate		359	194
Profit (loss) before tax		**(5,639)**	**(74,904)**
Income taxes, current , prepaid and deferred		(8,661)	(9,994)
Net profit (loss) from continuing operations		**(14,300)**	**(84,898)**
Profit (loss) from discontinued operations	17	16	2,170
Profit (loss) for the period		**(14,284)**	(82,728)
Net profit (loss) for the period attributable to non- controlling interests		(1,622)	(1,414)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE GROUP		**(15,906)**	**(84,142)**

	For the 9 months ended	
	30 September 2021	30 September 2020
Basic earnings per share	(0.146)	(0.771)
Diluted earnings per share	(0.146)	(0.771)
Basic earnings per share from continuing operations	(0.146)	(0.791)
Diluted earnings per share from continuing operations	(0.146)	(0.791)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)	NOTES	For the 9 months ended	
		30 September 2021	30 September 2020
NET RESULT FOR THE PERIOD		**(14,284)**	**(82,728)**
Other components of the comprehensive income, which will be subsequently reclassified under profit/loss for the year:			
Differences from translation of foreign financial statements		(839)	236
Share of other comprehensive income of entities accounted for using the equity method, which will be subsequently reclassified under profit/loss for the year	8	127	(32)
Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/loss for the year		**(712)**	**204**
Other components of the comprehensive income, which will not be subsequently reclassified under profit/loss for the year:			
Actuarial gains (losses) on defined benefit plans	13	114	96
Income taxes		(13)	10
Net effect on actuarial gains (losses)		**101**	**106**
Share of other comprehensive income of entities accounted for using the equity method, which will not be subsequently reclassified under profit/loss for the year	8	17	(17)
Other components of the comprehensive income for the period, which will not be subsequently reclassified under profit/loss for the year		**118**	**90**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**(594)**	**294**
COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**(14,878)**	**(82,434)**
Equity holders of the Parent		(16,421)	(83,625)
Non-controlling interests		1,543	1,191

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	For the 9 months ended	
		30 September 2021	30 September 2020
Net result from continuing operations		**(14,284)**	**(84,898)**
Income taxes for the period		8,661	9,994
Profit before tax for the period		**(5,623)**	**(74,904)**
Profit (loss) from discontinued operations for the period		16	2,170
Capital gains (losses) from disposal on equity investments		0	(13,589)
Other unrealized write-downs on discontinued operations		0	405
Amortization, depreciation, write-downs and (write-backs) of assets		**31,130**	30,106
Accrual (reversal) of provisions for risks and charges		1,645	87,440
Employee termination indemnity provision		390	404
Payments of employee termination indemnity		(960)	(1,342)
Utilization of provisions		(1,998)	(4,562)
Share of net profit of associates, net of dividends collected		(2,302)	6,689
Financial charges (income) for the period		55,859	35,357
Operating cash flows before movements in Working Capital		**78,157**	**68,173**
Of which relating to discontinued operations		*0*	(8,141)
Of which relating to continuing operations		*78,157*	76,314
Decrease (increase) of inventories		2,439	(2,944)
Decrease (increase) of trade receivables and advances to suppliers		(9,873)	(27,496)
Decrease (increase) of other current assets		203	40
Increase (decrease) in trade payables		(24,578)	(18,983)
Increase (decrease) of other current liabilities		(9,559)	3,151
Change in Working Capital		**(41,369)**	**(46,232)**
Net interest received (paid) in the period		(42,834)	(20,486)
Income taxes paid in the period		(9,232)	(10,598)
Net cash flow from operating activities		**(15,278)**	**(9,143)**
(Purchase of intangible assets, net of sales)	6	(2,417)	(3,364)
(Purchase of property, plant and equipment)	4-5	(20,557)	(18,525)
Proceeds from sale of property, plant and equipment	4-5	771	287
Disposal (acquisition) of investments		1,017	(2,089)

(in thousands of Euro)	NOTES	For the 9 months ended	
		30 September 2021	30 September 2020
Decrease (increase) of financial assets		408	(2,886)
Financial effects of business combinations		(1,914)	(115)
Discontinuing operations	17	0	55,245
Net cash flow from (used in) investing activities		**(22,693)**	**28,554**
Change in finance lease debt	12	(155)	670
New (repayment of) operating leases	12	(5,823)	(6,812)
Opening of medium- and long-term borrowings	12	370,000	50,233
Repayment of medium- and long-term borrowings	12	(334,205)	(24,950)
Net opening (repayment) of short-term bank credit lines	12	(2,734)	5,686
Other net changes in borrowings	12	(3,722)	(18,064)
Dividends distributed		(293)	(13,000)
(Purchase) /sale of subsidiaries' minority shareholdings		(1,971)	321
Differences arising from translation of financial statements in foreign currency		(925)	620
Net cash flow from / (used in) financing activities		**20,170**	**(5,297)**
Change in cash and cash equivalents		**(17,800)**	**14,115**
Cash and cash equivalents at the beginning of the period		90,464	97,143
Change in cash and cash equivalents		(17,800)	14,115
Translation differences on cash and cash equivalents		86	(384)
Cash and cash equivalents at the end of the period		**72,750**	**110,873**
Details of cash and cash equivalents:			
Cash and bank current accounts		**72,750**	110,873
TOTAL CASH AND CASH EQUIVALENTS		**72,750**	**110,873**

SUPPLEMENTARY INFORMATION

(in thousands of Euro)	For the 9 months ended	
	30 September 2021	30 September 2020
Interest paid	(43,416)	(22,418)
Interest received	582	1,931
Dividends paid	(293)	(13,000)
Dividends received	290	147

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Reserves	Retained Earnings	Net Result of the period	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 prior year result		(834)	(81,612)	83,154	**708**	(708)	**0**
Distribution of dividends					**0**	(1,171)	**(1,171)**
Acquisition/sale of minority interests in subsidiaries					**0**	1,971	**1,971**
Total comprehensive income (loss) for the period		(517)		(15,906)	**(16,423)**	1,543	**(14,880)**
30 September 2021	**109,150**	**11,704**	**(51,326)**	**(15,906)**	**53,622**	**4,834**	**58,456**

	Share Capital	Reserves	Retained Earnings	Net Result of the period	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 prior year result		6,601	(3,316)	(3,285)	**0**		**0**
Acquisition/sale of minority interests in subsidiaries			(222)		**(222)**	(98)	**(320)**
Total comprehensive income (loss) for the period		516		(84,142)	**(83,627)**	1,191	**(82,436)**
30 September 2020	**109,150**	**12,827**	**30,286**	**(84,142)**	**68,121**	**1,929**	**70,050**

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 9 months ended 30 September 2021 consists of the Interim Report on Operations and of the condensed Consolidated Interim Financial Statements, which were prepared in the application of 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' meeting of 15 November 2021.

On 30 September 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 STANDARDS AND BASIS OF PRESENTATION

The condensed consolidated interim Financial Statements at 30 September 2021 comprise the Consolidated Statement of financial position, the Consolidated Statement of profit or loss, the Consolidated Statement of other comprehensive income, the Consolidated Statement of cash flows, the Consolidated Statement of changes in Shareholders' Equity and the Condensed explanatory notes.

After assessing the possible uncertainties regarding the Company's ability to continue as a going concern, including the financial risks described in note 19 and other market risks associated with the proceedings in progress described in the notes 13 and 14, the directors decided to prepare the Condensed Consolidated Interim Financial Statements on a going-concern basis.

The amounts presented in the Statements and in the explanatory Notes are compared with those as at 31 December 2020, while the economic values included in the Statement of profit or loss for the period, the Statement of other Comprehensive Income and the Statement of Cash Flows are compared with those in the first 9 months of 2020.

The condensed consolidated interim Financial Statements at 30 September 2021 were prepared on a historical cost basis, except for the derivative financial instruments that have been measured at fair value.

The Statement of Financial Position sets forth assets and liabilities distinguishing between current and non-current ones. The Consolidated Statement of profit or loss 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 are directly recognized in Equity as expressly required by IFRS. The consolidated 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 condensed consolidated interim Financial Statements at 30 September 2021 have been presented in Euro, which is the Group's functional currency. All values showed in the statements and in the condensed explanatory notes are in thousands of Euro, unless otherwise stated.

2.1 Statement of compliance with international accounting standards (IFRS)

The condensed consolidated interim Financial Statements at 30 September 2021 have been prepared in compliance with IAS 34 - Interim Financial Reporting. The condensed consolidated interim Financial Statements do not include all the information required for the complete annual financial statements prepared according to IAS 1, and 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 condensed consolidated interim Financial Statements at 30 September 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. Various amendments were applied for the first time in 2021, but had no impact on the condensed consolidated Financial Statements of the Group.

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

The following IFRS accounting standards, amendments and interpretations were applied by the Group for the first time as from 1 January:

On 28 May 2020 the IASB published the following amendment: "*Covid-19-Related Rent Concessions (Amendment to IFRS 16)*". The document allows lessees to account for Covid-19-related rent concessions and provide them with an exemption from assessing, through contract analysis, whether the definition of lease modification is met under IFRS 16. Therefore, lessees applying this option may account for the effects of rent concessions directly through profit or loss on the effective date of the concession. The adoption of this amendment had no impact on the Group's consolidated financial statements;

On 25 June 2020 the IASB published the following amendment: "*Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)*". The amendments allow the temporary exemption from applying IFRS 9 to be extended until 1 January 2023 for insurance companies. The adoption of this amendment had no impact on the Group's consolidated financial statements;

On 27 August 2020 the IASB published, following the reform of interbank interest rates such as IBOR, the document on the "*Interest Rate Benchmark Reform - Phase 2*", which makes amendments to the following standards:

- IFRS 9 Financial Instruments;
- IAS 39 Financial Instruments: Recognition and Measurement;
- IFRS 7 Financial Instruments: Disclosures;
- IFRS 4 Insurance Contracts;

- IFRS 16 Leases.

All amendments became effective from 1 January 2021. The adoption of this amendment had no impact on the Group's consolidated financial statements;

On 31 March 2021 the IASB published "*Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)*", by which it extends by one year the period of application of the amendment to IFRS 16, issued in 2020, concerning the method to account for concessions granted to lessees as a result of the Covid-19 emergency. The amendments became applicable from 1 April 2021, with early adoption permitted. The adoption of this amendment had no impact on the Group's consolidated financial statements.

Accounting standards, amendments and IFRS and IFRIC interpretations endorsed by the European Union, which are not yet mandatorily applicable and not early adopted by the Group at 30 September 2021

On 14 May 2020 the IASB published the following amendments:

- *Amendments to IFRS 3 Business Combinations*: these are aimed at updating the reference to the Conceptual Framework in the revised version under IFRS 3, without this entailing amendments to the provisions of the standard;
- *Amendments to IAS 16 Property, Plant and Equipment – "Property, Plant and Equipment: Proceeds before Intended Use":* the amendment prohibits an entity from deducting from the cost of property, plant and equipment any revenue arising from selling items produced before they are ready for the intended use envisaged by the management. The entity must separately recognize revenues arising from selling these products and related production costs among profit/(loss) for the period;
- *Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - "Onerous Contracts – Costs of Fulfilling a Contract"*: the amendment clarifies what costs an entity considers in assessing whether a contract is onerous or priced at a loss. The amendment provides for the adoption of a directly related cost approach, according to which entities must consider any and all costs that are directly attributable to the contract. Accordingly, the assessment of whether a contract is onerous includes incremental costs (such as, for example, the cost of direct materials used in the work), as well as all the costs an entity cannot avoid because it has entered into the contract (such as, for example, the depreciation of the machinery used in fulfilling the contract). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the other party;
- *Annual Improvements to IFRS Standards 2018-2020, a set of amendments to IFRS in response to matters raised, mainly:* (i) *Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter"*: this amendment allows a subsidiary to account for cumulative translation differences of foreign currency transactions by using the amounts reported in the consolidated financial statements of the parent company, considering the date of transition to IFRS on the part of the parent company. This amendment shall also apply to associates or joint ventures; (ii) A*mendment to IFRS 9 "Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities"*: the amendment clarifies that the fees an entity must consider for the purposes of the 10% test (to establish whether there is a substantial change in the conditions of a financial liability) are only fees paid or received between the borrower and the lender, including on behalf of others. An entity applies this amendment to financial liabilities that are

modified or exchanged after the date of the first financial period in which the entity applies the amendment for the first time; (iii) *IAS 41 Agriculture*: the amendment removes the requirement that must be met for an entity to exclude cash flows for taxation when measuring the fair value of assets; (iv) .*IFRS 16 Leases, Illustrative Examples*.

All amendments will become effective from 1 January 2022. The directors do not expect any material effect on the Group's consolidated financial statements from the adoption of these amendments.

Accounting standards, amendments and IFRS interpretations not yet endorsed by the European Union

As at the reporting date of this document, the competent bodies of the European Union had not yet completed the endorsement process required for the adoption of the amendments and standards described below:

- On 18 May 2017 the IASB published IFRS 17 – *Insurance Contracts* and related amendments, which are intended to replace IFRS 4 – *Insurance Contracts*.

  The objective of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations arising from insurance contracts issued. The IASB developed the standard to remove inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework in order to take account of any and all types of insurance contracts, including reinsurance contracts held by an insurer.

  The new standard also provides for presentation and disclosure requirements to improve comparability among the entities operating in this sector.

  The new standard measures an insurance contract based on a General Model or a simplified version thereof, according to the Premium Allocation Approach ("PAA").

  The main features of the General Model are:

  - estimates and expectations of future cash flows are always current;
  - the measurement reflects the time value of money;
  - estimates involve extensive use of information observable on the market;
  - there is a current and explicit measurement of risk;
  - the expected profit is deferred and aggregated in groups of insurance contracts upon initial recognition;
  - the expected profit is recorded in the period of contractual coverage, taking account of any adjustment arising from changes in the assumptions regarding the cash flows relating to each group of contracts.

  The PAA approach provides for the measurement of the liability for residual coverage for a group of insurance contracts provided that, upon initial recognition, the entity expects the liability to reasonably consist of an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach. The simplifications arising from the application of the PAA method do not apply to the measurement of liabilities for outstanding claims, which are measured by using the General Model. However, it is not necessary to discount those cash flows if it is expected that the balance to be paid or collected will arise within one year of the date the claim occurred.

  An entity must apply the new standard to the insurance contracts that are issued, including reinsurance contracts that are issued and held, as well as investment contracts with a discretionary participation feature (DPF).

The standard shall apply from 1 January 2023, with early adoption permitted, only for entities that apply IFRS 9 - *Financial Instruments* and IFRS 15 - *Revenue from Contracts with Customers*. The directors do not expect any material effect on the Group's consolidated financial statements from the adoption of this standard;

- On 23 January 2020 the IASB published "*Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*". The document aims to clarify how to classify debts and other short- or long-term liabilities. The amendments will become effective from 1 January 2023, with early adoption permitted. The directors do not expect any material effect on the Group's consolidated financial statements from the adoption of this amendment;
- On 12 February 2021 the IASB published two amendments: "*Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*" and "*Definition of Accounting Estimates (Amendments to IAS 8)*". The amendments are aimed at improving disclosures on accounting policies so as to provide more useful information to investors and other primary users of financial statements, as well as to help companies distinguish changes in accounting estimates from changes in accounting policies. The amendments shall apply from 1 January 2023, with early adoption permitted. The directors do not expect any material effect on the Group's consolidated financial statements from the adoption of these amendments;
- On 7 May 2021 the IASB published "*Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*". The document clarifies the method by which deferred taxes should be accounted for on certain transactions that can generate assets and liabilities for an equal amount, such as leases and decommissioning obligations. The amendments shall apply from 1 January 2023, with early adoption permitted. The directors do not expect any material effect on the Group's consolidated financial statements from the adoption of this amendment;
- On 30 January 2014 the IASB published the accounting standard IFRS 14 – *Regulatory Deferral Accounts*, which only allows first-time adopters of IFRS to continue to recognize amounts relating to Rate-Regulated Activities according to the previous accounting standards adopted. This standard is not applicable since the Group is not a first-time adopter.

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 acquired entity and 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 condensed consolidated interim 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 30 September 2021 the carrying amount of the goodwill stood at € 406,783 thousand (€ 402,562 thousand at 31 December 2020). More details are given in note 7.

Provisions for risks and charges and Allowance for doubtful accounts

Provisions representing the risk of negative outcomes of business issues have been set aside. The value of the provisions recognized in the accounts in relation to these risks is the best estimate made by the Directors at that date. Write-downs of trade receivables were recognized in an adjusting provision against failure to collect debts from clients. The value of the provisions recognized in the accounts in relation to these risks is the best estimate made by the Directors at that date. The estimates entail the adoption of assumptions depending on factors which could change in time and could therefore have a substantial impact on the Directors' current estimates used to prepare the Group's Consolidated Financial Statements.

Recognition of revenues and costs relating to contract assets with customers

The Group uses the percentage of completion method to account for assets on long-term contracts concerning the construction and upgrading of properties or technological systems for which it carries out construction works. The amount of profit margins recognized in the income statement depends on both the progress of work on the contract and the profit margins which it is believed will be recognized on the entire work upon its completion; therefore, the correct recognition of work in progress and profit margins relating to works that have not yet been completed assumes the Directors' correct estimate of final costs and the expected increases, as well as of the delays, additional costs and penalties which could reduce the expected margin. The use of the percentage of completion method requires the Group to estimate completion costs, which involves making estimates that depend on factors that may change over time and could therefore have a significant impact with respect to present values. If the actual cost differs from the estimated cost, this change will have an impact on the results of future financial periods.

Deferred tax assets and their probable future reversal

Deferred tax assets are recognized to the extent that it is probable that in the future there will be a taxed profit such as to allow the use of losses. A significant estimation activity is required of the management staff to calculate the amount of tax assets that can be recognized based on future taxable profits, the timing of their occurrence and tax planning strategies.

Recognition of the present value of liabilities for Put Option on minority shares of subsidiaries and on the present value of liabilities for Earn-outs for 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 by management for the purposes of reliable valuation. Furthermore, the Group has granted earn-out on acquisition made. In this case too, the correct recognition of the related liability in the financial statements requires the management to make some estimates to determine the relevant parameters.

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 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.

Main assumptions applied to the actuarial valuation of TFR (employee benefits) such as the future turnover rate and discount financial rates

The cost of defined-benefit pension plans and of any other post-employment medical benefit, as well as the present value of the defined-benefit liability, are determined on the basis of actuarial assessments that require various assumptions to be made which can differ from actual developments in the future. These assumptions also include the calculation of the discount rate, future pay rises, mortality rates and future increases in pensions. Owing to the complexity of the assessment and its long- term nature, these estimates are extremely sensitive to changes in assumptions. All the assumptions are reviewed on an annual basis. See note 13 for more details.

Consolidation principles

The Condensed Consolidated Interim Financial Statements include the financial statements of Rekeep S.p.A. (“the Parent Company”, “Rekeep S.p.A.” or simply “Rekeep”) and its subsidiaries, prepared as at 30 September 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 and losses arising from intra-Group transactions, which are recognized under assets, are eliminated in full.

Subsidiaries are fully consolidated 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 common 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 company acquired starting from the date of acquisition until the end of the fiscal 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 profit or loss is recognized in the income statement. Any equity investment retained is recognized 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 and in the Consolidated Statement of Financial Position under Equity items, separately from the Group's Equity.

Conversion of financial statements of foreign companies

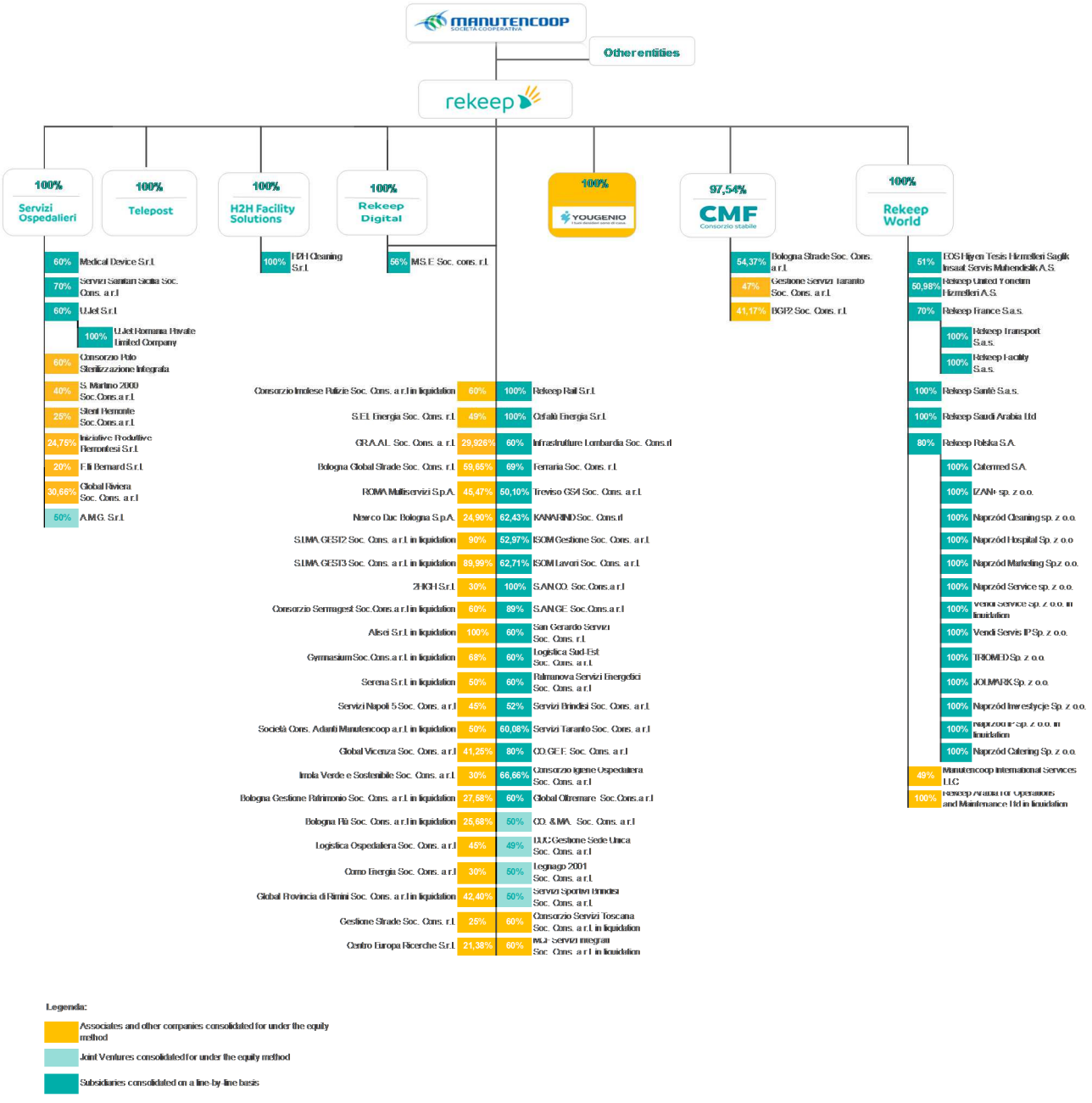
The financial statements have been presented in Euro, which is the functional and reporting currency adopted by the Group. The income statements and balance sheets expressed in foreign currency are converted into Euros applying the year-end exchange rates for the items in the Statement of financial position and average exchange rates for the 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 30 September 2021	Average Exchange rate for the 9 months ended 30 September 2021	Exchange rate at 31 December 2020	Exchange rate at 30 September 2020	Average Exchange rate for the 9 months ended 30 September 2020
Romanian Leu (RON) – Romania	4.9475	4.9299	N/A	N/A	N/A
Turkish Lira (TRY) – Turkey	10.2981	9.7104	9.1131	9.0990	7.5991
Qatar Riyal (QAR)– Qatar	4.2148	4.3542	4.4666	4.2617	4.0951

Saudi Arabia Riyal (SAR) – Saudi Arabia	4.3421	4.4858	4.6016	4.3905	4.2189
Zloty (PLN) – Poland	4.6197	4.5473	4.5597	4.5462	4.4220

The consolidation area as at 30 September 2021 is shown below.


MANUTENCOOP SOCIETÀ COOPERATIVA
Other entities
rekeep
100% Servizi Ospedalieri
60% Medical Device S.r.l.
70% Servizi Sanitari Scarl Soc. Cons. a r.l.
60% U.Jet S.r.l.
100% U.Jet Romania Private Limited Company
60% Consorzio Polo Sterilizzazione Integrata
40% S. Martino 2000 Soc. Cons. a r.l.
26% Sileni Piemonte Soc. Cons. a r.l.
24,75% Iniziative Produttive Piemontesi S.r.l.
20% F.lli Bernard S.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% YOUGENIO
97,54% CMF Consorzio stabile
54,37% Bologna Strade Soc. Cons. a r.l.
47% Gestione Servizi Taranto Soc. Cons. a r.l.
41,17% BGI2 Soc. Cons. r.l.
100% Rekeep World
51% EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.
50,98% Rekeep United Yonetim Hizmetleri A.S.
70% Rekeep France S.a.s.
100% Rekeep Transport S.a.s.
100% Rekeep Facility S.a.s.
100% Rekeep Santé S.a.s.
100% Rekeep Saudi Arabia Ltd
80% Rekeep Polska S.A.
100% Cafermed S.A.
100% IZAN+ sp. z o.o.
100% Napzód Cleaning sp. z o.o.
100% Napzód Hospital Sp. z o.o.
100% Napzód Marketing Sp.z o.o.
100% Napzód Service sp. z o.o.
100% Verdi Service sp. z o.o. in liquidation
100% Verdi Servis IP Sp. z o.o.
100% TROMED Sp. z o.o.
100% JOLIMARK Sp. z o.o.
100% Napzód Inwestycje Sp. z o.o.
100% Napzód Sp. z o.o. in liquidation
100% Napzód Catering Sp. z o.o.
49% Manutencoop International Services LLC
100% Rekeep Arabia for Operations and Maintenance Ltd in liquidation
Consorzio Imolese Pulizie Soc. Cons. a r.l. in liquidation 60% 100% Rekeep Rail S.r.l.
S.E.I. Energia Soc. Cons. r.l. 49% 100% Cofalù Energia S.r.l.
G.R.A.A.L. 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% 50,10% Treviso GS4 Soc. Cons. a r.l.
Nearco Duc Bologna S.p.A. 24,90% 62,43% KANAFRIND Soc. Cons.rl
S.I.M.A. GE.S.I.2 Soc. Cons. a r.l. in liquidation 90% 52,97% ISOM Gestione Soc. Cons. a r.l.
S.I.M.A. GE.S.I.3 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.
Alsei 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. 46% 49% CUC Gestione Sede Unica Soc. Cons. a r.l.
Como Energia Soc. Cons. a r.l. 30% 50% Legnago 2001 Soc. Cons. a r.l.
Global Provincia di Rimini Soc. Cons. a r.l. in liquidation 42,40% 50% Servizi Sportivi Brindisi Soc. Cons. a r.l.
Gestione Strade Soc. Cons. r.l. 25% 60% Consorzio Servizi Toscana Soc. Cons. a r.l. in liquidation
Centro Europa Ricerche S.r.l. 21,38% 60% M.J. Servizi Integrati Soc. Cons. a r.l. in liquidation
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 9 months of 2021 we must note the following events:

- on 4 January 2021 there was the sale of the 20% investment in the quota capital of Gico Systems S.r.l.;
- on 16 April 2021 there was the acquisition of the remaining 30% of the quota capital of Cefalù Energia S.r.l. (already controlled). It should be noted that the company changed its corporate from S.p.A. (*Società per Azioni* – Join-Stock Company) to S.r.l. (*Società a responsabilità limitata* – Limited Liability Company) on 27 September 2021;
- on 28 May 2021 the 50.1%-owned company Treviso GS4 Soc. Cons. a r.l. was established;
- on 1 June 2021 Servizi Ospedalieri S.p.A. acquired a 60% investment in the quota capital of U.Jet S.r.l., which is based in Bastia Umbra (Perugia) and of its subsidiary U.Jet Romania Private Limited Company;
- on 7 June 2021 Przedsiębiorstwo Produkcyjno-Handlowo-Usługowe Postęp Sp. z o.o. (wholly owned by Rekeep Polska S.A.) was merged by incorporation into JOL-MARK sp. z o.o. (which is also wholly owned by Rekeep Polska S.A.);
- on 15 June 2021 Vendi Cleaning sp. z o.o. and Vendi Marketing sp. z o.o. (wholly owned by Rekeep Polska S.A.) were merged by incorporation into Naprzód Marketing sp. z o.o. (which is also wholly owned by Rekeep Polska S.A.);
- the winding-up procedure was started for Rekeep Arabia for Operations and Maintenance Ltd on 30 August 2021;
- on 24 September 2021 the company Rekeep Santé S.a.s. was established, which is based in Paris (France), the share capital of which is wholly held through subsidiary Rekeep World S.r.l..

3. BUSINESS COMBINATIONS

3.1 Acquisition of a controlling interest in U.Jet S.r.l.

On 1 June 2021 the Group acquired, through subsidiary Servizi Ospedalieri S.p.A., an investment of 60% in 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 market, with more than 500 facilities served in Italy and Poland. The newly-acquired company in turn holds 100% of U.Jet Romania Private Limited Company.

The transaction was completed by means of a carve-out of U.Jet's core business activities, which were contributed to a NewCo in which Servizi Ospedalieri holds 60% and is part of the growth and development strategy of the Rekeep Group, which envisages the entry into specialist sectors that are linked to the core business, thus increasing its footprint and strengthening its leadership both at national and international level in the business of services in support of healthcare activities.

U.Jet S.r.l., which is based in Bastia Umbra (Perugia), recorded pro-forma consolidated revenues of € 11.2 million in 2020. The Company has obtained the certifications ISO 9001:2015, ISO 13485:2016, EC Quality Assurance System Certificates; it has also entered the dental, veterinary, wellness, community, and industrial sectors in recent years.

Accounting effects of the acquisition

The acquisition transaction can be described as a business combination: the Group has therefore applied the purchase method required by IFRS 3 in reporting it in the accounts.

The acquisition was completed on 1 June 2021 against a price at closing equal to € 5,595 thousand, of which an amount of € 2,121 thousand paid at the closing date, while the deferred portion will be paid in subsequent installments by 2023.

The purchase contract also provides for a price adjustment mechanism based on the estimated value of the owned property, and grants the transferor an Earn-out equal to a multiple of EBITDA achieved by the company in 2022, for a maximum value of € 1,498 thousand.

The fair value of the acquiree's assets and liabilities was determined on a provisional basis, as was the goodwill arising from the transaction and the Earn-out value to be paid to the transferor.

The table below shows the breakdown of the values provisionally attributed to the assets and liabilities acquired:

	Recognized value	Book value
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,027	4,027
Property, plant and equipment under lease	1,876	1,876
Other intangible assets	7	7
Other investments	1	1
Other non-current assets	2	2
Prepaid tax assets	61	61
TOTAL NON-CURRENT ASSETS	**5,975**	**5,975**
CURRENT ASSETS		
Inventories	2,863	2,863
Trade receivables and advances to suppliers	665	665
Current tax receivables		
Other current assets	27	27
Cash and cash equivalents	207	207
TOTAL CURRENT ASSETS	**3,761**	**3,761**
TOTAL ASSETS	**9,736**	**9,736**
LIABILITIES		
NON-CURRENT LIABILITIES		
Capital and reserves attributable to non-controlling interests	1,996	1,996
Employee termination indemnity	675	675

	Recognized value	Book value
Non-current loans	1,983	1,983
TOTAL NON-CURRENT LIABILITIES	**4,655**	**4,655**
CURRENT LIABILITIES		
Short-term loans	1,472	1,472
Trade payables and contract liabilities	364	364
Other current liabilities	373	373
TOTAL CURRENT LIABILITIES	**2,209**	**2,209**
TOTAL LIABILITIES	**6,864**	**6,864**
FAIR VALUE OF NET ASSETS	**2,872**	**2,872**
GOODWILL FROM BUSINESS COMBINATION	**4,221**	
Total cost of business combination:		
Price paid at closing	2,121	
Deferred price	3,475	
Contingent liability for Earn-out	1,498	
TOTAL COST OF THE BUSINESS COMBINATION	**7,094**	
Net cash of acquisition:		
Cash and cash equivalents of the acquiree	207	
Price paid at closing	(2,121)	
Additional costs for the contribution	(141)	
NET CASH OF ACQUISITION	**(2,055)**	

The fair value of assets and liabilities acquired through the business combination was positive and provisionally set at € 2,872 thousand, while the overall cost of the business combination was equal to € 7,094 thousand (of which an amount of € 2,121 thousand was already paid at the closing date), including additional costs of € 141 thousand and the estimated present value of the earn-out granted to the minority shareholders as at the relevant date. Consequently, the provisional goodwill arising from the transaction was equal to € 4,221 thousand, while the net cash used for the business combination in 2021 amounted to € 2,055 thousand.

As at 30 September 2021, U.Jet S.r.l. contributed an amount of € 2,152 thousand to the Group's revenues as from the date of acquisition.

4. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in the company-owned property, plant and equipment in the period ended 30 September 2021.

	Property	Plant and equipment	Total
At 1 January 2021, net of accumulated depreciation and impairment	**17,925**	**61,294**	**79,219**
Additions from business combinations	399	3,628	4,027
Additions from acquisitions	70	20,353	20,423
Disposals	0	(771)	(771)
Depreciation for the period	(719)	(16,074)	(16,793)
Others	(98)	(1,591)	(1,689)
At 30 September 2021	**17,577**	**66,839**	**84,416**
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 30 September 2021			
Historical cost	22,734	439,596	462,330
Accumulated depreciation and impairment losses	(5,157)	(372,757)	(377,914)
NET BOOK VALUE	**17,577**	**66,839**	**84,416**

The additions from acquisitions in the first 9 months of the year mainly relate to the linen in the *Laundering&Sterilization* segment for € 12,557 thousand and to the purchases of other machinery and specific equipment for € 7,796 thousand. Furthermore, additions from business combinations were recorded during the period, which were attributable to the acquisition of U.Jet S.r.l. and of its subsidiary, for which reference should be made to note 3 above. Disposals for the period amounted to € 771 thousand.

Finally, other changes relate to the effect of a change in the exchange rate applied for the translation of balances relating to foreign companies with a currency other than the Euro.

5. PROPERTY, PLANT AND EQUIPMENT UNDER LEASE

The table below shows the changes in property, plant and equipment under lease in the period ended 30 September 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 business combinations			1,876		1,876
Additions from acquisitions		134	875	3,268	4,277
Early termination			(176)	(280)	(456)
Depreciation for the period	(101)	(997)	(2,927)	(2,450)	(6,475)
Others		1,293	(26)	(13)	1,254
At 30 September 2021	**4,214**	**5,023**	**26,333**	**8,229**	**43,799**
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 30 September 2021					
Historical cost	4,991	11,335	51,612	32,813	100,750
Accumulated depreciation and impairment losses	(777)	(6,312)	(25,278)	(24,584)	(56,951)
NET BOOK VALUE	**4,214**	**5,023**	**26,333**	**8,229**	**43,799**

Property, plant and equipment under finance leases (according to the classification under the previously-applicable IAS 17) reported changes during the first 9 months 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 € 134 thousand, mainly in the *Laundering&Sterilization* segment.

Property, plant and equipment under operating leases (according to the classification under the previously-applicable IAS 17), stated as “Rights of use on Properties” and “Rights of use on plant and machinery” showed an increase during the first 9 months of the year following the execution of new property lease agreements for € 875 thousand and new long-term hire of vehicles that make up the corporate fleets and equipment of the Group for € 3,268 thousand. Furthermore, additions from business combinations were recorded during the period, which were attributable to the acquisition of U.Jet S.r.l. and of its subsidiary, for which reference should be made to note 3 above.

Furthermore, there was the early termination of some lease and long-term hire agreements for a total of € 456 thousand.

6. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the period ended 30 September 2021.

	Other intangible assets	Goodwill	Total
At 1 January 2021, net of accumulated amortization and impairment	**21,653**	**402,562**	**424,214**
Additions from business combinations	7	4,221	4,228
Additions from acquisitions	2,417		2,417
Amortization for the period	(4,715)		(4,715)
Others	7		7
At 30 September 2021	**19,368**	**406,783**	**426,151**
At 1 January 2021			
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 30 September 2021			
Cost	128,133	409,100	537,233
Accumulated amortization and impairment losses	(108,765)	(2,318)	(111,082)
NET BOOK VALUE	**19,368**	**406,783**	**426,151**

Goodwill is tested annually for impairment. The change for the period related to the acquisition of U.Jet S.r.l. and of its subsidiary U.Jet Romania Private Limited Company on the part of Servizi Ospedalieri S.p.A. (€ 4,221 thousand).

For more details, see note 7.

Other intangible assets, amounting to € 19,368 thousand at 30 September 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 made in the period (€ 2,417 thousand) were mainly attributable to the Parent Company Rekeep S.p.A. and related to the implementation and upgrading of software platforms used by the Group.

7. IMPAIRMENT OF GOODWILL

The Group's Management believe that the SBU structure described in the company reports, regardless 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., specialist in internal mailing services
- Rekeep Digital S.r.l., active in high-tech services to companies
- Rekeep World S.r.l. and its foreign subsidiaries, dedicated to international business development
- other minor investee companies operating in the same segment.

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;
- U.Jet S.r.l., acquired on 1 June 2021 and specializing in the production of non-woven fabric (TNT) devices mainly aimed at the healthcare market, as well as in the packaging and composition of disposable fabric surgical kits , which are also intended for the healthcare market;
- other minor investee companies operating in the same sector In Italy.

The table below sets forth the carrying amounts of the goodwill recognized in the condensed consolidated interim Financial Statements as at 30 September 2021, broken down into the different CGUs.

	30 September 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	18,030	13,809
CONSOLIDATED GOODWILL	**406,783**	**402,562**

Goodwill showed an increase at 30 September 2021 following the acquisition of U.Jet S.r.l. and of its subsidiary U.Jet Romania Ltd on the part of subsidiary Servizi Ospedalieri. For more details, reference should be made to note 3 above.

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.

At 30 September 2021 the Directors did not report any evidence of impairment on the value of the cash generating units, including after considering the headroom noted in the sensitivity analyses and the 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 significant losses for the current year. Therefore, they did not proceed with any formal updating of the impairment tests at 31 December 2020.

8. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

The Group holds some investments that are accounted for 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 30 September 2021, the investments valued at Equity amounted to a net amount of € 10,419 thousand, against a net amount of € 8,807 thousand at the end of the previous year; these values are already stated net of a provision for risks covering future outlays that are expected to be incurred by the Group on behalf of the associate/joint venture (for more details, see note 14).

	Net assets 30 September 2021	Net assets 31 December 2020
Investments accounted for under the equity method	10,782	9,140
Provision for risks on investments	(363)	(333)
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**10,419**	**8,807**

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

In the first 9 months of 2021 investments accounted for under the equity method recorded a positive result equal to € 2,497 thousand, for the share attributable to the Group, as a result of recording income from equity investments of € 2,536 thousand and write-downs of € 38 thousand. Furthermore, positive effects were recognized directly under consolidated equity for a total of € 143 thousand.

9. OTHER NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets as at 30 September 2021 and as at 31 December 2020:

	30 September 2021	31 December 2020
Other investments	7,130	7,130
Non-current financial assets	4,672	5,529
Other non-current assets	3,035	3,408
OTHER NON-CURRENT ASSETS	**14,837**	**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 laundry services performed by minor companies that may also act as sub-contractors.

Other investments are measured at purchase or establishment cost, as the best estimate of the fair value, 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. The item remained unchanged during the period.

Non-current financial assets, amounting to € 4,672 thousand as at 30 September 2021 (€ 5,529 thousand as at 31 December 2020), are composed of:

- € 1,571 thousand of Non-current financial receivables due from associates, affiliates or joint-ventures (€ 1,581 thousand at 31 December 2020). The face value of these receivables is € 1,598 thousand, while the discounting fund amounts to € 27 thousand (€ 1,610 thousand and € 29 thousand at 31 December 2020, respectively). Some of these are non-interest bearing since they were drawn down 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;
- € 3,000 thousand of Non-current financial receivables from third parties, down compared to 31 December 2020 (€ 3,847 thousand). During the first 9 months of 2021, the Parent Company disbursed loans to non-consolidated companies for € 257 thousand. 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 compared to 31 December 2020). As at 31 December 2020 the balance included a receivable of € 1,104 thousand relating to the sale of the 15% investment held by subsidiary Servizi Ospedalieri S.p.A. in the quota capital of Linea Sterile S.r.l., which took place in December 2020;
- Securities held to maturity for € 101 thousand, unchanged compared to 31 December 2020.

Furthermore, the item is made up of security deposits related to long-term manufacturing contracts for € 2,036 thousand (€ 2,062 thousand at 31 December 2020) and long-term deferrals relating to some contracts equal to € 725 thousand (€ 1,089 thousand at 31 December 2020).

10. TRADE RECEIVABLES, ADVANCES TO SUPPLIERS AND OTHER CURRENT RECEIVABLES

The table below includes the breakdown of Trade receivables, advances to suppliers and Other current operating receivables at 30 September 2021 and 31 December 2020:

	30 September 2021	of which from related parties	31 December 2020	of which from related parties
Contract assets	28,289		29,111	
Trade receivables, gross	419,791		413,443	
Allowance for doubtful accounts	(31,128)		(29,759)	
Trade receivables due from third parties	**416,952**	**0**	**412,795**	**0**
Trade receivables from Manutencoop Società Cooperativa	99	99	57	57
Trade receivables from associates	10,809	10,809	8,637	8,637
Trade receivables from affiliates and Joint Ventures	5,250	5,250	4,031	4,031
Trade receivables from Group	**16,158**	**16,158**	**12,725**	**12,725**
Advances to suppliers	5,428	2	5,601	2
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**438,538**	**16,160**	**431,121**	**12,727**
Current tax assets within 12 months	13,955		11,799	
Other current assets due from third parties	7,180		8,047	
Due from social security institutions	964		2,086	
Due from employees	378		72	
Other current assets from third parties	**22,477**	**0**	**22,004**	**0**
Current assets from Manutencoop Società Cooperativa	21	21	14	14
Current assets from associates	213	213	282	282
Current assets from affiliates	22	22	22	22
Other current assets from the Manutencoop Group	**256**	**256**	**318**	**318**

Accrued income	273		1,121	
Prepaid expenses	2,820		2,193	
Accrued income and prepaid expenses	**3,093**	**0**	**3,314**	**0**
OTHER CURRENT ASSETS	**25,826**	**256**	**25,636**	**318**

The balance of trade receivables and advances to suppliers, which also includes contract assets, amounted to € 438,538 thousand at 30 September 2021, up by € 7,417 thousand compared to 31 December 2020 (Euro 431,121 thousand).

The change under consideration was mainly due to an increase of € 4,157 thousand in trade receivables from third parties and an increase of € 3,433 thousand in receivables from other Group companies. Finally, contract assets recorded a decrease of € 822 thousand, while the value of the provision for bad debts showed an increase of € 1,369 thousand.

In 2021 the Group continued to hold contracts for the assignment without recourse of trade receivables from third parties during the first 9 months of 2020. 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 contract with Banca IFIS, intended for the assignment without recourse of trade receivables specifically accepted for each transaction carried out. On 18 December 2018 the Parent Company obtained an additional credit line for assignments without recourse of up to € 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. on 22 March 2019 for the assignment without recourse of trade receivables claimed from the Carrefour Group companies 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 30 September 2021	**Balance of trade receivables assigned without recourse and not yet collected by the Factor**
Banca Farmafactoring S.p.A.	75,353	30,758
Banca IFIS S.p.A.	28,915	12,904
Unicredit Factoring S.p.A	7,779	2,574
Carrefour Italia Finance S.r.l.	12,071	1,716
MB FACTA S.p.A.	16,054	9,066
Banca Sistema S.p.A.	33,781	8,328

Prime Revenue Inc.	9,640	3,164
TOTAL ASSIGNMENTS WITHOUT RECOURSE	**183,594**	**68,509**

In all assignments made, the assigned trade receivables were subject to derecognition pursuant to IFRS 9 in consideration of the features of the transactions and involved total interest discount costs of € 2,555 thousand.

Finally, trade receivables from the Group amounted to € 16,158 thousand (€ 12,725 thousand at 31 December 2020). There were also advances to Group suppliers of € 2 thousand (the same value posted at 31 December 2020). For more details, reference should be made to Annex III – Related-Party transactions.

A specific provision for bad debts was recorded against non-performing loans, which are difficult to fully recover, amounting to € 31,128 thousand at 30 September 2021 (at 31 December 2020: € 29,759 thousand). Changes in the provision during the period are detailed as follows:

	31 December 2020	Business combinations	Increases	Uses	Reversals	Others	30 September 2021
Allowance for doubtful accounts	**29,759**	3	3,136	(2,289)	(14)	533	**31,128**

Other current assets of € 25,826 thousand (€ 25,636 thousand at 31 December 2020), showed a total increase of € 190 thousand during the year.

The most significant entries in the breakdown of this item are made up of:

- tax receivables, mostly concerning the VAT payments made by the Group companies (€ 10,756 thousand compared to € 9,107 thousand at 31 December 2020), which continue to 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 9 months of 2021 for a total nominal amount of € 19,317 thousand;
- receivables for credit balances of current accounts held at Unicredit, managed in its own name and on behalf of INPDAP (Social Security Institute for employees in public administration), as envisaged in a property management contract stipulated with the aforementioned authority, for € 2,172 thousand. 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* rather than cash and cash equivalents.

11. SHARE CAPITAL AND RESERVES

	30 September 2021	31 December 2020
Share Capital – Ordinary shares	109,150	109,150

Ordinary shares have a nominal value of € 1 each. Ordinary shares issued and fully paid up at 30 September 2021 amounted to 109,149,600.

The Parent Company does not hold own shares.

Reserves and retained Earnings

The table below shows changes in shareholders' equity reserves in the first 9 months of 2021.

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

- the reserve originating from the recognition of transactions under common control, which includes the differences between the purchase cost and the net carrying amount of the assets acquired under business combinations between entities under common control, 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	SE reserves companies valued at SE	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 prior year result				(16)	876	5,471	6,601
Economic effects on shareholders' equity			(105)	873	(25)		743
31 December 2020	**145,018**	**21,830**	**3,431**	**873**	**(5,126)**	**(152,972)**	**13,054**
Allocation of prior year result				(873)	39		(834)
Economic effects on shareholders' equity			143	(752)	92		(517)
30 September 2021	**145,018**	**21,830**	**3,574**	**(752)**	**(4,995)**	**(152,972)**	**11,704**

The table below shows changes in *Retained earnings*:

	Retained earnings of the Parent Company	Consolidation reserve	Total retained earnings
31 December 2019	**3,809**	**30,015**	**33,825**
Allocation of prior year result		(3,316)	(3,316)
Change in consolidation area		(222)	(222)
31 December 2020	**3,809**	**26,477**	**30,286**
Allocation of prior year result		(81,612)	(81,612)
30 September 2021	**3,809**	**(55,135)**	**(51,326)**

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

	30 September 2021	31 December 2020
Equity attributable to non-controlling interests	**4,834**	**3,199**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	(16)	(211)
Other subsidiaries and consortia	4,850	3,410

	30 September 2021	31 December 2020
Profit for the year attributable to non-controlling interests	**1,622**	**2,703**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	282	(84)
Other subsidiaries and consortia	1,341	2,787

The equity and the result for the financial year 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., which is the Group's sub-holding company active in the development of international markets, holds a stake of 70% of the share capital of Rekeep France S.a.s. and a stake of 80% of the share capital of the Polish company Rekeep Polska. There is no recognition of equity attributable to the minority shareholders of these subsidiaries, since a Put Option is granted to 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 financial year.

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

12. NET FINANCIAL INDEBTEDNESS

Net financial indebtedness as of 30 September 2021 amounted to € 399,238 thousand, compared to € 334,327 thousand at 31 December 2020.

Below is the related breakdown by balance sheet lines:

	30 September 2021	31 December 2020
Long-term financial debt	414,439	380,738
Bank borrowings, including current portion of long-term debt, and other financial liabilities	62,883	50,047
Financial liabilities	**477,322**	**430,785**
Derivatives	0	0
Gross financial indebtedness	**477,322**	**430,785**
Cash and cash equivalents	(72,750)	(90,464)
Current financial assets	(5,334)	(5,994)
Net financial indebtedness	**399,238**	**334,327**

Current and non-current financial liabilities

The tables below set forth the qualitative breakdown of current and non-current financial liabilities at 30 September 2021 and 31 December 2020.

	30 September 2021	Within 1 year	From 1 to 5 years	After 5 years
Senior Secured Notes	362,659	-	362,659	-
Artigiancassa loan	1,077	239	838	-
Other bank loans	-	-	-	-

	30 September 2021	Within 1 year	From 1 to 5 years	After 5 years
Prepaid interest expenses	(1,344)	(551)	(793)	-
Accrued interest expenses	4,890	4,890	-	-
Long-term bank borrowings and current portion of long-term bank borrowings	**367,283**	**4,578**	**362,705**	**-**
Current bank overdraft, advance payments and hot money	3,215	3,215	-	-
Obligations arising from finance lease	6,271	1,859	3,594	818
Financial liability for operating leases	39,091	7,239	22,232	9,620
Loans from syndicated shareholders	380	380	-	-
Loan from Parent Company Manutencoop Società Cooperativa	64	64	-	-
Other financial liabilities	4,663	3,167	1,496	-
Obligations from assignments with recourse of trade receivables	19,162	19,162	-	-
Collections on behalf of assignees of trade receivables	11,800	11,800	-	-
Obligations arising from reverse factoring transactions	5,047	5,047	-	-
Options on subsidiaries' minority shareholdings	15,927	1,952	13,975	-
Debt for the acquisition of investments/business units	3,541	3,541	-	-
Payables for dividends to other Shareholders	878	878	-	-
Share capital to be paid into investee companies	-	-	-	-
TOTAL FINANCIAL LIABILITIES	**477,322**	**62,883**	**404,001**	**10,438**

	31 December 2020	Within 1 year	From 1 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	-	-

	31 December 2020	Within 1 year	From 1 to 5 years	After 5 years
Long-term bank borrowings and current portion of long-term bank borrowings	**330,272**	**1,069**	**329,203**	**-**
Current bank overdraft, advance payments and hot money	5,950	5,950	-	-
Obligations arising from finance lease	6,426	1,689	3,681	1,056
Operating lease liabilities	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	-	-
Collections 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.

At 30 September 2021, the financial charges accrued on the bond coupons amounted to € 20,659 thousand (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 € 23,024 thousand at 30 September 2020. The upfront fees relating to the issue of Senior Secured Notes, were accounted for according to the amortized cost method, which, during the first half of 2021, entailed, in accordance with IFRS 9, the recognition of financial Amortization charges of € 6,810 thousand, of which an amount of € 5,818 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. The financial covenants had been complied with on the reporting date of these financial statements.

The facility was used for an amount of € 12 million on 6 August 2021 and repaid on 3 September 2021; it was subsequently renewed on 15 September 2021 and repaid on 29 September 2021 for an amount of € 15 million in order to meet any possible temporary cash requirements. The impact in terms of financial charges accrued in the meanwhile amounted to € 59 thousand. At 30 September 2021 the RCF facility had not been used.

Prepaid interest expenses

At 30 September 2021 the Company recognized prepaid interest expenses of € 1,344 thousand. The item mainly relates to the arrangement fees initially incurred by Rekeep S.p.A. for the execution of the Super Senior Revolving (RCF), 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 € 451 thousand were recognized in the first 9 months of 2021, of which € 264 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 30 September 2021 accrued interest expenses were recognized for € 4,890 thousand, of which € 4,769 thousand relating to the coupon of the Senior Secured Notes due 1 February 2022.

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. At 30 September 2021, two additional installments had been repaid, each one amounting to € 120 thousand.

Current account overdraft, advance payments and hot money

At 30 September 2021 this item showed a balance of € 3,215 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 finance 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 referable to Servizi Ospedalieri S.p.A., which uses them in the laundering and sterilization production processes, and to the Rekeep Polska Group. New finance lease agreements were signed for € 134 thousand during 2021.

Financial liability for operating leases

As at 30 September 2021 the financial liability for operating leases amounted to € 39,091 thousand against € 38,788 thousand at 31 December 2020. Specifically, during the first 9 months of 2021, there were early termination transactions for € 456 thousand and increases for the execution of new agreements concerning property leases and the long-term hire of vehicles and equipment, equal to € 4,143 thousand.

Syndicated loans

This item refers to financing provided by third-party syndicated shareholders to consortium companies included within the scope of consolidation as they are controlled or held under a joint venture (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 still, 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 30 September 2021 the overall balance of these loans amounted to € 380 thousand (€ 580 thousand at 31 December 2020).

Collections on behalf of assignees of trade receivables

The item included receipts from customers on assigned receivables as part of the factoring without recourse transaction of trade receivables. The receipts, equal to € 11,800 thousand at 30 September 2021, are transferred to the factor in the month after the end of the period. Of these, an amount of € 5,476 thousand pertain to the Rekeep Polska Group.

Obligations from assignments of receivables with recourse

During 2021 assignments with recourse were made with regard to trade receivables at a nominal value of receivables of € 35,624 thousand. The exposure was equal to € 19,162 thousand at 30 September 2021 (€ 15,732 thousand at 31 December 2020), of which an amount of € 15,402 thousand related to the parent company Rekeep S.p.A. and an amount of € 3,760 thousand to subsidiary Servizi Ospedalieri S.p.A..

Obligations arising from reverse factoring transactions

As at 30 September 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 € 5,047 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 € 15,927 thousand at 30 September 2021 (€ 13,077 thousand at 31 December 2020).

Of these an amount of € 12,476 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 € 1,952 thousand was also recognized at 30 September 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 September 2021 and 30 September 2023.

Finally, the present value of the earn-out paid for the acquisition of U.Jet S.r.l., which took place on 1 June 2021, was recognized at 30 September 2021, estimated for € 1,498 thousand, corresponding to the fair value at the acquisition date.

Debts for the acquisition of investments/business units

This item amounted to € 3,541 thousand at 30 September 2021 (€ 745 thousand at 31 December 2020). The increase for the period was due to the recognition of the portion of the deferred price (€ 3,475 thousand) paid at closing for the acquisition of the subsidiary U.Jet S.r.l..

Other financial liabilities

As at 30 September 2021 other financial liabilities were recorded for € 4,663 thousand, against € 4,474 thousand at 31 December 2020. Other financial liabilities include a loan of € 2,695 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. Furthermore, the balance of this item includes financial liabilities of the newly-acquired U.Jet S.r.l. for € 1,716 thousand (for more details, reference should be made to note 3 Business Combinations).

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

At 30 September 2021, *Current and other financial assets* amounted to € 5,334 thousand (€ 5,994 thousand at 31 December 2020) and mainly included:

- the remaining short-term share, equal to € 1,420 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 € 1,828 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. Changes in the period included the collection of an amount of € 724 thousand in the first half of 2021;
- 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 € 1,396 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 € 162 thousand of receivables from short-term loans and financial accounts held with non-consolidated Group companies.

13. EMPLOYEE TERMINATION INDEMNITY

Changes in employee termination indemnity (“T.F.R.”) occurred during the first 9 months of 2021 are shown below, compared with changes in the same period of the last year.

	For the 9 months ended	
	30 September 2021	30 September 2020
AT 1 JANUARY	**11,267**	**12,443**
Additions for business combinations	675	0
Current service cost	388	246
Interest costs on benefit obligations	2	79
Benefits paid	(960)	(1,342)
Net actuarial (gains)/ losses	(114)	(96)
Other changes	1	(78)
AT 30 SEPTEMBER	**11,259**	**11,251**

Below is reported the breakdown of the net cost of employee benefits relating to the Employee Termination Indemnity (TFR):

	For the 9 months ended	
	30 September 2021	30 September 2020
Current service cost	388	289
Interest costs on benefit obligation	2	36
Net cost of the benefit recognized in the statement of profit or loss	**390**	**325**
Net actuarial (gains)/ losses recognized in the period (on shareholders' equity)	(114)	(96)
TOTAL COST OF THE BENEFIT	**276**	**229**

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 9 months ended	
	30 September 2021	30 September 2020
Executives	73	75
Office workers	1,694	1,715
Manual workers	26,373	25,985
AVERAGE STAFF	**28,140**	**27,774**

The average number of leased employees provided to the Group by Manutencoop Società Cooperativa was equal to no. 319 units at 30 September 2021 (30 September 2020: no. 351 units).

14. PROVISIONS FOR RISKS AND CHARGES

Below are reported the breakdown and changes in provisions for risks and charges for the period ended 30 September 2021:

	Risks on Investments	Risks on job orders	Pending disputes	Tax litigation	Agents' indemnity leave	Severance provisions	Other provisions	Total
At 1 January 2021	**333**	**7,991**	**24,223**	**490**	**280**	**750**	**1,259**	**35,327**
Accruals		736	797				196	1,729
Uses		(301)	(1,516)	(37)		(91)	(54)	(1,998)
Reversals			(82)				(2)	(84)
Others	29			(3)				26
At 30 September 2021	**363**	**8,427**	**23,422**	**450**	**280**	**659**	**1,398**	**35,000**
At 30 September 2021:								
Current	*363*	*8,363*	*723*	*447*	*0*	*659*	*767*	*11,322*
Non-current	*0*	*64*	*22,699*	*3*	*280*	*0*	*632*	*23,678*
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 € 363 thousand at 30 September 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 and for € 84 thousand to the subsidiary Manutencoop International Services LLC and for € 168 thousand to the subsidiary Yougenio S.r.l..

Provision for risks on projects

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 at 30 September 2021 was equal to € 8,427 thousand, showing an increase of € 435 thousand against accruals of € 736 thousand and uses for € 301 thousand.

Provision for pending disputes

At the end of the financial year, the company assesses the risk of having to pay future compensation in the event of unsuccessful legal disputes with customers, suppliers, employees and others. During the 9 months ended 30 September 2021 the provision, totaling € 23,422 thousand, reported increases for accruals for € 797 thousand and decreases for uses totaling € 1,516 thousand and releases for € 82 thousand.

Accruals were mainly recognized to cover risks of the Parent Company Rekeep S.p.A. for €406 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 as early as during 2019.

On 7 January 2017, the Company served to the entity a summons before the Court of Rome in order to verify the unlawfulness of the termination of the agreements and to order Consip S.p.A. to pay compensation for damages suffered by the company itself. The hearing, which was held on 13 January 2021, was then adjourned for decision. Any adverse outcome of the legal proceedings brought against Consip S.p.A. could also result in the actual partial enforcement of the performance bond issued during the tender (originally € 24.5 million). ANAC has proceeded with the entry of the contract termination.

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. 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; at the hearing on the merits held on 7 October 2021 the Council of State suspended the proceedings pending a decision on the part of the Constitutional Court as to a dispute regarding Consip's enforcement of provisional deposits against a competitor that had not been awarded the contract, during which objections were raised regarding constitutional legitimacy. 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 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 30 September 2021 and were not included in the consolidated backlog at 30 September 2021.

In the Financial Statements at 30 June 2021 the Directors 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. and 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 Scarl 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 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. During the last hearing held on 27 October 2021 the Council of State issued a preliminary order, whereby it asked some parties to produce additional documentation, postponing any decision to the hearing scheduled on 20 January 2022 for discussion on the merits.

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" and "Other non-current assets" 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, for which a request was submitted for payment in installments, which was obtained 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 started to pay these installments on a regular basis, waiting for the developments of the legal action expected in the trial proceedings, but it then suspended payments as a result of the application of 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"). Following the issue of the Competition Authority's new order of € 79,800 thousand, 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 order, 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 1 December 2021.

On 4 November 2019 the Company submitted an appeal to the Lazio Regional Administrative Court against the procedure initiated by ANAC, which, at present, has been removed from the docket in consideration of the fact that on 24 January 2020 ANAC ordered the suspension of the procedure pending the settlement of the first-instance proceedings scheduled before the Regional Administrative Court for the Competition Authority's orders concerning the Consip FM4 tender and the exclusion therefrom. 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 € 659 thousand at 30 September 2021 (€ 750 thousand at 31 December 2020).

Provision for tax disputes

At 30 September 2021 the provision amounted to € 450 thousand, recording uses and other changes which gave rise to a decrease of € 40 thousand during the period.

Other provisions for risks and charges

The provision, amounting to € 1,398 thousand at 30 September 2021, showing an increase of € 140 thousand compared to 31 December 2020 (€ 1,259 thousand) as a result of provisions for € 196 thousand and uses and releases totaling € 56 thousand.

15. CONTINGENT LIABILITIES

As at the date of approval of the Interim Report at 30 September 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 30 September 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 (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 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 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 Order. Subsequently, ANAC 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". The hearing for the trial proceedings before the Council of State has been scheduled on 25 November 2021.

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 4% of the commercial pipeline at consolidated level. The Company has filed an appeal with the European Court of Human Rights in order to protect its interests, having it entered on the docket, due to meeting the preliminary requirement of non-manifest inadmissibility.

16. TRADE PAYABLES, CONTRACT LIABILITIES AND OTHER CURRENT LIABILITIES

The table below sets forth the breakdown of the item at 30 September 2021 and 31 December 2020:

	30 September 2021	of which to related parties	31 December 2020	of which to related parties
Trade payables	338,919		373,295	
Trade payables due to third parties	**338,919**	**0**	**373,295**	**0**
Trade payables to Manutencoop Società Cooperativa	5,531	5,531	5,883	5,883
Trade payables to Group companies within 12 months	15,357	15,357	12,644	12,644
Trade payables to Manutencoop Group	**20,888**	**20,888**	**18,527**	**18,527**

	30 September 2021	of which to related parties	31 December 2020	of which to related parties
Advances from customers, including contract liabilities	28,828	0	21,027	1
Trade payables and contract liabilities	**388,635**	**20,888**	**412,849**	**18,528**
Fees due to directors and statutory auditors	488		245	
Tax payables	6,035		7,835	
Payables to social security institutions within 12 months	22,114		28,269	
Other payables to TJA ("*Associazione temporanea di imprese*")	3,698		10,807	
Payables to employees within 12 months	59,561		49,356	
Other payables within 12 months	80,460		85,487	
Property collection on behalf of customers	2,176		2,176	
Other current operating payables to third parties	**174,532**	**0**	**184,175**	**0**
Other current payables to Manutencoop Società Cooperativa	35	35	26	26
Other payables to Group companies	31	31	31	31
Other current payables to Manutencoop Group	**66**	**66**	**57**	**57**
Accrued expenses	5		3	
Deferred income	4		14	
Accrued expenses and deferred income	**9**	**0**	**17**	**0**
Other current liabilities	**174,607**	**66**	**184,249**	**57**

Trade payables do not accrue interest and are settled for, on average, 90/120 days from the invoice date. The other payables are non-interest bearing and are settled, on average, after 30 days, excluding payables due to employees for accrued year-end and summer bonuses and holidays paid at 6 months on average, and the amounts due to the Tax Authorities for VAT payments.

Trade payables and contract liabilities at 30 September 2021 amounted to € 388,635 thousand against a balance of € 412,849 thousand at 31 December 2020, showing a decrease of € 24,214 thousand.

Other current operating payables showed a balance of € 174,607 thousand at 30 September 2021 (€ 184,249 thousand at 31 December 2020) and are mainly made up of the following items:

- payables to employees of € 59,561 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 salary to be paid (a portion of the 14th salary, to be paid every year in the month of July, and of the 13th salary, to be paid every year in

December). Furthermore, the corresponding payables to social security institutions were recognized for € 22,114 thousand (€ 28,269 thousand at 31 December 2020);

- payables due to tax authorities for € 6,035 thousand mainly relating to the balance of payables for VAT payments on the part of some Group companies and of the IRPEF (Personal Income) tax payable for employees (€ 7,835 thousand at 31 December 2020);
- collections on behalf of Temporary Associations of Companies (TJA) for € 3,698 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mainly relating to job orders under CONSIP agreement (€ 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 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 € 73,615 thousand at 30 September 2021.

17. ASSETS HELD FOR SALE

No significant assets held for sale were recognized at 30 September 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 9 months ended 30 September 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.

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:

	30 September 2021	30 September 2020
Collection of deferred consideration for the sale of from Energyproject S.r.l. (2014)	0	204
Collection of consideration for the sale of from Sicura S.p.A. (2020)	0	55,041
CASH FLOW FROM DISPOSAL OF OPERATING ASSETS	**0**	**55,245**

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 had been collected in full as at the reporting date of these financial statements.

18. COMMITMENTS AND GUARANTEES

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

Specifically, the Group signed financial leases primarily for plant and machinery used in the production processes of the *Laundering&Sterilization* SBU and for motor vehicles and equipment. In 2017, moreover, a property lease agreement was signed by the subsidiary Servizi Ospedalieri S.p.A. to acquire the factory of Lucca, while the acquisitions of EOS and Medical Device S.r.l. in 2018 and Rekeep Polska (formerly Naprzód) in 2019 contributed additional leases for capital goods and for the use of a property. Finally, in the first 9 months of 2021 there was the execution of new finance lease agreements on the part of Servizi Ospedalieri for €134 thousand relating to machinery for industrial laundering.

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

The tables below report the breakdown of the amount of future payments under finance lease agreements and their present value at 30 September 2021 and 31 December 2020:

	30 September 2021			
	Finance Lease		Operating Lease	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Within 1 year	1,882	1,859	8,866	7,239
From one year to five years	3,680	3,594	26,054	22,232
After 5 years	1,275	818	10,527	9,620
TOTAL LEASE PAYMENTS	**6,836**	**6,271**	**45,447**	**39,091**
Financial charges	(565)		(6,182)	
PRESENT VALUE OF LEASE	**6,271**	**6,271**	**39,265**	**39,091**

	31 December 2020			
	Finance Lease		Operating Lease	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Within 1 year	1,606	1,689	8,145	6,527
From one year to five years	3,934	3,681	24,583	21,128
After 5 years	1,546	1,056	12,193	11,133
TOTAL LEASE PAYMENTS	**7,086**	**6,426**	**44,921**	**38,788**
Financial charges	(660)		(6,133)	
PRESENT VALUE OF LEASE	**6,426**	**6,426**	**38,788**	**38,788**

Furthermore, as at 30 September 2021, the Group granted sureties to third parties for:

- guarantees for financial obligations of € 10,481 thousand (€ 11,022 thousand compared to 31 December 2020), of which € 2,442 thousand issued in the interest of associates for overdrafts and other financial obligations (€ 2,932 thousand at 31 December 2020);
- sureties issued to third parties to ensure the correct fulfillment of contract obligations in place with customers amounting to € 339,046 thousand (€ 324,376 thousand at 31 December 2020), of which € 1 thousand issued in the interest of associates;
- other guarantees issued by third parties in favor of associates, joint ventures and other shareholdings amounting to € 8,493 thousand (€ 10,307 thousand at 31 December 2020);
- other guarantees granted to third parties to replace security deposits required to activate utilities or for lease contracts, as well as to the Inland Revenue Agency for VAT refunds, for a total amount of € 67,124 thousand (€ 48,299 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 facility (RCF) are backed by the following collateral provided:

- a first-degree pledge over the total shares of Rekeep S.p.A., granted 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 enforced by the counterparties only in the case that one of the events of default envisaged in the above mentioned contracts occurs; up to the occurrence of the same, the assets covered by the guarantee are fully available to the Rekeep Group companies. At 30 September 2021 no events of default had occurred.

19. FINANCIAL RISK MANAGEMENT

The management of borrowing and the relative risks (mainly interest rate and liquidity risks) is carried out centrally by the financial department of the Group on the basis of guidelines that are approved by the Parent Company's Board of Directors and which are reviewed periodically. The main aim of these guidelines is to ensure that the liabilities structure is in line with the composition of the balance sheet assets in order to maintain a high degree of financial solidity.

During the last quarter of the 2017 financial year the 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 a new 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 traditional financing instruments used by the Group Companies are made up of:

- short-term loans and revolving assignments of trade receivables without and with recourse, as well as reverse factoring, with the aim of funding working capital;
- very short-term credit lines used for contingent cash requirements;
- medium and long-term loans with long-term amortization plans to cover investments in non-current assets and in acquisitions of companies and business units.

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

The Group's financial instruments involve a classification at the three levels stated in IFRS 7. The fair value hierarchy has the following three levels:

- Level 1: prices quoted on active markets for similar liabilities and assets.

- Level 2: prices calculated through information obtained from observable market data.
- Level 3: prices calculated through information other than observable market data.

The table below shows the hierarchical levels for each class of financial asset measured at fair value on 30 September 2021 and 31 December 2020:

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

Any additional financial assets resulting from the Statement of Financial Position were not measured at fair value. The Group had no financial liabilities measured at fair value as at 30 September 2021 and 31 December 2020. During the half-year in question, there were no transfers from one fair value measurement level to another.

There were no changes in the destination of financial assets that entailed any being classified differently. The Group has no credit security instruments to mitigate credit risk. The carrying amount of the financial assets, therefore, represents its potential credit risk.

Capital management

The main objective of the Group's policy for the management of its capital is to ensure that a solid credit rating and sound capital ratios are maintained in order to support its activities and maximize shareholder value.

The Group manages and modifies capital structure according to changes in economic conditions. In order to maintain or adjust capital structure, the Group may change the amounts of shareholder dividends, repay capital or issue new shares.

The Group checks its indebtedness ratio comparing its net debt with the sum of its total assets and its net liabilities: interest-paying loans, trade payables, other payables and the employee termination indemnity, net of cash and cash equivalents.

	30 September 2021	31 December 2020
Employee termination indemnity	11,259	11,267
Interest-bearing financial loans	413,229	369,509
Trade payables and contract liabilities	388,635	412,849
Other current liabilities	174,607	184,249
Other current financial liabilities	64,093	61,276
Cash and cash equivalents	(72,750)	(90,464)
Other current financial assets	(5,334)	(5,994)
Net financial indebtedness	**973,739**	**942,692**
Equity attributable to the Group	53,622	69,337
Undistributed net result	15,906	83,154
Total capital	**69,528**	**152,491**
EQUITY AND NET DEBT	**1,043,267**	**1,095,183**
INDEBTEDNESS RATIO	**93.3%**	**86.1%**

The debt ratio showed an increase compared to 31 December 2020 as a result of a decrease in the shareholders' equity of the Group against the recognition of the loss carried forward at 31 December 2020 and the simultaneous decrease in net debt; for more details, see note 12.

20. 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 7 for more details.

Facility Management SBU

The facility management Segment offers a collection of logistic and organizational support services targeted at users of properties and aimed to optimize 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 activity 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 therein:

- design and implementation of redevelopment and adjustment work in line with the safety legislation;
- design and installation of devices for energy saving and for the reduction of emissions of polluting agents 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 spaces, which includes both the design and 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.S.) and in Saudi Arabia (through Rekeep Saudi Arabia 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 table below shows the results of operations by segment for the periods ended 30 September 2021 and 30 September 2020:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment Revenues	700,657	114,572	(2,766)	812,463
Segment costs	(666,274)	(101,985)	2,766	(765,493)
Operating income (loss) by segment	**34,383**	**12,587**	**0**	**46,970**
Share of net profit of associates	2,145	353		2,497
Net financial income (charges)				(55,107)
Profit before tax				**(5,640)**
Income taxes				(8,660)
Profit (loss) from discontinued operations	16			16
NET RESULT FOR THE PERIOD ENDED 30 SEPTEMBER 2021				**(14,284)**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment Revenues	660,238	115,494	(2,868)	772,864

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment costs	(706,577)	(102,536)	2,868	(806,245)
Operating income (loss) by segment	**(46,339)**	**12,958**	**0**	**(33,381)**
Share of net profit of associates	(6,551)	(139)	0	(6,689)
Net financial income (charges)				(34,835)
Profit before tax				**(74,906)**
Income taxes				(9,992)
Profit (loss) from discontinued operations	2,170		0	2,170
NET RESULT FOR THE PERIOD ENDED 30 SEPTEMBER 2020				**(82,729)**

Below are reported the data related to assets and liabilities by operating segments of the Group at 30 September 2021 and 31 December 2020:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	484,238	143,716	(2,661)	625,293
Goodwill	388,752	18,031		406,783
Investments	12,044	5,868		17,912
Other assets not allocated and related taxes				115,079
SEGMENT ASSETS AT 30 SEPTEMBER 2021	**885,035**	**167,615**	**(2,661)**	**1,165,067**
Liabilities allocated to the segment	550,810	61,353	(2,661)	609,502
Other liabilities not allocated and related taxes				497,109
SEGMENT LIABILITIES AT 30 SEPTEMBER 2021	**550,810**	**61,353**	**(2,661)**	**1,106,611**

	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

	Facility Management	Laundering & Sterilization	Eliminations	Total
Other liabilities not allocated and related taxes				449,826
SEGMENT LIABILITIES AT 31 DECEMBER 2020	**579,117**	**67,185**	**(2,608)**	**1,093,520**

21. RELATED PARTY TRANSACTIONS

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 the 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 € 430 thousand collected in consideration of these services were recognized at 31 September 2021 (€ 984 thousand at 31 December 2020).

The main contracts in place with other Rekeep Group companies, controlled by Manutencoop Societ√† 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 € 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 € 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 Cooperativa, in order to regulate the essential contents of subsequent personnel leases from Manutencoop 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 prescriptive contract that does not provide rights to third parties, Rekeep S.p.A. and the parent company Manutencoop Cooperativa set out the conditions that regulate any future contracts for the leasing of shareholding personnel of Manutencoop Cooperativa, and the operating rules for establishing and terminating said contracts;

- Manutencoop Cooperativa is committed, on the basis of contracts stipulated with the individual companies of the Rekeep Group, to prepare pay packets;
- Rekeep S.p.A. signed agreements with Manutencoop 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 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, 15 November 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 no. 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	Lodz (Poland)	100%	PLN
Cefalù Energia S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	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 Bolzano n. 59	Trento (TN)	97.54%	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	Krakow (Poland)	100%	PLN
JOL-MARK sp. z o.o.	ul. Portowa no. 16G, 44-100	Gliwice (Poland)	100%	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
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)	56%	Euro

Name	Registered Office	City	% Held	Currency
Naprzód Catering sp. z o.o.	ul. Stefana Banacha 1A, 02-097	Warsaw (Poland)	100%	PLN
Naprzód Cleaning sp. z o.o.	ul. Żabiniec no. 46, 31-215	Krakow (Poland)	100%	PLN
Naprzód Hospital sp. z o.o.	ul. Żabiniec no. 46, 31-215	Krakow (Poland)	100%	PLN
Naprzód Inwestycje sp. z o.o.	ul. Żabiniec no. 46, 31-215	Krakow (Poland)	100%	PLN
Naprzód IP sp. z o.o. in liquidation	ul. Żabiniec no. 46, 31-215	Krakow (Poland)	100%	PLN
Naprzód Marketing sp. z o.o.	ul. Żabiniec no. 46, 31-215	Krakow (Poland)	100%	PLN
Naprzód Service sp. z o.o.	ul. Traktorowa no. 126/202, 91-204	Lodz (Poland)	100%	PLN
Palmanova Servizi Energetici Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Rekeep Digital S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Rekeep Facility S.a.s.	Boulevard de Sebastopol no. 52	Paris	100%	Euro
Rekeep France S.a.s.	Boulevard de Sebastopol no. 52	Paris	70%	Euro
Rekeep Polska S.A.	ul. Żabiniec no. 46, 31-215	Krakow (Poland)	80%	PLN
Rekeep Rail S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Rekeep Santé S.a.s.	Rue de Moscou, no. 11bis	Paris	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.	Place Louis Armand-Tour de l'Horloge no. 4	Paris	100%	Euro
Rekeep United Yönetim Hizmetleri A.Ş.	United Plaza Örnektepe Mh. İmrahor Cd. Sivaseli Sk.no. 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 n. 51	Bologna	100%	Euro
S.AN.GE S.c.a.r.l.	Viale Sarca n. 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
Treviso GS4 Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	50.1%	Euro
U.Jet S.r.l.	Via San Francescuccio dè Mietitori no. 32	Bastia Umbra (PG)	60%	Euro
U.Jet Romania Private Limited Company	str. Garii no. 10	Sighetu Marmatiei, (Romania)	100%	RON

Name	Registered Office	City	% Held	Currency
Vendi Service sp. z o.o. in liquidation	ul. Traktorowa no.126, 91-204	Lodz (Poland)	100%	PLN
Vendi Servis IP sp. z o.o.	ul. Traktorowa no.126, 91-204	Lodz (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 no. 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 no. 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. in liquidation	Via Facciolati no. 84	Padua	60%	Euro

Name	Registered Office	City	% Held	Currency
Consorzio Sermagest Soc.Cons. a r.l. in liquidation	Via Filippo Corridoni no. 23	Rome	60%	Euro
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 no. 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 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 no. 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 no. 182/2	Bologna	24.90%	Euro
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	P.O Box 230888, Riyadh, 11321, K.S.A., 28th floor, Kingdom tower	Riyadh (Saudi Arabia)	100%	SAR
Roma Multiservizi S.p.A.	Via Tiburtina no. 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
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 for financial year					Net assets 30 September 2021	Book value	Provision for risks
			Financial effects	Dividend	Revaluations Write-downs	Provision for risks	Effects on shareholders' equity			
2 HIGH S.r.l.	30%	90						90	90	0
Alisei S.r.l. in liquidation	100%	(110)				0		(110)	0	(110)
A.M.G. S.r.l.	50%	2,379		(95)	89			2,373	2,373	
BGP 2 Soc. Cons. a r.l.	41.47%	62			0			62	62	
Bologna Gestione Patrimonio Soc. Cons. a. r.l. in liquidation	27.58%	0			0			0	0	
Bologna Global Strade Soc. Cons. a. r.l.	60%	59			1			60	60	
Bologna Più Soc. Cons. a r.l.	25.68%	5						5	5	
Centro Europa Ricerche S.r.l.	21.38%	66			0			66	66	
Co. & Ma. Soc. Cons. a r.l.	50%	5						5	5	
Como Energia Soc. Cons. a r.l.	30%	7			0			7	7	
Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation	60%	6						6	6	
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		(100)	282			1,685	1,685	
GEST.SERVIZI TARANTO	47%	9						9	9	
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	3					9	9	

	%	Net assets 31 December 2020	Changes for financial year					Net assets 30 September 2021	Book value	Provision for risks
			Financial effects	Dividend	Revaluations Write-downs	Provision for risks	Effects on shareholders' equity			
IPP S.r.l.	24.75%	382	25		(5)			402	402	
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	49.00%	(55)					(29)	(84)	0	(84)
MCF Servizi integrati Soc. Cons. a r. l. in liquidation	60.00%	6			0			6	6	
Newco DUC Bologna S.p.A.	24.90%	1,788			28		156	1,973	1,973	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	100%	0	21		(20)		(1)	(0)	(0)	
Rekeep Austria GmbH in liquidation	100%	0	0					0	0	0
ROMA Multiservizi S.p.A.	45.47%	1,350		0	1,480		17	2,847	2,847	
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	
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.	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			(14)			986	986	
Tower Soc.Cons. a r.l. in liquidation	20.17%	20	(20)					0	0	
Yougenio S.r.l. in liquidation	100.00%	(168)	(656)		656	(0)		(169)	0	(169)
NET BOOK VALUE		**8,807**	**(830)**	**(195)**	**2,497**	**(0)**	**142**	**10,419**	**10,782**	**(363)**

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	30 -Sep-20	6	19,520		701	31-Dec-20	57	8,915	5,912	17,040
	30-Sep-21	107	22,088			30-Sep-21	99	10,966	5,546	17,810

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.	30 -Sep-20					31-Dec-20			215	
	30-Sep-21		130			30-Sep-21			134	
Alisei s.r.l. in liquidation	30 -Sep-20					31-Dec-20	3			1
	30-Sep-21					30-Sep-21	3			1
AMG S.r.l.	30 -Sep-20		180			31-Dec-20	1		331	
	30-Sep-21		183			30-Sep-21			336	
Bologna Gestione Patrimonio Soc.Cons. a r.l.	30 -Sep-20	(163)	38			31-Dec-20	165		501	
	30-Sep-21	45	61			30-Sep-21	110		412	
Bologna Più Soc.Cons.a r.l. in liquidation	30 -Sep-20					31-Dec-20		3	3	2
	30-Sep-21					30-Sep-21		3	3	2
Bologna Global Strade Soc. Cons. a r.l	30 -Sep-20	468	767			31-Dec-20	86	383	1	
	30-Sep-21	137				30-Sep-21	39	383	1	
Como Energia Soc.Cons.a r.l.	30 -Sep-20					31-Dec-20			111	
	30-Sep-21					30-Sep-21				
Consorzio Imolese Pulizie soc.Cons. in liquidation	30 -Sep-20					31-Dec-20		36	12	
	30-Sep-21					30-Sep-21		36	12	
Consorzio Servizi Toscana	30 -Sep-20					31-Dec-20	282		177	
	30-Sep-21					30-Sep-21	282		177	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Soc.Cons.a r.l in liquidation										
CO.& MA. Soc. Cons. a r.l	30 -Sep-20	270	863			31-Dec-20	60	20	568	
	30-Sep-21	270	857			30-Sep-21	90	20	942	
DUC Gestione Sede Unica Soc. Cons. a r.l.	30 -Sep-20	5,329	2,372			31-Dec-20	3,140		1,037	
	30-Sep-21	5,479	2,464			30-Sep-21	4,296		1,390	
Fr.lli Bernard s.r.l.	30 -Sep-20	48	17			31-Dec-20	76	50	32	
	30-Sep-21	9	20			30-Sep-21	85	50	56	
Gestione Servizi Taranto Soc.Cons.a r.l.	30 -Sep-20					31-Dec-20	1,584	32	847	
	30-Sep-21	3,275	3,012			30-Sep-21	4,384	28	3,811	
Gestione Strade soc.cons.r.l.	30 -Sep-20	151	971			31-Dec-20	78	63	433	
	30-Sep-21	52	921			30-Sep-21	29	63	405	
Gico Systems S.r.l.	30 -Sep-20	3	1,228			31-Dec-20	2		984	
	30-Sep-21					30-Sep-21				
Global Provincia di RN Soc.Cons.a r.l. in liquidation	30 -Sep-20					31-Dec-20		70	13	
	30-Sep-21					30-Sep-21		70	13	
Global Riviera Soc.Cons.a r.l.	30 -Sep-20		6			31-Dec-20			(14)	
	30-Sep-21		9			30-Sep-21			(5)	
Global Vicenza Soc.Cons. a r.l.	30 -Sep-20		3			31-Dec-20		10	16	
	30-Sep-21					30-Sep-21		10	17	
Gymnasium Soc. cons. a r.l in liquidation	30 -Sep-20					31-Dec-20	1	8	33	
	30-Sep-21					30-Sep-21	1	8	33	
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	30 -Sep-20	134	129			31-Dec-20	114		102	3
	30-Sep-21	134	129			30-Sep-21	122		113	
IPP S.r.l.	30 -Sep-20		87			31-Dec-20	27	59	149	
	30-Sep-21		152			30-Sep-21	112	35	308	
Legnago 2001 Soc. Cons. r.l.	30 -Sep-20		3			31-Dec-20	158		59	
	30-Sep-21		6			30-Sep-21	158		65	
Logistica Ospedaliera Soc. Cons. a r.l.	30 -Sep-20					31-Dec-20			19	
	30-Sep-21		6			30-Sep-21			15	
Newco DUC Bologna S.p.A	30 -Sep-20					31-Dec-20			51	
	30-Sep-21					30-Sep-21			51	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Manutencoop International Services LLC	30 -Sep-20			43		31-Dec-20				
	30-Sep-21					30-Sep-21				
MCF Servizi integrati Soc. cons. a r.l. in liquidation	30 -Sep-20					31-Dec-20	689		322	
	30-Sep-21					30-Sep-21	689		322	
Roma Multiservizi S.p.A.	30 -Sep-20	560	(1,454)	6		31-Dec-20	409		627	
	30-Sep-21	332	62			30-Sep-21	231		91	
San Martino 2000 Soc.Cons. r.l.	30 -Sep-20	1,078	1,881			31-Dec-20	1,114		531	
	30-Sep-21	1,029	1,886			30-Sep-21	847		1,069	
Rekeep Austria G.m.b.H. in liquidation	30 -Sep-20					31-Dec-20		8		
	30-Sep-21					30-Sep-21				
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	30 -Sep-20					31-Dec-20				
	30-Sep-21		(53)			30-Sep-21				
Serena S.r.l. - in liquidation	30 -Sep-20					31-Dec-20		3		
	30-Sep-21					30-Sep-21		3		
Servizi Napoli 5 Soc.Cons. a r.l.	30 -Sep-20	1,007	956			31-Dec-20	3,853		2,612	
	30-Sep-21	1,031	953			30-Sep-21	3,821		2,565	
S.E.I. Energia Soc. Cons. a r.l.	30 -Sep-20	36	3,008	17		31-Dec-20	44	757	2,347	
	30-Sep-21	36	2,473	17		30-Sep-21	88	774	2,780	
S.I.MA.GEST2 Soc. Cons. r.l. in liquidation	30 -Sep-20					31-Dec-20		75	13	2
	30-Sep-21					30-Sep-21		75	13	2
S.I.MA.GEST3 Soc. Cons. r.l in liquidation	30 -Sep-20		4			31-Dec-20		3	7	
	30-Sep-21					30-Sep-21		3	6	
Società Consortile Adanti	30 -Sep-20					31-Dec-20			53	
	30-Sep-21					30-Sep-21			53	
Steril Piemonte Soc. cons. a.r.l	30 -Sep-20		375			31-Dec-20	7		189	
	30-Sep-21					30-Sep-21	7		104	
T&M Protection Resources Holdings Italy S.p.A.	30 -Sep-20	2				31-Dec-20				
	30-Sep-21					30-Sep-21				
Tower Soc.Cons. a r.l. in liquidation	30 -Sep-20					31-Dec-20	33	29		
	30-Sep-21					30-Sep-21				
	30 -Sep-20	679	(5,278)	93		31-Dec-20	705		232	29

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Yougenio S.r.l. in liquidation	30-Sep-21	34	0			30-Sep-21	639		36	29

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	30 -Sep-20					31-Dec-20	1			
	30-Sep-21					30-Sep-21	1			
Nugareto Società Agricola Vinicola S.r.l.	30 -Sep-20					31-Dec-20		6		
	30-Sep-21	1	22		559	30-Sep-21	1	6		
Sacoa S.r.l.	30 -Sep-20	31	22			31-Dec-20	12		2	
	30-Sep-21	31	4			30-Sep-21	14		1	
Sacoa Servizi Telematici S.r.l.	30 -Sep-20					31-Dec-20				
	30-Sep-21		13			30-Sep-21			13	
Segesta servizi per l'Ambiente S.r.l.	30 -Sep-20	4				31-Dec-20	6			
	30-Sep-21	4				30-Sep-21	2			

ASSOCIATES OF MANUTENCOOP COOPERATIVA OR OTHER GROUP COMPANIES

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Consorzio Karabak Società Cooperativa	30 -Sep-20	54				31-Dec-20	19			
	30-Sep-21	56				30-Sep-21	9			
Consorzio Karabak 2 Società Cooperativa	30 -Sep-20	3				31-Dec-20	1			
	30-Sep-21	4				30-Sep-21	1			
Consorzio Karabak 4 Società Cooperativa	30 -Sep-20		1			31-Dec-20			1	
	30-Sep-21					30-Sep-21				
Consorzio Karabak 5 Società Cooperativa	30 -Sep-20					31-Dec-20				
	30-Sep-21					30-Sep-21				
Consorzio Karabak 6 Società Cooperativa	30 -Sep-20					31-Dec-20				
	30-Sep-21					30-Sep-21				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others

TOTAL	30 -Sep-20	9,700	25,699	159	701	31-Dec-20	12,727	10,530	18,528	17,077
	30-Sep-21	12,066	35,452	17	559	30-Sep-21	16,160	12,533	20,888	17,844

ANNEX IV

STATEMENT OF RECONCILIATION OF THE RECLASSIFIED STATEMENT OF CASH FLOW AND THE STATUTORY SCHEDULE ITEMS

	For The 9 months ended 30 September			
	2021		2020	
Cash and cash equivalents at the beginning of the period		**90,464**		**97,143**
Cash flow from current operations:		**14,740**		**30,468**
Profit before tax	(5,623)		(74,904)	
Profit (loss) from discontinued operations	16		2,170	
Capital gains from disposal of discontinued operations	0		(13,589)	
Other unrealized write-downs on discontinued operations	0		405	
Amortization, depreciation, write-downs and (write-backs) of assets	31,130		30,106	
Accrual (reversal) of provisions for risks and charges	1,645		87,440	
Employee termination indemnity provision	390		404	
Share of net profit of associates, net of dividends collected	(2,302)		6,689	
Financial charges (income) for the period	55,859		35,357	
Net interests received (paid) in the period	(42,834)		(20,486)	
Income taxes paid in the period	(9,232)		(10,598)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of profit or loss	*(14,309)*		*(15,231)*	
Cash flow from current operations of discontinued operations	*0*		*8,705*	
Uses of provisions for risks and charges and payments of the Employee Termination Indemnity (TFR):		**(2,958)**		**(5,904)**
Payments of employee termination indemnity	(960)		(5,904)	
Utilization of provision for risks and charges	(1,998)		(5,904)	

	For The 9 months ended 30 September			
	2021		2020	
CHANGE IN NWOC:		**(32,012)**		**(49,423)**
Decrease (increase) in inventories	2,439		(2,944)	
Decrease (increase) in trade receivables	(9,873)		(27,496)	
Increase (decrease) in trade payables	(24,578)		(18,983)	
INDUSTRIAL AND FINANCIAL CAPEX:		**(27,200)**		**28,416**
(Purchase of intangible assets, net of sales)	(2,417)		(3,364)	
(Purchase of property, plant and equipment)	(20,557)		(18,525)	
Proceeds from sale of property, plant and equipment	771		287	
(Acquisition of investments)	1,017		(2,089)	
Decrease (increase) of financial assets	408		(2,886)	
Financial effects of business combinations	(1,914)		(115)	
Discontinuing operations	0		55,245	
Reclassifications:				
Change in current financial assets	*449*		*2,842*	
Payables for acquisition of investments and business combinations	*(4,973)*		*0*	
Financial effects of business combinations			*(112)*	
Financial effects of discontinued operations	*16*		*8,147*	
Cash flow from current operations of discontinued operations	*0*		*(11,015)*	
CHANGE IN NET FINANCIAL LIABILITIES:		**47,198**		**9,501**
Change in finance lease debt	(155)		670	
New (repayment of) operating lease debt	(5,823)		(6,812)	
Non-current borrowings	370,000		50,233	
Repayment of non-current borrowings	(334,205)		(24,950)	
Net opening (repayment) of short-term bank credit lines	(2,734)		5,686	
Other net changes in borrowings	(3,722)		(18,064)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit or Loss	*14,309*		*15,231*	
Net change in current financial assets	*(449)*		*(2,842)*	
Non-cash elements on acquisitions of rights of use	*4,143*		*(460)*	

	For The 9 months ended 30 September			
		2021		2020
Financial effects of business combinations	*0*		*3,698*	
Financial effects of discontinued operations	*(16)*		*112*	
Dividend distribution authorized in the previous year	*0*		*(13,000)*	
Payables for acquisition of investments and business combinations	*4,973*		*0*	
Distribution of reserves and other changes in Equity	*878*		*0*	
OTHER CHANGES:		**(17,480)**		**(5,327)**
Decrease (increase) in other current assets	203		40	
Increase (decrease) in other current liabilities	(9,559)		3,151	
Dividends paid	(293)		(13,000)	
Acquisition/sale of minority interests in subsidiaries	(1,971)		321	
Differences from translation of financial statements in foreign currency	(839)		236	
Reclassifications:				
Non-cash elements on acquisitions of rights of use	*(4,143)*		*(5,377)*	
Financial effects of discontinued operations	*0*		*(3,698)*	
Dividend distribution authorized in the previous year	*0*		*13,000*	
Distribution of reserves and other changes in Equity	*(878)*			
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**72,750**		**110,873**

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