interim report on operation

at 31 march 2022

rekeep

minds that work

GENERAL INFORMATION

REGISTERED OFFICE

Via U. Poli, 4
Zola Predosa (Bo)

BOARD OF DIRECTORS

Appointed by the Shareholders' Meeting
of 24 April 2020

CHAIRMAN AND CEO
Giuliano Di Bernardo

VICE-CHAIRMAN
Riccardo Bombardini *
Giuseppe Pinna **

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

BOARD OF STATUTORY AUDITORS

Appointed by the Shareholders' Meeting
of 24 April 2020

CHAIRMAN
Germano Camellini

STANDING AUDITORS
Marco Benni
Giacomo Ramenghi

ALTERNATE AUDITORS
Michele Colliva
Antonella Musiani

INDEPENDENT AUDITORS

EY S.p.A.

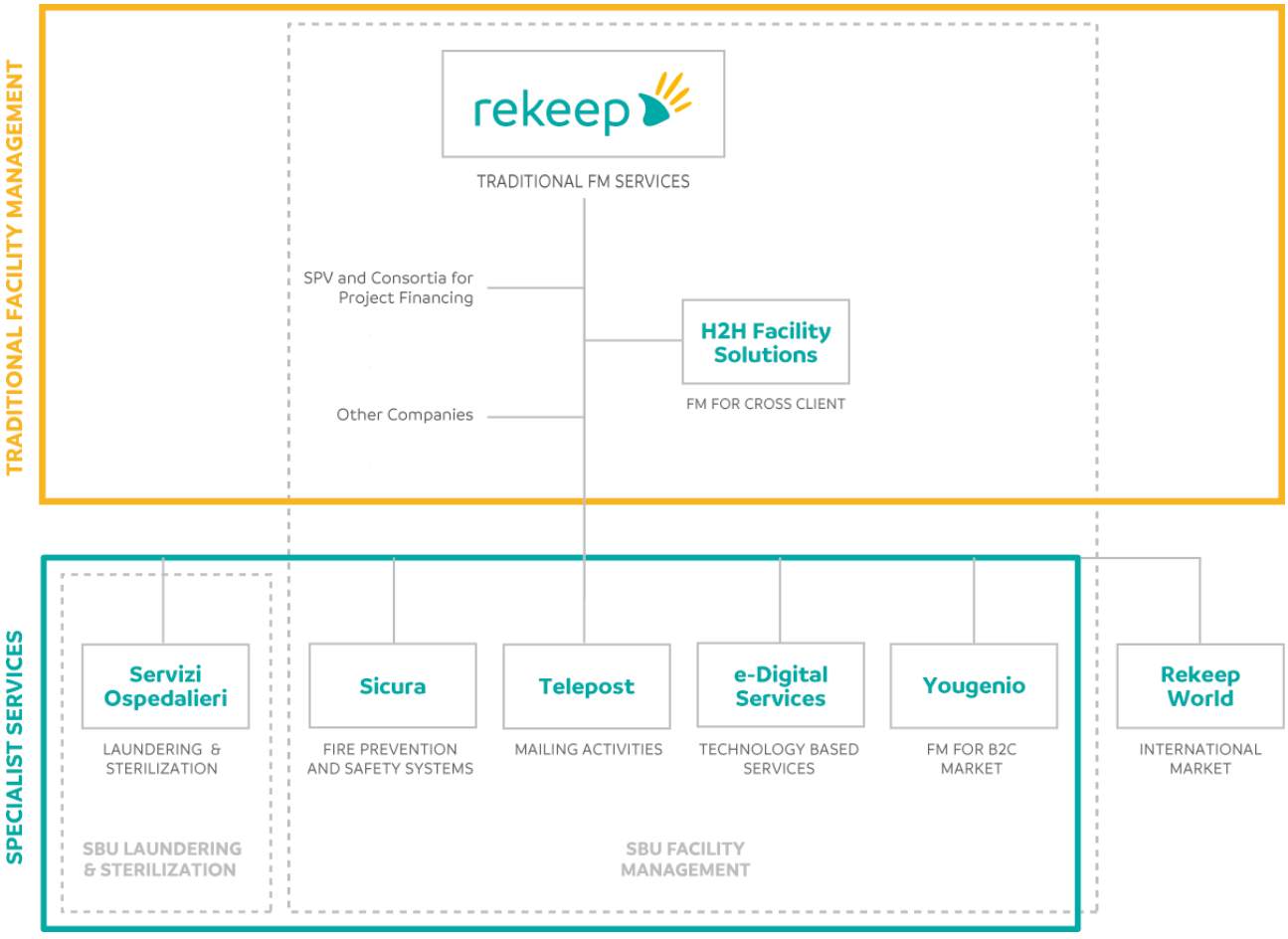
* *appointed as director on 30 June 2021 and as Vice Chairman on 16 December 2021*

** *ceased to hold office on 16 December 2021*

*** *ceased to hold office on 30 June 2021*

PREAMBLE

At 31 March 2022 the Group controlled by Rekeep S.p.A. was composed as follows:



The Rekeep Group is active in the management and provision of integrated services to public and private customers, targeted at properties, the area and to support so-called “Integrated Facility Management” health care activities. At present the Rekeep brand is managed by a single operating holding company which combines so-called “traditional” facility management production resources with those related to supporting the whole Group’s business. As early as from the previous financial years a strategy has been pursued by the central holding functions to diversify operations, also through a series of corporate acquisitions, with some “specialist” facility management services beside the historical core business (hygiene services, green

spaces and technical and maintenance services), in addition to linen rental and industrial laundering services and surgical instrument sterilization at healthcare facilities and high technology B2B services.

Furthermore, the Group started a major process of business development in international markets from the 2015 financial year, by establishing the sub-holding company Rekeep World S.r.l. and by the start-up of facility operations in France (through the sub-group controlled by Rekeep France S.a.S.), Turkey (through EOS and Rekeep United Yönetim Hizmetleri A.Ş.) and Saudi Arabia (through Rekeep Saudi Arabia Ltd). Finally, the acquisition of the Polish company Rekeep Polska S.A., the parent company controlling the group with the same name and market leader in Poland, strengthened the market position in the field of facility management in the healthcare sector, as well as expanded the Group's range of services, including first of all catering operations.

Shareholding structure

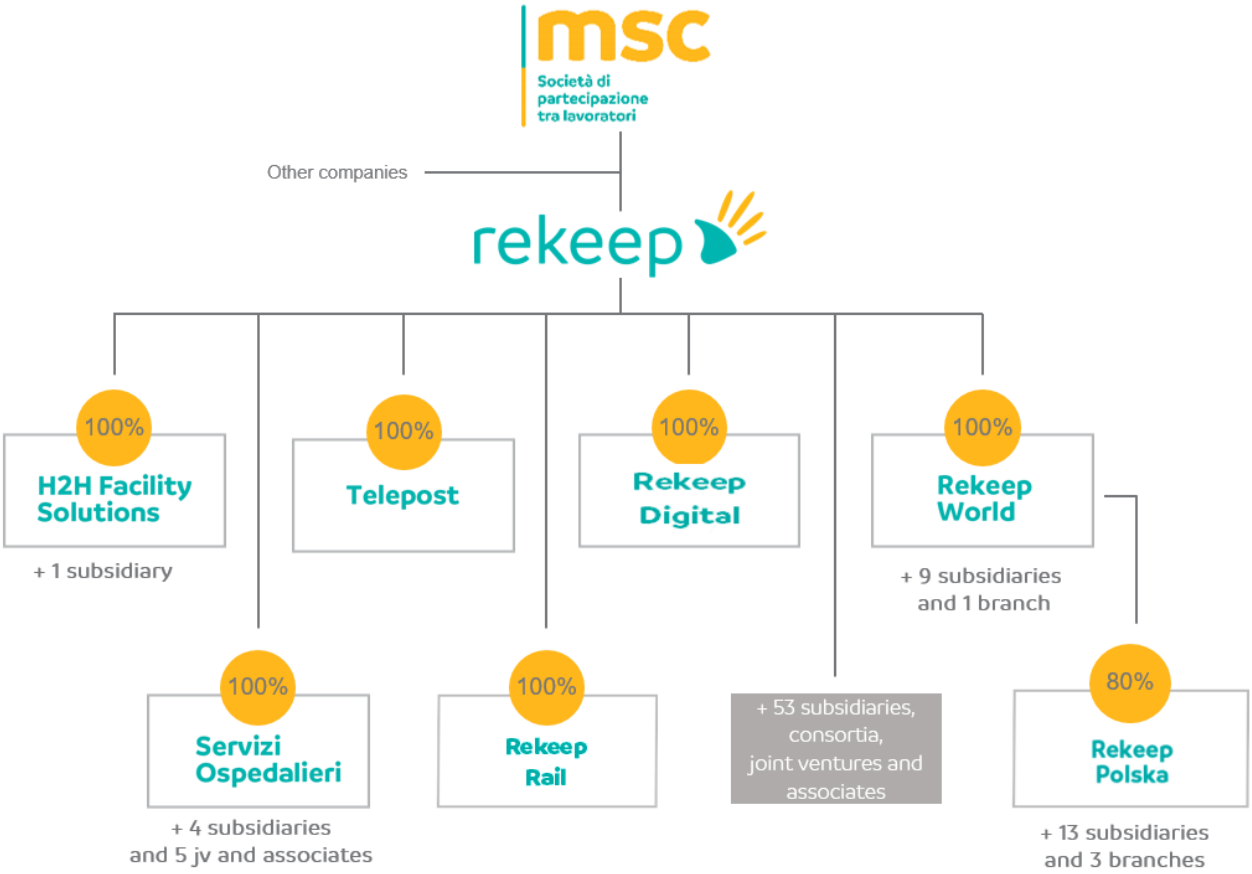
Ordinary shares issued by Rekeep S.p.A. and fully paid up at 31 March 2022 amounted to 109,149,600, with a par value of € 1 each.

They are wholly held by MSC Società di Partecipazione tra Lavoratori S.p.A. (formerly Manutencoop Società Cooperativa), which also carries out Management and Coordination activities.

It should be noted that Manutencoop Società Cooperativa transformed its legal form from a cooperative company to a joint-stock company, and, in this context, changed its company name to MSC Società di Partecipazione tra Lavoratori S.p.A., with effect from 1 February 2022. The parent company retains full continuity of its own legal relationships. Moreover, the shares representing the entire share capital of the cooperative company, which were already held by its shareholders, were proportionally converted into shares of the transformed company with equal total value.

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

The structure of the Group controlled by MSC Società di Partecipazione tra Lavoratori S.p.A. as at the date of approval of the Interim Report on Operations, was the following:

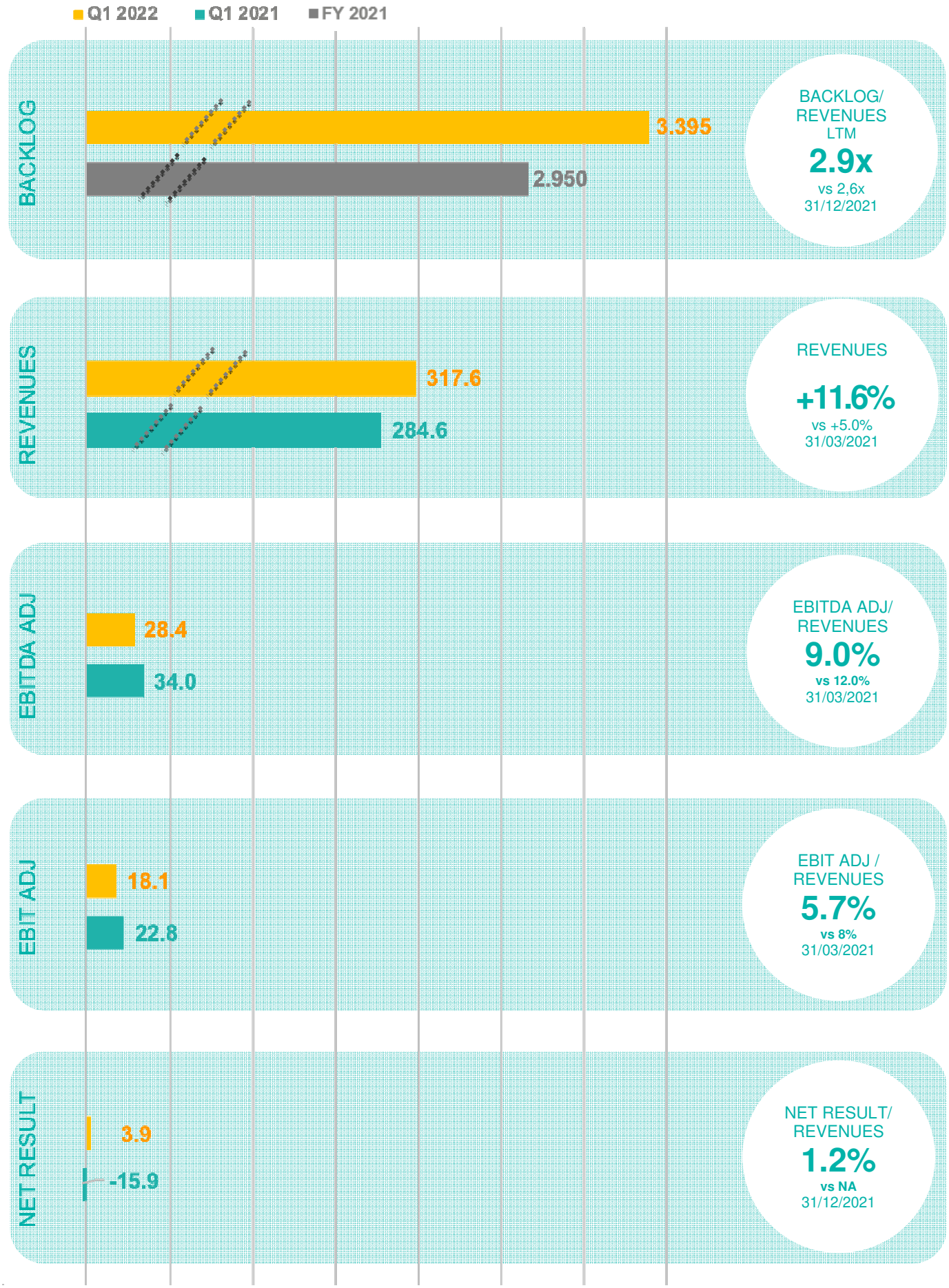

msc
Società di partecipazione tra lavoratori
Other companies
rekeep
100%
H2H Facility Solutions
+ 1 subsidiary
100%
Telepost
100%
Rekeep Digital
100%
Rekeep World
+ 9 subsidiaries and 1 branch
100%
Servizi Ospedalieri
+ 4 subsidiaries and 5 jv and associates
100%
Rekeep Rail
+ 53 subsidiaries, consortia, joint ventures and associates
80%
Rekeep Polska
+ 13 subsidiaries and 3 branches

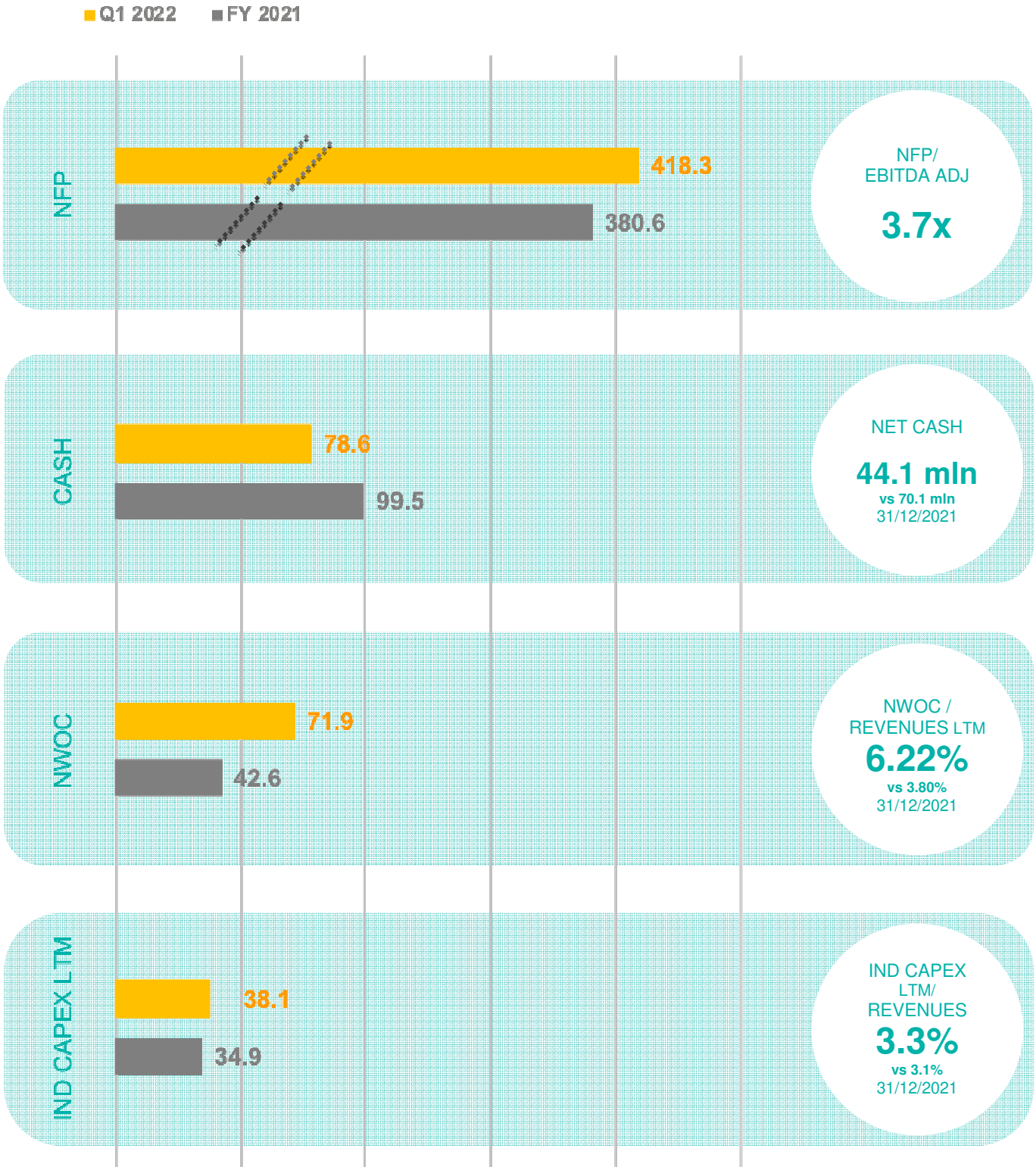
NON-GAAP FINANCIAL MEASURES

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

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

EBIT	EBIT represents the Profit (Loss) before taxes gross of: i) Financial charges; ii) Financial income; iii) Dividend and income (loss) from sale of investments; iv) Share of net profit of associates; v) Profit (loss) on exchange rate. The Statement of Profit or Loss shows EBIT as "Operating Income".
EBITDA	EBITDA represents the Operating Income before allocations to the accrual of provisions for risks and amortization/depreciation, write-downs and write-backs of assets. EBITDA is a measure used by the Company's management to monitor and assess its operating performance and it is not identified as an accounting measure under IFRS. Therefore, it must not be considered an alternative measurement for evaluating the trend in the Group's profit/loss. Given that the breakdown of EBITDA is not regulated by the accounting standards, the calculation criteria applied by the Group may not be comparable.
Adjusted EBITDA and EBIT	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".
LTM (Last Twelve Months)	LTM values relate to the economic values or financial flows identified in the last 12 months, or in the last 4 financial reporting years.
Net Cash	Net Cash is defined as the balance of "Cash and cash equivalents" net of: i) Bank overdrafts, advance payments and hot money; ii) Obligations arising from assignments of trade receivables with recourse.
Gross Debt	Gross Debt is defined as the sum of debts for principal referring to: i) Senior Secured Notes; ii) Bank debts; iii) Current bank overdraft, advance payments and hot money; iv) Liabilities arising from assignments of trade receivables with recourse; v) Financial lease liabilities.
Net Debt	Net Debt is defined as Gross Debt net of the balance of Cash and cash equivalents and Current financial assets.
Financial indebtedness	Consolidated financial indebtedness consists of the balance of Long-term debt, Derivatives, Bank borrowings (including current portion of long-term debt) and other short-term financial liabilities, in addition to the financial component of trade payables and other non-current payables, net of the amount of receivables and other current financial assets and Cash and Cash equivalents.


Q1 2022
Q1 2021
FY 2021
BACKLOG
3.395
2.950
BACKLOG/ REVENUES LTM
2.9x
vs 2,6x 31/12/2021
REVENUES
317.6
284.6
REVENUES
+11.6%
vs +5.0% 31/03/2021
EBITDA ADJ
28.4
34.0
EBITDA ADJ/ REVENUES
9.0%
vs 12.0% 31/03/2021
EBIT ADJ
18.1
22.8
EBIT ADJ / REVENUES
5.7%
vs 8% 31/03/2021
NET RESULT
3.9
-15.9
NET RESULT/ REVENUES
1.2%
vs NA 31/12/2021


Q1 2022
FY 2021
NFP
418.3
380.6
NFP/
EBITDA ADJ
3.7x
CASH
78.6
99.5
NET CASH
44.1 mln
vs 70.1 mln
31/12/2021
NWOC
71.9
42.6
NWOC /
REVENUES LTM
6.22%
vs 3.80%
31/12/2021
IND CAPEX LTM
38.1
34.9
IND CAPEX
LTM/
REVENUES
3.3%
vs 3.1%
31/12/2021

INTERIM REPORT ON OPERATIONS

SIGNIFICANT EVENTS OF THE FIRST QUARTER OF 2022

The first months of 2022 were still affected by the consequences of exogenous factors linked to the geopolitical and social scene.

On the one hand, the Covid-19 pandemic continued to affect the social and market scenario, albeit to a limited extent by now and with positive signs in terms of termination of the state of emergency. The Rekeep Group companies continued to deliver their services, especially in the healthcare sector.

On the other hand, the conflict that broke out on 24 February 2022 following Russia's invasion of Ukraine has brought direct consequences, as well as a climate of uncertainty, in the economic and market environment, especially in European countries, including a continuous and generalized rise in inflation. At present, it is not yet possible to reliably estimate the impact arising from the international scenario described above and the repercussions it causes at a national level. The Group's Management is monitoring the situation on an ongoing basis, although the Group has no business relations nor does it have any branch office or companies in the countries involved in the conflict.

In terms of results of operations, the last quarter confirmed the growth trend in revenues, which came to € 317.6 million in the first quarter of 2022, up by € 33.0 million compared to the same period of the previous year (+ 11.6%). The positive change compared to the first quarter of 2021 was achieved in all markets, i.e. Public, Healthcare and Private sectors, despite the significant drop in demand for most of non-routine work due to the Covid-19 pandemic.

In terms of profit margins, Adjusted EBITDA came to € 28.4 million at 31 March 2022 compared to € 34.0 million at 31 March 2021 and was also affected by fewer non-routine operations carried out during the entire period of the emergency, which seems to be drawing to a close. LTM Adjusted EBITDA then amounted to € 111.5 million at 31 March 2022 (€ 117.2 million at 31 December 2021).

In terms of financial performance, there was an increase in Net debt from € 380.6 million at 31 December 2021 to € 418.3 million at 31 March 2022, as was in Net working operating capital from € 42.6 million at 31 December 2021 to € 71.9 million at 31 March 2022, reflecting higher volumes recorded in the quarter, driven by the rise in energy prices.

Council of State's decision on ANAC's disqualification order proceedings -Santobono Pausilipon

The proceedings brought under the order (the "ANAC Order") whereby ANAC (Italian Anti-corruption Authority) imposed a fine 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 tender that took place in 2013, have been concluded with a favorable outcome for the Parent Company Rekeep S.p.A..

By judgment no. 491/2022, filed on 25 January 2022, the Council of State granted the appeal submitted by the Company against the Lazio Regional Administrative Court's judgment no. 3754/2021, thus annulling any effect of the order adopted by ANAC, which had already been previously suspended on a precautionary basis.

Heterogeneous transformation and change of name of the parent company

Manutencoop Società Cooperativa transformed its legal form from a cooperative company to a joint-stock company, and, in this context, changed its company name to MSC Società di Partecipazione tra Lavoratori S.p.A., with effect from 1 February 2022. The transaction was carried out following a resolution passed by the extraordinary shareholders' meeting held on 27 November 2021 and upon completion of the formalities required by the applicable provisions of law. The Rekeep Group's parent company retains full continuity of its own legal relationships. Moreover, the shares representing the entire share capital of the cooperative company, which were already held by its shareholders, were proportionally converted into shares of the transformed company with equal total value.

The adoption of the new legal form of joint-stock company originated and was motivated by the need to better support the national and international development of the Rekeep Group. The cooperative company form, due to its rules of governance and remuneration of invested capital, has in fact proved unsuitable over time to cope with this program, which requires both the contribution of capital from shareholders and the financial market and access to advanced financial instruments.

There were no significant impacts on the operations of the Rekeep Group following the transformation.

New agreement for the non-recourse assignment of trade receivables

On 17 January 2022, the Parent Company Rekeep S.p.A. signed a new agreement for the non-recourse assignment of trade receivables with Banca Farmafactoring S.p.A. for an amount of up to € 300 million. The agreement has a term of three years and provides for the possibility of assigning, without recourse and on a revolving basis, the amounts Rekeep S.p.A. and other subsidiaries claim from Entities in the National Health System and Public Authorities. The new agreement replaces the previous one, which was also signed with Banca Farmafactoring S.p.A. in 2018 and which provided for an annual ceiling of up to € 200 million for the assignment of receivables of the same type.

Business development

During the first quarter of 2022 the Group gained orders for an overall long-term amount of € 683.2 million, of which € 237.5 million relating to extensions and renewals of contracts already included in its sales portfolio and € 445.7 million relating to the development of a new portfolio. The value of contracts acquired in International Markets was equal to about 6.2% of the total orders gained during the period.

New contracts in the Healthcare sector amounted to € 631.2 million in the first quarter of 2022 (about 92.4% of total orders gained) against orders gained for € 33.7 million in the Public sector (4.9% of the total) and € 18.4 million in the Private sector (2.7% of the total). In terms of Strategic Business Unit ("SBU"), Facility Management (which also includes International Markets) obtained contracts of € 561.4 million while Laundering&Sterilization obtained contracts of € 121.8 million.

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

Moreover, the subsidiary Servizi Ospedalieri S.p.A. gained a new sterilization agreement at a Local Health Unit (ASL) in the Tuscany Region and contracts were renewed mainly for linen rental and industrial laundering services, which were already included in the portfolio at various local hospital trusts.

As regards the public Market, additional contracts for hygiene services were signed under the Intercenter 5 Emilia Romagna agreement, as were contracts for energy services at some municipality facilities in Sicily.

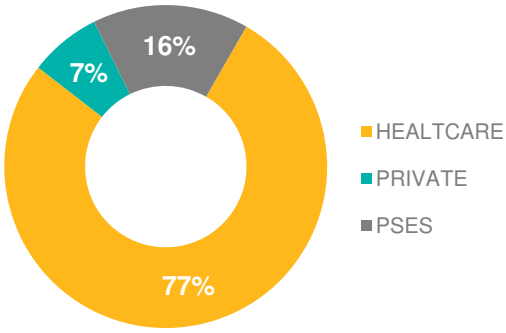
Finally, the extension of the offer for integrated services was signed at a major network customer, in addition to noting renewals of the portfolio due to expire mainly for hygiene services at shopping centers and retail customers and for hygiene and catering services in Poland in the Private sector.

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

	31 March 2022	31 December 2021	31 December 2020
Backlog	3,395	2,950	2,673

At 31 March 2022 the **Backlog** came to € 3,395 million, unchanged compared to the value posted at the end of 2021 (€ 2,950 million). On the other hand, the Backlog/Revenues ratio was 2.9x (2.6x at 31 December 2021).

BACKLOG BY MARKET



1. SUMMARY OF RESULTS OF THE FIRST QUARTER OF 2022

	For the Quarter ended 31 March		
	2022	2021	%
Revenues	317,626	284,634	+ 11.6%
Adjusted EBITDA (*)	28,431	34,040	- 16.5%
Adjusted EBITDA % of Revenues	9.0%	12.0%	
Adjusted EBIT (*)	18,134	22,848	- 20.6%
Adjusted EBIT % of Revenues	5.7%	8.0%	
Profit (loss) from continuing operations	3,945	(15,885)	
Consolidated net profit (loss)	3,945	(15,869)	

The first quarter of 2022 marked an increase in revenues of € 33.0 million and, at the same time, a decrease of € 5.6 million in Adjusted EBITDA. Consolidated net result posted a profit of € 3.9 million at 31 March 2022, against a loss of € 15.9 million recorded in the same period of the previous year. In fact, the 2021 financial year opened with the completion of the refinancing transaction of the Rekeep Group, which had seen the early redemption of Senior Secured Notes for € 333.9 million that had been issued below par in 2017, due 2022 and an annual fixed rate of 9%, as well as the issue at par of Senior Secured Notes for € 350 million, in addition to a further € 20 million issued above par, due 2026 and an annual fixed rate of 7.25% and had involved in 2021 an increase in non-recurring financial charges for a total of € 23.7 million.

	31 March 2022	31 December 2021	31 March 2021
Net Working Operating Capital (NWOC)	71,852	42,617	29,341
Financial indebtedness	(418,257)	(380,649)	(344,510)

Net working operating capital and financial indebtedness marked an increase too, both compared to 31 December 2021 and compared to the first quarter of the previous year, in line with the growth in volumes.

(*) *Adjusted* income statement figures are detailed in the paragraph on "Non-recurring events and transactions" below.

2. GROUP'S PERFORMANCE OF OPERATIONS AND CONSOLIDATED FINANCIAL POSITION FOR THE QUARTER ENDED 31 MARCH 2022

2.1. Consolidated performance of operations in the first quarter of 2022

Below are reported the main income figures relating to the first quarter of 2022 compared to the figures in the same period of 2021.

(in thousands of Euro)	For the quarter ended 31 March		Change
	2022	2021	
Revenues	317,626	284,634	32,992
Costs of production	(290,043)	(251,520)	(38,523)
EBITDA	**27,583**	**33,114**	**(5,531)**
EBITDA %	**8.7%**	**11.6%**	
Amortization, depreciation, write-downs and write-backs of assets	(9,917)	(10,240)	323
Accrual and reversal of provisions for risks and charges	(530)	(952)	422
Operating Income (EBIT)	**17,136**	**21,922**	**(4,786)**
EBIT %	**5.4%**	**7.7%**	
Share of net profit of associates	159	1,308	(1,149)
Net financial charges	(9,022)	(34,068)	25,046
Profit before taxes (EBT)	**8,273**	**(10,838)**	**19,111**
EBT %	**2.6%**	**N.A.**	
Income taxes	(4,328)	(5,047)	719
Profit (loss) from continuing operations	**3,945**	**(15,885)**	**19,830**
Profit (loss) from discontinued operations	0	16	(16)
CONSOLIDATED NET PROFIT (LOSS)	**3,945**	**(15,869)**	**19,814**
CONSOLIDATED NET PROFIT (LOSS) %	**1.2%**	**N.A.**	
Minority interests	(83)	(1,191)	1,108
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**3,862**	**(17,060)**	**20,922**
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	**1.2%**	**N.A.**	

NON-RECURRING EVENTS AND TRANSACTIONS

During the first quarter of 2022 the Rekeep Group recognized, in the Statement of Profit/Loss for the period, some "non-recurring" financial items which impacted on the normal dynamics of the consolidated results. Pursuant to CONSOB Communication DEM/6064293 of 28 July 2006, "*significant non-recurring events and transactions*" mean events or transactions whose occurrence is non-recurring or those transactions or events that are not repeated frequently as part of normal operations and have a significant impact on the financial position, results of operations and cash flows of Group companies.

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

(in thousands of Euro)	For the quarter ended 31 March	
	2022	2021
Group refinancing costs	0	775
Legal advice on pending administrative disputes	234	131
Structural reorganization consulting fees	596	21
M&As and extraordinary transactions by Group companies	18	0
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA	**848**	**926**
Non-recurring provisions for risks on contracts	150	0
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA AND EBIT	**998**	**926**

In 2022 the disputes pending with the Competition Authority (AGCM) and Consip S.p.A. continued (reference should be made to the paragraph on "Update on Legal Proceedings"). Furthermore, non-recurring costs of € 0.6 million for the reorganization of company functions were incurred in the first quarter of 2022.

On the other hand, the results for the first quarter of 2021 were affected by non-recurring costs that were incurred for the refinancing transaction of the Group, which took place in January and February, and that were associated with both the new issue of Senior Secured Notes and the redemption of the previous ones.

As regards non-recurring costs impacting on EBIT, we must note a provision set aside in 2022 for non-recurring additional costs that are expected to be incurred on some energy contracts.

Consolidated Adjusted EBITDA and EBIT are thus represented as follows:

(in thousands of Euro)	For the quarter ended 31 March	
	2022	2021
EBITDA	**27,583**	**33,114**
Non-recurring charges (income) impacting on EBITDA	848	926
Adjusted EBITDA	**28,431**	**34,040**
Adjusted EBITDA % on Revenues	**9.0%**	**12.0%**
EBIT	**17,136**	**21,922**
Non-recurring charges (income) impacting on EBITDA and on EBIT	998	926
Adjusted EBIT	**18,134**	**22,848**
Adjusted EBIT % on Revenues	**5.7%**	**8.0%**

REVENUES

During the quarter ended 31 March 2022 the Group recorded ***Revenues*** of € 317.6 million, against € 284.6 million for the same period of the previous year, with a positive change of € 33.0 million (+11.6%).

Revenues continued to benefit from an increase in energy prices, which entailed an increase in the price charged to customers on heat management contracts. Furthermore, during the first quarter of 2022 some extra services for sanitation, disinfection and maintenance were still offered in the healthcare and transport sectors as a result of the Covid-19 pandemic, which maintained high levels of infection in the first months of the year, albeit to a lesser extent than in the same period of the previous year.

The breakdown of the consolidated Revenues in the first quarter of 2022 is provided below by target Market, compared to the value posted in the same period of the previous year.

REVENUES BY MARKET

(in thousands of Euro)	For the quarter ended 31 March			
	2022	% of total Revenues	2021	% of total Revenues
Healthcare	182,748	57.5%	167,365	58.8%
Private sector	62,199	19.6%	60,528	21.3%
PSEs	72,679	22.9%	56,741	19.9%

(in thousands of Euro)	For the quarter ended 31 March			
	2022	% of total Revenues	2021	% of total Revenues
CONSOLIDATED REVENUES	**317,626**		**284,634**	

Revenues in the Healthcare sector increased by € 15.4 million compared to the first quarter of 2021, from € 167.4 million to € 182.7 million, thus accounting for 57.5% of total consolidated Revenues. The increase in revenues by market was driven by the Facility Management segment, which also includes the contribution given by International markets and in particular by subsidiary Rekeep Polska, which mainly operates in the Healthcare sector. On the other hand, the *Laundering&Sterilization* sector bucked the trend, mainly due to the reduction in extraordinary sales of PPE on the part of subsidiary Medical Device compared to the same period of the previous year.

The Private market too showed a volume growth in absolute value (+€ 1.6 million from € 60.5 million in the first quarter of 2021 to € 62.2 million in the first quarter of 2022), which was mainly reported in the facility management sector, following the extension of the offer to customers that had already been acquired during 2021, in particular by subsidiary H2H Facility Solutions, which was also made possible due to the almost total absence of restrictions that had instead characterized the first quarter of 2021.

Finally, the Public market posted Revenues of € 72.7 million, which also contributed to an increase in consolidated revenues during the quarter (+28% compared to the same quarter of 2021). First of all, the first quarter of 2002 marked a full resumption in routine work, mainly compared to the first month of 2021; furthermore, it was the Public market that mostly benefitted from an increase in the prices charged to customers under energy contracts following an increase in the costs of raw materials.

Analysis of revenues by Segment

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

REVENUES BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2022	% of total Revenues	2021	% of total Revenues
Facility Management	283,861	89.4%	241,420	84.8%
of which International markets	*45,963*	*14.5%*	*35,903*	*12.6%*
Laundering & Sterilization	34,629	10.9%	44,048	15.5%
Eliminations	(864)		(834)	

(in thousands of Euro)	For the quarter ended 31 March			
	2022	% of total Revenues	2021	% of total Revenues
CONSOLIDATED REVENUES	**317,626**		**284,634**	

Revenues of the Facility Management SBU increased by € 42.4 million in the first quarter of 2022 compared to the same period of the previous year, from € 241.4 million in the first quarter of 2021 to € 283.9 million in the first quarter of 2022, which were contributed to by any and all business segments. The sector benefited from the price effect on heat management contracts, as well as from a positive performance in International Markets which recorded an increase in revenues of € 10.1 million, mainly due to the contribution given by subsidiaries in Poland and France.

On the other hand, revenues of the Laundering&Sterilization SBU decreased from € 44.0 million for the quarter ended 31 March 2021 to € 34.6 million for the quarter ended 31 March 2022, down by € 9.4 million (+ 21.4%). The negative trend was mainly attributable to lower sales of PPE in the first quarter of 2022 compared to the same period of the previous year.

The Facility Management SBU showed an increase in the relative weight on total consolidated Revenues (89.4% in 2022 against 84.8% in 2021) due to the performance in terms of turnover in the first quarter of 2022.

EBITDA

The Group's EBITDA amounted to € 27.6 million in the quarter ended 31 March 2022, showing a decrease of € 5.5 million compared to € 33.1 million for the first quarter of 2021. However, it should be noted that, during the two comparative periods, EBITDA expensed non-recurring costs of € 0.9 million, both at 31 March 2022 and at 31 March 2021. Therefore, Adjusted EBITDA, excluding these non-recurring items, amounted to € 28.4 million at 31 March 2022 against Adjusted EBITDA of € 34.0 million at 31 March 2021 (- € 5.6 million).

Below is provided a comparison of EBITDA by segment for the period ended 31 March 2022 and the period ended 31 March 2021:

EBITDA BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2022	% of Revenues of the segment	2021	% of Revenues of the segment
Facility Management	20,467	7.2%	21,603	8.9%

(in thousands of Euro)	For the quarter ended 31 March			
	2022	% of Revenues of the segment	2021	% of Revenues of the segment
of which International markets	1,784		*(2,258)*	
Laundering&Sterilization	7,117	20.6%	11,511	26.1%
CONSOLIDATED EBITDA	**27,583**		**33,114**	**11.6%**

The Facility Management sector showed EBITDA of € 20.5 million at 31 March 2022, down by € 1.1 million against € 21.6 million in the same period of 2021. Even excluding the non-recurring items that affected the consolidated results recorded during the two comparative periods, which had an impact on both of them for € 0.9 million on this segment, Adjusted EBITDA by segment showed a slight decline. The result recorded in terms of EBITDA in the first quarter of 2022 was due to a reduction in requests for non-routine work linked to Covid-19 compared to the same period of the previous year, especially in the sectors other than healthcare.

EBITDA in the Laundering&Sterilization sector came to € 7.1 million in the first quarter of 2022, showing a decline compared to the same period of 2021 (- € 4.4 million). The result in terms of EBITDA of the Laundering&Sterilization segment was affected by the same effects on revenues described above.

Costs of production

Costs of production, which amounted to € 290.0 million at 31 March 2022, showed an increase of € 38.5 million in absolute value compared to € 251.5 million at 31 March 2021 (+ 15.3%), in line with the trend recorded for revenues.

(in thousands of Euro)	For the quarter ended 31 March			
	2022	% of total	2021	% of total
Costs of raw materials and consumables	93,829	32.4%	51,682	20.5%
Change in inventories of finished and semi-finished products	(70)	0.0%	3,348	1.3%
Costs for services and use of third-party assets	78,285	27.0%	82,210	32.7%
Personnel costs	114,684	39.5%	112,499	44.7%
Other operating costs	3,315	1.1%	1,807	0.7%

(in thousands of Euro)	For the quarter ended 31 March			
	2022	% of total	2021	% of total
Lower costs for internal work capitalized	0	0.0%	(26)	N.A.
TOTAL COSTS OF PRODUCTION	**290,043**		**251,520**	

Costs of raw materials and consumables during the first quarter of 2022 amounted to € 93.8 million, up by € 42.1 million (+81.6%) compared to the value posted in the same period of 2021, which led to a higher impact on total Costs of Production (32.4% at 31 March 2022 compared to 20.5% at 31 March 2021). The increase in the item, which continued the trend already recorded in 2021, was mainly due to an increase in cost for fuel consumption (+ € 40.1 million) and other energy resources following an increase in the price of raw materials.

On the other hand, *Inventories of finished and semi-finished products* recorded a decrease of € 3.4 million at 31 March 2022 *(*€ 3.3 million in the first quarter of 2021) against lower inventories of products of Medical Device and UJet, which are the Group companies dedicated to the production and sale of medical devices and PPE, for which a normal decline in demand was recorded in the first quarter of 2022.

Costs for services and use of third-party assets came to € 78.3 million at 31 March 2022, down by € 3.9 million compared to the value posted at 31 March 2021 (€ 82.2 million) with an impact of 27.0% (32.7% at 31 March 2021) on total Costs of production. The trend in the related incidence of *Costs for services and use of third party assets* on the total was directly due to production activities (third-party and professional services, as well as consortia costs), which are typically linked to the mix of services being delivered and to any possible resulting make-or-buy choices.

Personnel costs showed an increase of € 2.2 million in absolute terms (+ 1.9%) from € 112.5 million at 31 March 2021 to € 114.7 million at 31 March 2022, with an incidence on total Costs of Production equal to 39.5% at 31 March 2022 (against 44.7% at 31 March 2021).

The average number of employees in service during the first quarter of 2022 was equal to 26,891 units, while it was 27,908 during the same period in the previous year (of which: 25,121 against 26,186 manual workers), thus recording a slight decline. As it was said for costs for services, the trend in the number of Group employees, and in particular manual workers, was closely related to the mix of services being delivered, as well as to the impact of related costs on total operating costs.

Finally, *Other operating costs* at 31 March 2022 amounted to € 3.3 million (€ 1.8 million at 31 March 2021), up by € 1.5 million compared to the same period of the previous year.

Operating income (EBIT)

In the first quarter of 2022 consolidated Operating Income (**EBIT**) stood at € 17.1 million (5.4% of Revenues) against € 21.9 million (7.7% of Revenues) for the same period in 2021.

EBIT for the period was affected by the above-mentioned consolidated performance in terms of EBITDA (- € 5.5 million compared to the first quarter of the previous year), from which must be deducted *amortization and depreciation* of € 9.5 million (€ 9.2 million at 31 March 2021), of which an amount of € 1.5 million relating to the amortization of Rights of Use (in line with the same period of 2021), as well as *write-downs of receivables and reversals* of € 0.5 million (€ 1.0 million at 31 March 2021). In the first quarter of 2022 *Accruals to provisions for risks and charges (net of reversals)* were also recorded for € 0.5 million, including a non-recurring provision for € 0.2 million that was set aside to cover the probable risk of the parent company incurring additional costs on some contracts (€ 1.0 million at 31 March 2021).

Adjusted EBIT (which recognized the same non-recurring items impacting on Adjusted EBITDA, in addition to the aforesaid non-recurring provision in the first quarter of 2022) came to € 18.1 million and € 22.8 million at 31 March 2022 and 31 March 2021, respectively, with relative profit margins (Adjusted EBIT/Revenues), equal to 5.7% and 8.0%, respectively.

Below is a comparison of Operating Income (EBIT) by business segment for the period ended 31 March 2022 and that posted in the same period in 2021:

EBIT BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2022	**% of Revenues by segment**	**2021**	**% of Revenues by segment**
Facility Management	15,204	5.4%	15,191	6.3%
of which International markets	*963*		*(3,150)*	
Laundering&Sterilization	1,932	5.6%	6,732	15.3%
CONSOLIDATED EBIT	**17,136**	**5.4%**	**21,923**	**7.7%**

EBIT in the *Facility Management* segment came to € 15.2 million (5.4% of related segment Revenues) at 31 March 2022, remaining unchanged compared to 31 March 2021. The adjusted values reflect this trend, with adjusted EBIT by segment increasing from € 16.1 million at 31 March 2021 to € 16.2 million at 31 March 2022, and operating profit margins which came to 6.7% and 5.7%, respectively.

EBIT by segment reflected the abovementioned performance in terms of EBITDA (- € 1.2 million), to which must be added lower amortization, depreciation and write-downs of trade receivables for € 0.2 million and € 0.6 million, respectively. On the other hand, lower net accruals to provisions for future risks and charges were recognized for € 0.5 million (which included the abovementioned non-recurring provisions for € 0.2 million in the first quarter of 2022).

To the positive performance in terms of EBITDA in the *Laundering&Sterilization* segment for the first quarter of 2022 compared to the same period of the previous year, must be added, at segment EBIT level, higher amortization and depreciation for € 0.4 million, as well as non-significant write-downs of trade receivables of less than € 0.1 million (unchanged compared to 31 March 2021). Profit margins by segment came to 5.6% in terms of EBIT on related Revenues by segment (15.3% at 31 March 2021). No non-recurring items were reported in the segment results in the two comparative quarters.

Profit before taxes from continuing operations

To the consolidated EBIT must be added the net proceeds of companies valued at equity, equal to € 0.2 million (€ 1.3 million at 31 March 2021).

Net financial charges of € 9.0 million were also recorded (€ 34.1 million at 31 March 2021), thus obtaining a Result before taxes from continuing operations of € 8.3 million (against a loss of € 10.8 million at 31 March 2021).

Below is provided the breakdown by nature of net financial charges for the first quarter of 2022 and for the same period of the previous year:

(in thousands of Euro)	For the quarter ended 31 March	
	2022	2021
Dividends, income (charges) from sale of equity investments	7	562
Financial income	251	209
Financial charges	(9,730)	(35,165)
Profit (loss) on exchange rate	450	326
NET FINANCIAL CHARGES	**(9,022)**	**(34,068)**

No dividends from non-consolidated companies were collected in the first quarter of 2022 (unchanged compared to 31 March 2021). On the other hand, net capital gains of € 0.6 million were recognized on the sale of non-consolidated investments at 31 March 2021.

Financial income amounted to € 0.3 million in the first quarter of 2022, substantially unchanged compared to the same period of 2021 (€ 0.2 million).

During the period the impact of *financial charges* on the consolidated results of operations was equal to € 9.7 million compared to € 35.2 million for the same period of 2021.

In fact, during the first quarter of 2021, the Group completed a refinancing transaction, which entailed an early redemption of the Senior Secured Notes issued in 2017, due 2022 and a coupon at an annual fixed rate of 9%, 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 entailed the payment of non-recurring financial charges for a total of € 23.7 million in the first quarter of 2021. Specifically, the Group incurred costs related to the early redemption for € 15.0 million, on the basis of the redemption premium set in the rules of the Senior Secured Noted paid off. The repayment of the Notes also entailed the reversal through profit or loss for the period of the residual additional costs to the issue in 2017, accounted for according to the amortized cost method, equal to € 5.8 million. At the same time as the bond issue the Revolving Credit Facility line of € 50.0 million was repaid, which had not been drawn down at the time of the redemption, with the consequent reversal through profit or loss of the residual portion of the costs concerning this loan which are also amortized on a straight-line basis throughout the term of the credit facility (€ 0.3 million).

The financial charges accrued on the coupons of the Senior Secured Notes amounted to € 6.5 million in the first quarter of 2022 (€ 6.9 million in 2021, of which an amount of € 2.3 million related to the Notes of 2017 before redemption).The upfront fees relating to the issue of the Senior Secured Notes in 2021 were accounted for according to the amortized cost method, which entailed financial amortization charges of € 0.4 million (€ 0.3 million at 31 March 2021).

At the same time as the bond issue, the Parent Company entered into a new Super Senior Revolving loan agreement for € 75.0 million, the 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 entailed the payment of di financial charges of € 0.2 million for the period (including commitment fees charged by banks), unchanged compared to the accrued portion on the same line in the first quarter of 2021.

Interest discount costs were also recognized for € 0.6 million during the first quarter of 2022 in relation to non-recourse assignments of trade and VAT receivables (€ 1.1 million in the same period of the previous year).

Finally, foreign exchange gains of € 0.5 million were recorded at 31 March 2022, mainly linked to the fluctuations in Euro/ Turkish Lira and Polish Zloty exchange rates during the period.

Consolidated net result

From the Result before taxes from continuing operations for the period (equal to € 8,3 million) must be deducted taxes of € 0.4 million, thus obtaining a Net result from continuing operations consisting of € 3.9 million (equal to a loss of € 15.9 million at 31 March 2021).

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

(in thousands of Euro)	For the quarter ended 31 March	
	2022	**2021**
Profit before taxes from continuing operations	**8,273**	**(10,838)**
Current, prepaid and deferred IRES tax	(3,169)	(3,403)
Current, prepaid and deferred IRAP tax	(1,159)	(1,643)
Net profit (loss) from continuing operations	**3,945**	**(15,884)**
Tax rate from continuing operations	**52.3%**	**N.A.**
Profit/(loss) before taxes from discontinued operations	0	16
Consolidated net result	**3,945**	**(15,869)**
Overall tax rate	**52.3%**	**N.A.**

The Group recognized lower current, prepaid and deferred tax of Euro 0.7 million compared to the previous year.

Finally, the Group reported a consolidated Net profit equal to € 3.9 million, against a consolidated Net loss of € 15.8 million at 31 March 2021. As already mentioned, Profit (loss) before taxes was affected by non-recurring financial charges of € 23.7 million relating to the refinancing transaction that took place in early 2021, which have rise to a Loss before taxes from continuing operations for € 10.8 million.

Analysis of the Statement of financial position as at 31 March 2022

The statement of Sources and Uses is reported below:

(in thousands of Euro)	31 March 2022	31 December 2021
USES		
Trade receivables and advances to suppliers	501,884	443,248
Inventories	12,454	12,743
Trade payables and contract liabilities	(442,486)	(413,374)
Net working operating capital	**71,852**	**42,617**
Other elements of working capital	(140,586)	(150,501)
Net working capital	**(68,734)**	**(107,884)**
Property, plant and equipment and assets under "finance" leases	101,323	97,319
Rights of use for operating leases	30,891	32,646
Goodwill and other intangible assets	423,596	424,185
Investments accounted for under the equity method	9,502	9,153
Other elements of non-current assets	30,324	30,857
Fixed Assets	**595,636**	**594,160**
Non-current liabilities	(53,676)	(54,293)
NET INVESTED CAPITAL	**473,226**	**431,983**
SOURCES		
Equity attributable to non-controlling interests	4,629	4,588
Equity attributable to equity holders of the parent	50,340	46,746
Shareholders' equity	**54,969**	**51,334**
Net financial indebtedness	418,257	380,649
of which fair value of call options on subsidiaries' non-controlling interests	*15,411*	*15,336*
FINANCING SOURCES	**473,226**	**431,983**

Net working capital

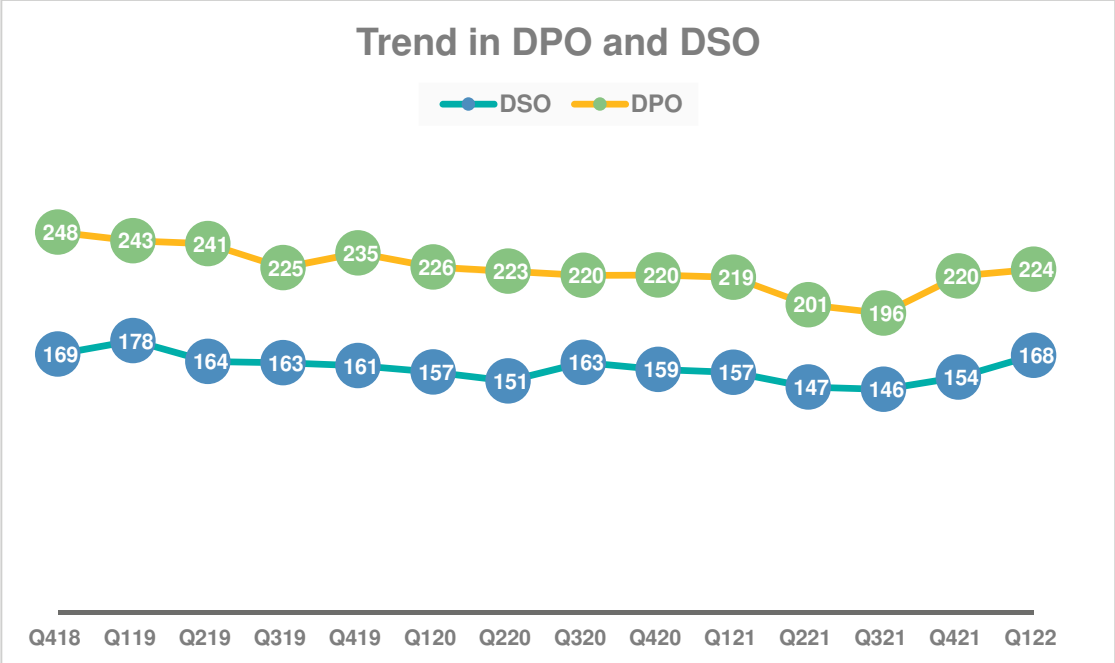
At 31 March 2022 Consolidated Net Working Capital (**NWC**) posted a negative value of € 68.7 million against a negative value of NWC of € 107.9 million at 31 December 2021.

At 31 March 2022, the consolidated Net Working Operating Capital (**NWOC**), composed of trade receivables and advances to suppliers and inventories, net of trade payables and contract liabilities, was equal to € 71.9 million against € 42.6 million at 31

December 2021. Considering the balance of receivables assigned without recourse by the Group and not yet collected by the factoring agencies (equal to € 72.8 million at 31 March 2022 and € 68.0 million at 31 December 2021) the **Adjusted NWOC** stood at € 144.6 million and € 110.6 million, respectively.

The change in the latter indicator (+ € 34.0 million) was linked to a change in the balance of trade payables (+ € 29.2 million) against a more significant increase in trade receivables (+ € 63.5 million, while considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring companies), as well as in the balance in inventories of € 0.3 million. At 31 March 2022, the Adjusted NWOC was affected by higher volumes recorded on both trade payables and receivables due to the increase recorded in energy prices.

At 31 March 2022 average DSO was 168 days against 154 days at 31 December 2021 and 157 days at 31 March 2021. Furthermore, average DPO stood at 224 days, showing an increase compared to the value posted at 31 December 2021 (220 days) and 31 March 2021 (219 days). The increase recorded both in DSO and DPO was also linked to events that involve the energy sector.



The balance of the other elements in working capital at 31 March 2022 was a net liability of € 140.6 million, down by € 9.9 million compared to a net liability of € 150.5 million at 31 December 2021:

(in thousands of Euro)	31 March 2022	31 December 2021	Change
Current tax receivables	7,867	5,278	2,589
Other current assets	30,520	24,133	6,387
Provisions for risks and charges, current	(12,218)	(12,455)	237
Other current liabilities	(166,755)	(167,457)	702
OTHER ELEMENTS IN WORKING CAPITAL	**(140,586)**	**(150,501)**	**9,915**

The change in net liability of other working capital elements compared to 31 December 2021 was attributable to a combination of factors, mainly including:

- the increase in the net VAT credit balances of the Group companies that are predominantly subject to a VAT invoicing system based on “Split payment” and “Reverse charge” (+ € 6.4 million). These credit balances allowed, during the first quarter of 2022 the performance of non-recourse assignments of the balances on account of refund required from the Tax Authorities, for a total amount of € 3.5 million;
- an increase in the balance of net current tax receivables, equal to € 7.9 million at 31 March 2022, against a net receivable of € 5.3 million at 31 December 2021.
- Furthermore, 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 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). The Company started to pay these installments on a regular basis, 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”). In 2021 the Company resumed operations to pay monthly installments, paying part of the installments suspended during the Covid-19 emergency period, even in view of the expiry of the final deadline for the suspension of payment of amounts on the tax rolls provided for by the legislative measures issued during the emergency phase (31 August 2021), which entailed in 2021 the recognition of higher collection costs on certain installments for € 0.6 million (of which € 0.2 million stated as an increase in payables and € 0.4 thousand stated among provisions for risks and charges, due to the different probability of application of the additional charge), in addition to default interest.

Other long-term liabilities

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

- defined-contribution plans for employee benefits, mainly including Employee Termination Benefits (TFR), equal to € 10.2 million and € 10.5 million at 31 March 2022 and 31 December 2021, respectively;
- long-term portion of Provisions for risks and charges (€ 25.9 million at 31 March 2022 against € 26.0 million at 31 December 2021);
- deferred tax liabilities of € 16.2 million (€ 16.4 million at 31 December 2021).

Consolidated net financial indebtedness

Details of net financial indebtedness at 31 March 2022 are shown below, compared to the figures at 31 December 2021 as determined on the basis of the instructions laid down in CONSOB Communication no. DEM/6064293 of 28 July 2006, amended as contained in Warning Notice no. 5/21 of 29 April 2021.

(in thousands of Euro)	31 March 2022	31 December 2021
A. Cash	169	160
B. Cash equivalents (c/a, bank deposits and consortia, non-proprietary accounts)	78,460	99,352
C. Other current financial assets	8,953	14,799
D. Liquidity (A) + (B) + (C)	**87,582**	**114,311**
E. Current financial liabilities	85,249	67,980
F. Current portion of non-current debt	7,984	14,097
G. Current financial indebtedness (E)+(F)	**93,234**	**82,077**
H. Current net financial indebtedness (G) - (D)	**5,652**	**(32,234)**
I. Non-current financial liabilities	49,212	49,858
J. Debt instruments	363,393	363,025
K. Trade payables and other non-current payables	0	0
L. Non-current financial indebtedness (I) + (J) + (K)	**412,606**	**412,883**
M. TOTAL FINANCIAL INDEBTEDNESS (H) + (L)	**418,257**	**380,649**

Consolidated net financial debt increased from € 380.6 million at 31 December 2021 to € 418.3 million at 31 March 2022.

Non-recourse assignments of trade receivables continued in the first quarter of 2022. The Parent Company Rekeep S.p.A. and Servizi Ospedalieri S.p.A. entered into a three-year maturity factoring agreement without recourse with Banca Farmafactoring S.p.A., concerning the non-recourse assignment of receivables, on a revolving basis, they claimed from entities in the Italian National Health System and Public Authorities, for an amount of up to € 200 million. During the first quarter of 2022 non-recourse assignments of receivables were made under this contract for € 58.7 million. The Parent Company also signed an additional uncommitted factoring agreement with Banca IFIS, concerning the non-recourse assignment of trade receivables specifically accepted for the individual transactions carried out. Receivables from private entities and Public Authorities were assigned for € 4.6 million during the period, in consideration of this contract. Furthermore, an additional line for non-recourse assignments up to € 20 million on a revolving basis is in place with Unicredit Factoring S.p.A, which is also aimed at converting credit positions into cash specifically agreed with the factor and which was also used for the assignment of receivables from private individuals for a total amount € 2.6 million during the period. Finally, spot assignments of trade receivables from public customers were carried out with Banca Sistema for € 2.9 million, as were assignments of receivables from private companies and companies in the large-scale retail trade for € 12.5 million and assignments of VAT credits requested for refund for a total of € 3.5 million. All non-recourse assignments carried out were subject to derecognition according to IFRS9.

The consolidated net adjusted financial debt for the amount of trade receivables assigned without recourse to factoring companies, which had not been collected by them at the reporting date (totaling € 72.8 million at 31 March 2022 against € 68.0 million at 31 December 2021) came to € 491.0 million against € 448.6 million at 31 December 2021.

It should be noted that financial indebtedness also included the carrying amount of future payments discounted for operating leases for € 34.9 million and € 37.1 million at 31 March 2022 and 31 December 2021, respectively, and the financial liability related to the fair value measurement of options on the minority interest of subsidiaries Rekeep Polska S.A. and Rekeep France S.a.S., which totaled € 15.4 million at 31 March 2022 (€ 15.3 million at 31 December 2021).

At 31 March 2022 the balance of Cash and cash equivalents, net of short-term credit lines (known as “Net Cash”) amounted to € 44.1 million (€ 70.1 million at 31 December 2021):

(in thousands of Euro)	**31 March 2022**	**31 December 2021**
Cash and cash equivalents	78,629	99,512
Current bank overdraft, advance payments and hot money	(14,556)	(6,140)
Obligations arising from assignments of trade receivables with recourse	(19,932)	(23,270)
NET CASH	**44,140**	**70,101**

Below is a breakdown of the net financial exposure by bank credit lines and financial leases (Net Debt) compared to 31 December 2021:

(in thousands of Euro)	31 March 2022	31 December 2021
Senior Secured Notes (nominal value)	370,000	370,000
Bank debts (nominal value)	970	1,104
Financial lease obligations	9,290	6,991
Current bank overdraft, advance payments and hot money	14,556	6,140
Obligations arising from assignments of receivables with recourse	19,932	23,270
Reverse factoring payables	17,962	9,963
GROSS DEBT	**432,710**	**417,469**
Current financial assets	(8,953)	(14,799)
Cash and cash equivalents	(78,629)	(99,512)
NET DEBT	**345,128**	**303,158**

The balance of lease liabilities showed an increase in the first quarter of 2022 following the execution of a new property lease agreement.

Furthermore, lower uses of credit lines for the assignment with recourse of trade receivables (€ 19.9 million al 31 March 2022 against € 23.3 million at 31 December 2021) were recorded against higher uses of reverse factoring lines for € 18.0 million (€ 10.0 million at 31 December 2021) and Current bank overdraft, advance payments and hot money (€ 14.6 million at 31 March 2022 and € 6.1 million at 31 December 2021).

The change in Cash and cash equivalents is analyzed in the table below, showing the cash flows for the first quarter of 2022, compared with the figures for the same period of the previous year. A reconciliation between the items in the table below and those in the statutory schedule of the Interim Report on Operations reported in the condensed Explanatory notes pursuant to IAS 7 is reported in the Annexes, to which reference should be made.

(in thousands of Euro)	2022	2021
At 1 JANUARY	**99,512**	**90,464**
Cash flow from current operations	11,846	(1,994)
Uses of provisions for risks and charges and for employee termination indemnity	(1,320)	(1,483)
Change in NWOC	(28,755)	806

Industrial Capex net of disposals	(11,405)	(7,800)
Financial Capex net of disposals	(417)	522
Change in net financial liabilities	16,724	27,391
Other changes	(7,556)	(234)
AT 31 MARCH	**78,629**	**107,672**

The overall cash flows mainly reflect:

- inflows from current operations for € 11.8 million (against outflows of € 2.0 million at 31 March 2021, which were significantly impacted by the costs of the already mentioned refinancing transaction);
- outflows from the use of provisions for future risks and charges and for employee termination benefits for € 1.3 million (€ 1.5 million at 31 March 2021);
- a cash flow of € 28.8 million (€ 0.8 million at 31 March 2021) generated from changes in NWOC resulting from an outflow correlated to an increase in trade receivables for € 58.6 million (€ 10.7 million for the first quarter of 2021) against inflows relating to a change in inventories for € 0.3 million (€ 3.3 million at 31 March 2021) and in the balance of trade payables for € 29.6 million (+ € 8.2 million at 31 March 2021);
- a cash flow of € 11.4 million used in investing activities (€ 7.8 million at 31 March 2021), net of disposals for € 0.4 million (€ 0.7 million at 31 March 2021);
- outflows from financial investments and disinvestments of € 0.4 million at 31 March 2022 generated from the deconsolidation of companies put in liquidation, against inflows of € 0.5 million at 31 March 2021, as a result of the sale of non-consolidated investments, net of a loan disbursed to an associate;
- an increase in net financial liabilities for € 16.7 million, which was mainly due to (i) other changes relating to the use of short-term credit lines for hot money and advances on invoices (+ € 8.4 million) and for assignments of trade receivables with recourse (- € 3.3 million), as well as for reverse factoring transactions(+ € 8.0 million); (ii) a higher 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 (+ € 5.7 million); (iii) the change in the balance of accrued interest (- € 6.9 million); (iv) the payment of the residual balance of dividends granted in favor of the minority shareholders of Medical Device (- € 0.8 million); (v) the partial repayment of the loan granted to the parent company MSC (+ € 6.0 million). During the first quarter of 2021 there was the recognition of an increase in net financial liabilities for € 27.4 million, mainly linked to (i) the abovementioned refinancing transaction, which entailed the recognition of a higher capital debt equal to € 36.1 million; (ii) other changes in the liability related to the use of short-term credit lines for hot money and advances on invoices (- € 0.9 million) and for assignments of trade receivables with recourse (- € 6.5 million), as well as for reverse factoring transactions(+ Euro 1,0 million); (iii) a lower liability recognized against factoring firms for amounts received on receivables that had been previously assigned without recourse and returned to them in the subsequent quarter (- € 1.9

million); (iv) an increase in the financial liability recognized on “operating” and ”finance” leases (- €1.0 million); (v) the change in the balance of accrued interest (+ € 3.3 million);

- outflows arising from other changes recorded in the period for € 7.6 million, mainly due to the net effect of: (i) the performance of the net VAT credit balance of the Group companies, which increased by € 6.4 million in the first quarter of 2022, albeit against non-recourse assignments totaling € 3.5 million; (ii) the accounting effects of the recognition of contingent liabilities connected with the options to purchase minority interests in subsidiaries (- € 0.1 million); (iii) changes in debt balances for payments due to the members of the Temporary Business Grouping for (- € 2.4 million); (iv) and an increase in payables for personnel for € 1.9 million. Other changes in the first quarter of 2021 absorbed total flows of € 0.2 million, mainly due to the net effect of: (i) the changes in the net VAT credit balance of the Group companies, which increased by € 4.2 million in the first quarter of 2021, albeit against non-recourse assignments totaling € 5.9 million; (ii) a decrease, among “Other operating current liabilities”, in the payable related to the fine imposed by the Competition Authority in relation to the FM4 Tender (- € 1.7 million); (iii) the accounting effects of the recognition of contingent liabilities due to the options of purchase subsidiaries’ minority shareholdings (put options), equal to - € 0,5 million in the period; (iv) the trend in debt balances for payments due to the members of the Temporary Business Grouping for (- € 2.8 million).

Industrial and financial Capex

In the first quarter of 2022 the Group made gross capital expenditures which totaled € 11.8 million (€ 8.6 million at 31 March 2021), from which must be deducted disinvestments of € 0.4 million (€ 0.7 million at 31 March 2021):

(in thousands of Euro)	For the quarter ended 31 March	
	2022	2021
Purchases of properties	1,996	0
Purchase of plant and equipment	7,682	7,248
Acquisitions of fixed assets under “finance” lease	1,249	116
Other capital expenditures in intangible assets	853	1,228
INDUSTRIAL CAPEX	**11,780**	**8,592**

Investments in properties fully relate to the subsidiary Servizi Ospedalieri in the first quarter of 2022.

Acquisitions of plant and equipment include the purchase of linen on the part of Servizi Ospedalieri S.p.A. for the linen rental and industrial laundering business, which requires periodic and frequent repairs, equal to € 4.0 million at 31 March 2022 against € 5.1 million at 31 March 2021.

Investments in intangible assets amounted to € 0.8 million in the period (€ 1.2 million at 31 March 2021) and mainly related to ICT investments by the Parent Company for the upgrading and enhancement of its SAP infrastructure and other similar investments.

Finally, investments in new "finance" leases for the quarter related to linen rental and industrial laundering operations of Servizi Ospedalieri S.p.A. for € 0.1 million in line with the same period of the previous year, and the execution of a property lease agreement on the part of subsidiary Medical Device for € 1.1 million.

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

(in thousands of Euro)	For the quarter ended 31 March	
	2022	2021
Facility Management	3,982	2,819
of which relating to International markets	*2,606*	*1,260*
Laundering & Sterilization	7,798	5,774
INDUSTRIAL CAPEX	**11,780**	**8,592**

Finally, cash flow from financial investments posted a negative value of € 0.4 million at 31 March 2022, which was generated from the deconsolidation of two companies that had been previously included in the Group's scope of consolidation. At 31 March 2021, cash flow from investments had posted a positive value of € 0.5 million, which was generated from the net effect of the collection of the price for the sale of an associate entity for € 0.8 million, partially absorbed by the disbursement of a loan to a non-strategic company for € 0.3 million.

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 2021	New loans	Refunds/ repayments	Buy-back/ Early redemption	Other changes	31 March 2022
Senior Secured Notes	363,025				368	363,393
Revolving Credit Facility (RCF)	0	25,000	(25,000)			0
Bank loans	1,104		(134)			970

Current bank overdraft, advance payments and hot money	6,140	14,556	(6,140)			14,556
Accrued expenses and deferred income on loans	10,473		(13,437)		6,548	3,583
BANK DEBTS	**380,742**	**39,556**	**(44,712)**	**0**	**6,916**	**382,503**
"Finance" lease obligations	6,991	1,249	1.049			9,290
"Operating" lease liabilities	37,116	678	(2,600)	(311)		34,883
Payables for assignments of trade receivables with recourse	23,270	12,858	(16,196)			19,932
Payables for reverse factoring	9,963	17,962	(9,963)			17,962
Receipts on behalf of assignees of trade receivables without recourse	14,556	20,279	(14,556)			20,279
Fair value Put option/Earn Out	15,336				75	15,411
Other liabilities	6,986	62	(1,470)			5,578
FINANCIAL LIABILITIES	**494,960**	**92,645**	**(88,447)**	**(311)**	**6,991**	**505,839**
Current financial assets	(14,799)	(261)	6,107			(8,953)
NET FINANCIAL LIABILITIES	**480,161**	**92,385**	**(82.,340)**	**(311)**	**6,991**	**496,886**

The residual debt for principal relating to the Senior Secured Notes was equal to € 370.0 million at 31 March 2022, to which must be added the accounting adjustment on the premium and additional issue costs, accounted for according to the amortized cost method (€ 6.6 million). The financial amortization of this adjustment generated financial costs for € 0.4 million in 2021.

At the same time as the issue of Notes the Company also signed a new revolving loan agreement in a maximum amount of € 75 million. The facility was partially used during the quarter in order to meet any possible temporary cash requirements, and was promptly repaid; the uses entailed a recognition of an interest financial cost of € 0.2 million in the first quarter of 2022 (while the facility had not been drawn down during the first quarter of 2021). At 31 March 2022 the RCF facility had not been drawn down.

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.

Furthermore, at 31 March 2022 there was the recognition of accrued expenses on loans in a total amount of € 4.8 million (related to the amount accrued on the bond coupon due 1 August 2022) and prepaid financial expenses of € 1.2 million, of which an amount of € 0.9 million relating to the remaining amount of costs to be amortized for obtaining the Revolving Credit Facility, for an initial amount of € 1.3 million and amortized on a straight-line basis throughout the term of the credit facility (financial charges of € 0.2 million recognized in the period).

As at the reporting date of the quarter short-term uncommitted credit lines had been used for hot money and advances on invoices for € 14.6 million (aimed at meeting peaks in temporary cash requirements linked to the natural performance of operations), against a balance of € 6.1 million at 31 December 2021. Furthermore, Rekeep S.p.A. and Servizi Ospedalieri S.p.A. used credit lines for the assignment of trade receivables with recourse with Banca Sistema, concerning receivables from customers in the Public sector. During the first quarter of 2022 assignments were made in an overall nominal amount of € 12.9 million and the lines had been used for € 19.9 million at 31 March 2022 (€ 23.3 million at 31 December 2021). The Parent Company also entered into reverse factoring lines in order to ensure a greater amount of cash on some significant suppliers, against which a liability of € 18.0 million was also recognized at 31 March 2022 (€ 10.0 million at 31 December 2021).

The Group recorded receipts of € 20.3 million at 31 March 2022 concerning receivables included in non-recourse assignments for which the respective debtors have not made any payment to the bank accounts specified by the factor. These amounts constitute a financial liability for the Group, which gave rise to the payment of said amounts in the first days of the subsequent quarter.

The financial liability relating to the discounted value of future lease payments to be made on property and operating leases amounted to € 34.5 million at 31 March 2022 against € 37.1 million at 31 December 2021. During the first quarter of the year new agreements were entered into and rentals were revalued for a present value of € 0.7 million upon recognition, while contracts with a residual value of € 0.3 million were early terminated. On the other hand, a residual debt of € 9.3 million (€ 7.0 million at 31 December 2021) was recognized against “finance” leases at 31 March 2022, of which an amount of € 5.8 million for property and equipment of the Laundering&Sterilization SBU and € 3.4 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 € 15.4 million (€ 15.3 million at 31 December 2021), 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 (€ 13.5 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 2021.

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

The balance of short-term financial assets showed a decrease of € 5.8 million in the first quarter of 2022, mainly following the partial repayment of the short-term interest-bearing upstream loan that the Parent Company Rekeep S.p.A. disbursed to the controlling company MSC Società di Partecipazione tra Lavoratori S.p.A. on the basis of the agreement signed on 5 November 2021; this loan, which constitutes a profitable alternative for the Parent Company to use available cash, had been used at the end of the period for € 4.1 million in order to meet peaks in temporary cash requirements linked to the routine work of the parent company, has a term of one year and accrues interest at 3-month EURIBOR plus spread.

At the end of the period, financial assets also included the balance of the current accounts subject to pledge used within the scope of the aforementioned agreements for the non-recourse assignment of trade receivables, for which the parent company Rekeep S.p.A. manages the collection service (Euro 2.7 million). Furthermore, residual receivables on the sale of investments of Servizi Ospedalieri S.p.A. were recognized for € 1.3 million, of which an amount of € 0.2 million in relation to the sale of the associate Fratelli Bernard S.r.l., which took place on 28 December 2021, and an amount of € 1.1 million in relation to the sale of Linea Sterile S.r.l., a non-strategic investment sold on 29 December 2020 for a total consideration of € 3.6 million (of which € 1.5 million collected upon closing and € 1.1 million collected during 2021).

3. UPDATE ON LEGAL PROCEEDINGS

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

ANAC's disqualification order - Santobono Pausilipon

On 10 November 2017 ANAC, after the completion of proceedings initiated in November 2016 following a report made by A.O.R.N. Santobono Pausilipon in Naples, imposed a sanction (the "ANAC Order") on Rekeep S.p.A. (Manutencoop Facility Management S.p.A. at that time), raising objections concerning the failure to provide a declaration relating to the absence of criminal proceedings against one of the Company's proxy holders in the documentation submitted for the same tender, which took place in 2013. On the other hand, this proxy holder met the legal requirements in full. The ANAC order provided, in addition to a fine of € 10 thousand, for the Company to be disqualified from all public tenders for a period of 6 months as from the date of entry in the computerized records of economic operators in public contracts. The Company successfully challenged the order before the Regional Administrative Court, but, within appellate proceedings brought by ANAC, the disqualification order was confirmed by the Council of State; at the end of the procedure for application of extraordinary means of appeal (appeal for review and judicial appeal to the Supreme Court), it became final on 4 December 2020 with the filing of the Supreme Court's judgment no. 27770/2020. As a result of this judgment, any suspension effect of ANAC Resolution no. 1106/2017 was therefore removed, which entails, in addition to a fine of € 10 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 had to be regarded as suspended at the time. 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, at the end of which the Council of State, by judgment no. 491/2022, filed on 25 January 2022, granted the appeal submitted by the Company against the Lazio Regional Administrative Court's judgment no. 3754/2021, annulling any effect of the order adopted by ANAC, which had already been previously suspended on a precautionary basis. Against the Council of State's ruling on 8 April 2022 the Company was served with a notice of appeal before the Supreme Court on the part of the person intervening in the proceedings before the Council of State and is waiting for the hearing to be scheduled.

Antitrust Authority's order for sanctions on the "FM4 Tender" of 2014

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

On 23 March 2017, the Competition Authority notified Rekeep S.p.A. (at that time Manutencoop Facility Management 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, the Court granted the request for the redetermination of the fine setting the relevant parameters, according to which 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 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. On 20 January 2022 discussion on the merits was held before the Council of State, which rejected the appeal submitted by the Company, by judgment filed on 9 May 2022; the Company has instructed its legal counsels to file extraordinary appeals before the Judicial Authority.

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.

A detailed report on the administrative procedures in progress and further assessments made by the Directors at the end of the reporting period of the Consolidated Financial Statements at 31 March 2021 are included in the explanatory notes (notes 13 and 14), to which reference is made.

4. SUBSEQUENT EVENTS

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

5. BUSINESS OUTLOOK

The first few months of the 2022 financial year were heavily hit by a highly uncertain national and international economic scenario due to the political and military events in Eastern Europe, which had repercussions on the economies, especially in Europe, first and foremost in terms of a generalized rise in inflation and in particular in energy prices; this climate of uncertainty had already begun during the Covid-19 emergency, which cannot yet be said to be completely over at present.

Nevertheless, the first quarter of 2022 confirmed the growth trend in revenues (LTM revenues equal to € 1,155 million at 31 March 2022 against € 1,122 million at 31 December 2021). Profit margins also reported a substantial stability, even against an increase in the price of energy materials, which constituted a significant event mainly due to the heat management services provided by the Group, the impact of which is however offset by the indexation mechanism provided for as per contract.

The generalized increase in the price of raw materials, especially energy, also affected the Group's financial performance, with an increase in Net Working Capital in particular, which, however, benefits and will benefit from the efficient working capital management actions implemented by the Group as early as from the previous financial years.

Positive signs of the Group led by Rekeep Polska and the French sub-group were confirmed on the international markets front too, achieving a good level of economic and financial performances.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	NOTES	31 March 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	3	88,680	86,375
Property, plant and equipments under lease	4	43,534	43,590
Goodwill	5-6	404,706	404,706
Other intangible assets	5	18,890	19,479
Investments accounted for under the equity method	7	9,502	9,153
Other investments	8	7,140	7,140
Non-current financial assets	8	4,708	4,702
Other non-current assets	8	2,842	3,232
Deferred tax assets		15,634	15,783
TOTAL NON-CURRENT ASSETS		**595,636**	**594,160**
CURRENT ASSETS			
Inventories		12,454	12,743
Trade receivables and advances to suppliers	9	501,884	443,248
Current tax receivables		7,867	5,278
Other current assets	9	30,520	24,133
Current financial assets	11	8,953	14,799
Cash and cash equivalents	11	78,629	99,512
TOTAL CURRENT ASSETS		**640,307**	**599,713**
Assets held for sale		0	0
TOTAL NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,235,943**	**1,193,873**

(in thousands of Euro)	NOTES	31 March 2022	31 December 2021
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		12,344	11,510
Retained earnings		(75,016)	(51,326)
Profit/(loss) for the year attributable to equity holders of the Parent		3,862	(22,588)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**50,340**	**46,746**
Capital and reserves attributable to non-controlling interests		4,546	2,985
Profit/(loss) for the year attributable to non-controlling interests		83	1,603
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		4,629	4,588
TOTAL SHAREHOLDERS' EQUITY	**10**	**54,969**	**51,334**
NON-CURRENT LIABILITIES			
Employee termination indemnity	12	10,158	10,483
Provisions for risks and charges, non-current	13	25,926	26,035
Long-term financial debt	11	412,606	412,883
Deferred tax liabilities		16,217	16,384
Other non-current liabilities		1,375	1,391
TOTAL NON-CURRENT LIABILITIES		**466,282**	**467,176**
CURRENT LIABILITIES			
Provisions for risks and charges, current	13	12,218	12,455
Trade payables and contract liabilities	15	442,486	413,374
Current tax payables		0	0
Other current liabilities	15	166,755	167,457
Bank borrowings, including current portion of long-term debt, and other financial liabilities	11	93,233	82,077
TOTAL CURRENT LIABILITIES		**714,692**	**675,363**
Liabilities directly associated with non-current assets held for sale		0	0
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL LIABILITIES		**1,235,943**	**1,193,873**

CONSOLIDATED STATEMENT OF PROFIT (LOSS) FOR THE PERIOD

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2022	31 March 2021
REVENUE			
Revenue from contracts with customers		317,022	283,981
Other revenue		604	653
TOTAL REVENUE		**317,626**	**284,634**
OPERATING COSTS			
Costs of raw materials and consumables		(93,829)	(51,682)
Change in inventories of finished and semi-finished products		70	(3,348)
Costs for services and use of third-party assets		(78,285)	(82,210)
Personnel costs		(114,684)	(112,499)
Other operating costs		(3,315)	(1,807)
Lower costs for internal work capitalized		0	26
Amortization, depreciation, write-downs and write-backs of assets	3-4-5	(9,917)	(10,240)
Accrual (reversal) to provisions for risks and charges	13	(530)	(952)
TOTAL OPERATING COSTS		**(300,490)**	**(262,712)**
OPERATING INCOME		**17,136**	**21,922**
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	7	159	1,308
Dividend and net income/(loss) from sale of investments		7	562
Financial income		251	209
Financial expenses		(9,730)	(35,165)
Gains / (losses) on exchange rate		450	326
Profit/(loss) before taxes		**8,273**	**(10,838)**
Income taxes		(4,328)	(5,046)
Profit/(loss) from continuing operations		**3,945**	**(15,885)**
Profit/(loss) from discontinued operations		0	16
Net profit (loss) for the period		**3,945**	**(15,869)**
Net profit (loss) attributable to non- controlling interests		(83)	(1,191)
NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**3,862**	**(17,060)**

	For the quarter ended	
	31 March 2022	31 March 2021
Basic earnings/(losses) per share	0.035	(0.156)
Diluted earnings/(losses) per share	0.035	(0.156)
Basic earnings/(losses) per share from continuing operations	0.035	(0.156)
Diluted earnings/(losses) per share from continuing operations	0.035	(0.156)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2022	31 March 2021
NET PROFIT/LOSS FOR THE PERIOD		**3,945**	**(15,869)**
Other components of the comprehensive income, which will be subsequently reclassified under profit/(loss) for the period:			
Differences arising from translation of financial statements in foreign currency		(466)	(458)
Share of other comprehensive income for the period of entities accounted for using the equity method, which will be subsequently reclassified under profit/(loss) for the period	7	165	(39)
Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/(loss) for the period		**(301)**	**(497)**
TOTAL PROFIT/(LOSS) IN THE STATEMENT OF COMPREHENSIVE INCOME, NET OF TAXES		**(301)**	**(497)**
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAXES		**3,644**	**(16,366)**
Equity holders of the Parent		3,595	(17,528)
Non-controlling interests		49	1,162

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2022	31 March 2021
Net profit (loss) from continuing operations		**3,945**	**(15,869)**
Income taxes for the period		4,328	5,046
Profit before taxes for the period		**8,273**	**(10,822)**
Profit/(loss) from discontinued operations for the period		*0*	*16*
Amortization, depreciation, write-downs and (write-backs) of assets		9,917	10,240
Accrual (reversal) of provisions for risks and charges		530	952
Employee termination indemnity provision		250	115
Payments of employee termination indemnity		(575)	(369)
Utilization of provisions for risks and charges		(746)	(1,114)
Share of net profit of associates, net of dividends collected		(159)	(1,308)
Financial charges (income) for the period		9,029	34,630
Operating cash flows before movements in working capital		**26,519**	**32,340**
Of which relating to discontinued operations		0	*0*
Of which relating to continuing operations		*26,519*	*32,340*
Decrease (increase) of inventories		289	3,268
Decrease (increase) of trade receivables		(58,595)	(10,686)
Decrease (increase) of other current assets		(6,366)	(5,588)
Increase (decrease) of trade payables		29,552	8,224
Increase (decrease) of other current liabilities		(56)	6,927
Change in Working Capital		(35,176)	2,145
Net interest received (paid) in the period		(9,002)	(24,881)
Income taxes paid in the period		(6,955)	(1,220)
Net cash flow from operating activities		**(24,614)**	**8,383**
(Purchase of intangible assets, net of sales)	5	(853)	(1,228)
(Purchase of property, plant and equipment)	3-4	(10,927)	(7,248)
Proceeds from sales of property, plant and equipment	3-4	375	676
(Net acquisition of investments)		(411)	776
Decrease (increase) of financial assets		6,026	(302)
Net cash flow from (used in) investing activities		**(5,790)**	**(7,326)**
Change in “finance” lease debt	11	2,299	(1,969)

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2022	31 March 2021
New (repayment of) operating leases	11	(2,911)	(124)
Proceeds from non-current borrowings	11	0	370,000
Repayment of non-current borrowings	11	(120)	(333,900)
Proceeds from/(repayment of) current borrowings	11	8,416	(931)
Other change in financial debt	11	3,173	(16,467)
Dividends distributed		(878)	0
(Acquisition)/sale of minority interests in subsidiaries		8	0
Differences from financial statements translation in foreign currency		(507)	(480)
Net cash flow from / (used in) financing activities		**9,480**	**16,130**
Changes in cash and cash equivalents		**(20,924)**	**17,186**
Cash and cash equivalents at the beginning of the period		99,512	90,464
Changes in cash and cash equivalents		(20,924)	17,186
Translation differences on cash and cash equivalents		41	22
Cash and cash equivalents at the end of the period		**78,629**	**107,672**
Details of cash and cash equivalents:			
Cash and bank current accounts		78,629	107,672
TOTAL CASH AND CASH EQUIVALENTS		**78,629**	**107,672**

SUPPLEMENTARY INFORMATION

(in thousands of Euro)	For the quarter ended	
	31 March 2022	31 March 2021
Interest paid	(9,251)	(25,089)
Interest received	250	208
Dividends paid	(878)	0

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Reserves	Retained earnings	Result for the period	Total Shareholders' equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total Shareholders' equity
1 January 2022	**109,150**	**11,510**	**(51,326)**	**(22,588)**	**46,746**	**4,588**	**51,334**
Allocation of previous year result		1,102	(23,690)	22,588	**0**		**0**
Acquisition/sale of minority interests in subsidiaries					**0**	(8)	**(8)**
Comprehensive income (loss) for the period		(269)		3,862	**3,592**	49	**3.641**
31 March 2022	**109,150**	**12,342**	**(75,016)**	**3,862**	**50,338**	**4,629**	**54,967**

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

1. GENERAL INFORMATION

The Interim Report on Operations of the Group controlled by Rekeep S.p.A. ("the Rekeep Group" or "the Group") for the quarter ended 31 March 2022 is made up of the Interim Report on Operations and of the interim condensed Consolidated Financial Statement at 31 March 2022, prepared in accordance with IAS 34 – Interim Financial Reporting. The publication of the Rekeep Group's Interim Report on Operations was authorized by a resolution passed by the Board of Directors on 17 May 2022.

On 31 March 2022 the share capital of Parent Company Rekeep S.p.A. was wholly held by the sole shareholder MSC Società di Partecipazione tra Lavoratori S.p.A. (formerly "Manutencoop Società Cooperativa"), which carries out Management and Coordination activities.

Manutencoop Società Cooperativa transformed its legal form from a cooperative company to a joint-stock company, and, in this context, changed its company name to MSC Società di Partecipazione tra Lavoratori S.p.A. (hereinafter also referred to as the "Parent Company" or "MSC") with effect from 1 February 2022. The parent company retains full continuity of its own legal relationships. Moreover, the shares representing the entire share capital of the cooperative company, which were already held by its shareholders, were proportionally converted into shares of the transformed company with equal total value.

2. ACCOUNTING STANDARDS AND BASIS OF PRESENTATION

The interim condensed Consolidated Financial Statements at 31 March 2022 comprise the Consolidated Statement of financial position, the Consolidated Statement of profit or loss for the period, the Consolidated Statement of other comprehensive income, the Consolidated Statement of Cash flows, the Consolidated Statement of changes in Shareholders' Equity and the related condensed Explanatory Notes.

After assessing any possible uncertainties surrounding the Group's ability to continue as a going concern, including financial risks described in note 17 and other market risks associated with the proceedings in progress described in notes 13 and 14, the directors decided to prepare the interim condensed Consolidated Financial Statements on a going-concern basis.

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

The interim condensed Consolidated Financial Statements at 31 March 2022 have been presented in Euro, which is the Group's functional currency. All values showed in the statements and in the explanatory notes are in thousands of Euro, unless otherwise stated.

The balance sheet values recognized in the Statements and Explanatory Notes are compared to those relating to 31 December 2021, while the income statement values, included in the Statement of other comprehensive income and those reported in the Statement of Cash Flows, are compared to those relating to the first quarter of 2021.

2.1 Statement of compliance with international accounting standards (IFRS)

The interim condensed Consolidated Financial Statements at 31 March 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed Consolidated Financial Statements do not include all information required for complete annual accounts prepared according to IAS 1: therefore, they must be read together with the Consolidated Financial Statements at 31 December 2021.

2.2 Changes in accounting standards and disclosures

The criteria adopted for the preparation of the interim condensed Consolidated Financial Statements at 31 March 2022 are consistent with those used to prepare the consolidated Financial Statements at 31 December 2021, 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 2022.

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 2022

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: Proceeds before Intended Use:* the amendment clarifies that it is impossible to deduct from the costs of property, plant and equipment any revenue arising from selling items produced in the test phase of activities. Revenues arising from selling these products and related production costs must be separately recognized through profit or loss;
- *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 2018-2020:* (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 Example.*

All amendments became effective from 1 January 2022. The adoption of these amendments has not had any significant impact on the Group's Consolidated Financial Statements.

New or revised IFRS and interpretations applicable from subsequent financial periods and not early adopted by the Group

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 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.

2.3 Discretionary assessments and significant accounting assumptions

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

Discretionary assessments

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

Uncertainty of estimates

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

Impairment test

Goodwill is subject to impairment test at least annually, or more frequently if there is an indication of potential impairment in the carrying amounts. This requires an estimate of the value in use of the CGU (cash-generating unit) to which the goodwill is allocated, in turn based on an estimate of expected cash flows from the CGU and their discounting on the basis of a suitable discount rate. At 31 March 2022 the carrying amount of the goodwill was equal to € 404,706 thousand (€ 404,706 thousand at 31 December 2021). See note 6 for more details.

Recognition of revenues and costs from contracts with customers

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

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

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

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

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

The Group holds majority interests in subsidiaries in relation to which the minority shareholders hold Put options, which can be exercised in the future at prices determined on the basis of certain parameters that require estimates from management for the purposes of reliable valuation. In this case, the correct recognition in the financial statements of the related liability requires management to make some estimates to determine the expected 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 tax and IRAP tax, as provided by IAS 34 B.14. The amounts allocated for taxes in the interim period are adjusted in subsequent interim periods of the same year pursuant to any changes in the estimated annual tax rate.

Other financial statement items

Management also needed to use estimates in determining:

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

Consolidation principles

The interim condensed Consolidated Financial Statements include the financial statements of Rekeep S.p.A. (the "Parent Company", "Rekeep S.p.A." or merely "Rekeep") and of its subsidiaries, prepared as at 31 March 2022. The financial statements of the subsidiaries have been prepared by adopting for each closing date the same accounting standards as those applied for the parent company.

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

Subsidiaries are consolidated on a line-by-line basis starting from the acquisition date, i.e. the date on which the Group acquires control, and are deconsolidated on the date in which control is transferred out of the Group. Acquisitions of subsidiaries, with the exception of those deriving from combinations of entities subject to joint control, are accounted for using

the purchase method. This involves the allocation of the cost of the business combination to the fair values of assets, liabilities and contingent liabilities acquired at the acquisition date and the inclusion of the result of the acquiree starting from the date of acquisition until the end of the financial year. If the Group loses control over a subsidiary, it eliminates the related assets (including goodwill), liabilities, minority interests and other equity components, while any gain or loss is recognized in the income statement. Any equity investment retained is recorded at fair value.

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

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Minority interests represent the portion of profits or losses and net assets not held by the Group and are disclosed under a separate item in the consolidated Statement of profit or loss for the year and in the Consolidated Statement of Financial Position under Equity items, separately from the Group's Equity.

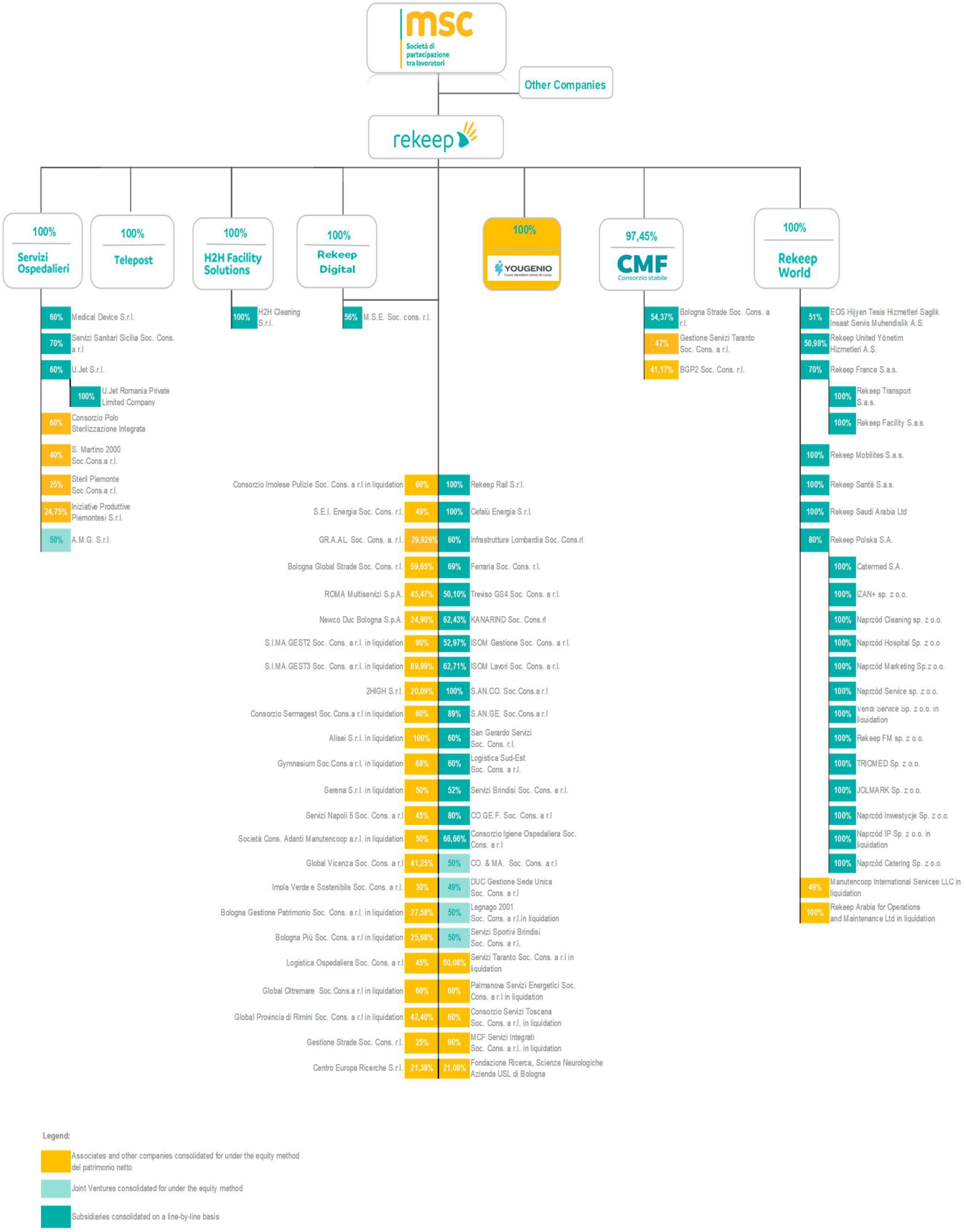
Conversion of financial statements of foreign companies

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

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

Currency	Exchange rate at 31 March 2022	Average exchange rate for the quarter ended 31 March 2022	Exchange rate at 31 December 2021	Average exchange rate for the quarter ended 31 March 2021
Romanian Leu (RON) – Romania	4.9463	4.9465	4.9490	N/A
Turkish Lira (TRY) – Turkey	16.2823	15.6725	15.2335	8.9156
Qatar Riyal (QAR)– Qatar	4.0408	4.0829	4.1227	4.3856
Saudi Arabia Riyal (SAR) – Saudi Arabia	4.0408	4.0829	4.2473	4.5182
Zloty (PLN) – Poland	4.6531	4.6230	4.5969	4.5457

The scope of consolidation at 31 March 2022 is shown below.


msc
Società di partecipazione tra lavoratori
Other Companies
rekeep
100% Servizi Ospedalieri
60% Medical Device S.r.l.
70% Servizi Sanitari Sicilia 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.
25% Steril Piemonte Soc.Cons.a r.l.
24,75% Iniziative Produttive Piemontesi S.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
97,45% CMF Consorzio stabile
54,37% Bologna Strade Soc. Cons. a r.l.
47% Gestione Servizi Taranto Soc. Cons. a r.l.
41,17% BGP2 Soc. Cons. r.l.
100% Rekeep World
51% EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.
50,98% Rekeep United Yönetim Hizmetleri A.S.
70% Rekeep France S.a.s.
100% Rekeep Transport S.a.s.
100% Rekeep Facility S.a.s.
100% Rekeep Mobilités S.a.s.
100% Rekeep Santé S.a.s.
100% Rekeep Saudi Arabia Ltd
80% Rekeep Polska S.A.
100% Catermed S.A.
100% IZAN+ sp. z o.o.
100% Naprzód Cleaning sp. z o.o.
100% Naprzód Hospital Sp. z o.o
100% Naprzód Marketing Sp.z o.o.
100% Naprzód Service sp. z o.o.
100% Vendi Service Sp. z o.o. in liquidation
100% Rekeep FM sp. z o.o.
100% TRIOMED Sp. z o.o.
100% JOLMARK Sp. z o.o.
100% Naprzód Inwestycje Sp. z o.o.
100% Naprzód IP Sp. z o.o. in liquidation
100% Naprzód Catering Sp. z o.o.
49% Manutencoop International Services LLC in liquidation
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% Cefalù Energia S.r.l.
GR.A.AL. Soc. Cons. a. r.l. 29,926% 60% Infrastrutture Lombardia Soc. Cons.rl
Bologna Global Strade Soc. Cons. r.l. 59,65% 69% Ferraria Soc. Cons. r.l.
ROMA Multiservizi S.p.A. 45,47% 50,10% Treviso GS4 Soc. Cons. a r.l.
Newco Duc Bologna S.p.A 24,90% 62,43% KANARIND Soc. Cons.rl
S.I.MA.GEST2 Soc. Cons. a r.l. in liquidation 90% 52,97% ISOM Gestione Soc. Cons. a r.l.
S.I.MA.GEST3 Soc. Cons. a r.l. in liquidation 89,99% 62,71% ISOM Lavori Soc. Cons. a r.l.
2HIGH S.r.l. 20,09% 100% S.AN.CO. Soc.Cons.a r.l
Consorzio Sermagest Soc.Cons.a r.l in liquidation 60% 89% S.AN.GE. Soc.Cons.a r.l
Alisei S.r.l. in liquidation 100% 60% San Gerardo Servizi Soc. Cons. r.l.
Gymnasium Soc.Cons.a r.l. in liquidation 68% 60% Logistica Sud-Est Soc. Cons. a r.l.
Serena S.r.l. in liquidation 50% 52% Servizi Brindisi Soc. Cons. a r.l.
Servizi Napoli 5 Soc. Cons. a r.l 45% 80% CO.GE.F. Soc. Cons. a r.l
Società Cons. Adanti Manutencoop a.r.l. in liquidation 50% 66,66% Consorzio Igiene Ospedaliera Soc. Cons. a r.l
Global Vicenza Soc. Cons. a r.l 41,25% 50% CO. & MA. Soc. Cons. a r.l
Imola Verde e Sostenibile Soc. Cons. a r.l. 30% 49% DUC Gestione Sede Unica Soc. Cons. a r.l
Bologna Gestione Patrimonio Soc. Cons. a r.l. in liquidation 27,58% 50% Legnago 2001 Soc. Cons. a r.l.in liquidation
Bologna Più Soc. Cons. a r.l in liquidation 25,68% 50% Servizi Sportivi Brindisi Soc. Cons. a r.l.
Logistica Ospedaliera Soc. Cons. a r.l 45% 60,08% Servizi Taranto Soc. Cons. a r.l in liquidation
Global Oltremare Soc.Cons.a r.l in liquidation 60% 60% Palmanova Servizi Energetici Soc. Cons. a r.l in liquidation
Global Provincia di Rimini Soc. Cons. a r.l in liquidation 42,40% 60% Consorzio Servizi Toscana Soc. Cons. a r.l. in liquidation
Gestione Strade Soc. Cons. r.l. 25% 60% MCF Servizi Integrati Soc. Cons. a r.l. in liquidation
Centro Europa Ricerche S.r.l. 21,38% 21,08% Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna
Legend:
Associates and other companies consolidated for under the equity method del patrimonio netto
Joint Ventures consolidated for under the equity method
Subsidiaries consolidated on a line-by-line basis

During the first quarter of 2022 note the following events:

- the change of name of Vendi Servis IP sp. z o.o., indirectly controlled through Rekeep Polska S.A., to Rekeep FM sp. z o.o.;
- the liquidation of Servizi Taranto Soc. Cons. a r.l. with effect from 1 January 2022, which, therefore, changed its name to Servizi Taranto Soc. Cons. a r.l. in liquidation;
- the liquidation of Palmanova Servizi Energetici Soc. Cons. a r.l. with effect from 2 March 2022, which, therefore, changed its name to Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation.

3. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in property, plant and equipment in the period ended 31 March 2022.

	Property	Plant and equipment	Total
At 1 January 2022, net of accumulated depreciation and impairment	**18,243**	**68,132**	**86,375**
Additions from acquisitions	1,996	7,682	9,678
Disposals		(375)	(375)
Depreciation	(242)	(5,513)	(5,755)
Others	(62)	(1,181)	(1,243)
At 31 March 2022	**19,935**	**68,745**	**88,680**
At 1 January 2022			
Historical cost	22,633	446,619	470,252
Accumulated depreciation and impairment losses	(5,390)	(378,487)	(383,877)
NET BOOK VALUE	**18,243**	**68,132**	**86,375**
At 31 March 2022			
Historical cost	25,567	452,745	478,312
Accumulated depreciation and impairment losses	(5,632)	(384,000)	(389,632)
NET BOOK VALUE	**19,935**	**68,745**	**88,680**

The additions from acquisitions recognized for the first quarter of the year refer to the linen in the Laundering & Sterilization segment for € 4,005 thousand, to the purchases of other machinery and specific equipment for € 3,677 thousand and the purchase of a property on the part of the subsidiary Servizi Ospedalieri S.p.A. for a total of € 1,996 thousand.

Disposals were also made for € 375 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.

4. PROPERTY, PLANT AND EQUIPMENT UNDER LEASE

The table below shows the changes in property, plant and equipment under lease in the year ended 31 March 2022.

	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 2022, net of accumulated depreciation and impairment	**4,012**	**6,931**	**25,287**	**7,360**	**43,590**
Additions from acquisitions	1,143	106	222	456	1,927
Early termination			(307)	(5)	(312)
Depreciation	(27)	(495)	(984)	(734)	(2,240)
Others		973	(9)	(395)	569
At 31 March 2022	**5,128**	**7,515**	**24,209**	**6,682**	**43,534**
At 1 January 2022					
Historical cost	4,822	13,723	51,585	32,705	102,834
Accumulated depreciation and impairment losses	(810)	(6792)	(26,297)	(25,345)	(59,244)
NET BOOK VALUE	**4,012**	**6,931**	**25,287**	**7,360**	**43,590**
At 31 March 2022					
Historical cost	5,965	14,802	51,491	32,761	105,018
Accumulated depreciation and impairment losses	(837)	(7,287)	(27,281)	(26,079)	(61,485)
NET BOOK VALUE	**5,128**	**7,515**	**24,209**	**6,682**	**43,534**

Property, plant and equipment under "finance" lease reported changes during the first quarter of the year, which were due to depreciation for the period, as well as to the execution of a new property lease agreement on the part of the subsidiary Medical Device S.r.l. for € 1,143 thousand and the execution of new lease agreements relating to linen of Servizi Ospedalieri for a total of € 106 thousand.

Property, plant and equipment under operating lease, stated as "Rights of use on Properties" and "Rights of use on plant and machinery" showed an increase, during the first quarter of the year, as a result of the execution of new property lease agreements for € 222 thousand and new long-term hire of vehicles that make up the corporate fleets and equipment of the Group for € 456 thousand. Furthermore, there was the early termination of some lease and long-term hire agreements for a total of € 312 thousand.

5. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the period ended 31 March 2022.

	Other intangible assets	Goodwill	Total
At 1 January 2022, net of accumulated amortization and impairment	**19,479**	**404,706**	**424,185**
Additions from acquisitions	853		853
Amortization	(1,455)		(1,455)
Others	13		13
At 31 March 2022	**18,890**	**404,706**	**423,596**
At 1 January 2022			
Historical cost	129,853	407,023	536,877
Accumulated amortization and impairment losses	(110,375)	(2,318)	(112,692)
NET BOOK VALUE	**19,479**	**404,706**	**424,185**
At 31 March 2022			
Historical cost	130,719	407,023	537,743
Accumulated amortization and impairment losses	(111,830)	(2,318)	(114,147)
NET BOOK VALUE	**18,890**	**404,706**	**423,596**

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

Other intangible assets, amounting to € 18,890 thousand at 31 March 2022, mainly consist of investments in software carried out as part of the projects aimed at upgrading and enhancing the corporate information systems. The additions from acquisitions for the period (€ 853 thousand) were mainly attributable to Parent Company Rekeep S.p.A. and relating to the implementation and upgrading of software platforms used by the Group.

6. IMPAIRMENT TEST OF GOODWILL

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

SBU – Facility management

The SBU is identified with:

- Rekeep S.p.A.;
- H2H Facility Solutions S.p.A.;
- Telepost S.r.l., 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 active in the same segment in Italy.

The table below sets forth the carrying amounts of the goodwill recognized in the interim condensed Consolidated Financial Statements at 31 March 2022, broken down into the different CGUs.

	31 March 2022	31 December 2021
Goodwill allocated to Facility Management CGU	388,752	388,752

of which International markets	*34,514*	*34,514*
Goodwill allocated to Laundering & Sterilization CGU	15,954	15,954
CONSOLIDATED GOODWILL	**404,706**	**404,706**

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

On 31 March 2022 the Directors did not report any risk of impairment on the value of the cash generating units, including after considering the headroom noted in the sensitivity analyses and stress tests conducted at the reporting date of the Consolidated Financial Statements at 31 December 2021, which support the recoverability of consolidated assets even in the presence of any possible risk of significant amount. Therefore, have been not proceed with any formal update of impairment tests at 31 December 2021.

7. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

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

At 31 March 2022 the net book value of investments valued at Equity reported a net amount of € 9,117 thousand, against a net amount of € 8,779 thousand at the end of the previous year.

	Net Assets 31 March 2022	Net Assets 31 December 2021
Investments valued for under the Equity method	9,502	9,153
Provision for risks on investments	(385)	(374)
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**9,117**	**8,779**

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

During the first quarter of 2022 investments accounted for under the equity method recorded a positive result of € 159 thousand, for the share attributable to the Group, as a result of the recognition of income from equity investments of € 163 thousand and write-downs of € 4 thousand. Furthermore, positive effects were recognized directly in the consolidated Equity to an overall amount of € 165 thousand.

8. OTHER NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets at 31 March 2022 and at 31 December 2021:

	31 March 2022	31 December 2021
Other investments	7,140	7,140
Non-current financial assets	4,708	4,702
Other non-current assets	2,842	3,232
OTHER NON-CURRENT ASSETS	**14,690**	**15,074**

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

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

Non-current financial assets, amounting to € 4,708 thousand at 31 March 2022 (€ 4,702 thousand at 31 December 2021), are composed of:

- € 1,506 thousand of non-current financial receivables due from associates, affiliates and joint ventures (€ 1,501 thousand at 31 December 2021). The face value of these receivables is € 1,532 thousand, while the provision for discounting amounts to € 26 thousand (€ 1,527 thousand and € 26 thousand at 31 December 2021, respectively). Some of these are non-interest bearing since they were drawn down proportionally from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying EURIRS as the reference interest rate, plus a spread;
- € 3,101 thousand of non-current financial receivables from third parties, which remained unchanged compared to 31 December 2021 (€ 3,100 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 2021);
- € 101 thousand of securities held to maturity, which remained unchanged compared to 31 December 2021.

Furthermore, the item is composed of security deposits related to long-term manufacturing contracts for € 1,973 thousand (€ 2,083 thousand at 31 December 2021) and long-term prepaid expenses relating to certain job orders for € 524 thousand (€ 818 thousand at 31 December 2021).

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

The following table includes the breakdown of Trade receivables and advances to suppliers and Other current operating receivables at 31 March 2022 and 31 December 2021:

	31 March 2022	of which from related parties	31 December 2021	of which from related parties
Contract assets	30,461		32,177	
Trade receivables, gross	463,070		407,197	
Allowance for doubtful accounts	(19,059)		(18,546)	
Trade receivables from third parties	**474,472**	**0**	**420,828**	**0**
Trade receivables from MSC Società di Partecipazione tra Lavoratori S.p.A.	161	161	38	38
Trade receivables from Rekeep Group companies	15,611	15,611	12,136	12,136
Trade receivables from Affiliates and Joint Ventures	5,774	5,774	4,649	4,649
Trade receivables from Group	**21,516**	**21,516**	**16,823**	**16,823**
Advances to suppliers	5,896	1	5,597	2
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**501,884**	**21,517**	**443,248**	**16,825**
Other tax receivables due within 12 months	16,919		10,984	
Other current receivables from third parties	8,628		8,636	
Short-term receivables from social security institutions	1,036		990	
Short-term receivables from employees	259		422	
Other current assets from third parties	**26,842**	**0**	**21,032**	**0**
Current assets from MSC Società di Partecipazione tra Lavoratori S.p.A.	38	38	20	20
Current assets from associates	202	202	210	210
Current assets from affiliates	47	47	47	47

Other current assets from Group	**287**	**287**	277	277
Accrued income	422		794	
Prepaid expenses	2,969		2,030	
Accrued income and prepaid expenses	**3,391**	**0**	**2,824**	**0**
OTHER CURRENT ASSETS	**30,520**	**287**	**24,133**	**277**

The balance of trade receivables and advances to suppliers, which also includes contract assets, amounted to € 501,884 thousand at 31 March 2022, showing an increase of € 58,636 thousand compared to the amount at 31 December 2021 (€ 443,248 thousand).

The change in question was mainly due to an increase of € 55,873 thousand in trade receivables from third parties and an increase of € 4,693 thousand in receivables from other Group companies. Finally, the value of contract assets recorded a decrease of € 1,716 thousand, while the value of the provision for bad debts showed an increase of € 513 thousand.

The Group continued to hold contracts for the non-recourse assignment of trade receivables from third parties during 2022. 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 was renewed for further three years on 14 January 2022) concerning the non-recourse assignment 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 € 300 million (the amount increased from € 200 million in the contract of 2018 to € 300 million in the contract of January 2022). On 27 June 2018 the Parent Company also signed an uncommitted factoring agreement with Banca IFIS, intended for the non-recourse assignment of trade receivables specifically accepted for the individual transactions carried out. On 18 December 2018 the Parent Company obtained an additional credit line for non-recourse assignments of up to Euro 20 million, which was increased up to € 40 million on a revolving basis with Unicredit Factoring S.p.A. and which was also aimed at the disinvestment of credit positions specifically agreed with the factor. The Parent Company also signed an uncommitted factoring agreement with Carrefour Italia Finance S.r.l. for the non-recourse assignment of trade receivables claimed from the Carrefour Group companies on 22 March 2019 and an additional uncommitted agreement with MB Facta S.p.A. on 4 December 2019 for the non-recourse assignment of trade receivables claimed from the Telecom Group. Finally, spot assignments were made to Banca Sistema S.p.A. and Prime Revenue Inc..

The assignments made during the period are summarized below:

	Assignments made in the period ended 31 March 2022	**Balance of trade receivables assigned without recourse and not yet collected by the Factor**
Banca Farmafactoring S.p.A.	58,730	45,246

Banca IFIS S.p.A.	4,579	9,930
Unicredit Factoring S.p.A	2,614	4,612
Carrefour Italia Finance S.r.l.	5,228	3,384
MB FACTA S.p.A.	3,268	3,640
Banca Sistema S.p.A.	2,910	2,634
Prime Revenue Inc.	3,958	3,337
TOTAL NON-RECOURSE ASSIGNMENTS	**81,286**	**72,783**

In all assignments, the assigned trade receivables were subjected to derecognition according to IFRS 9 in consideration of the characteristics of the transactions and entailed interest discount costs totaling € 606 thousand.

Finally, trade receivables from the Group amounted to € 21,516 thousand (€ 16,823 thousand at 31 December 2021), in addition to advances for € 1 thousand (€ 2 thousand at 31 December 2021). For more details, reference should be made to Annex III – Related-Party transactions.

A specific provision for bad debts was recognized in connection with non-performing loans, which are difficult to fully recover, amounting to € 19,059 thousand at 31 March 2022 (€ 18,546 thousand at 31 December 2021). Below are the changes for the period:

	31 December 2021	Increases	Uses	Releases	Others	31 March 2022
Provision for bad debts	**18,546**	544	(169)	(77)	215	**19,059**

Other current assets, equal to € 30,520 thousand (€ 24,133 thousand at 31 December 2021), showed a total increase of € 6,387 thousand for the year.

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

- tax receivables, mostly including receivables relating to the VAT payments made by the Group companies (€ 13,863 thousand against € 7,820 thousand at 31 December 2021), which systematically show a credit balance given the widespread application of the regulations governing “Split-payment” and “Reverse charge” to the cycle of purchasing and sales invoicing. Non-recourse assignments of VAT receivables held by some Group companies were made during 2022 for a nominal total amount of € 3,546 thousand;
- receivables for credit balances of current accounts held at Unicredit, managed in the name and on behalf of INPDAP (Social Security Institute for employees in public administration), as envisaged in a property management contract entered into with the aforementioned authority, for € 2,172 thousand. At present some restrictions have been placed on

said accounts as a result of the dispute that has arisen with INPDAP. Therefore, for the purposes of an accurate presentation, it was deemed appropriate to classify said item under *Other current receivables*, instead of cash and cash equivalents.

10. SHARE CAPITAL AND RESERVES

	31 March 2022	31 December 2021
Share Capital – Ordinary shares	109,150	109,150

Ordinary shares have a nominal value of Euro 1 each. Ordinary shares issued and fully paid up at 31 March 2022 amounted to 109,149,600.

The Parent Company does not hold own shares.

Reserves and Retained Earning

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

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

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

	Share premium reserve	Legal reserve	Reserves for effects on SE of equity-accounted companies	Translation reserve	SORIE reserve	Other reserves	Total reserves
31 December 2020	**145,018**	**21,830**	**3,431**	**873**	**(5,126)**	**(152,972)**	**13,054**
Allocation of profits of previous years				(873)	39	0	(834)
Economic effects accounted for in equity			283	(1,165)	172		(710)
31 December 2021	**145,018**	**21,830**	**3,714**	**(1,165)**	**(4,916)**	**(152,972)**	**11,510**

	Share premium reserve	Legal reserve	Reserves for effects on SE of equity-accounted companies	Translation reserve	SORIE reserve	Other reserves	Total reserves
Allocation of profits of previous years				1,102			1,102
Economic effects accounted for in equity			165	(433)			(268)
31 March 2022	**145,018**	**21,830**	**3,879**	**(496)**	**(4,916)**	**(152,972)**	**12,344**

The table below shows changes in *Retained earnings*:

	Accumulated profits (losses) of the Parent Company	Consolidation reserve	Total retained earnings
31 December 2020	**3,809**	**26,477**	**30,286**
Allocation of profits of previous years		(81,612)	(81,612)
31 December 2021	**3,809**	**(55,135)**	**(51,326)**
Allocation of profits of previous years		(23,690)	(23,690)
31 March 2022	**3,809**	**(78,825)**	**(75,016)**

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

	31 March 2022	31 December 2021
Equity attributable to minority interests	**4,629**	**4,588**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	(304)	(267)
Other subsidiaries and consortia	4,933	4,855

	31 March 2022	31 December 2021

Profit attributable to minority interests	**83**	**1,603**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	(3)	258
Other subsidiaries and consortia	87	1,345

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

Rekeep World S.r.l., the Group's sub-holding company dedicated to the development of the international market, holds a stake of 70% in the capital of Rekeep France S.a.s. and a stake of 80% if the capital of the Polish company Rekeep Polska. There is no recognition of equity attributable to minority interests of these subsidiaries since there is a put option in favor of the minority shareholders which is recognized as a financial liability in the Consolidated Financial Statements. During 2018 EOS, a Turkish company in which Rekeep World S.r.l. acquired a majority stake against a stake of 49% held by local partners, and Rekeep United, a Turkish company which was jointly established with local partners holding 49.02% of the share capital, were consolidated for the first time. The valuation of the stake pertaining to minority shareholders was accounted for as an increase in the Shareholders' Equity of non-controlling interests for the year.

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

11. FINANCIAL INDEBTEDNESS

Net financial indebtedness amounted to € 418,257 thousand at 31 March 2022, against € 380,649 thousand at 31 December 2021.

Below is the breakdown by item of financial statements:

	31 March 2022	31 December 2021
Long-term financial debt	412,606	412,833
Bank borrowings, including current portion of long-term debt and other financial liabilities	93,233	82,077
Gross financial indebtedness	**505,839**	**494,960**
Medium/long-term derivatives	0	0
Total gross debt	**505,839**	**494,960**
Cash and cash equivalents	(78,629)	(99,512)
Current financial assets	(8,953)	(14,799)
Financial indebtedness	**418,257**	**380,649**

Current and non-current financial liabilities

The tables below set forth the qualitative breakdown by current and non-current financial liabilities at 31 March 2022 and 31 December 2021.

	31 March 2022	within 1 year	from 1 year to 5 years	after 5 years
Senior Secured Notes	363,393		363,393	
Artigiancassa loan	958	239	718	
Other bank loans	12	12		
Prepaid interest expenses	(1,204)	(762)	(442)	
Accrued interest expenses	4,787	4,787		
Long-term bank borrowings and current portion of long-term bank borrowings	**367,947**	**4,277**	**363,670**	**0**
Current account overdrafts, advance payments and hot money	14,556	14,556		
"Finance" lease obligations	9,290	2,946	5,686	658
Financial liability for "operating" leases	34,883	6,640	20,508	7,734
Loans from syndicated shareholders	380	380		
Loan from Parent Company MSC Società di Partecipazione tra Lavoratori S.p.A.	14	14		
Other financial liabilities	4,072	3,182	890	
Obligations from assignments of trade receivables with recourse	19,932	19,932		

	31 March 2022	within 1 year	from 1 year to 5 years	after 5 years
Amounts collected on behalf of assignees of trade receivables	20,279	20,279		
Obligations arising from reverse factoring transactions	17,962	17,962		
Options on subsidiaries' minority shareholdings	15,411	1,952	13,459	
TOTAL FINANCIAL LIABILITIES	**505,839**	**93,233**	**404,213**	**8,392**

	31 December 2021	within 1 year	from 1 year to 5 years	after 5 years
Senior Secured Notes	363,025		363,025	
Artigiancassa loan	1,077	239	838	
Other bank loans	27	27		
Prepaid interest expenses	(1,253)	(531)	(722)	
Accrued interest expenses	11,726	11,726		
Long-term bank borrowings and current portion of long-term bank borrowings	**374,602**	**11,461**	**363,141**	**0**
Current account overdrafts, advance payments and hot money	6,140	6,140		
"Finance" lease obligations	6,991	2,105	4,147	738
Financial liability for "operating" leases	37,116	6,841	21,829	8,446
Loans from syndicated shareholders	603	603		
Loan from Parent Company MSC Società di Partecipazione tra Lavoratori	75	75		
Other financial liabilities	4,317	3,120	1,197	
Obligations from assignments of trade receivables with recourse	23,270	23,270		
Amounts collected on behalf of assignees of trade receivables	14,556	14,556		
Obligations arising from reverse factoring transactions	9,963	9,963		
Options on subsidiaries' minority shareholdings	15,336	1,952	13,384	
Debt for the acquisition of investments / business units	1,112	1,112		
Debt for dividends to other Shareholders	878	878		
TOTAL FINANCIAL LIABILITIES	**494,960**	**82,077**	**403,698**	**9,185**

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 at the reporting date of these Financial Statements.

As at 31 March 2022 the financial charges accrued on the bond coupons amounted to € 6,508 thousand against € 6,900 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) in the first quarter of the previous year. The upfront fees relating to the issue of Senior Secured Notes, accounted for according to the amortized cost method in accordance with IFRS 9, entailed the recognition of financial amortization charges of € 368 thousand during the first quarter of 2022 (€ 6,088 thousand, of which € 5,817 thousand related to the write-off of the remaining amount still to be amortized on the Notes paid off, in the first quarter of 2021).

Super Senior Revolving Credit Facility (RCF)

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

The Super Senior Revolving loan agreement provides for compliance with a financial covenant, which is preliminary to the possible use of the line granted. This financial covenant is in line with the market practice for similar financing transactions and is recognized on a quarterly basis on the basis of the data relating to the last 12 months, as resulting from the financial position, results of operations and cash flows approved during the quarter prior to the date of the application for use of the credit facility. On the reporting date of these financial statements the financial covenants had been complied with.

The facility was partially drawn down during the first quarter in order to meet temporary cash requirements (if any), and promptly repaid: the RCF facility had not been drawn down at 31 March 2022. The temporary partial uses entailed the charging of financial costs equal to € 185 thousand accrued for the time being.

Prepaid interest expenses

At 31 March 2022 the Company recognized prepaid interest expenses of € 1,204 thousand (€ 1,253 thousand at 31 December 2021). The item mainly relates to the arrangement fee initially incurred by Rekeep S.p.A. for the execution of the Super Senior Revolving (RCF) loan agreement, initially equal to € 1,260 thousand). These costs will be amortized on a straight-line basis throughout the term of the credit line and amortization charges of € 211 thousand were recognized in the first quarter of 2022 (€ 311 thousand in the same period of the previous year, of which € 264 thousand related to the write-off of the remaining amount still to be amortized on the previous RCF line, paid at the same time as the new bond issue).

Accrued interest expenses

At 31 March 2022 accrued interest expenses were recognized for € 4,787 thousand (€ 11,726 thousand at 31 December 2021), of which € 4,694 thousand relating to the coupon of the Senior Secured Notes due 1 August 2022 (€ 11,624 thousand at 31 December 2021).

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 30 September of each year. As at 31 March 2022 an additional installment of € 120 thousand was repaid, thus achieving the residual debt of this loan from € 1,077 thousand at 31 December 2021 to € 958 thousand at 31 March 2022.

Other bank loans

Other bank loans amounted to € 12 thousand at 31 March 2022 (€ 27 thousand at 31 December 2021).

Current account overdraft, advance payments and hot money

At 31 December 2021 this item showed a balance of € 14,556 thousand, against an amount of € 6,140 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 (according to the classification of the previous standard IAS17) 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. and some companies in the Polish sub-group. In particular, they refer to motor vehicles and plant and machinery, mainly relating to Servizi Ospedalieri S.p.A. that uses them in the laundering and sterilization production processes, and to the Rekeep Polska Group. New finance lease agreement were signed for € 1,249 thousand during 2022.

Financial liability for "operating" leases

As at 31 March 2022 financial liability for operating leases (according to the classification of the previous standard IAS17) amounted to € 34,883 thousand against € 37,116 thousand at 31 December 2021. Specifically, during 2022 there were early termination transactions of agreements concerning property leases and long-term hire of vehicles and equipment, equal to € 312 thousand and increases for the execution of new agreements equal to € 678 thousand.

Syndicated loans

This item refers to financing provided by the consortium members, which are minorities in the consortium companies included within the scope of consolidation, since they are owned or held in joint venture at 50%. In certain cases, these loans are non-interest-bearing loans and are repayable on request. In other cases, they have a contractually defined maturity and, in others, they do not have a contractually defined maturity but will essentially be repayable at the end of the long-term service contract,

on the basis of which the consortium company was established. At 31 March 2022 the overall balance of these loans amounted to € 380 thousand (€ 603 thousand at 31 December 2021).

Due to factoring agencies

This item includes receipts from customers on receivables assigned within the factoring of trade receivables without recourse. The amounts collected, equal to € 20,279 thousand at 31 March 2022, were transferred to the factor in the month after the end of the period.

Obligations from assignments of receivables with recourse

During 2020 Rekeep S.p.A. and Servizi Ospedalieri entered into an agreement for the assignment with recourse of trade receivables with Banca Sistema S.p.A. concerning receivables from Public Authorities.

In 2022 assignments with recourse were made with regard to trade receivables at a nominal value of receivables of € 12,858 thousand, while the exposure was equal to € 19,932 thousand at 31 March 2022 (€ 23,270 thousand at 31 December 2021).

Obligations arising from reverse factoring transactions

As from 2020 the Parent Company Rekeep S.p.A. entered into some reverse factoring lines which ensure a greater amount of overdraft facilities with respect to payments to some suppliers. The overall exposure amounted to € 17,962 thousand at 31 March 2022.

Options on subsidiaries' minority shareholdings

The options on subsidiaries' non-controlling interests were recognized for an amount of € 15,411 thousand at 31 March 2022 (€ 15,336 thousand at 31 December 2021).

Of these an amount of € 13,459 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. This option may be exercised between 30 October 2024 and 30 October 2025.

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 31 March 2022 (unchanged compared to 31 December 2021), 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.

Debts for the acquisition of investments/business units

This item amounted to € 1,112 thousand at 31 March 2022 (the same amount posted at the end of the previous year), of which € 1,046 thousand relating to the deferred price paid at closing for the acquisition of the majority investment of the subsidiary U.Jet S.r.l., which took place on 1 June 2021.

The residual portion of the item related to payables for the acquisition of minority interests of other companies.

Other financial liabilities

As at 31 March 2022 other financial liabilities were recorded for € 4,072 thousand, against € 4,317 thousand at 31 December 2021.Other financial liabilities include a loan of € 2,160 thousand (€ 2,408 thousand at 31 December 2021) 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 U.Jet S.r.l. for € 1,675 thousand (€ 1,677 thousand at 31 December 2021).

Current and other financial assets

As at 31 March 2022 Current and other financial assets amounted to € 8,953 thousand (€ 14,799 thousand at 31 December 2021) and mainly included:

- The balance of the upstream loan, equal to € 4,057 thousand (€ 10,037 thousand at 31 December 2021), was disbursed by the Parent Company Rekeep S.p.A. to the controlling company MSC Società di Partecipazione tra Lavoratori S.p.A. (formerly Manutencoop Società Cooperativa), in accordance with the agreement signed on 5 November 2021. The loan has an annual term and accrues interest equal to 3-month EURIBOR plus a spread;
- the short-term share, equal to € 1,104 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 (unchanged compared to 31 December 2021);
- the balance of pledged current accounts dedicated to the operation of the service for managing receipts within the scope of non-recourse assignments of trade receivables, equal to € 2,734 thousand (€ 2,548 thousand at 31 December 2021);
- an overall amount of € 524 thousand of receivables for short-term loans and financial accounts held with non-consolidated Group companies (€ 608 thousand at 31 December 2021).

12. EMPLOYEE TERMINATION INDEMNITY (TFR)

Below are the changes in the liabilities relating to Employee Termination Indemnity (TFR) in the first quarter of 2022, compared with changes in the same period of the previous year.

	For the quarter ended	
	31 March 2022	31 March 2021
AT 1 JANUARY	**10,483**	**11,267**
Additions for business combinations	0	0
Current service cost	248	103
Interest costs on benefit obligations	1	12
Benefits paid	(575)	(369)
Net actuarial (gains)/ losses	0	0
Other changes	1	1
IFRS5 Reclassification	0	0
AT 31 MARCH	**10,158**	**11,013**

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

	For the quarter ended	
	31 March 2022	31 March 2021
Current service cost	249	103
Interest costs on benefit obligations	1	12
Net cost of the benefits recognized through profit or loss	**250**	**114**
Net actuarial (gains)/ losses recognized in equity	0	0
TOTAL NET BENEFIT COSTS	**250**	**114**

Below are reported the data relating to the average number of the Group's employees and of the workers provided to the Group by MSC Società di Partecipazione tra Lavoratori S.p.A.:

	For the quarter ended	
	31 March 2022	31 March 2021
Executives	71	68
Office workers	1,699	1,655
Manual workers	25,121	26,186
AVERAGE STAFF	**26,891**	**27,908**

The average number of leased employees provided to the Group by MSC Società di Partecipazione tra Lavoratori S.p.A. was equal to no. 283 units at 31 March 2022 (at 31 March 2021: no. 335 units).

13. PROVISIONS FOR RISKS AND CHARGES

The breakdown and changes in the provisions for risks and charges for the period ended 31 March 2022 are shown below:

	Risks on investments	Risks on job orders	Pending legal disputes	Tax litigation	Agents' indemnity leave	Termination employee benefits	Other provisions	Total
At 1 January 2022	**374**	**10,259**	**24,306**	**448**	**299**	**581**	**2,222**	**38,490**
Accruals		150	697				4	852
Uses		(78)	(635)	(2)			(31)	(746)
Reversals		(263)	(59)					(322)
Others	11	(142)						**(131)**
At 31 March 2022	**385**	**9,927**	**24,309**	**446**	**299**	**581**	**2,196**	**38,144**
At 31 March 2022:								
Current	*385*	*9,213*	*652*	*446*	*0*	*581*	*940*	*12,217*
Non-current	*0*	*714*	*23,657*	*0*	*299*	*0*	*1,256*	*25,927*
At 31 December 2021:								
Current	*374*	*9,545*	*551*	*447*	*0*	*581*	*957*	*12,455*
Non-current	*0*	*714*	*23,755*	*1*	*299*	*0*	*1,266*	*26,035*

Provision for risks on investments

The item, amounting to € 385 thousand (€ 374 thousand at 31 December 2021), includes the provision for unrecoverable future losses of Group companies and related for € 110 thousand to the subsidiary Alisei S.r.l. in liquidation, for € 96 thousand to the

subsidiary Manutencoop International Services LLC in liquidation and for € 169 thousand to the subsidiary Yougenio S.r.l. in liquidation.

Provision for risks on job orders

This provision includes, at consolidated level:

- estimated risks relating to potential disputes with customers, on the report of works;
- estimated penalties charged by customers;
- estimated costs to complete job orders, in respect of which no additional revenues will be paid;
- the balance amounted to € 9,927 thousand at 31 March 2022 (€ 10,259 thousand at 31 December 2021), down by € 332 thousand against accruals of € 150 thousand and uses and releases of € 340 thousand, as well as other changes of € 142 thousand.

Provisions for pending legal disputes

At the reporting date of the financial statements, the risk was assessed for the Group to be required to pay future compensation in the event of losing cases in legal actions pending with customers, suppliers, employees and others. During the period ended 31 March 2022, the provision, totaling € 24,309 thousand (€ 24,306 thousand at 31 December 2021), reported increases for accruals for € 697 thousand and decreases for uses and releases totaling € 694 thousand.

Provisions were recognized to hedge the risks involving the Parent Company Rekeep S.p.A. for € 697 thousand. Uses and reversals for the period, which were all attributable to the Parent Company, relate to the use of provisions set aside in previous years against the settlement of disputes with suppliers and of actions with other persons or entities.

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

On 7 January 2017 the Company served on 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). Both the Regional Administrative Court and the Council of State have confirmed the order of exclusion and, mostly recently, by the Supreme Court, which, by an order published on 22 December 2021, rejected the judicial appeal submitted by the Company. In the meantime, Consip S.p.A. asked the guarantors to enforce the guarantees (bid bonds) provided in the interest of Rekeep for the Consip Sanità tender (equal to € 10.4 million) and Consip Caserme (equal to € 3.4 million. Rekeep S.p.A., with independent appeals and additional grounds, challenged these measures before the Lazio Regional Administrative Court, which rejected the appeals. By an order dated 22 March 2021 the Council of State granted the preliminary request submitted by the Company and suspended the enforcement of the judgment that had been appealed against; 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 scheduled on 24 March 2021, the Court ordered for the summary procedure to be converted into ordinary procedure and for the parties' to appear at the hearing scheduled on 16 December 2021, which was rescheduled on 21 September 2022.

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, postponing the discussion on the merits to the hearing scheduled on 7 June 2022.

The Consip Sanità, Consip Caserme and Consip Musei tenders did not generate consolidated Revenues until 31 March 2022 and were not included in the consolidated backlog at 31 March 2022.

In the Interim Condensed Consolidated Financial Statements at 31 March 2022 the Directors already decided to maintain the provisions for future charges (equal to € 17.5 million), also taking account of the risk of enforcement of the abovementioned performance bond and bid bonds and despite the fact that Rekeep S.p.A. could submit sound arguments against the enforcement of the bonds in court.

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

On 23 March 2017, the Competition Authority notified Rekeep S.p.A. (Manutencoop Facility Management S.p.A. at the time) 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 S.c.a.r.l. to ascertain whether those companies put in place a possible anti-competitive agreement whose subject matter consisted of the coordination of the procedures for taking part in the tender called by Consip in 2014 for awarding the Facility Management services intended for properties mainly for office use of the Public Administration (known as "FM4 Tender"). On 9 May 2019, after the completion of the abovementioned proceedings, the Competition Authority served the final order, considering the existence of the agreement restricting competition between some of the abovementioned companies and imposing a fine 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, the Regional Administrative Court granted the request for redetermination of the fine setting the parameters. Subsequently, 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 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. On 20 January 2022, discussion on the merits was held before the Council of State which rejected the appeal submitted by the Company, by judgment filed on 9 May 2022.

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. The Company has appointed its legal counsels to file extraordinary appeals before the Judicial Authority.

The various orders issued over time have however had an impact on the financial statements. As at 31 December 2019, waiting for the developments of the proceedings on the merits, the Company took 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, 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. On 22 December 2020 the Revenue Agency sent the related updated installment plan, deducting three installments already paid as deposit for € 3,010 thousand. Furthermore, the amount of the debt stated in the accounts at 31 December 2020 also included, in addition to the amount of the fine, surcharges and collection costs (equal to 3% of the amount of debt entered in the taxpayers' list) for € 2,612 thousand. Finally, it should be noted that the Company resumed operations to pay monthly installments during 2021, paying part of the installments suspended during the Covid-19 emergency period, even in view of the expiry of the final deadline for the suspension of payment of the amounts due as provided for by the legislative measures issued during the emergency phase (31 August 2021) and which entailed in 2021 the recognition of higher collection costs on certain installments for € 606 thousand (of which € 255 thousand recognized as an increase in the debt and € 351 thousand recognized among provisions for risks and charges, due to the different probability of application of the additional charge), in addition to default interest.

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 9 March 2022. By an order filed on 22 March 2022 the Regional Administrative Court suspended the proceedings pending the settlement of the appeal concerning the Competition Authority's order on Consip FM4.

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

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. As at 31 March 2022 the provision recorded a balance equal to € 581 thousand (the same amount posted at 31 December 2021), since no changes were recorded during the first quarter of 2022.

Provision for tax disputes

At 31 March 2022 the provision amounted to € 446 thousand, recording uses which gave rise to a decrease of € 2 thousand during the period.

Other provisions for risks and charges

The provision, amounting to € 2,196 thousand at 31 March 2022, showing a decrease of € 26 thousand compared to 31 December 2021 (€ 2,222 thousand) as a result of provisions for € 4 thousand and uses and releases totaling € 31 thousand. This item included € 351 thousand for the provision made in 2021 for higher collection charge recognized on some installments of the notice of payment issued by the Revenue Agency relating to the Competition Authority's fine, as detailed in relation to the "Provision for legal disputes".

14. CONTINGENT LIABILITIES

As at the date of approval of the Interim Condensed Consolidated Financial Statements at 31 March 2022 contingent liabilities had not arisen for the Rekeep Group which had not been recognized in the accounts, for which the Management believes that the related financial risks can be regarded as possible but unlikely or for which these risks cannot be quantified and recognized in the financial statements at 31 March 2022.

ANAC's disqualification order - Santobono Pausilipon

With reference to the ANAC's disqualification order - Santobono Pausilipon, it should be noted that, at the hearing on the merits held on 25 November 2021, the Council of State, by judgment no. 491/2022 filed on 25 January 2022, granted the appeal filed by the Company against the Lazio Regional Administrative Court's ruling no.3754/2021, annulling any effect of the order adopted by ANAC, previously suspended as a precautionary measure, by which an administrative fine had been imposed for € 10,000 and the disqualification of the Company had been ordered from taking part in public tenders and from awarding public contracts under sub-contract agreements for a period of 6 months.

On 10 November 2017 ANAC, after the completion of proceedings initiated in November 2016 following a report made by A.O.R.N. Santobono Pausilipon in Naples, imposed a sanction ("ANAC's Order") on Rekeep S.p.A. (Manutencoop Facility

Management S.p.A. at that time), raising objections concerning the failure to provide a declaration relating to the absence of criminal proceedings against one of the Company's proxy holder in the documentation submitted for the same tender in 2013. On the other hand, this proxy holder met the legal requirements in full. In addition to a fine of € 10 thousand, the ANAC's Order provided for the Company to be excluded from all public tenders for a period of 6 months as from the date of entry in the computerized records of economic operators in public contracts. The Company, which considers that the order is unfounded and based on erroneous legal grounds, in addition to being disproportionate with respect to the alleged infringement, filed an appeal with the Lazio Regional Administrative Court, while asking the President of the competent division to order the immediate suspension of the measure before any discussion on the merits of the case ("request for precautionary measure from a single-member court"). On 15 November 2017 this request was granted and all the effects of the ANAC's Order were suspended. On 21 December 2017 the Lazio Regional Administrative Court granted the appeal, as regards the merits, submitted by the Company and annulled the ANAC's Order. Subsequently, the latter challenged the administrative court's ruling before the Council of State, while submitting a request for precautionary measures for the suspension of the effects of the trial judgment. At the hearing held on 8 March 2018 the Council of State rejected this request, ordering ANAC to pay expenses.

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

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

Council of State by an order dated 23 April 2021. In light of this, any effect of the ANAC order must be regarded as suspended at present. Moreover, following the summary examination of the precautionary proceedings phase, the Council of State held that "the principle of strictly legal typicality of the sanctions (....) has been breached, given that (...) the failure to make a statement with which the Company has been charged under the order does not coincide with a false statement". Finally, the hearing for the trial proceedings which took place on 25 November 2021 before the Council of State, had a favorable outcome for the Company. Against the Council of State's ruling on 8 April 2022 the Company was served with a notice of appeal before the Supreme Court on the part of the person intervening in the proceedings before the Council of State and is waiting for the hearing to be scheduled. The Company had also 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.

15. TRADE PAYABLES, CONTRACT LIABILITIES AND OTHER CURRENT PAYABLES

The table below sets forth the breakdown of the item at 31 March 2022 and 31 December 2021:

	31 March 2022	of which to related parties	31 December 2021	of which to related parties
Trade payables	394,032		372,513	
Trade payables to third parties	**394,032**	**0**	**372,513**	**0**
Trade payables to MSC Società di Partecipazione tra Lavoratori S.p.A.	5,799	5,799	4,683	4,683
Trade payables to Group companies within 12 months	21,347	21,347	17,240	17,240
Trade payables to Manutencoop Group	**27,146**	**27,146**	**21,923**	**21,923**
Advances from customers including contract liabilities	21,308	1	18,938	2
Trade payables and contract liabilities	**442,486**	**27,147**	**413,374**	**21,925**
Fees due to directors and statutory auditors	306		301	
Tax payables	8,166		9,103	
Payables to social security institutions within 12 months	14,114		19,575	
Other payables to TJA	3,010		5,556	
Payables to employees within 12 months	56,945		48,566	
Other payables within 12 months	81,667		81,919	
Property collection on behalf of customers	2,176		2,176	

	31 March 2022	of which to related parties	31 December 2021	of which to related parties
Other current operating payables to third parties	**166,384**	**0**	**167,196**	**0**
Other current payables to MSC Società di Partecipazione tra Lavoratori S.p.A.	55	55	36	36
Other payables to Group companies	95	95	97	97
Other current operating payables to Manutencoop Group	**150**	**150**	**133**	**133**
Accrued expenses	219		61	
Deferred income	2		67	
Accrued expenses and deferred income	**221**	**0**	**128**	**0**
Other current operating payables	**166,755**	**150**	**167,457**	**133**

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

Trade payables and contract liabilities amounted to € 442,486 thousand at 31 March 2022, against a balance of € 413,374 thousand at 31 December 2021, showing an increase of € 29,112 thousand.

Other current liabilities showed a balance of € 166,755 thousand at 31 March 2022 (€ 167,457 thousand at 31 December 2021) and are mainly made up of the following items:

- payables to employees of € 56,945 thousand (€ 48,566 thousand at 31 December 2021) including the current monthly salaries to be paid in the months after the end of the financial year, as well as payables for additional monthly salaries to be paid (a portion of the 14th salary, to be paid in the month of July, and the 13th salary, to be paid each year in the month of December). Furthermore, the corresponding payables to social security institutions were recognized for € 14,114 thousand (€ 19,575 thousand at 31 December 2021);
- payables to tax authorities for € 8,166 thousand, mainly relating to the balance of payables for VAT payments on the part of some Group companies and of the IRPEF tax payable for employees (€ 9,103 thousand at 31 December 2021);
- receipts on behalf of Temporary Associations of Companies (ATI) for € 3,010 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mostly relating to job orders under “CONSIP” agreements (€ 5,556 thousand at 31 December 2021).

As at 31 March 2022 *Other payables* within 12 months included the remaining payable relating to the fine imposed by the Competition Authority in relation to the Consip FM4 Tender, which was recognized by the Parent Company Rekeep S.p.A.. While continuing to have confidence in the reasonableness of the defense arguments, the Directors, given the enforceability of the fine, recognized the debt relating to expected financial outlay in the Consolidated Financial Statements at 31 December 2020 for an amount equal to what is stated in the Competition Authority's order, as well as in the related updated installment payment plan sent by the Revenue Agency on 22 December 2020 (€ 82,200 thousand, including surcharges and collection costs). In 2021, the Company resumed operations to pay monthly installments, paying part of the installments suspended during the Covid-19 emergency period, even due to the expiry of the final deadline for suspending payments of the sums on the tax roll provided for by the legislative orders issued during the emergency period (31 August 2021), which entailed recognition of a higher collection cost on certain installments for € 606 thousand in 2021 (of which an amount of € 255 thousand recognized as an increase in the payable and € 351 thousand recognized under provisions for risks and charges, due to the different probability of application of the additional cost) in addition to default interest. The residual debt stated in the Consolidated Financial Statements amounted to € 72,194 thousand at 31 March 2022.

16. COMMITMENTS AND GUARANTEES

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

Specifically, the Group signed "finance" lease agreements primarily for plant and equipment used in the production processes of the Laundering & Sterilization SBU and for motor vehicles and equipment. Moreover, during 2017 a property lease agreement was signed by subsidiary Servizi Ospedalieri S.p.A. to acquire the factory in Lucca, while the acquisitions of EOS and Medical Device S.r.l., during 2018 and the acquisition of Rekeep Polska in 2019 contributed additional leases for capital goods and for the use of a property. It should also be noted that the subsidiary Medical Device S.r.l. signed a new property lease agreement in 2022.

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

The tables below report the amount of future lease payments arising from leases and the present value of these fees at 31 March 2022 and 31 December 2021:

	31 March 2022			
	"Finance" Lease		"Operating" Lease	
	Lease fees	Present value of lease fees	Lease fees	Present value of lease fees
Within one year	3,064	2,946	8,105	6,640
From one year to five years	5,327	5,686	23,835	20,508
After five years	1,714	658	8,338	7,735
TOTAL LEASE FEES	**10,105**	**9,290**	**40,278**	**34,883**
Financial costs	(815)		(5,395)	
PRESENT VALUE OF LEASE FEES	**9,290**	**9,290**	**34,883**	**34,883**

	31 December 2021			
	"Finance" Lease		"Operating" Lease	
	Lease fees	Present value of lease fees	Lease fees	Present value of lease fees
Within one year	2,179	2,105	8,376	6,841
From one year to five years	4,264	4,147	25,272	21,829
After five years	1,186	738	9,137	8,446
TOTAL LEASE FEES	**7,628**	**6,991**	**42,785**	**37,116**
Financial costs	(637)		(5,669)	
PRESENT VALUE OF LEASE FEES	**6,991**	**6,991**	**37,116**	**37,116**

At 31 March 2022 the Group also granted sureties to third parties for:

- guarantees against financial obligations amounting to € 9,928 thousand (€ 10,459 thousand at 31 December 2021), of which € 856 thousand issued in the interest of associates for bank overdrafts and other financial obligations (€ 2,420 thousand at 31 December 2021);
- sureties granted to third parties to ensure the correct fulfillment of contract obligations in place with customers, amounting to € 348,866 thousand (31 December 2021: € 342,774 thousand), of which € 1 thousand issued in the interest of associates (unchanged compared to 31 December 2021);

- other guarantees granted by third parties in favor of associates, joint ventures and other equity investments for € 10,282 thousand (€ 7,057 thousand at 31 December 2021);
- other guarantees granted to third parties to replace security deposits required to activate utilities or to execute lease agreements, as well as for VAT refunds from Inland Revenue Agency, for a total amount of € 77,571 thousand (€ 76,889 thousand at 31 December 2021).

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

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

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

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

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

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

The guarantees listed above may be called by the counterparties only in the case that one of the events of default envisaged in the abovementioned contracts occurs; up to the occurrence of the same, the assets covered by the guarantee are fully available to the Rekeep Group companies. At 31 March 2022 no events of default had occurred.

17. FINANCIAL RISK MANAGEMENT

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

On 18 January 2021, Rekeep S.p.A completed the issue at par of Senior Secured Notes for a total nominal amount of € 350 million, 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 transaction enabled the Parent Company Rekeep S.p.A. to early repay the previous high-yield bond issue named "€360,000,000 9.0% Senior Secured Notes due 2022".

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 31 March 2022 and 31 December 2021:

		Hierarchy				Hierarchy		
	31 March 2022	**Level 1**	**Level 2**	**Level 3**	**31 December 2021**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss								
Financial receivables, securities and other non-current financial assets	**101**	101			**101**	101		
- of which securities	**101**	101			**101**	101		
Available-for-sale financial assets								
Financial receivables and other current financial assets	**0**	0			**0**	0		
- of which securities	**0**	0			**0**	0		
- of which hedging derivatives	**0**	0			**0**	0		
- of which non-hedging derivatives	**0**	0			**0**	0		
TOTAL FINANCIAL ASSETS	**101**	**101**			**101**	**101**		

The other financial assets posted in the Statement of financial position are not measured at fair value and the Group had no financial liabilities measured at fair value at 31 March 2022 and 31 December 2021. During the financial year under consideration there were no transfers between fair value measurement levels.

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

Capital management

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

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

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

	31 March 2022	31 December 2021
Employee termination indemnity	10,158	10,483
Interest-bearing loans	445,128	433,306
Trade payables and contract liabilities	442,486	413,374
Other current payables	166,755	167,457
Other current financial payables	60,711	61,654
Cash and cash equivalents	(78,629)	(99,512)
Other current financial assets	(8,953)	(14,799)
Total Net Debt	**1,037,656**	**971,963**
Group shareholders' equity	50,340	46,746
Undistributed net profit (loss)	(3,862)	22,588
Total Capital	**46,478**	**69,334**
EQUITY AND NET DEBT	**1,084,134**	**1,041,297**
INDEBTEDNESS RATIO	**95.7%**	**93.3%**

The debt ratio showed an increase compared to the value at 31 December 2021 as a result of a decrease in the share capital, which was due to a decrease in the Group's equity following the recognition of the loss carried forward at 31 December 2021.

18. OPERATING SEGMENTS

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

Facility Management SBU

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

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

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

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

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

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

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

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

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

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

Laundering & Sterilization SBU

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

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

The results of operations by segment for the periods ended 31 March 2022 and 31 March 2021:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment revenues	283,861	34,630	(864)	317,627
Segment costs	(268,657)	(32,699)	864	(300,491)
Operating income (loss) by segment	**15,204**	**1,931**	**0**	**17,135**
Share of net profit of associates	135	25		159
Net financial income (costs)				(9,023)
Profit (loss) before taxes				8,272
Income taxes				(4,326)
NET PROFIT (LOSS) FOR THE PERIOD ENDED 31 MARCH 2022				**3,946**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment revenues	241,120	44,048	(834)	284,634
Segment costs	(226,229)	(37,137)	834	(262,711)
Operating income (loss) by segment	**15,191**	**6,732**	**0**	**21,923**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Share of net profit of associates	1,226	82		1,308
Net financial income (costs)				(34,069)
Profit (loss) before taxes				**(10,838)**
Income taxes				(5,046)
Profit (loss) from discontinued operations	16			16
NET PROFIT (LOSS) FOR THE PERIOD ENDED 31 MARCH 2021				**(15,869)**

The table below reports the data relating to assets and liabilities for the Group's operating segments at 31 March 2022 and at 31 December 2021:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	550,023	148,320	(2,381)	695,962
Goodwill	388,752	15,954		404,706
Investments	12,435	4,207		16,641
Other assets not allocated and related taxes				118,633
SEGMENT ASSETS AT 31 MARCH 2022	**951,210**	**168,481**	**(2,381)**	**1,235,943**
Liabilities allocated to the segment	597,595	62,328	(2,381)	657,542
Other liabilities not allocated and related taxes				523,432
SEGMENT LIABILITIES AT 31 MARCH 2022	**597,595**	**62,328**	**(2,381)**	**1,180,973**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	492,850	139,427	(2,709)	629,568
Goodwill	388,752	15,954		404,706
Investments	12,111	4,182		16,294
Other assets not allocated and related taxes				143,306
SEGMENT ASSETS AT 31 DECEMBER 2021	**893,713**	**159,563**	**(2,709)**	**1,193,873**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Liabilities allocated to the segment	571,227	61,287	(2,709)	629,805
Other liabilities not allocated and related taxes				512,735
SEGMENT LIABILITIES AT 31 DECEMBER 2021	**571,227**	**61,287**	**(2,709)**	**1,142,540**

19. TRANSACTIONS WITH RELATED PARTIES

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

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

The Parent Company not only provides technical-production services relating to the core business, but also administrative and IT services for certain Group companies. The Parent Company also has some administrative and lease service contracts in place with its parent company MSC Società di Partecipazione tra Lavoratori S.p.A. (formerly 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 € 80 thousand collected in consideration of these services were recognized at 31 March 2022 (€ 188 thousand at 31 December 2021).

The main contracts in place with other Rekeep Group companies, controlled by MSC Società di Partecipazione tra Lavoratori S.p.A. (formerly Manutencoop Società Cooperativa), with the latter and its subsidiaries, are shown below:

- MSC sub-leased to the Company the part of the property located in Zola Predosa, via Poli no. 4 (BO), for office use. The lease has a term of five years and is tacitly renewable, except in the event of termination by one of the parties. Annual rent is expected to be € 1,320 thousand to be paid in 12 monthly installments;
- MSC also leased to Rekeep S.p.A. the part of the property located in Mestre (VE), via Porto di Cavergnago no. 6, for office use. The lease has a term of six years and is tacitly renewable. Annual rent is expected to be € 325 thousand, to be paid in 12 monthly installments.
- on 6 July 2007, Rekeep S.p.A. signed a framework agreement with its parent company, MSC, in order to regulate the essential contents of subsequent personnel leases from MSC to Rekeep S.p.A. pursuant to Title III, Chapter I of Legislative Decree 276/2003. The contract has a five-year term, and is tacitly renewed, unless terminated by one of the parties. As a result of said agreement, which has the legal nature of a legislative contract that does not grant rights to third

parties, Rekeep S.p.A. and parent company MSC set out the conditions that regulate any future contracts for the leasing of shareholding personnel of MSC, and the operating rules for establishing and terminating said contracts;

- Rekeep S.p.A. disbursed to the controlling company MSC Società di Partecipazione tra Lavoratori S.p.A. a short-term interest-bearing upstream loan on the basis of the agreement signed on 5 November 2021; this loan, which constitutes a profitable alternative for the Parent Company to use available cash, has a term of one year and accrues interest at 3-month EURIBOR plus spread;
- MSC is committed, on the basis of contracts stipulated with the individual companies of the Rekeep Group, to preparing pay packets;
- Rekeep S.p.A. signed agreements with MSC and the other Group companies for the provision of tax consultancy services.

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

The Rekeep Group is subject to the management and coordination activities of MSC Società di Partecipazione tra Lavoratori S.p.A..

Zola Predosa, 17 May 2022

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.p.A.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	70%	Euro
CO.GE.F. Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	80%	Euro
Consorzio Igiene Ospedaliera Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	66.66%	Euro
Consorzio Stabile CMF	Via Bolzano no. 59	Trento (TN)	97.45%	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
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 n. 46, 31-215	Krakow (Poland)	100%	PLN
JOL-MARK sp. z o.o.	ul. Portowa n. 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 n. 22, 20-064	Lublin (Poland)	100%	PLN
Infrastrutture Lombardia Servizi Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Logistica Sud Est Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro

Name	Registered Office	City	% Held	Currency
Medical Device S.r.l.	Via della Tecnica no.52	Montevarchi (AR)	60%	Euro
MSE Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	56%	Euro
Naprzód Catering sp. z o.o.	ul. Stefana Banacha 1A, 02-097	Warszawa (Poland)	100%	PLN
Naprzód Cleaning sp. z o.o.	ul. Traktorowa 126/301, 91-204	Lodz (Poland)	100%	PLN
Naprzód Hospital sp. z o.o.	ul. Traktorowa 126/301, 91-204	Lodz (Poland)	100%	PLN
Naprzód Inwestycje sp. z o.o.	ul. Traktorowa 126/301, 91-204	Lodz (Poland)	100%	PLN
Naprzód IP sp. z o.o. in liquidation	ul. Żabiniec n. 46, 31-215	Krakow (Poland)	100%	PLN
Naprzód Marketing sp. z o.o.	ul. Traktorowa 126/301, 91-204	Lodz (Poland)	100%	PLN
Naprzód Service sp. z o.o.	ul. Traktorowa n. 126/202, 91-204	Lodz (Poland)	100%	PLN
Rekeep Digital S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Rekeep Facility S.a.s.	52, Boulevard de Sebastopol	Paris	100%	Euro
Rekeep FM sp. z o.o.	ul. Traktorowa 126/201, 91-204	Lodz (Poland)	100%	PLN
Rekeep France S.a.s.	52, Boulevard de Sebastopol	Paris	70%	Euro
Rekeep Mobilites S.a.s.	11 bis Rue de Moscou	Paris	100%	Euro
Rekeep Santè S.a.s.	11 bis Rue de Moscou	Paris	100%	Euro
Rekeep Polska S.A.	ul. Traktorowa 126/301, 91-204	Lodz (Poland)	80%	PLN
Rekeep Rail S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Rekeep Saudi Arabia Ltd	P.O Box 230888, K.S.A., 28th floor, Kingdom Tower	Riyadh (Saudi Arabia)	100%	SAR
Rekeep Transport S.a.s.	4 place Louis Armand-Tour de l'Horloge	Paris	100%	Euro
Rekeep United Yönetim Hizmetleri A.Ş.	United Plaza Örnektepe Mh. İmrahor Cd. Sivaseli Sk. 4	Istanbul	50.98%	TRY
Rekeep World S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
S.AN.CO S.c.a.r.l.	Via Aurelio Saffi, no. 51	Bologna	100%	Euro
S.AN.GE S.c.a.r.l.	Viale Sarca 336 – Strada Privata Breda – Edificio 12	Milan	89%	Euro
San Gerardo Servizi Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Servizi Brindisi Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	52%	Euro
Servizi Ospedalieri S.p.A.	Via Calvino no. 33	Ferrara	100%	Euro
Servizi Sanitari Sicilia Soc.Cons. a r.l.	Via Calvino no. 33	Ferrara	70%	Euro
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)	50.10%	Euro
U.Jet Romania Private Limited Company	str. Garii no. 10	Sighetu Marmatiei, Romania	100%	Euro

Name	Registered Office	City	% Held	Currency
U.Jet S.r.l.	Via San Francescuccio dè Mietitori no. 32	Bastia Umbra (PG)	60%	Euro
Vendi Service sp. z o.o. in liquidation	ul. Traktorowa n.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 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. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	50%	Euro
Servizi Sportivi Brindisi Soc.cons.r.l.	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 Farini no.6	Bologna	20.09%	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 Zanardi no. 372	Bologna	59.65%	Euro
Bologna Più Soc.Cons.r.l in liquidation	Via M.E. Lepido 182/2	Bologna	25.68%	Euro
Centro Europa Ricerche S.r.l.	Via G. Zanardelli no. 34	Rome	21.38%	Euro
Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation	Via Poiano no. 22	Imola (BO)	60%	Euro
Consorzio Servizi Toscana Soc. Cons. a r.l in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Consorzio Polo Sterilizzazione Integrata a r.l.	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
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna	Via Altura, no. 3	Bologna	21.08%	Euro
Gestione Servizi Taranto Soc.Cons.a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	47%	Euro
Gestione Strade Soc.Cons.a r.l.	Strada Manara n. 64/B	Parma	25%	Euro
Global Oltremare Soc.Cons. r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Global Provincia Di Rimini Soc.Cons. r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	42.40%	Euro
Global Vicenza Soc.Cons. a r.l.	Via Grandi no. 39	Concordia Sulla Secchia (MO)	41.25%	Euro
Gymnasium Soc.Cons. r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	68%	Euro
GR.A.AL. Soc. Cons. a. r.l.	Via Guelfa no. 76	Bologna	29.926%	Euro
Imola Verde e Sostenibile Soc. Cons. a r.l.	Via S. Allende no. 39	Bologna	30%	Euro
Iniziative Produttive Piemontesi S.r.l.	Corso Einaudi no. 18	Turin	24.75%	Euro
Logistica Ospedaliera Soc. Cons. a r.l	Via C. Alberto Dalla Chiesa 23/I	Caltanissetta (CL)	45%	Euro
Manutencoop International Services LLC	Qatar Tower, building 35, street 920, zone 63	Doha (Qatar)	49%	QAR
MCF servizi Integrati Soc.Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Newco Duc Bologna S.p.A.	Via M.E. Lepido 182/2	Bologna	24.90%	Euro
Palmanova Servizi Energetici Soc.Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	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 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
Servizi Taranto Soc.Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60.08%	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 2021	Changes in the period					Net assets 31 March 2022	Book value	Provision for risks
			Financial effects	Dividends	Revaluations / Write-downs	Provision for risks	Effects on shareholders' equity			
2HIGH S.r.l.	20.09%	90						90	90	0
Alisei S.r.l. in liquidation	100%	(110)				0		(110)	0	(110)
A.M.G. S.r.l.	50%	2,373		0	28			2,403	2,403	
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%	60			0			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	
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	
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna	21.08%	0	35					35	35	
Gestione Servizi Taranto Soc.Cons.a r.l.	47%	9						9	9	
Gestione Strade Soc.Cons. a r.l.	25%	13						13	13	
Global Oltremare Soc.Cons. r.l. in liquidation	60%	6						6	6	
Global Provincia di Rimini Soc.Cons. a r.l.	42.40%	4						4	4	
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	

	%	Net assets 31 December 2021	Changes in the period					Net assets 31 March 2022	Book value	Provision for risks
			Financial effects	Dividends	Revaluations / Write-downs	Provision for risks	Effects on shareholders' equity			
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	30%	6						6	6	
IPP S.r.l.	24.75%	399			(4)			395	395	
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%	(96)					(11)	(107)	0	(107)
MCF Servizi integrati Soc. Cons. a r. l. in liquidation	60.00%	6			0			6	6	
Newco DUC Bologna S.p.A.	24.90%	2,189			30		176	2,394	2,394	
Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation	60%	0	6					6	6	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	100%	(0)			0		0	(0)	(0)	
ROMA Multiservizi S.p.A.	45.47%	2,701		0	71		0	2,772	2,772	
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	
Servizi Taranto Soc.Cons. a r.l. in liquidation	60.08%	0	6					6	6	
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%	986			0			986	986	
Yougenio S.r.l. in liquidation	100.00%	(169)	(34)		34	(0)		(169)	0	(169)
NET BOOK VALUE		**8,778**	**13**	**0**	**159**	**0**	**165**	**9,117**	**9,502**	**(385)**

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
MSC S.p.A.	31-Mar-21	46	8.700			31-Dec-21	77	15,159	4,702	14,924
	31-Mar-22	46	6.200	57	162	31-Mar-22	161	14,099	5,799	14,436

ASSOCIATES AND JOINT-VENTURES

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
2HIGH S.r.l.	31-Mar-21		27			31-Dec-21			182	
	31-Mar-22		38			31-Mar-22			149	
Alisei s.r.l. in liquidation	31-Mar-21					31-Dec-21	3			1
	31-Mar-22					31-Mar-22	3			1
AMG S.r.l.	31-Mar-21		63			31-Dec-21			210	
	31-Mar-22		64			31-Mar-22			221	
Bologna Gestione Patrimonio Soc.Cons. a r.l. in liquidation	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Bologna Gestione Patrimonio 2 Soc.Cons. a r.l.	31-Mar-21	15	58			31-Dec-21	110		520	
	31-Mar-22		61			31-Mar-22	73		381	
Bologna Global Strade Soc. Cons. a r.l	31-Mar-21	100				31-Dec-21	148	383	1	
	31-Mar-22					31-Mar-22	148	383	1	
Centro Europa Ricerche S.r.l.	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Como Energia Soc.Cons.a r.l. in liquidation	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Consorzio Imolese Pulizie soc.Cons. in liquidation	31-Mar-21					31-Dec-21		36	12	
	31-Mar-22					31-Mar-22		36	12	
Consorzio Polo Sterilizzazione Integrata a r.l.	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Consorzio Sermagest Soc.Cons.a r.l in liquidation	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Consorzio Servizi Toscana Soc.Cons.a r.l in liquidation	31-Mar-21					31-Dec-21	282		177	
	31-Mar-22					31-Mar-22	282		177	
CO.& MA. Soc. Cons. a r.l	31-Mar-21	90	198			31-Dec-21	90	20	1,163	
	31-Mar-22					31-Mar-22		20	741	
DUC Gestione Sede Unica Soc. Cons. a r.l.	31-Mar-21	1,838	846			31-Dec-21	4,303		1,843	
	31-Mar-22	2,078	1,064			31-Mar-22	5,574		3,011	
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Fr.lli Bernard s.r.l.	31-Mar-21	3				31-Dec-21				
	31-Mar-22					31-Mar-22				
Gestione Servizi Taranto Soc.Cons.a r.l.	31-Mar-21	1,331	1,253			31-Dec-21	5,684	23	5,019	
	31-Mar-22	1,238	1,363			31-Mar-22	6,583	21	6,284	
Gestione Strade soc.cons.r.l.	31-Mar-21	21	209			31-Dec-21	44	63	398	
	31-Mar-22	77	345			31-Mar-22	138	63	687	
Global Oltremare Soc.Cons.a r.l in liquidation	31-Mar-21					31-Dec-21			92	
	31-Mar-22		2			31-Mar-22			94	
Global Provincia di RN Soc.Cons.a r.l. in liquidation	31-Mar-21					31-Dec-21		70	13	
	31-Mar-22					31-Mar-22		70	13	
Global Riviera Soc.Cons.a r.l.	31-Mar-21		3			31-Dec-21			4	
	31-Mar-22					31-Mar-22				
Global Vicenza Soc.Cons. a r.l.	31-Mar-21					31-Dec-21		10	17	
	31-Mar-22					31-Mar-22		10	17	
GR.A.AL. Soc. Cons. a. r.l.	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Gymnasium Soc. cons. a r.l in liquidation	31-Mar-21					31-Dec-21	1	8	33	
	31-Mar-22					31-Mar-22	1	8	33	
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	31-Mar-21	(23)	(21)			31-Dec-21	50		45	
	31-Mar-22	109	106			31-Mar-22	184		175	
IPP S.r.l.	31-Mar-21		51			31-Dec-21	12	35	148	
	31-Mar-22		65			31-Mar-22	12	35	164	
Legnago 2001 Soc. Cons. r.l. in	31-Mar-21		2			31-Dec-21	158		67	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
liquidation	31-Mar-22		1			31-Mar-22	158		68	
Logistica Ospedaliera Soc. Cons. a r.l.	31-Mar-21		6			31-Dec-21			18	
	31-Mar-22					31-Mar-22			18	
Manutencoop International Services LLC in liquidation	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
MCF Servizi integarti Soc. cons. a r.l. in liquidation	31-Mar-21					31-Dec-21	689		322	
	31-Mar-22					31-Mar-22	689		328	
Newco DUC Bologna S.p.A	31-Mar-21					31-Dec-21			66	
	31-Mar-22					31-Mar-22			66	
Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation	31-Mar-21					31-Dec-21				
	31-Mar-22		2			31-Mar-22	619		448	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Rekeep Austria G.m.b.H. in liquidation	31-Mar-21		(15)			31-Dec-21				
	31-Mar-22					31-Mar-22				
Roma Multiservizi S.p.A.	31-Mar-21	159	24			31-Dec-21	261		93	
	31-Mar-22	130	1			31-Mar-22	648		90	
San Martino 2000 Soc.Cons. r.l.	31-Mar-21	355	650			31-Dec-21	416		859	
	31-Mar-22	445	585			31-Mar-22	959		1.660	
S.E.I. Energia Soc. Cons. a r.l.	31-Mar-21	12	811	6		31-Dec-21	103	780	2,799	
	31-Mar-22	12	1.385	6		31-Mar-22	118	785	2,774	
Serena S.r.l. - in liquidation	31-Mar-21					31-Dec-21		3		
	31-Mar-22					31-Mar-22		3		
Servizi Taranto Soc.Cons. a r.l. in liquidation	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22	395		289	
Servizi Napoli 5 Soc.Cons. a r.l.	31-Mar-21	357	318			31-Dec-21	4,310		2,896	
	31-Mar-22	334	329			31-Mar-22	4,720		3,225	
S.I.MA.GEST2 Soc. Cons. r.l. in liquidation	31-Mar-21					31-Dec-21		75	13	2
	31-Mar-22					31-Mar-22		75	13	2
S.I.MA.GEST3 Soc. Cons. r.l in liquidation	31-Mar-21					31-Dec-21		3	6	
	31-Mar-22					31-Mar-22		3	6	
Società Consortile Adanti Manutencoop in liquidation	31-Mar-21					31-Dec-21			53	
	31-Mar-22					31-Dec-21			53	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Steril Piemonte Soc. cons. a.r.l	31-Mar-21					31-Mar-22	7		104	
	31-Mar-22					31-Dec-21	7		104	
Yougenio S.r.l. in liquidation	31-Mar-21	17	(0)	25		31-Mar-22	42		4	43
	31-Mar-22	5	(0)	26		31-Dec-21	7		4	40
						31-Mar-22				

SUBSIDIARIES OF MSC S.P.A.

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Cerpac S.r.l. in liquidation	31-Mar-21					31-Dec-21	1			
	31-Mar-22					31-Mar-22	1			
Holmo S.p.A.	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
NRE S.r.l.	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Nugareto Società Agricola Vinicola S.r.l.	31-Mar-21		22		178	31-Dec-21		6	16	
	31-Mar-22					31-Mar-22		6	16	
Sacoa S.r.l.	31-Mar-21	10				31-Dec-21	12		1	
	31-Mar-22	13	12			31-Mar-22	11		14	
Sacoa Servizi Telematici S.r.l.	31-Mar-21		1			31-Dec-21			25	
	31-Mar-22		1			31-Mar-22			11	
Segesta servizi per l'Ambiente S.r.l.	31-Mar-21	1				31-Dec-21	2			
	31-Mar-22	1				31-Mar-22	2			

ASSOCIATES OF MSC S.P.A. OR OTHER RELATED PARTIES

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Consorzio Karabak Soc. Cooperativa	31-Mar-21	22				31-Dec-21	19			
	31-Mar-22	20				31-Mar-22	23			
Consorzio Karabak Due Società Cooperativa	31-Mar-21	1				31-Dec-21	1			
	31-Mar-22	1				31-Mar-22	1			

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Consorzio Karabak Quattro Società Cooperativa	31-Mar-21					31-Dec-21			1	
	31-Mar-22					31-Mar-22			1	
Consorzio Karabak Cinque Società Cooperativa	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				
Consorzio Karabak Sei Società Cooperativa	31-Mar-21					31-Dec-21				
	31-Mar-22					31-Mar-22				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
GRAND-TOTAL	**31-Mar-21**	**4,355**	**13,205**	**31**	**178**	**31-Dec-21**	**16,825**	**16,674**	**21,922**	**14,970**
	31-Mar-22	**4,509**	**11,624**	**89**	**162**	**31-Mar-22**	**21,517**	**15,617**	**27,147**	**14,479**

ANNEX IV

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

	For the quarter ended 31 March			
	2022		2021	
Cash and cash equivalents at the beginning of the period		**99,512**		**90,464**
Cash flow from current operations:		**11,846**		**(1,994)**
Profit before taxes	8,273		(10,822)	
Profit (loss) from discontinued operations	0		16	
Amortizations, depreciations, write-downs (write-backs) of assets	9,917		10,240	
Accruals (reversals) of provisions	530		952	
Employee termination benefits provision	250		115	
Share of net profit of associates, net of dividends collected	(159)		(1,308)	
Financial charges (income) in the period	9,029		34,630	
Net interest received (paid) in the period	(9,002)		(24,881)	
Taxes paid in the period	(6,955)		(1,220)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the period	*(37)*		*(9,715)*	
Uses of provisions for risks and charges and payments of the employee termination indemnity:		**(1,320)**		**(1,483)**
Uses of employee terminations benefits	(575)		(369)	
Uses of provisions for risks and charges	(745)		(1,114)	
CHANGE IN NWOC:		**(28,755)**		**806**

	For the quarter ended 31 March			
	2022		2021	
Decrease (increase) in inventories	289		3,268	
Decrease (increase) in trade receivables	(58,595)		(10,686)	
Changes in trade payables	29,552		8,224	
INDUSTRIAL AND FINANCIAL CAPEX:		**(11,822)**		**(7,279)**
(Purchase of intangible assets, net)	(853)		(1,228)	
(Purchase of property, plant and equipment)	(10,927)		(7,248)	
Sale of property, plant and equipment	375		676	
(Acquisition of investments, net)	(411)		776	
Decrease (increase) of financial assets	6,026		(302)	
Reclassifications:				
Net change in the balance of short-term financial assets	*(6,032)*		*32*	
Cash flow from current operations of discontinued operations	*0*		*16*	
CHANGE IN NET FINANCIAL LIABILITIES:		**16,725**		**27,391**
Change in “finance” lease debt	2,299		(1,969)	
New (repayment of) operating lease debt	(2,911)		(124)	
Acquisition of non-current borrowings	0		370,000	
Repayment of non-current borrowings	(120)		(333,900)	
Proceeds from/(repayment of) short-term bank debt	8,416		(931)	
Other changes in financial debt	3,172		(16,467)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the year	*37*		*9,715*	
Net change in the balance of short-term financial assets	*6,032*		*(32)*	
Non-cash elements on acquisitions of rights of use	*678*		*1,115*	
Financial effects of discontinued operations	*0*		*(16)*	
Distribution of reserves and other changes in Equity	*(878)*		*0*	
OTHER CHANGES:		**(7,558)**		**(234)**
Decrease (increase) in other current assets	(6,366)		(5,588)	
Change in other current liabilities	(56)		6,927	

	For the quarter ended 31 March			
	2022		2021	
Dividends distributed	(878)		0	
Acquisition/assignment of minority interests of subsidiaries	8		0	
Differences arising from translation of financial statements in foreign currency	(466)		(458)	
Reclassifications:				
Non-cash elements on acquisitions of rights of use	*(678)*		*(1,115)*	
Distribution of reserves and other changes in Equity	*878*		*0*	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**78,629**		**107,672**

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