consolidated half year financial report

at 30 june 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.

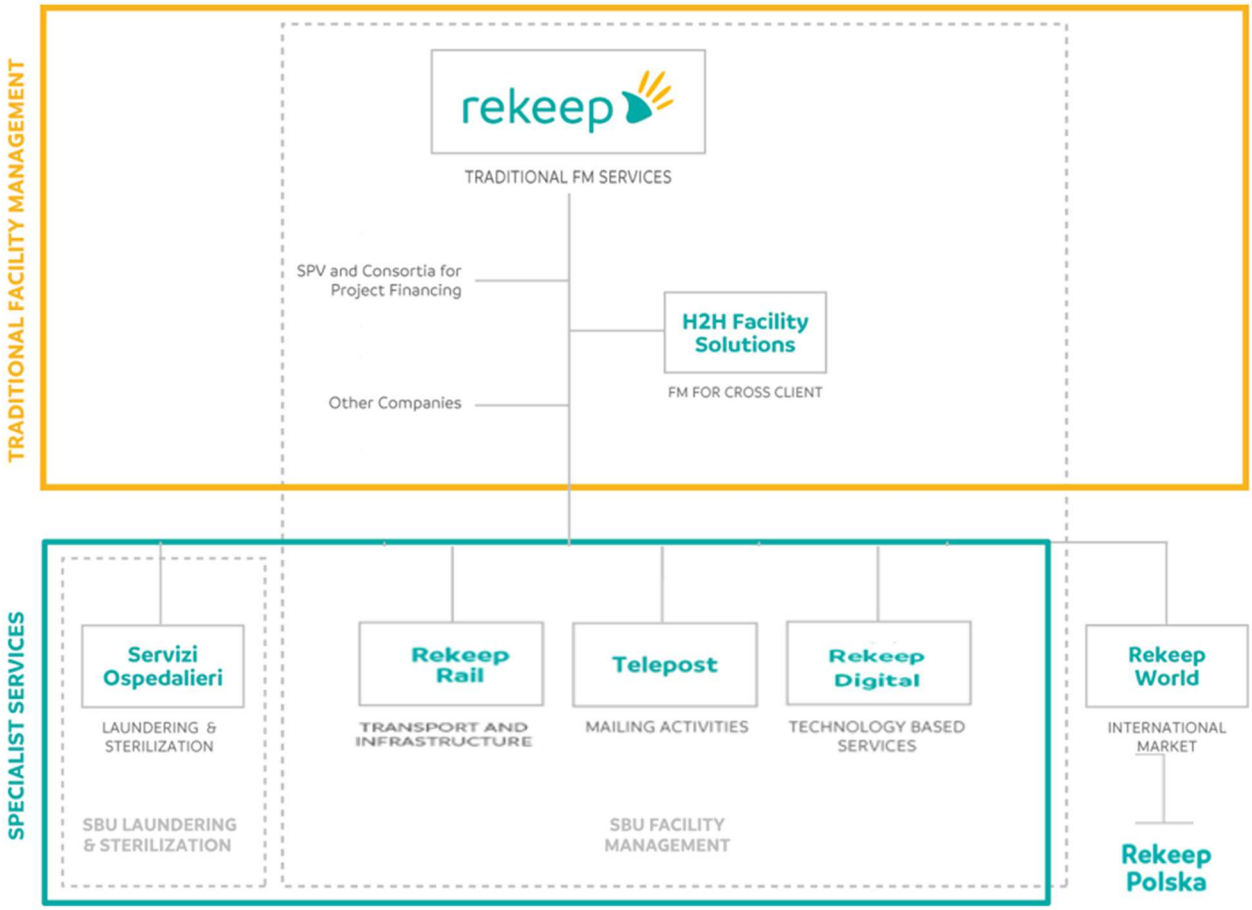
* *appointed as director on 30 June 2021 and as Vice Chairman on 16 December 2021*

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

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

PREAMBLE

At 30 June 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

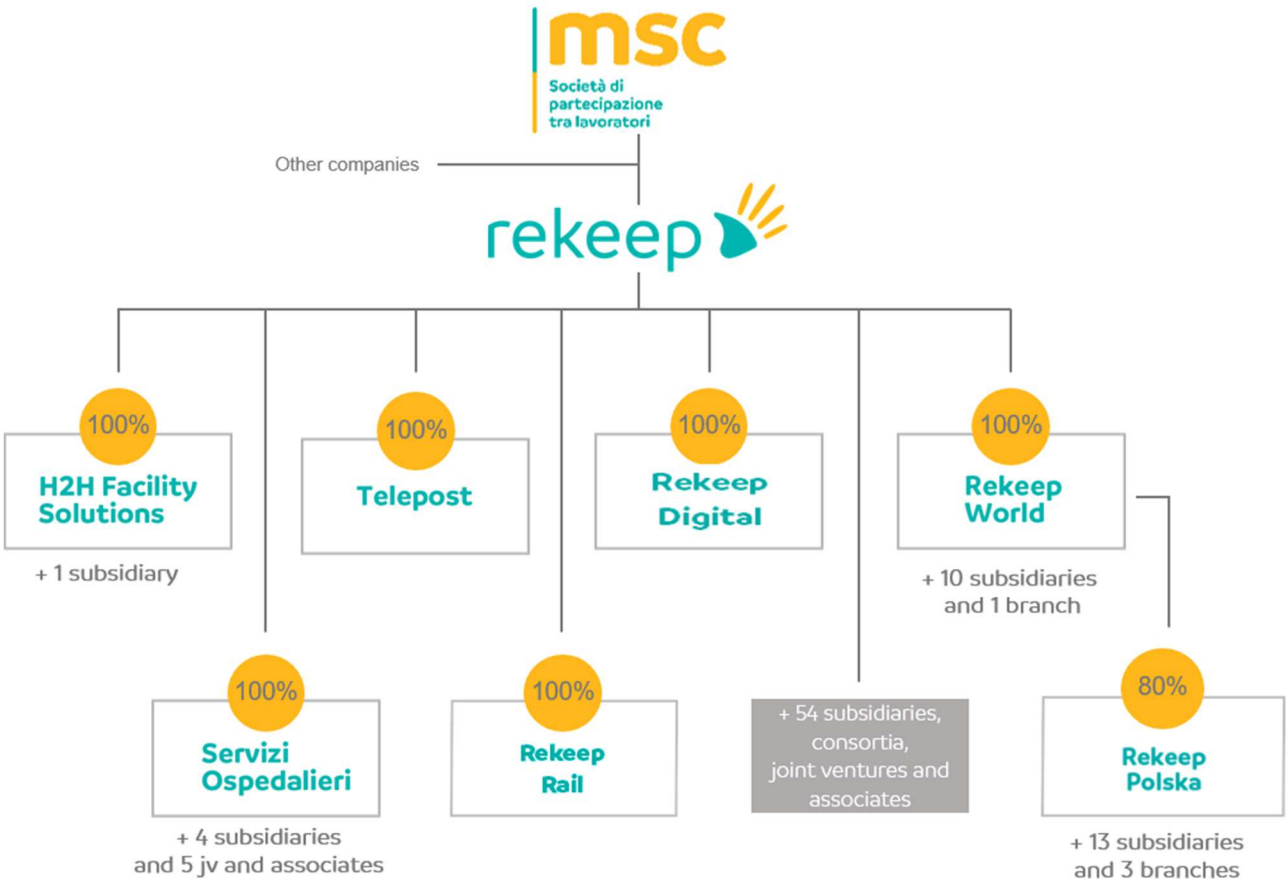
Ordinary shares issued by Rekeep S.p.A. and fully paid up at 30 June 2022 amounted to 109,149,600, with a par value of € 1 each.

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 nominal 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:

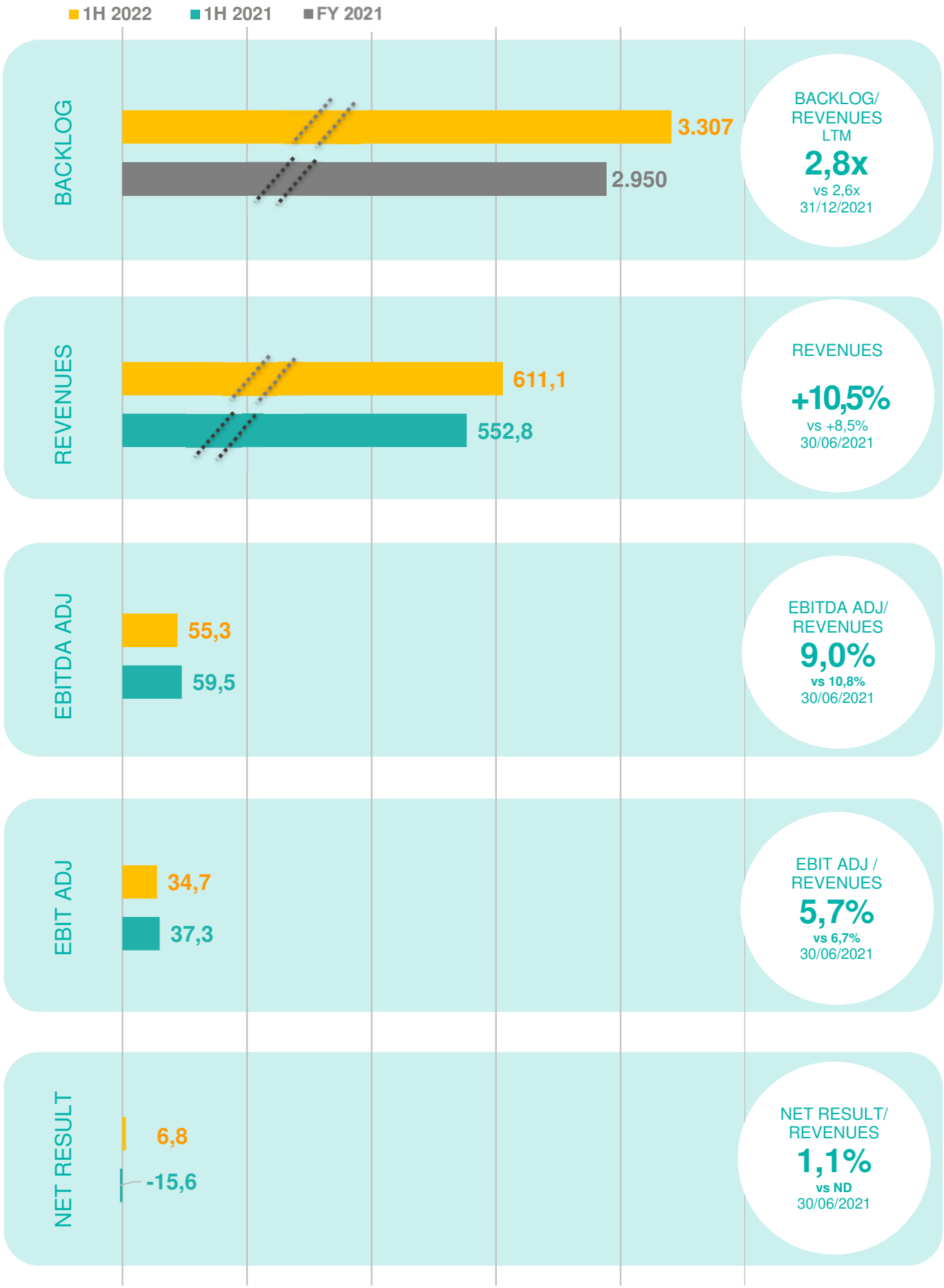

msc
Società di partecipazione tra lavoratori
Other companies
rekeep
100%
H2H Facility Solutions
+ 1 subsidiary
100%
Telepost
100%
Rekeep Digital
100%
Rekeep World
+ 10 subsidiaries and 1 branch
100%
Servizi Ospedalieri
+ 4 subsidiaries and 5 jv and associates
100%
Rekeep Rail
+ 54 subsidiaries, consortia, joint ventures and associates
80%
Rekeep Polska
+ 13 subsidiaries and 3 branches

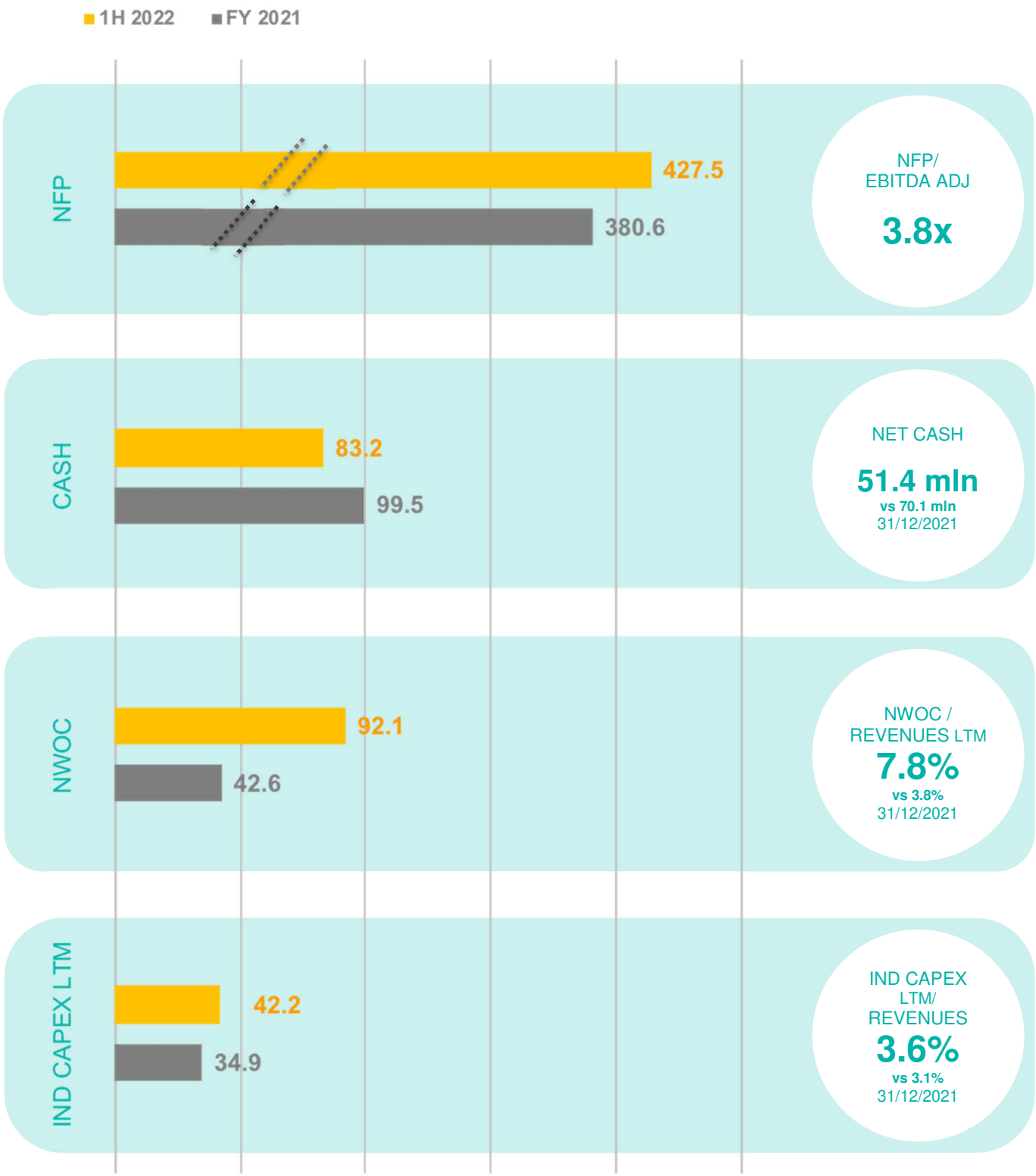
NON-GAAP FINANCIAL MEASURES

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.
Adjusted Financial indebtedness and Adjusted NWOC	Adjusted NWOC and Adjusted Financial indebtedness include the balance of the trade receivables assigned in the framework of the previous years' non-recourse assignment programs, and not yet collected by the factoring companies.


1H 2022
1H 2021
FY 2021
BACKLOG
3.307
2.950
BACKLOG/ REVENUES LTM
2,8x
vs 2,6x 31/12/2021
REVENUES
611,1
552,8
REVENUES
+10,5%
vs +8,5% 30/06/2021
EBITDA ADJ
55,3
59,5
EBITDA ADJ/ REVENUES
9,0%
vs 10,8% 30/06/2021
EBIT ADJ
34,7
37,3
EBIT ADJ / REVENUES
5,7%
vs 6,7% 30/06/2021
NET RESULT
6,8
-15,6
NET RESULT/ REVENUES
1,1%
vs ND 30/06/2021


1H 2022
FY 2021
NFP
427.5
380.6
NFP/
EBITDA ADJ
3.8x
CASH
83.2
99.5
NET CASH
51.4 mln
vs 70.1 mln
31/12/2021
NWOC
92.1
42.6
NWOC /
REVENUES LTM
7.8%
vs 3.8%
31/12/2021
IND CAPEX LTM
42.2
34.9
IND CAPEX
LTM/
REVENUES
3.6%
vs 3.1%
31/12/2021

INTERIM REPORT ON OPERATIONS

MAIN EVENTS IN THE FIRST HALF-YEAR OF 2022

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

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, including a generalized rise in inflation. The Russian invasion of Ukraine has put further upward pressure on energy and raw materials and food commodity prices, thus fueling global inflationary pressures. 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 Management is monitoring the situation on an ongoing basis and analyzes the relevant impact on the Group in order to promptly take the most appropriate measures to limit and counteract the resulting adverse effects on the Group companies. However, it should be noted that neither the Parent Company Rekeep S.p.A., nor any other company in the Group, maintains business relationships or has any direct or indirect interest in any companies or has any branch office in the countries involved in the conflict.

In terms of results of operations, there was the confirmation of the growth trend in revenues, which in fact amounted to € 611.1 million in the first half of 2022, up by € 58.3 million compared to the same period of the previous year (+ 10.5%). LTM revenues amounted to € 1,180.3 million at 30 June 2022 (€ 1,122.0 million at 31 December 2021). The positive change compared to the first half of 2021 was achieved in any and all markets, i.e. Public, Healthcare and Private sectors, due to an increase in turnover under energy contracts and a good performance in International Markets, as well as to a significant resumption of work, after the restrictions imposed as a result of the Covid-19 pandemic.

In terms of profit margins, Adjusted EBITDA came to € 55.3 million at 30 June 2022 compared to € 59.5 million at 30 June 2021 and relative profit margins equal to 9%, mainly due to a general increase in the price of raw materials and transport. LTM Adjusted EBITDA then amounted to € 112.9 million at 30 June 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 € 427.5 million at 30 June 2022, as was in Net working operating capital from € 42.6 million at 31 December 2021 to € 92.1 million at 30 June 2022: both of them reflect higher volumes recorded in the half-year, driven by a 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 nominal 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 BFF Bank 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 BFF Bank 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

In the first half of 2022 the Group gained orders for an overall long-term amount of € 771.8 million, of which € 294.8 million relating to extensions and renewals of contracts already included in its sales portfolio and € 477.0 million relating to the development of a new portfolio. The value of contracts acquired in International Markets was equal to about 9.7% of the total orders gained during the period.

New contracts in the Healthcare sector amounted to € 678.8 million in the first half of 2022 (about 87.9% of total orders gained) against orders gained for € 59.8 million in the Public sector (7.8% of the total) and € 33.2 million in the Private sector (4.3% of the total). In terms of Strategic Business Unit ("SBU"), Facility Management (which also includes International Markets) obtained contracts of € 647.2 million, while Laundering&Sterilization obtained contracts of € 124.6 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, and signed an integrated services contract at a Local Health Unit (ASL) in Brindisi. 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 contract 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.

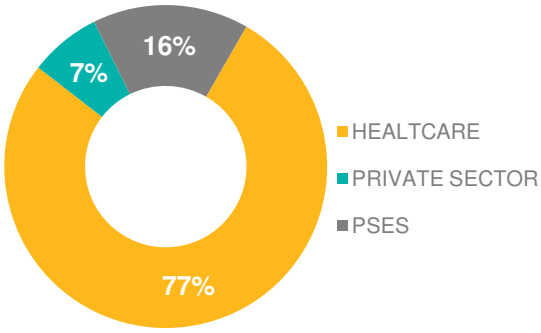
Finally, an agreement was signed for the extension of the offer for integrated services at a major network customer, in addition to noting renewals of portfolio contracts due to expire, mainly for hygiene services at shopping centers and retail customers and for hygiene and catering services in Poland in the Private sector. Among others, the subsidiary H2H Facility Solutions S.p.A. signed an integrated and cleaning services agreement at the offices of Yoox Net-A-Porter during the second quarter.

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

	30 June 2022	31 December 2021	31 December 2020
Backlog	3,307	2,950	2,673

At 30 June 2022 the **Backlog** came to € 3,307 million, recording an increase compared to the value posted at the end of 2021 (€ 2,950 million). On the other hand, the Backlog/Revenues ratio was 2.8x (2.6x at 31 December 2021).

BACKLOG BY MARKET



1. SUMMARY OF RESULTS OF THE SECOND QUARTER OF 2022

	For the Quarter ended 30 June		
	2022	2021	%
Revenues	293,482	268,206	+9.4%
of which Revenues - International Markets	*48,802*	*37,806*	
Adjusted EBITDA (*)	26,827	25,437	+5.5%
Adjusted EBITDA % on Revenues	9.1%	9.5%	
Adjusted EBIT (*)	16,574	14,467	+14.6%
Adjusted EBIT % on Revenues	5.6%	5.4%	
Consolidated net result	2,884	230	

In the second quarter of 2022 the Group recorded ***Revenues*** of € 293.5 million, against € 268.2 million compared to the same period of the previous year, with a positive change of € 25.3 million. The International Markets, and in particular the Polish Rekeep Polska sub-group, contributed revenues of € 48.8 million for the quarter (of which an amount of € 35.8 million contributed by Rekeep Polska), showing an increase of € 11.0 million compared to the same quarter of the previous year.

Revenues continued to benefit from an increase in energy prices, which entailed an increase in the price charged to customers, mainly in the business segment of "heat management". On the International Markets front, the Polish group benefited from the renewal of contracts during the second quarter and the development of a new portfolio, which had already started during the first quarter of the year.

The breakdown by market showed an increase of € 17.2 million in volumes of Healthcare sector compared to the second quarter of 2021, from € 156.6 million in the second quarter of 2021 to € 173.8 million in the second quarter of 2022, thus accounting for 59.2% of total consolidated Revenues in the quarter. The increase in revenues by market was driven by the Facility Management business 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 deferred start of operations for some contracts of subsidiary Servizi Ospedalieri.

The Private market too showed a volume growth in absolute value (+€ 1.5 million from € 61.1 million in the second quarter of 2021 to € 62.7 million in the second 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 and the acquisition of new contracts in the second quarter.

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

Finally, the Public market posted Revenues of € 57.0 million, showing an increase of € 6.6 million (+13% compared to the same quarter of 2022). The Public market mostly benefitted from an increase in the prices charged to customers under energy contracts following an increase in the costs of raw materials.

The turnover achieved by the *Facility Management* SBU during the quarter showed a sharp improvement compared to the second quarter of 2021 (€ 259.8 million in the quarter ended 30 June 2022 against € 233.9 million in the quarter ended 30 June 2021: +€ 25.9 million), with all target markets contributing equally.

On the other hand, there was a decline of € 0.7 million in revenues in the Laundering&Sterilization SBU during the second quarter of 2022: although there was a resumption of routine work, the sector was affected by some delays in starting operations on new contracts, which had been initially planned for the second quarter.

Adjusted EBITDA in the second quarter of 2022 came to € 26.8 million, showing an increase of € 1.4 million compared to the same quarter of the previous year (when it was equal to € 25.4 million), showing that EBITDA remained substantially stable during the quarter. While analyzing the performance by sector, the Facility Management SBU recorded an increase of € 2.6 million, while the Laundering&Sterilization SBU recorded a decrease of € 1.2 million compared to the second quarter of 2021, following the same trend that has already been reported on revenues. Finally, average profit margins (**Adjusted EBITDA/Revenues**) came to 9.1% for the quarter ended 30 June 2022 against 9.5% for the same period of the previous year.

Adjusted EBIT for the quarter ended 30 June 2022 amounted to € 16.6 million (5.6% of related Revenues), against € 14.5 million for the same period of the previous year (5.4% of related Revenues). The trend was affected, in absolute terms, by the performance already reported for Adjusted EBITDA (+ € 1.4 million), to which must be added higher *amortization and depreciation* for € 0.4 million. Furthermore, there was the recognition of lower write-downs of receivables (net of releases) for € 1.2 million and higher accruals to provisions for future risks and charges for € 0.1 million.

Finally, the **Consolidated net result** for the quarter was equal to € 2.9 million against a result of € 0.2 million for the quarter ended 30 June 2021. Furthermore, in addition to the performance in terms of consolidated adjusted EBIT described above, lower net financial charges of € 1.8 million were recognized in the second quarter of 2022, due to the positive contribution of net foreign exchange gains of € 1.0 million achieved in the quarter (compared to a net foreign exchange loss of € 0.4 million in the second quarter of 2021). On the other hand, financial charges on Senior Secured Notes for the quarter were in line in the two comparative periods (€ 6.8 million), as were amortized cost charges relating to the upfront fees incurred for the issue of Senior Secured Notes (€ 0.4 million). On the other hand, higher financial charges were recorded on the use of the Revolving Credit Facility (RCF) for € 0.2 million (not reported in the second quarter of 2021), while lower additional charges were recognized on the RCF line for € 0.1 million, as was a decrease of € 0.1 million in interest discount charges compared to the values posted in the same period of the previous year. Finally, during the quarter higher financial costs were recognized on contingent liabilities for the acquisition of

minority interests for € 0.4 million, as were higher financial costs on operating leases for € 0.6 million. Furthermore, higher taxes were recognized for € 2.8 million during the quarter compared to the same quarter of 2021.

	30 June 2022	31 March 2022	31 December 2021
Net Working Operating Capital (NWOC)	92,080	71,852	42,617
Financial indebtedness	(427,490)	(418,257)	(380,649)

From an equity and financial point of view, the data relating to the Net Working Operating Capital (**NWOC**) at 30 June 2022 recorded an increase compared to both the value posted during the past quarter (+ € 20.2 million) and the value posted at the end of the previous year (+ € 49.5 million). Specifically, the second quarter of 2022 saw the recognition of higher trade receivables for € 12.2 million and lower trade payables for € 7.9 million against a Financial Indebtedness that reported a negative change equal to € 9.2 million compared to the end of the previous quarter. During the first half of 2022 trade receivables were assigned to factoring companies without recourse for a total of € 178.0 million (of which € 96.7 million during the second quarter) and VAT receivables were assigned without recourse for € 10.0 million (of which € 6.5 million during the second quarter).

At 30 June 2022 DSO was 165 days, showing an increase compared to both 31 December 2021 (when it was equal to 154 days) and 30 June 2021 (when it was equal to 147 days), but down compared to the value posted at 31 March 2022 (when it was equal to 168 days). The performance of the DPO came to 207 days at 30 June 2022 (against 220 days at 31 December 2021 and 201 days at 30 June 2021, showing a decrease compared to 224 days recorded at 31 March 2022). The performance of amounts collected from customers and payments to suppliers gave rise to a total absorption of cash flows during the quarter (- € 21.1 million). The trend recorded both in DSO and DPO was also linked to the events that involve the energy sector and the consequent measures put in place by the management.

Financial indebtedness showed an increase of € 9.2 million during the quarter. From the cash flows generated from operating activities during the quarter (€ 19.6 million) must be deducted the cash flow absorbed by the change in NWOC (€ 21.1 million) and the uses of resources for net industrial investments (€ 10.4 million), as well as the uses of provisions for future risks and charges and the provision for Employee Termination Indemnity (TFR) for the quarter (€ 1.1 million), while there was a positive contribution from the changes in other operating assets and liabilities that were recorded during the quarter (€ 3.8 thousand): in particular, in addition to the normal seasonal trend in receivables from and payables to employees (which increased by € 6.3 million in the quarter) and payables for receipts to be paid to the members of the Temporary Business Grouping (the debt balances of which decreased by € 0.3 million), there was the recognition of cash outflows against the trend in net VAT credit balances of the Group companies (+ € 0.2 million), which were included in assignments without recourse for a total amount of € 6.5 million during the quarter.

2. THE REKEEP GROUP'S CONSOLIDATED PERFORMANCE OF OPERATIONS AND FINANCIAL POSITION FOR THE HALF-YEAR ENDED 30 JUNE 2022

2.1. Consolidated results of operations in the first half-year of 2022

Below are reported the main income figures relating to the first 6 months of 2022, compared to the figures of the corresponding period in 2021.

(in thousands of Euro)	For the half-year ended 30 June		For the quarter ended 30 June	
	2022	2021	2022	2021
Revenues	611,108	552,840	293,482	268,206
Costs of production	(557,909)	(497,066)	(267,866)	(245,546)
EBITDA	**53,199**	**55,774**	**25,616**	**22,660**
EBITDA %	**8.7%**	**10.1%**	**8.7%**	**8.4%**
Amortization, depreciation, write-downs and write-backs of assets	(19,652)	(20,744)	(9,735)	(10,504)
Accrual of provisions for risks and charges	(1,078)	(1,418)	(548)	(466)
Operating Income (EBIT)	**32,469**	**33,612**	**15,333**	**11,690**
EBIT %	**5.3%**	**6.1%**	**5.2%**	**4.4%**
Share of net profit of associates	414	1,557	255	249
Net financial charges	(18,028)	(44,881)	(9,006)	(10,813)
Profit before taxes (EBT)	**14,855**	**(9,712)**	**6,582**	**1,126**
EBT %	**2.4%**	**-1.8%**	**2.2%**	**0.4%**
Income taxes	(8,026)	(5,943)	(3,698)	(896)
Profit (loss) from continuing operations	**6,829**	**(15,655)**	**2,884**	**230**
Profit (loss) from discontinued operations	0	16	0	0
CONSOLIDATED NET PROFIT (LOSS)	**6,829**	**(15,639)**	**2,884**	**230**
CONSOLIDATED NET PROFIT (LOSS) %	**1.1%**	**-2.8%**	**1.0%**	**0.1%**
Minority interests	(158)	(1,511)	(75)	(320)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**6,671**	**(17,150)**	**2,809**	**(90)**
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	**1.1%**	**-3.1%**	**1.0%**	**0.0%**

NON-RECURRING EVENTS AND TRANSACTIONS

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

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

(in thousands of Euro)	For the half-year ended 30 June	
	2022	2021
Legal advice fees concerning pending administrative disputes	477	538
Costs from reorganization of company units	1,439	1,412
M&A and non-recurring transactions of Group companies	10	94
Non-recurring tax charges	132	0
Group refinancing costs	0	801
Transactions with minority shareholders of subsidiaries	0	859
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA	**2,058**	**3,703**
Non-recurring provisions for risks on contracts	181	0
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA AND EBIT	**2,239**	**3,703**
Financial fees on Group refinancing	0	2,567
Costs on early redemption of Senior Secured Notes 2017	0	15,026
Reversal of amortized cost on Senior Secured Notes 2017	0	6,082
TOTAL NON-RECURRING EXPENSES (INCOME)	**2,239**	**27,377**

During the first half of 2022 disputes continued which were pending with the Competition Authority (AGCM) and Consip S.p.A. (for which reference should be made to the paragraph on the "Update on Legal Proceedings" below). Furthermore, non-recurring costs of € 1.4 million were incurred for the reorganization of company functions during the first half of 2022.

On the other hand, the results for the first half of 2021 were affected by non-recurring costs, which were incurred for the refinancing transaction of the Group that took place in January and February 2021, and which 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 half-year ended 30 June	
	2022	2021
EBITDA	**53,199**	**55,774**
Non-recurring expenses (income) impacting on EBITDA	2,058	3,703
Adjusted EBITDA	**55,257**	**59,477**
Adjusted EBITDA % on Revenues	**9.0%**	**10.8%**
EBIT	**32,469**	**33,612**
Non-recurring expenses (income) impacting on EBITDA and EBIT	2,239	3,703
Adjusted EBIT	**34,708**	**37,315**
Adjusted EBIT % on Revenues	**5.7%**	**6.7%**

REVENUES

During the half-year ended 30 June 2022 the Group recorded ***Revenues*** of € 611.1 million against € 552.8 million for the same period of the previous year, with a positive change of € 58.3 million (+10.5%).

Revenues continued to benefit from an increase in energy prices, which entailed an increase in the price charged to customers on “heat management” contracts, as well as from the recovery of markets after the restrictions imposed by the healthcare emergency in the last few years, especially on the Private market. The International Markets also gave a positive contribution (+ € 21.1 million).

The breakdown of consolidated Revenues for the first 6 months of 2022 compared to the figure of the same period in the previous year.

REVENUES BY MARKET

(in thousands of Euro)	For the half-year ended 30 June				For the quarter ended 30 June	
	2022	% on total Revenues	2021	% on total Revenues	2022	2021
Public Authorities	129,727	21.2%	107,226	19.4%	57,049	50,485
Healthcare	356,518	58.3%	323,966	58.6%	173,770	156,602
Private Customers	124,863	20.4%	121,648	22.0%	62,664	61,119
CONSOLIDATED REVENUES	**611,108**		**552,840**		**293,482**	**268,206**

Revenues in the Healthcare sector showed an increase of € 32.6 million compared to the first half of 2021, from € 324.0 million to € 356.5 million, thus achieving a weight of 58.3% of total consolidated Revenues. The increase in revenues by market was driven by the Facility Management business 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, due to the postponement of operations on some contracts by subsidiary Servizi Ospedalieri to the second half-year on the one hand, and, on the other hand, 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 also showed a volume growth in absolute value (+€ 3.3 million, from € 121.6 million in the first half of 2021 to € 124.9 million in the first half of 2022), which was mainly reported in the Facility Management sector, following the extension of the offer to customers that had already been acquired in previous years and the acquisition of new orders, in particular by subsidiary H2H Facility Solutions, which resumed its operations in full after the restrictions imposed during the period of pandemic emergency.

Finally, the Public market recorded revenues of € 129.7 million, which also contributed to an increase in consolidated revenues during the half-year (+ € 22.5 million compared to € 107.2 million in the same period of 2021, +21%). First of all, the first half of 2002 marked a full resumption of routine work, mainly compared to the first months of 2021; furthermore, it was the Public market that mostly benefitted from an increase in the prices charged to customers under energy contracts as a result of an increase in the costs of raw materials.

Analysis of revenues by segment

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

REVENUES BY SEGMENT

(in thousands of Euro)	For the half-year ended 30 June				For the quarter ended 30 June	
	2022	% on total Revenues	2021	% on total Revenues	2022	2021
Facility Management	543,661	89.0%	475,349	86.0%	259,801	233,929
of which International markets	*94,766*	*15.5%*	*73,709*	*13.3%*	*48,802*	*37,806*
Laundering & Sterilization	69,180	11.3%	79,292	14.3%	34,551	35,243
Eliminations	(1,734)	-0.3%	(1,800)		(870)	(966)
CONSOLIDATED REVENUES	**611,108**		**552,840**		**293,482**	**268,206**

Revenues of the *Facility Management* SBU recorded an increase of € 68.4 million (+ 14.4%) in the first half of 2022 compared to the same period of the previous year, from € 475.3 million in the first half of 2021 to € 543.7 million in the first half 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 € 21.1 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 € 79.3 million for the half-year ended 30 June 2021 to € 69.2 million for the half-year ended 30 June 2022, down by € 10.1 million. The negative trend reported during the two comparative periods was linked to the postponement of operations on some contracts of subsidiary Servizi Ospedalieri, as well as to the lack of business development in the sector, even as a result of the fact that there were no longer extraordinary sales of PPE of subsidiary Medical Device, which returned to pre-Covid performance levels.

The Facility Management SBU showed an increase in the relative weight on total consolidated Revenues (89.0% in the first half of 2022 against 86.0% in the first half of 2021) due to the performance in terms of turnover in the first half of 2022.

EBITDA

The Group's EBITDA amounted to € 53.2 million for the half-year ended 30 June 2022, showing a decrease of € 2.6 million compared to € 55.8 million for the first 6 months of 2021. However, EBITDA during the two comparative periods expensed non-recurring costs of € 2.1 million and € 3.7 million at 30 June 2022 and 30 June 2021, respectively. Therefore, Adjusted EBITDA,

excluding these non-recurring elements, amounted to € 55.3 million at 30 June 2022, against Adjusted EBITDA of € 59.5 million at 30 June 2021 (- € 4.2 million).

Below is provided a comparison of EBITDA by business segment for the period ended 30 June 2022 compared to the same period of 2021:

EBITDA BY SEGMENT

(in thousands of Euro)	For the half-year ended 30 June				For the quarter ended 30 June	
	2022	% on Revenues by segment	2021	% on Revenues by segment	2022	2021
Facility Management	40,221	7.4%	36,988	7.8%	19,755	15,384
of which International markets	*6,129*		*221*		*4,344*	*2,479*
Laundering&Sterilization	12,978	18.8%	18,786	23.7%	5,862	7,276
CONSOLIDATED EBITDA	**53,199**	**8.7%**	**55,775**	**10.1%**	**25,616**	**22,660**

The Facility Management sector showed EBITDA of € 40.2 million at 30 June 2022, showing an increase of € 3.2 million compared to € 37.0 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 the sector equal to € 1.8 million and € 3.6 million, respectively, Adjusted EBITDA by segment confirmed the positive trend (+ € 1.4 million). The change recorded during the first half of 2022 in terms of EBITDA was the result of the same trends as already analyzed on revenues: the performance already described on revenues by segment allows the effects of increased costs to be mitigated, particularly for energy prices, due to exogenous variables linked to the ongoing conflict in Eastern Europe.

EBITDA in the Laundering&Sterilization business segment for the first half of 2022 came to € 13.0 million, showing a decrease compared to the same period of 2021 (- € 5.8 million). The result in terms of EBITDA in the Laundering&Sterilization segment was hit by the same effects as those already described above for revenues, in addition to the well-known increase in costs for energy and transport.

Costs of production

At 30 June 2022, *Costs of production*, which amounted to € 557.9 million, showed an increase of € 60.8 million in absolute values compared to € 497.1 million posted at 30 June 2021 (+ 12.2%), in line with the trend recorded on revenues.

(in thousands of Euro)	For the half-year ended 30 June				For the quarter ended 30 June	
	2022	% of total	2021	% of total	2022	2021
Costs of raw materials and consumables	164,314	29.5%	96,482	19.4%	70,485	44,800
Change in inventories of finished and semi-finished products	12	0.0%	677	0.1%	82	(2,671)
Costs for services and use of third-party assets	156,743	28.1%	165,171	33.2%	78,458	82,961
Personnel costs	233,233	41.8%	229,458	46.2%	118,549	116,959
Other operating costs	3,843	0.7%	5,319	1.1%	528	3,512
Capitalization of lower internal construction costs	(236)	0.0%	(41)	-0.01%	(236)	(15)
TOTAL COSTS OF PRODUCTION	**557,909**		**497,066**		**267,866**	**245,546**

Costs of raw materials and consumables in the first half of 2022 came to € 164.3 million, showing an increase of € 87.8 million (+70.3%) compared to the value posted in the same period of 2021, which led to a higher impact on total Costs of Production (29.5% at 30 June 2022 against 19.4% at 30 June 2021). The increase in the item, which continued the trend already recorded at the end of 2021 and in the first quarter of 2022, was mainly due to an increase in cost for fuel consumption and other energy resources (the change in which accounted for 97% of the change in the total of the item) following an increase in the price of raw materials.

On the other hand, *Inventories of finished and semi-finished products* recorded a decrease of € 0.7 million at 30 June 2022 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 half of 2022.

Costs for services and use of third-party assets came to € 156.7 million at 30 June 2022, down by € 8.4 million compared to the value posted at 30 June 2021 (€ 165.2 million) and with an impact of 28.1% (33.2% at 30 June 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 increased in absolute terms by € 3.8 million (+ 1.6%) from € 229.5 million at 30 June 2021 to € 233.2 million at 30 June 2022, with an impact on total Costs of Production equal to 41.8% at 30 June 2022 (against 46.2% at 30 June 2021).

The average number of employees in service during the first half of 2022 was equal to 26,765, while it was 28,067 in the same period in the previous year (of which 24,962 against 26,360 manual workers), thus recording a slight decline. Perfectly symmetrical to what was said for costs for services, the trend in the number of Group employees, and in particular manual workers, was closely related to the mix of services in progress, as is the impact of related costs on total operating costs.

Finally, *Other operating costs* at 30 June 2022 amounted to € 3.8 million (€ 5.3 million at 30 June 2021), down by € 1.5 million compared to the same period of the previous year. The trend in the item was in line in the two comparative periods, net of non-recurring costs affecting the item in the first half of the previous year.

Operating income (EBIT)

In the first half of 2022, Consolidated Operating Income (**EBIT**) came to € 32.5 million (equal to 5.3% of Revenues) against € 33.6 million (6.1% of Revenues) during the same period of 2021.

EBIT for the period was affected by the above-mentioned consolidated performance in terms of EBITDA (- € 2.6 million compared to the first half of the previous year), to which must be added higher *amortization and depreciation* of € 0.6 million (€ 16.2 million at 30 June 2022, of which an amount of € 3.5 million relating to the amortization of Rights of Use, against € 15.3 million in the same period of the previous year), while deducting lower *write-downs of receivables* and *reversals* of € 1.7 million and *accruals to provisions for risks and charges (net of reversals)* for € 0.3 million, including a non-recurring provision for € 0.2 million in the first half of 2022 that was set aside to cover the probable risk of the parent company incurring additional costs on some contracts.

Adjusted EBIT, which recognized the same non-recurring items impacting on Adjusted EBITDA, in addition to the aforesaid non-recurring accrual in the first half of 2022) came to € 34.7 million and € 37.3 million at 30 June 2022 and 30 June 2021, respectively, with relative profit margins (Adjusted EBIT/Revenues) equal to 5.7% and 6.7%, respectively.

Below is a comparison of Operating Income (EBIT) by business segment for the period ended 30 June 2022 and that posted in the same period in 2021:

EBIT BY SEGMENT

(in thousands of Euro)	For the half-year ended 30 June				For the quarter ended 30 June	
	2022	% on Revenues by segment	2021	% on Revenues by segment	2022	2021
Facility Management	29,996	5.5%	24,614	5.2%	14,792	9,422
of which International Markets	*4,310*		*(1,691)*		*3,347*	*1,459*
Laundering&Sterilization	2,473	3.6%	8,998	11.3%	541	2,267
CONSOLIDATED EBIT	**32,469**	**5.3%**	**33,612**	**6.1%**	**15,333**	**11,689**

EBIT in the *Facility Management* sector was equal to € 30.0 million, 5.5% of related segment Revenues, at 30 June 2022, up by € 5.4 million compared to 30 June 2021, with operating profit margins coming to 5.5% of Revenues by segment (5.2% at 30 June 2021). The adjusted values reflect this trend, with adjusted EBIT by segment increasing from € 28.2 million at 30 June 2021 to € 32.0 million at 30 June 2022.

EBIT by segment reflected the abovementioned performance in terms of EBITDA (+ € 3.2 million), to which must be added lower amortization and depreciation for € 0.1 million, lower write-downs of trade receivables for € 1.6 million and lower net accruals to provisions for future risks and charges for € 0.4 million (which included the abovementioned non-recurring accruals for € 0.2 million recorded in the first half of 2022).

From the negative performance in terms of EBITDA in the Laundering&Sterilization segment for the first half of 2022 compared to the same period of the previous year (- € 5.8 million), must be deducted, at segment EBIT level, higher amortization and depreciation for € 0.8 million, as well as higher net accruals to provisions for future risks and charges for € (0.1 million), while must de added lower write-downs of trade receivables for € 0.1 million. Profit margins by segment came to 3.6% terms of EBIT on related Revenues by segment (11.3% at 30 June 2021).

Profit (loss) before tax from continuing operations

To the consolidated EBIT must be added net income for the companies valued at equity, equal to € 0.4 million (€ 1.6 million at 30 June 2021).

Net financial charges of € 18.0 million were also recognized (€ 44.9 million at 30 June 2021), thus obtaining a Result before tax from continuing operations equal to € 14.9 million (against a loss of € 9.7 million at 30 June 2021).

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

(in thousands of Euro)	For the half-year ended 30 June		For the quarter ended 30 June	
	2022	2021	2022	2021
Dividends and income (loss) from sale of investments	85	725	78	163
Financial income	741	363	490	154
Financial charges	(20,275)	(45,910)	(10,545)	(10,745)
Profit (loss) on exchange rate	1,421	(59)	971	(385)
NET FINANCIAL CHARGES	**(18,028)**	**(44,881)**	**(9,006)**	**(10,813)**

Dividends were accounted for from non-consolidated companies for € 0.1 million in the first half of 2022 (unchanged compared to 30 June 2021). On the other hand, net capital gains from sale of non-consolidated investments were recognized for € 0.6 million at 30 June 2021.

Financial income amounted to € 0.7 million in the first half of 2022, up by € 0.4 million compared to the same period of 2021 (when it was equal to € 0.4 million).

The impact of *financial charges* on the consolidated results of operations for the period was equal to € 20.3 million compared to € 45.9 million for the same period of 2021, showing a decrease of € 25.6 million.

In fact, during the first half 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 half of 2021. Specifically, the Group incurred costs related to the early redemption for € 15.0 million, on the basis of the redemption premium set in the rules of the Senior Secured Noted paid off in full. The repayment of the Notes also entailed the reversal through profit or loss for the period of the residual additional costs to the issue in 2017, accounted for according to the amortized cost method, equal to € 5.8 million. At the same time as the bond issue the Revolving Credit Facility line of € 50.0 million was repaid, which had not been drawn down at the time of the redemption, with the consequent reversal through profit or loss of the residual portion of the costs concerning this loan, 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 € 13.4 million in the first half of 2022 (€ 13.7 million in the first half of 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 € 0.7 million in the period (€ 0.6 million at 30 June 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, 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 financial charges of € 0.4 million in the period (including commitment fees charged by banks) against € 0.5 million on the same credit line in the first half of 2021.

Interest discount costs were also recognized for € 1.2 million during the first half of 2022 in relation to the assignments of trade and VAT receivables without recourse (€ 1.9 million in the same period of the previous year).

Finally, foreign exchange gains of € 1.4 million were recorded at 30 June 2022, mainly linked to the fluctuations in Euro/Turkish Lira and Saudi Riyal exchange rates during the period.

Consolidated net Result for the period

From the Profit (loss) before tax from continuing operations for the period (€ 14.9 million) must be deducted taxes of € 8.0 million, thus obtaining a Net result from continuing operations of € 6.8 million (against a loss of € 15.7 million at 30 June 2021).

Below is the breakdown of the consolidated tax rate:

(in thousands of Euro)	For the half-year ended 30 June	
	2022	2021
Profit (loss) before tax from continuing operations	**14,855**	**(9,712)**
Current, prepaid and deferred IRES tax	(5,757)	(3,318)
Current, prepaid and deferred IRAP tax	(2,270)	(2,624)
Net profit (loss) from continuing operations	**6,829**	**(15,655)**
Tax rate from continuing operations	**54.0%**	**N.A.**
Profit/(loss) before taxes from discontinued operations	0	16
Consolidated net result	**6,829**	**(15,639)**
Overall tax rate	**54.0%**	**N.A.**

The Group recognized higher current, prepaid and deferred tax of € 2.1 million compared to the previous year.

Finally, the Group reported a Consolidated net profit equal to € 6.8 million, against a consolidated Net loss of € 15.6 million at 30 June 2021. As already mentioned, Profit (loss) before taxes for the comparative half-year was affected by non-recurring financial charges of € 23.7 million associated with the refinancing transaction that took place in early 2021.

2.2 Analysis of the statement of financial position at 30 June 2022

The statement of Sources and Uses is reported below:

(in thousands of Euro)	30 June 2022	31 December 2021
USES		
Trade receivables and advances to suppliers	514,051	443,248
Inventories	12,643	12,743
Trade payables and contract liabilities	(434,614)	(413,374)
Net working operating capital	**92,080**	**42,617**
Other elements of working capital	(152,296)	(150,501)
Net working capital	**(60,216)**	**(107,884)**
Property, plant and equipment and assets under finance leases	103,790	97,319
Rights of use for operating leases	31,032	32,646
Goodwill and other intangible assets	423,597	424,185
Investments accounted for under the equity method	9,880	9,153
Other elements of non-current assets	30,086	30,857
Fixed Assets	**598,385**	**594,160**
Non-current liabilities	(52,577)	(54,293)
NET INVESTED CAPITAL	**485,592**	**431,983**
SOURCES		
Equity attributable to non-controlling interests	4,865	4,588
Equity attributable to equity holders of the parent	53,237	46,746
Shareholders' equity	**58,102**	**51,334**
Financial indebtedness	427,490	380,649
of which fair value of call options on subsidiaries' non-controlling interests	*15,539*	*15,336*
FINANCING SOURCES	**485,592**	**431,983**

Net working capital

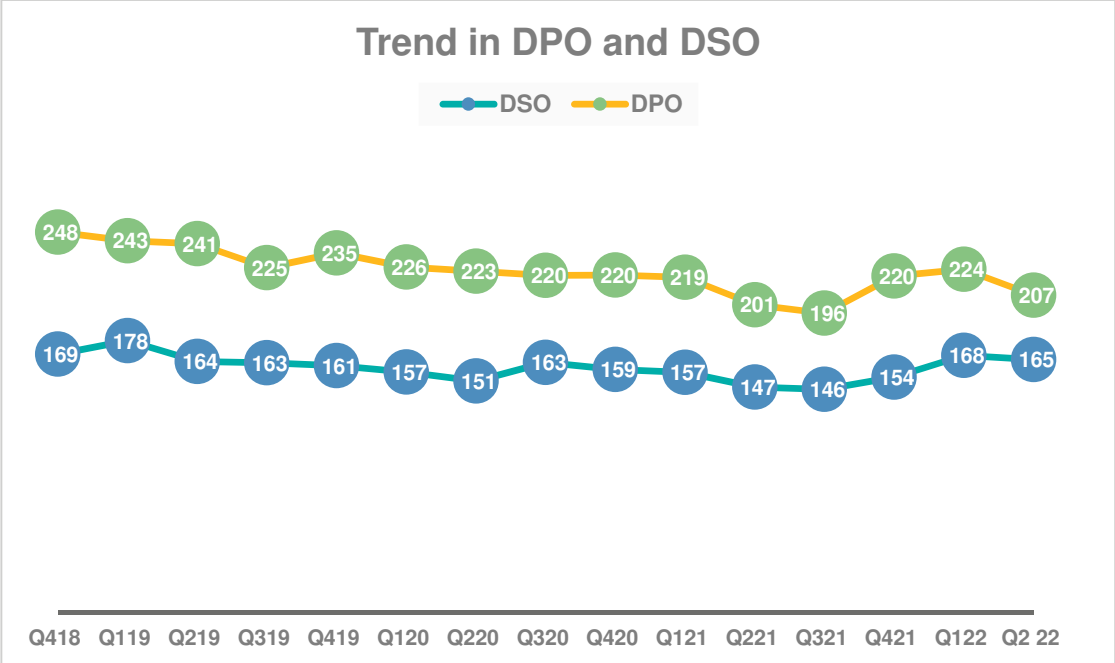
At 30 June 2022, Consolidated Net Working Capital (**NWC**) was negative and equal to € 60.2 million against a negative value of NWC of € 107.9 million at 31 December 2021.

At 30 June 2022, 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 € 92.1 million against € 42.6 million at 31 December

2021. Considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring agencies (equal to € 80.3 million at 30 June 2022 and € 68.0 million at 31 December 2021), the **Adjusted NWOC** came to € 172.4 million and € 110.6 million, respectively.

The change in this latter indicator (+ € 61.8 million) was due to a change in the balance of trade payables (+ € 21.2 million) against an increase in trade receivables (+ € 83.2 million, 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 for € 0.1 million. At 30 June 2022, Adjusted NWOC was affected by higher volumes recorded on both trade payables and receivables due to an increase recorded in energy prices.

At 30 June 2022, average DSO was 165 days against 154 days at 31 December 2021 and 147 days at 30 June 2021. Furthermore, average DPO stood at 207 days, showing a decrease compared to the value posted at 31 December 2021 (220 days) and an increase compared to 30 June 2021 (201 days). The increase recorded both in DSO and DPO was also linked to events that involve the energy sector, and the consequent actions implemented by the management.



The balance of the other elements in working capital at 30 June 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)	30 June 2022	31 December 2021	Change
Current tax receivables	3,028	5,278	(2,250)
Other current assets	30,443	24,133	6,310
Provisions for risks and charges, current	(11,918)	(12,455)	537
Current tax payables	(1,218)	0	(1,218)
Other current liabilities	(172,631)	(167,457)	(5,174)
OTHER WORKING CAPITAL ELEMENTS	**(152,296)**	**(150,501)**	**(1,795)**

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

- an increase in the net VAT credit balances of the Group companies that are predominantly subject to a VAT invoicing system based on “Split payment” and “Reverse charge” (+ € 6.6 million). These credit balances allowed, during the first half of 2022, the performance of assignments without recourse of the balances on account of refund required from the Tax Authorities, for a total amount of € 10.0 million;
- a decrease in the balance of net current tax receivables, equal to € 1.8 million at 30 June 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 among “Other current liabilities” in the financial statements at 31 December 2020 following the service of the Competition Authority’s updated order concerning the Consip FM4 tender and the subsequent entry of the amount in the taxpayers’ list on the part of the Revenue Agency; subsequently, the latter sent, on 22 December 2020, an updated payment plan of no. 72 monthly installments, deducting the installments that had already been paid as deposit for € 3.0 million and applying any expected surcharges and collection costs (totalling € 2.6 million). After having made use of the suspension of the payment of installments 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”), the Company resumed operations, following the expiry of the final deadline for the suspension of payment (31 August 2021), to pay monthly installments, paying part of the installments suspended during the Covid-19 emergency period and accounting for a higher collection costs on certain installments for € 0.6 million (of which € 0.2 million stated among provisions for risks and charges due to the different probability of application of additional charges), in addition to default interest. The residual debt recognized in the Interim Consolidated Financial Statements at 30 June 2022 amounted to € 71.5 million.

Other non-current liabilities

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

- defined-contribution plans for employee benefits, mainly including the Employee Termination Indemnity (TFR), equal to € 8.9 million and € 10.5 million at 30 June 2022 and 31 December 2021, respectively;
- long-term portion of Provisions for risks and charges (€ 26.0 million at 30 June 2022, unchanged compared to 31 December 2021);
- deferred tax liabilities of € 16.2 million (€ 16.4 million at 31 December 2021);
- Other non-current liabilities of € 1.4 million at 30 June 2022, unchanged compared to 31 December 2021.

Consolidated net financial indebtedness

The breakdown of financial indebtedness at 30 June 2022 is shown below, 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 - "*Compliance with ESMA Guidelines on disclosure requirements under the Prospectus Regulation*": under the Notice, the authority notified, as from 5 May 2021, the replacement of the references to the previous CESR Recommendations with the latest Guidelines issued by ESMA (European Securities and Markets Authority) on disclosure requirements (ESMA32-382-1138 of 4 March 2021), including the references present on the subject of net financial position, as required by the new Prospectus Regulation (Regulation (EU) 2017/1129 and EU Delegated Regulations 2019/980 and 2019/979).

The breakdown at 30 June 2022 is compared with the figures at 31 December 2021, as appropriately restated according to the new guidelines.

(in thousands of Euro)	30 June 2022	31 December 2021
A. Cash	166	160
B. Cash equivalents (c/a, bank deposits and consortia, non-proprietary accounts)	83,040	99,352
C. Other current financial assets	6,218	14,799
D. Liquidity (A) + (B) + (C)	**89,424**	**114,311**
E. Current financial liabilities	87,238	67,980
F. Current portion of non-current debt	15,357	14,097
G. Current financial indebtedness (E)+(F)	**102,595**	**82,077**
H. Current net financial indebtedness (G) - (D)	**13,171**	**(32,234)**

I. Non-current financial liabilities	50,555	49,858
J. Debt instruments	363,764	363,025
K. Trade payables and other non-current payables	0	0
L. Non-current financial indebtedness (I) + (J) + (K)	**414,319**	**412,883**
M. TOTAL FINANCIAL INDEBTEDNESS (H) + (L)	**427,490**	**380,649**

Consolidated financial indebtedness increased from € 380.6 million at 31 December 2021 to € 427.5 million at 30 June 2022.

The assignments of trade receivables without recourse continued during the first half of 2022. The Parent Company Rekeep S.p.A. and Servizi Ospedalieri S.p.A. have in place a 3-year maturity factoring agreement with BFF Bank S.p.A. concerning the assignment, without recourse and on a revolving basis, of receivables claimed by the same companies from Entities in the National Health System and Public Authorities, for an amount of up to € 300 million (renewed for the last time on 14 January 2022). During the first half of 2022 assignments without recourse were made under this contract for € 123.7 million. The Parent Company also signed an additional uncommitted factoring agreement with Banca IFIS, concerning the assignment without recourse of trade receivables specifically accepted for the individual transactions carried out. Receivables from private entities and Public Authorities were assigned for € 14.3 million during the period, in consideration of this contract. Furthermore, an additional line for assignments without recourse up to € 20 million on a revolving basis is in place with Unicredit Factoring S.p.A., which is also aimed at converting credit positions into cash specifically agreed with the factor. This line was used in the period for the assignment of receivables from private individuals for a total amount € 7.7 million. Finally, spot assignments of trade receivables from public customers with Banca Sistema for € 5.3 million, from private companies and companies in the large-scale retail trade for € 27.0 million were carried out, as were assignments of VAT credits requested for refund for a total of € 10.0 million. All assignments without recourse carried out were subject to derecognition according to IFRS 9.

The consolidated adjusted financial debt for the amount of trade receivables assigned without recourse to factoring companies, which had not been collected by the latter at the reporting date (totaling € 80.3 million at 30 June 2022 against € 68.0 million at 31 December 2021) amounted to € 507.8 million against € 448.6 million at 31 December 2021.

Financial indebtedness also included the carrying amount of future payments discounted for operating leases, equal to € 34.6 million and € 37.1 million at 30 June 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 € 15.5 million at 30 June 2022 (€ 15.3 million at 31 December 2021).

At 30 June 2022, the balance of Cash and cash equivalents, net of short-term lines of credit (“Net Cash”) amounted to € 51.4 million (€ 70.1 million at 31 December 2021):

(in thousands of Euro)	30 June 2022	31 December 2021
Cash and cash equivalents	83,206	99,512
Current bank overdraft, advance payments and hot money	(15,454)	(6,140)
Obligations arising from assignments of trade receivables with recourse	(16,303)	(23,270)
NET CASH	**51,449**	**70,101**

Below is the breakdown of the net financial exposure for bank credit lines and finance lease obligations ("*Net Debt*") at 30 June 2022, compared to 31 December 2021:

(in thousands of Euro)	30 June 2022	31 December 2021
Senior Secured Notes (nominal value)	370,000	370,000
Bank debts (nominal value)	958	1,104
Finance lease obligations	10,560	6,991
Current bank overdraft, advance payments and hot money	15,454	6,140
Obligations arising assignments of receivables with recourse	16,303	23,270
Reverse factoring payables	27,574	9,963
GROSS DEBT	**440,849**	**417,469**
Receivables and other current financial assets	(6,218)	(14,799)
Cash and cash equivalents	(83,206)	(99,512)
NET DEBT	**351,425**	**303,158**

The balance of lease liabilities showed an increase in the first half of 2022 following the execution of a new property lease agreement on the part of subsidiary Medical Service S.r.l. relating to a building previously held under lease.

Furthermore, lower uses of credit lines for the assignment with recourse of trade receivables (€ 16.3 million at 30 June 2022 against € 23.3 million at 31 December 2021) were recorded against higher uses of reverse factoring lines for € 17.6 million (€ 27.6 million at 30 June 2022 compared to € 10.0 million at 31 December 2021) and Current bank overdraft, advance payments and hot money (€ 15.5 million at 30 June 2022 and € 6.1 million 31 December 2021).

The change in consolidated "Cash and cash equivalents" is analyzed in the table below, which shows the cash flows for the first half of 2022, compared with the figures for the same period of the previous year. Reference should be made to Annexes, which

contain a reconciliation between the items in the table and those in the statutory schedule reported in the Consolidated Half-year Financial Report, presented in the condensed Explanatory Notes pursuant to IAS 7.

(in thousands of Euro)	2022	2021
At 1 JANUARY	**99,512**	**90,464**
Cash flow from current operations	31,397	7,901
Uses of provisions for risks and charges and payments of the Employee Termination Indemnity (TFR)	(2,374)	(2,318)
Change in NWOC	(49,869)	(15,566)
Industrial capex, net of disposals	(21,817)	(14,443)
Financial capex, net of disposals	(423)	(5,153)
Change in net financial liabilities	30,535	44,266
Other changes	(3,755)	(3,290)
AT 30 JUNE	**83,206**	**101,860**

The overall cash flows mainly reflect:

- a cash inflow from operating activities of € 31.4 million (against a cash inflow of € 7.9 million at 30 June 2021);
- cash outflows from the use of provisions for future risks and charges and of the provision for Employee Termination Indemnity (TFR) for € 2.4 million (€ 2.3 million at 30 June 2021);
- a cash flow used for changes in NWOC for € 49.9 million (€ 15.6 million at 30 June 2021) resulting from an outflow correlated to an increase in trade receivables for € 71.6 million (down by € 1.6 million in the first half of 2021) against inflows relating to a change in inventories for € 0.1 million (€ 2.7 million at 30 June 2021) and the balance of trade payables for € 21.7 million (- € 19.9 million at 30 June 2021);
- a cash absorption of € 21.8 million used in industrial investments (€ 14.4 million at 30 June 2021), net of disposals for € 0.7 million (in line with the value posted in the first half of the previous year);
- cash outflows from financial investments and disinvestments of € 0.4 million at 30 June 2022 generated from the deconsolidation of companies put into liquidation, net of acquisition of minority interests in non-consolidated companies, while cash outflows were equal to € 5.2 million at 30 June 2021, mainly as a result of the acquisition of U.Jet S.r.l. on the part of subsidiary Servizi Ospedalieri for a consideration of € 6.9 million on 1 June 2021, partly offset by the sale of non-consolidated investments for € 0.9 million and the collection of a deferred receivable on the sale of a minority investment made in the previous years;
- an increase in net financial liabilities for € 30.5 million, which was mainly due to (i) changes relating to the use of short-term credit lines for hot money and advances on invoices (+ € 9.3 million) and for assignments of trade receivables with recourse

(- € 7.0 million), as well as for reverse factoring transactions (+ € 17.6 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 (+ € 1.2 million); (iii) an increase in the financial liability stated on operating and financial leases (+ € 1.0 million) (iv); the partial repayment of the loan granted to the parent company MSC (+ € 6.0 million); (vi) the collection of the final tranche of the receivable claimed by Servizi Ospedalieri related to the sale of a minority interest that took place in previous years (+ € 1.1 million). During the first half of 2021, there had been the recognition of an increase in net financial liabilities for € 44.3 million, mainly due to (i) the refinancing transaction, which entailed the recognition of a higher capital debt of € 36.1 million; (ii) other changes in the liability related to the use of short-term credit lines for hot money and advances on invoices (- € 3.7 million) and for assignments of trade receivables with recourse (- € 5.9 million), as well as for reverse factoring transactions (+ € 2.8 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 (- € 1.0 million); (iv) an increase in financial liabilities recognized on operating and financial leases (+ € 1.3 million); (v) the change in the balance of accrued interest (+ € 10.2 million);

- cash outflows arising from other changes recorded in the period for € 3.8 million, mainly due to the net effect of: (i) the outflow generated by the performance of the net VAT credit balance of the Group companies, which increased by € 6.6 million in the first half of 2022, albeit against non-recourse assignments totaling € 10.0 million; (ii) changes in debt balances for payments due to the members of the Temporary Business Grouping for (- € 2.7 million); (iii) and an increase in payables for personnel for € 8.2 million; (iv) 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 (- € 0.7 million). Other changes in the first half of 2021 absorbed total flows of € 3.3 million, mainly due to the net effect of: (i) the changes in the net VAT credit balances of the Group companies, which increased by € 4.3 million in the first half of 2021, albeit against assignments without recourse totaling € 7.7 million; (ii) the changes in debt balances for payments due to the members of the Temporary Business Grouping for (+ € 5.0 million); (iii) the increase in the balance of payables to/receivables from employees and related payables to/receivables from social security institutions and Tax Authorities for withholding taxes (+ € 12.6 million); (iv) a decrease, among “Other operating current liabilities”, in the payable related to the fine imposed by the Competition Authority in relation to the FM4 Tender (- € 3.7 million).

Industrial and financial Capex

In the first half of 2022 the Group made gross capital expenditures which totaled € 22.5 million (€ 15.2 million at 30 June 2021), from which must be deducted disinvestments of € 0.7 million (in line with the same period of the previous year):

(in thousands of Euro)	For the half-year ended 30 June	
	2022	2021
Increases in owned properties	2,138	0
Purchase of plant and equipment	15,340	13,503
Acquisitions of fixed assets under finance leases	2,957	133
Other investments in intangible assets	2,072	1,555
INDUSTRIAL CAPEX	**22,507**	**15,190**

Investments in properties fully related to the subsidiary Servizi Ospedalieri for the acquisition of an industrial building in the first half of 2022.

Acquisitions of plant and equipment include the purchase of linen by Servizi Ospedalieri S.p.A. for the linen rental and industrial laundering business, which requires periodic and frequent repairs, equal to € 6.0 million at 30 June 2022 against € 9.4 million at 30 June 2021.

In addition to the direct investment, Servizi Ospedalieri S.p.A. equipped itself with linen through lease agreements for € 1.4 million; it also leased replacement surgical instruments for € 0.4 million. Additional lease investments for the period refer to a property lease agreement of € 1.1 million signed by the subsidiary Medical Device S.r.l., relating to a building previously held under lease.

Investments in intangible assets for the period amounted to € 2.1 million (€ 1.6 million at 30 June 2021) and mainly related to ICT investments on the part of the Parent Company for the upgrading and enhancement of its SAP infrastructure and other similar investments.

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

(in thousands of Euro)	For the half-year ended 30 June	
	2022	2021
Facility Management	8,409	4,539
of which relating to International Markets	*4,847*	*2,460*
Laundering & Sterilization	14,098	10,652
INDUSTRIAL CAPEX	**22,507**	**15,190**

Cash flows from financial investments posted a negative value of € 0.4 million at 30 June 2022, which was generated from the deconsolidation of two companies that had been previously included in the Group's scope of consolidation, net of acquisition of minority interests in non-consolidated companies. Cash flows from financial investments posted a negative value of € 5.2 million

at 30 June 2021, which was generated from the net effect of the consideration for the acquisition of U.Jet S.r.l., equal to € 6.9 million, and the collection of the price for the sale of non-consolidated companies for € 1.6 million, partly absorbed by the disbursement of a loan to a non-strategic company for € 0.3 million.

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	30 June 2022
Senior Secured Notes	363,025				738	363,764
Revolving Credit Facility (RCF)	0	50,000	(50,000)			0
Bank loans	1,104		(146)			958
Current bank overdraft, advance payments and hot money	6,140	15,454	(6,140)			15,454
Accrued expenses and deferred income on loans	10,473		(13,437)		13,435	10,470
BANK DEBTS	**380,742**	**65,454**	**(69,724)**	**0**	**14,173**	**390,646**
Finance lease obligations	6,991	2,957	612			10,560
Operating lease liabilities	37,116	2,726	(4,464)	(789)		34,590
Payables for assignments of trade receivables with recourse	23,270	16,497	(23,465)			16,303
Reverse factoring payables	9,963	27,574	(9,963)			27,574
Receipts on behalf of assignees of trade receivables without recourse	14,556	15,744	(14,556)			15,744
Fair value Put option	15,336				203	15,539
Other current financial liabilities	6,986	1,221	(2,248)			5,958
FINANCIAL LIABILITIES	**494,960**	**132,173**	**(123,808)**	**(789)**	**14,376**	**516,913**
Current financial assets	(14,799)		8,581			(6,218)
NET FINANCIAL LIABILITIES	**480,161**	**132,173**	**(115,227)**	**(789)**	**14,376**	**510,695**

The residual debt for principal relating to the Senior Secured Notes was equal to € 370.0 million at 30 June 2022, to which must be added the accounting adjustment on the premium and additional issue costs, accounted for according to the amortized cost method (€ 6.2 million). The financial amortization of this adjustment generated financial costs for € 0.7 million in the first half of 2022.

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 half-year in order to meet any possible temporary cash requirements, and was promptly repaid (at 30 June 2022 the RCF facility had not been drawn down); the uses entailed a recognition of an interest financial cost of € 0.4 million in the first half of 2022 (while the facility had not been drawn down during the first half of 2021).

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

Furthermore, at 30 June 2022 there was the recognition of accrued expenses on loans in a total amount of € 11.7 million (almost entirely relating 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 line, for an initial amount of € 1.3 million and amortized on a straight-line basis throughout the entire term of the credit facility (financial charges of € 0.1 million recognized during the period).

As at the closing date of the half-year short-term uncommitted credit lines had been used for hot money and advance payments on invoices in order to meet peaks in temporary cash requirements linked to the physiological performance of operations of € 15.5 million, against a balance of € 6.1 million at 31 December 2021. Furthermore, Rekeep S.p.A. and Servizi Ospedalieri S.p.A. used credit facilities for the assignment of trade receivables with recourse in place with Banca Sistema, concerning receivables from customers in the Public sector market. During the first half of 2022 assignments were made in an overall nominal amount of € 16.5 million and the facilities had been drawn down for € 16.3 million at 30 June 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 € 27.6 million was also recognized at 30 June 2022 (€ 10.0 million at 31 December 2021).

The Group recorded receipts of € 15.7 million at 30 June 2022 concerning receivables included in assignments without recourse for which the respective debtors have not made any payment to the bank accounts specified by the factor. These amounts constitute a financial liability for the Group, since it acts as an agent for the management of receipts on behalf of the factor, and, therefore, it proceeded with the payment of said amounts at the beginning of the subsequent quarter.

The financial liability relating to the discounted value of future lease payments to be made on property and operating leases amounted to € 34.6 million at 30 June 2022 against € 37.1 million at 31 December 2021. During the first half of the financial year new agreements were entered into and rentals were revalued for a present value of € 2.7 million upon recognition, while contracts were early terminated for a remaining value of € 0.8 million. On the other hand, a residual debt was recognized against finance

leases at 30 June 2022, equal to € 10.6 million (€ 7.0 million at 31 December 2021), of which an amount of € 7.2 million for properties and equipment of the Laundering&Sterilization SBU and an amount of € 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 € 15.5 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, in addition to the put option granted in favor of the minority shareholder Rekeep France on the remaining 30% of the share capital, both of which had been already recognized at 31 December 2021.

Finally, "Other financial liabilities include loans taken out by the Group companies with non-banking counterparties.

The balance of short-term financial assets showed a decrease of € 5.8 million in the first half of 2022, mainly following the partial repayment (€ 6.0 million) 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 1.3 million). Finally, to these must be added residual receivables on the disposals of investments for € 0.2 million, relating to the sale of the associate Fratelli Bernard S.r.l. on the part of subsidiary Servizi Ospedalieri, which took place on 28 December 2021, while the last tranche (€ 1.1 million) was collected by Servizi Ospedalieri in the half-year (€ 1.1 million) in relation to the sale of Linea Sterile S.r.l., a non-strategic investment sold on 29 December 2020.

3. UPDATE ON LEGAL PROCEEDINGS

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

ANAC's disqualification order - Santobono Pausilipon

On 10 November 2017 ANAC, after the completion of proceedings initiated in November 2016 following a report made by A.O.R.N. Santobono Pausilipon in Naples, imposed a sanction (the "ANAC Order") on Rekeep S.p.A. (Manutencoop Facility Management S.p.A. at that time), raising objections concerning the failure to provide a declaration relating to the absence of criminal proceedings against one of the Company's proxy holders in the documentation submitted for the tender for awarding cleaning services at stesso Santobono Pausilipon, 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 must be regarded as suspended at that 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 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 2019

The dispute concerning the fine imposed in relation to the FM4 Tender still continued in 2022.

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 the order 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. Against the ruling, on 10 June 2022 the Company filed an appeal for review before the Council of State, which scheduled the hearing for discussion on 4 May 2023; the Company also filed an appeal before the Supreme Court on 8 July 2022 and is now waiting for the hearing for discussion to be scheduled.

Even on the basis of what has been agreed with its lawyers and maintaining the position it has always taken on the matter, Rekeep S.p.A. 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 30 June 2022 are included in the explanatory notes (notes 13 and 14), to which reference is made.

4. SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

Acquisition of the "Personnel Activities" business unit

On 30 June 2022 the Parent Company Rekeep S.p.A. signed the deed of acquisition from its parent company MSC Società di Partecipazione tra Lavoratori S.p.A. of a "Personnel Activities" business unit concerning a unitarily organized set of legal relationships, assets, persons and activities for the provision of specialist consulting services on personnel management, administration, recruitment and selection, personnel placement consulting and intermediation in payroll processing, in addition to the organized group of people including Rekeep's top management and heads of functions.

The transfer of the business unit became effective from 1 July 2022 and took place at the price of € 10.8 million agreed between the parties, in line with the business unit's economic value that emerges from the appraisal prepared on the relevant reference position as at 31 March 2022, subject to an adjustment calculated on the final value of the business unit at the date of transfer. With this transaction, Rekeep will proceed with the insourcing of the know-how and skills belonging to its executives, as well as the activities and competencies pertaining to the area of Human Resources (HR), which until now MSC had put at the service of Rekeep, thus also achieving savings linked to the intermediation costs that have been paid to MSC for the work performed until now.

5. BUSINESS OUTLOOK

The first half of 2022 was 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 half of 2022 confirmed the growth trend in revenues and a stability of profit margins, albeit against an increase in the price of raw materials, especially energy, which impacted mainly on heat management services provided by the Group, the effect of which is however offset by the indexation mechanism provided for as per contract.

For the second half of the year, work will continue on making the cost structure more efficient in order to cope with the generalized increase in prices.

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 sub-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.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	NOTES	30 June 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	89,697	86,375
Property, plant and equipment under lease	4	45,125	43,590
Goodwill	5-6	404,935	404,706
Other intangible assets	5	18,662	19,479
Investments accounted for under the equity method	7	9,880	9,153
Other investments	8	7,131	7,140
Non-current financial assets and other securities	8	4,676	4,702
Other non-current assets	8	2,951	3,232
Prepaid tax assets		15,328	15,783
TOTAL NON-CURRENT ASSETS		**598,385**	**594,160**
CURRENT ASSETS			
Inventories		12,643	12,743
Trade receivables and advances to suppliers	9	514,051	443,248
Current tax receivables		3,028	5,278
Other current assets	9	30,443	24,133
Current financial assets	11	6,218	14,799
Cash and cash equivalents	11	83,206	99,512
TOTAL CURRENT ASSETS		**649,589**	**599,713**
Non-current assets classified as held for sale		0	0
TOTALE NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,247,974**	**1,193,873**

(in thousands of Euro)	NOTES	30 June 2022	31 December 2021
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		12,432	11,510
Retained earnings		(75,016)	(51,326)
Profit (loss) attributable to equity holders of the Parent		6,671	(22,588)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**53,237**	**46,746**
Capital and reserves attributable to non-controlling interests		4,707	2,985
Profit (loss) attributable to non-controlling interests		158	1,603
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		4,865	4,588
TOTAL EQUITY	**10**	**58,102**	**51,334**
NON-CURRENT LIABILITIES			
Employee termination indemnity	12	8,948	10,483
Provisions for risks and charges, non-current	13	26,043	26,035
Non-current loans	11	414,319	412,883
Deferred tax liabilities		16,221	16,384
Other non-current liabilities		1,365	1,391
TOTAL NON-CURRENT LIABILITIES		**466,896**	**467,176**
CURRENT LIABILITIES			
Provisions for risks and charges, current	13	11,918	12,455
Trade payables and contract liabilities	15	434,614	413,374
Current tax payables		1,218	0
Other current liabilities	15	172,631	167,457
Bank borrowings, including current portion of long-term debt, and other financial liabilities	11	102,595	82,077
TOTAL CURRENT LIABILITIES		**722,976**	**675,363**
Liabilities directly associated with assets held for sale		0	0
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL LIABILITIES		**1,247,974**	**1,193,873**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands of Euro)	NOTES	For the half-year ended	
		30 June 2022	30 June 2021
REVENUES			
Revenues from contracts with customers		609,177	551,595
Other revenues		1,931	1,245
TOTAL REVENUES		**611,108**	**552,840**
OPERATING COSTS			
Costs of raw materials and consumables		(164,314)	(96,482)
Change in inventories of finished and semi-finished products		(12)	(677)
Costs for services and use of third-party assets		(156,743)	(165,171)
Personnel costs		(233,233)	(229,458)
Other operating costs		(3,843)	(5,319)
Capitalization of lower internal construction costs		236	41
Amortization, depreciation, write-downs and write-backs of assets	3-4-5	(19,652)	(20,744)
Accrual of provisions for risks and charges	13	(1,078)	(1,418)
TOTAL OPERATING COSTS		**(578,639)**	**(519,228)**
OPERATING INCOME		**32,469**	**33,612**
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	7	414	1,557
Dividends and income (loss) from sale of investments		85	725
Financial income		741	363
Financial charges		(20,275)	(45,910)
Profit (loss) on exchange rate		1,421	(59)
Profit (loss) before tax		**14,855**	**(9,712)**
Income taxes, current , prepaid and deferred		(8,026)	(5,943)
Net profit (loss) from continuing operations		**6,829**	**(15,655)**
Profit (loss) from discontinued operations		0	16
Profit (loss) for the period		**6,829**	**(15,639)**
Net profit (loss) for the period attributable to non-controlling interests		(158)	(1,511)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE GROUP		**6,671**	**(17,150)**

	For the half-year ended	
	30 June 2022	30 June 2021
Basic earnings per share	0.061	(0.157)
Diluted earnings per share	0.061	(0.157)
Basic earnings per share from continuing operations	0.061	(0.157)
Diluted earnings per share from continuing operations	0.061	(0.157)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)	NOTES	For the half-year ended	
		30 June 2022	30 June 2021
NET RESULT FOR THE PERIOD		**6,829**	**(15,639)**
Other components of the comprehensive income, which will be subsequently reclassified under profit/loss for the year:			
Differences from translation of foreign financial statements		(1,590)	(322)
Share of other comprehensive income of entities accounted for using the equity method, which will be subsequently reclassified under profit/loss for the year	8	252	42
Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/loss for the year		**(1,338)**	**(280)**
Other components of the comprehensive income, which will not be subsequently reclassified under profit/loss for the year:			
Actuarial gains (losses) on defined benefit plans	12	**1,035**	**114**
Income taxes		(51)	(12)
Net effect on actuarial gains (losses)		**985**	**101**
Share of other comprehensive income of entities accounted for using the equity method, which will not be subsequently reclassified under profit/loss for the year	8	50	17
Other components of the comprehensive income for the period, which will not be subsequently reclassified under profit/loss for the year		**1,035**	**118**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**(303)**	**(162)**
COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**(6,526)**	**(15,801)**
Equity holders of the Parent		6,374	(17,233)
Non-controlling interests		152	1,432

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	For the half-year ended	
		30 June 2022	30 June 2021
Net result from continuing operations		**6,829**	**(15,639)**
Income taxes for the period		8,026	5,945
Profit before tax for the period		**14,855**	**(9,695)**
Profit (loss) from discontinued operations for the period		0	16
Amortization, depreciation, write-downs and (write-backs) of assets		19,652	20,744
Accrual (reversal) of provisions for risks and charges		1,078	1,418
Employee termination indemnity provision		476	235
Payments of employee termination indemnity		(976)	(617)
Utilization of provisions		(1,398)	(1,701)
Share of net profit of associates, net of dividends collected		(323)	(1,422)
Financial charges (income) for the period		18,113	45,606
Operating cash flows before movements in Working Capital		**51,477**	**54,584**
Decrease (increase) of inventories		100	2,707
Decrease (increase) of trade receivables and advances to suppliers		(71,649)	1,609
Decrease (increase) of other current assets		(6,028)	(5,148)
Increase (decrease) in trade payables		21,680	(19,882)
Increase (decrease) of other current liabilities		5,663	8,254
Change in Working Capital		**(50,235)**	**(12,461)**
Net interests received (paid) in the period		(11,009)	(25,335)
Income taxes paid in the period		(4,337)	(1,558)
Net cash flow from operating activities		**(14,104)**	**15,230**
(Purchase of intangible assets, net of sales)	5	(2,072)	(1,555)
(Purchase of property, plant and equipment)	3-4	(20,435)	(13,636)
Proceeds from sale of property, plant and equipment	3-4	690	747
Disposal (acquisition) of investments		(449)	910
Decrease (increase) of financial assets		7,348	396
Financial effects of business combinations		0	(1,914)
Net cash flow from (used in) investing activities		**(14,918)**	**(15,051)**
Change in finance lease debt	11	3,569	195
New (repayment of) operating leases	11	(4,464)	(3,791)

(in thousands of Euro)	NOTES	For the half-year ended	
		30 June 2022	30 June 2021
Opening of medium- and long-term borrowings	11	0	370,000
Repayment of medium- and long-term borrowings	11	(120)	(334,085)
Net opening (repayment) of short-term bank credit lines	11	9,314	195
Other net changes in borrowings	11	6,747	(18,710)
Dividends distributed		(918)	(293)
(Purchase) /sale of subsidiaries' minority shareholdings		(52)	(1,971)
Differences arising from translation of financial statements in foreign currency		(1,628)	(408)
Net cash flow from / (used in) financing activities		**12,448**	**11,131**
Change in cash and cash equivalents		**(16,574)**	**11,310**
Cash and cash equivalents at the beginning of the period		99,512	90,464
Change in cash and cash equivalents		(16,574)	11,310
Translation differences on cash and cash equivalents		268	86
Cash and cash equivalents at the end of the period		**83,206**	**101,861**
Details of cash and cash equivalents:			
Cash and bank current accounts		83,206	**101,861**
TOTAL CASH AND CASH EQUIVALENTS		**83,206**	**101,861**

SUPPLEMENTARY INFORMATION

(in thousands of Euro)	For the half-year ended	
	30 June 2022	30 June 2021
Interest paid	(11,748)	(25,697)
Interest received	739	361
Dividends paid	(918)	(293)
Dividends received	169	203

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Reserves	Retained Earnings	Net Result of the period	Equity attributable to Equity holders of the Parent	Equity attributable to non-controlling interests	Total shareholder s' equity
1 January 2022	**109,150**	**11,510**	**(51,326)**	**(22,588)**	**46,746**	**4,588**	**51,334**
Allocation of prior year result		1,102	(23,690)	22,588	**0**		**0**
Distribution of dividends					**0**	(40)	**(40)**
Currency appreciation due to hyperinflation		117			**117**	113	**230**
Acquisition/sale of minority interests in subsidiaries					**0**	52	**52**
Total comprehensive income (loss) for the period		(297)		6,671	**6,374**	152	**6,526**
30 June 2022	**109,150**	**12,432**	**(75,016)**	**6,671**	**53,237**	**4,865**	**58,102**

	Share Capital	Reserves	Retained Earnings	Net Result of the period	Equity attributable to Equity holders of the Parent	Equity attributable to non-controlling interests	Total shareholder s' equity
1 January 2021	**109,150**	**13,055**	**30,286**	**(83,154)**	**69,337**	**3,199**	**72,536**
Allocation of prior year result		(834)	(82,320)	83,154	**0**		**0**
Distribution of dividends					**0**	(1,171)	**(1,171)**
Acquisition/sale of minority interests in subsidiaries					**0**	1,971	**1,971**
Total comprehensive income (loss) for the period		(83)		(17,150)	**(17,233)**	1,432	**(15,801)**
30 June 2021	**109,150**	**12,138**	**(52,034)**	**(17,150)**	**52,104**	**5,431**	**57,535**

1. GENERAL INFORMATION

The Consolidated Half-year Financial Report of the Group controlled by Rekeep S.p.A. ("the Rekeep Group" or "the Group") for the half-year ended 30 June 2022 consists of the Interim Report on Operations and of the condensed Consolidated Interim Financial Statements at 30 June 2022, which were prepared in the application of IAS 34 – Interim Financial Reporting. The publication of the Rekeep Group's Consolidated Half-year Financial Report was authorized by a resolution passed by the Board of Directors' meeting of 25 August 2022.

On 30 June 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 nominal value.

2. ACCOUNTING STANDARDS AND BASIS OF PRESENTATION

The condensed consolidated interim Financial Statements at 30 June 2022 comprise the Consolidated Statement of financial position, the Consolidated Statement of profit or loss, the Consolidated Statement of other comprehensive income, the Consolidated Statement of cash flows, the Consolidated Statement of changes in Shareholders' Equity and the Condensed explanatory notes.

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

The Statement of Financial Position sets forth assets and liabilities distinguishing between current and non-current ones. The Consolidated Statement of profit or loss is classified by nature and the Statement of other comprehensive income sets forth the result for the period added with income and expenses that in accordance with 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 condensed consolidated interim Financial Statements at 30 June 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 amounts presented in the Schedules and in the Explanatory Notes are compared with those as at 31 December 2021, while the income statement and cash flow values, included in the Statement of other Comprehensive Income and in the Statement of Cash Flows, are compared with those in the first six months of 2021.

2.1 Statement of compliance with international accounting standards (IFRS)

The condensed consolidated interim Financial Statements at 30 June 2022 have been prepared in compliance with IAS 34 - Interim Financial Reporting. The condensed consolidated interim Financial Statements do not include all the information required for the complete annual financial statements prepared according to IAS 1, and must be read together with the Consolidated Financial Statements at 31 December 2021.

2.2 Changes in accounting standards and disclosures

The criteria adopted for the preparation of the condensed consolidated interim Financial Statements at 30 June 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, amendments and interpretations applied from 1 January 2022

The following IFRS accounting standards, amendments and interpretations were applied by the Group for the first time as 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 – "Property, Plant and Equipment: Proceeds before Intended Use":* the amendments are intended to not allow the deduction, from the cost of tangible assets, concerning the amount received from the sale of goods produced in the testing phase of the business itself. These revenues from sales and related costs will therefore be 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 that any and all costs that are directly attributable to the contract are to be considered in estimating whether a contract is onerous. Accordingly, the assessment 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);
- *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 Examples.*

The adoption of these amendments did not entail any significant effect on the Group's consolidated financial statements.

New or revised IFRS, amendments and interpretations endorsed by the European Union, which are not yet mandatorily applicable 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*. Furthermore, 25 June 2020 saw the issue of amendments to IFRS 17 itself.

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, i.e. “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.

New or revised IFRS, amendments and interpretations not yet endorsed by the European Union

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

On 23 January 2020 the IASB published “*Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*”. The document aims to clarify how to classify debts and other short- or long-term liabilities. The amendments will become effective from 1 January 2023, with early adoption permitted. The directors do not expect any material effect on the Group's consolidated financial statements from the adoption of this amendment.

On 7 May 2021 the IASB published “Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. The document clarifies the method by which deferred taxes should be accounted for on certain transactions that can generate assets and liabilities for an equal amount, such as leases and decommissioning obligations. The

amendments shall apply from 1 January 2023, with early adoption permitted. The directors do not expect any material effect on the Group's consolidated financial statements from the adoption of this amendment.

On 9 December 2021, the IASB published "*Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information".* The amendment is a transition option relating to comparative information on financial assets presented at the date of initial application of IFRS 17, aimed at avoiding temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improving the usefulness of comparative information for readers of financial statements. The amendments shall apply from 1 January 2023, together with the application of IFRS 17. The directors do not expect any material effect on the Group's consolidated financial statements from the adoption of this amendment.

On 30 January 2014 the IASB published the accounting standard "IFRS 14 – *Regulatory Deferral Accounts*", which only allows first-time adopters of IFRS to continue to recognize amounts relating to Rate-Regulated Activities according to the previous accounting standards adopted. This standard is not applicable since the Group is not a first-time adopter.

2.3 Discretionary assessments and significant accounting assumptions

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

Discretionary assessments

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

Uncertainty of estimates

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

Impairment test

Goodwill is subject to impairment test at least annually, or more frequently if there is an indication of potential impairment in the carrying amounts. This requires an estimate of the value in use of the CGU (cash-generating unit) to which the goodwill is allocated, in turn based on an estimate of expected cash flows from the CGU and their discounting on the basis of a suitable discount rate. At 30 June 2022 the carrying amount of the goodwill stood at € 404,935 thousand (€ 404,706 thousand at 31 December 2021); more details are given in note 6.

Recognition of revenues and costs relating to contract assets with customers

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

Provisions for risks and charges and Allowance for doubtful accounts

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

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

The Group holds majority interests in subsidiaries in relation to which the minority shareholders hold PUT options, which can be exercised in the future at prices determined on the basis of certain parameters that require estimates by management for the purposes of reliable valuation. In this case too, the correct recognition of the related liability in the financial statements requires the management to make some estimates to determine the relevant parameters.

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

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

Deferred tax assets and their probable future reversal

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

Income taxes for the period

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

Other financial statement items

The management also needed to use estimates in determining assumptions applied to the measurement of obligations arising from Rights of use.

Consolidation principles

The Condensed Consolidated Interim Financial Statements include the financial statements of Rekeep S.p.A. (“the Parent Company”, “Rekeep S.p.A.” or simply “Rekeep”) and its subsidiaries, prepared as at 30 June 2022 (for more details on criteria governing control, reference should be made to the consolidated financial statements at 31 December 2021). The financial statements of the subsidiaries have been prepared by adopting for each closing date the same accounting standards as those applied for the parent company.

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

Subsidiaries are fully consolidated starting from the acquisition date, i.e. the date on which the Group acquires control, and are deconsolidated on the date in which control is transferred out of the Group. Acquisitions of subsidiaries, with the exception of those deriving from combinations of entities subject to common control, are accounted for using the purchase method. This involves the allocation of the cost of the business combination to the fair values of assets, liabilities and contingent liabilities acquired at the acquisition date and the inclusion of the result of the company acquired starting from the date of acquisition until the end of the 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 profit or loss is recognized in the income statement. Any equity investment retained is recognized at fair value.

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

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 have been presented in Euro, which is the functional and reporting currency adopted by the Group. The income statements and balance sheets expressed in foreign currency are converted into Euros applying the year-end exchange rates for the items in the Statement of financial position and average exchange rates for the items in the Income Statement. Differences arising from the conversion of opening shareholders' equity at year-end exchange rates are charged to the currency conversion reserve, together with the difference arising from the conversion of the result for the period at average exchange rate with respect to year-end exchange rates.

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

Finally, the possible presence of hyperinflationary economies is taken into account in order to assess the need to apply the provisions of IAS 29 - *Financial Reporting in Hyperinflationary Economies*. This standard does not establish an absolute rate at hyperinflation is deemed to arise. The need to restate the values in the financial statements, as required by the standard, must be evaluated. Among the situations that indicate the existence of hyperinflation are:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
- the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
- sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;

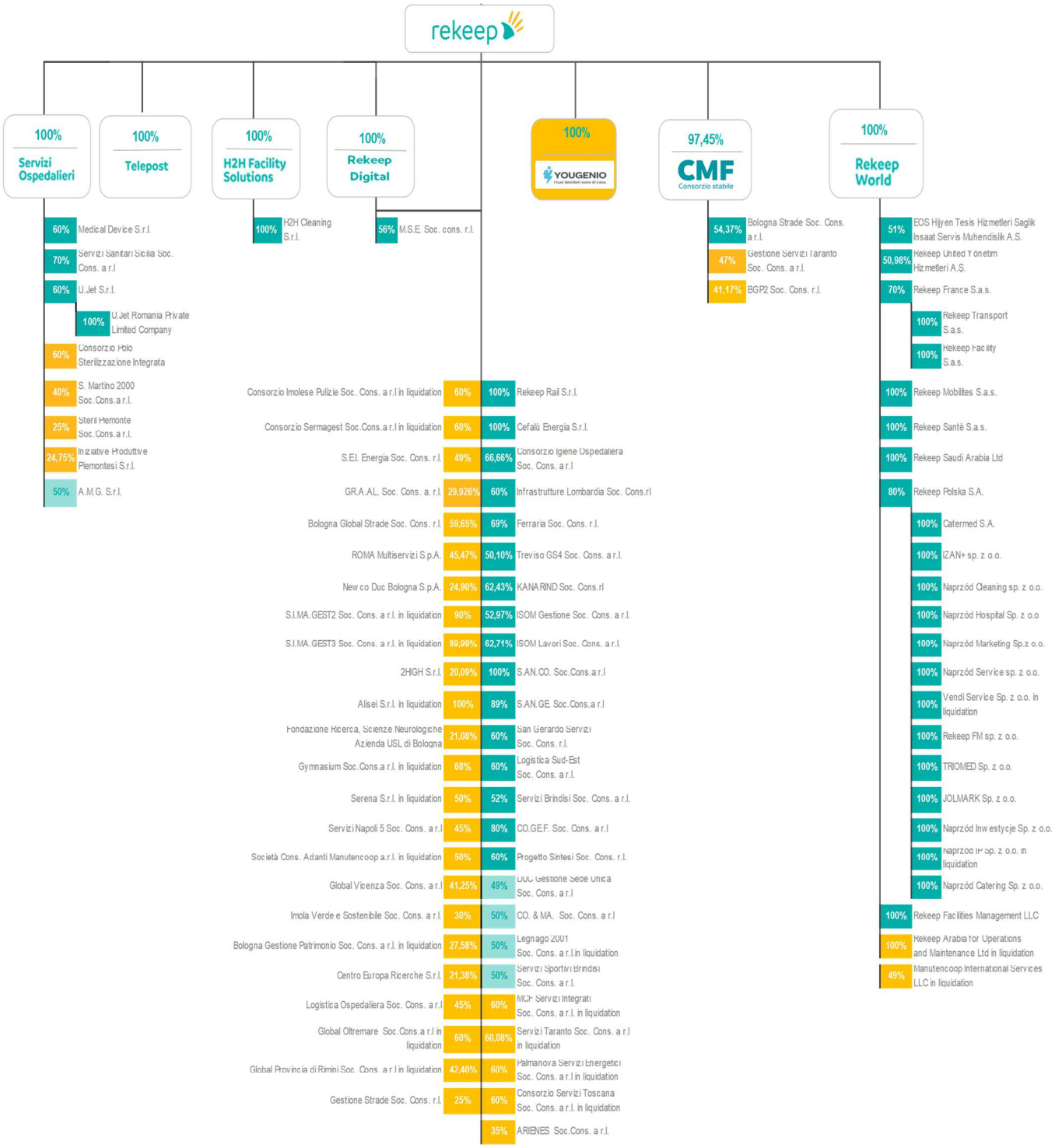
- interest rates, wages, and prices are linked to a price index;
- the cumulative inflation rate over three years approaches, or exceeds, 100%.

If hyperinflation arises, non-monetary items in the statement of financial position are restated by applying the change in the general price index that has occurred between the date of recognition and the balance sheet date. Monetary items are not restated because they are already expressed at the measuring unit at the balance sheet date. All items on the income statement are expressed at the measuring unit at the balance sheet date.

Currency	Exchange rate at 30 June 2022	Average exchange rate for the half-year ended 30 June 2022	Exchange rate at 31 December 2021	Average exchange rate for the half-year ended 30 June 2021
United Arab Emirates Dirham (AED) – United Arab Emirates	3.8146	4.0155	N/A	N/A
Romanian Leu (RON) – Romania	4.9464	4.9457	4.9490	4.9016
Turkish Lira (TRY) – Turkey	17.3220	17.3220	15.2335	9.5226
Qatar Riyal (QAR) – Qatar	3.7809	3.9800	4.1227	4.3875
Saudi Arabia Riyal (SAR) – Saudi Arabia	3.8951	4.1002	4.2473	4.5201
Zloty (PLN) – Poland	4.6904	4.6354	4.5969	4.5374

The financial statements of the Turkish consolidated companies have been prepared by taking account of the application of IAS 29 in view of the cumulative Turkish inflation rate for the past three years, which is more than 100%. Therefore, in the consolidated interim financial statements at 30 June 2022, the accounts of consolidated companies applying the Turkish lira as the local currency have been prepared in order to report operating results and the statement of financial position at purchasing power prevailing at the end of the reporting period. Accordingly, all items from the financial statements of Turkish companies have been translated by using the exchange rate as at the reporting date of the consolidated interim financial statements.

The consolidation area as at 30 June 2022 is shown below.


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.
Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation 60%
Consorzio Sermagest Soc.Cons.a r.l in liquidation 60%
S.El. Energia Soc. Cons. r.l. 49%
GR.A.AL. Soc. Cons. a. r.l. 29,926%
Bologna Global Strade Soc. Cons. r.l. 59,65%
ROMA Multiservizi S.p.A. 45,47%
New co Duc Bologna S.p.A. 24,90%
S.I.MA.GEST2 Soc. Cons. a r.l. in liquidation 90%
S.I.MA.GEST3 Soc. Cons. a r.l. in liquidation 89,99%
2HIGH S.r.l. 20,09%
Alisei S.r.l. in liquidation 100%
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna 21,08%
Gymnasium Soc.Cons.a r.l. in liquidation 68%
Serena S.r.l. in liquidation 50%
Servizi Napoli 5 Soc. Cons. a r.l 45%
Società Cons. Adanti Manutencoop a.r.l. in liquidation 50%
Global Vicenza Soc. Cons. a r.l 41,25%
Imola Verde e Sostenibile Soc. Cons. a r.l. 30%
Bologna Gestione Patrimonio Soc. Cons. a r.l. in liquidation 27,58%
Centro Europa Ricerche S.r.l. 21,38%
Logistica Ospedaliera Soc. Cons. a r.l 45%
Global Oltremare Soc.Cons.a r.l in liquidation 60%
Global Provincia di Rimini Soc. Cons. a r.l in liquidation 42,40%
Gestione Strade Soc. Cons. r.l. 25%
100% YOUGENIO
100% Rekeep Rail S.r.l.
60% Cefalù Energia S.r.l.
66,66% Consorzio Igiene Ospedaliera Soc. Cons. a r.l
60% Infrastrutture Lombardia Soc. Cons.rl
69% Ferraria Soc. Cons. r.l.
50,10% Treviso GS4 Soc. Cons. a r.l.
62,43% KANARIND Soc. Cons.rl
52,97% ISOM Gestione Soc. Cons. a r.l.
62,71% ISOM Lavori Soc. Cons. a r.l.
100% S.AN.CO. Soc.Cons.a r.l
89% S.AN.GE. Soc.Cons.a r.l
60% San Gerardo Servizi Soc. Cons. r.l.
60% Logistica Sud-Est Soc. Cons. a r.l.
52% Servizi Brindisi Soc. Cons. a r.l.
80% CO.GE.F. Soc. Cons. a r.l
60% Progetto Sintesi Soc. Cons. r.l.
49% DUC Gestione Sede Unica Soc. Cons. a r.l
50% CO. & MA. Soc. Cons. a r.l
50% Legnago 2001 Soc. Cons. a r.l.in liquidation
50% Servizi Sportivi Brindisi Soc. Cons. a r.l.
60% MCF Servizi Integrati Soc. Cons. a r.l. in liquidation
60,08% Servizi Taranto Soc. Cons. a r.l in liquidation
60% Palmanova Servizi Energetici Soc. Cons. a r.l in liquidation
60% Consorzio Servizi Toscana Soc. Cons. a r.l. in liquidation
35% ARIENES Soc.Cons. a r.l.
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 Mobilites S.a.s.
100% Rekeep Santè 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% TROMED 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.
100% Rekeep Facilities Management LLC
100% Rekeep Arabia for Operations and Maintenance Ltd in liquidation
49% Manutencoop International Services LLC in liquidation
Legend:
Associates and other companies consolidated for under the equity method
Joint Ventures consolidated for under the equity method
Subsidiaries consolidated on a line-by-line basis

During the first half of 2022 we must 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 winding-up 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 winding-up 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;
- on 26 May 2022 Progetto Sintesi Soc. Cons. a r.l. was established, which is 60% owned by Rekeep S.p.A. and Servizi Ospedalieri S.p.A.;
- on 6 June 2022 Rekeep Facilities Management LLC was established, which is wholly owned by Rekeep World S.r.l. and is based in Dubai (United Arab Emirates).

3. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in the company-owned property, plant and equipment in the period ended 30 June 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	2,138	15,340	17,478
Disposals		(565)	(565)
Depreciation	(483)	(11,130)	(11,613)
Others	(2)	(1,976)	(1,978)
At 30 June 2022	**19,896**	**69,801**	**89,697**
At 1 January 2022			
Historical cost	23,633	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 30 June 2022			
Historical cost	25,769	459,418	485,187
Accumulated depreciation and impairment losses	(5,873)	(389,617)	(395,490)
NET BOOK VALUE	**19,896**	**69,801**	**89,697**

The additions from acquisitions in the first half of the year related to the linen in the Laundering&Sterilization segment for 6,043 thousand, the purchases of other machinery and specific equipment for € 5,416 thousand and the purchase of a property on the part of the subsidiary Servizi Ospedalieri S.p.A. for a total of € 2,091 thousand.

Disposals were also made for € 565 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 period ended 30 June 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	1,144	1,813	1,280	1,447	5,684
Decreases		(125)			(125)
Early termination			(307)	(482)	(789)
Depreciation for the period	(58)	(1,030)	(2,055)	(1,476)	(4,619)
Others		1,406	(15)	(7)	1,384
At 30 June 2022	**5,098**	**8,995**	**24,190**	**6,842**	**45,125**
At 1 January 2022					
Historical cost	4,822	13,723	51,585	32,705	102,834
Accumulated depreciation and impairment losses	(810)	(6,792)	(26,297)	(25,345)	(59,244)
NET BOOK VALUE	**4,012**	**6,931**	**25,287**	**7,360**	**43,590**
At 30 June 2022					
Historical cost	5,966	16,817	52,543	33,663	108,988
Accumulated depreciation and impairment losses	(868)	(7,822)	(28,352)	(26,821)	(63,864)
NET BOOK VALUE	**5,098**	**8,995**	**24,190**	**6,842**	**45,125**

Property, plant and equipment under finance leases reported changes during the first half 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 € 1,144 thousand and the execution of new lease agreements relating to linen and surgical instruments of Servizi Ospedalieri for a total of € 1,813 thousand.

"Rights of use on Properties" and "Rights of use on plant and machinery" showed an increase during the first half of the year following the execution of new property lease agreements for € 1,280 thousand and new long-term hire of vehicles that make up the corporate fleets and equipment of the Group for € 1,447 thousand. Furthermore, there was the early termination of some lease and long-term hire agreements for a total of € 789 thousand.

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

5. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the period ended 30 June 2022.

	Other intangible assets	Goodwill	Total
At 1 January 2022, net of accumulated amortization and impairment	**19,479**	**404,706**	**424,185**
Additions from business combinations		229	229
Additions from acquisitions	2,072		2,072
Amortization for the period	(2,852)		(2,852)
Others	(37)		(37)
At 30 June 2022	**18,662**	**404,935**	**423,597**
At 1 January 2022			
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 30 June 2022			
Cost	131,888	407,252	539,140
Accumulated amortization and impairment losses	(113,227)	(2,318)	(115,544)
NET BOOK VALUE	**18,662**	**404,935**	**423,597**

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

Other intangible assets, amounting to € 18,662 thousand at 30 June 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 made in the period (€ 2,072 thousand) were mainly attributable to the Parent Company Rekeep S.p.A. and related to the implementation and upgrading of software platforms used by the Group.

6. IMPAIRMENT OF GOODWILL

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

SBU – Facility management

The SBU is identified with:

- Rekeep S.p.A.
- H2H Facility Solutions S.p.A.
- Telepost S.r.l., specialist in internal mailing services
- Rekeep Digital S.r.l., active in high-tech services to companies
- Rekeep World S.r.l. and its foreign subsidiaries, dedicated to international business development
- other minor investee companies operating in the same segment.

SBU – Laundering & Sterilization

The SBU is identified with:

- Servizi Ospedalieri S.p.A., operating in the linen rental and industrial laundering segment for hospitals and the sterilization of linen and surgical instruments;
- Medical Device S.r.l., acquired during 2018 and specializing in the production of non-woven fabric (TNT) devices mainly aimed at the healthcare market and the packaging and composition of disposable fabric surgical kits, which are also intended for the healthcare market;
- U.Jet,, acquired at 1 June 2021, leading company in the production of non-woven fabric (TNT) devices mainly aimed at the healthcare market, which can count on 2 clean rooms for the packaging and composition of disposable fabric surgical kits for the healthcare market.
- other minor investee companies operating in the same sector in Italy.

The table below sets forth the carrying amounts of the goodwill recognized in the condensed consolidated interim Financial Statements as at 30 June 2022, broken down into the different CGUs.

	30 June 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	16,183	15,954
CONSOLIDATED GOODWILL	**404,935**	**404,706**

The increase in goodwill of Euro 229 thousand, from € 404,706 thousand at 31 December 2021 to € 404,935 thousand at 30 June 2022, related to the definition of the final price of the business combination of U.Jet S.r.l., which was acquired on 1 June 2021.

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.

As at 30 June 2022, following the analysis of any possible evidence of impairment, the Directors did not report, despite the economic situation existing at the reporting date of this Half-year Financial Report, any risk of impairment on the value of the cash generating units, including after considering the headroom noted in the sensitivity analyses and the stress tests conducted at the reporting date of the Consolidated Financial Statements at 31 December 2021, which support the recoverability of consolidated assets even in the presence of any possible risk of significant amount. Therefore, they did not proceed with any formal updating of the impairment tests at 31 December 2021.

7. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

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

At 30 June 2022, the investments valued at Equity amounted to a net amount of € 9,457 thousand (i.e. including the corresponding value of the provision for risks on equity investments reclassified to balance sheet liabilities) against a net amount of € 8,779 thousand at the end of the previous year.

Net assets 30 June 2022	Net assets 31 December 2021

Investments accounted for under the equity method	9,880	9,153
Provision for risks on investments	(423)	(374)
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**9,457**	**8,779**

Details of changes during the period are shown in Annex II attached to the Consolidated Half-year Financial Report, to which reference should be made.

During the first half of 2022 investments accounted for under the equity method recorded a positive result equal to € 414 thousand, for the share attributable to the Group, as a result of the recognition of income from equity investments (no-write-down was recognized at 30 June 2022). Furthermore, positive effects were recognized directly under consolidated equity for a total of € 302 thousand.

8. OTHER NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets as at 30 June 2022 and as at 31 December 2021:

	30 June 2022	31 December 2021
Other investments	7,131	7,140
Non-current financial assets	4,676	4,702
Other non-current assets	2,951	3,232
OTHER NON-CURRENT ASSETS	**14,758**	**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 laundry services performed by minor companies that may also act as sub-contractors.

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

Non-current financial assets, amounting to € 4,676 thousand as at 30 June 2022 (€ 4,702 thousand as at 31 December 2021), are composed of:

- € 1,481 thousand of Non-current financial receivables due from associates, affiliates or joint-ventures (€ 1,501 thousand at 31 December 2021). The face value of these receivables is € 1,506 thousand, while the discounting fund amounts to € 25 thousand (€ 1,527 thousand and € 26 thousand at 31 December 2021, respectively). Some of these are non-interest bearing since they were drawn down from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying EURIRS as the reference interest rate, plus a spread;
- € 3,094 thousand of Non-current financial receivables from third parties (€ 3,100 thousand at 31 December 2021). 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);
- Securities held to maturity for € 101 thousand, unchanged compared to 31 December 2021.

Furthermore, the item is made up of security deposits of € 2,029 thousand related to long-term income-generating manufacturing contracts (€ 2,083 thousand at 31 December 2021) and long-term deferrals of € 577 thousand relating to some contracts (€ 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, advances to suppliers and Other current operating receivables at 30 June 2022 and 31 December 2021:

	30 June 2022	of which from related parties	31 December 2021	of which from related parties
Contract assets	30,921		32,177	
Trade receivables, gross	471,785		407,197	
Allowance for doubtful accounts	(18,857)		(18,546)	
Trade receivables due from third parties	**483,849**	**0**	**420,828**	**0**
Trade receivables from MSC Società di Partecipazione tra Lavoratori S.p.A.	134	134	38	38
Trade receivables from Affiliates and Joint Ventures	5,013	5,013	4,649	4,649

Trade receivables from associates and other Rekeep Group Companies	13,618	13,618	12,136	12,136
Trade receivables from MSC Group	**18,765**	**18,765**	**16,823**	**16,823**
Advances to suppliers	11,437		5,597	2
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**514,051**	**18,765**	**443,248**	**16,825**
Current tax assets within 12 months	16,856		10,984	
Other current assets due from third parties	8,239		8,636	
Due from social security institutions	1,053		990	
Due from employees	225		422	
Other current assets from third parties	**26,373**	**0**	**21,032**	**0**
Current assets from MSC Società di Partecipazione tra Lavoratori S.p.A.	23	23	20	20
Current assets from associates	302	302	210	210
Current assets from affiliates	47	47	47	47
Other current assets from the MSC Group	**372**	**372**	277	277
Accrued income	370		794	
Prepaid expenses	3,328		2,030	
Accrued income and prepaid expenses	**3,698**	**0**	**2,824**	**0**
OTHER CURRENT ASSETS	**30,443**	**372**	**24,133**	**277**

The balance of trade receivables and advances to suppliers, which also includes contract assets, amounted to € 514,051 thousand at 30 June 2022, up by € 70,803 thousand compared to 31 December 2021 (€ 443,248 thousand).

The change under consideration was mainly due to an increase in trade receivables from third parties for € 64,588 thousand, as well as in receivables from other Group companies for € 1,942 thousand. Finally, contract assets recorded a decrease of € 1,256 thousand, while the value of the provision for bad debts showed an increase of € 311 thousand.

During the first half of 2022 the Group continued to hold contracts for the assignment without recourse of trade receivables from third parties. On 27 December 2018 the Parent Company Rekeep S.p.A. and Servizi Ospedalieri S.p.A. signed a 3-year maturity factoring agreement with BFF Bank S.p.A. (which was renewed for further three years on 14 January 2022) concerning the assignment without recourse and on a revolving basis of receivables claimed by the same companies from entities in the National Health System and Public Authorities, in an amount of up to € 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 contract with Banca IFIS, intended for the assignment without recourse of trade receivables specifically accepted for each transaction carried out. On 18 December 2018 the Parent Company obtained an additional credit line for assignments without recourse of up to € 20 million, which was increased up to € 40 million in 2021 on a revolving basis with Unicredit Factoring

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

The assignments made during the period are summarized below:

	Assignments made in the period ended 30 June 2022	Balance of trade receivables assigned without recourse and not yet collected by the Factor at 30 June 2022
BFF Bank S.p.A.	123,730	49,731
Banca IFIS S.p.A.	14,319	9,859
Unicredit Factoring S.p.A	7,702	5,089
Carrefour Italia Finance S.r.l.	10,860	3,704
MB FACTA S.p.A.	8,494	6,012
Banca Sistema S.p.A.	5,330	2,314
Prime Revenue Inc.	7,581	3,622
TOTAL ASSIGNMENTS WITHOUT RECOURSE	**178,017**	**80,331**

In all assignments made, the assigned trade receivables were subject to derecognition pursuant to IFRS 9 in consideration of the features of the transactions and involved total interest discount costs of €1,176 thousand

Finally, trade receivables from the Group amounted to € 18,766 thousand (€ 16,823 thousand at 31 December 2021), while no advances to Group companies had been recognized at 30 June 2022 (€ 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 recorded against non-performing loans, which are difficult to fully recover, amounting to € 18,857 thousand at 30 June 2022 (at 31 December 2021: € 18,546 thousand). Changes in the provision during the period are detailed as follows:

	31 December 2021	Increases	Uses	Releases	Others	30 June 2022
Provision for bad debts	**18,546**	948	(496)	(389)	248	**18,857**

Other current assets of € 30,443 thousand (€ 24,133 thousand at 31 December 2021), showed a total increase of € 6,310 thousand during the year.

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

- tax receivables, mostly including receivables relating to the VAT payments made by the Group companies (€ 13,749 thousand compared to € 7,820 thousand at 31 December 2021), which continue to show a credit balance given the widespread application of the regulations governing "Split-payment" and "Reverse charge" to the cycle of purchasing and sales invoicing. Assignments without recourse of VAT receivables held by some Group companies were made in 2022 for a total nominal amount of € 10,010 thousand;
- receivables for credit balances of current accounts held at Unicredit, managed in its own name and on behalf of INPDAP (Social Security Institute for employees in public administration), as envisaged in a property management contract stipulated with the aforementioned authority, for € 2,171 thousand. Some restrictions have been placed on said accounts as a result of the dispute that has arisen with INPDAP. Therefore, for the purposes of an accurate presentation, it was deemed appropriate to classify said item under *Other current receivables*.

10. SHARE CAPITAL AND RESERVES

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

Ordinary shares have a nominal value of € 1 each. Ordinary shares issued and fully paid up at 30 June 2022 amounted to 109,149,600.

The Parent Company does not hold own shares.

Reserves and retained Earnings

The table below shows changes in shareholders' equity reserves in the period.

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

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

	Share premium reserve	Legal reserve	SE reserves companies valued at SE	Translation reserve	SORIE reserve	Other reserves	Total reserves
31 December 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**
Allocation of profits of previous years				1,102			1,102
Currency appreciation due to hyperinflation						117	117
Economic effects accounted for in equity			302	(1,505)	905		(297)
30 June 2022	**145,018**	**21,830**	**4,016**	**(1,567)**	**(4,011)**	**(152,855)**	**12,432**

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)
30 June 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 non-controlling interests are held, reference should be made to the paragraph on Consolidation Principles.

	30 June 2022	31 December 2021
Equity attributable to minority interests	**4,865**	**4,588**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	(261)	(267)
Other subsidiaries and consortia	5,126	4,855

	30 June 2022	31 December 2021
Profit attributable to minority interests	**158**	**1,603**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	19	258
Other subsidiaries and consortia	140	1,345

The equity and the result for the financial year attributable to minority interests relate to the minorities present in some subsidiaries, the most significant of which are described below.

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

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

11. FINANCIAL INDEBTEDNESS

Net financial indebtedness as of 30 June 2022 amounted to € 427,490 thousand, compared to € 380,649 thousand at 31 December 2021.

Below is the related breakdown by balance sheet lines:

	30 June 2022	31 December 2021
Long-term financial debt	414,319	412,833
Bank borrowings, including current portion of long-term debt, and other financial liabilities	102,595	82,077
Gross financial indebtedness	**516,914**	**494,960**
Cash and cash equivalents	(83,206)	(99,512)
Current financial assets	(6,218)	(14,799)
Financial indebtedness	**427,490**	**380,649**

Current and non-current financial liabilities

The tables below set forth the qualitative breakdown of current and non-current financial liabilities at 30 June 2022 and 31 December 2021.

	30 June 2022	within 1 year	from 1 year to 5 years	after 5 years
Senior Secured Notes	363,764		363,764	
Artigiancassa loan	958	239	718	
Other bank loans	1	1		
Prepaid interest expenses	(1,181)	(739)	(442)	
Accrued interest expenses	11,550	11,550		
Long-term bank borrowings and current portion of long-term bank borrowings	**375,192**	**11,152**	**364,040**	**0**
Current bank overdraft, advance payments and hot money	15,454	15,454		
Obligations arising from finance lease	10,560	3,467	6,513	580
Financial liability for operating leases	34,590	6,621	20,481	7,488
Loans from syndicated shareholders	1,420	380	1,040	
Loan from Parent Company MSC Società di Partecipazione tra Lavoratori S.p.A.	6	6		
Other financial liabilities	3,891	3,301	590	
Obligations from assignments with recourse of trade receivables	15,744	15,744		
Collections on behalf of assignees of trade receivables	16,303	16,303		

	30 June 2022	within 1 year	from 1 year to 5 years	after 5 years
Obligations arising from reverse factoring transactions	27,574	27,754		
Debt for the acquisition of investments/business units	641	641		
Options on subsidiaries' minority shareholdings	15,539	1,952	13,587	
TOTAL FINANCIAL LIABILITIES	**516,913**	**102,595**	**406,251**	**8,068**

	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 bank overdraft, advance payments and hot money	6,140	6,140		
Obligations arising from finance lease	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 S.p.A.	75	75		
Other financial liabilities	4,317	3,120	1,197	
Obligations from assignments with recourse of trade receivables	23,270	23,270		
Collections 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 30 June 2022 the financial charges accrued on the bond coupons amounted to € 13,363 thousand against € 13,681 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 half 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 € 738 thousand during the first half of 2022 (€ 6,456 thousand, of which € 5,818 thousand related to write-off of the remaining amount still to be amortized on the Notes paid off, in the first half 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 half-year in order to meet temporary cash requirements (if any), and promptly repaid: the RCF facility had not been drawn down at 30 June 2022. The temporary partial uses entailed the charging of financial costs equal to € 357 thousand accrued for the time being.

Prepaid interest expenses

At 30 June 2022 the Company recognized prepaid interest expenses of € 1,181 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 € 140 thousand were recognized in the first half of 2021 (€ 380 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 30 June 2022 accrued interest expenses were recognized for € 11,650 thousand (€ 11,726 thousand at 31 December 2021), of which € 11,550 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 30 June 2022 an additional installment of € 120 thousand was repaid, thus bringing the residual debt of this loan from € 1,077 thousand at 31 December 2021 to € 958 thousand at 30 June 2022.

Other bank loans

Other bank loans amounted to € 1 thousand at 30 June 2022 (€ 27 thousand at 31 December 2021).

Current account overdraft, advance payments and hot money

At 30 June 2022 this item showed a balance of € 15,454 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 IAS 17) 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 € 2,957 thousand during 2022.

Financial liability for operating leases

As at 30 June 2022 financial liability for operating leases (according to the classification of the previous standard IAS 17) amounted to € 34,590 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 € 789 thousand and increases for the execution of new agreements, equal to € 2,726 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 30 June 2022 the overall balance of these loans amounted to € 1,420 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, for which the Group acts as the agent for the management of receipts on behalf of the factor. The amounts collected, equal to € 15,744 thousand at 30 June 2022, were transferred to the factor in the month after the end of the period.

Obligations from assignments of receivables with recourse

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 during 2020.

In 2022 assignments with recourse were made with regard to trade receivables at a nominal value of receivables of € 16,497 thousand, while the exposure was equal to € 16,303 thousand at 30 June 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 € 27,574 thousand at 30 June 2022 (€ 9,963 thousand at 31 December 2021).

Options on subsidiaries' minority shareholdings

The options on subsidiaries' non-controlling interests were recognized for an amount of € 15,539 thousand at 30 June 2022 (€ 15,336 thousand at 31 December 2021).

Of these an amount of € 13,587 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., 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 € 641 thousand at 30 June 2022 (€ 1,112 thousand at the end of the previous year), of which a residual amount of € 575 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 30 June 2022 other financial liabilities were recorded for € 3,891 thousand, against € 4,317 thousand at 31 December 2021. Other financial liabilities include a loan of € 1,770 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 € 1,660 thousand (€ 1,677 thousand at 31 December 2021).

Current and other financial assets

As at 30 June 2022 Current and other financial assets amounted to € 6,218 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 balance of pledged current accounts dedicated to the operation of the service for managing receipts within the scope of assignments of trade receivables without recourse, equal to € 1,289 thousand (€ 2,548 thousand at 31 December 2021);
- an overall amount of € 508 thousand of receivables for short-term loans and financial accounts held with non-consolidated Group companies (€ 608 thousand at 31 December 2021).

During the first half of 2022, the subsidiary Servizi Ospedalieri S.p.A. collected the residual portion, 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, which took place on 29 December 2020.

12. EMPLOYEE TERMINATION INDEMNITY

Changes in employee termination indemnity ("T.F.R.") occurred during the first six months of 2022 are shown below, compared with changes in the same period of the last year.

	For the half-year ended	
	30 June 2022	30 June 2021
AT 1 JANUARY	**10,483**	**11,267**
Additions for business combinations	0	675
Current service cost	448	234
Interest costs on benefit obligations	28	1
Benefits paid	(976)	(617)
Net actuarial (gains)/ losses	(1,035)	(114)
Other changes	0	1
AT 30 JUNE	**8,948**	**11,447**

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

	For the half-year ended	
	30 June 2022	30 June 2021
Current service cost	448	234
Interest costs on benefit obligations	28	1
Net cost of the benefit recognized in the statement of profit or loss	**477**	**235**
Net actuarial (gains)/ losses recognized in the period (on shareholders' equity)	(1,035)	(114)
TOTAL COST OF THE BENEFIT	**559**	**122**

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 half-year ended	
	30 June 2022	30 June 2021
Executives	72	70
Office workers	1,731	1,637
Manual workers	24,962	26,360
AVERAGE STAFF	**26,765**	**28,067**

The average number of leased employees provided to the Group by MSC Società di Partecipazione tra Lavoratori S.p.A. was equal to no. 279 units at 30 June 2022 (30 June 2021: no. 328 units).

13. PROVISIONS FOR RISKS AND CHARGES

Below are reported the breakdown and changes in provisions for risks and charges for the period ended 30 June 2022:

	Risks on investments	Risks on job orders	Pending disputes	Tax litigation	Agents' indemnity leave	Severance provisions	Other provisions	Total
At 1 January 2022	**374**	**10,259**	**24,306**	**448**	**299**	**581**	**2,222**	**38,490**
Accruals		226	1,178				171	1,575
Uses		(382)	(954)	(1)			(62)	(1,398)
Reversals		(263)	(234)					(497)
Others	48	(142)					(115)	**(209)**
At 30 June 2022	**423**	**9,699**	**24,296**	**447**	**299**	**581**	**2,216**	**37,961**
At 30 June 2022:								
Current	*423*	*9,143*	*497*	*447*	*0*	*581*	*827*	*11,918*
Non-current	*0*	*556*	*23,799*	*0*	*299*	*0*	*1,389*	*26,043*
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 € 423 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 € 144 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 investments

This provision includes, at consolidated level:

- estimated risks relating to potential disputes with customers, on the report of works;
- estimated penalties charged by customers;

› estimated costs to complete job orders, in respect of which no additional revenues will be paid.

The balance at 30 June 2022 was equal to € 9,699 thousand (€ 10,259 thousand at 31 December 2021), down by € 560 thousand against accruals of € 226 thousand and uses and releases of € 645 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 30 June 2022, the provision, totaling € 24,296 thousand (€ 24,306 thousand at 31 December 2021), reported increases for accruals for € 1,178 thousand and decreases for uses and releases totaling € 1,188 thousand.

Accruals were recognized to cover risks of Parent Company Rekeep S.p.A. for € 972 thousand. Uses and reversals for the period, most of which were 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 parties.

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

On 7 January 2017 the Company served a writ of summons on the entity, asking the Ordinary Court of Rome to establish the unlawfulness of the notice of termination of the agreements and order Consip S.p.A. to compensate for any damage suffered by the Company. By a judgment filed on 30 May 2022, the Civil Court of Rome rejected our summons, while declaring that the termination of the "Consip Scuole" agreements pursuant to Article 1456 of the Italian Civil Code ordered by Consip was legitimate. The Company has appointed its legal counsels to file the related appeal. The tender performance bond (initially equal to € 24.5 million) might also be partially enforced if the Company loses the case against Consip S.p.A.. ANAC has proceeded with the entry of the contract termination in its computerized records.

Subsequently, on 16 June 2017, Consip officially informed Rekeep S.p.A. of its own decision concerning the exclusion of the Company from the tenders for new agreements relating to cleaning services of barracks (“Consip Caserme”) and to cleaning services with health service providers (“Consip Sanità”), with the intention also to confiscate, in this last case, the surety given by the Company during the tender for the amount of approximately € 10.4 million (known as “bid bond”). Both the Regional Administrative Court and the Council of State have confirmed the order of exclusion and, finally, 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, during which objections were raised regarding constitutional legitimacy. On 26 July 2022, the Constitutional Court rejected the objections concerning constitutional legitimacy by judgment 198§/2022. 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. At the hearing held on 7 June 2022, the Council of State suspended the proceedings pending the filing of the Constitutional Court's decision, in the same way as in the case of the proceedings described above ("Consip Caserme" and "Consip Sanità"). On 26 July 2022, the Constitutional Court rejected the objections on constitutional legitimacy by judgment 198§/2022.

The Consip Sanità, Consip Caserme and Consip Musei tenders did not generate consolidated Revenues until 30 June 2022 and were not included in the consolidated backlog at 30 June 2022.

In the Consolidated Financial Statements at 30 June 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 2022.

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. e STI S.p.A. and subsequently extended to Exitone S.p.A., Manital Società Consortile per i Servizi Integrati per Azioni Consorzio Stabile, Manital S.c.p.a., Gestione Integrata S.r.l., Kuadra S.r.l. in Liquidation, Esperia S.p.A., Engie Energy Services International SA, Veolia Energie International SA, Romeo Partecipazioni S.p.A., Finanziaria Bigotti S.p.A., Consorzio Stabile Energie Locali S.c.a.r.l. to ascertain whether those companies put in place a possible anti-competitive agreement whose subject matter consisted of the coordination of the procedures for taking part in the tender called by Consip in 2014 for awarding the Facility Management services intended for properties mainly for office use of the Public Administration (known as "FM4 Tender"). On 9 May 2019, after the completion of the abovementioned proceedings, the Competition Authority served the final order,

considering the existence of the agreement restricting competition between some of the abovementioned companies and imposing a sanction of € 91.6 million on the Company.

The Lazio Regional Administrative Court's judgment of 27 July 2020 partially granted the appeal submitted by the Company: albeit confirming the Competition Authority's Order as regards the merits, the Regional Administrative Court granted the request for redetermination of the fine, setting the relevant 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 the order for the new calculation of the fine before the Regional Administrative Court. Finally, on 22 December 2020 the Competition Authority served on the Company its appeal against the abovementioned Lazio Regional Administrative Court's order, while requesting the confirmation of the order on the FM4 tender, including the initial fine equal to € 91.6 million. On 20 January 2022, discussion on the merits was held before the Council of State, which rejected the appeal submitted by the Company by a judgment filed on 9 May 2022. Against the ruling, on 10 June 2022 the Company filed an appeal for review before the Council of State, which scheduled the hearing for discussion on 4 May 2023; the Company also filed an appeal before the Supreme Court on 8 July 2022 and is waiting for the hearing to be scheduled for discussion.

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.

As regards the effects on the financial statements, the Directors recognized the debt and the related cost associated with the expected financial outlay for an amount of € 79,800 thousand as early as from the financial statements at 31 December 2020, given the enforceability of the fine and while continuing to rely on the reasonableness of the defense arguments, as stated in the final order of the Competition Authority and entered in the taxpayers' list on the part of the Revenue Agency. For the payment of the debt, the Company applied for and obtained from the Revenue Agency a payment plan of 72 monthly installments, at an interest rate of 4.5%, which was finally updated on 22 December 2020 and which resulted in the amount of surcharges and collection costs (equal to 3% of the amount of the debt entered in the taxpayers' list) being added to the debt stated for the fine for € 2,612 thousand. Finally, it should be noted that the Company made use of the suspension of the payment of installments in accordance with 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"); subsequently, following the expiry of the final deadline for the suspension of payment of the amounts entered in the taxpayers' list (31 August 2021), it resumed operations to pay monthly installments, paying part of the installments suspended during the Covid-19 emergency period and accounting for higher collection costs on certain installments, equal to € 606 thousand (of which an amount of € 236 thousand stated among provisions for risks and charges due to the different probability of application of the additional charge), in addition to default interest. See note 15 for details.

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 13 July 2022. On 18 July 2022 a partial judgment was filed, in which the Regional Administrative Court found that the Company's exclusion from participation in the FM4 tender was legitimate, while it suspended the proceedings regarding the enforcement of the surety bond pending the filing of the Constitutional Court's decision, in the same way as in the case of the other proceedings involving the Company in relation to the enforcement of sureties. On 26 July 2022, the Constitutional Court rejected the objections on constitutional legitimacy by judgment 198§/2022.

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. The provision recorded a balance equal to € 581 thousand at 30 June 2022 (the same amount posted at 31 December 2021), since no changes were recorded during the first half of 2022.

Provision for tax disputes

At 30 June 2022 the provision amounted to € 447 thousand, recording uses which gave rise to a decrease of € 1 thousand during the year.

Other provisions for risks and charges

The provision, amounting to € 2,216 thousand at 30 June 2022, showing a decrease of € 6 thousand compared to 31 December 2021 (€ 2,222 thousand) as a result of provisions for € 171 thousand and uses, releases and other changes totaling € 177 thousand. This item included € 236 thousand (€ 351 thousand at 31 December 2021) for the provision set aside in 2021 for higher collection costs recognized on some installments of the notice of payment issued by the Revenue Agency in relation to the Competition Authority's fine, as detailed in the paragraph on the "Provision for pending legal disputes".

14. CONTINGENT LIABILITIES

As at the date of approval of the Interim Condensed Consolidated Financial Statements at 30 June 2022, contingent liabilities had arisen for the Rekeep Group, which had not been recognized in the accounts, for which the Management believes that the related financial risks can be regarded as possible but unlikely or for which these risks cannot be quantified and recognized in the financial statements at 30 June 2022.

ANAC's disqualification order - Santobono Pausilipon

On 10 November 2017 ANAC, after the completion of proceedings initiated in November 2016 following a report made by A.O.R.N. Santobono Pausilipon in Naples, imposed a sanction ("ANAC's Order") on Rekeep S.p.A. (Manutencoop Facility Management S.p.A. at that time), raising objections concerning the failure to provide a declaration relating to the absence of criminal proceedings against one of the Company's proxy holder in the documentation submitted for the tender for awarding cleaning services at Santobono Pausilipon, which took place 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 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 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 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 Company was served with a notice of appeal with the Supreme Court before the Council of State and is waiting for the hearing to be scheduled.

15. TRADE PAYABLES, CONTRACT LIABILITIES AND OTHER CURRENT PAYABLES

The table below sets forth the breakdown of the item at 30 June 2022 and 31 December 2021:

	30 June 2022	of which to related parties	31 December 2021	of which to related parties
Trade payables	376,151		372,513	
Trade payables to third parties	**376,151**	**0**	**372,513**	**0**
Trade payables to MSC Società di Partecipazione tra Lavoratori S.p.A.	8,054	8,054	4,683	4,683
Trade payables to Group companies within 12 months	20,041	20,041	17,240	17,240
Trade payables to MSC Group	**28,095**	**28,095**	**21,923**	**21,923**
Advances from customers, including contract liabilities	30,368		18,938	2
Trade payables and contract liabilities	**434,614**	**28,095**	**413,374**	**21,925**

	30 June 2022	of which to related parties	31 December 2021	of which to related parties
Fees due to directors and statutory auditors	319		301	
Tax payables	7,643		9,103	
Payables to social security institutions within 12 months	17,563		19,575	
Other payables to TJA ("*Associazione temporanea di imprese*")	2,612		5,556	
Payables to employees within 12 months	59,567		48,566	
Other payables within 12 months	82,388		81,919	
Property collection on behalf of customers	2,176		2,176	
Other current operating payables to third parties	**172,268**	**0**	**167,196**	**0**
Other current payables to MSC Società di Partecipazione tra Lavoratori S.p.A.	36	36	36	36
Other payables to Group companies	95	95	97	97
Other current payables to MSC Group	**131**	**131**	**133**	**133**
Accrued expenses	231		61	
Deferred income	1		67	
Accrued expenses and deferred income	**232**	**0**	**128**	**0**
Other current liabilities	**172,631**	**131**	**167,457**	**133**

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

Trade payables and contract liabilities at 30 June 2022 amounted to € 434,614 thousand against a balance of € 413,374 thousand at 31 December 2021, showing an increase of € 21,240 thousand.

Other current operating payables showed a balance of € 172,631 thousand at 30 June 2022 (€ 167,457 thousand at 31 December 2021) and are mainly made up of the following items:

- payables to employees of € 59,567 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 salary to be paid (a portion of the 14th salary, to be paid every year in the month of July, and of the 13th salary, to be paid every year in December). Furthermore, the corresponding payables to social security institutions were recognized for € 17,563 thousand (€ 19,575 thousand at 31 December 2021);

- payables due to tax authorities for € 7,643 thousand mainly relating to the balance of payables for VAT payments on the part of some Group companies and of the IRPEF (Personal Income) tax payable for employees (€ 9,103 thousand at 31 December 2021);
- collections on behalf of Temporary Associations of Companies (TJA) for € 2,612 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mainly relating to job orders under CONSIP agreement (€ 5,556 thousand at 31 December 2021).

As at 30 June 2022 *Other payables within 12 months* included the residual 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.. In the financial statements at 31 December 2020 the Parent Company Rekeep S.p.A. recorded a liability of € 82.2 million following the service of the Competition Authority's updated order concerning the Consip FM4 tender and the subsequent entry of the amount in the taxpayers' list on the part of the Revenue Agency; subsequently, the latter sent, on 22 December 2020, an updated payment plan of no. 72 monthly installments, deducting the installments that had already been paid as deposit for € 3.0 million and applying any expected surcharges and collection costs (totaling € 2.6 million). After having made use of the suspension of the payment of installments 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"), the Company resumed operations, following the expiry of the final deadline for the suspension of payment (31 August 2021), to pay monthly installments, paying part of the installments suspended during the Covid-19 emergency period and accounting for a higher collection costs on certain installments for € 606 thousand (of which € 236 thousand stated among provisions for risks and charges due to the different probability of application of additional charges), in addition to default interest. The residual debt recognized in the Interim Consolidated Financial Statements at 30 June 2022 was equal to € 71,492 thousand.

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 machinery used in the production processes of the Laundering&Sterilzsation SBU and for motor vehicles and equipment. In 2017, moreover, a property lease agreement was signed by the subsidiary Servizi Ospedalieri S.p.A. to acquire the factory of Lucca, while the acquisitions of EOS and Medical Device S.r.l. in 2018 and Rekeep Polska 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 holds commitments to the execution of property lease agreements for the Group's offices, as well as long-term hire agreements for the Group companies' corporate fleets and agreements for the hiring of equipment used in performing some work contracts.

The tables below report the breakdown of the amount of future payments under lease agreements and their present value at 30 June 2022 and 31 December 2021:

	30 June 2022			
	Finance Lease		Operating Lease	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Within one year	3,567	3,467	7,994	6,621
From one year to five years	6,933	6,513	23,795	20,481
After five years	1,013	580	8,051	7,488
TOTAL LEASE FEES	**11,514**	**10,560**	**39,840**	**34,590**
Financial costs	(954)		(5,249)	
PRESENT VALUE OF LEASE FEES	**10,560**	**10,560**	**34,590**	**34,590**

	31 December 2021			
	Finance Lease		Operating Lease	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
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**

Furthermore, as at 30 June 2022, the Group granted sureties to third parties for:

- guarantees against financial obligations amounting to € 9,942 thousand (€ 10,459 thousand at 31 December 2021), of which € 834 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 € 337,818 thousand (31 December 2021: € 342,774 thousand), of which € 1 thousand issued in the interests 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 € 10,022 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 € 69,472 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 30 June 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 30 June 2022 and 31 December 2021:

		Hierarchy				Hierarchy		
	30 June 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**		

Any additional financial assets resulting from the Statement of Financial Position were not measured at fair value. The Group had no financial liabilities measured at fair value as at 30 June 2022 and 31 December 2021. During the financial year under consideration, there were no transfers from one fair value measurement level to another.

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

Capital management

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

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

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

	30 June 2022	31 December 2021
Employee termination indemnity	8,948	10,483
Interest-bearing financial loans	454,762	433,306
Trade payables and contract liabilities	434,614	413,374
Other current liabilities	172,631	167,457
Other current financial liabilities	62,152	61,654
Cash and cash equivalents	(83,206)	(99,512)
Other current financial assets	(6,218)	(14,799)
Net financial indebtedness	**1,043,683**	**971,963**
Equity attributable to the Group	53,237	46,746
Undistributed net result	(6,671)	22,588
Total capital	**46,566**	**69,334**
EQUITY AND NET DEBT	**1,090,249**	**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 reduction 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 more details.

Facility Management SBU

The facility management Segment offers a collection of logistic and organizational support services targeted at users of properties and aimed to optimize the management of property-related activities.

The so-called ''traditional'' facility management services provided by the Rekeep Group include the following activities:

- cleaning;
- technical services;
- landscaping.

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

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

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

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

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

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

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

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

Laundering & Sterilization SBU

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

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

The table below shows the results of operations by segment for the periods ended 30 June 2022 and 30 June 2021:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment Revenues	543,661	69,180	(1,734)	611,108
Segment costs	(513,665)	(66,709)	1,734	(578,640)
Operating income (loss) by segment	**29,996**	**2,471**	**0**	**32,467**
Share of net profit of associates	260	154		414
Net financial income (charges)				(18,027)
Profit (loss) before tax				**14,854**
Income taxes				(8,025)
NET RESULT FOR THE PERIOD ENDED 30 JUNE 2022				**6,829**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment Revenues	475,349	79,292	(1,800)	552,840
Segment costs	(450,735)	(70,293)	1,800	(519,227)
Operating income (loss) by segment	**24,614**	**8,999**	**0**	**33,613**
Share of net profit of associates	1,286	270		1,557
Net financial income (charges)				(44,880)
Profit (loss) before tax				**(9,710)**
Income taxes				(5,945)
Profit (loss) from discontinued operations	16			16
NET RESULT FOR THE PERIOD ENDED 30 JUNE 2021				**(15,639)**

Below are reported the data related to assets and liabilities by operating segments of the Group at 30 June 2022 and 31 December 2021:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	558,854	154,664	(2,897)	710,622
Goodwill	388,752	16,183		404,935
Investments	12,727	4,284		17,010
Other assets not allocated and related taxes				115,406
SEGMENT ASSETS AT 30 JUNE 2022	**960,333**	**175,132**	**(2,897)**	**1,247,974**
Liabilities allocated to the segment	592,417	64,638	(2,897)	654,158
Other liabilities not allocated and related taxes				535,714
SEGMENT LIABILITIES AT 30 JUNE 2022	**592,417**	**64,638**	**(2,897)**	**1,189,872**

	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**
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. RELATED-PARTY TRANSACTIONS

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

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

The Parent Company not only provides technical-production services relating to the core business, but also administrative and IT services for certain Group companies. The Parent Company also has some administrative and lease service contracts in place with its parent company 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 € 33 thousand collected in consideration of these services were recognized at 30 June 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 Consolidated Half-year Financial Report.

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

Zola Predosa, 25 August 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)	100%	Euro
CO.GE.F. Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	80%	Euro
Consorzio Igiene Ospedaliera Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	66.66%	Euro
Consorzio Stabile CMF	Via Bolzano n. 59	Trento (TN)	97.45%	Euro
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	Üniversiteler Mahallesi, Bilkent Plaza, A3 Blok, n. 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 .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	Warsaw (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
Progetto Sintesi Soc. Cons. A r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Rekeep Digital S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Rekeep Facility S.a.s.	52, Boulevard de Sebastopol	Paris	100%	Euro
Rekeep Facilities Management LLC	Rasis Business Centre, Makani No, 18353 78040 Al Barsha First	Dubai (United Arab Emirates)	100%	AED
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, 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

Name	Registered Office	City	% Held	Currency
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
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 68/1	Modena	100%	Euro
ARIENES Soc. Cons. a r.l.	Via Nubi di Magellano no. 30	Reggio Emilia	35%	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
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

Name	Registered Office	City	% Held	Currency
Consorzio Servizi Toscana Soc. Cons. a r.l in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Consorzio Polo Sterilizzazione Integrata a r.l.	Via Facciolati no. 84	Padua	60%	Euro
Consorzio Sermagest Soc. Cons. a r.l. in liquidation	Via Filippo Corridoni no. 23	Rome	60%	Euro
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 no. 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 in liquidation	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

Name	Registered Office	City	% Held	Currency
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 30 June 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	
Alisei S.r.l. in liquidation	100%	(110)				0		(110)	0	(110)
A.M.G. S.r.l.	50%	2,373		(91)	62			2,346	2,346	
ARIENES Soc. Cons. a r.l.	35%	0	18					18	18	
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)					0	0	
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 30 June 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			87			486	486	
Legnago 2001 Soc. Cons. a r.l. in liquidation	50%	5						5	5	
Logistica Ospedaliera Soc. Cons. a r.l	45.00%	5						5	5	
Manutencoop International Services LLC	49.00%	(96)					(48)	(144)	0	(144)
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			103		300	2,592	2,592	
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	149		50	2,900	2,900	
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			6			992	992	
Yougenio S.r.l. in liquidation	100.00%	(169)	(7)		7	(0)		(169)	0	(169)
NET BOOK VALUE		**8,778**	**52**	**(91)**	**414**	**(0)**	**302**	**9,457**	**9,880**	**(423)**

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.	30-Jun-21	87	15.488			31-Dec-21	77	15.159	4.702	14.924
	31-Dec-21	85	13.724	98	305	30-Jun-22	134	12.700	8.065	17.623

ASSOCIATES AND JOINT-VENTURES

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
2HIGH S.r.l.	30-Jun-21		72			31-Dec-21			182	
	30-Jun-22		115			30-Jun-22			151	
Alisei s.r.l. in liquidation	30-Jun-21					31-Dec-21	3			1
	30-Jun-22					30-Jun-22	3			1
AMG S.r.l.	30-Jun-21		121			31-Dec-21			210	
	30-Jun-22		132			30-Jun-22			300	
ARIENES Soc.Cons. a r.l.	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Bologna Gestione Patrimonio Soc.Cons. a r.l. in liquidation	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Bologna Gestione Patrimonio 2 Soc.Cons. a r.l.	30-Jun-21	15	61			31-Dec-21	110	3	523	2
	30-Jun-22		302			30-Jun-22	40		561	
Bologna Global Strade Soc. Cons. a r.l	30-Jun-21	137				31-Dec-21	148	383	1	
	30-Jun-22	25				30-Jun-22	64	383	(109)	
Centro Europa Ricerche S.r.l.	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Como Energia Soc.Cons.a r.l. in liquidation	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
	30-Jun-21					31-Dec-21		36	12	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Consorzio Imolese Pulizie soc.Cons. in liquidation	30-Jun-22					30-Jun-22		36	12	
Consorzio Polo Sterilizzazione Integrata a r.l.	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Consorzio Sermagest Soc.Cons.a r.l in liquidation	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Consorzio Servizi Toscana Soc.Cons.a r.l in liquidation	30-Jun-21					31-Dec-21	282		177	
	30-Jun-22					30-Jun-22	282		177	
CO.& MA. Soc. Cons. a r.l	30-Jun-21	180	518			31-Dec-21	90	20	1,163	
	30-Jun-22		(121)			30-Jun-22		20	620	
DUC Gestione Sede Unica Soc. Cons. a r.l.	30-Jun-21	3,642	1.632			31-Dec-21	4.303		1,843	
	30-Jun-22	3,971	1.940			30-Jun-22	4.838		2,937	
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Fr.lli Bernard S.r.l.	30-Jun-21	6	7			31-Dec-21				
	30-Jun-22					30-Jun-22				
Gestione Servizi Taranto Soc.Cons.a r.l.	30-Jun-21	2,314	2.128			31-Dec-21	5.684	23	5,019	
	30-Jun-22	2,375	2.526			30-Jun-22	7.746	32	7,107	
Gestione Strade soc.cons.r.l.	30-Jun-21	314	513			31-Dec-21	44	63	398	
	30-Jun-22	93	587			30-Jun-22	32	63	617	
Global Oltremare Soc.Cons.a r.l in liquidation	30-Jun-21					31-Dec-21			92	
	30-Jun-22		4			30-Jun-22			96	
Global Provincia di RN Soc.Cons.a r.l. in liquidation	30-Jun-21					31-Dec-21		70	13	
	30-Jun-22					30-Jun-22		70	13	
Global Riviera Soc.Cons.a r.l.	30-Jun-21		6			31-Dec-21			4	
	30-Jun-22					30-Jun-22				
Global Vicenza Soc.Cons. a r.l.	30-Jun-21					31-Dec-21		10	17	
	30-Jun-22					30-Jun-22		10	17	
GR.A.AL. Soc. Cons. a. r.l.	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Gymnasium Soc. cons. a r.l in liquidation	30-Jun-21					31-Dec-21	1	8	33	
	30-Jun-22					30-Jun-22	1	8	33	
	30-Jun-21	69	67			31-Dec-21	50		45	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	30-Jun-22	177	175			30-Jun-22	263		193	62
IPP S.r.l.	30-Jun-21		98			31-Dec-21	12	35	148	
	30-Jun-22		130			30-Jun-22	12	35	243	
Legnago 2001 Soc. Cons. r.l. in liquidation	30-Jun-21		4			31-Dec-21	158		67	
	30-Jun-22		1			30-Jun-22	158		68	
Logistica Ospedaliera Soc. Cons. a r.l.	30-Jun-21		6			31-Dec-21			18	
	30-Jun-22		2			30-Jun-22			20	
Manutencoop International Services LLC in liquidation	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
MCF Servizi integarti Soc. cons. a r.l. in liquidation	30-Jun-21					31-Dec-21	689		322	
	30-Jun-22					30-Jun-22	365		5	
Newco DUC Bologna S.p.A	30-Jun-21					31-Dec-21			66	
	30-Jun-22					30-Jun-22			66	
Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation	30-Jun-21					31-Dec-21				
	30-Jun-22		2			30-Jun-22	75		2	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Rekeep Austria G.m.b.H. in liquidation	30-Jun-21		(15)			31-Dec-21				
	30-Jun-22					30-Jun-22				
Roma Multiservizi S.p.A.	30-Jun-21	305	44			31-Dec-21	261		93	
	30-Jun-22	260	1			30-Jun-22	793		91	
San Martino 2000 Soc.Cons. r.l.	30-Jun-21	659	1,287			31-Dec-21	416		859	
	30-Jun-22	809	1,166			30-Jun-22	144		960	
S.E.I. Energia Soc. Cons. a r.l.	30-Jun-21	24	1,620	11		31-Dec-21	103	780	2,799	
	30-Jun-22	24	2,889	11		30-Jun-22	155	868	3,347	
Serena S.r.l. - in liquidation	30-Jun-21					31-Dec-21		3		
	30-Jun-22					30-Jun-22		3		
Servizi Taranto Soc.Cons. a r.l. in liquidation	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22	395		295	
Servizi Napoli 5 Soc.Cons. a r.l.	30-Jun-21	688	642			31-Dec-21	4,310		2,896	
	30-Jun-22	705	653			30-Jun-22	3,201		1,937	
	30-Jun-21					31-Dec-21		75	13	2

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
S.I.MA.GEST2 Soc. Cons. r.l. in liquidation	30-Jun-22					30-Jun-22		75	13	2
S.I.MA.GEST3 Soc. Cons. r.l in liquidation	30-Jun-21					31-Dec-21		3	6	
	30-Jun-22					30-Jun-22		3	6	
Società Consortile Adanti Manutencoop in liquidation	30-Jun-21					31-Dec-21			53	
	30-Jun-22					30-Jun-22			53	
Steril Piemonte Soc. cons. a.r.l	30-Jun-21					31-Dec-21	7		104	
	30-Jun-22					30-Jun-22	7		104	
Yougenio S.r.l. in liquidation	30-Jun-21	23				31-Dec-21	42		4	43
	30-Jun-22	10		53		30-Jun-22	13		4	40

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	30-Jun-21					31-Dec-21	1			
	30-Jun-22					30-Jun-22	1			
Holmo S.p.A.	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
NRE S.r.l.	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Nugareto Società Agricola Vinicola S.r.l.	30-Jun-21	1	22		368	31-Dec-21		6	16	
	30-Jun-22					30-Jun-22		6	16	
Sacoa S.r.l.	30-Jun-21	20	4			31-Dec-21	12		1	
	30-Jun-22	27	54			30-Jun-22	15		55	
Sacoa Servizi Telematici S.r.l.	30-Jun-21		6			31-Dec-21			25	
	30-Jun-22		9			30-Jun-22			19	
Segesta servizi per l'Ambiente S.r.l.	30-Jun-21	3				31-Dec-21	2			
	30-Jun-22	3				30-Jun-22	4			

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	30-Jun-21	45				31-Dec-21	19			
	30-Jun-22	36				30-Jun-22	23			
Consorzio Karabak Due Società Cooperativa	30-Jun-21	3				31-Dec-21	1			
	30-Jun-22	1				30-Jun-22	1			
Consorzio Karabak Quattro Società Cooperativa	30-Jun-21					31-Dec-21			1	
	30-Jun-22					30-Jun-22			1	
Consorzio Karabak Cinque Società Cooperativa	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				
Consorzio Karabak Sei Società Cooperativa	30-Jun-21					31-Dec-21				
	30-Jun-22					30-Jun-22				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
TOTAL	**30-Jun-21**	**8,535**	**24,331**	**11**	**368**	**31-Dec-21**	**16,825**	**16,677**	**21,925**	**14,972**
	30-Jun-22	**8,601**	**24,291**	**162**	**305**	**30-Jun-22**	**18,765**	**14,312**	**28,095**	**17,728**

ANNEX IV

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

	For the half-year ended 30 June			
	2022		2021	
Cash and cash equivalents at the beginning of the period		**99,512**		**90,464**
Cash flow from current operations:		**31,397**		**7,901**
Profit before taxes	14,855		(9,695)	
Profit (loss) from discontinued operations	0		16	
Amortization, depreciation, write-downs (write-backs) of assets	19,652		20,744	
Accruals (reversals) of provisions	1,078		1,418	
Employee termination benefits provision	476		235	
Share of net profit of associates, net of dividends collected	(323)		(1,422)	
Financial charges (income) in the period	18,113		45,606	
Net interest received (paid) in the period	(11,009)		(25,452)	
Taxes paid in the period	(4,337)		(1,558)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the period	*(7,108)*		*(21,992)*	
Uses of provisions for risks and charges and payments of the employee termination indemnity:		**(2,374)**		**(2,318)**
Uses of employee terminations benefits	(976)		(617)	
Uses of provisions for risks and charges	(1,398)		(1,701)	
CHANGE IN NWOC:		**(49,869)**		**(15,566)**

	For the half-year ended 30 June			
	2022		2021	
Decrease (increase) in inventories	100		2,707	
Decrease (increase) in trade receivables	(71,649)		1,609	
Changes in trade payables	21,680		(19,882)	
INDUSTRIAL AND FINANCIAL CAPEX:		**(22,240)**		**(19,596)**
(Purchase of intangible assets, net)	(2,072)		(1,555)	
(Purchase of property, plant and equipment)	(20,435)		(13,636)	
Sale of property, plant and equipment	690		747	
(Acquisition of investments, net)	(449)		910	
Decrease (increase) of financial assets	7,348		396	
Financial effects of business combinations			(1,914)	
Reclassifications:				
Net change in the balance of short-term financial assets	*(7,322)*		*467*	
Financial effects of business combinations			*(5,027)*	
Financial effects of discontinued operations	*0*		*16*	
CHANGE IN NET FINANCIAL LIABILITIES:		**30,535**		**44,266**
Change in finance lease debt	3,569		195	
New (repayment of) operating lease debt	(4,464)		(3,791)	
Acquisition of non-current borrowings	0		370,000	
Repayment of non-current borrowings	(120)		(334,085)	
Proceeds from/(repayment of) short-term bank debt	9,314		195	
Other changes in financial debt	6,747		(18,593)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the year	*7,108*		*21,992*	
Net change in the balance of short-term financial assets	*7,322*		*(467)*	
Non-cash elements on acquisitions of rights of use	*1,938*		*2,931*	
Financial effects of business combinations				
Financial effects of discontinued operations	*0*		*(16)*	
Payables for acquisition of investments and business combinations			*5,027*	
Distribution of reserves and other changes in Equity	*(878)*		*878*	

	For the half-year ended 30 June			
	2022		2021	
OTHER CHANGES:		**(3,755)**		**(3,290)**
Decrease (increase) in other current assets	(6,028)		(5,148)	
Change in other current liabilities	5,663		8,254	
Dividends distributed	(918)		(293)	
Acquisition/assignment of minority interests of subsidiaries	(52)		(1,971)	
Differences arising from translation of financial statements in foreign currency	(1,360)		(322)	
Reclassifications:				
Non-cash elements on acquisitions of rights of use	*(1,938)*		*(2,931)*	
Distribution of reserves and other changes in Equity	*878*		*(878)*	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**83,206**		**101,861**

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