interim report on operation

at 30 september 2022

rekeep

minds that work

GENERAL INFORMATION

REGISTERED OFFICE

Via U. Poli, 4
Zola Predosa (Bo)

BOARD OF DIRECTORS

Appointed by the Shareholders' Meeting held on 24 April 2020

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
Giuliano Di Bernardo

VICE CHAIRMAN
Riccardo Bombardini *
Giuseppe Pinna **

DIRECTORS
Laura Duò
Rossella Fornasari ***
Paolo Leonardelli
Gabriele Stanzani
Matteo Tamburini

BOARD OF STATUTORY AUDITORS

Appointed by the Shareholders' Meeting held on 24 April 2020

CHAIRMAN
Germano Camellini

STATUTORY AUDITORS
Marco Benni
Giacomo Ramenghi

ALTERNATE AUDITORS
Michele Colliva
Antonella Musiani

INDEPENDENT AUDITORS

EY S.p.A.

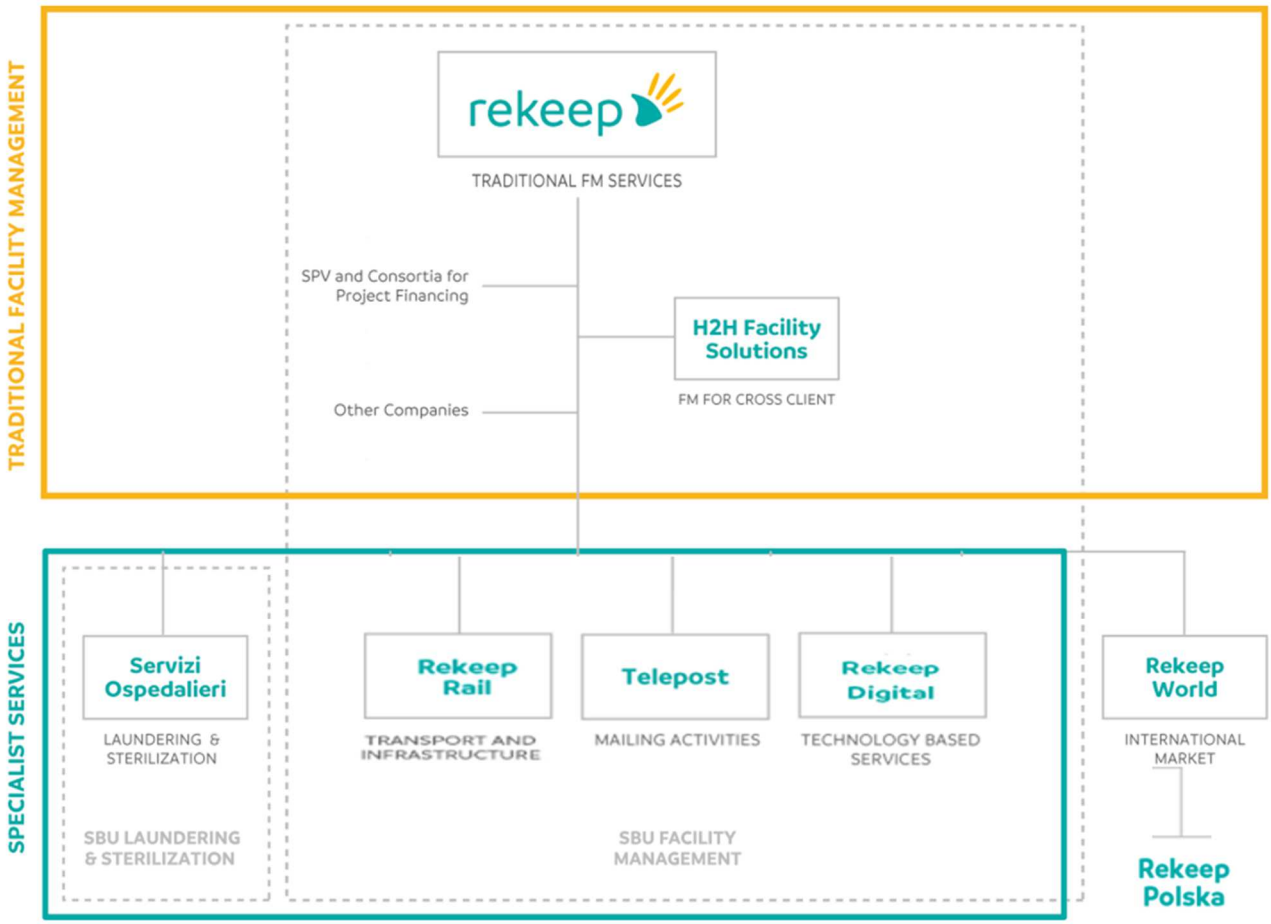
* *appointed as director on 30 June 2021 and as Vice Chairman on 16 December 2021*

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

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

PREAMBLE

At 30 September 2022 the Group controlled by Rekeep S.p.A. was made up as follows:



The Rekeep Group is active in the management and provision of integrated services to public and private customers, targeted at properties, the area and to support so-called “Integrated Facility Management” health care activities. At present the Rekeep brand is managed by a single operating holding company that combines so-called “traditional” facility management production resources with those related to supporting the whole Group’s business. Around the central part of the holding, already in the previous financial years a diversification strategy of the activities was pursued, also through a series of company acquisitions, by placing some “specialist” facility management services beside the historical core business (hygiene services, green spaces and technical and maintenance services), in addition to linen rental and industrial laundering services and surgical instrument sterilization at healthcare facilities and high technology “business to business” (B2B) services.

Furthermore, the Group started a major process of business development in international markets from the 2015 financial year, by establishing the sub-holding company Rekeep World S.r.l. 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

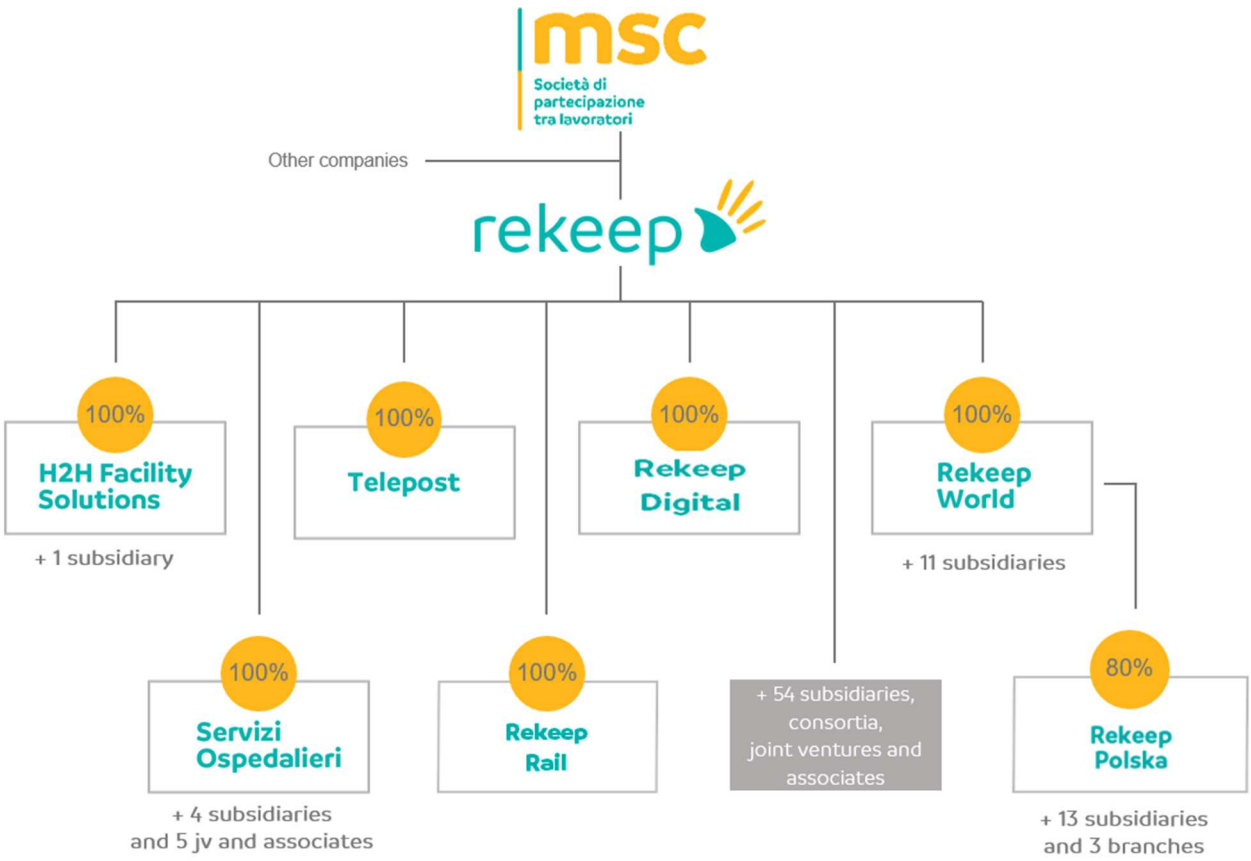
Ordinary shares issued by Rekeep S.p.A. and fully paid up at 30 September 2022 amounted to 109,149,600, with a par value of € 1 each.

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 par value.

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

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

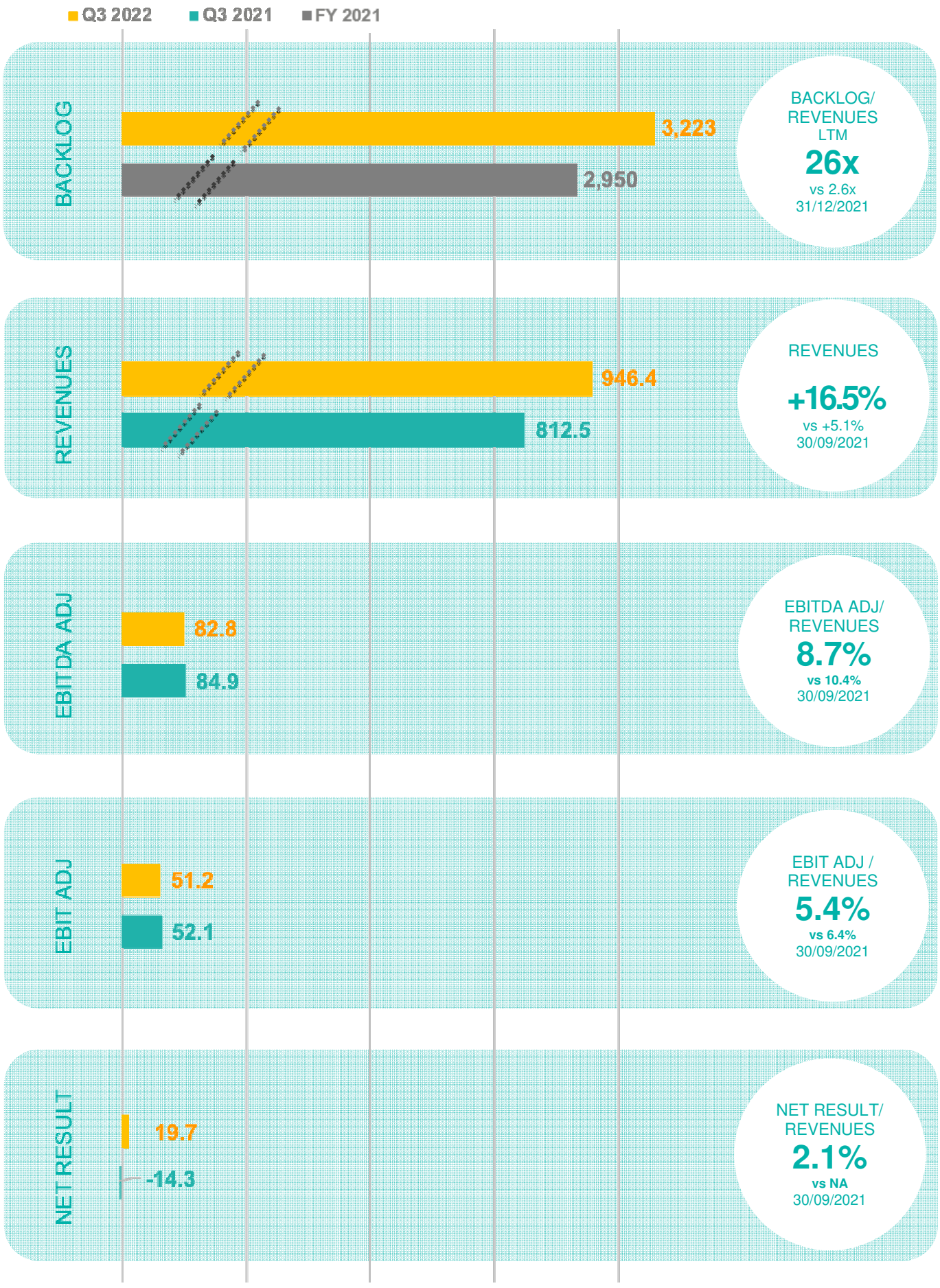

msc
Società di partecipazione tra lavoratori
Other companies
rekeep
100%
H2H Facility Solutions
+ 1 subsidiary
100%
Telepost
100%
Rekeep Digital
100%
Rekeep World
+ 11 subsidiaries
100%
Servizi Ospedalieri
+ 4 subsidiaries and 5 jv and associates
100%
Rekeep Rail
+ 54 subsidiaries, consortia, joint ventures and associates
80%
Rekeep Polska
+ 13 subsidiaries and 3 branches

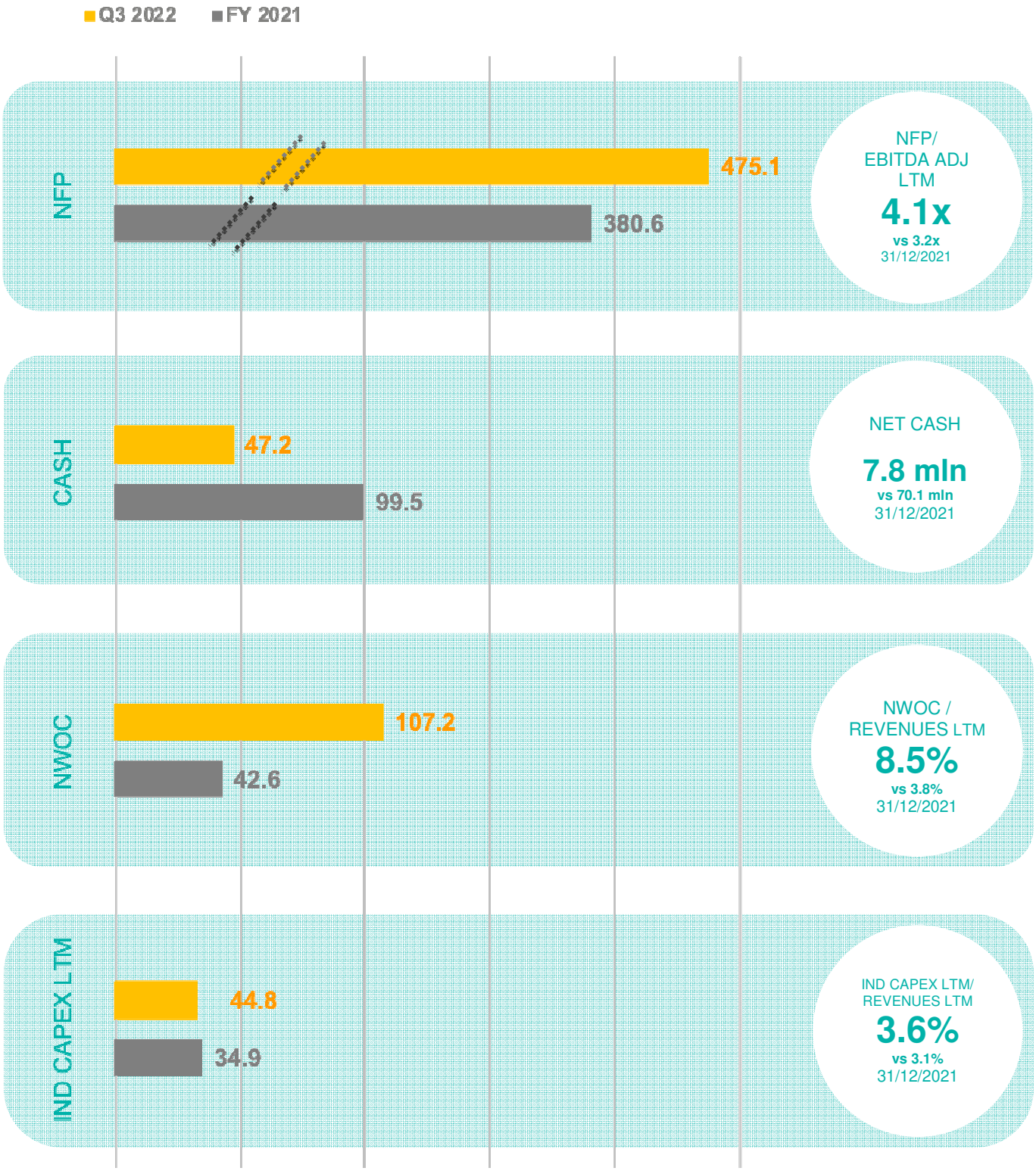
ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP FINANCIAL MEASURES)

The Rekeep Group's management monitors and assesses the consolidated business performance, results of operations and cash flows by using various alternative performance indicators that are not defined under the international accounting standards IAS/IFRS (*"API"* or *"Non-GAAP measures*"), as stated below. The Group's management considers that these financial ratios, which are not explicitly described in the accounting standards adopted to prepare the Consolidated Financial Statements, provide information which helps to understand and assess its overall performance in terms of financial position, results of operations and cash flows. These are widely used in the sector in which the Group operates and are determined in accordance with the provisions of the Guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance indicators (ESMA/2015/1415), adopted by CONSOB by Communication no. 92543 of 3 December 2015. However, they might not be directly comparable with those utilized by other companies, nor are they intended to replace the economic and financial performance ratios prepared in the application of the international accounting standards IAS/IFRS.

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

	Dividends and income (loss) from sale of investments; iv) Income (charges) from investments accounted for under the equity method; v) Profit / (loss) on exchange rate. The Statement of Profit or Loss for the year shows EBIT as "Operating Income".
EBITDA	EBITDA represents the Operating Income before "Accrual (reversal) of provisions for risks and charges" and "Amortization/depreciation, write-downs and write-backs of assets". EBITDA is a measure used by the Group's management to monitor and assess its operating performance.
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 reporting periods.
Net Cash	Net Cash is defined as the balance of the "Cash and cash equivalents" net of: i) Current account overdrafts, advances and hot money; ii) Obligations arising from assignments of trade receivables with recourse.
Gross Debt	Gross Debt is defined as the sum of payables on account of capital relating to: i) Senior Secured Notes (face value); ii) Bank debts (face value); iii) Current account overdrafts, advances and hot money; iv) Obligations arising from assignments of trade receivables with recourse; v) Finance lease debt; vi) Reverse factoring debt.
Net Debt	Net Debt is defined as the Gross Debt, net of the balance of "Cash and cash equivalents" and "Receivables and other current Financial assets".
Financial indebtedness	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". It complies with the provisions of CONSOB Communication no. DEM/6064293 of 28 July 2006, amended as contained in Warning Notice no. 5/21 of 29 April 2021.
Adjusted Financial Indebtedness and 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.


Q3 2022
Q3 2021
FY 2021
BACKLOG
3,223
2,950
BACKLOG/ REVENUES LTM
26x
vs 2.6x 31/12/2021
REVENUES
946.4
812.5
REVENUES
+16.5%
vs +5.1% 30/09/2021
EBITDA ADJ
82.8
84.9
EBITDA ADJ/ REVENUES
8.7%
vs 10.4% 30/09/2021
EBIT ADJ
51.2
52.1
EBIT ADJ / REVENUES
5.4%
vs 6.4% 30/09/2021
NET RESULT
19.7
-14.3
NET RESULT/ REVENUES
2.1%
vs NA 30/09/2021


Q3 2022
FY 2021
NFP
475.1
380.6
NFP/ EBITDA ADJ LTM
4.1x
vs 3.2x
31/12/2021
CASH
47.2
99.5
NET CASH
7.8 mln
vs 70.1 mln
31/12/2021
NWOC
107.2
42.6
NWOC / REVENUES LTM
8.5%
vs 3.8%
31/12/2021
IND CAPEX LTM
44.8
34.9
IND CAPEX LTM/ REVENUES LTM
3.6%
vs 3.1%
31/12/2021

MAIN EVENTS OF THE FIRST 9 MONTHS OF 2022

The first 9 months of 2022 were still affected by the consequences of exogenous factors linked to the international geopolitical and social scene that emerged following the start of the conflict between Russia and Ukraine in Eastern Europe, which is still ongoing at present.

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, raw materials and food commodity prices, thus fueling global inflationary pressures. At present, it is not yet possible to reliably estimate the impact and further developments arising from the international scenario described above and from the short- and long-term 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, the third quarter of 2022 confirmed the growth trend in revenues. In the first 9 months of the financial year, revenues amounted in fact to € 946.4 million, up by € 134.0 million compared to the same period of the previous year (+ 16.5%). LTM revenues amounted to € 1,256.00 million at 30 September 2022 (€ 1,122.0 million at 31 December 2021). The positive change compared to the first 9 months of 2021 was achieved in any and all markets, i.e. Public, Healthcare and Private sectors, and shows a significant resumption of work, after the restrictions imposed as a result of the Covid-19 pandemic; revenues were also affected by an increase in turnover under energy contracts and a good performance in International Markets.

In terms of profit margins, Adjusted EBITDA came to € 82.8 million at 30 September 2022 compared to € 84.9 million at 30 September 2021 and relative profit margins equal to 8.7%, being affected by a general increase in the price of energy raw materials and transport and, in particular, by the different timing related to the corresponding adjustment to revenues. LTM Adjusted EBITDA then amounted to € 115.0 million at 30 September 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 € 475.1 million at 30 September 2022, as was in Net working operating capital from € 42.6 million at 31 December 2021 to € 107.2 million at 30 September 2022: both of them reflect higher volumes recorded in the period, 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 MSC S.p.A.

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 par 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.

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 € 13.8 million agreed between the parties, in line with the business unit's economic value that emerges from the expert's report prepared on the relevant accounting position as at 31 March 2022, in addition to an adjustment calculated on the final book value of the business unit at the date of transfer. Within 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 amount paid to MSC for the work it has performed.

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 9 months of 2022 the Group gained orders for an overall long-term amount of € 910.0 million, of which € 381.5 million relating to extensions and renewals of contracts already included in its sales portfolio and € 528.6 million relating to the development of a new portfolio. The value of contracts acquired in International Markets was equal to about 12.4% of the total orders gained during the period.

New contracts in the Healthcare sector amounted to € 744.5 million at 30 September 2022 (about 81.8% of total orders gained) against orders gained for € 118.2 million in the Public sector (13.0% of the total) and € 47.3 million in the Private sector (5.2% of the total). In terms of Strategic Business Unit ("SBU"), Facility Management obtained contracts of € 781.1 million (which also include International Markets), while Laundering&Sterilization obtained contracts of € 128.9 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 and at Mater-Domini Hospital Trust in Catanzaro. On the International Markets front, 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 sub-group. Furthermore, the Group also continued its growth in the healthcare sector in France following the award of a contract for cleaning and bio-cleaning services and associated services at the new facilities of the Versailles Hospital Centre and a contract for cleaning services at Institut Imagine, part of the Necker-Enfants Malades Hospital.

Moreover, the subsidiary Servizi Ospedalieri S.p.A. gained a new sterilization contract at a Local Health Unit (ASL) in the Tuscany Region and at some Local and Social Health Units (ULSS) in the Veneto 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.

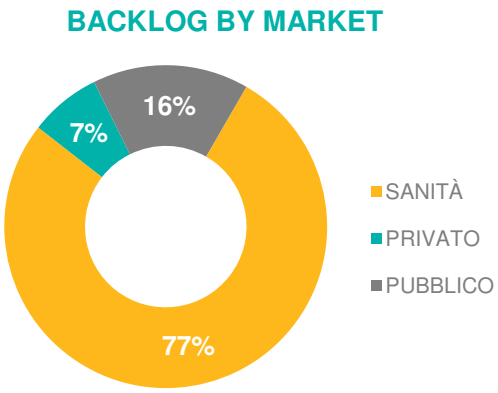
Finally, an agreement was signed for the extension of the offer for integrated services at a major network customer, in addition to noting renewals of portfolio contracts due to expire, mainly for hygiene services at shopping centers and retail customers and

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.

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

	30 September 2022	30 June 2022	31 December 2021
Backlog	3,223	3,307	2,950

At 30 September 2022 the **Backlog** came to € 3,223 million, recording an increase compared to the value posted at the end of 2021 (€ 2,950 million) although showing a slight decline compared to the first half of 2022 However, the Backlog/Revenues ratio was equal to 2.6x (unchanged compared to 31 December 2021).



1. SUMMARY OF RESULTS OF THE THIRD QUARTER OF 2022

	For the Quarter ended 30 September		
	2022	2021	%
Revenues	335,315	259,623	+29.2%
of which Revenues - International Markets	*45,492*	*38,176*	
Adjusted EBITDA (*)	27,499	25,409	+8.2%
Adjusted EBITDA % on Revenues	8.2%	9.8%	
Adjusted EBIT (*)	16,483	14,796	+11.4%
Adjusted EBIT % on Revenues	4.9%	5.7%	
Consolidated net result	12,894	1,355	

During the third quarter of 2022 the Group recorded ***Revenues*** of € 335.3 million, against € 259.6 million compared to the same period of the previous year, with a positive change of € 75.7 million. The International Markets contributed, during the quarter, revenues of € 45.5 million (of which an amount of € 35.7 million was contributed by the Polish sub-group controlled by Rekeep Polska), showing an increase of € 7.3 million compared to the same quarter of the previous year.

Revenues continued to be affected by 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 and adjustments of contracts during the third quarter, as well as from the development of a new portfolio, while services for a cleaning contract were started in the healthcare sector in France.

The breakdown by market showed an increase of € 66.4 million in volumes of Healthcare sector compared to the third quarter of 2021, from € 153.6 million in the third quarter of 2021 to € 220.1 million in the third quarter of 2022, thus accounting for 65.6% 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 the sub-group controlled by Rekeep Polska, which mainly operates in the Healthcare sector. The performance of the Laundering&Sterilization sector was on the upswing, although continuing to be affected by the deferred start of operations under some contracts of subsidiary Servizi Ospedalieri.

The Private market too showed a volume growth in absolute value (+€ 4.6 million from € 57.0 million in the third quarter of 2021 to € 61.6 million in the third 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 third quarter. The Laundering&Sterilization sector too contributed to an increase in market revenues, even it was still affected by the non-recurring revenues posted during the pandemic in the comparative period.

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

Finally, the Public market posted Revenues of € 53.7 million, showing an increase of € 4.7 million during the quarter (+9.6% compared to the same quarter of 2021). The Public market was also affected by an increase in the prices charged to customers under energy contracts following an increase in the costs of raw materials.

While analyzing the overall performance by sector, it is noted that the turnover achieved by the Facility Management SBU during the quarter showed an increase compared to the third quarter of 2021 (€ 301.4 million in the quarter ended 30 September 2022 against € 225.3 million in the quarter ended 30 September 2021: +€ 76.1 million), with the positive contribution given by all target markets, especially in the Healthcare sector, thus confirming the positive trend in the 2022 financial year. The Laundering&Sterilization SBU too recorded an increase of € 2.2 million compared to the third quarter of 2021, showing a recovery compared to the previous quarters of 2022, during which a slowdown was recorded in results due to some delays in the start of operations under new contracts, some of which are still ongoing.

Adjusted EBITDA for the third quarter of 2022 came to € 27.5 million, showing an increase of € 2.1 million compared to the same quarter of the previous year (when it was equal to € 25.4 million). While analyzing the performance by sector, the Facility Management SBU recorded an increase of € 3.1 million, which was also contributed to by the positive performance achieved on revenues that was supported, among others, by the recognition of the tax credit granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as amended, to partially offset higher costs incurred for the purchase of electricity and natural gas, which allows the mitigation of the impact of the increase in prices on these raw materials (€ 4.4 million). On the other hand, the Laundering&Sterilization SBU recorded a decrease of € 1.0 million compared to the third quarter of 2021, showing however a recovery compared to the previous quarters, in line with the trend in revenues; this sector too benefited from the recognition of the aforesaid tax credit for € 0.3 million. Finally, average profit margins (**Adjusted EBITDA/Revenues**) came to 8.2% for the quarter ended 30 September 2022 against 9.8% for the same period of the previous year.

Adjusted EBIT for the quarter ended 30 September 2022 amounted to € 16.5 million (4.9% of related Revenues) against € 14.8 million for the same period of the previous year (5.7% of related Revenues). The trend was affected, in absolute terms, by the performance already reported for Adjusted EBITDA (+ € 2.1 million) to which must be added higher *amortization and depreciation* for € 0.5 million, lower write-downs of receivables (net of releases) for € 0.9 million and higher accruals and net releases to provisions for future risks and charges, excluding the non-recurring portion, for € 0.8 million.

Finally, the **Consolidated net result** for the quarter was equal to € 12.9 million against a result of € 1.4 million for the quarter ended 30 September 2021. Furthermore, in addition to the performance in terms of consolidated adjusted EBIT described above, lower net financial charges were recognized for € 1.6 million in the third quarter of 2022, in particular through the recognition of default interest income to a customer in court for € 1.5 million. Furthermore, lower charges for taxes equal to € 4.0 million were recognized during the quarter compared to the same quarter of 2021, due to the substantial invariance of some components of taxes with respect to the changes in the Profit before taxes, as well as to the recognition of proceeds of € 4.1

million as a result of the submission by some Group companies of supplementary tax returns of Unico SC/Redditi and IRAP (Regional Production Activity Tax) 2017 – 2021 forms.

	30 September 2022	30 June 2022	31 December 2021
Net Working Operating Capital (NWOC)	107,206	92,080	42,617
Financial indebtedness	(475,139)	(427,490)	(380,649)

From an equity and financial point of view, the data relating to the Net Working Operating Capital (**NWOC**) at 30 September 2022 recorded an increase compared to both the value posted during the past quarter (+ € 15.1 million) and the value posted at the end of the previous year (+ € 64.6 million). Specifically, the third quarter of 2022 saw the recognition of higher trade receivables for € 40.8 million and lower trade payables for € 25.7 million, against a Financial Indebtedness that reported a negative change equal to € 47.6 million compared to the end of the previous quarter. During the first 9 months of 2022 trade receivables were assigned to factoring companies without recourse for a total of € 269.0 million (of which € 91.0 million during the third quarter) and VAT receivables were assigned without recourse for € 15.0 million (of which € 5.0 million during the third quarter).

At 30 September 2022 DSO was 168 days, recording an increase compared to both 31 December 2021 (when it was equal to 154 days) and 30 September 2021 (when it was equal to 146 days), as well as compared to the value posted during the past quarter (when it was equal to 165 days). The performance of the DPO came to 203 days at 30 September 2022, compared to 220 days at 31 December 2021 and 196 days at 30 September 2021, showing a decrease compared to 207 days recorded during the previous quarter. Finally, the performance of amounts collected from customers and payments to suppliers gave rise to a total absorption of cash flows during the quarter (- € 9.2 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 € 47.6 million during the quarter. From the cash flows generated from operating activities during the quarter (€ 18.8 million) must be deducted the cash flow absorbed by the change in NWOC (€ 9.2 million) and the uses of resources for net industrial (€ 10,0 million) and financial (€ 16.5 million) investments, 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) and the negative contribution from changes in other operating assets and liabilities that were recorded during the quarter (€ 29.7 thousand); in particular, in addition to the normal seasonal trend in receivables from and payables to employees (showing a decrease by € 4.6 million in the quarter) and payables for receipts to be paid to the members of the Temporary Business Grouping (the debt balances of which showed an increase of € 4.2 million), there was the recognition of cash outflows against the performance of net VAT credit balances of the Group companies (+ € 8.5 million), which already take account of assignments without recourse for a total amount of € 5.0 million during the quarter, as well as against changes in other

receivables, including higher guarantee deposits paid to electricity and gas suppliers and tax credits to partially cover the higher costs of energy prices, which had an impact of a total amount of € 12.0 million during the quarter.

2. THE REKEEP GROUP'S CONSOLIDATED PERFORMANCE OF OPERATIONS AND FINANCIAL POSITION AT 30 SEPTEMBER 2022

2.1. Consolidated results of operations in the first 9 months of 2022

Below are reported the main income figures relating to the first 9 months of 2022, compared to the figures of the corresponding period in 2021.

(in thousands of Euro)	For the 9 months ended 30 September		For the quarter ended 30 September	
	2022	2021	2022	2021
Revenues	946,423	812,463	335,315	259,623
Costs of production	(865,751)	(732,717)	(307,842)	(235,651)
EBITDA	**80,672**	**79,746**	**27,473**	**23,972**
EBITDA %	**8.5%**	**9.8%**	**8.2%**	**9.2%**
Amortization, depreciation, write-downs and write-backs of assets	(29,593)	(31,130)	(9,941)	(10,386)
Accrual of provisions for risks and charges	1,285	(1,645)	2,363	(227)
Operating Income (EBIT)	**52,364**	**46,971**	**19,895**	**13,359**
EBIT %	**5.5%**	**5.8%**	**5.9%**	**5.1%**
Share of net profit of associates	690	2,497	276	940
Net financial charges	(26,608)	(55,107)	(8,580)	(10,226)
Profit before taxes (EBT)	**26,446**	**(5,639)**	**11,591**	**4,073**
EBT %	**2.8%**	**N.A.**	**3.5%**	**1.6%**
Income taxes	(6,723)	(8,661)	1,303	(2,718)
Profit (loss) from continuing operations	19,723	**(14,300)**	12,894	**1,355**
Profit (loss) from discontinued operations	0	16	0	0
CONSOLIDATED NET PROFIT (LOSS)	**19,723**	**(14,284)**	**12,894**	**1,355**
CONSOLIDATED NET PROFIT (LOSS) %	**2.1%**	**N.A.**	**3.8%**	**0.5%**
Minority interests	(309)	(1,622)	(151)	(111)
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**19,414**	**(15,906)**	**12,743**	**1,244**
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	**2.1%**	**N.A.**	**3.8%**	**0.5%**

NON-RECURRING EVENTS AND TRANSACTIONS

During the first 9 months 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 9 months ended 30 September	
	2022	2021
Legal advice fees concerning pending administrative disputes	517	555
Costs from reorganization of company units	1,425	2,208
M&A and non-recurring transactions of Group companies	10	141
Non-recurring tax charges	132	0
Group refinancing costs	0	801
Legal advice on foreign operations	0	577
Transactions with minority shareholders of subsidiaries	0	859
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA	**2,084**	**5,140**
Net non-recurring releases for risks on contracts	(3,257)	0
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA AND EBIT	**(1,173)**	**5,140**
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)	**(1,173)**	**28,815**

During the first 9 months 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.

As regards non-recurring costs impacting on EBIT, we must note a provision set aside during the first 9 months of 2022 for non-recurring additional costs that are expected to be incurred on some energy contracts, as well as the partial release of the same provision for risks and charges set aside in previous years, as restated following the issue of a clarification in terms of regulations.

On the other hand, the results for the first 9 months 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. Non-recurring costs were also incurred for the reorganization of company functions, especially in relation to the departments of International Markets, as were costs relating to the termination of business relationships with shareholders.

Consolidated Adjusted EBITDA and EBIT are thus represented as follows:

(in thousands of Euro)	For the 9 months ended 30 September	
	2022	2021
EBITDA	**80,672**	**79,746**
Non-recurring expenses (income) impacting on EBITDA	2,084	5,140
Adjusted EBITDA	**82,756**	**84,886**
Adjusted EBITDA % on Revenues	**8.7%**	**10.4%**
EBIT	**52,364**	**46,971**
Non-recurring expenses (income) impacting on EBITDA and EBIT	(1,173)	5,140
Adjusted EBIT	**51,191**	**52,111**
Adjusted EBIT % on Revenues	**5.4%**	**6.4%**

REVENUES

During the first 9 months ended 30 September 2022 the Group recorded ***Revenues*** of € 946.4 million against € 812.5 million for the same period of the previous year, with a positive change of € 134.0 million (+16.5%).

Revenues continued to be affected by 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 (+ € 28.4 million).

The breakdown of consolidated Revenues for the first 9 months of 2022 compared to the figure of the same period in the previous year, as broken down by reference market.

REVENUES BY MARKET

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2022	% on total Revenues	2021	% on total Revenues	2022	2021
Public Authorities	183,401	19.4%	156,219	19.2%	53,674	48,992
Healthcare	576,578	60.9%	477,593	58.8%	220,061	153,626
Private Customers	186,444	19.7%	178,651	22.0%	61,581	57,004
CONSOLIDATED REVENUES	**946,423**		**812,463**		**335,315**	**259,623**

Revenues in the Healthcare sector showed an increase of € 99.0 million compared to the same period of 2021, from € 477.6 million to € 576.6 million, thus achieving a weight of 60.9% 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 the sub-group controlled by 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 third and fourth quarter on the one hand, and, on the other hand, due to the reduction in extraordinary sales of PPE on the part of subsidiaries Medical Device and U.Jet compared to the same period of the previous year.

The Private market too showed a volume growth in absolute value (+€ 7.8 million, from € 178.6 million in the first 9 months of 2021 to € 186.4 million in the first 9 months of 2022), 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 € 183.4 million, which also contributed to an increase in consolidated revenues during the period (+ € 27.2 million compared to € 156.2 million in the same period of 2021, +17.4%). The first 9 months of 2022 marked a full resumption of routine work, mainly compared to the first months of 2021; furthermore, it was the Public market, together with the Healthcare sector, which were mostly affected by 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 9 months ended 30 September				For the quarter ended 30 September	
	2022	% on total Revenues	2021	% on total Revenues	2022	2021
Facility Management	845,058	89.3%	700,657	86.2%	301,397	225,308
of which International markets	*140,258*	*14.8%*	*111,885*	*13.8%*	*45,492*	*38,176*
Laundering & Sterilization	106,696	11.3%	114,572	14.1%	37,515	35,281
Eliminations	(5,331)		(2,766)		(3,597)	(966)
CONSOLIDATED REVENUES	**946,423**		**812,463**		**335,315**	**259,623**

Revenues of the *Facility Management* SBU recorded an increase of € 144.4 million (+ 20.6%) in the first 9 months of 2022 compared to the same period of the previous year, from € 700.7 million to € 845.1 million, which were contributed to by any and all business segments and particularly the Healthcare sector. The sector was affected by the price effect on “heat management” contracts, as well as from a positive performance in International Markets which recorded an increase in revenues of € 28.4 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 € 114.6 million for the period ended 30 September 2021 to € 106.7 million for the period ended 30 September 2022, with a decrease equal to € 7.9 million. The negative trend reported during the two comparative periods was linked to the postponement of operations on some contracts of subsidiary Servizi Ospedalieri in the latter part of the year, 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 from subsidiaries Medical Device and U.Jet, which returned to pre-Covid performance levels.

The performance shown allows the Facility Management SBU to increase the relative weight on total consolidated Revenues (89.3% in the first 9 months of 2022 against 86.2% in the first 9 months of 2021).

EBITDA

The Group's EBITDA came to € 80.7 million for the period ended 30 September 2022, showing an increase of € 0.9 million compared to € 79.8 million for first 9 months of 2021. However, EBITDA during the two comparative periods expensed non-recurring costs of € 2.1 million and € 5.1 million at 30 September 2022 and 30 September 2021, respectively. Therefore, Adjusted EBITDA, excluding these non-recurring elements, amounted to € 82.8 million at 30 September 2022, against Adjusted EBITDA of € 84.9 million at 30 September 2021 (- € 2.1 million).

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

EBITDA BY SEGMENT

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2022	% on Revenues by segment	2021	% on Revenues by segment	2022	2021
Facility Management	59,937	7.1%	52,272	7.5%	19,716	15,285
of which International markets	*7,407*		*(221)*		*1,279*	*(442)*
Laundering&Sterilization	20,735	19.4%	27,473	24.0%	7,756	8,686
CONSOLIDATED EBITDA	**80,672**	**8.5%**	**79,745**	**9.8%**	**27,473**	**23,971**

The Facility Management sector showed EBITDA of € 59.9 million at 30 September 2022, showing an increase of € 7.7 million compared to € 52.3 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 € 5.0 million, respectively, Adjusted EBITDA by segment came to € 61.7 million (€ 57.3 million at 30 September 2021, + € 4.5 million). The change recorded during the first 9 months of 2022 in terms of EBITDA was closely linked to exogenous variables linked to the ongoing conflict in Eastern Europe and the consequent price increase, particularly in energy prices, which partially worsened the positive performance recorded on revenues; on the other hand, in the third quarter of 2022 EBITDA benefited from the recognition of the tax credit granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as amended, to partially support higher costs of € 4.4 million incurred for electricity and natural gas.

EBITDA in the *Laundering&Sterilization* business segment for the first 9 months of 2022 came to € 20.7 million, showing a decrease compared to the same period of 2021 (- € 6.7 million). After excluding non-recurring elements which affected the consolidated results in the two comparative periods and impacted on this segment for € 0.3 million and € 0.1 million, respectively, Adjusted EBITDA by segment came to € 21.0 million (€ 27.6 million at 30 September 2021). 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; this sector too benefited from the recognition of the tax credit for electricity and natural gas for € 0.3 million.

Costs of production

At 30 September 2022, *Costs of production*, which amounted to € 865.8 million, showed an increase of € 133.0 million in absolute value compared to € 732.7 million posted at 30 September 2021 (+ 18.2%), in line with the trend recorded on revenues.

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2022	% of total	2021	% of total	2022	2021
Costs of raw materials and consumables	271,761	31.4%	142,784	19.5%	107,447	46,302
Change in inventories of finished and semi-finished products	137	0.0%	651	0.1%	125	(26)
Costs for services and use of third-party assets	242,216	28.0%	241,793	33.0%	85,473	76,622
Personnel costs	346,119	40.0%	340,229	46.4%	112,886	110,771
Other operating costs	6,285	0.7%	7,337	1.0%	2,442	2,018
Capitalization of lower internal construction costs	(767)	N.A.	(77)	N.A.	(531)	(36)
TOTAL COSTS OF PRODUCTION	**865,751**		**732,717**		**307,842**	**235,651**

Costs of raw materials and consumables, in the first 9 months of 2022, came to € 271.8 million, showing an increase of € 129.0 million (+90.3%) compared to the value posted in the same period of 2021, which led to a higher impact on total Costs of Production (31.4% at 30 September 2022 against 19.5% at 30 September 2021). The increase in the item, which continued the trend already recorded at the end of 2021 and in the first half of 2022, was mainly due to an increase in the cost for fuel consumption and other energy resources following an increase in the price of raw materials. The impact of higher costs in the third quarter of 2022 was partially offset by the recognition of the tax credit granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as amended, to partially offset the higher costs incurred for the purchase of electricity and natural gas, which amounted to € 4.7 million for the Group.

On the other hand, *Inventories of finished and semi-finished products* recorded a decrease of € 0.6 million at 30 September 2022 against lower inventories of products of Medical Device and U.Jet, 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 during 2022.

Costs for services and use of third-party assets came to € 242.2 million at 30 September 2022, up by € 0.4 million compared to the value posted at 30 September 2021 (€ 241.8 million) and with an impact of 28.0% (33.0% in the comparative period) on total Costs of Production. The trend in the relative incidence of *Costs for services and use of third party assets* on the total was directly due to production activities (third-party and professional services, as well as consortia costs), which are typically linked to the mix of services being delivered and to any possible resulting make-or-buy choices.

Personnel costs increased in absolute terms by € 5.9 million (+ 1.7%) from € 340.2 million at 30 September 2021 to € 346.1 million at 30 September 2022, with an impact on total Costs of Production equal to 40.0% at 30 September 2022 (against 46.4% at 30 September 2021).

The average number of employees in service during the first 9 months of 2022 was equal to 26,838, while it was 28,140 in the same period in the previous year (of which 25,026 against 26,373 manual workers) and takes into account, in both comparative periods, the staff members transferred from the parent company MSC of the "Personnel Activities" Business unit, which were already employed by the Parent Company under staffing agreements. Perfectly symmetrical to what was said for costs for services, the trend in the number of Group employees, and in particular manual workers, was closely related to the mix of services in progress, as is the impact of related costs on total operating costs.

Other operating costs at 30 September 2022 amounted to € 6.3 million (€ 7.3 million at 30 September 2021), showing a decrease of € 1.1 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 9 months of 2022, Consolidated Operating Income (**EBIT**) came to € 52.4 million (equal to 5.5% of Revenues) against € 47.0 million (5.8% of Revenues) during the same period of 2021.

EBIT for the period was affected by the above-mentioned consolidated performance in terms of EBITDA (+ € 0.9 million compared to the same period of the previous year), to which must be added higher *amortization and depreciation* of € 1.1 million (€ 29.1 million at 30 September 2022, against € 28.0 million in the same period of the previous year), while deducting lower *write-downs of receivables* and *reversals* of € 2.7 million and *accruals to provisions for risks and charges (net of reversals)* for € 2.9 million, including a net non-recurring release for € 3.3 million relating to the provision set aside to cover the probable risk of the parent company incurring additional costs on some energy contracts.

Adjusted EBIT, which recognized the same non-recurring items impacting on Adjusted EBITDA, in addition to the aforesaid net nor-recurring release in the period, came to € 51.2 million and € 52.1 million at 30 September 2022 and 30 September 2021, respectively, with relative profit margins (Adjusted EBIT/Revenues) equal to 5.4% and 6.4%, respectively.

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

EBIT BY SEGMENT

(in thousands of Euro)	For the 9 months ended 30 September				For the quarter ended 30 September	
	2022	% on Revenues by segment	2021	% on Revenues by segment	2022	2021
Facility Management	47,595	5.6%	34,383	4.9%	17,598	9,769
of which International Markets	*7,407*		*(2,951)*		*3,098*	*(1,260)*
Laundering&Sterilization	4,769	4.5%	12,587	11.0%	2,296	3,588
CONSOLIDATED EBIT	**52,364**	**5.5%**	**46,970**	**5.8%**	**19,894**	**13,357**

EBIT in the *Facility Management* sector was equal to € 47.6 million at 30 September 2022, showing an increase of € 13.2 million compared to 30 September 2021, with operating profit margins coming to 5.6% of Revenues by segment (4.9% at 30 September 2021). Adjusted EBIT by segment showed an increased from € 39.4 million at 30 September 2021 to € 46.1 million at 30 September 2022.

Adjusted EBIT by segment reflected the abovementioned performance in terms of EBITDA (+ € 4.5 million) to which must be added higher amortization and depreciation for € 0.1 million, lower write-downs of trade receivables for € 2.7 million and higher accruals to provisions for future risks and charges for € 0.3 million, net of releases (excluding the abovementioned net non-recurring release recorded for € 3.3 million in the period).

From the negative performance in terms of EBITDA in the *Laundering&Sterilization* segment for the first 9 months of 2022 compared to the same period of the previous year (- € 6.6 million) must be deducted, at segment EBIT level, higher *amortization and depreciation* for € 1.1 million. Profit margins by segment came to 4.5% in terms of EBIT on related Revenues by segment (11.0% at 30 September 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 € 0.7 million (€ 2.5 million at 30 September 2021).

Net financial charges of € 26.6 million were also recognized (€ 55.1 million at 30 September 2021), thus obtaining a Profit before tax from continuing operations equal to € 26.4 million (against a loss of € 5.6 million at 30 September 2021).

Below is provided the breakdown by nature of net financial charges in the first 9 months of 2022 and for the same period in the previous year:

(in thousands of Euro)	For the 9 months ended 30 September		For the quarter ended 30 September	
	2022	2021	2022	2021
Dividends and income (loss) from sale of investments	129	752	44	27
Financial income	2,438	585	1,697	222
Financial charges	(31,925)	(56,803)	(11,650)	(10,893)
Profit (loss) on exchange rate	2,750	359	1,329	418
NET FINANCIAL CHARGES	**(26,608)**	**(55,107)**	**(8,580)**	**(10,226)**

In the first 9 months of 2022 dividends were accounted for from non-consolidated companies for € 0.1 million (unchanged compared to 30 September 2021). On the other hand, net capital gains from sale of non-consolidated investments were recognized for € 0.7 million at 30 September 2021.

Financial income amounted to € 2.4 million in the first 9 months of 2022, showing an increase of € 1.9 million compared to the same period of 2021 (when it was equal to € 0.6 million), mainly due to the recognition of default interest to a customer in court for € 1.5 million.

In the period the impact of *financial charges* on the consolidated results of operations for the period was equal to € 31.9 million compared to € 56.8 million for the same period of 2021, recording a decrease of € 24.9 million.

The change is mainly due to the impact of the refinancing transaction that was carried out by the Group in the first months of 2021 and that 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 9 months 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 € 20.0 million in the first 9 months of 2022 (€ 20.7 million in the same period of the previous year, 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 € 1.1 million in the period (€ 1.0 million at 30 September 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 € 0.6 million in the period (including commitment fees charged by banks), in line with the same period of the previous year. Furthermore, the use of the facility during the period entailed the charging of financial costs equal to € 0.6 million (€ 0.1 million at 30 September 2021 when the facility had only been drawn since the third quarter of the year).

Interest discount costs were also recognized for € 2.0 million during the first 9 months of 2022, in relation to the assignments of trade and VAT receivables without recourse (€ 2.6 million in the same period of the previous year), while assignments with recourse and reverse factoring lines generated financial costs of € 1.0 million at 30 September 2022, against financial costs of € 0.5 million at 30 September 2021.

Finally, foreign exchange gains of € 2.8 million were recorded at 30 September 2022, mainly linked to the fluctuations in Euro/ Turkish Lira and Saudi Riyal exchange rates during the period.

Consolidated net Result

From the Profit (loss) before tax from continuing operations for the period (€ 26.4 million) must be deducted taxes of € 6.7 million, thus obtaining a Net result from continuing operations of € 19.7 million (against a loss of € 14.3 million at 30 September 2021).

Below is the breakdown of consolidated tax rate:

(in thousands of Euro)	For the 9 months ended 30 September	
	2022	2021
Profit (loss) before tax from continuing operations	**26,446**	**(5,639)**
Current, prepaid and deferred IRES tax	(3,364)	(4,955)
Current, prepaid and deferred IRAP tax	(3,360)	(3,707)
Net profit (loss) from continuing operations	**19,723**	**(14,299)**
Tax rate from continuing operations	**25.4%**	**N.A.**
Profit (loss) before tax from discontinued operations	0	16
Consolidated net result	**19,723**	**(14,284)**
Overall tax rate	**25.4%**	**N.A.**

The consolidated tax rate stood at 25.4% at 30 September 2022. Lower taxes were recognized for € 1.9 million against a Profit (loss) before tax which showed an increase compared to the same period of the previous year. The effect was mainly due to the exemption from taxation of the aforementioned electricity and gas tax credit recognized in the period, as well as to the recognition of income totaling € 4.1 million following the submission by the parent company Rekeep S.p.A. and its subsidiaries H2H Facility Solutions S.p.A. and Servizi Ospedalieri S.p.A. concerning the supplementary tax returns of Unico SC/Redditi 2017-2021 and IRAP (Regional Production Activity Tax) 2017–2021 forms. The consolidated tax rate would come to 41.1%, net of this income.

The Group then showed a consolidated net profit of € 19.7 million at 30 September 2022 against a consolidated net loss of € 14.3 million at 30 September 2021. As already mentioned, Profit (loss) before tax for the first 9 months of 2021 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 September 2022

The statement of Sources and Uses is reported below:

(in thousands of Euro)	30 September 2022	31 December 2021
USES		
Trade receivables and advances to suppliers	554,860	443,248
Inventories	12,631	12,743
Trade payables and contract liabilities	(460,285)	(413,374)
Net working operating capital	**107,206**	**42,617**
Other elements of working capital	(121,708)	(150,501)
Net working capital	**(14,502)**	**(107,884)**
Property, plant and equipment and assets under finance leases	106,110	97,319
Rights of use for operating leases	31,472	32,646
Goodwill and other intangible assets	422,767	424,185
Investments accounted for under the equity method	10,213	9,153
Other elements of non-current assets	35,062	30,857
Fixed Assets	**605,624**	**594,160**
Non-current liabilities	(54,109)	(54,293)
NET INVESTED CAPITAL	**537,013**	**431,983**
SOURCES		
Equity attributable to non-controlling interests	4,993	4,588
Equity attributable to equity holders of the parent	56,881	46,746
Shareholders' equity	**61,874**	**51,334**
Financial indebtedness	475,139	380,649
of which fair value of call options on subsidiaries' non-controlling interests	*15,369*	*15,336*
FINANCING SOURCES	**537,013**	**431,983**

Net working capital

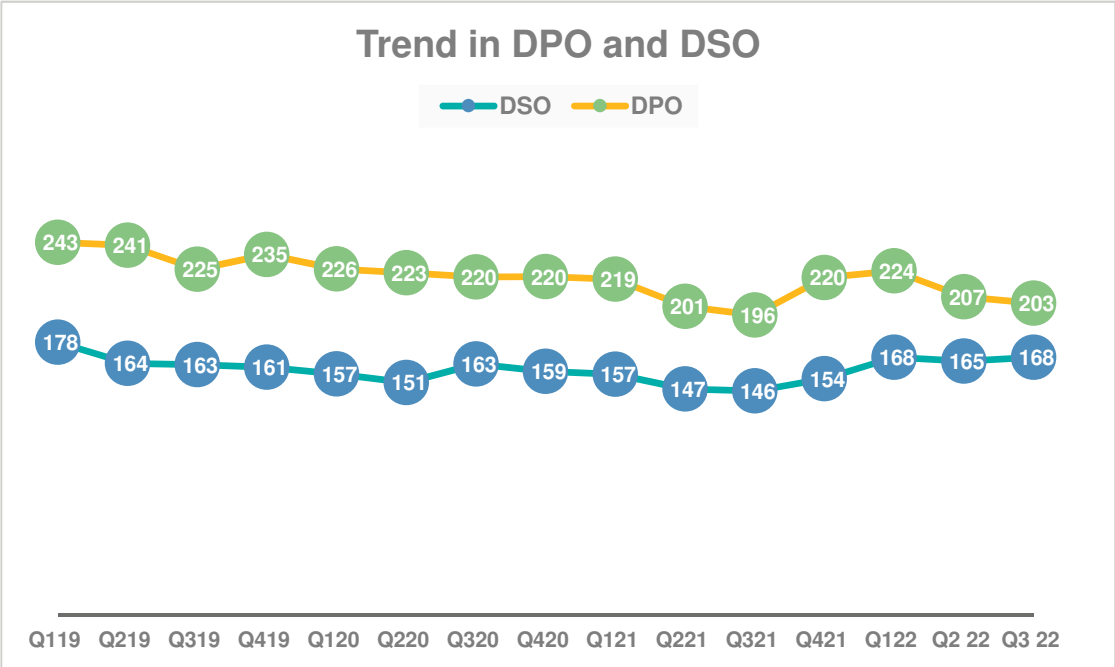
At 30 September 2022, Consolidated Net Working Capital (**NWC**) was negative and equal to € 14.5 million against a negative value of NWC of € 107.9 million at 31 December 2021.

At 30 September 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 € 107.2 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 € 76.8 million at 30 September 2022 and € 68.0 million at 31 December 2021) **Adjusted NWOC** came to € 184.0 million and € 110.6 million, respectively.

The change in this latter indicator (+ € 73.5 million) was linked to a change in the balance of trade payables (+ € 46.9 million) against an increase in trade receivables (+ € 120.5 million, considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring companies), as well as a change in the balance in inventories for (- € 0.1 million). At 30 September 2022, Adjusted NWOC was affected by higher volumes recorded on both trade payables and receivables caused by the well-known rise in energy prices.

As at 30 September 2022, average DSO was 168 days against 154 days at 31 December 2021 and 146 days at 30 September 2021. Furthermore, average DPO stood at 203 days, showing a decrease compared to the value posted at 31 December 2021 (220 days) and an increase compared to 30 September 2021 (196 days). The increase recorded both in DSO and DPO was also linked to events that involve the energy sector (first of all higher volumes and greater pressure from energy suppliers) and the consequent actions implemented by the management, such as the reduction of the invoicing period and the use of available lines of credit.



The balance of the other elements in working capital at 30 September 2022 was a net liability of € 121.7 million, down by € 28.9 million compared to a net liability of € 150.5 million at 31 December 2021:

(in thousands of Euro)	30 September 2022	31 December 2021	Change
Current tax receivables	4,214	5,278	(1,064)
Other current assets	51,846	24,133	27,713
Provisions for risks and charges, current	(8,047)	(12,455)	4,408
Current tax payables	(413)	0	(413)
Other current liabilities	(169,308)	(167,457)	(1,851)
OTHER WORKING CAPITAL ELEMENTS	**(121,708)**	**(150,501)**	**28,793**

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" (+ € 15.5 million). These credit balances allowed, during the first 9 months 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 € 15.0 million;
- an increase in the balance of tax credits claimed from the Tax Authorities following the recognition of the tax credit granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as amended, to partially offset the higher costs incurred for the purchase of electricity and natural gas, which amounted to € 4.7 million for the Group, and not yet used at the end of the period;
- the payment of higher guarantee deposits on new annual electricity and gas utility contracts for € 7.4 million;
- a decrease in the balance of net current tax receivables, equal to € 3.8 million at 30 September 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 for the financial year ended 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 (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 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 September 2022 amounted to € 69.0 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 € 9.3 million and € 10.5 million at 30 September 2022 and 31 December 2021, respectively;
- long-term portion of Provisions for risks and charges (€ 26.9 million at 30 September 2022 against € 26.0 million at 31 December 2021);
- deferred tax liabilities of € 16.6 million (€ 16.4 million at 31 December 2021);
- Other non-current liabilities of € 1.3 million at 30 September 2022, unchanged compared to 31 December 2021.

Consolidated net financial indebtedness

The breakdown of financial indebtedness at 30 September 2022 is reported below, as determined on the basis of the instructions laid down in CONSOB Communication no. DEM/6064293 of 28 July 2006, as amended by Guidelines issued by ESMA ("European Securities and Markets Authority") on disclosure requirements (ESMA32-382-1138 of 4 March 2021) and implemented by CONSOB itself in Warning Notice no. 5/21 of 29 April 2021 - "*Compliance with ESMA Guidelines on disclosure requirements under the Prospectus Regulation*".

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

(in thousands of Euro)	30 September 2022	31 December 2021
A. Cash	166	160
B. Cash equivalents (c/a, bank deposits and consortia, non-proprietary accounts)	47,052	99,352
C. Other current financial assets	4,159	14,799
D. Liquidity (A) + (B) + (C)	**51,377**	**114,311**
E. Current financial liabilities	103,307	67,980
F. Current portion of non-current debt	8,670	14,097
G. Current financial indebtedness (E)+(F)	**111,977**	**82,077**
H. Current net financial indebtedness (G) - (D)	**60,600**	**(32,234)**

I. Non-current financial liabilities	50,393	49,858
J. Debt instruments	364,146	363,025
K. Trade payables and other non-current payables	0	0
L. Non-current financial indebtedness (I) + (J) + (K)	**414,539**	**412,883**
M. TOTAL FINANCIAL INDEBTEDNESS (H) + (L)	**475,139**	**380,649**

Consolidated financial indebtedness increased from € 380.6 million at 31 December 2021 to € 475.1 million at 30 September 2022.

The assignments of trade receivables without recourse continued during the first 9 months of 2022. The Parent Company Rekeep S.p.A. and Servizi Ospedalieri S.p.A. have 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 period assignments without recourse were made under this contract for € 189.1 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 € 26.5 million during the period, in consideration of this contract. Furthermore, an additional line for assignments without recourse up to € 20 million on a revolving basis is in place with Unicredit Factoring S.p.A, which is also aimed at converting credit positions into cash specifically agreed with the factor, used in the period for the assignment of receivables from private individuals for a total amount € 8.1 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 were made for € 40.0 million, as were assignments of VAT credits requested for refund for a total of € 15.0 million. All assignments without recourse carried out were subject to derecognition according to IFRS9.

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 € 76.8 million at 30 September 2022 against € 68.0 million at 31 December 2021) amounted to € 552.0 million against € 448.6 million at 31 December 2021.

Financial indebtedness also included the financial liability related to the fair value measurement of options on the minority interest of subsidiaries Rekeep Polska S.A. and Rekeep France S.a.S., which totaled € 15.4 million at 30 September 2022 (€ 15.3 million at 31 December 2021).

At 30 September 2022 the balance of Cash and cash equivalents, net of short-term lines of credit (“Net Cash”) amounted to € 7.8 million (€ 70.1 million at 31 December 2021):

(in thousands of Euro)	30 September 2022	31 December 2021
Cash and cash equivalents	47,218	99,512
Current bank overdraft, advance payments and hot money	(15,916)	(6,140)
Obligations arising from assignments of trade receivables with recourse	(23,495)	(23,270)
NET CASH	**7,807**	**70,101**

Below is the breakdown of the net financial exposure for bank credit lines and lease agreements entered into with banks ("*Net Debt*") at 30 September 2022, compared to 31 December 2021:

(in thousands of Euro)	30 September 2022	31 December 2021
Senior Secured Notes (nominal value)	370,000	370,000
Bank debts (nominal value)	838	1,104
Finance lease obligations	10,750	6,991
Current bank overdraft, advance payments and hot money	15,916	6,140
Obligations arising assignments of receivables with recourse	23,495	23,270
Payables for reverse factoring	26,822	9,963
GROSS DEBT	**447,817**	**417,469**
Receivables and other current financial assets	(4,159)	(14,799)
Cash and cash equivalents	(47,218)	(99,512)
NET DEBT	**396,440**	**303,158**

The balance of lease liabilities showed an increase in the first 9 months 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, there was the recognition of higher uses of credit lines for the assignment with recourse of trade receivables (€ 23.5 million at 30 September 2022 against € 23.3 million at 31 December 2021), reverse factoring lines for € 16.8 million (€ 26.8 million at 30 September 2022 against € 10.0 million at 31 December 2021) and Current bank overdraft, advance payments and hot money (€ 15.9 million at 30 September 2022 and € 6.1 million at 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 9 months 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 provided in the Interim Report on Operations, 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	50,226	14,740
Uses of provisions for risks and charges and payments of the Employee Termination Indemnity (TFR)	(3,441)	(2,958)
Change in NWOC	(59,100)	(32,012)
Industrial capex, net of disposals	(31,814)	(22,203)
Financial capex, net of disposals	(16,918)	(4,997)
Change in net financial liabilities	42,196	47,198
Other changes	(33,442)	(17,480)
AT 30 SEPTEMBER	**47,218**	**72,750**

The overall cash flows mainly reflect:

- a cash inflow from operating activities of € 50.2 million (a cash inflow of € 14.7 million at 30 September 2021);
- outflows from the use of provisions for future risks and charges and of the provision for Employee Termination Indemnity (TFR) for € 3.4 million (€ 3.0 million at 30 September 2021);
- a cash flow used for changes in NWOC for € 59.1 million (€ 32.0 million at 30 September 2021) resulting from an outflow correlated to an increase in trade receivables for € 112.3 million (- € 9.9 million in the first 9 months of 2021) against inflows relating to a change in inventories for € 0.1 million (+ € 2.4 million at 30 September 2021) and trade payables for € 53.1 million (- € 24.6 million at 30 September 2021);
- a cash absorption of € 31.8 million used in industrial investments (€ 22.2 million at 30 September 2021), net of disposals for € 1.1 million (€ 0.7 million in the same period of the previous year);
- cash outflows from financial investments and disinvestments of € 16.9 million at 30 September 2022, mainly absorbed by the purchase of the "Personnel Activities" business unit, which took place on 1 July 2022 for € 13.8 million and the acquisition of the residual minority interest in a subsidiary for € 1.0 million, as well as by the deconsolidation of companies put into liquidation and the acquisition of minority interest in non-consolidated companies; on the other hand, the outflows were equal to € 5.0 million at 30 September 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, net of a loan granted to an associate company;
- an increase in net financial liabilities of € 42.2 million, which was mainly due to (i) changes relating to the use of short-term credit lines for hot money and advances on invoices (+ € 9.8 million) and for assignments of trade receivables with recourse (+ € 0.2 million), as well as for reverse factoring transactions (+ € 16.9 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 (+ € 7.6 million); (iii) an increase in the financial liability stated on lease agreements (+ € 1.7 million) (iv); the partial repayment of the loan granted to the parent company MSC (+ € 9.0 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 same period of the previous year, there had been the recognition of an increase in net financial liabilities of € 47.2 million, which was mainly due to (i) the refinancing transaction mentioned above, which entailed the recognition of a higher capital debt of € 36.1 million; (ii) other changes in the liability related to the use of short-term credit lines for hot money and advances on invoices (- € 2.7 million) and for assignments of trade receivables with recourse (+ € 3.4 million), as well as for reverse factoring transactions (+ € 0,4 million); (iii) a higher liability against factoring firms for amounts received on receivables previously assigned without recourse and repaid to them in the subsequent quarter (+ € 1.9 million); (iv) an increase in financial liabilities recognized on lease agreements (+ € 0.2 million);

- cash outflows arising from other changes recorded in the period for € 33.4 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 € 15.1 million in the first 9 months of 2022, albeit against non-recourse assignments totaling € 15.0 million; (ii) changes in debt balances for payments due to the members of the Temporary Business Grouping for (+ € 1.5 million); (iii) an increase in payables for personnel for € 3.6 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 Consip FM4 Tender (- € 3.2 million); (v) an increase in tax credits following the recognition of the tax credit on electricity and gas consumption (- € 4.7 million) and credits for deposits paid on new annual electricity and gas utility contracts (- € 7.4 million). Other changes in the first 9 months of 2021 absorbed total flows of € 17.5 million, mainly due to the net effect of: (i) changes in the net VAT credit balances of the Group companies, which increased by € 1.8 million during the period, albeit against assignments without recourse totaling € 19.3 million; (ii) a decrease, among “Other operating current liabilities”, in the payable related to the fine imposed by the Competition Authority in relation to the Consip FM4 Tender (- € 5.8 million); (iii) the changes in debt balances for payments due to the members of the Temporary Business Grouping for (- € 6.0 million); (iv) the increase in the balance of payables to/receivables from employees and related payables to/receivables from social security institutions and Tax Authorities for withholding taxes (- € 2.8 million).

Industrial and financial Capex

In the first 9 months of 2022 the Group made gross capital expenditures which totaled € 32.9 million (€ 22.9 million at 30 September 2021), from which must be deducted disinvestments of € 1.1 million (€ 0.7 million in the same period of the previous year):

(in thousands of Euro)	For the 9 months ended 30 September	
	2022	2021
Increases in owned properties	1,984	70
Purchase of plant and equipment	24,897	20,353
Acquisitions of fixed assets under finance leases	3,316	134
Other investments in intangible assets	2,674	2,417
INDUSTRIAL CAPEX	**32,871**	**22,974**

Investments in properties almost fully related to subsidiary Servizi Ospedalieri for the acquisition of an industrial building in the first 9 months 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 € 9.5 million at 30 September 2022 against € 12.6 million at 30 September 2021.

In addition to the direct investment, Servizi Ospedalieri S.p.A. equipped itself with linen through lease agreements for € 1.8 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 subsidiary Medical Device S.r.l., relating to a building previously held under lease.

Investments in intangible assets for the period amounted to € 2.6 million (€ 2.4 million at 30 September 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 the breakdown of capital expenditures in terms of SBU:

(in thousands of Euro)	For the 9 months ended 30 September	
	2022	2021
Facility Management	14,451	8,468
of which relating to International Markets	*7,819*	*4,674*
Laundering & Sterilization	18,420	14,506
INDUSTRIAL CAPEX	**32,871**	**22,974**

Cash flow from financial investments was negative and equal to € 16.9 million at 30 September 2022, mainly relating to the purchase of the "Personnel Activities" business unit, which took place on 1 July 2022 for € 13.8 million and the acquisition of the residual minority interest in a subsidiary for € 1.0 million, as well as to the deconsolidation of companies put into liquidation and the acquisition of minority interests in non-consolidated companies. Finally, cash flow from financial investments posted a negative value of € 5.0 million at 30 September 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 September 2022
Senior Secured Notes	363,025				1,121	364,146
Revolving Credit Facility (RCF)	0	85,000	(85,000)			0
Bank loans	1,104		(266)			838
Current bank overdraft, advance payments and hot money	6,140	15,916	(6,140)			15,916
Accrued expenses and deferred income on loans	10,473		(26,850)		20,052	3,675
BANK DEBTS	**380,742**	**100,916**	**(118,256)**	**0**	**21,173**	**384,575**
Finance lease obligations	6,991	3,316	438			10,745
Operating lease liabilities	37,116	5,047	(6,272)	(793)		35,098
Payables for assignments of trade receivables with recourse	23,270	34,218	(33,993)			23,495
Reverse factoring payables	9,963	26,822	(9,963)			26,822
Receipts on behalf of assignees of trade receivables without recourse	14,556	22,123	(14,556)			22,123
Fair value Put option	15,336				33	15,369
Other current financial liabilities	6,986	4,583	(3,281)			8,287
FINANCIAL LIABILITIES	**494,960**	**197,026**	**(185,882)**	**(793)**	**21,206**	**526,516**
Current financial assets	(14,799)	(1,367)	12,007			(4,159)
NET FINANCIAL LIABILITIES	**480,161**	**195,659**	**(173,875)**	**(793)**	**21,206**	**522,357**

The residual debt for principal relating to the Senior Secured Notes was equal to € 370.0 million at 30 September 2022, to which must be added the accounting adjustment on the premium and additional issue costs, accounted for according to the

amortized cost method (€ 5.9 million). The financial amortization of this adjustment generated financial costs for € 1.1 million in the first 9 months of 2022. The facility also entailed the payment of six-monthly periodic interest, which amounted to € 20.0 million in the first 9 months of 2022.

At the same time as the issue of Notes the Company also signed a new revolving loan agreement for a maximum amount of € 75 million. The facility was partially used during the period in order to meet any possible temporary cash requirements, and was promptly repaid (at 30 September 2022 the RCF facility had not been drawn down); the uses for the period entailed the recognition of financial interest costs of € 0.6 million in the first 9 months of 2022 (€ 0.1 million at 30 September 2021, when the facility was only used during the third quarter).

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

Furthermore, at 30 September 2022 there was the recognition of accrued expenses on loans in a total amount of € 4.9 million (almost entirely relating to the amount accrued on the bond coupon due 1 February 2023) and prepaid financial expenses of € 1.2 million, of which an amount of € 0.8 million relating to the remaining amount of costs to be amortized for obtaining the Revolving Credit Facility line, for an initial amount of € 1.3 million and amortized on a straight-line basis throughout the entire term of the credit facility (financial charges of € 0.2 million recognized during the period).

As at the closing date of the period short-term uncommitted credit lines had been used for hot money and advance payments on invoices, in order to meet peaks in temporary cash requirements linked to the physiological performance of operations, of € 15.9 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 9 months of 2022 assignments were made in an overall nominal amount of € 34.2 million and the facilities had been used for € 23.5 million at 30 September 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 € 26.8 million was also recognized at 30 September 2022 (€ 10.0 million at 31 December 2021).

The Group recorded receipts of € 22.1 million at 30 September 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 the Group acts as an agent to manage receipts on behalf of the factor, which has therefore given rise to the payment of said amounts at the beginning of the subsequent quarter.

The financial liability relating to the discounted value of future lease payments to be made on property and operating leases amounted to € 35.1 million at 30 September 2022 against € 37.1 million at 31 December 2021. During the first 9 months of 2022 new agreements were entered into and rentals were revalued for a present value of € 5.0 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 September 2022, equal to € 10.7 million (€ 7.0 million at 31 December 2021) of which an amount of € 7.0 million for properties and equipment of the *Laundering&Sterilization* SBU and an amount of € 3.7 million relating to the *Facility Management* SBU.

Furthermore, contingent liabilities were recognized under financial liabilities for the acquisition of investments for a total amount of € 15.4 million (€ 15.3 million at 31 December 2021). These liabilities related 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 decreased by € 10.6 million during the first 9 months of 2022, mainly following the partial repayment (€ 9.0 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 € 1.0 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 (€ 0.6 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 Interim Report on Operations on the disputes described in the explanatory notes of the Consolidated Financial Statements, to which reference should be made for more details.

ANAC's disqualification order - Santobono Pausilipon

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

requirements in full. The ANAC order provided, in addition to a fine of € 10 thousand, for the Company to be excluded from all public tenders for a period of 6 months as from the date of entry in the computerized records of economic operators in public contracts. The Company successfully challenged the order before the Regional Administrative Court, but, within appellate proceedings brought by ANAC, the disqualification order was confirmed by the Council of State; at the end of the procedure for application of extraordinary means of appeal (appeal for review and judicial appeal to the Supreme Court), it became final on 4 December 2020 with the filing of the Supreme Court's judgment no. 27770/2020. As a result of this judgment, any suspension effect of ANAC Resolution no. 1106/2017 was therefore removed, which entails, in addition to a fine of € 10 thousand, the exclusion of Rekeep S.p.A. from public tender procedures and subcontracting of public contracts for a period of 6 months in accordance with Legislative Decree 50 of 2016 (the "Public Contracts Code"). The entry, which had been previously blacked out by ANAC, was therefore re-inserted in the computerized records of economic operators in public contracts relating to works, services and supplies as from 25 December 2020 and until 17 June 2021. Rekeep S.p.A. had formally asked ANAC to postpone the immediate new reinstatement of the entry in the records until the conclusion of the proceedings initiated by ANAC on the Application for Reexamination submitted on 20 October 2020 and, subordinately, to specify that the disqualifying effects of these records, as provided for by Article 38, paragraph 4, of the "Rules for the management of the Computerized Records of public contracts for works, services and supplies, in accordance with Article 213, paragraph 10, of Legislative Decree no. 50 of 18 April 2016", are only limited to exclusion "from tender procedures or from access to qualification if the expiry of the time limit set for submitting bids or the application for qualification falls within the effective period of the entry". ANAC replied to this notice with an additional memo sent on 5 January 2021, whereby it also notified that it rejected the Company's request and intended to reinstate the entry in question, as any other wording would not be in line with the principle according to which tendering requirements must necessarily be met on an ongoing basis». The Company lodged an appeal against this order before the Lazio Regional Administrative Court, which, by a judgment dated 29 March 2021, declared the appeal inadmissible. The Company filed an appeal against this judgment together with an application for preliminary request, which was accepted by the Council of State by an order dated 23 April 2021. In light of this, any effect of the ANAC order must be regarded as suspended at present. It was also ordered to proceed with blacking out the entry in the computerized records. Moreover, following the summary examination of the precautionary proceedings phase, the Council of State held that "the principle of strictly legal typicality of the sanctions (....) has been breached, given that (...) the failure to make a statement with which the Company has been charged under the order does not coincide with a false statement". The hearing for discussing the substance of the matter was scheduled on 25 November 2021, 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 with the Supreme Court 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 September 2022 are included in the explanatory notes (notes 14 and 15), to which reference is made.

4. SUBSEQUENT EVENTS AFTER THE END OF THE PERIOD

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

5. BUSINESS OUTLOOK

The first 9 months of 2022 were heavily hit by a highly uncertain national and international economic scenario due to the political and military events in Eastern Europe, which had repercussions on the economies, especially in Europe, first and foremost in terms of a generalized rise in inflation and in particular in energy prices.

With regard to the Group, a limited impact of inflation on economic indicators is expected in the coming months. Specifically, the Group has a very limited exposure to inflationary risks associated with labor costs, partially due to the recent renewal of the industry's 4-year National Collective Labor Agreement (July 2021). In addition, as already mentioned, a large part of the Group's energy contracts (around 95%) has a price revision mechanism ("indexation clauses"), which allows the increase in raw material prices to be transferred to customers, either in whole or in part; for the remaining part of the contracts (around 5%), which are based on "lump-sum" or "fixed installment", the Group already started discussions with customers, as early as from the first quarter, in order to negotiate adjustments to contractual fees. It is confirmed that turnover is expected to grow compared to the previous year.

In terms of financial performance, the Group is committed to implementing actions to contain debt and working capital and maintain a good level of liquidity, while also benefiting from the efforts for efficient working capital management made by the Group as early as from previous years.

Positive signs of the sub-group led by Rekeep Polska and the French sub-group were confirmed on the International Markets front too, which were also due to the positive performance of the contract portfolio.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	NOTES	30 September 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	91,331	86,375
Property, plant and equipment under lease	5	46,251	43,590
Goodwill	6-7	404,935	404,706
Other intangible assets	6	17,832	19,479
Investments accounted for under the equity method	8	10,213	9,153
Other investments	9	7,132	7,140
Non-current financial assets and other securities	9	6,683	4,702
Other non-current assets	9	3,039	3,232
Prepaid tax assets		18,208	15,783
TOTAL NON-CURRENT ASSETS		**605,624**	**594,160**
CURRENT ASSETS			
Inventories		12,631	12,743
Trade receivables and advances to suppliers	10	554,860	443,248
Current tax receivables		4,214	5,278
Other current assets	10	51,846	24,133
Current financial assets	12	4,159	14,799
Cash and cash equivalents	12	47,218	99,512
TOTAL CURRENT ASSETS		**674,928**	**599,713**
Non-current assets classified as held for sale		0	0
TOTAL NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,280,552**	**1,193,873**

(in thousands of Euro)	NOTES	30 September 2022	31 December 2021
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		4,432	11,510
Retained earnings		(76,115)	(51,326)
Profit (loss) attributable to equity holders of the Parent		19,414	(22,588)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**56,881**	**46,746**
Capital and reserves attributable to non-controlling interests		4,684	2,985
Profit (loss) attributable to non-controlling interests		309	1,603
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		4,993	4,588
TOTAL EQUITY	**11**	**61,874**	**51,334**
NON-CURRENT LIABILITIES			
Employee termination indemnity	13	9,341	10,483
Provisions for risks and charges, non-current	14	26,873	26,035
Non-current loans	12	414,539	412,883
Deferred tax liabilities		16,572	16,384
Other non-current liabilities		1,323	1,391
TOTAL NON-CURRENT LIABILITIES		**468,648**	**467,176**
CURRENT LIABILITIES			
Provisions for risks and charges, current	14	8,047	12,455
Trade payables and contract liabilities	16	460,285	413,374
Current tax payables		413	0
Other current liabilities	16	169,308	167,457
Bank borrowings, including current portion of long-term debt, and other financial liabilities	12	111,977	82,077
TOTAL CURRENT LIABILITIES		**750,030**	**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		**1,280,552**	**1,193,873**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands of Euro)	NOTES	For the 9 months ended	
		30 September 2022	30 September 2021
REVENUES			
Revenues from contracts with customers		943,724	809,700
Other revenues		2,699	2,763
TOTAL REVENUES		**946,423**	**812,463**
OPERATING COSTS			
Costs of raw materials and consumables		(271,761)	(142,784)
Change in inventories of finished and semi-finished products		(137)	(651)
Costs for services and use of third-party assets		(242,216)	(241,793)
Personnel costs		(346,119)	(340,229)
Other operating costs		(6,285)	(7,337)
Capitalization of lower internal construction costs		767	77
Amortization, depreciation, write-downs and write-backs of assets	4-5-6	(29,593)	(31,130)
Accrual of provisions for risks and charges	14	1,285	(1,645)
TOTAL OPERATING COSTS		**(894,059)**	**(765,492)**
OPERATING INCOME		**52,364**	**46,971**
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	8	690	2,497
Dividends and income (loss) from sale of investments		129	752
Financial income		2,438	585
Financial charges		(31,925)	(56,803)
Profit (loss) on exchange rate		2,750	359
Profit (loss) before tax		**26,446**	**(5,639)**
Income taxes, current , prepaid and deferred		(6,723)	(8,661)
Net profit (loss) from continuing operations		**19,723**	**(14,300)**
Profit (loss) from discontinued operations		0	16
Profit (loss) for the period		**19,723**	**(14,284)**
Net profit (loss) for the period attributable to non- controlling interests		(309)	(1,622)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE GROUP		**19,414**	**(15,906)**

	For the 9 months ended	
	30 September 2022	30 September 2021
Basic earnings per share	0.178	(0.146)
Diluted earnings per share	0.178	(0.146)
Basic earnings per share from continuing operations	0.178	(0.146)
Diluted earnings per share from continuing operations	0.178	(0.146)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)	NOTES	For the 9 months ended	
		30 September 2022	30 September 2021
NET RESULT FOR THE PERIOD		**19,723**	**(14,284)**
Other components of the comprehensive income, which will be subsequently reclassified under profit/loss for the year:			
Differences from translation of foreign financial statements		(2,990)	(839)
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	494	127
Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/loss for the year		**(2,497)**	**(712)**
Other components of the comprehensive income, which will not be subsequently reclassified under profit/loss for the year:			
Actuarial gains (losses) on defined benefit plans	13	**1,030**	114
Income taxes		(42)	(13)
Net effect on actuarial gains (losses)		**988**	**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		**1,038**	**118**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**(1,458)**	**(594)**
COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**18,264**	**(14,878)**
Equity holders of the Parent		17,983	(16,421)
Non-controlling interests		281	1,543

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	For the 9 months ended	
		30 September 2022	30 September 2021
Net result from continuing operations		**19,723**	**(14,284)**
Income taxes for the period		6,723	8,661
Profit before tax for the period		**26,446**	**(5,623)**
Profit (loss) from discontinued operations for the period		0	16
Amortization, depreciation, write-downs and (write-backs) of assets		29,593	**31,130**
Accrual (reversal) of provisions for risks and charges		(1,285)	1,645
Employee termination indemnity provision		701	390
Payments of employee termination indemnity		(1,409)	(960)
Utilization of provisions		(2,032)	(1,998)
Share of net profit of associates, net of dividends collected		(366)	(2,302)
Financial charges (income) for the period		26,737	55,859
Operating cash flows before movements in Working Capital		**78,384**	**78,157**
Decrease (increase) of inventories		112	2,439
Decrease (increase) of trade receivables and advances to suppliers		(112,340)	(9,873)
Decrease (increase) of other current assets		(27,914)	203
Increase (decrease) in trade payables		53,129	(24,578)
Increase (decrease) of other current liabilities		1,578	(9,559)
Change in Working Capital		**(85,435)**	**(41,369)**
Net interest received (paid) in the period		(26,289)	(42,834)
Income taxes paid in the period		(4,888)	(9,232)
Net cash flow from operating activities		**(38,228)**	**(15,278)**
(Purchase of intangible assets, net of sales)	6	(2,674)	(2,417)
(Purchase of property, plant and equipment)	4-5	(30,197)	(20,557)
Proceeds from sale of property, plant and equipment	4-5	1,057	771
Disposal (acquisition) of investments		(468)	1,017
Decrease (increase) of financial assets		7,062	408
Financial effects of business combinations	3	(11,296)	(1,914)
Net cash flow from (used in) investing activities		**(36,517)**	**(22,693)**
Change in finance lease debt	12	3,755	(155)
New (repayment of) operating leases	12	(6,272)	(5,823)

(in thousands of Euro)	NOTES	For the 9 months ended	
		30 September 2022	30 September 2021
Opening of medium- and long-term borrowings	12	0	370,000
Repayment of medium- and long-term borrowings	12	(240)	(334,205)
Net opening (repayment) of short-term bank credit lines	12	9,776	(2,734)
Other net changes in borrowings	12	19,163	(3,722)
Dividends distributed		(918)	(293)
(Purchase) /sale of subsidiaries' minority shareholdings		(51)	(1,971)
Differences arising from translation of financial statements in foreign currency		(3,213)	(925)
Net cash flow from / (used in) financing activities		**21,999**	**20,170**
Change in cash and cash equivalents		**(52,746)**	**(17,800)**
Cash and cash equivalents at the beginning of the period		99,512	90,464
Change in cash and cash equivalents		(52,746)	(17,800)
Translation differences on cash and cash equivalents		453	86
Cash and cash equivalents at the end of the period		**47,218**	**72,750**
Details of cash and cash equivalents:			
Cash and bank current accounts		47,218	**72,750**
TOTAL CASH AND CASH EQUIVALENTS		**47,218**	**72,750**

SUPPLEMENTARY INFORMATION

(in thousands of Euro)	For the 9 months ended	
	30 September 2022	30 September 2021
Interest paid	(28,724)	(43,416)
Interest received	2,435	582
Dividends paid	(918)	(293)
Dividends received	213	290

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Reserves	Retained Earnings	Net Result of the period	Equity attributable to Equity holders of the Parent	Equity attributable to non-controlling interests	Total shareholders' equity
1 January 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**
Business combinations "under common control"		(6,866)			**(6,866)**		**(6,866)**
Acquisition/sale of minority interests in subsidiaries			(1,099)		**(1,099)**	51	**(1,048)**
Total comprehensive income (loss) for the period		(1,431)		19,414	**17,983**	281	**18,264**
30 September 2022	**109,150**	**4,431**	**(76,115)**	**19,414**	**56,881**	**4,993**	**61,874**

	Share Capital	Reserves	Retained Earnings	Net Result of the period	Equity attributable to Equity holders of the Parent	Equity attributable to non-controlling interests	Total shareholders' equity
1 January 2021	**109,150**	**13,055**	**30,286**	**(83,154)**	**69,337**	**3,199**	**72,536**
Allocation of prior year result		(834)	(81,612)	83,154	**708**	(708)	**0**
Distribution of dividends					**0**	(1,171)	**(1,171)**
Acquisition/sale of minority interests in subsidiaries					**0**	1,971	**1,971**
Total comprehensive income (loss) for the period		(517)		(15,906)	**(16,423)**	1,543	**(14,880)**
30 September 2021	**109,150**	**11,704**	**(51,326)**	**(15,906)**	**53,622**	**4,834**	**58,456**

1. GENERAL INFORMATION

The Interim Report on Operations of the Group controlled by Rekeep S.p.A. ("the Rekeep Group" or "the Group") for the 9 months ended 30 September 2022 consists of the Interim Report on Operations and of the condensed Consolidated Interim Financial Statements, which were prepared in the application of IAS 34 – Interim Financial Reporting. The publication of the Rekeep Group's Interim Report on Operations was authorized by a resolution passed by the Board of Directors' meeting of 16 November 2022.

As at 30 September 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 par value.

2. ACCOUNTING STANDARDS AND BASIS OF PRESENTATION

The condensed consolidated interim Financial Statements at 30 September 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 18 and other market risks associated with the proceedings in progress described in the notes 14 and 15, 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, while the Consolidated Statement of other comprehensive income sets forth the result for the period added with income and expenses that are directly recognized in Equity as expressly required by IFRS. The Statement of Cash Flows has been prepared on the basis of the indirect method and presented in accordance with IAS 7, distinguishing between cash flow from operating, investing and financing activities.

The condensed consolidated interim Financial Statements at 30 September 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 values, included in the Statement of other Comprehensive Income and in the Statement of Cash Flows, are compared with those in the first 9 months of 2021.

2.1 Statement of compliance with international accounting standards (IFRS)

The condensed consolidated interim Financial Statements at 30 September 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 September 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 January2022.

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, amendments to IFRS 17 were issued on 25 June 2020.

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 first-time 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 September 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 7.

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 Consolidated Interim 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 TFR (employee benefits) such as the future turnover rate and discount financial rates

The cost of defined-benefit pension plans and of any other post-employment medical benefit, as well as the present value of the defined-benefit liability, are determined on the basis of actuarial assessments that require various assumptions to be made which can differ from actual developments in the future. These assumptions also include the calculation of the discount rate, future pay rises, mortality rates and future increases in pensions. Owing to the complexity of the assessment and its long-term

nature, these estimates are extremely sensitive to changes in assumptions. All the assumptions are reviewed on an annual basis. See note 13 for more details.

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 September 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 which 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:

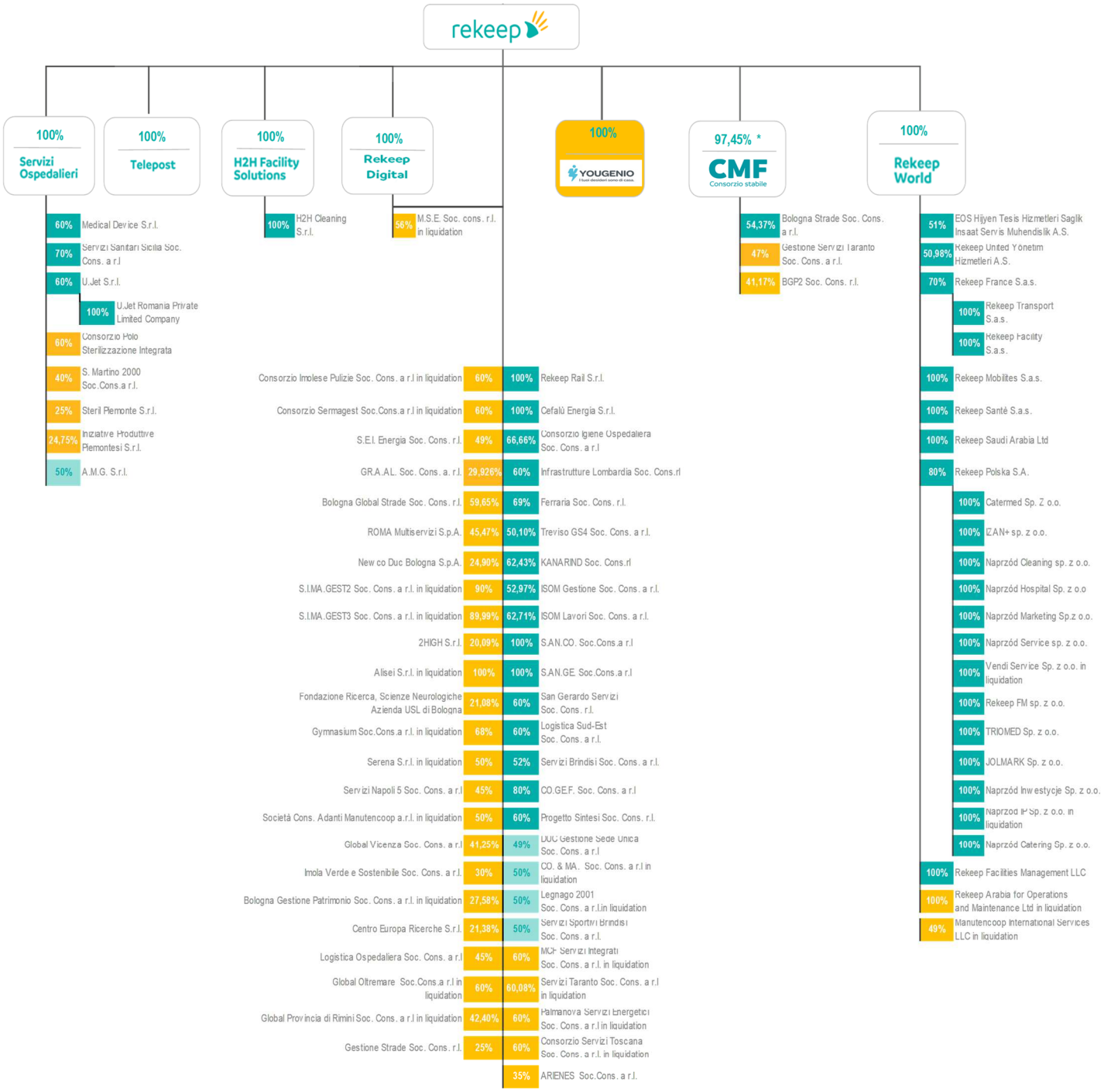
- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
- the general population regards monetary amounts not in terms of the local currency but in terms 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 September 2022	Average Exchange rate for the 9 months ended 30 September 2022	Exchange rate at 31 December 2021	Average Exchange rate for the 9 months ended 30 September 2021
United Arab Emirates Dirham (AED) – United Arab Emirates	3.5800	3.7369	N/A	N/A
Romanian Leu (RON) – Romania	4.9490	4.9348	4.9490	4.9299
Turkish Lira (TRY) – Turkey	18.0841	18.0841	15.2335	9.7104
Qatar Riyal (QAR) – Qatar	3.5483	3.8724	4.1227	4.3542
Saudi Arabia Riyal (SAR) – Saudi Arabia	3.6555	3.9894	4.2473	4.4858
Zloty (PLN) – Poland	4.8483	4.6724	4.5969	4.5473

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 September 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 September 2022 is shown below.



Legend:

Associates and other companies consolidated for under the equity methoddel patrimonio netto

Joint Ventures consolidated for under the equity method

Subsidiaries consolidated on a line-by-line basis

Notes:

* 97.88% from October, 1st 2022

During the first 9 months 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);
- on 27 July 2022 there was the acquisition of the residual minority interest of S.an.ge. Soc. Cons. a r.l., which was already 89% owned by Rekeep S.p.A..

3. BUSINESS COMBINATIONS

3.1. 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 for a total amount of € 13.8 million, in line with the business unit’s economic value that emerges from the expert’s report prepared on the relevant position as at 31 March 2022, subject to an adjustment calculated on the final value of the business unit at the date of transfer (1 July 2022).

Within 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: if the values of Rekeep S.p.A.’s consolidated financial statements for the first 9 months of 2022 are stated on a pro-forma basis as if the transaction had taken place on 1 January, the Group would have incurred lower service costs of € 1.1 million.

Accounting effects of the acquisition

In accounting terms, the transaction is carried out between parties subject to common control ("Transaction Under Common Control"), as both companies belong to the same Group controlled by MSC S.p.A.. Therefore, the transaction is excluded from the scope of application of IFRS 3, while the "Preliminary Guidelines on IFRS" issued by Assirevi (Italian Association of Auditors) are ultimately applicable, and, specifically, OPI Preliminary Guideline no. 1R - "*Accounting treatment of BCUCCs in separate and consolidated financial statements*" -, which, as regards "transactions that do not have a significant influence on the future cash flows of the net assets transferred" within the Group, i.e. for which the economic substance of the transaction understood as the generation of added value for all the parties involved, as in this case, is not evident, considers the principle of continuity of values to be applicable. As a result of the accounting treatment adopted, the difference emerging between the book value of the business unit at the date of transfer and the price paid to the transferor on the basis of the appraisal value of the business unit has been recorded in the separate financial statements of Rekeep S.p.A. in a negative equity reserve for a total value of Euro 6,866 thousand (Euro 9,523 thousand, net of the tax effect for deferred tax assets generated by the different accounting and tax treatment of the transaction, amounting to Euro 2,657 thousand).

The table below summarizes the effects of the transaction on the Consolidated Financial Statements of the Group controlled by Rekeep S.p.A. as at the effective date of the transaction:

	Recognized value	Book value
ASSETS		
NON-CURRENT ASSETS		
Other non-current assets	41	41
TOTAL NON-CURRENT ASSETS	**41**	**41**
CURRENT ASSETS		
Trade receivables and advances to suppliers	5,765	5,765
Current tax receivables		
Other current assets	1	1
TOTAL CURRENT ASSETS	**5,766**	**5,766**
TOTAL ASSETS	**5,808**	**5,808**
LIABILITIES		
NON-CURRENT LIABILITIES		
Employee termination indemnity	597	597
TOTAL NON-CURRENT LIABILITIES	**597**	**597**
CURRENT LIABILITIES		
Other current liabilities	984	984
TOTAL CURRENT LIABILITIES	**984**	**984**

	Recognized value	Book value
TOTAL LIABILITIES	**1,581**	**1,581**
FAIR VALUE OF NET ASSETS	**4,227**	**4,227**
EQUITY RESERVE OF THE BUYER FROM BUSINESS COMBINATION	**9,523**	
Total cost of business combination:		
Consideration paid to the transferor	13,750	
TOTAL COST OF BUSINESS COMBINATION	**13,750**	
Net cash of acquisition:		
Price paid to the transferor	10,800	
Additional costs for the contribution	304	
NET CASH OF ACQUISITION	**11,104**	

The fair value of assets and liabilities acquired through the business combination was positive and provisionally set at € 4,227 thousand, while the overall cost of the business combination was equal to € 13,750 thousand (of which an amount of € 10,800 thousand was already paid at 30 September 2022), including additional costs of € 304 thousand. The net cash used during the period amounted to € 11,104 thousand.

4. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in the company-owned property, plant and equipment in the period ended 30 September 2022.

	Property	Plant and equipment	Total
At 1 January 2022, net of accumulated depreciation and impairment	**18,243**	**68,132**	**86,375**
Additions from acquisitions	1,984	24,897	26,881
Disposals	(13)	(884)	(897)
Depreciation for the period	(724)	(16,969)	(17,693)
Others	26	(3,361)	(3,335)

At 30 September 2022	**19,516**	**71,815**	**91,331**
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 September 2022			
Historical cost	25,630	467,271	492,901
Accumulated depreciation and impairment losses	(6,114)	(395,456)	(401,570)
NET BOOK VALUE	**19,516**	**71,815**	**91,331**

The additions from acquisitions in the first 9 months of the year relate to the linen in the *Laundering&Sterilization* segment for € 9,490 thousand, the purchases of other machinery and specific equipment for € 5,927 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 € 897 thousand. Finally, other changes relate to the effect of a change in the exchange rate applied for the translation of balances relating to foreign companies with a currency other than the Euro.

5. PROPERTY, PLANT AND EQUIPMENT UNDER LEASE

The table below shows the changes in property, plant and equipment under lease in the period ended 30 September 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	2,172	2,730	2,318	8,364
Disposals		(160)			(160)
Early termination			(307)	(486)	(793)
Depreciation for the period	(89)	(1,623)	(3,167)	(2,209)	(7,088)
Others		2,392	(34)	(20)	2,338
At 30 September 2022	**5,067**	**9,712**	**24,509**	**6,963**	**45,251**
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 September 2022					
Historical cost	5,966	18,127	53,974	34,517	112,583
Accumulated depreciation and impairment losses	(899)	(8,415)	(29,464)	(27,554)	(66,333)
NET BOOK VALUE	**5,067**	**9,712**	**24,509**	**6,963**	**45,251**

Property, plant and equipment under finance leases reported changes during the first 9 months of the year, which were due to depreciation for the period, as well as to the execution of a new property lease agreement on the part of 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 € 2,172 thousand.

"Rights of use on Properties" and "Rights of use on plant and machinery" showed an increase during the first 9 months of the year following the execution of new property lease agreements for € 2,730 thousand and new long-term hire of vehicles that make up the corporate fleets and equipment of the Group for € 2,317 thousand. Furthermore, there was the early termination of some lease and long-term hire agreements for a total of € 793 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.

6. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the period ended 30 September 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	2,674		2,674
Amortization for the period	(4,337)		(4,337)
Others	17		17
At 30 September 2022	**17,832**	**404,935**	**422,767**
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 September 2022			
Cost	132,544	407,252	539,796
Accumulated amortization and impairment losses	(114,712)	(2,318)	(117,029)
NET BOOK VALUE	**17,832**	**404,935**	**422,767**

Goodwill is tested annually for impairment. For more details, see note 7.

Other intangible assets, amounting to € 17,832 thousand at 30 September 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 (€ 2,674 thousand) were mainly attributable to the Parent Company Rekeep S.p.A. and related to the implementation and upgrading of software platforms used by the Group.

7. IMPAIRMENT OF GOODWILL

The Group's Management believe that the 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 disposable kits containing all the devices needed to support the healthcare team in performing surgical procedures

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

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

	30 September 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 September 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 September 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 Interim 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.

8. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

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

At 30 September 2022, the investments valued at Equity recorded a net amount of € 9,752 thousand (i.e. including the corresponding value of the provision for risks on investments reclassified under liabilities in the balance sheet), against a net amount of € 8,779 thousand at the end of the previous year.

	Net assets 30 September 2022	Net assets 31 December 2021
Investments accounted for under the equity method	10,213	9,153
Provision for risks on investments	(461)	(374)
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**9,752**	**8,779**

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

In the first 9 months of 2022 investments accounted for under the equity method recorded a positive result equal to € 690 thousand, for the share attributable to the Group, as a result of recording income from equity investments (no-write-down was recognized at 30 September 2022). Furthermore, positive effects were recognized directly under consolidated equity for a total of € 544 thousand.

9. OTHER NON-CURRENT ASSETS

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

	30 September 2022	31 December 2021
Other investments	7,132	7,140
Non-current financial assets	6,683	4,702
Other non-current assets	3,039	3,232
OTHER NON-CURRENT ASSETS	**16,854**	**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 the fair value, since there is no active market in the securities concerned, which for the most part cannot be freely transferred to third parties due to limitations and restrictions preventing their free circulation.

Non-current financial assets, amounting to € 6,683 thousand as at 30 September 2022 (€ 4,702 thousand as at 31 December 2021), are composed of:

- € 1,488 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 € 1,512 thousand, while the discounting fund amounts to € 24

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.

- € 5,094 thousand of Non-current financial receivables from third parties (€ 3,100 thousand as at 31 December 2021). Among others, the item 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). The item also includes the balance of an escrow account of € 2,000 thousand;
- Securities held to maturity for € 101 thousand, unchanged compared to 31 December 2021.

Furthermore, the item is made up of security deposits related to long-term manufacturing contracts for € 2,040 thousand (€ 2,083 thousand at 31 December 2021) and long-term deferrals relating to some contracts equal to € 625 thousand (€ 818 thousand at 31 December 2021).

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

The table below includes the breakdown of Trade receivables, advances to suppliers and Other current operating receivables at 30 September 2022 and 31 December 2021:

	30 September 2022	of which from related parties	31 December 2021	of which from related parties
Contract assets	33,513		32,177	
Trade receivables, gross	497,948		407,197	
Allowance for doubtful accounts	(18,292)		(18,546)	
Trade receivables due from third parties	**513,169**	**0**	**420,828**	**0**
Trade receivables from MSC S.p.A.	155	155	38	38
Trade receivables from Associates, Affiliates and Joint Ventures	36,149	36,149	16,785	16,785
Trade receivables from Group	**36,304**	**36,304**	**16,823**	**16,823**
Advances to suppliers	5,387		5,597	2
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**554,860**	**36,304**	**443,248**	**16,825**
Current tax assets within 12 months	30,633		10,984	
Other current assets due from third parties	15,991		8,636	
Due from social security institutions	1,157		990	
Due from employees	211		422	
Other current assets from third parties	**47,992**	**0**	**21,032**	**0**

Current assets from MSC S.p.A.	333	333	20	20
Current assets from Associates, Affiliates and Joint Ventures	350	350	257	257
Other current assets from Group	**683**	**683**	**277**	**277**
Accrued income	425		794	
Prepaid expenses	2,746		2,030	
Accrued income and prepaid expenses	**3,171**	**0**	**2,824**	**0**
OTHER CURRENT ASSETS	**51,846**	**683**	**24,133**	**277**

The balance of trade receivables and advances to suppliers, which also includes contract assets, amounted to € 554,860 thousand at 30 September 2022, up by € 111,612 thousand compared to 31 December 2021 (€ 443,248 thousand).

The change under consideration was mainly due to an increase of € 92,341 thousand in trade receivables from third parties and an increase of € 19,481 thousand in receivables from other Group companies. Finally, contract assets recorded an increase of € 1,336 thousand, while the value of the provision for bad debts showed a decrease of € 254 thousand.

In the first 9 months of 2022 the Group continued to hold contracts for the assignment without recourse of trade receivables from third parties during the first 9 months of 2020. On 27 December 2018 the Parent Company Rekeep S.p.A. and Servizi Ospedalieri S.p.A. signed a 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 September 2022	Balance of trade receivables assigned without recourse and not yet collected by the Factor at 30 September 2022
BFF Bank S.p.A.	189,132	45,366
Banca IFIS S.p.A.	26,467	12,173
Unicredit Factoring S.p.A	8,136	3,460
Carrefour Italia Finance S.r.l.	15,560	3,744
MB FACTA S.p.A.	14,050	6,708
Banca Sistema S.p.A.	5,330	2,187
Prime Revenue Inc.	10,371	3,199
TOTAL ASSIGNMENTS WITHOUT RECOURSE	**269,046**	**76,837**

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 € 1,967 thousand.

Finally, trade receivables from the Group amounted to € 36,304 thousand (€ 16,823 thousand at 31 December 2021), while no advances to Group companies had been recognized at 30 September 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 € 18,292 thousand at 30 September 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 September 2022
Provision for bad debts	**18,546**	625	(867)	(183)	171	**18,292**

Other current assets of € 51,846 thousand (€ 24,133 thousand at 31 December 2021) showed a total increase of € 27,713 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 (€ 22,610 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. The increase in this item was linked to higher volumes. Assignments without recourse of VAT receivables held by some Group companies were made in 2022 for a total nominal amount of € 14,976 thousand;

- receivables for short-term security deposits on new annual electricity and gas utility contracts paid to suppliers for € 7,354 thousand (not reported at the end of the previous year);
- tax credits to partially offset the higher costs incurred for the purchase of electricity and natural gas, which had not yet been used for a total amount of € 4,627 thousand (not reported at the end of the previous year);
- 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* rather than cash and cash equivalents.

11. SHARE CAPITAL AND RESERVES

	30 September 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 September 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.

	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				1,039	63		1,102
Currency appreciation due to hyperinflation						117	117
Business						(6,866)	(6,866)

	Share premium reserve	Legal reserve	SE reserves companies valued at SE	Translation reserve	SORIE reserve	Other reserves	Total reserves
combinations "under common control"							
Economic effects accounted for in equity			544	(2,884)	909		(1.431)
30 September 2022	**145,018**	**21,830**	**4,258**	**(3,009)**	**(3,944)**	**(159,722)**	**4,432**

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

- 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 loss of € 251,052 thousand. This reserve includes € 198,261 thousand for the effects of the reverse merger of CMF S.p.A. by incorporation into Rekeep S.p.A., which took place on 1 July 2018. Furthermore, the negative reserve showed an increase of € 6,866 thousand at 30 September 2022, as a result of the agreement signed by Rekeep S.p.A. with its parent company MSC Società di Partecipazione tra Lavoratori S.p.A. on 30 June 2022, relating to the acquisition of the "Personnel activities" business unit (for more details, see note 3 above);
- the Parent Company's extraordinary reserve equal to € 43,967 thousand.

The table below shows changes in *Retained earnings*:

	Retained earnings 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)
Change in consolidation area		(1,099)	(1,099)
30 September 2022	**3,809**	**(79,924)**	**(76,115)**

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

	30 September 2022	31 December 2021
Equity attributable to non-controlling interests	**4,993**	**4,588**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	(282)	(267)
Subsidiaries of Servizi Ospedalieri S.p.A.	4,625	4,311
Other subsidiaries and consortia	651	544

	30 September 2022	31 December 2021
Profit for the year attributable to non-controlling interests	**309**	**1,603**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	19	258
Subsidiaries of Servizi Ospedalieri S.p.A.	234	1,351
Other subsidiaries and consortia	56	(6)

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..

12. FINANCIAL INDEBTEDNESS

Net financial indebtedness as of 30 September 2022 amounted to € 475,139 thousand, compared to € 380,649 thousand at 31 December 2021.

Below is the related breakdown by balance sheet lines:

	30 September 2022	31 December 2021
Long-term financial debt	414,539	412,833
Bank borrowings, including current portion of long-term debt, and other financial liabilities	111,977	82,077
Gross financial indebtedness	**526,516**	**494,960**
Cash and cash equivalents	(47,218)	(99,512)
Current financial assets	(4,159)	(14,799)
Financial indebtedness	**475,139**	**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 September 2022 and 31 December 2021.

	30 September 2022	Within 1 year	From 1 to 5 years	After 5 years
Senior Secured Notes	364,146		364,146	
Artigiancassa loan	838	239	599	
Prepaid interest expenses	(1,175)	(733)	(442)	
Accrued interest expenses	4,850	4,850		
Long-term bank borrowings and current portion of long-term bank borrowings	**368,659**	**4,356**	**364,303**	**0**
Current bank overdraft, advance payments and hot money	15,916	15,916		
Obligations arising from finance lease	10,745	3,581	6,659	505
Financial liability for operating leases	35,098	6,768	21,199	7,131
Loans from syndicated shareholders	1,040		1,040	
Loan from Parent Company MSC S.p.A.	5	5		
Other financial liabilities	3,502	3,217	285	
Collections on behalf of assignees of trade receivables	22,123	22,123		
Obligations from assignments with recourse of trade receivables	23,495	23,495		
Obligations arising from reverse factoring	26,822	26,822		

	30 September 2022	Within 1 year	From 1 to 5 years	After 5 years
transactions				
Debt for the acquisition of investments/business units	3,742	3,742		
Options on subsidiaries' minority shareholdings	15,369	1,952	13,416	
TOTAL FINANCIAL LIABILITIES	**526,517**	**111,977**	**406,903**	**7,637**

	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 S.p.A.	75	75		
Other financial liabilities	4,317	3,120	1.197	
Collections on behalf of assignees of trade receivables	14,556	14,556		
Obligations from assignments with recourse of trade receivables	23,270	23,270		
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.

At 30 September 2022, the financial charges accrued on the bond coupons amounted to € 19,995 thousand against € 20,659 thousand (of which € 2,254 thousand related to the Senior Secured Notes issued in 2017 and paid off at the same date of the new issue) in the first 9 months of the previous year. The upfront fees relating to the issue of Senior Secured Notes, were

accounted for according to the amortized cost method, which, during the first 9 months of 2022, entailed, in accordance with IFRS 9, the recognition of financial Amortization charges of € 1,121 thousand (€ 6,810 thousand, of which an amount of € 5,818 thousand related to write-off of the remaining amount still to be amortized on the Notes paid off, in the first 9 months 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. The financial covenants had been complied with on the reporting date of these financial statements.

The facility was partially drawn down during the first 9 months in order to meet temporary cash requirements (if any), and promptly repaid: the RCF facility had not been drawn down at 30 September 2022. The temporary partial uses entailed the charging of financial costs equal to € 580 thousand accrued for the time being.

Prepaid interest expenses

At 30 September 2022 the Company recognized prepaid interest expenses of € 1,175 thousand (€ 1,253 thousand at 31 December 2021). The item mainly relates to the arrangement fees initially incurred by Rekeep S.p.A. for the execution of the Super Senior Revolving (RCF), initially equal to € 1,260 thousand. These costs will be amortized on a straight-line basis throughout the term of the credit line and amortization charges of € 210 thousand were recognized in the first 9 months of 2022 (€ 451 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 September 2022 accrued interest expenses were recognized for € 4,850 thousand (€ 11,726 thousand at 31 December 2021), of which € 4,769 thousand relating to the coupon of the Senior Secured Notes due 1 February 2023 (€ 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. At 30 September 2022, two installments had been repaid, each one amounting to € 120 thousand, thus bringing the residual debt of this loan from € 1,077 thousand at 31 December 2021 to € 838 thousand at 30 September 2022.

Other bank loans

There were no other bank loans at 30 September 2022 (€ 27 thousand at 31 December 2021).

Current account overdraft, advance payments and hot money

At 30 September 2022 this item showed a balance of € 15,916 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 relate to motor vehicles and plant and machinery mainly referable to Servizi Ospedalieri S.p.A., which uses them in the laundering and sterilization production processes, and to the Rekeep Polska Group. New finance lease agreements were signed for € 3,316 thousand during 2022.

Financial liability for operating leases

As at 30 September 2022 the financial liability for operating leases (according to the classification of the previous standard IAS 17) amounted to € 35,098 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 € 793 thousand and increases for the execution of new agreements, equal to € 5,047 thousand.

Syndicated loans

This item refers to financing provided by third-party syndicated shareholders to consortium companies included within the scope of consolidation as they are controlled or held under a joint venture (50%). In certain cases, these loans are non-interest-bearing loans and are repayable on request. In other cases, they have a contractually defined maturity and, in others still, they do not have a contractually defined maturity but will essentially be repayable at the end of the long-term service contract, on the basis of which the consortium company was established. At 30 September 2022 the overall balance of these loans amounted to € 1,040 thousand (€ 603 thousand at 31 December 2021).

Collections on behalf of assignees of trade receivables

The item included receipts from customers on assigned receivables as part of the factoring without recourse transaction of trade receivables, for which the Group acts as an agent to manage receipts on behalf of the factor. The receipts, equal to € 22,123 thousand at 30 September 2022, are 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.

During 2022 assignments with recourse were made with regard to trade receivables at a nominal value of receivables of € 34,218 thousand, while the exposure was equal to € 23,495 thousand at 30 September 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 € 26,822 thousand at 30 September 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 € 15,369 thousand at 30 September 2022 (€ 15,336 thousand at 31 December 2021).

Of these an amount of € 13,416 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. was also recognized at 30 September 2022, 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 € 3,742 thousand at 30 September 2022 (€ 1,112 thousand at the end of the previous year). The item includes the residual portion of € 229 thousand of the deferred price paid at closing for the acquisition of the majority interest of subsidiary U.Jet S.r.l., which took place on 1 June 2021, and the residual portion of € 496 thousand of the deferred price

related to the acquisition of the residual minority interest of S.an.ge. Soc. Cons. a r.l., already controlled by Rekeep S.p.A., which took place on 27 July 2022. This item also includes the residual debt of € 2,950 thousand to its parent company MSC Società di Partecipazione tra Lavoratori S.p.A., relating to the acquisition of the "Personnel Activities" business unit, as better detailed above.

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

Other financial liabilities

As at 30 September 2022 other financial liabilities were recorded for € 3,502 thousand, against € 4,317 thousand at 31 December 2021. Other financial liabilities include a loan of € 1,427 thousand (€ 2,408 thousand at 31 December 2021) thousand granted by the Polish Government to the Polish group's subsidiary Catermed Sp. z o.o. 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 € 1,642 thousand (€ 1,677 thousand at 31 December 2021).

Current and other financial assets

At 30 September 2022, *Current and other financial assets* amounted to € 4,159 thousand (€ 14,799 thousand at 31 December 2021) and mainly included:

- the balance of the upstream loan, equal to € 1,156 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 € 677 thousand (€ 2,548 thousand at 31 December 2021);
- an overall amount of € 184 thousand of receivables from short-term loans and financial accounts held with non-consolidated Group companies (Euro 608 thousand at 31 December 2021).

During the first 9 months 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.

13. EMPLOYEE TERMINATION INDEMNITY

Changes in employee termination indemnity ("T.F.R.") occurred during the first 9 months of 2022 are shown below, compared with changes in the same period of the last year.

	For the 9 months ended	
	30 September 2022	30 September 2021
AT 1 JANUARY	**10,483**	**11,267**
Additions for business combinations	597	675
Current service cost	658	388
Interest costs on benefit obligations	43	2
Benefits paid	(1,409)	(960)
Net actuarial (gains)/ losses	(1,030)	(114)
Other changes	0	1
AT 30 SEPTEMBER	**9,341**	**11,259**

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

	For the 9 months ended	
	30 September 2022	30 September 2021
Current service cost	658	388
Interest costs on benefit obligations	43	2
Net cost of the benefit recognized in the statement of profit or loss	701	390
Net actuarial (gains)/ losses recognized in the period (on shareholders' equity)	(1,030)	(114)
TOTAL COST OF THE BENEFIT	**(330)**	**276**

Below are reported the data relating to the average number of the Group's employees:

	For the 9 months ended	
	30 September 2022	30 September 2021
Executives	69	73
Office workers	1,743	1,694
Manual workers	25,026	26,373
AVERAGE STAFF	**26,838**	**28,140**

Following the transfer of the "Personnel Activities" business unit to Rekeep S.p.A. as already commented on above, the controlling company MSC S.p.A. ceased its staffing operations: therefore, as at 30 September 2022, there were no leased employees in the Group (the average number of leased employees provided by the Group was equal to no. 313 units at 30 September 2021).

14. PROVISIONS FOR RISKS AND CHARGES

Below are reported the breakdown and changes in provisions for risks and charges for the period ended 30 September 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		1,258	1,369				205	2,832
Uses		(693)	(1,198)	(7)			(134)	(2,033)
Reversals		(3,797)	(319)					(4,116)
Others	86	(142)					(203)	**(253)**
At 30 September 2022	**461**	**6,884**	**24,157**	**447**	**299**	**581**	**2,091**	**34,920**
At 30 September 2022:								
Current	*461*	*5,429*	*390*	*447*	*0*	*581*	*740*	*8,047*
Non-current	*0*	*1,456*	*23,768*	*0*	*299*	*0*	*1,350*	*26,873*
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 € 461 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 and for € 182 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 projects

This provision includes, at consolidated level:

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

The balance at 30 September 2022 was equal to € 6,884 thousand (€ 10,259 thousand at 31 December 2021), down by € 3,375 thousand against accruals of € 1,258 thousand, uses equal to € 693 thousand, releases of € 3,797 thousand and other changes of € 142 thousand. Changes in the item were affected by a provision, for a total amount of € 3,257 thousand, for non-recurring additional costs that are expected to be incurred on some energy contracts, as well as the partial release of the same provision for risks and charges set aside in previous years, as restated following the issue of a clarification in terms of regulations.

Provision for pending disputes

At the end of the financial year, the company assesses the risk of having to pay future compensation in the event of unsuccessful legal disputes with customers, suppliers, employees and others. During the period ended 30 September 2022 the provision, totaling € 24,157 thousand (€ 24,306 thousand at 31 December 2021), reported increases for accruals for € 1,369 thousand and decreases for uses and releases totaling € 1,517 thousand.

Accruals were recognized to cover risks of Parent Company Rekeep S.p.A. for € 1,156 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 as early as 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"). The order of exclusion has been confirmed by both the Regional Administrative Court and the Council of State and, finally, by the Supreme Court, which, by an order published on 22 December 2021, rejected the judicial appeal submitted by the Company before the Supreme Court. 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 the filing of the 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. Following a request to schedule a hearing, the Council of State scheduled the next hearing for discussion on 2 February 2023. However, a single-member board's Presidential decree suspending the challenged judgments was obtained in the meantime. Finally, on 28 July 2020, one of the guarantors (Atradius) served on Rekeep an appeal before the Civil Court of Rome under Article 702-bis in order to obtain the payment of the sums relating to the sureties issued for the participation in the Consip Sanità tender, pending the enforcement on the part of Consip. At the first appearance hearing on 24 March 2021, the Court ordered for the summary procedure to be converted into ordinary procedure and for the parties to appear at the hearing scheduled on 16 December 2021, which was rescheduled on 21 September 2022: on that occasion further preliminary motions submitted by the opposing party were rejected and a hearing was set for the specification of conclusions on 21 June 2023.

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 September 2022 and were not included in the consolidated backlog at 30 September 2022.
In the Consolidated Financial Statements at 30 September 2022 the Directors decided to maintain the provisions for future charges (equal to € 17.5 million), also taking account of the risk of enforcement of the abovementioned performance bond and bid bonds and despite the fact that Rekeep S.p.A. could submit sound arguments against the enforcement of the bonds in court.

The dispute concerning the fine imposed in relation to the FM4 Tender still continued in 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. and STI S.p.A. and subsequently extended to Exitone S.p.A., Manital Società Consortile per i Servizi Integrati per Azioni Consorzio Stabile, Manital S.c.p.a., Gestione Integrata S.r.l., Kuadra S.r.l. in Liquidation, Esperia S.p.A., Engie Energy Services International SA, Veolia Energie International SA, Romeo Partecipazioni S.p.A., Finanziaria Bigotti S.p.A., Consorzio Stabile Energie Locali S.c.a.r.l. to ascertain whether those companies put in place a possible anti-competitive agreement whose subject matter consisted of the coordination of the procedures for taking part in the tender called by Consip in 2014 for awarding the Facility Management services intended for properties mainly for office use of the Public Administration (known as "FM4 Tender"). On 9 May 2019, after the completion of the abovementioned proceedings, the Competition Authority served the final order, considering the existence of the agreement restricting competition between some of the abovementioned companies and imposing a 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 orders for the new calculation of the fine before the Regional Administrative Court. Finally, on 22 December 2020 the Competition Authority served on the Company its appeal against the abovementioned Lazio Regional Administrative Court's order, while requesting the confirmation of the order on the FM4 tender, including the initial fine equal to € 91.6 million. 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 € 148 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 16 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 ruled by rejecting the issue of constitutional legitimacy by judgment 198/2022: therefore, the Regional Administrative Court set the hearing on the merits for the discussion about the enforcement of the surety bond for the hearing on 9 November 2022, regarding which the Company is awaiting the conclusions. Furthermore, on 9 November 2022 the Company appealed against the partial judgment in which the Regional Administrative Court ruled on the lawfulness of the order of exclusion.

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

therefrom. To date, since the tender has not yet been awarded on a final basis, potential revenues relating to the FM4 Tender have never been included in the Rekeep Group's backlog.

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 September 2022 (the same amount posted at 31 December 2021), since no changes were recorded during the first 9 months of 2022.

Provision for tax disputes

At 30 September 2022 the provision amounted to € 447 thousand, recording uses and other changes which gave rise to a decrease of € Euro 1 thousand during the period.

Other provisions for risks and charges

The provision amounted to € 2,091 thousand at 30 September 2022, showing a decrease of € 132 thousand compared to 31 December 2021 (€ 2,222 thousand) as a result of provisions for € 205 thousand and uses, releases and other changes totaling € 337 thousand. This item included € 148 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".

15. CONTINGENT LIABILITIES

As at the date of approval of the Interim Report on Operations at 30 September 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 September 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 (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 cleaning services at Santobono Pausilipon itself, which took place in 2013. On the other hand, this proxy holder met the legal requirements in full. The ANAC order provided, in addition to a fine of € 10 thousand, for the Company to be excluded from all public tenders for a period of 6 months as from the date of entry in the computerized records of economic operators in public

contracts. The Company successfully challenged the order before the Regional Administrative Court, but, within appellate proceedings brought by ANAC, the disqualification order was confirmed by the Council of State; at the end of the procedure for application of extraordinary means of appeal (appeal for review and judicial appeal to the Supreme Court), it became final on 4 December 2020 with the filing of the Supreme Court's judgment no. 27770/2020. As a result of this judgment, any suspension effect of ANAC Resolution no. 1106/2017 was therefore removed, which entails, in addition to a fine of € 10 thousand, the exclusion of Rekeep S.p.A. from public tender procedures and subcontracting of public contracts for a 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 the 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.

16. TRADE PAYABLES, CONTRACT LIABILITIES AND OTHER CURRENT LIABILITIES

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

	30 September 2022	of which to related parties	31 December 2021	of which to related parties
Trade payables	389,839		372,513	
Trade payables due to third parties	**389,839**	**0**	**372,513**	**0**
Trade payables to MSC S.p.A.	2,839	2,839	4,683	4,683
Trade payables to subsidiaries, affiliates and joint ventures	35,837	35,837	17,240	17,240
Trade payables to the Group	**38,676**	**38,676**	**21,923**	**21,923**
Advances from customers, including contract liabilities	31,770	2	18,938	2
Trade payables and contract liabilities	**460,285**	**38,678**	**413,374**	**21,925**
Fees due to directors and statutory auditors	380		301	
Tax payables	6,843		9,103	
Payables to social security institutions within 12 months	13,955		19,575	
Other payables to TJA ("*Associazione temporanea di imprese*")	6,607		5,556	
Payables to employees within 12 months	59,258		48,566	
Other payables within 12 months	79,660		81,919	
Property collection on behalf of customers	2,176		2,176	
Other current operating payables to third parties	**168,879**	**0**	**167,196**	**0**
Other current payables to MSC S.p.A.	24	24	36	36
Other payables to subsidiaries, affiliates and joint ventures	42	42	97	97
Other current payables to the Group	**66**	**66**	**133**	**133**
Accrued expenses	362		61	
Deferred income	1		67	
Accrued expenses and deferred income	**363**	**0**	**128**	**0**
Other current liabilities	**169,308**	**66**	**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 September 2022 amounted to € 460,285 thousand against a balance of € 413,374 thousand at 31 December 2021, showing an increase of € 46,911 thousand.

Other current operating payables showed a balance of € 169,308 thousand at 30 September 2022 (€ 167,457 thousand at 31 December 2021) and are mainly made up of the following items:

- payables to employees of € 59,258 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 € 13,955 thousand (€ 19,575 thousand at 31 December 2021);
- payables due to tax authorities for € 6,843 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 € 6,607 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 September 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 € 148 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 September 2022 was equal to € 68,970 thousand.

17. COMMITMENTS AND GUARANTEES

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

Specifically, the Group signed financial lease agreements primarily for plant and machinery used in the production processes of the *Laundering&Sterilization* SBU and for motor vehicles and equipment. In 2017, moreover, a property lease agreement was signed by the subsidiary Servizi Ospedalieri S.p.A. to acquire the factory of Lucca, while the acquisitions of EOS and Medical

Device S.r.l. in 2018 and Rekeep Polska 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 September 2022 and 31 December 2021:

	30 September 2022			
	Finance Lease		Operating Lease	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Within one year	3,602	3,581	8,112	6,768
From one year to five years	6,976	6,659	24,325	21,199
After five years	959	505	7,637	7,131
TOTAL LEASE FEES	**11,538**	**10,745**	**40,074**	**35,098**
Financial costs	(792)		(4,975)	
PRESENT VALUE OF LEASE FEES	**10,745**	**10,745**	**35,098**	**35,098**

	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 September 2022, the Group granted sureties to third parties for:

- guarantees for financial obligations of € 9,942 thousand (€ 10,459 thousand compared to 31 December 2021), of which € 834 thousand issued in the interest of associates for overdrafts and other financial obligations (€ 2,420 thousand at 31 December 2021);
- sureties issued to third parties to ensure the proper fulfillment of contract obligations in place with customers amounting to € 341,981 thousand (€ 342,774 thousand at 31 December 2021), of which € 1 thousand issued in the interest of associates (unchanged compared to 31 December 2021);
- other guarantees issued by third parties in favor of associates, joint ventures and other shareholdings amounting to € 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 for lease contracts, as well as to the Inland Revenue Agency for VAT refunds, for a total amount of € 89,801 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 facility (RCF) are backed by the following collateral provided:

- a first-degree pledge over the total shares of Rekeep S.p.A., granted by the controlling company 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 enforced by the counterparties only in the case that one of the events of default envisaged in the above mentioned contracts occurs; up to the occurrence of the same, the assets covered by the guarantee are fully available to the Rekeep Group companies. At 30 September 2022 no events of default had occurred.

18. FINANCIAL RISK MANAGEMENT

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

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 September 2022 and 31 December 2021:

		Hierarchy Levels				Hierarchy Levels		
	30 September 2022	**Level 1**	**Level 2**	**Level 3**	**31 December 2021**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss								
Financial assets, securities and other non-current financial assets	**101**	101			**101**	101		
- of which securities	**101**	101			**101**	101		
Available for sale financial assets								
Financial assets and other current financial assets	**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 September 2022 and 31 December 2021. During the period in question, there were no transfers from one fair value measurement level to another.

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

Capital management

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

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

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

	30 September 2022	31 December 2021
Employee termination indemnity	9,341	10,483
Interest-bearing financial loans	464,341	433,306
Trade payables and contract liabilities	460,285	413,374
Other current liabilities	169,308	167,457
Other current financial liabilities	62,175	61,654
Cash and cash equivalents	(47,218)	(99,512)
Other current financial assets	(4,159)	(14,799)
Net financial indebtedness	**1,114,073**	**971,963**
Equity attributable to the Group	56,881	46,746
Undistributed net result	(19,414)	22,588
Total capital	**37,467**	**69,334**
EQUITY AND NET DEBT	**1,151,540**	**1,041,297**
INDEBTEDNESS RATIO	**96.7%**	**93.3%**

The debt ratio showed an increase compared to the value at 31 December 2021 as a result of the twofold effect of: (i) a decrease in the share capital, eroded by a reduction in the Group's equity following the recognition of the loss carried forward at 31 December 2021 and the recognition of the negative equity reserve for a total value of € 6,866 thousand arising from the transaction under common control for the transfer of the "Personnel Activities" business unit (for more details, see note 3 above); (ii) an increase in indebtedness during the first 9 months of 2022.

19. OPERATING SEGMENTS

The services provided by the Rekeep Group can be divided into two primary areas of business, which coincide with the Strategic Business Units (SBU) where business is channeled. The latter is not affected by significant seasonality factors. The SBUs identified coincide with the CGUs where the Group's activities are conducted. See note 6 for 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.S.) and in Saudi Arabia (through Rekeep Saudi Arabia Ltd). Finally, in 2019 the acquisition of the Polish company Rekeep Polska S.A.

(formerly Naprzód S.A.), the parent company controlling the group with the same name, served to expand and strengthen the market position in the field of facility management in the healthcare sector

.

Laundering & Sterilization SBU

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

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

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

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment Revenues	845,058	106,696	(5,331)	946,423
Segment costs	(797,463)	(101,927)	5,331	(894,059)
Operating income (loss) by segment	**47,595**	**4,769**	**0**	**52,364**
Share of net profit of associates	526	164		690
Net financial income (charges)				(26,608)
Profit before tax				**26,446**
Income taxes				(6,723)
NET RESULT FOR THE PERIOD ENDED 30 SEPTEMBER 2022				**19,723**

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

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

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	625,677	155,246	(6,172)	774,751
Goodwill	388,752	16,183		404,935
Investments	13,052	4,293		17,345
Other assets not allocated and related taxes				83,520
SEGMENT ASSETS AT 30 SEPTEMBER 2022	**1,027,480**	**175,723**	**(6,172)**	**1,280,552**
Liabilities allocated to the segment	614,205	65,821	(6,172)	673,854
Other liabilities not allocated and related taxes				544,825
SEGMENT LIABILITIES AT 30 SEPTEMBER 2022	**614,205**	**65,821**	**(6,172)**	**1,218,678**

	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**

20. 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 has some sub-lease 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. At 30 September 2022, advances previously collected in consideration of these services, were completely written off for the services rendered during 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 S.p.A. leased to the Company the part of the property located in Zola Predosa, via Poli no. 4 (BO), for office use. The lease has a term of five years and is tacitly renewable, except in the event of termination by one of the parties. Annual rent is € 1,320 thousand, to be paid in 12 monthly installments;
- MSC S.p.A. also sub-leased to Rekeep S.p.A. the part of the property located in Mestre (VE), via Porto di Cavergnago no. 6, for office use. The lease has a term of six years and is tacitly renewable. Annual rent is € 325 thousand, to be paid in 12 monthly installments;

- 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;
- Sacoa S.r.l., a subsidiary of MSC S.p.A., is committed, on the basis of contracts stipulated with Rekeep S.p.A. and other companies of the Rekeep Group, to prepare 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 Companies with related parties is provided in Annex III attached to the Interim Report.

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

Zola Predosa, 16 November 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 Sp. z o.o.	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 no. 59	Trento (TN)	97.45%	Euro
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	Üniversiteler Mahallesi, Bilkent Plaza, A3 Blok, no. 4	Çankaya/ Ankara	51%	TRY
Ferraria Soc. cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	69%	Euro
H2H Facility Solutions S.p.A.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
H2H Cleaning S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
ISOM Lavori Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	62.71%	Euro
ISOM Gestione Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	52.97%	Euro
IZAN+ sp. z o.o.	ul. Żabiniec n. 46, 31-215	Krakow (Poland)	100%	PLN
JOL-MARK sp. z o.o.	ul. Portowa n. 16G, 44-100	Gliwice (Poland)	100%	PLN
KANARIND Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	62.43%	Euro
Kolumna Transportu Sanitarnego Triomed sp. z o.o.	ul. Północna n. 22, 20-064	Lublin (Poland)	100%	PLN
Infrastrutture Lombardia Servizi Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Logistica Sud Est Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Medical Device S.r.l.	Via della Tecnica, no. 52	Montevarchi (AR)	60%	Euro

Name	Registered Office	City	% Held	Currency
Naprzód Catering sp. z o.o.	ul. Stefana Banacha 1A, 02-097	Warsaw (Poland)	100%	PLN
Naprzód Cleaning sp. z o.o.	ul. 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 no.51	Bologna	100%	Euro
S.AN.GE S.c.a.r.l.	Viale Sarca 336 – Strada Privata Breda – Edificio 12	Milan	100%	Euro
San Gerardo Servizi Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Servizi Brindisi Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	52%	Euro
Servizi Ospedalieri S.p.A.	Via Calvino no. 33	Ferrara	100%	Euro
Servizi Sanitari Sicilia Soc. Cons. a r.l.	Via Calvino no. 33	Ferrara	70%	Euro
Telepost S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Treviso GS4 Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	50.10%	Euro
U.Jet Romania Private Limited Company	str. Garii no. 10	Sighetu Marmatiei, Romania	100%	RON
U.Jet S.r.l.	Via San Francescuccio dè	Bastia Umbra (PG)	60%	Euro

Name	Registered Office	City	% Held	Currency
	Mietitori no. 32			
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. in liquidation	Via del Parco no. 16	Tremestieri Etneo (CT)	50%	Euro
DUC Gestione Sede Unica Soc.cons.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	49%	Euro
Legnago 2001 Soc.cons.r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	50%	Euro
Servizi Sportivi Brindisi Soc.cons.r.l.	Via Licio Giorgieri no. 93	Rome	50%	Euro

ASSOCIATES AND OTHER COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% Held	Currency
2High S.r.l.	Via Farini no. 6	Bologna	20.09%	Euro
Alisei S.r.l. in liquidation	Via Cesari no. 68/1	Modena	100%	Euro
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
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

Name	Registered Office	City	% Held	Currency
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 no. 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
MSE Soc. Cons. a r.l. in liquidation	Via Ubaldo Poli no.4	Zola Predosa (BO)	56%	Euro
Newco Duc Bologna S.p.A.	Via M.E. Lepido no. 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 no. 1072	Rome	45.47%	Euro
San Martino 2000 Soc. Cons. a r.l.	Via al Molo Vecchio	Calata Gadda (GE)	40%	Euro
S.E.I. Energia Soc. Cons. a r.l.	Via Emilia no. 65	Palermo (PA)	49%	Euro
Serena S.r.l. in liquidation	Via Ubaldo Poli no.4	Zola Predosa (BO)	50%	Euro
Servizi Napoli 5 Soc. Cons. a r.l.	Via Ubaldo Poli no.4	Zola Predosa (BO)	45%	Euro
Servizi Taranto Soc. Cons. a r.l. in liquidation	Via Ubaldo Poli no.4	Zola Predosa (BO)	60.08%	Euro
Simagest 2 Soc. Cons. a r.l in liquidation	Via Ubaldo Poli no.4	Zola Predosa (BO)	90%	Euro
Simagest 3 Soc. Cons. a r.l in liquidation	Via Ubaldo Poli no.4	Zola Predosa (BO)	89.99%	Euro
Società Consortile Adanti Manutencoop a r.l. in liquidation	Via Ubaldo Poli no.4	Zola Predosa (BO)	50%	Euro
Steril Piemonte S.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 September 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)						(110)	0	(110)
A.M.G. S.r.l.	50%	2,373		(91)	58			2,340	2,340	
ARIENES Soc. Cons. a r.l.	35%	0	18					18	18	
BGP 2 Soc. Cons. a r.l.	41.47%	62						62	62	
Bologna Gestione Patrimonio Soc. Cons. a. r.l. in liquidation	27.58%	0						0	0	
Bologna Global Strade Soc. Cons. a. r.l.	60%	60						60	60	
Bologna Più Soc. Cons. a r.l.	25.68%	5	(5)					0	0	
Centro Europa Ricerche S.r.l.	21.38%	66						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 September 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			99			498	498	
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)					(86)	(182)	0	(182)
MCF Servizi integrati Soc. Cons. a r. l. in liquidation	60.00%	6						6	6	
MSE Soc. Cons. a r.l. in liquidation	56.00%	0	6					6	6	
Newco DUC Bologna S.p.A.	24.90%	2,189			137		580	2,905	2,905	
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)	
ROMA Multiservizi S.p.A.	45.47%	2,701			156		50	2,907	2,907	
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 S.r.l.	25%	986			7			993	993	
Yougenio S.r.l. in liquidation	100.00%	(169)	(233)		233			(169)	0	(169)
NET BOOK VALUE		**8,778**	**(168)**	**(91)**	**690**	**(0)**	**544**	**9,752**	**10,213**	**(461)**

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-Sep-21	107	22,088		559	31-Dec-21	77	15,159	4,702	14,924
	30-Sep-22	85	13,724	98	305	30-Sep-22	155	12,396	2,840	20,523

ASSOCIATES AND JOINT-VENTURES

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
2HIGH S.r.l.	30-Sep-21		130			31-Dec-21			182	
	30-Sep-22		228			30-Sep-22			163	
Alisei s.r.l. in liquidation	30-Sep-21					31-Dec-21	3			1
	30-Sep-22					30-Sep-22	3			1
AMG S.r.l.	30-Sep-21		183			31-Dec-21			210	
	30-Sep-22		348			30-Sep-22			549	
ARIENES Soc.Cons. a r.l.	30-Sep-21					31-Dec-21				
	30-Sep-22	15,447	12,938			30-Sep-22	15,447		12,938	
Bologna Gestione Patrimonio Soc.Cons. a r.l. in liquidation	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Bologna Gestione Patrimonio 2 Soc.Cons. a r.l.	30-Sep-21	45	61			31-Dec-21	110	3	523	2
	30-Sep-22		362			30-Sep-22	40		622	
Bologna Global Strade Soc. Cons. a r.l	30-Sep-21	137				31-Dec-21	148	383	1	
	30-Sep-22	38				30-Sep-22	76	383	(109)	
Centro Europa Ricerche S.r.l.	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Consorzio Imolese Pulizie soc.Cons. in liquidation	30-Sep-21					31-Dec-21		36	12	
	30-Sep-22					30-Sep-22		36	12	
Consorzio Polo Sterilizzazione Integrata a r.l.	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Consorzio Sermagest Soc.Cons.a r.l in liquidation	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Consorzio Servizi Toscana Soc.Cons.a r.l in liquidation	30-Sep-21					31-Dec-21	282		177	
	30-Sep-22					30-Sep-22	282		177	
CO.& MA. Soc. Cons. a r.l	30-Sep-21	270	857			31-Dec-21	90	20	1,163	
	30-Sep-22		(121)			30-Sep-22		20	620	
DUC Gestione Sede Unica Soc. Cons. a r.l.	30-Sep-21	5,479	1.632			31-Dec-21	4,303		1,843	
	30-Sep-22	5,947	3,080			30-Sep-22	5,372		3,005	
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Fr.lli Bernard S.r.l.	30-Sep-21	9	20			31-Dec-21				
	30-Sep-22					30-Sep-22				
Gestione Servizi Taranto Soc.Cons.a r.l.	30-Sep-21	3,275	3,012			31-Dec-21	5,684	23	5,019	
	30-Sep-22	3,970	3,577			30-Sep-22	9,380	40	8,058	
Gestione Strade soc.cons.r.l.	30-Sep-21	52	921			31-Dec-21	44	63	398	
	30-Sep-22	104	974			30-Sep-22	46	63	671	
Global Oltremare Soc.Cons.a r.l in liquidation	30-Sep-21					31-Dec-21			92	
	30-Sep-22		6			30-Sep-22			97	
Global Provincia di RN Soc.Cons.a r.l. in liquidation	30-Sep-21					31-Dec-21		70	13	
	30-Sep-22					30-Sep-22		70	13	
Global Riviera Soc.Cons.a r.l.	30-Sep-21		9			31-Dec-21			4	
	30-Sep-22					30-Sep-22				
Global Vicenza Soc.Cons. a r.l.	30-Sep-21					31-Dec-21		10	17	
	30-Sep-22					30-Sep-22		10	17	
GR.A.AL. Soc. Cons. a. r.l.	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Gymnasium Soc. cons. a r.l in liquidation	30-Sep-21					31-Dec-21	1	8	33	
	30-Sep-22					30-Sep-22	1	8	33	
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	30-Sep-21	134	129			31-Dec-21	50		45	
	30-Sep-22	226	222			30-Sep-22	129		119	
IPP S.r.l.	30-Sep-21		152			31-Dec-21	12	35	148	
	30-Sep-22	4	269			30-Sep-22	16	35	297	
Legnago 2001 Soc. Cons. r.l. in	30-Sep-21		6			31-Dec-21	158		67	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
liquidation	30-Sep-22		3			30-Sep-22	158		70	
Logistica Ospedaliera Soc. Cons. a r.l.	30-Sep-21		6			31-Dec-21			18	
	30-Sep-22		2			30-Sep-22			20	
Manutencoop International Services LLC in liquidation	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
MCF Servizi integarti Soc. cons. a r.l. in liquidation	30-Sep-21					31-Dec-21	689		322	
	30-Sep-22					30-Sep-22	365		5	
MSE Soc. cons. a r.l. in liquidation	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Newco DUC Bologna S.p.A	30-Sep-21					31-Dec-21			66	
	30-Sep-22					30-Sep-22			66	
Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation	30-Sep-21					31-Dec-21				
	30-Sep-22		4			30-Sep-22	75		4	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Rekeep Austria G.m.b.H. in liquidation	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Roma Multiservizi S.p.A.	30-Sep-21	332	62			31-Dec-21	261		93	
	30-Sep-22	386	101			30-Sep-22	519		195	
San Martino 2000 Soc.Cons. r.l.	30-Sep-21	1,029	1,886			31-Dec-21	416		859	
	30-Sep-22	1,229	1,710			30-Sep-22	191		1,136	
S.E.I. Energia Soc. Cons. a r.l.	30-Sep-21	36	2,473	17		31-Dec-21	103	780	2,799	
	30-Sep-22	36	5,371	17		30-Sep-22	170	896	4,208	
Serena S.r.l. - in liquidation	30-Sep-21					31-Dec-21		3		
	30-Sep-22					30-Sep-22		3		
Servizi Taranto Soc.Cons. a r.l. in liquidation	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22	395		295	
Servizi Napoli 5 Soc.Cons. a r.l.	30-Sep-21	1,031	953			31-Dec-21	4,310		2,896	
	30-Sep-22	836	777			30-Sep-22	3,439		2,061	
S.I.MA.GEST2 Soc. Cons. r.l. in liquidation	30-Sep-21					31-Dec-21		75	13	2
	30-Sep-22					30-Sep-22		75	13	2
S.I.MA.GEST3 Soc. Cons. r.l in liquidation	30-Sep-21					31-Dec-21		3	6	
	30-Sep-22					30-Sep-22		3	6	
Società Consortile Adanti Manutencoop in liquidation	30-Sep-21					31-Dec-21			53	
	30-Sep-22					30-Sep-22			53	
Steril Piemonte	30-Sep-21					31-Dec-21	7		104	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
S.r.l.	30-Sep-22					30-Sep-22	7		104	
Yougenio S.r.l. in liquidation	30-Sep-21	34				31-Dec-21	42		4	43
	30-Sep-22	15		77		30-Sep-22	6		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-Sep-21					31-Dec-21	1			
	30-Sep-22					30-Sep-22	1			
Holmo S.p.A.	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
NRE S.r.l.	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				
Nugareto Società Agricola Vinicola S.r.l.	30-Sep-21	1	22			31-Dec-21		6	16	
	30-Sep-22					30-Sep-22		7	16	
Sacoa S.r.l.	30-Sep-21	31	4			31-Dec-21	12		1	
	30-Sep-22	40	388			30-Sep-22	16		296	
Sacoa Servizi Telematici S.r.l.	30-Sep-21		13			31-Dec-21			25	
	30-Sep-22		40			30-Sep-22			3	
Segesta servizi per l'Ambiente S.r.l.	30-Sep-21	4				31-Dec-21	2			
	30-Sep-22	4				30-Sep-22	2	1		

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-Sep-21	56				31-Dec-21	19			
	30-Sep-22	46				30-Sep-22	11			
Consorzio Karabak Due Società Cooperativa	30-Sep-21	4				31-Dec-21	1			
	30-Sep-22	3				30-Sep-22	2			
Consorzio Karabak Quattro Società Cooperativa	30-Sep-21					31-Dec-21			1	
	30-Sep-22					30-Sep-22			1	
Consorzio Karabak Cinque Società Cooperativa	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Consorzio Karabak Sei Società Cooperativa	30-Sep-21					31-Dec-21				
	30-Sep-22					30-Sep-22				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
TOTAL	**30-Sep-21**	**12,066**	**35,452**	**17**	**559**	**31-Dec-21**	**16,825**	**16,677**	**21,925**	**14,972**
	30-Sep-22	**28,465**	**44,795**	**212**	**451**	**30-Sep-22**	**36,304**	**14,046**	**38,678**	**20,566**

ANNEX IV

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

	For the 9 months ended 30 September			
	2022		2021	
Cash and cash equivalents at the beginning of the period		**99,512**		**90,464**
Cash flow from current operations:		**50,226**		**14,740**
Profit before taxes	26,446		(5,623)	
Profit (loss) from discontinued operations	0		16	
Amortization, depreciation, write-downs (write-backs) of assets	29,593		31,130	
Accruals (reversals) of provisions	(1,285)		1,645	
Employee termination benefits provision	701		390	
Share of net profit of associates, net of dividends collected	(366)		(2,302)	
Financial charges (income) in the period	26,737		55,859	
Net interest received (paid) in the period	(26,289)		(42,834)	
Taxes paid in the period	(4,888)		(9,232)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the period	*(423)*		*(14,309)*	
Uses of provisions for risks and charges and payments of the employee termination indemnity:		**(3.441)**		**(2,958)**
Uses of employee terminations benefits	(1,409)		(960)	
Uses of provisions for risks and charges	(2,032)		(1,998)	
CHANGE IN NWOC:		**(59,100)**		**(32,012)**
Decrease (increase) in inventories	112		2,439	

	For the 9 months ended 30 September			
	2022		2021	
Decrease (increase) in trade receivables	(112,340)		(9,873)	
Changes in trade payables	53,129		(24,578)	
INDUSTRIAL AND FINANCIAL CAPEX:		**(48,732)**		**(27,200)**
(Purchase of intangible assets, net)	(2,674)		(2,417)	
(Purchase of property, plant and equipment)	(30,197)		(20,557)	
Sale of property, plant and equipment	1,057		771	
(Acquisition of investments, net)	(468)		1,017	
Decrease (increase) of financial assets	7,062		408	
Financial effects of business combinations	(11,296)		(1,914)	
Reclassifications:				
Net change in the balance of short-term financial assets	*(8,769)*		*449*	
Payables for acquisition of investments and business combinations	*(3,446)*		*(4,973)*	
Financial effects of discontinued operations	*0*		*16*	
CHANGE IN NET FINANCIAL LIABILITIES:		**42,196**		**47,198**
Change in finance lease debt	3,755		(155)	
New (repayment of) operating lease debt	(6,272)		(5,823)	
Acquisition of non-current borrowings	0		370,000	
Repayment of non-current borrowings	(240)		(334,205)	
Proceeds from/(repayment of) short-term bank debt	9,776		(2,734)	
Other changes in financial debt	19,163		(3,722)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the year	*423*		*14,309*	
Net change in the balance of short-term financial assets	*8,769*		*(449)*	
Non-cash elements on acquisitions of rights of use	*4,254*		*4,143*	
Financial effects of discontinued operations	*0*		*(16)*	
Payables for acquisition of investments and business combinations	*3,446*		*4,973*	
Distribution of reserves and other changes in Equity	*(878)*		*878*	
OTHER CHANGES:		**(33,442)**		**(17,480)**
Decrease (increase) in other current assets	(27,914)		203	

	For the 9 months ended 30 September			
	2022		2021	
Change in other current liabilities	1,578		(9,559)	
Dividends distributed	(918)		(293)	
Acquisition/assignment of minority interests of subsidiaries	(51)		(1,971)	
Differences arising from translation of financial statements in foreign currency	(2,760)		(839)	
Reclassifications:				
Non-cash elements on acquisitions of rights of use	*(4,254)*		*(4,143)*	
Distribution of reserves and other changes in Equity	*878*		*(878)*	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**47,218**		**72,750**

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