interim report on operation

at 31 march 2023

rekeep

minds that work

GENERAL INFORMATION

REGISTERED OFFICE

Via U. Poli, 4
Zola Predosa (Bo)

BOARD OF DIRECTORS

CHAIRMAN AND CEO
Giuliano Di Bernardo

VICE-CHAIRMAN
Riccardo Bombardini

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

BOARD OF STATUTORY AUDITORS

CHAIRMAN

Germano Camellini

STANDING AUDITORS
Marco Benni
Giacomo Ramenghi

ALTERNATE AUDITORS
Michele Colliva
Antonella Musiani

INDEPENDENT AUDITORS

EY S.p.A.

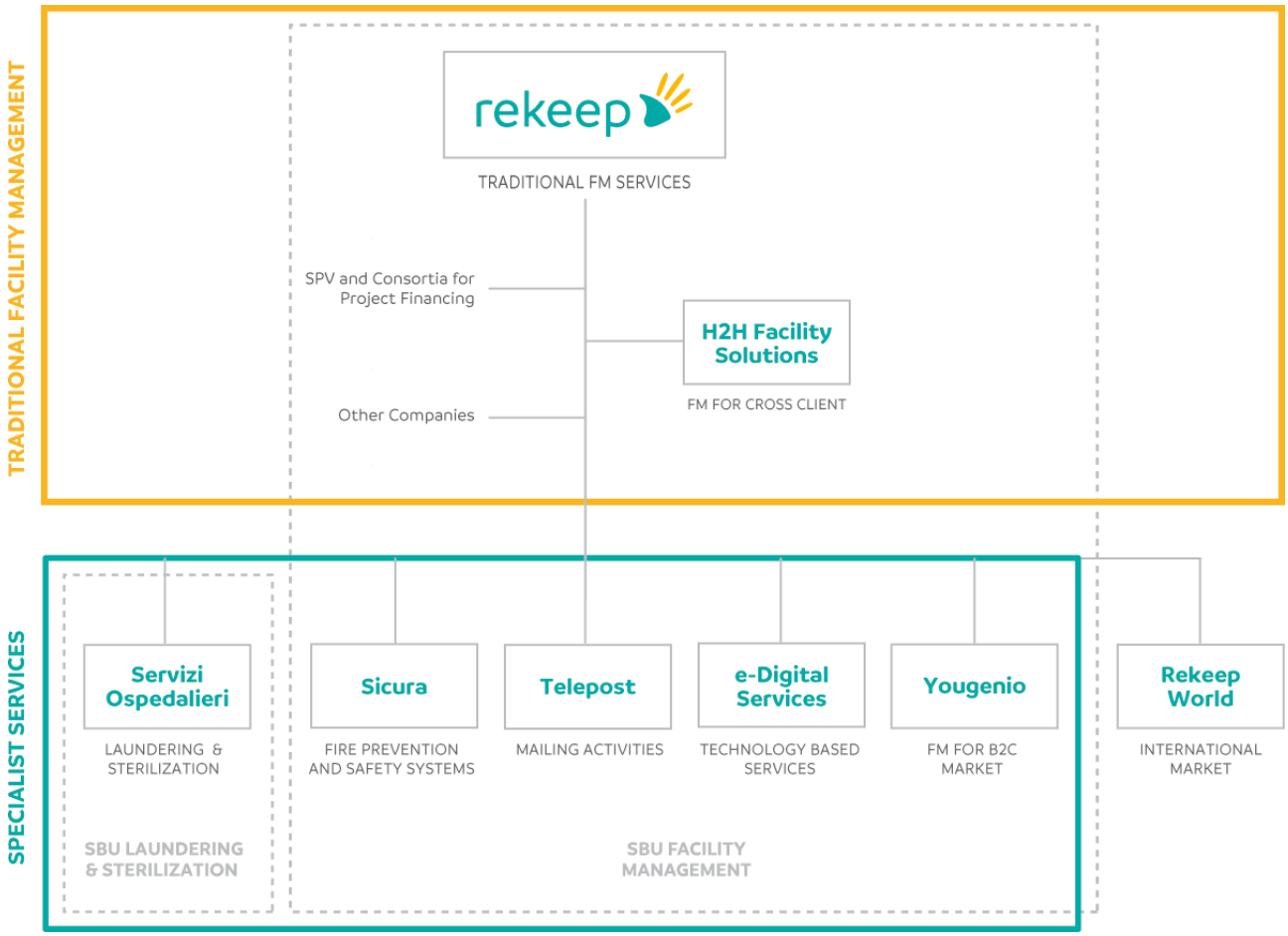
Interim Report on Operations

rekeep

minds that work

PREAMBLE

At 31 March 2023 the Group controlled by Rekeep S.p.A. was composed as follows:



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

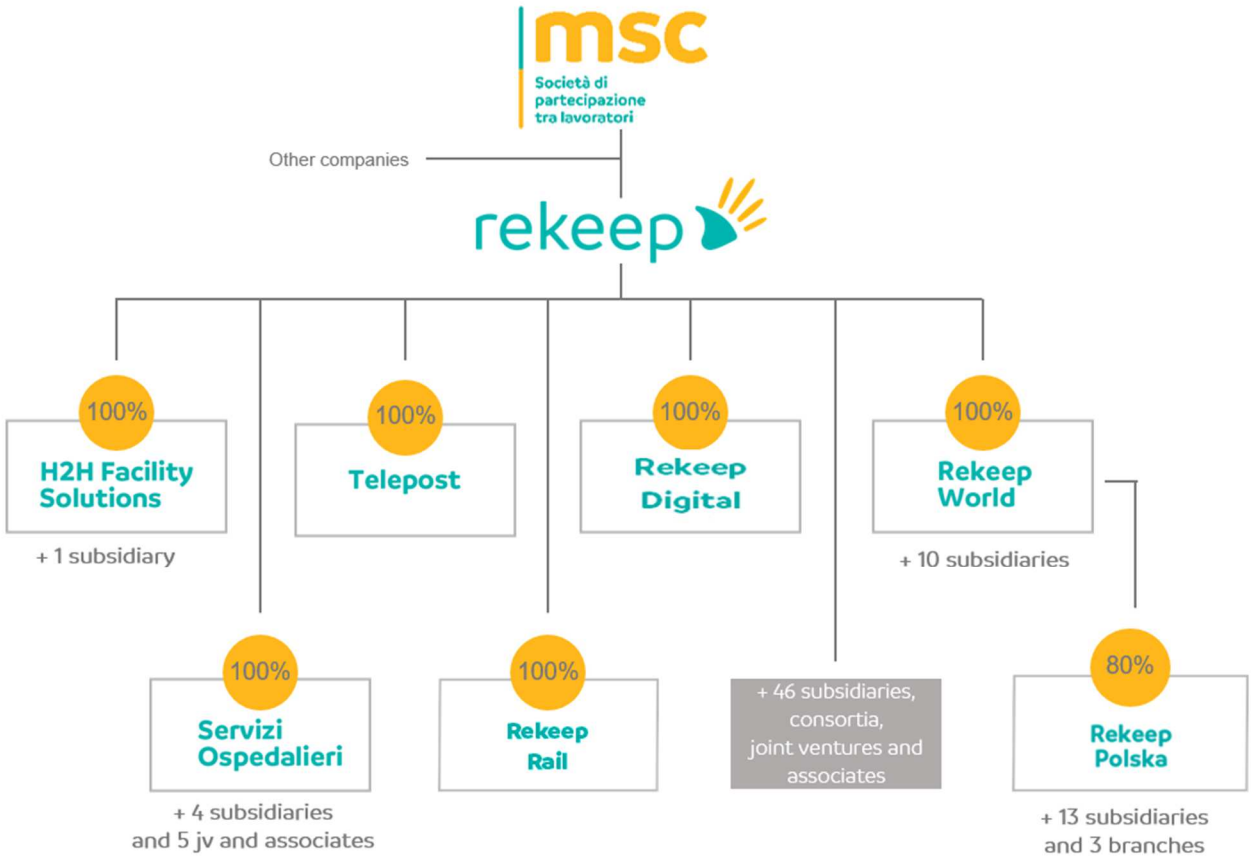
Furthermore, the Group started a major process of business development in international markets from the 2015 financial year, by establishing the sub-holding company Rekeep World S.r.l. and by the start-up of facility operations in France (through the sub-group controlled by Rekeep France S.a.S.), Turkey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

Shareholding structure

Ordinary shares issued by Rekeep S.p.A. and fully paid up at 31 March 2023 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., which also carries out Management and Coordination activities.

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

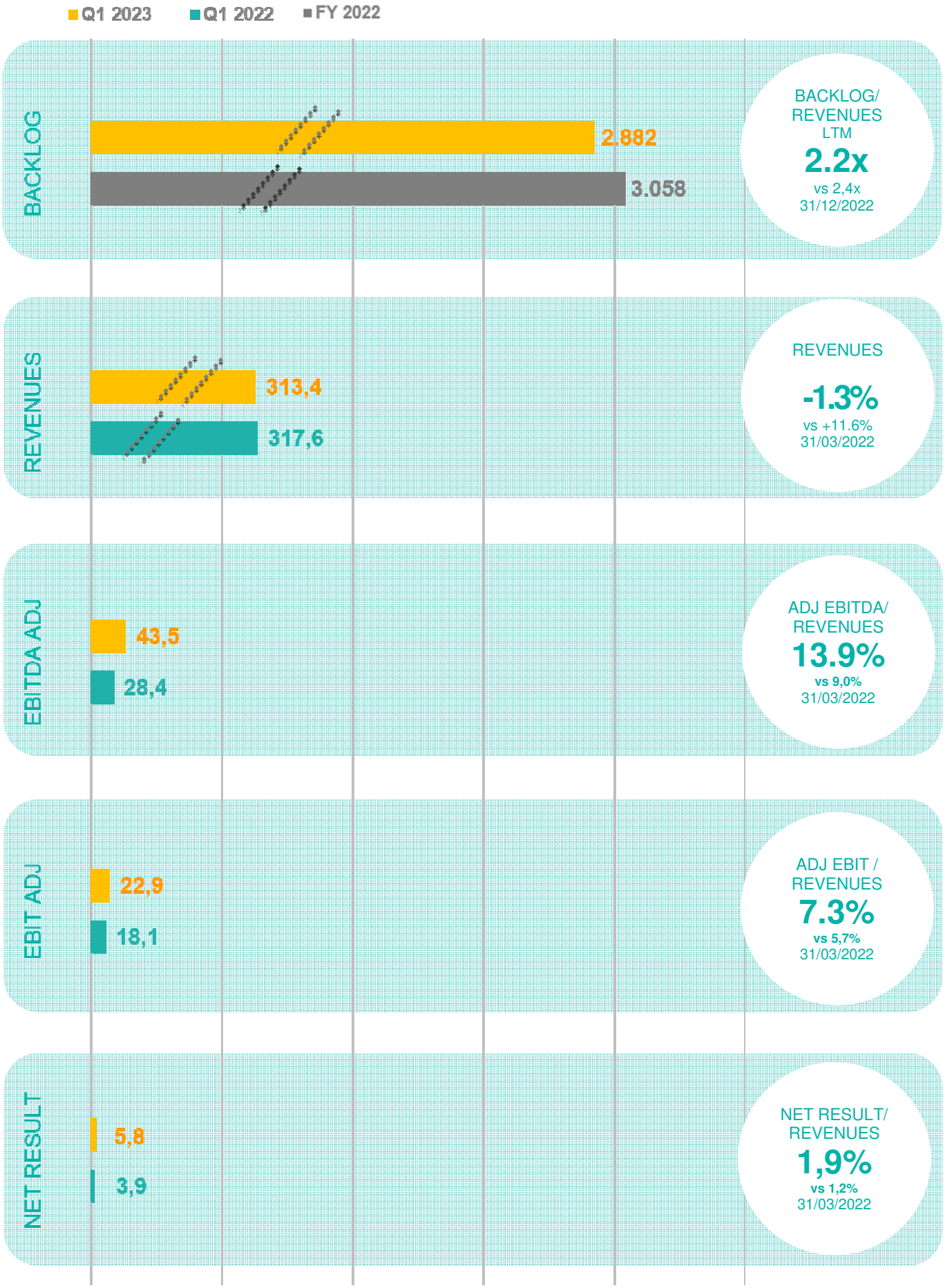


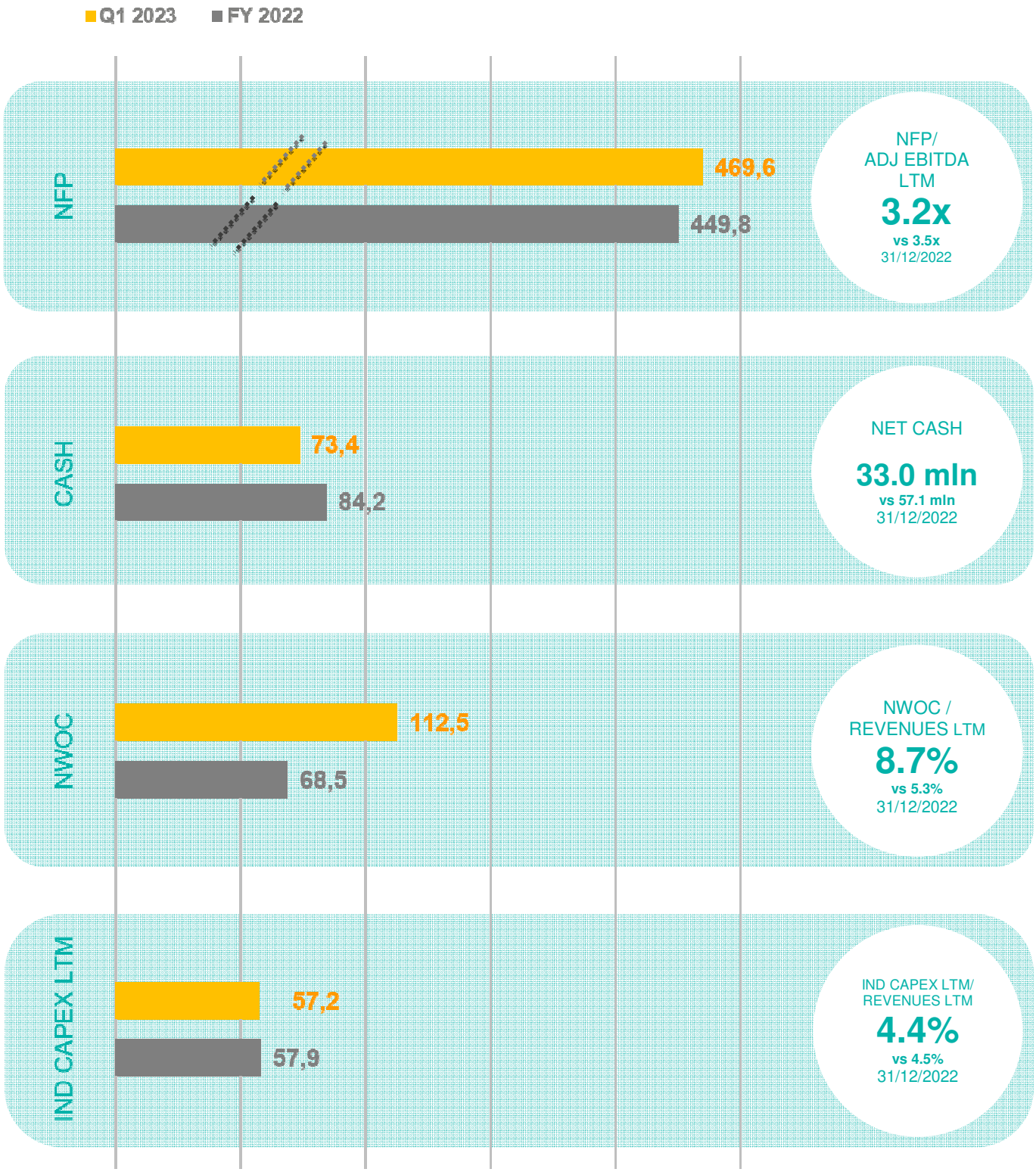
ALTERNATIVE PERFORMANCE MEASURES (NON-GAAP FINANCIAL MEASURES)

The Rekeep Group's management monitors and assesses the business performance and consolidated results of operations and cash flows by using various alternative performance indicators that are not defined under the international accounting standards IAS/IFRS ("APMs" or Non-GAAP measures") and that are set out below. The Group's management considers that these financial ratios, which are not explicitly expressed in the accounting standards adopted to prepare the Financial Statements, provide information which helps to understand and assess its 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 Guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance indicators (ESMA/2015/1415), which were adopted by CONSOB (Italian Securities and Exchange Commission) in its 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 not yet accrued and connected with the residual term of orders, which are held by the Group in the backlog.
Financial Capex	Financial capex is the net expenditure on the acquisition of equity investments on business combinations and on grants of long-term loans.
Industrial Capex	Industrial CAPEX are defined as the purchase of (i) Property, plant and equipment, (ii) Property, plant and equipment under lease (excluding lease and long-term hire agreements) and (iii) other intangible assets.
NWC	Consolidated Net Working Capital (NWC) is defined as the consolidated NWOC which is added the amount of other operating assets and liabilities (other current assets, other current liabilities, current tax receivables and payables, current provisions for risks and charges).
NWOC	Consolidated Net Working Operating Capital (NWOC) is composed of "trade receivables and advance to supplier" and "inventories", net of "trade payables and contract liabilities".
DPO	DPO (Days Payables Outstanding) is a weighted average of days for payment of consolidated trade payables calculated as the ratio of trade payables, net of VAT on the amounts already received from the supplier, and costs over the last 12 months related to external production factors (included the capex) multiplied by the days of the reference period.
DSO	DSO (Days Sales Outstanding) is a weighted average of days for collection of consolidated trade receivables calculated as the ratio of trade receivables, net of VAT on the amounts already billed to customers, and revenues over the last 12 months multiplied by the days of the reference period.

EBIT	EBIT represents the Profit (Loss) before taxes gross of: i) Financial charges; ii) Financial income;; iii) Dividend and income (loss) from sale of investments; iv) Share of net profit of associates; v) Profit (loss) on exchange rate. The Statement of Profit or Loss shows EBIT as "Operating Income".
EBITDA	EBITDA represents the Operating Income before allocations to the accrual of provisions for risks and amortization/depreciation, write-downs and write-backs of assets. EBITDA is a measure used by the 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 financial reporting years.
Net Cash	Net Cash is defined as the balance of "Cash and cash equivalents" net of: i) Bank overdrafts, advance payments and hot money; ii) Obligations arising from assignments of trade receivables with recourse.
Gross Debt	Gross Debt is defined as the sum of debts for principal referring to: i) Senior Secured Notes (face value); ii) Bank debts (face value); iii) Current bank overdraft, advance payments and hot money; iv) Obligations arising from assignments of trade receivables with recourse; v) Lease obligations; 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 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 of "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.
Financial indebtedness and Adjusted NWOC	Adjusted NWOC and Adjusted financial Indebtedness include the balance of the trade receivables assigned in the framework of the previous years' assignment without recourse programs and not yet collected by the factoring companies.


Q1 2023
Q1 2022
FY 2022
BACKLOG
2.882
3.058
BACKLOG/ REVENUES LTM
2.2x
vs 2,4x 31/12/2022
REVENUES
313,4
317,6
REVENUES
-1.3%
vs +11.6% 31/03/2022
EBITDA ADJ
43,5
28,4
ADJ EBITDA/ REVENUES
13.9%
vs 9,0% 31/03/2022
EBIT ADJ
22,9
18,1
ADJ EBIT / REVENUES
7.3%
vs 5,7% 31/03/2022
NET RESULT
5,8
3,9
NET RESULT/ REVENUES
1,9%
vs 1,2% 31/03/2022


Q1 2023
FY 2022
NFP
469,6
449,8
NFP/
ADJ EBITDA
LTM
3.2x
vs 3.5x
31/12/2022
CASH
73,4
84,2
NET CASH
33.0 mln
vs 57.1 mln
31/12/2022
NWOC
112,5
68,5
NWOC /
REVENUES LTM
8.7%
vs 5.3%
31/12/2022
IND CAPEX LTM
57,2
57,9
IND CAPEX LTM/
REVENUES LTM
4.4%
vs 4.5%
31/12/2022

SIGNIFICANT EVENTS OF THE FIRST QUARTER OF 2023

During the first quarter of 2023, the Group worked on putting the results it had achieved until that time on a sound financial footing in a structured manner; they were, in fact, still affected by the international and European economic, geopolitical, and social situation, which had emerged following the outbreak of the conflict between Russia and Ukraine in Eastern Europe on 24 February 2022, which is still ongoing at present.

Following a general rise in inflation, which had characterized the 2022 financial year, the trends in energy prices moderated in early 2023 and is expected to lead to a decline in inflation by the end of the year compared to the estimates prepared at the end of 2022.

In terms of results of operations, the first quarter of 2023 was still affected by the trends generated by changes in the price of energy, which showed a decline compared to the comparative quarter. Revenues for the period came to € 313.4 million, showing a decline of € 4.3 million compared to the same period of the previous year. LTM revenues amounted to € 1,290.01 million at 31 March 2023 (€ 1,294.4 million at 31 December 2022).

In terms of profit margins, Adjusted EBITDA came to € 43.5 million at 31 March 2023, with relative profit margins equal to 13.9% compared to € 28.4 million at 31 March 2022 (9.0% compared to revenues): the indicator thus showed an increase of € 15.0 million, although still being affected by general trends in prices and consequent measures. LTM Adjusted EBITDA then came to € 144.7 million at 31 March 2023 (€ 129.7 million at 31 December 2022).

In terms of financial performance, there was an increase in Net debt from € 449.8 million at 31 December 2022 to € 469.6 million at 31 March 2023, as was in Net working operating capital from € 68.5 million at 31 December 2022 to € 112.5 million at 31 March 2023, both of which reflect higher volumes recorded in the previous year and in the quarter, driven by the rise in energy prices.

Acquisition of the "Major Customers" business unit

On 22 December 2022 the Parent Company Rekeep S.p.A. signed the deed of acquisition from Sacoa S.r.l., part of the same group led by the parent company MSC Società di Partecipazione tra Lavoratori S.p.A., of a "Major Customers" business unit concerning a unitarily organized set of legal relationships, assets, persons and activities for the provision of payroll processing services delivered to Rekeep and its subsidiaries.

The transfer of the business unit will become effective from 1 January 2023 and took place at the price of € 0.8 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 prospective accounting position at 31 December 2022, in addition to an adjustment calculated on the final book value of the business unit as at the date of transfer. Within this transaction, Rekeep proceeded with the insourcing of Rekeep's payroll processing and calculation, which had been previously entrusted to Sacoa, thus also achieving savings.

Request for international arbitration on the part of subsidiary Rekeep Saudi CO Ltd

On 10 April 2023, our subsidiary Rekeep Saudi CO Ltd, based in Saudi Arabia, received from its customer OPS LLC a formal notice of termination (Notice of Termination) due to a serious breach of the contract concerning the operation and maintenance services that the subsidiary is currently delivering in relation to four lines of the Riyadh Metro. On 12 April 2023, Rekeep Saudi CO Ltd rejected the notice since it claimed that the alleged serious breach underlying the Notice of Termination was unfounded; on 10 May, it challenged the Notice of Termination by filing its request for arbitration before the International Chamber of Commerce (ICC) in Paris in order to seek a decision declaring the illegality of the challenged act and ordering OPS LLC to compensate for any and all damages. On 12 May 2023 Rekeep Saudi CO Ltd also served OPS LLC with a notice of termination of contract due a serious breach on the part of OPS LLC.

The Group's management believes that the subsidiary has fulfilled its obligations under the contract and intends to defend its position. The Metro Riyadh contract was not included in the consolidated backlog as at 31 March 2023.

Business development

During the first quarter of 2023 the Group gained orders for an overall long-term amount of € 219.9 million, of which € 189.5 million relating to extensions and renewals of contracts already included in its sales portfolio and € 30.4 million relating to the development of a new portfolio. The value of contracts acquired in International Markets was equal to about 25.1% of the total orders gained during the period.

New contracts in the Healthcare sector amounted to € 163.1 million at 31 March 2023 (about 74.1% of total orders gained) against orders gained for € 32.9 million in the Public sector (15.0% of the total) and € 23.9 million in the Private sector (10.9% of the total). In terms of Strategic Business Unit ("SBU"), Facility Management (which also includes International Markets) obtained contracts of € 204.8 million while Laundering&Sterilization obtained contracts of € 15.1 million.

In particular, the Group completed two projects in the Healthcare market, aimed at maintaining the portfolio in two major Italian hospital complexes. On the International Markets front, we must note major orders for the Rekeep Polska Group, which 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, while in France the Group was awarded an additional contract concerning cleaning and ancillary services at some local hospitals.

Moreover, the subsidiary Servizi Ospedalieri S.p.A. gained new contracts for linen rental and industrial laundering services and contracts were renewed for both linen rental and industrial laundering services and sterilization services, which were already included in the portfolio at various local hospital trusts.

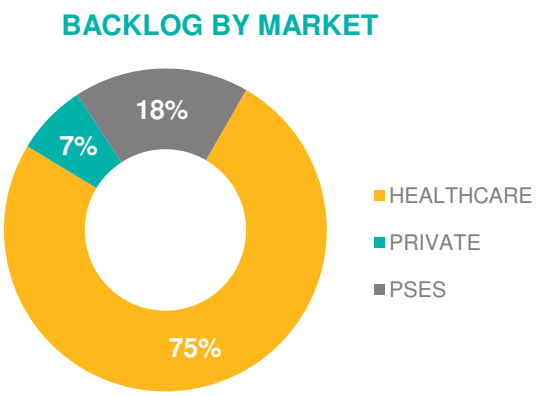
As regards the public Market, additional contracts for hygiene and energy services were signed at some municipality facilities.

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

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

	31 March 2023	31 December 2022	31 December 2021
Backlog	2,882	3,058	2,950

At 31 March 2023 the **Backlog** came to € 2,882 million, showing a decrease compared to the value posted at the end of 2022 (€ 3,058 million) and at the end of 2021. On the other hand, the Backlog/Revenues ratio was 2.3x (2.4x at 31 December 2022).



1. SUMMARY OF RESULTS OF THE FIRST QUARTER OF 2023

	For the Quarter ended 31 March		
	2023	2022	%
Revenues	313,373	317,626	-1.3%
of which Revenues - International Markets	*51,522*	*45,963*	
Adjusted EBITDA (*)	43,468	28,431	+52.9%
Adjusted EBITDA % of Revenues	13.9%	9.0%	
Adjusted EBIT (*)	22,853	18,134	+26.0%
Adjusted EBIT % of Revenues	7.3%	5.7%	
Consolidated net result	5,830	3,945	
Consolidated net result % on Revenues	1.9%	1.2%	

	31 March 2023	31 December 2022	31 March 2022
Net Working Operating Capital (NWOC)	112,493	68,507	71,852
Financial indebtedness	(469,590)	(449,776)	(418,257)

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

2. GROUP'S PERFORMANCE OF OPERATIONS AND CONSOLIDATED FINANCIAL POSITION AT 31 MARCH 2023

2.1. Consolidated performance of operations in the first quarter of 2023

Below are reported the main income figures relating to the first quarter of 2023 compared to the figures in the same period of 2022.

(in thousands of Euro)	For the quarter ended 31 March		Change
	2023	2022	
Revenues	313,373	317,626	(4,253)
Costs of production	(270,803)	(290,043)	19,240
EBITDA	**42,570**	**27,583**	**14,987**
EBITDA %	**13.6%**	**8.7%**	
Amortization, depreciation, write-downs and write-backs of assets	(10,022)	(9,917)	(105)
Accrual and reversal of provisions for risks and charges	(10,593)	(530)	(10,063)
Operating Income (EBIT)	**21,955**	**17,136**	**4,819**
EBIT %	**7.0%**	**5.4%**	
Share of net profit of associates	68	159	(91)
Net financial charges	(12,411)	(9,022)	(3,389)
Profit before taxes (EBT)	**9,612**	**8,273**	**1,339**
EBT %	**3.1%**	**2.6%**	
Income taxes	(3,782)	(4,328)	546
Profit (loss) from continuing operations	**5,830**	**3,945**	**1,885**
Profit (loss) from discontinued operations	0	0	0
CONSOLIDATED NET PROFIT (LOSS)	**5,830**	**3,945**	**1,885**
CONSOLIDATED NET PROFIT (LOSS) %	**1.9%**	**1.2%**	
Minority interests	(312)	(83)	(229)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**5,518**	**3,862**	**1,656**
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	**1.8%**	**1.2%**	

NON-RECURRING EVENTS AND TRANSACTIONS

During the first quarter of 2023 the Rekeep Group recognized, in the Statement of Profit/Loss for the period, some "non-recurring" financial items which impacted on the normal dynamics of the consolidated results. Pursuant to CONSOB Communication DEM/6064293 of 28 July 2006, "*significant non-recurring events and transactions*" mean events or transactions whose occurrence is non-recurring or those transactions or events that are not repeated frequently as part of normal operations and have a significant impact on the financial position, results of operations and cash flows of Group companies.

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

(in thousands of Euro)	For the period ended 31 March	
	2023	2022
Legal advice on pending administrative disputes	0	234
Structural reorganization consulting fees	715	596
M&As and extraordinary transactions by Group companies	183	18
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA	**898**	**848**
Non-recurring provisions for risks on contracts	0	150
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA AND EBIT	**898**	**998**

During the first quarter of 2023 the Group incurred additional non-recurring costs totaling € 0.9 million, of which an amount of € 0.7 million for the reorganization of company functions and an amount of € 0.2 million for M&As in foreign countries.

During the first quarter of 2022 there was the recognition of non-recurring costs for legal disputes pending with AGCM and Consip S.p.A. (€ 0.2 million) and the reorganization of company functions (e 0.6 million), in addition to non-recurring costs impacting on EBIT due to a provision set aside for additional costs that were expected to be incurred on some energy contracts.

Consolidated Adjusted EBITDA and EBIT are thus represented as follows:

(in thousands of Euro)	For the quarter ended 31 March	
	2023	2022
EBITDA	**42,570**	**27,583**
Non-recurring charges (income) impacting on EBITDA	898	848
Adjusted EBITDA	**43,468**	**28,431**
Adjusted EBITDA % on Revenues	**13.9%**	**9.0%**

(in thousands of Euro)	For the quarter ended 31 March	
	2023	2022
EBIT	**21,955**	**17,136**
Non-recurring charges (income) impacting on EBITDA and on EBIT	898	998
Adjusted EBIT	**22,853**	**18,134**
Adjusted EBIT % on Revenues	**7.3%**	**5.7%**

REVENUES

During the period ended 31 March 2023 the Group recorded ***Revenues*** of € 313.4 million, against € 317.6 million in the same period of the previous year, recording a negative change of € 4.3 million (-1.3%).

The performance of revenues for the period was affected by falling prices, particularly of energy, which has an impact on the pricing charged to customers, particularly on energy services. Furthermore, there was the termination of some contracts in the portfolio during the quarter, which were only partially offset by the entry of projects into full operation under the contracts acquired in 2022 and the first quarter of 2023, above all in the Healthcare sector. The performance of the International Markets was positive (+ €5.6 million), thanks to the contribution given by the Group controlled Rekeep Polska and the French subsidiaries in the Healthcare sector, which more than offset the lack of contribution in terms of revenues recorded by subsidiary Rekeep Saudi Co Ltd in Saudi Arabia, as a result of what was reported above in the preamble.

The breakdown of the consolidated Revenues in the first quarter of 2023 is provided below by target Market, compared to the value posted in the same period of the previous year.

REVENUES BY MARKET

(in thousands of Euro)	For the quarter ended 31 March			
	2023	% of total Revenues	2022	% of total Revenues
Public Authorities	63,211	20.2%	72,679	22.9%
Healthcare	194,589	62.1%	182,748	57.5%
Private Customers	55,573	17.7%	62,199	19.6%
CONSOLIDATED REVENUES	**313,373**		**317,626**	

Revenues in the Healthcare sector increased by € 11.8 million during the period compared to the same period of 2022, from € 182.8 million to € 194.6 million, thus accounting for 62.1% of total consolidated Revenues. The increase that was recorded by the market benefitted from the contribution given by both sectors, Facility Management, which also includes the International Markets and, in particular, the sub-group controlled by Rekeep Polska, which mainly operates in the Healthcare sector, and Laundering&Sterilization: the performance of both sectors benefitted from the entry of projects into full operation under the contracts gained during the second part of the last financial year.

An opposite trend was instead recorded by the performance in the Private and Public sectors, showing respectively a decrease in volumes equal to €6.6 million and €9.5 million compared to the first quarter of 2022. In particular, these specific revenues were affected by a different portfolio mix during the first quarter of 2023 than in the same period of the previous year, with the termination of contracts from customers in the Private and Public sectors, which were only partially offset by new contracts in the same markets. Finally, it is the Public market, along with the Healthcare market, which is most affected by the impact of the price effect on energy contracts as a result of the change in the cost of raw material.

Analysis of revenues by Segment

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

REVENUES BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2023	**% of total Revenues**	**2022**	**% of total Revenues**
Facility Management	278,438	88.9%	283,861	89.4%
of which International markets	*51,522*	*16.4%*	*45,963*	*14.5%*
Laundering & Sterilization	39,871	12.7%	34,629	10.9%
Eliminations	(4,936)		(864)	
CONSOLIDATED REVENUES	**313,373**		**317,626**	

Revenues of the Facility Management SBU showed a decrease of € 5.4 million (-1.9%) during the first quarter of 2023 compared to the same period of the previous year, from € 283.9 million at 31 March 2022 to € 278.4 million at 31 March 2023.

Revenues in the sector were affected by the trend reported in Energy prices, as well as by a change in the portfolio. The International Markets provided a contribution of € 51.5 million to the sector (+12.09%).

On the other hand, revenues of the Laundering&Sterilization SBU increased from € 34.6 million for the period ended 31 March 2022 to € 39.9 million for the period ended 31 March 2023. Therefore, an increase of € 5.2 million was recorded during the period in the sector, which benefitted from the entry of projects into full operation under some contracts started during the second half of 2022.

The Facility Management SBU recorded, on total consolidated revenues for the quarter, a relative weight of 88.9% (89.4% in the first quarter of 2022).

EBITDA

The Group's EBITDA amounted to € 42.6 million in the period ended 31 March 2023, showing an increase of € 15.0 million compared to the same period of the previous year (€ 27.6 million). However, it should be noted that, during the two comparative periods, EBITDA expensed non-recurring costs of € 0.9 million in both periods. Therefore, Adjusted EBITDA, excluding these non-recurring items, amounted to € 43.5 million at 31 March 2023 against Adjusted EBITDA of € 28.4 million at 31 March 2022 (+ € 15.0 million).

Below is provided a comparison of EBITDA by segment for the period ended 31 March 2023 and the period ended 31 March 2022:

EBITDA BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2023	**% of Revenues of the segment**	**2022**	**% of Revenues of the segment**
Facility Management	35,357	12.7%	20,467	7.2%
of which International markets	*155*		*1,784*	
Laundering&Sterilization	7,212	18.1%	7,117	20.6%
CONSOLIDATED EBITDA	**42,570**	**13.6%**	**27,583**	**8.7%**

The Facility Management sector showed EBITDA of € 35.4 million at 31 March 2023, showing an increase of € 14.9 million against € 20.5 million in the same period of the previous year, despite the negative performance in terms of EBITDA of International Markets for € 1.6 million, of which an amount of € 3.0 million relating to the losses reported by Rekeep Saudi Co Ltd, as a result of what has already been described above. Even excluding the non-recurring items that affected the consolidated results during the two comparative periods, which had an impact on the sector equal to € 0.6 million and € 0.8 million, respectively, Adjusted EBITDA by segment came to € 35.9 million at 31 March 2023 compared to € 21.3 million at 31

March 2022 (+€ 14.6 million). The change in EBITDA recorded in the business segment during the first quarter of the year was still affected by the consequences of the ongoing conflict in Eastern Europe and by the consequent trends in prices, particularly those of energy, which showed a decrease during the first quarter of 2023 compared to the comparative period, thus having an impact on revenues, as already previously described and reducing pressure on costs at the same time. Furthermore, EBITDA for the period 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 supplemented, as partial compensation for higher costs of € 27.1 million in the sector incurred for electricity and natural gas during the first quarter of the year, equal to €15.2 million in the segment (the benefit had not been recognized during the first quarter of the previous year since it was introduced only from the second quarter of 2022).

EBITDA in the Laundering&Sterilization business segment came to € 7.2 million during the first quarter of 2023, in line with the first quarter of the previous year (+ € 0.1 million). After excluding non-recurring elements which affected the consolidated results during the first quarter of 2023 and which impacted on this segment for € 0.3 million (no non-recurring charge was reported during the first quarter of 2022), Adjusted EBITDA by segment came to € 7.6 million at 31 March 2023 against €7.1 million at 31 March 2022. The result in terms of EBITDA in the Laundering&Sterilization business segment depends on the trend in revenues, which has been already analyzed. Furthermore, this segment too benefited from the recognition of the tax credit for electricity and natural gas, to cover a percentage of the costs incurred during the first quarter of 2023, equal to € 0.9 million (the benefit had not been available in the first quarter of 2022)

Costs of production

Costs of production, which amounted to € 270.8 million at 31 March 2023, showed a decrease of € 19.2 million in absolute value compared to € 290.0 million at 31 March 2022 (- 6.6%), in line with the trend recorded for revenues.

(in thousands of Euro)	For the quarter ended 31 March			
	2023	**% of total**	**2022**	**% of total**
Costs of raw materials and consumables	68,369	25.2%	93,829	32.4%
Change in inventories of finished and semi-finished products	47	0.02%	(70)	0.0%
Costs for services and use of third-party assets	77,879	28.8%	78,285	27.0%
Personnel costs	122,455	45.2%	114,684	39.5%
Other operating costs	2,283	0.8%	3,315	1.1%
Lower costs for internal work capitalized	(230)	N.A.	0	0.0%
TOTAL COSTS OF PRODUCTION	**270,803**	**100.0%**	**290,043**	

Costs of raw materials and consumables during the first quarter of 2023 amounted to € 68.4 million, down by € 25.5 million (-27.1%) compared to the value posted in the first quarter of 2022, which led to a reduction in the impact on total Costs of Production (25.2% at 31 March 2023 compared to 32.4% at 31 March 2022). The change in the item was mainly linked to the decrease in costs for fuel consumption and other energy resources following the decline in the price of raw materials compared to the same period of the previous year, when inflationary pressure was most pronounced. Furthermore, contrary to the comparative quarter, the impact of costs of energy raw materials 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 supplemented, as partial compensation for the higher costs incurred for the purchase of electricity and natural gas as from the first quarter of the year, which amounted to € 16.0 million for the Group (the benefit had not been recognized during the first quarter of the previous year since it was introduced only from the second quarter of 2022).

Costs for services and use of third-party assets came to € 77.9 million at 31 March 2023, down by € 0.4 million compared to the value posted at 31 March 2022 (€ 78.3 million) with an impact on total Costs of production, equal to 28.8% (27.0% in the comparative period). The trend in the related incidence of *Costs for services and use of third party assets* on the total was directly due to production activities (third-party and professional services, as well as consortia costs), which are typically linked to the mix of services being delivered and to any possible resulting make-or-buy choices.

Personnel costs showed an increase of € 7.8 million in absolute terms (+ 6.8%) from € 114.7 million at 31 March 2022 to € 122.5 million at 31 March 2023, with an incidence on total Costs of Production equal to 45.2% at 31 March 2023 (against 39.5% at 31 March 2022).

The average number of employees in service during the first quarter of 2023 was equal to 25,944 units, while it was 26,891 during the same period in the previous year (of which: 24,070 against 25,121 manual workers). As it was said for costs for services, the trend in the number of Group employees, and in particular manual workers, was closely related to the mix of services being delivered, as well as to the impact of related costs on total operating costs.

Finally, *Other operating costs* at 31 March 2023 amounted to € 2.3 million (€ 3.3 million at 31 March 2022), down by € 1.0 million compared to the same period of the previous year. The item mainly includes taxes, penalties and other operating costs.

Operating income (EBIT)

In the first quarter of 2023 consolidated Operating Income (**EBIT**) stood at € 22.0 million (equal to 7.0% of Revenues) against €17.1 million (equal to 5.4% of Revenues) for the same period in 2022.

EBIT for the period was affected by the above-mentioned consolidated performance in terms of EBITDA (+ € 15.0 million compared to the previous year), from which must be deducted higher *amortization and depreciation* for € 0.5 million (€ 10.0 million at 31 March 2023, against € 9.5 million in the same period of the previous year), and *Accruals to provisions for risks and charges* (net of reversals) for € 10.2 million, including non-recurring provisions recognized in the first quarter of 2022 for € 0.2 million, while adding lower *write-downs* of trade receivables (net of releases) and other assets for € 0.4 million.

Adjusted EBIT (which recognized the same non-recurring items impacting on Adjusted EBITDA) came to € 22.9 million and € 18.1 million at 31 March 2023 and 31 March 2022, respectively, with relative profit margins (Adjusted EBIT/Revenues), equal to 7.3% and 5.7%, respectively.

Below is a comparison of Operating Income (EBIT) by business segment for the period ended 31 March 2023 and 31 March 2022:

EBIT BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2023	**% of Revenues by segment**	**2022**	**% of Revenues by segment**
Facility Management	20,090	7.2%	15,204	5.4%
of which International markets	*(10,842)*		*963*	
Laundering&Sterilization	1,864	4.7%	1,932	5.6%
CONSOLIDATED EBIT	**21,955**	**7.0%**	**17,136**	**5.4%**

EBIT in the *Facility Management* segment came to € 20.1 million at 31 March 2023, showing an increase of € 4.9 million compared to 31 March 2022, with operating profit margins reaching 7.2% of segment Revenues (5.4% at 31 March 2022). Adjusted EBIT by segment showed an increase from € 16.2 million at 31 March 2022 to € 20.6 million at 31 March 2023.

Adjusted EBIT by segment reflected the abovementioned performance in terms of adjusted EBITDA (+ € 14.6 million), from which must be deducted higher amortization and depreciation for € 0.3 million, and higher accruals, net of releases on provisions for future risks and charges and non-recurring items for € 10.1 million and to which must be added lower write-downs of trade receivables (net of releases) for € 0.4 million.

EBIT by segment in the *Laundering&Sterilization* segment showed a decrease of € 0.1 million and profit margins of 4.7% in terms of EBIT on related Revenues by segment (5.6% at 31 March 2022).

Adjusted EBIT by segment increased from €1.9 million at 31 March 2022 to € 2.2 million at 31 March 2023, reflecting the positive performance in terms of Adjusted EBITDA during the first quarter of 2023 compared to the same period of the previous year (+€ 0.4 million), as well as higher amortization and depreciation for € 0.2 million.

Profit before taxes from continuing operations

To the consolidated EBIT must be added the net proceeds of companies valued at equity, equal to € 0.1 million (€ 0.2 million during the same period in the previous year).

Net financial charges of € 12.4 million (€ 9.0 million at 31 March 2022), thus obtaining a Result before taxes from continuing operations of € 9.6 million (against € 8.3 million at 31 March 2022).

Below is provided the breakdown by nature of net financial charges for the first quarter of 2023 compared to the same period of the previous year:

(in thousands of Euro)	For the quarter ended 31 March	
	2023	**2022**
Dividends, income (charges) from sale of equity investments	(99)	7
Financial income	323	251
Financial charges	(12,306)	(9,730)
Profit (loss) on exchange rate	(329)	450
NET FINANCIAL CHARGES	**(12,411)**	**(9,022)**

Charges from sale of equity investments were stated for €0.1 million during the first quarter of 2023 (a non-significant amount at 31 March 2022).

Financial income amounted to € 0.3 million in the first quarter of 2023, in line with the value posted in the same period of 2022.

During the period the impact of *financial charges* on the consolidated results of operations was equal to € 12.3 million compared to € 9.7 million for the same period of 2022, recording an increase of €2.6 million.

The financial charges accrued on the coupons of the Senior Secured Notes amounted to € 6.2 million in the first quarter of 2023 (€ 6.5 million in the same period of the previous year). The upfront fees relating to the issue of the Senior Secured Notes

in 2021 and accounted for according to the amortized cost method entailed financial amortization charges of € 0.4 million during the period (unchanged compared to 31 March 2022).

At the same time as the bond issue, the Parent Company entered into a new Super Senior Revolving loan agreement for € 75.0 million, the costs of which (initially equal to € 1.3 million) are also amortized on a straight-line basis throughout the term of the credit facility and entailed the payment of di financial charges of € 0.2 million for the period (including commitment fees charged by banks), in line with the same period in the previous year. Furthermore, the use of the credit facility during the period led to charging financial costs of € 0.4 million (€ 0.2 million at 31 March 2022).

Interest discount costs were also recognized for € 1.0 million during the first quarter of 2023 in relation to non-recourse assignments of trade and VAT receivables (€ 0.6 million in the same period of the previous year).

Furthermore, assignments with recourse and reverse factoring facilities generated financial costs of €1.0 million at 31 March 2023, against financial costs of €0.3 million at 31 March 2022.

Finally, foreign exchange losses of € 0.3 million were recorded at 31 March 2023, mainly linked to the fluctuations in Euro/ Turkish Lira and Saudi Riyal exchange rates during the period.

Consolidated net result

From the Result before taxes from continuing operations for the period (equal to € 9.6 million) must be deducted taxes of € 3.8 million, thus obtaining a consolidated Net result of € 5.8 million (€3.9 million at 31 March 2022).

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

(in thousands of Euro)	For the period ended 31 March	
	2023	**2022**
Profit before taxes from continuing operations	**9,612**	**8,273**
Current, prepaid and deferred IRES tax	(2,324)	(3,169)
Current, prepaid and deferred IRAP tax	(1,458)	(1,159)
Consolidated net result	**5,830**	**3,945**
Overall tax rate	**39.3%**	**52.3%**

The consolidated tax rate stood at 39.3% at 31 March 2023 compared to a Profit (loss) before tax, which showed an increase compared to the same period of the previous year, equal to €1.3 million; lower taxes were recorded for €0.5 million. The effect was mainly due to the exemption from taxation of the aforementioned electricity and gas tax credit recognized in the first quarter of 2023.

2.2 Analysis of the Statement of financial position as at 31 March 2023

The statement of Sources and Uses is reported below:

(in thousands of Euro)	31 March 2023	31 December 2022
USES		
Trade receivables and advances to suppliers	560,265	537,227
Inventories	12,860	12,088
Trade payables and contract liabilities	(460,632)	(480,808)
Net working operating capital	**112,493**	**68,507**
Other elements of working capital	(125,866)	(120,289)
Net working capital	**(13,373)**	**(51,782)**
Property, plant and equipment	94,540	93,249
Right-of-use assets	55,477	54,625
Goodwill and other intangible assets	422,712	423,223
Investments accounted for under the equity method	11,240	10,121
Other elements of non-current assets	35,013	51,270
Fixed Assets	**618,982**	**632,488**
Non-current liabilities	(56,643)	(57,972)
NET INVESTED CAPITAL	**548,966**	**522,734**
SOURCES		
Equity attributable to non-controlling interests	6,318	6,096
Equity attributable to equity holders of the parent	73,058	66,862
Shareholders' equity	**79,376**	**72,958**
Net financial indebtedness	469,590	449,776
of which fair value of call options on subsidiaries' non-controlling interests	*16,329*	*16,046*
FINANCING SOURCES	**548,966**	**522,734**

Net working capital

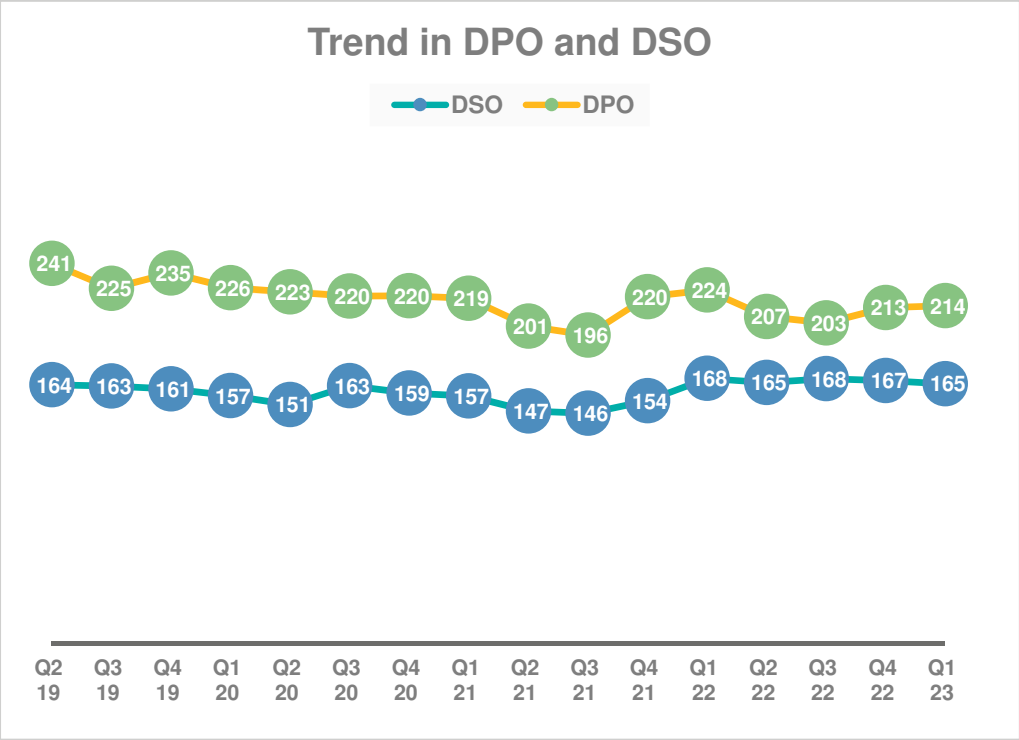
At 31 March 2023 Consolidated Net Working Capital (**NWC**) posted a negative value of € 13.3 million against a negative value of NWC of € 51.8 million at 31 December 2022.

At 31 March 2023, the consolidated Net Working Operating Capital (**NWOC**), composed of trade receivables and advances to suppliers and inventories, net of trade payables and contract liabilities, was equal to € 112.5 million against € 68.5 million at 31

December 2022. Considering the balance of receivables assigned without recourse by the Group and not yet collected by the factoring agencies (equal to € 79.8 million at 31 March 2023 and € 101.5 million at 31 December 2022) the **Adjusted NWOC** stood at € 192.3 million and € 170.0 million, respectively, during the two comparative periods.

The change in the latter indicator (+ € 22.3 million) was linked to a change in the balance of trade payables (- € 20.2 million) against an increase in trade receivables (+ € 1.4 million, while considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring companies) and a change in the balance in inventories (+ € 0.8 million). At 31 March 2023, the Adjusted NWOC was still affected by higher volumes recorded on both trade payables and receivables caused by the well-known rise in energy prices, which had started during 2022.

At 31 March 2023 average DSO was 165 days against 167 days at 31 December 2022 and 168 days at 31 March 2022. Furthermore, average DPO stood at 214 days, showing an increase compared to the value posted at 31 December 2022 (213 days), but showing a decrease compared to 31 March 2022 (224 days). After excluding the benefit of the energy and gas tax credits for the period, the average DPO would stand at 183 days and 192 days at 31 March 2023 and 31 December 2022, respectively. The trends that were recorded in DSO, as well as in DPO, were also linked to the 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 31 March 2023 was a net liability of € 125.9 million, up by € 5.6 million compared to a net liability of € 120.3 million at 31 December 2022:

(in thousands of Euro)	31 March 2023	31 December 2022	Change
Current tax receivables	5,082	8,671	(3,589)
Other current assets	73,126	59,211	13,915
Provisions for risks and charges, current	(27,594)	(18,483)	(9,111)
Current tax payables	(426)	(21)	(405)
Other current liabilities	(176,054)	(169,667)	(6,387)
OTHER ELEMENTS IN WORKING CAPITAL	**(125,866)**	**(120,289)**	**(5,577)**

The change in the net liability of other working capital elements, compared to 31 December 2022 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" (+ € 7.7 million). These credit balances allowed, during the first quarter of 2023, the performance of assignments without recourse of the balances on account of refund required from the Tax Authorities, for a total amount of € 3.9 million;
- an increase in the balance of tax credits claimed from the Tax Authorities, which includes, among others, the tax credit granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as supplemented, as partial compensation for higher costs incurred for the purchase of electricity and natural gas, which amounted to € 28.6 million for the Group at 31 March 2023, and which had not yet been used at the end of the period (€ 24.2 million at 31 December 2022);
- the payment of higher guarantee deposits on new annual electricity and gas utility contracts for € 1.8 million;
- an increase in the balance of net current tax receivables, equal to € 4.7 million at 31 March 2023 against a net receivable of € 8.7 million at 31 December 2022.

Furthermore, "Other current liabilities" include the residual balance of € 64.0 million of the liability recorded by the parent Company Rekeep S.p.A. following the service of the Competition Authority's updated order concerning the Consip FM4 tender and the subsequent entry of the requested amount in the taxpayers' list on the part of the Revenue Agency, subject to a payment plan of no. 72 monthly installments sent on 22 December 2020 (initially equal to € 82.2 million).

Other long-term liabilities

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

- defined-contribution plans for employee benefits, mainly including Employee Termination Benefits (TFR), equal to € 9.7 million and € 10.0 million at 31 March 2023 and 31 December 2022, respectively;
- the long-term portion of Provisions for risks and charges (€ 29.1 million at 31 March 2023 against € 30.2 million at 31 December 2022);
- deferred tax liabilities of € 16.3 million at 31 March 2023 (€ 15.8 million at 31 December 2022);
- other non-current liabilities, equal to €1.5 million at 31 March 2023 (€2.0 million at 31 December 2022).

Consolidated financial indebtedness

The breakdown of financial indebtedness at 31 March 2023 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 the 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 31 March 2023 is compared with the figures at 31 December 2022.

(in thousands of Euro)	**31 March 2023**	**31 December 2022**
A. Cash	167	162
B. Cash equivalents (c/a, bank deposits and consortia, non-proprietary accounts)	73,255	84,081
C. Other current financial assets	16,111	7,017
D. Liquidity (A) + (B) + (C)	**89,533**	**91,260**
E. Current financial liabilities	131,080	106,275
F. Current portion of non-current debt	18,949	26,153
G. Current financial indebtedness (E)+(F)	**150,030**	**132,428**
H. Current net financial indebtedness (G) - (D)	**60,497**	**41,168**
I. Non-current financial liabilities	44,155	44,067
J. Debt instruments	364,939	364,541
K. Trade payables and other non-current payables	0	0
L. Non-current financial indebtedness (I) + (J) + (K)	**409,093**	**408,608**
M. TOTAL FINANCIAL INDEBTEDNESS (H) + (L)	**469,590**	**449,776**

Consolidated financial indebtedness decreased from € 449.8 million at 31 December 2021 to € 469.6 million at 31 March 2023.

Work continued during the first quarter of 2023 on the assignments of trade receivables without recourse to factoring companies, including BFF Bank S.p.A., with which the Parent Company Rekeep S.p.A. and other subsidiaries have in place a 3-year maturity factoring agreement 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, and which was renewed for the last time on 14 January 2022. Furthermore, additional relationships are maintained with factoring companies for converting specifically-agreed credit positions into cash, which are claimed from both Entities in the National Health System and Public Authorities and private individuals. Assignments of trade receivables without recourse that were carried out by the Group during the first quarter of 2023 amounted to a total of €88.2 million, in addition to assignments of VAT credits requested for refund for a total of €3.9 million. The entire loan portfolio sold under non-recourse contracts was derecognized in accordance with the provisions of 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 € 79.8 million at 31 March 2023 against €101.5 million at 31 December 2022) amounted to € 549.4 million during the first quarter of 2023 against € 551.3 million at 31 December 2022.

Financial indebtedness also included the financial liability related to the fair value measurement of options on the minority interest of the subsidiaries Rekeep Polska S.A. and Rekeep France S.a.S., which totaled € 16.3 million at 31 March 2023 (€ 16.0 million at 31 December 2022).

At 31 March 2023 the balance of Cash and cash equivalents, net of short-term lines of credit (“Net Cash”) amounted to € 33.0 million (€ 57.1 million at 31 December 2022):

(in thousands of Euro)	**31 March 2023**	**31 December 2022**
Cash and cash equivalents	73,422	84,243
Current bank overdraft, advance payments and hot money	(16,351)	(15,293)
Obligations arising from assignments of trade receivables with recourse	(24,114)	(11,806)
NET CASH	**32,957**	**57,144**

Below is a breakdown of the net financial exposure by bank credit lines and lease agreements entered into with financial institutions (Net Debt) at 31 March 2023 compared to the value posted at 31 December 2022:

(in thousands of Euro)	31 March 2023	31 December 2022
Senior Secured Notes (nominal value)	370,000	370,000
Bank debts (nominal value)	718	838
Financial lease liabilities	49,008	48,956
Current bank overdraft, advance payments and hot money	16,351	15,293
Obligations arising from assignments of receivables with recourse	24,114	11,806
Reverse factoring payables	45,255	33,813
GROSS DEBT	**505,446**	**480,706**
Current financial assets	(16,111)	(7,017)
Cash and cash equivalents	(73,422)	(84,243)
NET DEBT	**415,913**	**389,446**

During the first quarter of the year there was the recognition of higher uses of credit lines for the assignment with recourse of trade receivables (€ 24.1 million al 31 March 2023 against € 11.8 million at 31 December 2022) and higher uses of reverse factoring lines for € 11.4 million (€ 45.3 million at 31 March 2023 against €33.8 million at 31 December 2022), and of Current bank overdraft, advance payments and hot money (€ 16.4 million at 31 March 2023 and € 15.3 million at 31 December 2022).

During the first quarter of 2023, there was the short-term reclassification, among current financial assets, concerning the sums pledged as cash collateral for gas supply contracts and not yet repaid (€12.4 million), as they can be liquidated within 1 year from the end of the period.

The change in Cash and cash equivalents is analyzed in the table below, showing the cash flows for the first quarter of 2023, compared with the figures for the same period of the previous year. A reconciliation between the items in the table below and those in the statutory schedule of the Interim Report on Operations reported in the condensed Explanatory notes pursuant to IAS 7 is reported in the Annexes, to which reference should be made.

(in thousands of Euro)	2023	2022
At 1 JANUARY	**84,243**	**99,512**
Cash flow from current operations	30,156	11,846
Uses of provisions for risks and charges and for employee termination indemnity	(1,681)	(1,320)
Change in NWOC	(41,937)	(28,755)

Industrial Capex net of disposals	(10,482)	(11,405)
Financial Capex net of disposals	11,963	(417)
Change in net financial liabilities	8,993	16,724
Other changes	(7,834)	(7,556)
AT 31 MARCH	**73,422**	**78,629**

The overall cash flows mainly reflect:

- a flow generated from current operations for € 30.2 million (against inflows of € 11.8 million at 31 March 2022);
- outflows from the use of provisions for future risks and charges and for employee termination benefits for € 1.7 million (€ 1.3 million at 31 March 2022);
- a cash flow used for changes in NWOC for € 41.9 million (€ 28.8 million at 31 March 2022), resulting from an outflow correlated to an increase in trade receivables for € 23.0 million (- € 58.6 million during the first quarter of 2022), an increase in inventories for € 0.7 million (+€ 0.3 million during the first quarter of 2023) and the decrease in trade payables for € 18.2 million (+ € 29.6 million at 31 March 2022);
- a cash outflow of € 10.5 million used in industrial investments (€ 11.4 million during the first quarter of 2022), net of disposals for € 0.6 million (€ 0.4 million in the same period of the previous year);
- a flow generated from financial investments and disinvestments of € 12.0 million during the first quarter of 2023, mainly related to the sums pledged as cash collateral for gas supply contracts, of which an amount of Euro 4.5 million was repaid in the period and an amount of € 12.4 million reclassified to short-term financial receivables, in addition to cash outflows for the acquisition of the "Major Customers" business unit (€ 0.8 thousand) and from the deconsolidation of some consortium companies put in liquidation; on the contrary, at 31 March 2022 there had been the recognition of cash outflows, equal to € 0.4 million, following the deconsolidation of companies that had left the scope of consolidation;
- an increase in net financial liabilities of € 9.0 million, mainly due to (i) changes relating to the use of short-term credit lines for hot money and advances on invoices (+ € 1.1 million), reverse factoring (+ € 11.4 million), and assignments with recourse of trade receivables (+ € 12.3 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 (+ € 0.4 million); (iii) a change in the balance of accrued interest (- € 7.1 million); (iv) the increase in financial liabilities recognized on lease agreements (+ € 0.1 million); (v) the short-term reclassification of sums pledged as cash collateral for gas supply contracts and not yet repaid (- € 12.4 million); (vi) the effects of the fair value adjustment of the contingent liability, at the end of the period, for put options on minority interests (+ € 0.3 million). During the same period of the previous year there had been an increase in net financial liabilities for € 16.7 million, which was mainly due to (i) other changes relating to the use of short-term credit lines for hot money and advances on invoices (+ € 8.4 million) and for assignments of trade receivables with recourse (- € 3.3 million), as well as for reverse factoring transactions(+ € 8.0 million); (ii) a higher liability

recognized against factoring firms for amounts received on receivables that had been previously assigned without recourse and returned to them in the subsequent quarter (+ € 5.7 million); (iii) the change in the balance of accrued interest (- € 6.9 million); (iv) the payment of the residual balance of dividends granted in favor of the minority shareholders of Medical Device (- € 0.8 million); (v) the partial repayment of the loan granted to the parent company MSC (+ € 6.0 million);

- outflows arising from other changes recorded in the period for € 7.8 million, mainly due to the net effect of: (i) the cash flow absorbed by the trend in net VAT credit balance for the Group companies, which increased by € 7.7 million during the period, albeit against non-recourse assignments totaling € 3.9 million; (ii) the changes in debt balances for payments due to the members of the Temporary Business Grouping for (+ € 0.6 million); (iii) an increase in payables for personnel for € 8.2 million; (iv) a decrease, among "Other operating current liabilities", in the payable related to the fine imposed by the Competition Authority in relation to the Consip FM4 Tender (- € 2.6 million); (v) an increase in tax credits, mainly following the recognition of the tax credit on electricity and gas consumption (- € 4.4 million) and receivables for guarantee deposits paid on new annual electricity and gas utility contracts (- € 1.8 million). Other changes during the first quarter of 2022 absorbed total flows of € 7.6 million, mainly due to the net effect of: (i) the performance of the net VAT credit balance of the Group companies, which increased by € 6.4 million in the first quarter of 2022, albeit against non-recourse assignments totaling € 3.5 million; (ii) the accounting effects of the recognition of contingent liabilities connected with the options to purchase minority interests in subsidiaries (- € 0.1 million); (iii) changes in debt balances for payments due to the members of the Temporary Business Grouping for (- € 2.4 million); (iv) and an increase in payables for personnel for € 1.9 million.

Industrial and financial Capex

In the first quarter of 2023 the Group made gross capital expenditures which totaled € 11.1 million (€ 11.8 million during the first quarter of 2022), from which must be deducted disinvestments of € 0.6 million (€ 0.4 million in the same period of the previous year):

(in thousands of Euro)	For the period ended 31 March	
	2023	2022
Acquisition of owned properties	0	1,996
Acquisition of owned plant and equipment	8,168	7,682
Acquisition of rights of use of properties [2]	0	1,144
Acquisition of rights of use of plant and equipment [2]	1,933	105
Other investments in intangible assets	963	853
INDUSTRIAL CAPEX	**11,064**	**11,780**

[2] excluding the increase in rights of use for lease and long-term hire agreements

Acquisitions of company-owned plant and equipment included investments of € 1.6 million in the “centralized kitchens” project to support the catering services provided by the Polish sub-group in Poland, in addition to Servizi Ospedalieri S.p.A.’s purchases of linen for the linen rental and industrial laundering business, which requires periodic and frequent repairs, equal to € 3.6 million (€ 4.0 million at 31 March 2022) and of surgical instruments for € 1.5 million.

A portion of the period's investments in surgical instrumentation at Servizi Ospedalieri was also made under lease agreements (€ 1.7 million).

During the first quarter of 2022 the subsidiary Servizi Ospedalieri S.p.A. had acquired ownership over an industrial building for €2.0 million, while the subsidiary Medical Device S.r.l. had signed a property lease agreement for € 1.1 million relating to a building previously held under lease (no investment was made in properties during the first quarter of 2023).

Investments in intangible assets amounted to € 1.0 million in the period (€ 0.9 million at 31 March 2022) and mainly related to ICT investments by the Parent Company for the upgrading and enhancement of its SAP infrastructure and other similar investments.

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

(in thousands of Euro)	For the quarter ended 31 March	
	2023	**2022**
Facility Management	3,532	3,982
of which relating to International markets	*2,457*	*2,606*
Laundering & Sterilization	7,531	7,798
INDUSTRIAL CAPEX	**11,064**	**11,780**

Financial investments during the first quarter of 2023, net of disinvestments, generated financial resources for €12.0 million. Specifically, in the first quarter of 2023, there was the repayment of sums pledged as cash collateral for gas supply contracts for €4.5 million, while the remaining portion of €12.4 million was reclassified as short-term as it can be released within 1 year from the end of the period. These flows were partly offset by cash outflows for the acquisition of the "Major Customers" business unit (€0.8 thousand) and for the deconsolidation of some consortium companies put in liquidation. On the other hand, there was the recognition of cash outflows of €0.4 million during the same period of the previous year, following the deconsolidation of some consortium companies previously included in the scope of consolidation.

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 2022	New loans	Refunds/ repayments	Buy-back/ Early redemption	Other changes	31 March 2023
Senior Secured Notes	364,541				398	364,939
Revolving Credit Facility RCF)	0	40,000	(40,000)			0
Bank loans	838		(120)			718
Current bank overdraft, advance payments and hot money	15,293	16,351	(15,293)			16,351
Accrued expenses and deferred income on loans	10,631		(13,437)		6,297	3,490
BANK DEBTS	**391,303**	**56,351**	**(68,850)**	**0**	**6,694**	**385,498**
Lease liabilities	48,956	1,933	(886)	(115)	(880)	49,008
Payables for assignments of trade receivables with recourse	11,806	24,283	(11,975)			24,114
Payables for reverse factoring	33,813	45,255	(33,813)			45,255
Receipts on behalf of assignees of trade receivables without recourse	28,480	28,840	(28,480)			28,840
Fair value put option	16,046				283	16,329
Other financial liabilities	10,632	(715)	162			10,079
FINANCIAL LIABILITIES	**541,036**	**155,947**	**(143,842)**	**(115)**	**6,097**	**559,123**
Current financial assets	(7,017)	(12,406)	3,311			(16,111)
NET FINANCIAL LIABILITIES	**534,019**	**143,541**	**(140,530)**	**(115)**	**6,097**	**543,012**

The residual debt for principal relating to the Senior Secured Notes was equal to € 370.0 million at 31 March 2023, to which must be added the accounting adjustment on the premium and additional issue costs, accounted for according to the amortized cost method (€ 5.1 million). The financial amortization of this adjustment generated financial costs for € 0.4 million during the first quarter of 2023. The facility also entailed the payment of periodic six-monthly interest, which affected the first quarter of 2023 for € 6.2 million.

At the same time as the issue of Notes the Company also signed a new revolving loan agreement in a maximum amount of € 75 million. The facility was partially used during the period in order to meet any temporary cash requirements, and was promptly repaid (the RCF had not been drawn down at 31 March 2023); the uses for the period led to financial interest costs being charged for € 0.4 million during the quarter (€ 0.2 million at 31 March 2022).

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 ratios had been complied with at the reporting date of these financial statements.

Furthermore, at 31 March 2023 there was the recognition of accrued expenses on loans in a total amount of € 4.5 million (almost entirely related to the amount accrued on the bond coupon due 1 August 2023) and prepaid financial expenses of € 1.0 million, of which an amount of € 0.7 million relating to the remaining amount of costs to be amortized for obtaining the Revolving Credit Facility, for an initial amount of € 1.3 million and amortized on a straight-line basis throughout the term of the credit facility (financial charges of € 0.1 million recognized in the period).

As at the reporting date of the period short-term uncommitted credit lines had also been used for hot money and advances on invoices for € 16.4 million, aimed at meeting peaks in temporary cash requirements linked to the natural performance of operations, against a balance of € 15.3 million at 31 December 2022. Furthermore, Rekeep S.p.A. and Servizi Ospedalieri S.p.A. used credit lines for the assignment of trade receivables with recourse with Banca Sistema, concerning receivables from customers in the Public sector. During the first quarter of 2023 assignments were made in an overall nominal amount of € 24.3 million, while the lines had been used for € 24.1 million at the end of the quarter (€ 11.8 million at 31 December 2022). 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 € 45.3 million was also recognized at 31 March 2023 (€ 33.8 million at 31 December 2022).

The Group recorded receipts at 31 March 2023 concerning receivables included in non-recourse assignments for which the respective debtors have not made any payment to the bank accounts specified by the factor, for a value of €28.8 million. These amounts constitute a financial liability for the Group, since the Group acts as an agent for the management of receipts on behalf of the factor, which therefore gave rise to the payment of said amounts in the first days of the subsequent quarter.

The financial liabilities relating to the present value of future lease payments to be made on leasing, property lease and operating leases amounted to € 49.0 million at 31 March 2023 (unchanged compared to 31 December 2022). During the quarter under consideration, new agreements were entered into and rentals were revalued for a present value of € 1.9 million upon recognition, while contracts with a residual value of € 0.1 million were early terminated. Finally, contingent liabilities were recognized under financial liabilities for the acquisition of investments for a total amount of € 16.3 million (€ 16.0 million at 31 December 2022), relating to the put option granted to the seller on the 20% minority interest under the Investment Agreement which led to the acquisition of Rekeep Polska, in addition to the put option granted in favor of the minority shareholder Rekeep France on the remaining 30% of the share capital, both of which had been already recognized at 31 December 2022.

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

The balance of short-term financial assets showed a decrease of € 9.1 million in the first quarter of 2023, mainly as a result of the short-term reclassification of sums pledged as cash collateral for gas supply contracts and not yet repaid for € 12.4 million.

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 (Euro 2.7 million).

3. UPDATE ON LEGAL PROCEEDINGS

The most significant 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.

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 during the first quarter of 2023.

The Lazio Regional Administrative Court's judgment of 27 July 2020 partially granted the appeal submitted by the Company: albeit confirming the Competition Authority's order as regards the merits, the Court granted the request for the redetermination of the fine setting the relevant parameters, according to which the Competition Authority therefore again set the new fine at € 79.8 million. The Company challenged both the Regional Administrative Court's judgment before the Council of State and orders for the new calculation of the fine before the Regional Administrative Court. Finally, on 22 December 2020 the Competition Authority served on the Company its appeal against the Lazio Regional Administrative Court's order, while requesting the confirmation of the order on the FM4 tender, including the initial fine equal to € 91.6 million. On 20 January 2022 discussion on the merits was held before the Council of State, which rejected the appeal submitted by the Company, by judgment filed on 9 May 2022. 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, which was then postponed to 15 June 2023; the Company also filed an appeal before the Supreme Court on 8 July 2022 and is waiting for the Court to hand down its ruling following the hearing held on 4 April 2023.

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 TenderFM4.

A detailed report on the administrative procedures in progress and further assessments made by the Directors at the end of the reporting period of the Consolidated Financial Statements at 31 March 2023 are included in the explanatory notes (notes 14 and 15), to which reference is made.

4. SUBSEQUENT EVENTS

Confirming line of credit granted to Rekeep S.p.A.

On 20 April 2023 SACE Fct S.p.A., the SACE group factoring company, which is the lead manager of the transaction, and Banca Sistema S.p.A. made available a Confirming line of credit to the Parent Company Rekeep S.p.A., for a total nominal value of € 60 million intended for the payment of its supply chain of suppliers and subcontractors. The line of credit is backed by a SupportItalia Guarantee provided by SACE S.p.A., which is the extraordinary measure put in place to support liquidity of the Italian enterprises and limit the adverse economic effects arising from the Russia's military aggression against Ukraine, as envisaged in Decree Law no. 50 of 17 May 2022 ("Aid Decree", as converted by Law no. 91 of 15 July 2022), as supplemented. Within the transaction, Rekeep appointed SACE Fct S.p.A. and Banca Sistema S.p.A. to manage the payment of amounts claimed by its own suppliers and subcontractors throughout the country.

5. BUSINESS OUTLOOK

During the following months of 2023, the Rekeep Group will continue to work on putting the results achieved so far on a sound financial footing in a structured manner; while monitoring developments in the international geo-political and economic scenario that at present seems to be giving way to a decline in inflationary pressure, which is already beginning to be seen with regard to energy.

The Group's Management confirms expectations for 2023 in terms of reducing debt and working capital, while still ensuring that a good level of liquidity is maintained.

On the other hand, a good level of profit margins is still maintained, both in the domestic and international spheres, despite the slowdown reported by the business in Saudi Arabia, as a result of the actions put in place in previous years in terms of contractual flexibility and cost efficiency.

Consolidated Interim Financial Statements

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	NOTES	31 March 2023	31 December 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	4	94,540	93,249
Property, plant and equipments under lease	5	55,477	54,625
Goodwill	6-7	404,935	404,935
Other intangible assets	6	17,777	18,288
Investments accounted for under the equity method	8	11,240	10,121
Other investments	9	5,996	5,996
Non-current financial assets	9	8,202	24,202
Other non-current assets	9	2,746	3,104
Deferred tax assets		18,069	17,968
TOTAL NON-CURRENT ASSETS		**618,982**	**632,488**
CURRENT ASSETS			
Inventories		12,860	12,088
Trade receivables and advances to suppliers	10	560,265	537,227
Current tax receivables		5,082	8,671
Other current assets	10	73,126	59,211
Current financial assets	12	16,111	7,017
Cash and cash equivalents	12	73,422	84,243
TOTAL CURRENT ASSETS		**740,866**	**708,457**
Assets held for sale		0	0
TOTAL NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,359,848**	**1,340,945**

(in thousands of Euro)	NOTES	31 March 2023	31 December 2022
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		7,164	6,696
Retained earnings		(48,774)	(76,115)
Profit/(loss) for the year attributable to equity holders of the Parent		5,518	27,131
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**73,058**	**66,862**
Capital and reserves attributable to non-controlling interests		6,006	5,728
Profit/(loss) for the year attributable to non-controlling interests		312	368
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		6,318	**6,096**
TOTAL SHAREHOLDERS' EQUITY	**11**	**79,376**	**72,958**
NON-CURRENT LIABILITIES			
Employee termination indemnity	13	9,695	9,970
Provisions for risks and charges, non-current	14	29,147	30,192
Long-term financial debt	12	409,093	408,608
Deferred tax liabilities		16,332	15,819
Other non-current liabilities		1,469	1,991
TOTAL NON-CURRENT LIABILITIES		**465,736**	**466,580**
CURRENT LIABILITIES			
Provisions for risks and charges, current	14	27,594	18,483
Trade payables and contract liabilities	16	460,632	480,808
Current tax payables		426	21
Other current liabilities	16	176,054	169,667
Bank borrowings, including current portion of long-term debt, and other financial liabilities	12	150,030	132,428
TOTAL CURRENT LIABILITIES		**814,736**	**801,407**
Liabilities directly associated with non-current assets held for sale		0	0
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL LIABILITIES		**1,359,848**	**1,340,945**

CONSOLIDATED STATEMENT OF PROFIT (LOSS) FOR THE PERIOD

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2023	31 March 2022
REVENUE			
Revenue from contracts with customers		311,977	317,022
Other revenue		1,396	604
TOTAL REVENUE		**313,373**	**317,626**
OPERATING COSTS			
Costs of raw materials and consumables		(68,369)	(93,829)
Change in inventories of finished and semi-finished products		(47)	70
Costs for services and use of third-party assets		(77,879)	(78,285)
Personnel costs		(122,455)	(114,684)
Other operating costs		(2,283)	(3,315)
Lower costs for internal work capitalized		230	0
Amortization, depreciation, write-downs and write-backs of assets	4-5-6	(10,022)	(9,917)
Accrual (reversal) to provisions for risks and charges	14	(10,593)	(530)
TOTAL OPERATING COSTS		**(291,418)**	**(300,490)**
OPERATING INCOME		**21,955**	**17,136**
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	8	68	159
Dividend and net income/(loss) from sale of investments		(99)	7
Financial income		323	251
Financial expenses		(12,306)	(9,730)
Gains / (losses) on exchange rate		(329)	450
Profit/(loss) before taxes		**9,612**	**8,273**
Income taxes		(3,782)	(4,328)
Profit/(loss) from continuing operations		**5,830**	**3,945**
Profit/(loss) from discontinued operations		0	0
Net profit (loss) for the period		**5,830**	**3,945**
Net profit (loss) attributable to non- controlling interests		(312)	(83)
NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**5,518**	**3,862**

	For the quarter ended	
	31 March 2023	31 March 2022
Basic earnings/(losses) per share	0.051	0.035
Diluted earnings/(losses) per share	0.051	0.035
Basic earnings/(losses) per share from continuing operations	0.051	0.035
Diluted earnings/(losses) per share from continuing operations	0.051	0.035

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2023	31 March 2022
NET PROFIT/LOSS FOR THE PERIOD		**5,830**	**3,945**
Other components of the comprehensive income, which will be subsequently reclassified under profit/(loss) for the period:			
Differences arising from translation of financial statements in foreign currency		571	(466)
Share of other comprehensive income for the period of entities accounted for using the equity method, which will be subsequently reclassified under profit/(loss) for the period	8	(1)	165
Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/(loss) for the period		**569**	**(301)**
TOTAL PROFIT/(LOSS) IN THE STATEMENT OF COMPREHENSIVE INCOME, NET OF TAXES		**569**	**(301)**
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAXES		**6,399**	**3,644**
Equity holders of the Parent		6,120	3,595
Non-controlling interests		279	49

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2023	31 March 2022
Net profit (loss) from continuing operations		**5,830**	**3,945**
Income taxes for the period		3,782	4,328
Profit before taxes for the period		**9,612**	**8,273**
Amortization, depreciation, write-downs and (write-backs) of assets		10,022	9,917
Accrual (reversal) of provisions for risks and charges		10,593	530
Employee termination indemnity provision		39	250
Payments of employee termination indemnity		(389)	(575)
Utilization of provisions for risks and charges		(1,292)	(746)
Share of net profit of associates, net of dividends collected		(68)	(159)
Financial charges (income) for the period		12,131	9,029
Operating cash flows before movements in working capital		**40,648**	**26,519**
Decrease (increase) of inventories		(772)	289
Decrease (increase) of trade receivables		(22,965)	(58,595)
Decrease (increase) of other current assets		(14,341)	(6,366)
Increase (decrease) of trade payables		(18,199)	29,552
Increase (decrease) of other current liabilities		5,384	(56)
Change in Working Capital		**(50,894)**	**(35,176)**
Net interest received (paid) in the period		(17,811)	(9,002)
Income taxes paid in the period		609	(6,955)
Net cash flow from operating activities		**(27,448)**	**(24,614)**
(Purchase of intangible assets, net of sales)	6	(963)	(853)
(Purchase of property, plant and equipment)	4-5	(10,101)	(10,927)
Proceeds from sales of property, plant and equipment	4-5	582	375
(Net acquisition of investments)		(1,300)	(411)
Decrease (increase) of financial assets		4,067	6,026
Financial effects of business combinations	3	(627)	0
Net cash flow from (used in) investing activities		**(8,342)**	**(5,790)**
Lease payments	12	(886)	(612)
Repayment of non-current borrowings	12	(120)	(120)
Proceeds from/(repayment of) current borrowings	12	1,058	8,416

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2023	31 March 2022
Other change in financial debt	12	24,628	3,173
Dividends distributed		(48)	(878)
(Acquisition)/sale of minority interests in subsidiaries		(233)	8
Differences from financial statements translation in foreign currency		588	(507)
Net cash flow from / (used in) financing activities		**24,987**	**9,480**
Changes in cash and cash equivalents		**(10,804)**	**(20,924)**
Cash and cash equivalents at the beginning of the period		84,243	99,512
Changes in cash and cash equivalents		(10,804)	(20,924)
Translation differences on cash and cash equivalents		(17)	41
Cash and cash equivalents at the end of the period		**73,422**	**78,629**
Details of cash and cash equivalents:			
Cash and bank current accounts		73,422	**78,629**
TOTAL CASH AND CASH EQUIVALENTS		**73,422**	**78,629**

SUPPLEMENTARY INFORMATION

(in thousands of Euro)	For the quarter ended	
	31 March 2023	31 March 2022
Interest paid	(18,134)	(9,251)
Interest received	323	250
Dividends paid	(48)	(878)
Dividends received	4	0

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Reserves	Retained earnings	Result for the period	Total Shareholders' equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total Shareholders' equity
1 January 2023	**109,150**	**6,695**	**(76,115)**	**27,131**	**66,862**	**6,096**	**72,958**
Allocation of previous year result		33	27,098	(27,131)	**0**		**0**
Distribution of dividends					**0**	(48)	**(48)**
Business combinations "under common control"		(167)			**(167)**		**(167)**
Change in consolidation area			243		**243**		**243**
Acquisition/sale of minority interests in subsidiaries					**0**	(9)	**(9)**
Total comprehensive income (loss) for the period		602		5,518	**6,120**	279	**6,399**
31 March 2023	**109,150**	**7,164**	**(48,774)**	**5,518**	**73,058**	**6,318**	**79,376**

	Share Capital	Reserves	Retained earnings	Result for the period	Total Shareholders' equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total Shareholders' equity
1 January 2022	**109,150**	**11,510**	**(51,326)**	**(22,588)**	**46,746**	**4,588**	**51,334**
Allocation of previous year result		1,102	(23,690)	22,588	**0**		**0**
Acquisition/sale of minority interests in subsidiaries					**0**	(8)	**(8)**
Total comprehensive income (loss) for the period		(269)		3,862	**3,592**	49	**3,641**
31 March 2022	**109,150**	**12,342**	**(75,016)**	**3,862**	**50,338**	**4,629**	**54,967**

1. GENERAL INFORMATION

The Interim Report on Operations of the Group controlled by Rekeep S.p.A. ("the Rekeep Group" or "the Group") for the quarter ended 31 March 2023 is made up of the Interim Report on Operations and of the interim condensed Consolidated Financial Statements, prepared in accordance with IAS 34 – Interim Financial Reporting. The publication of the Rekeep Group's Interim Report on Operations was authorized by a resolution passed by the Board of Directors on 18 May 2023.

On 31 March 2023 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., which carries out Management and Coordination activities.

2. ACCOUNTING STANDARDS AND BASIS OF PRESENTATION

The interim condensed Consolidated Financial Statements at 31 March 2023 comprise the Consolidated Statement of financial position, the Consolidated Statement of profit or loss for the period, the Consolidated Statement of other comprehensive income, the Consolidated Statement of Cash flows, the Consolidated Statement of changes in Shareholders' Equity and the related condensed Explanatory Notes.

After assessing any possible uncertainties surrounding the Group's ability to continue as a going concern, including financial risks described in note 17 and other market risks associated with the proceedings in progress described in notes 14 and 15, the directors decided to prepare the Consolidated Financial Statements on a going-concern basis.

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

The interim condensed Consolidated Financial Statements at 31 March 2023 have been presented in Euro, which is the Group's functional currency. All values showed in the statements and in the explanatory notes are in thousands of Euro, unless otherwise stated.

The balance sheet values recognized in the Statements and Explanatory Notes are compared to those relating to 31 December 2022, while the income statement values, included in the Statement of other comprehensive income and those reported in the Statement of Cash Flows, are compared to those relating to the first quarter of 2022.

2.1 Statement of compliance with international accounting standards (IFRS)

The interim condensed Consolidated Financial Statements at 31 March 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed Consolidated Financial Statements do not include all information required for complete annual accounts prepared according to IAS 1: therefore, they must be read together with the Consolidated Financial Statements at 31 December 2022.

2.2 Changes in accounting standards and disclosures

The criteria adopted for the preparation of the Consolidated Financial Statements are consistent with those used to prepare the consolidated Financial Statements for the previous year, with the exception of the standards and interpretations which are newly issued and applicable from 1 January 2023, in addition the amendments to the standards that are already applicable, as specified below.

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 2023

The following IFRS accounting standards, amendments and interpretations were applied by the Group for the first time as from 1 January 2023.

› On 18 May 2017 the IASB published IFRS 17 – *Insurance Contracts*, which is aimed at replacing IFRS 4 – *Insurance Contracts*. Furthermore, amendments to IFRS 17 were also 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).

- On 9 December 2021, the IASB also 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 adoption of IFRS 17, which is aimed at avoiding temporary accounting mismatches between financial assets and liabilities of insurance contracts, and thus improving the usefulness of comparative information for readers of financial statements.
- On 12 February 2021 the IASB published two amendments, i.e. "Disclosure of Accounting Policies - Amendments to IAS 1 Presentation of financial statements and IFRS Practice Statement 2" and "Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies, Change in Accounting Estimates and Errors". 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.
- 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.

All amendments became applicable from 1 January 2023, and their adoption had no significant effect on the Group's consolidated Financial Statements.

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

The following IFRS accounting standards, amendments and interpretations will be applicable from subsequent financial periods and have not been early applied by the Group:

- *Amendments to IAS 1 Presentation of financial statements:* (i) on 23 January 2020 the IASB published "*Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current*"; (ii) on 31 October 2022 the IASB published "*Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants*"; (iii) on 15 July 2020 the IASB published "*Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Deferral of Effective date*". The documents are aimed at clarifying how to classify debts and other short- or long-term liabilities. The amendments will become effective from 1 January 2024, 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 22 September 2022 the IASB published "*Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback*". The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognize any income or loss that relates to the retained right of use. The amendments will become effective from 1 January 2024, with early adoption permitted. The directors do not expect any material effect on the Group's Consolidated Financial Statements from the adoption of this amendment.
- On 30 January 2014 the IASB published the accounting standard "IFRS 14 – *Regulatory Deferral Accounts*", which only allows first-time adopters of IFRS to continue to recognize amounts relating to Rate-Regulated Activities according to the previous accounting standards adopted. The endorsement process of the standard has not yet been started. 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 acquiree and of the acquiring entity are therefore recorded on the basis of the carrying amounts included in their respective accounts before the transaction.

Uncertainty of estimates

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

Impairment test

Goodwill is subject to impairment test at least annually, or more frequently if there is an indication of potential impairment in the carrying amounts. This requires an estimate of the value in use of the CGU (cash-generating unit) to which the goodwill is allocated, in turn based on an estimate of expected cash flows from the CGU and their discounting on the basis of a suitable discount rate. At 31 March 2023 the carrying amount of the goodwill was equal to € 404,935 thousand (unchanged compared to 31 December 2022). See note 7 for more details.

Recognition of revenues and costs from contracts with customers

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

Provisions for risks and charges and Allowance for doubtful accounts

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

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

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

purposes of reliable valuation. In this case, the correct recognition in the financial statements of the related liability requires management to make some estimates to determine the expected relevant parameters.

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

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

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

Deferred tax assets are recognized to the extent that there is a likelihood of there being sufficient future taxable profit for the losses to be utilized. This means that the management must make a strong commitment to working out a correct estimate of the amount of tax assets which can be recognized on the basis of the level of future taxable profit, the timing of the receipt of the profits and tax planning strategies.

Other financial statement items

The management has also used estimates in determining assumptions applied to the valuation of obligations arising from Rights of use, in particular with regard to the determination of the marginal lending rate and duration in the presence of renewal options.

Consolidation principles

The interim condensed Consolidated Financial Statements include the financial statements of Rekeep S.p.A. (the “Parent Company”, “Rekeep S.p.A.” or merely “Rekeep”) and of its subsidiaries, prepared as at 31 March 2023. The financial statements of the subsidiaries have been prepared by adopting for each closing date the same accounting standards as those applied for the parent company.

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

Subsidiaries are consolidated on a line-by-line basis starting from the acquisition date, i.e. the date on which the Group acquires control, and are deconsolidated on the date in which control is transferred out of the Group. Acquisitions of

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

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

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

Conversion of financial statements of foreign companies

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

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

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 extension period, even if the period is short;

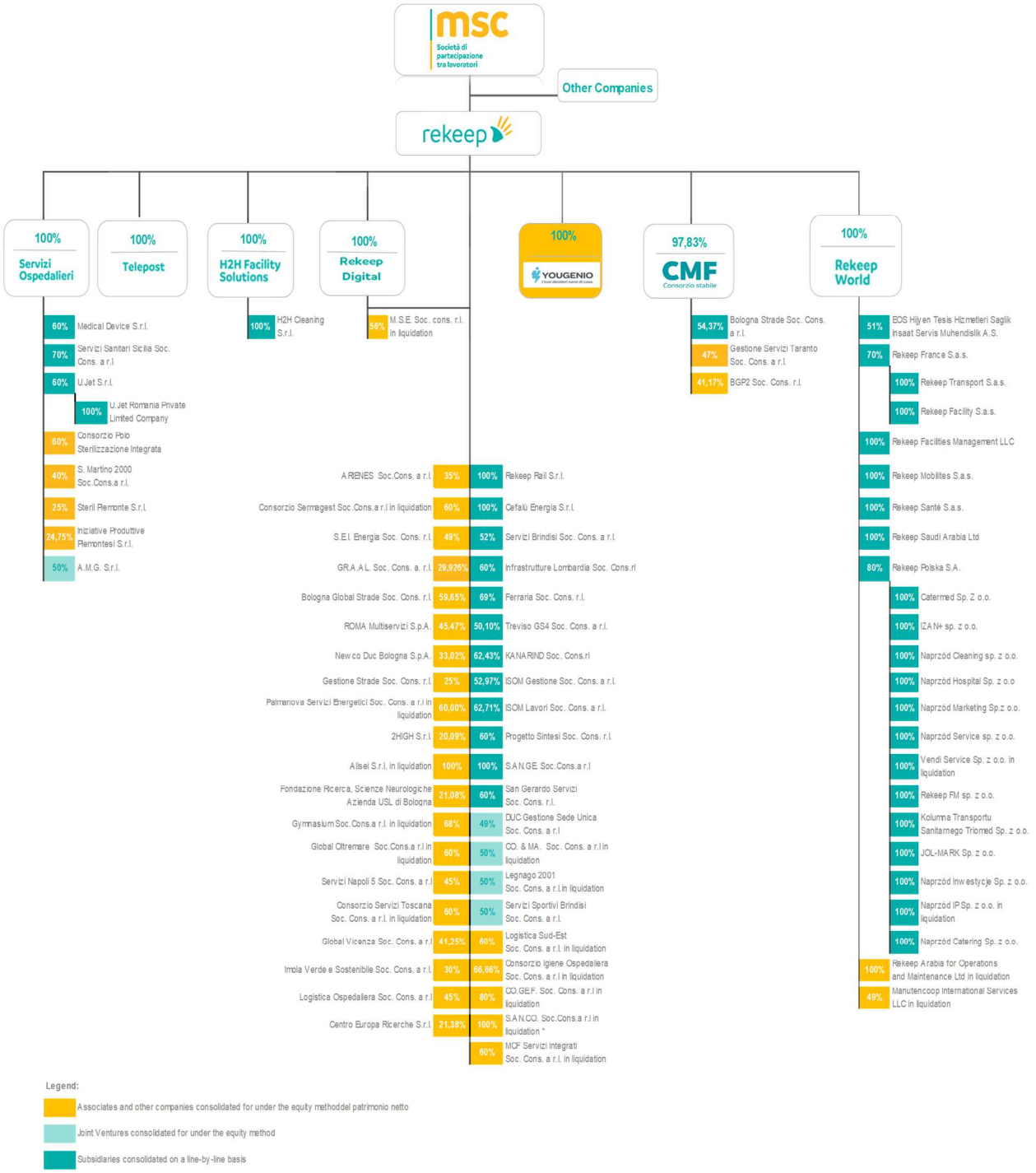
- interest rates, wages, and prices are linked to a price index;
- the cumulative inflation rate over three years approaches, or exceeds, 100%.

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 in the accounts and the reporting date. Monetary items are not restated because they are already expressed at the measuring unit at the reporting date. All items on the income statement are expressed at the measuring unit at the reporting date.

Currency	Exchange rate at 31 March 2023	Average exchange rate for the quarter ended 31 March 2023	Exchange rate at 31 December 2022	Average exchange rate for the quarter ended 31 March 2022
Arab Emirates Dirham (AED) – United Arab Emirates	3.9938	3.8821	3.9233	N/A
Romanian Leu (RON) – Romania	4.9490	4.9291	4.9400	4.9465
Turkish Lira (TRY) – Turkey	20.8632	20.8632	20.0039	15.6725
Qatar Riyal (QAR)– Qatar	3.9585	3.8478	3.8886	4.0829
Saudi Arabia Riyal (SAR) – Saudi Arabia	4.0781	3.9641	4.0061	4.0829
Zloty (PLN) – Poland	4.6700	4.6906	4.6813	4.6230

The financial statements of the Turkish consolidated company 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 financial statements at 31 March 2023 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 the Turkish company have been translated by using the exchange rate as at the reporting date of the consolidated financial statements.

The scope of consolidation at 31 March 2023 is shown below.


msc
Società di partecipazione tra lavoratori
Other Companies
rekeep
100% Servizi Ospedalieri
60% Medical Device S.r.l.
70% Servizi Sanitari Sicilia Soc. Cons. a r.l
60% U.Jet S.r.l
100% U.Jet Romania Private Limited Company
60% Consorzio Polo Sterilizzazione Integrata
40% S. Martino 2000 Soc.Cons.a r.l.
25% Steril Piemonte S.r.l.
24,75% Iniziative Produttive Piemontesi S.r.l.
50% A.M.G. S.r.l.
100% Telepost
100% H2H Facility Solutions
100% H2H Cleaning S.r.l.
100% Rekeep Digital
56% M.S.E. Soc. cons. r.l. in liquidation
100% YOUGENIO
97,83% CMF Consorzio stabile
54,37% Bologna Strade Soc. Cons. a r.l.
47% Gestione Servizi Taranto Soc. Cons. a r.l.
41,17% BGP2 Soc. Cons. r.l.
100% Rekeep World
51% EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.
70% Rekeep France S.a.s.
100% Rekeep Transport S.a.s.
100% Rekeep Facility S.a.s.
100% Rekeep Facilities Management LLC
100% Rekeep Moblites S.a.s.
100% Rekeep Santé S.a.s.
100% Rekeep Saudi Arabia Ltd
80% Rekeep Polska S.A.
100% Catermed Sp. Z o.o.
100% IZA N+ sp. z o.o.
100% Naprzód Cleaning sp. z o.o.
100% Naprzód Hospital Sp. z o.o
100% Naprzód Marketing Sp.z o.o.
100% Naprzód Service sp. z o.o.
100% Vendi Service Sp. z o.o. in liquidation
100% Rekeep FM sp. z o.o.
100% Kolumna Transportu Sanitarnego Triomed Sp. z o.o.
100% JOL-MARK Sp. z o.o.
100% Naprzód Inwestycje Sp. z o.o.
100% Naprzód IP Sp. z o.o. in liquidation
100% Naprzód Catering Sp. z o.o.
100% Rekeep Arabia for Operations and Maintenance Ltd in liquidation
49% Manutencoop International Services LLC in liquidation
ARIENES Soc.Cons. a r.l. 35% 100% Rekeep Rail S.r.l.
Consorzio Sermagest Soc.Cons.a r.l in liquidation 60% 100% Cefalù Energia S.r.l.
S.E.I. Energia Soc. Cons. r.l. 49% 52% Servizi Brindisi Soc. Cons. a r.l.
GR.A.AL. Soc. Cons. a. r.l. 29,926% 60% Infrastrutture Lombardia Soc. Cons.rl
Bologna Global Strade Soc. Cons. r.l. 59,65% 69% Ferraria Soc. Cons. r.l.
ROMA Multiservizi S.p.A. 45,47% 50,10% Treviso GS4 Soc. Cons. a r.l.
New co Duc Bologna S.p.A. 33,02% 62,43% KANARIND Soc. Cons.rl
Gestione Strade Soc. Cons. r.l. 25% 52,97% ISOM Gestione Soc. Cons. a r.l.
Palmanova Servizi Energetici Soc. Cons. a r.l in liquidation 60,00% 62,71% ISOM Lavori Soc. Cons. a r.l.
2HIGH S.r.l. 20,09% 60% Progetto Sintesi Soc. Cons. r.l.
Alisei S.r.l. in liquidation 100% 100% S.A.N.GE. Soc.Cons.a r.l
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna 21,08% 60% San Gerardo Servizi Soc. Cons. r.l.
Gymnasium Soc.Cons.a r.l. in liquidation 68% 49% DUC Gestione Sede Unica Soc. Cons. a r.l
Global Oltremare Soc.Cons.a r.l in liquidation 60% 50% CO. & MA. Soc. Cons. a r.l in liquidation
Servizi Napoli 5 Soc. Cons. a r.l 45% 50% Legnago 2001 Soc. Cons. a r.l.in liquidation
Consorzio Servizi Toscana Soc. Cons. a r.l. in liquidation 60% 50% Servizi Sportivi Brindisi Soc. Cons. a r.l.
Global Vicenza Soc. Cons. a r.l 41,25% 60% Logistica Sud-Est Soc. Cons. a r.l. in liquidation
Imola Verde e Sostenibile Soc. Cons. a r.l. 30% 66,66% Consorzio Igiene Ospedaliera Soc. Cons. a r.l in liquidation
Logistica Ospedaliera Soc. Cons. a r.l 45% 80% CO.GE.F. Soc. Cons. a r.l in liquidation
Centro Europa Ricerche S.r.l. 21,38% 100% S.A.N.CO. Soc.Cons.a r.l in liquidation *
60% MOF Servizi Integrati Soc. Cons. a r.l. in liquidation
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

During the first quarter of 2023 note the following events:

- the liquidation of CO.GE.F. Soc. Cons. a r.l. with effect from 1 January 2023, which, therefore, changed its name to CO.GE.F. Soc. Cons. a r.l. in liquidation;
- the liquidation of Consorzio Igiene Ospedaliera Soc. Cons. a r.l. with effect from 1 January 2023, which, therefore, changed its name to Consorzio Igiene Ospedaliera Soc. Cons. a r.l. in liquidation;
- the liquidation of Logistica Sud-Est Soc. Cons. a r.l. with effect from 1 January 2023, which, therefore, changed its name to Logistica Sud-Est Soc. Cons. a r.l. in liquidation;
- the liquidation of S.AN.CO S.c.a.r.l. with effect from 1 January 2023, which, therefore, changed its name to S.AN.CO S.c.a.r.l. in liquidation.

3. BUSINESS COMBINATIONS

3.1. Acquisition of "Major Customers" business unit

On 22 December 2022 the Parent Company Rekeep S.p.A. signed the deed of acquisition from Sacoa S.r.l., part of the same group led by the parent company MSC Società di Partecipazione tra Lavoratori S.p.A., of a "Major Customers" business unit concerning a unitarily organized set of legal relationships, assets, persons and activities for the provision of payroll processing services delivered to Rekeep and its subsidiaries.

The transfer of the business unit will become effective from 1 January 2023 and took place at the price of € 0.8 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 prospective accounting position at 31 December 2022, in addition to an adjustment calculated on the final book value of the business unit as at the date of transfer. Within this transaction, Rekeep proceeded with the insourcing of Rekeep's payroll processing and calculation, which had been previously entrusted to Sacoa, thus also achieving savings.

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 itself has been recorded in the separate financial statements of Rekeep S.p.A. in a negative equity reserve for a total value of € 167 thousand (€ 232 thousand, net of the tax effect for deferred tax assets generated by the different accounting and tax treatment of the transaction, amounting to € 65 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, 1 January 2023:

	Recognized value	Book value
ASSETS		
NON-CURRENT ASSETS		
Other non-current assets	1	1
TOTAL NON-CURRENT ASSETS	**1**	**1**
CURRENT ASSETS		
Trade receivables and advances to suppliers	687	687
TOTAL CURRENT ASSETS	**687**	**687**
TOTAL ASSETS	**688**	**688**
LIABILITIES		
NON-CURRENT LIABILITIES		
Employee termination indemnity	75	75
TOTAL NON-CURRENT LIABILITIES	**75**	**75**
CURRENT LIABILITIES		
Trade payables and contract liabilities	25	25
Other current liabilities	33	33
TOTAL CURRENT LIABILITIES	**57**	**57**
TOTAL LIABILITIES	**132**	**132**
FAIR VALUE OF NET ASSETS	**555**	**555**
EQUITY RESERVE OF THE BUYER FROM BUSINESS COMBINATION	**232**	
Total cost of business combination:		
Consideration paid to the transferor	787	
TOTAL COST OF BUSINESS COMBINATION	**787**	

	Recognized value	Book value

The fair value of assets and liabilities acquired through the business combination was positive and set at € 232 thousand, while the overall cost of the business combination was equal to € 787 thousand (of which an amount of € 627 thousand was paid at 31 March 2023).

4. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in property, plant and equipment in the period ended 31 March 2023.

	Property	Plant and equipment	Total
At 1 January 2023, net of accumulated depreciation and impairment	**19,286**	**73,963**	**93,249**
Additions from business combinations		1	1
Additions from acquisitions		8,168	8,168
Disposals	(11)	(511)	(522)
Depreciation	(360)	(5,794)	(6,154)
Others	1,781	(1,983)	(202)
At 31 March 2023	**20,696**	**73,844**	**94,540**
At 1 January 2023			
Historical cost	25,621	475,564	501,185
Accumulated depreciation and impairment losses	(6,335)	(401,601)	(407,936)
NET BOOK VALUE	**19,286**	**73,963**	**93,249**
At 31 March 2023			
Historical cost	27,391	481,239	508,630
Accumulated depreciation and impairment losses	(6,695)	(407,395)	(414,090)
NET BOOK VALUE	**20,696**	**73,844**	**94,540**

The additions from acquisitions that took place during the year mainly related to the linen in the Laundering & Sterilization segment for € 3,703 thousand, and to the purchases of other machinery and specific equipment for € 4,365 thousand, of which

an amount of € 1,618 thousand related to investments made by companies in the sub-group controlled by Rekeep Polska for the "centralized kitchens" project to support catering services. Disposals for the period amounted to € 522 thousand.

Other changes mainly 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 year ended 31 March 2023.

	Rights of use of properties	Rights of use of plant and machinery	Total
At 1 January 2023, net of accumulated depreciation and impairment	**37,663**	**16,962**	**54,625**
Additions from acquisitions	129	2,755	2,884
Disposals		(60)	(60)
Early termination		(115)	(115)
Depreciation	(936)	(1,395)	(2,331)
Others	264	210	474
At 31 March 2023	**37,120**	**18,357**	**55,477**
At 1 January 2023			
Historical cost	69,338	54,393	123,730
Accumulated depreciation and impairment losses	(31,674)	(37,431)	(69,105)
NET BOOK VALUE	**37,663**	**16,962**	**54,625**
At 31 March 2023			
Historical cost	69,731	57,183	126,913
Accumulated depreciation and impairment losses	(32,610)	(38,826)	(71,436)
NET BOOK VALUE	**37,120**	**18,357**	**55,477**

Property, plant and equipment under lease reported changes during the period due to depreciation, as well as to the execution of a new lease agreements for a total of € 2,884 thousand. Of these an amount of € 129 thousand related to the execution of new real estate and property lease agreements. The new lease agreements and long-term hire of machinery, vehicles that

make up the corporate fleets and equipment amounted to € 2,755 thousand and included surgical instrumentation lease agreements for € 1,933 thousand, which were signed by subsidiary Servizi Ospedalieri S.p.A..

Furthermore, there was the early termination of some lease and long-term hire agreements for a total of € 115 thousand during the first quarter of 2023.

Other changes mainly 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 31 March 2023.

	Other intangible assets	Goodwill	Total
At 1 January 2023, net of accumulated amortization and impairment	**18,287**	**404,935**	**423,223**
Additions from acquisitions	963		963
Amortization	(1,437)		(1,437)
Others	(36)		(36)
At 31 March 2023	**17,777**	**404,935**	**422,712**
At 1 January 2023			
Historical cost	134,451	407,252	541,703
Accumulated amortization and impairment losses	(116,164)	(2,318)	(118,481)
NET BOOK VALUE	**18,287**	**404,935**	**423,223**
At 31 March 2023			
Historical cost	135,378	407,252	542,630
Accumulated amortization and impairment losses	(117,601)	(2,318)	(119,918)
NET BOOK VALUE	**17,777**	**404,935**	**422,712**

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

Other intangible assets, amounting to € 17,777 thousand at 31 March 2023, mainly consist of investments in software carried out as part of the projects aimed at upgrading and enhancing the corporate information systems. The additions from acquisitions for the period (€ 963 thousand) were mainly attributable to Parent Company Rekeep S.p.A. and relating to the implementation and upgrading of software platforms used by the Group.

7. IMPAIRMENT TEST OF GOODWILL

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

SBU – Facility management

The SBU is identified with:

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

SBU – Laundering & Sterilization

The SBU is identified with:

- Servizi Ospedalieri S.p.A., operating in the linen rental and industrial laundering segment for hospitals and the sterilization of linen and surgical instruments;
- Medical Device S.r.l., acquired during 2018 and specializing in the production of disposable kits containing all the devices needed to support the healthcare team in performing surgical procedures;
- U.Jet S.r.l., acquired on 1 June 2021 and specializing in the production of non-woven fabric (TNT) devices mainly aimed at the healthcare market, as well as in the packaging and composition of disposable fabric surgical kits, which are also intended for the healthcare market;
- other minor investee companies active in the same segment in Italy.

The table below sets forth the carrying amounts of the goodwill recognized in the interim condensed Consolidated Financial Statements at 31 March 2023, broken down into the different CGUs.

	31 March 2023	31 December 2022
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	16,183
CONSOLIDATED GOODWILL	**404,935**	**404,935**

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 31 March 2023, following the analysis of any possible evidence of impairment, the Directors, despite the economic situation existing as at the reporting date of this Interim Report, did not report any risk of impairment on the value of the cash generating units, including after considering the headroom noted in the sensitivity analyses and stress tests conducted at the reporting date of the Consolidated Financial Statements at 31 December 2022, which support the recoverability of consolidated assets even in the presence of any possible risk of significant amount. Therefore, have been not proceed with any formal update of impairment tests at 31 December 2022.

8. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

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

At 31 March 2023 the net book value of investments valued at Equity reported a net amount of € 10,527 thousand, against a net amount of € 9,717 thousand at the end of the previous year; these values are already stated net of a provision for risks covering future outlays that are expected to be incurred by the Group on behalf of the associate/joint venture, reclassified under liabilities in the balance sheet (for more details, see note 14).

	Net Assets 31 March 2023	Net Assets 31 December 2022
Investments valued for under the Equity method	11,240	10,121
Provision for risks on investments	(713)	(414)
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**10,527**	**9,717**

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

During the first quarter of 2023 investments accounted for under the equity method recorded a positive result of € 68 thousand (€ 159 thousand at 31 March 2022), for the share attributable to the Group, as a result of the recognition of income from equity investments of € 142 thousand (€ 163 thousand at 31 March 2022), and charges from equity investments for € 74 thousand (€4 thousand at 31 March 2022). Furthermore, positive effects were recognized directly in the consolidated Equity to an overall amount of € 1 thousand.

9. OTHER NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets at 31 March 2023 and at 31 December 2022:

	31 March 2023	31 December 2022
Other investments	5,996	5,996
Non-current financial assets	8,202	24,202
Other non-current assets	2,746	3,104
OTHER NON-CURRENT ASSETS	**16,944**	**33,302**

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

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

Non-current financial assets, amounting to € 8,202 thousand at 31 March 2023 (€ 24,202 thousand at 31 December 2022), are composed of:

- € 2,349 thousand of non-current financial receivables due from associates, affiliates and joint ventures (€ 1,493 thousand at 31 December 2022). The face value of these receivables is € 2,387 thousand, while the provision for discounting amounts to € 38 thousand (€ 1,517 thousand and € 24 thousand at 31 December 2022, respectively). Some of these are non-interest bearing since they were drawn down proportionally from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying EURIRS as the reference interest rate, plus a spread;

- € 4,752 thousand of non-current financial receivables from third parties (€ 21,608 thousand at 31 December 2022). The item included the balance of an escrow account for € 2,000 thousand, as well as 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 2022). The decrease in this item was mainly attributable to the amounts pledged as cash collateral for gas supply contracts, of which an amount of € 4.5 million was repaid in March 2023 and an amount of € 12.4 million was reclassified as short-term financial receivables, as they became due and payable within 1 year from the end of the period;
- € 1,101 thousand of securities held to maturity (unchanged compared to 31 December 2022).

Furthermore, the item is composed of security deposits related to long-term manufacturing contracts for € 2,054 thousand (€ 2,065 thousand at 31 December 2022) and long-term prepaid expenses relating to certain job orders for € 329 thousand (€ 670 thousand at 31 December 2022).

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

The following table includes the breakdown of Trade receivables and advances to suppliers and Other current operating receivables at 31 March 2023 and 31 December 2022:

	31 March 2023	of which from related parties	31 December 2022	of which from related parties
Contract assets	29,590		33,161	
Trade receivables, gross	492,013		475,471	
Allowance for doubtful accounts	(17,242)		(19,598)	
Trade receivables from third parties	**504,361**	**0**	**489,034**	**0**
Trade receivables from MSC	19	19	477	477
Trade receivables from Associates, Affiliates and Joint Ventures	48,193	48,193	41,632	41,632
Trade receivables from Group	**48,212**	**48,212**	**42,109**	**42,109**
Advances to suppliers	7,692		6,084	
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**560,265**	**48,212**	**537,227**	**42,109**
Other tax receivables due within 12 months	48,403		35,908	
Other current receivables from third parties	18,717		18,174	

Short-term receivables from social security institutions	1,232		1,316	
Short-term receivables from employees	225		222	
Other current assets from third parties	**68,577**	**0**	**55,620**	**0**
Current assets from MSC	333	333	333	333
Current assets from Associates, Affiliates and Joint Ventures	269	269	269	269
Other current assets from Group	**602**	**602**	**602**	**602**
Accrued income	502		845	
Prepaid expenses	3,445		2,144	
Accrued income and prepaid expenses	**3,947**	**0**	**2,989**	**0**
OTHER CURRENT ASSETS	**73,126**	**602**	**59,211**	**602**

The balance of trade receivables and advances to suppliers, which also includes contract assets, amounted to € 560,265 thousand at 31 March 2023, showing an increase of € 23,038 thousand compared to the amount at 31 December 2022 (€ 537,227 thousand).

The change in question was the result of an increase of € 16,542 thousand in trade receivables from third parties and an increase of € 6,103 thousand in receivables from other Group companies. On the contrary, there was a decrease in the value of contract assets for € 3,571 thousand, and in the provision for bad debts for € 2,356 thousand.

During 2023 the Group continued to hold contracts for the non-recourse assignment of trade receivables from third parties, including the 3-year maturity factoring agreement with BFF Bank S.p.A., which had been signed by the Parent Company Rekeep S.p.A. and other subsidiaries on 14 January 2022, following renewal and concerning the non-recourse assignment on a revolving basis of receivables claimed by the same companies from entities in the National Health System and Public Authorities, in an amount of up to € 300 million. These are accompanied by additional relationships with factoring companies for the disinvestment of specifically-agreed credit positions claimed both from entities in the National Health System and Public Authorities and from private entities.

During the year, the Group made assignments of trade receivables amounting to € 88,175 thousand (of which the balance amounting to € 79,823 thousand has not yet collected from the customer on the part of factoring companies): in all assignments, the assigned trade receivables were subjected to derecognition according to IFRS 9 in consideration of the characteristics of the transactions and entailed interest discount costs totaling € 933 thousand.

Finally, trade receivables from the Group amounted to € 48,212 thousand (€ 42,109 thousand at 31 December 2022). For more details, reference should be made to Annex III – Related-Party transactions.

A specific provision for bad debts was recognized in connection with non-performing loans, which are difficult to fully recover, amounting to € 17,242 thousand at 31 March 2023 (€ 19,598 thousand at 31 December 2022). Below are the changes for the period:

	31 December 2022	Increases	Uses	Releases	Others	31 March 2023
Provision for bad debts	**19,598**	201	(195)	(102)	(2,261)	**17,242**

Other current assets, equal to € 73,126 thousand (€ 59,211 thousand at 31 December 2022), showed a total increase of € 13,915 thousand for the year.

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

- tax receivables, mostly including receivables relating to the VAT payments made by the Group companies (€ 18,251 thousand against € 10,282 thousand at 31 December 2022), which systematically show a credit balance given the widespread application of the regulations governing “Split-payment” and “Reverse charge” to the cycle of purchasing and sales invoicing. Non-recourse assignments of VAT receivables held by some Group companies were made during 2023 for a nominal total amount of € 3,879 thousand;
- receivables for short-term security deposits on new annual electricity and gas utility contracts paid to suppliers for € 9,134 thousand (€ 7,354 thousand at the end of the previous year);
- tax credits, whose increase during the period was also due to the recognition of the tax credit as partial compensation for higher costs incurred for the purchase of electricity and natural gas as from the first quarter of the year, which had not yet been used on the reporting date for a total amount of € 28,576 thousand (€ 24,174 thousand at 31 December 2022).

11. SHARE CAPITAL AND RESERVES

	31 March 2023	31 December 2022
Share Capital – Ordinary shares	109,150	109,150

Ordinary shares have a nominal value of Euro 1 each. Ordinary shares issued and fully paid up at 31 March 2023 amounted to 109,149,600.

The Parent Company does not hold own shares.

Reserves and Retained Earning

The table below shows changes in Equity reserves during the period.

	Share premium reserve	Legal reserve	Reserves for effects on SE of equity-accounted companies	Translation reserve	SORIE reserve	Other reserves	Total reserves
31 December 2021	**145,018**	**21,830**	**3,714**	**(1,165)**	**(4,916)**	**(152,972)**	**11,510**
Allocation of profits of previous years				1,165	(63)		1,102
Currency appreciation due to hyperinflation						613	613
Business combinations “under common control”						(6,866)	(6,866)
Economic effects on shareholders’ equity			695	(1,042)	684		338
31 December 2022	**145,018**	**21,830**	**4,409**	**(1,042)**	**(4,294)**	**(159,226)**	**6,696**
Allocation of prior year result				1,042	(394)	(613)	33
Business combinations “under common control”						(167)	(167)
Economic effects on shareholders’ equity			(1)	603			602
31 March 2023	**145,018**	**21,830**	**4,408**	**603**	**(4,689)**	**(160,006)**	**7,164**

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

- the reserve originating from the recognition of joint operations, which includes the differences between the purchase cost and the net carrying amount of the assets acquired under business combinations between jointly-controlled entities, for a 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 31 December 2022, due to the effects 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. Finally, the negative reserve showed an increase of € 167 thousand at 31 March 2023 due to the effects of the agreement signed by Rekeep S.p.A.. on 22 December 2022 with Sacoa S.r.l, a company in

the same group controlled by the parent company MSC Società di Partecipazione tra Lavoratori S.p.A., concerning the acquisition of the "Major Customers" business unit (see note 3 for more details);

- the Parent Company's extraordinary reserve equal to € 43,967 thousand.

The table below shows changes in *Retained earnings*:

	Accumulated profits (losses) of the Parent Company	Consolidation reserve	Total retained earnings
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)
31 December 2022	**3,809**	**(79,924)**	**(76,115)**
Allocation of profits of previous years		27,098	27,098
Change in consolidation area		243	243
31 March 2023	**3,809**	**(52,583)**	**(48,774)**

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

	31 March 2023	31 December 2022
Equity attributable to minority interests	**6,318**	**6,096**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	935	882
Subsidiaries of Servizi Ospedalieri S.p.A.	4,715	4,628
Other subsidiaries and consortia	668	586

	31 March 2023	31 December 2022
Profit attributable to minority interests	**312**	**368**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	158	100

Subsidiaries of Servizi Ospedalieri S.p.A.	87	268
Other subsidiaries and consortia	68	0

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

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

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

12. FINANCIAL INDEBTEDNESS

Net financial indebtedness amounted to € 469,590 thousand at 31 March 2023, against € 449,776 thousand at 31 December 2022.

Below is the breakdown by item of financial statements:

	31 March 2023	31 December 2022
Long-term financial debt	409,093	408,608
Bank borrowings, including current portion of long-term debt and other financial liabilities	150,030	132,428
Total gross debt	**559,123**	**541,036**
Cash and cash equivalents	(73,422)	(84,243)
Current financial assets	(16,111)	(7,017)
Financial indebtedness	**469,590**	**449,776**

Current and non-current financial liabilities

The tables below set forth the qualitative breakdown by current and non-current financial liabilities at 31 March 2023 and 31 December 2022.

	31 March 2023	within 1 year	from 1 year to 5 years	after 5 years
Senior Secured Notes	364,939		364,939	
Artigiancassa loan	718	239	479	
Prepaid interest expenses	(972)	(811)	(162)	
Accrued interest expenses	4,462	4,462		
Long-term bank borrowings and current portion of long-term bank borrowings	**369,147**	**3,891**	**365,256**	**0**
Current account overdrafts, advance payments and hot money	16,351	16,351		
Lease liabilities	49,008	20,415	24,137	4,456
Loans from syndicated shareholders	1,040	172	630	239
Loan from Parent Company MSC S.p.A.	3	3		
Other financial liabilities	6,920	6,920		
Obligations from assignments of trade receivables with recourse	24,114	24,114		
Amounts collected on behalf of assignees of trade receivables	28,840	28,840		
Obligations arising from reverse factoring transactions	45,255	45,255		
Options on subsidiaries' minority shareholdings	16,329	1,952	14,377	
Debt for acquisition of investments/business units	2,116	2,116		
TOTAL FINANCIAL LIABILITIES	**559,123**	**150,030**	**404,399**	**4,694**

	31 December 2022	within 1 year	from 1 year to 5 years	after 5 years
Senior Secured Notes	364,541		364,541	
Artigiancassa loan	838	239	599	
Prepaid interest expenses	(1,065)	(623)	(442)	
Accrued interest expenses	11,695	11,695		
Long-term bank borrowings and current portion of long-term bank borrowings	**376,010**	**11,312**	**364,698**	**0**

	31 December 2022	within 1 year	from 1 year to 5 years	after 5 years
Current account overdrafts, advance payments and hot money	15,293	15,293		
Lease liabilities	48,956	20,180	23,833	4,943
Loans from syndicated shareholders	1,040		1,040	
Loan from Parent Company MSC S.p.A.	1	1		
Other financial liabilities	7,635	7,635		
Obligations from assignments of trade receivables with recourse	11,806	11,806		
Amounts collected on behalf of assignees of trade receivables	28,480	28,480		
Obligations arising from reverse factoring transactions	33,813	33,813		
Options on subsidiaries' minority shareholdings	16,046	1,952	14,094	
Debt for the acquisition of investments / business units	1,956	1,956		
TOTAL FINANCIAL LIABILITIES	**541,036**	**132,428**	**403,665**	**4,943**

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 rules of the bond issue provide for a system of guarantees and covenants to protect the Bondholders' investment. There are in fact some limitations on the financial operations of the Issuer and of its subsidiaries, while allowing the Group to operate freely, provided that the operations carried out contribute added value and cash flows to the Group, at least potentially. These covenants substantiate in some limitations on the possibility of incurring new indebtedness and making distribution of dividends, investments and some types of payments outside the Restricted Group (restricted payments). Furthermore, there are also rules

governing the allocation of sums obtained from the sale of fixed assets, the performance of non-recurring and related-party transactions and the release of collateral on corporate assets to third parties. The covenants in question substantiate in the compliance with certain financial parameters (incurrence base financial covenants), the fulfillment of some conditions or the application of a quantitative limit on the performance of the transactions referred to above rather than in a full prohibition on carrying out the aforesaid transactions. Finally note interim reporting obligations concerning the Group's financial position, results of operations and cash flows. The limits and provisions laid down in the rules of the bond issue are in line with market practice for similar operations. The failure by the Issuer to comply with one or more covenants, in addition to significant events that give rise to a state of insolvency, constitute default events. There is the possibility of remedying most of them within a certain period of time. The default event relating to the state of insolvency or the failure to remedy the other default events constitute grounds for acceleration, i.e. the beneficiary's forfeiture of the right to the time limit and the early redemption of the Notes. No default events had occurred at the reporting date of these Financial Statements.

As at 31 March 2023 the financial charges accrued on the bond coupons amounted to € 6,184 thousand against € 6,508 thousand in the first quarter of the previous year. The upfront fees relating to the issue of Senior Secured Notes, accounted for according to the amortized cost method in accordance with IFRS 9, entailed the recognition of financial amortization charges of € 398 thousand during the first quarter of 2023 (€ 368 thousand in the first quarter of 2022).

Super Senior Revolving Credit Facility (RCF)

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

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

The facility was partially drawn down during the period in order to meet temporary cash requirements (if any), and promptly repaid: the RCF facility had not been drawn down at 31 March 2023. The temporary partial uses entailed the charging of financial costs accrued for the time being, for an amount of € 424 thousand (€ 185 thousand at 31 March 2022).

Prepaid interest expenses

At 31 March 2023 the Company recognized prepaid interest expenses of € 972 thousand (€ 1,065 thousand at 31 December 2022). The item mainly relates to the arrangement fee initially incurred by Rekeep S.p.A. for the execution of the Super Senior Revolving (RCF) loan agreement, initially equal to € 1,260 thousand). These costs will be amortized on a straight-line basis throughout the term of the credit line and generated amortization charges of € 189 thousand in the first quarter of 2023 (€ 211 thousand in the same period of the previous year).

Accrued interest expenses

At 31 March 2023 accrued interest expenses were recognized for € 4,462 thousand (€ 11,695 thousand at 31 December 2022), of which € 4,396 thousand relating to the coupon of the Senior Secured Notes due 1 August 2023 (€ 11,624 thousand at 31 December 2022).

Artigiancassa loan (Rekeep S.p.A.)

On 21 June 2018 the Company obtained a soft loan from the "Energy and Mobility Fund" of the Marche Regional Government, aimed at supporting the development of energy efficiency of healthcare units. This soft loan is disbursed partly in the form of an 8-year financing on the part of Artigiancassa S.p.A. for an initial amount of € 1,676 thousand and a pre-amortization period of 12 months. The loan does not bear interest and provides for the payment of 14 six-monthly installments falling due on 31 March and 30 September of each year. As at 31 March 2023 an additional installment of € 120 thousand was repaid, thus bringing the residual debt of this loan to € 718 thousand (€ 838 thousand at 31 December 2022).

Other bank loans

No other loans with banks were reported at 31 March 2023 (unchanged compared to 31 December 2022).

Current account overdraft, advance payments and hot money

At 31 March 2023 this item showed a balance of € 16,351 thousand, against an amount of € 15,293 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.

Lease liabilities

Obligations in place at 31 March 2023 for lease agreements, property and operating leases amounted to € 49,008 thousand, against € 48,956 thousand at 31 December 2022.

During the year under review, new contracts were activated and lease payments were revalued for a present value, at the time of recognition, equal to € 1,933 thousand, while contracts were early terminated for a residual value of € 115 thousand. The

new contracts signed are related to motor vehicles, corporate fleet vehicles, equipment, plant and machinery (the latter mainly relating to Servizi Ospedalieri S.p.A., which uses them in the laundering and sterilization production processes) and property lease.

Syndicated loans

This item refers to financing provided by the consortium members, which are minorities in the consortium companies included within the scope of consolidation, since they are owned or held in joint venture at 50%. In certain cases, these loans are non-interest-bearing loans and are repayable on request. In other cases, they have a contractually defined maturity and, in others, they do not have a contractually defined maturity but will essentially be repayable at the end of the long-term service contract, on the basis of which the consortium company was established. At 31 March 2023 the overall balance of these loans amounted to € 1,040 thousand (unchanged compared to 31 December 2022).

Due to factoring agencies

This item includes receipts from customers on receivables assigned within the factoring of trade receivables without recourse, for which the Group acts as an agent for the management of receipts on behalf of the factor. The amounts collected, equal to € 28,840 thousand at 31 March 2023 (€ 28,480 thousand at 31 December 2022) were transferred to the factor in the month after the end of the period.

Obligations from assignments of receivables with recourse

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

In 2023 assignments with recourse were made with regard to trade receivables at a nominal value of receivables of € 24,283 thousand, while the exposure was equal to € 24,114 thousand at 31 March 2023 (€ 11,806 thousand at 31 December 2022).

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 € 45,255 thousand at 31 March 2023 (€ 33,813 thousand at 31 December 2022).

Options on subsidiaries' minority shareholdings

The options on subsidiaries' non-controlling interests were recognized for an amount of € 16,329 thousand at 31 March 2023 (€ 16,046 thousand at 31 December 2022).

Of these an amount of € 14,377 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 (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 31 March 2023, whose shareholding of 30% was transferred to third parties on 15 January 2018 under an Investment Agreement signed in 2017.

Debts for the acquisition of investments/business units

This item amounted to € 2,116 thousand at 31 March 2023 (€ 1,956 thousand at the end of the previous year).The item includes Rekeep S.p.A.'s residual debt of € 1,956 thousand to the parent company MSC Società di Partecipazione tra Lavoratori S.p.A., relating to the acquisition of the "Personnel Activities" business unit that was completed during 2022, as well as Rekeep S.p.A's residual debt of € 160 thousand to Sacoa S.r.l., a company belonging to the same group controlled by the parent company MSC Società di Partecipazione tra Lavoratori S.p.A., relating to the acquisition of the "Major Customers" business unit, as detailed in note 3 above.

Other financial liabilities

As at 31 March 2023 other financial liabilities were recorded for € 6,920 thousand, against € 7,635 thousand at 31 December 2022.Other financial liabilities include a loan of € 888 thousand (€ 1,182 thousand at 31 December 2022) 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 the price that the Parent Company Rekeep has paid to its controlling company MSC against the acquisition of the property lease agreements involving the registered office with MPS Leasing & Factoring S.p.A., equal to € 5,370 thousand (including VAT), as determined according to the positive differential between the value of the real estate complex and the residual debt arising from lease agreements, which was already stated at 31 December 2022).

Current and other financial assets

As at 31 March 2023 Current and other financial assets amounted to € 16,111 thousand (€ 7,017 thousand at 31 December 2022) and mainly included:

- the balance of pledged current accounts dedicated to the operation of the service for managing receipts within the scope of non-recourse assignments of trade receivables, equal to € 2,725 thousand (€ 5,564 thousand at 31 December 2022);
- an overall amount of € 538 thousand of receivables for short-term loans and financial accounts held with non-consolidated Group companies (€ 855 thousand at 31 December 2022);

› the balance of restricted current accounts for € 12,350 thousand of the sums pledged as cash collateral for contracts for the supply of gas, previously included under non-current financial receivables and reclassified as short-term at 31 March 2023.

13. EMPLOYEE TERMINATION INDEMNITY (TFR)

Below are the changes in the liabilities relating to Employee Termination Indemnity (TFR) in the first quarter of 2023, compared with changes in the same period of the previous year.

	For the quarter ended	
	31 March 2023	31 March 2022
AT 1 JANUARY	**10,483**	**10,483**
Additions for business combinations	75	0
Current service cost	25	248
Interest costs on benefit obligations	14	1
Benefits paid	(389)	(575)
Other changes	0	1
AT 31 MARCH	**9,695**	**10,158**

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

	For the quarter ended	
	31 March 2023	31 March 2022
Current service cost	25	249
Interest costs on benefit obligations	14	1
Net cost of the benefits recognized through profit or loss	**39**	**250**
Net actuarial (gains)/ losses recognized in equity	0	0
TOTAL NET BENEFIT COSTS	**39**	**250**

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

	For the quarter ended	
	31 March 2023	31 March 2022
Executives	64	71
Office workers	1,810	1,699
Manual workers	24,070	25,121
AVERAGE STAFF	**25,944**	**26,891**

Following the transfer of the "Personnel activities" business unit to Rekeep S.p.A., which was completed during 2022, the parent company MSC S.p.A. ceased its operations in the provision of temporary work: therefore, there were no leased employees in the Group as at 31 March 2023 (the average number of leased employees from the Group was 283 at 31 March 2022).

14. PROVISIONS FOR RISKS AND CHARGES

The breakdown and changes in the provisions for risks and charges for the period ended 31 March 2023 are shown below:

	Risks on investments	Risks on job orders	Pending legal disputes	Tax litigation	Agents' indemnity leave	Termination employee benefits	Other provisions	Total
At 1 January 2023	**414**	**12,886**	**25,344**	**441**	**176**	**670**	**8,743**	**48,675**
Accruals		3,961	566				6,190	10,718
Uses		(416)	(553)	6		(8)	(320)	(1,292)
Reversals		(95)					(30)	(125)
Others	299	(181)	(265)		(176)		(910)	(1,234)
At 31 March 2023	**713**	**16,155**	**25,091**	**447**	**0**	**662**	**13,673**	**56,741**
At 31 March 2023:								
Current	*713*	*14,676*	*361*	*447*	*0*	*662*	*10,735*	*27,594*
Non-current	*0*	*1,478*	*24,731*	*0*	*0*	*0*	*2,938*	*29,147*
At 31 December 2022:								
Current	*414*	*11,890*	*369*	*447*	*0*	*670*	*4,692*	*18,483*
Non-current	*0*	*996*	*24,974*	*(6)*	*176*	*0*	*4,051*	*30,192*

Provision for risks on investments

The item, amounting to € 713 thousand (€ 414 thousand at 31 December 2022), includes the provision for unrecoverable future losses of Group companies and related for € 118 thousand to the subsidiary Alisei S.r.l. in liquidation, for € 118 thousand to the subsidiary Manutencoop International Services LLC in liquidation, for € 169 thousand to the subsidiary Yougenio S.r.l. in liquidation and for € 308 thousand to the subsidiary S.AN.CO. s.c. a r.l. in liquidation.

Provision for risks on job orders

This provision includes, at consolidated level:

- estimated risks relating to potential disputes with customers, on the report of works;
- estimated penalties charged by customers;
- estimated costs to complete job orders, in respect of which no additional revenues will be paid;
- the balance amounted to € 16,155 thousand at 31 March 2023 (€ 12,886 thousand at 31 December 2022), up by € 3,269 thousand against accruals of € 3,961 thousand, uses of € 416 thousand and releases of € 95 thousand, as well as other changes of € 181 thousand.

Provisions for pending legal disputes

At the reporting date of the financial statements, the risk was assessed for the Group to be required to pay future compensation in the event of losing cases in legal actions pending with customers, suppliers, employees and others. During the period ended 31 March 2023, the provision, totaling € 25,091 thousand (€ 25,344 thousand at 31 December 2022), reported increases for accruals for € 566 thousand and decreases for uses and other changes totaling € 818 thousand.

Provisions were mainly recognized to hedge the risks involving the Parent Company Rekeep S.p.A. for € 510 thousand. Uses and reversals for the period, which were mostly attributable to the Parent Company, relate to the use of provisions set aside in previous years against the settlement of disputes with suppliers and of actions with other persons or entities.

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

On 7 January 2017 the Company served on the entity a writ of summons before the Court of Rome in order to verify the unlawfulness of the termination of the agreements and to order Consip S.p.A. to pay compensation for damages suffered by the company itself. By a judgment filed on 30 May 2022, the Civil Court of Rome rejected our write of summons, while declaring

that the termination of the "Consip Scuole" agreements ordered by Consip was lawful pursuant to Article 1456 of the Italian Civil Code. The Company through its legal counsels has submitted an application for appeal, with the first hearing scheduled on 31 January 2023, which was rescheduled *ex officio* to 25 October 2023. 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 (Italian Anti-Corruption Authority) 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 suspended the enforcement of the judgment; at the hearing on the merits held on 7 October 2021 the Council of State suspended the proceedings pending 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. Therefore, following a request to schedule a hearing, the Council of State met for discussion on 2 February 2023 and ordered the suspension of the proceedings, pending a decision on the part of the European Court of Justice on preliminary issues submitted in another appeal (but overlapping with those raised by the defense counsels to the Company) and referred by the Council of State by order to the European Court. However, a single-member board's Presidential decree suspending the challenged judgments had been 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 held 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 decision of the Constitutional Court, which, on 26 July 2022, rejected the objections on constitutional legitimacy by judgment 198/2022. Therefore, following a request to schedule a hearing, the Council of State met for discussing the substance of the matter on 29 November 2022, while considering the lawfulness of the order of exclusion from the Consip Musei tender and of enforcement of the bid bond. The Company filed an appeal for review before the Council of State, which ordered the suspension of the challenged order limited to the enforcement of sureties under an order dated 24 March 2023.
The Consip Sanità, Consip Caserme and Consip Musei tenders did not generate consolidated Revenues until 31 March 2023 and were not included in the Group's backlog at 31 March 2023.
In the Consolidated Financial Statements at 31 March 2023 the Directors already decided to maintain the provisions for future charges (equal to € 17.5 million), also taking account of the risk of enforcement of the abovementioned performance bond and bid bonds and despite the fact that Rekeep S.p.A. could submit sound arguments against the enforcement of the bonds in court.

The dispute concerning the fine imposed in relation to the FM4 Tender still continued in 2022.
On 23 March 2017, the Competition Authority notified Rekeep S.p.A. (at the 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. e STI S.p.A. and subsequently extended to Exitone S.p.A., Manital Società Consortile per i Servizi Integrati per Azioni Consorzio Stabile, Manital S.c.p.a., Gestione Integrata S.r.l., Kuadra S.r.l. in Liquidation, Esperia S.p.A., Engie Energy Services International SA, Veolia Energie International SA, Romeo Partecipazioni S.p.A., Finanziaria Bigotti S.p.A., Consorzio Stabile Energie Locali S.c.a.r.l. to ascertain whether those companies put in place a possible anti-competitive agreement whose subject matter consisted of the coordination of the procedures for taking part in the tender called by Consip in 2014 for awarding the Facility Management services intended for properties mainly for office use of the Public Administration (known as "FM4 Tender"). On 9 May 2019, after the completion of the abovementioned proceedings, the Competition Authority served the final order, considering the existence of the agreement restricting competition between some of the abovementioned companies and imposing a sanction of € 91.6 million on the Company.
The Lazio Regional Administrative Court's judgment of 27 July 2020 partially granted the appeal submitted by the Company, albeit confirming the Competition Authority's Order as regards the merits, the Regional Administrative Court granted the request for redetermination of the fine setting the parameters. Subsequently, the Competition Authority therefore again set the new fine at € 79.8 million. The Company challenged both the Regional Administrative Court's judgment before the Council of State and orders for the new calculation of the fine before the Regional Administrative Court. Finally, on 22 December 2020 the Competition Authority served on the Company its appeal against the Lazio Regional Administrative Court's order, while requesting the confirmation of the order on the FM4 tender, including the initial fine equal to € 91.6 million. On 20 January 2022, discussion on the merits was held before the Council of State, which rejected the appeal submitted by the Company by 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, then postponed to 15 June 2023; the Company also filed an appeal before the Supreme Court on 8 July 2022 and is waiting for the Court to hand down its ruling following the hearing held on 4 April 2023.
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. See note 16 for more details on the stated liability.

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 aforesaid decision of the Constitutional Court, which, on 26 July 2022, 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. On 16 November 2022 the Rome Regional Administrative Court rejected the appeal by "final" judgment no. 15201/22. On 18 January 2023 the Company filed an appeal against this judgment, while submitting a request for precautionary measures for the suspension discussed at the hearing on 2 February 2023 with a favorable outcome for the Company: the Judge, in fact, granted the suspension and

rescheduled the hearing for discussing the substance of the matter on 18 May 2023. Furthermore, on 9 November 2022 the Company appealed against the partial judgment whereby the Regional Administrative Court ruled on the lawfulness of the order of exclusion from the tender: the hearing, initially scheduled on 9 March 2023, was adjourned by the Council of State to a date to be scheduled.

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

The Company continues to hold that it considers the Competition Authority's order unjustified and disproportionate and will continue to take any necessary action against it to protect its rights and interests. While having full confidence in the arguments discussed with their lawyers and after specifically verifying the consolidated financial planning and the actual conditions to be able to meet non-recurring cash outflows (if any), the Directors do not see any uncertainties for the purposes of assessing the going-concern assumption.

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

Provision for termination employee benefits

This provision has been set aside to include the amounts due for severance and employee redundancy costs, as part of various restructuring plans implemented by some Group companies over the last few years. As at 31 March 2023 the provision recorded a balance equal to € 662 thousand (€ 670 thousand at 31 December 2022), against uses of € 8 thousand.

Provision for tax disputes

At 31 March 2023 the provision amounted to € 447 thousand, recording an increase of € 6 thousand during the period (€ 441 thousand at 31 December 2022).

Other provisions for risks and charges

The provision, amounting to € 13,673 thousand at 31 March 2023, showing an increase of € 4,930 thousand compared to 31 December 2022 (€ 8,743 thousand) as a result of provisions for € 46,190 thousand and uses, releases and other changes for a total of € 1,260 thousand.

15. CONTINGENT LIABILITIES

As at the date of approval of the Interim Report on Operations at 31 March 2023 contingent liabilities had not arisen for the Rekeep Group which had not been recognized in the accounts, for which the Management believes that the related financial risks can be regarded as possible but unlikely or for which these risks cannot be quantified and recognized in the financial statements at 31 March 2023.

16. TRADE PAYABLES, CONTRACT LIABILITIES AND OTHER CURRENT PAYABLES

The table below sets forth the breakdown of the item at 31 March 2023 and 31 December 2022:

	31 March 2023	of which to related parties	31 December 2022	of which to related parties
Trade payables	378,728		412,860	
Trade payables to third parties	**378,728**	**0**	**412,860**	**0**
Trade payables to MSC S.p.A.	1,114	1,114	1,312	1,312
Trade payables to associates, affiliates and joint ventures	49,035	49,035	44,061	44,061
Trade payables to the Group	**50,149**	**50,149**	**45,373**	**45,373**
Advances from customers including contract liabilities	31,755		22,575	
Trade payables and contract liabilities	**460,632**	**50,149**	**480,808**	**45,373**
Fees due to directors and statutory auditors	309		255	
Tax payables	8,906		8,409	
Payables to social security institutions within 12 months	16,316		17,113	
Other payables to TJA	5,069		7,833	
Payables to employees within 12 months	62,115		53,087	

	31 March 2023	of which to related parties	31 December 2022	of which to related parties
Other payables within 12 months	78,766		79,462	
Property collection on behalf of customers	2,176		2,176	
Other current operating payables to third parties	**173,657**	**0**	**168,335**	**0**
Other current payables to MSC S.p.A.	114	114	23	23
Other payables to associates, affiliates and joint ventures	645	645	42	42
Other current operating payables to the Group	**759**	**759**	**65**	**65**
Accrued expenses	454		111	
Deferred income	1,184		1,156	
Accrued expenses and deferred income	**1,638**	**0**	**1,267**	**0**
Other current operating payables	**176,054**	**759**	**169,667**	**65**

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

Trade payables and contract liabilities amounted to € 460,632 thousand at 31 December 2022, against a balance of € 480,808 thousand at 31 December 2022, showing a decrease of € 20,176 thousand.

Other current liabilities showed a balance of € 176,054 thousand at 31 March 2023 (€ 169,667 thousand at 31 December 2022) and are mainly made up of the following items:

- payables to employees of € 62,115 thousand (€ 53,087 thousand at 31 December 2022) including the current monthly salaries to be paid in the months after the end of the financial year, as well as payables for additional monthly salaries to be paid (a portion of the 14th salary, to be paid in the month of July, and the 13th salary, to be paid each year in the month of December). Furthermore, the corresponding payables to social security institutions were recognized for € 16,316 thousand (€ 17,113 thousand at 31 December 2022);
- payables to tax authorities for € 8,906 thousand, mainly relating to the balance of payables for VAT payments on the part of some Group companies and of the IRPEF tax payable for employees (€ 8,409 thousand at 31 December 2022);
- receipts on behalf of Temporary Associations of Companies (ATI) for € 5,069 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mostly relating to job orders under “CONSIP” agreements (€ 7,833 thousand at 31 December 2022).

Other current liabilities also included the residual balance, amounting to € 64,003 thousand, of the liability stated by the Parent Company Rekeep S.p.A. following the service of the updated Competition Authority sanctioning order regarding the Consip FM4 tender and the Revenue Agency's subsequent registration, in the taxpayers' list, of the amounts requested, subject to an installment plan in no. 72 monthly installments, which was carried out on 22 December 2020 (initial debt of € 82.2 million).

17. COMMITMENTS AND GUARANTEES

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

Specifically, the Group signed lease agreements primarily for plant and equipment used in the production processes of the Laundering & Sterilization SBU, as well as property lease agreements and commitments to the execution of property lease agreements for the Group's offices, long-term hire contracts for the corporate fleets of the Group companies and hiring contracts for equipment used in the performance of some work contracts, accounted for in accordance with IFRS16.

The tables below report the amount of future lease payments arising from leases and the present value of these fees at 31 March 2023 and 31 December 2022:

	31 March 2023		31 December 2022	
	Lease fees	Present value of lease fees	Lease fees	Present value of lease fees
Within one year	21,710	20,415	21,243	20,180
From one year to five years	26,594	24,137	25,720	23,833
After five years	5,252	4,456	6,325	4,943
TOTAL LEASE FEES	**53,556**	**49,008**	**53,288**	**48,956**
Financial costs	(4,548)		(4,332)	
PRESENT VALUE OF LEASE	**49,008**	**49,008**	**48,956**	**48,956**

At 31 March 2023 the Group also granted sureties to third parties for:

- guarantees against financial obligations amounting to € 5,099 thousand (€ 9,652 thousand at 31 December 2022), of which € 766 thousand issued in the interest of associates for bank overdrafts and other financial obligations (€ 789 thousand at 31 December 2022);

- sureties granted to third parties to ensure the correct fulfillment of contract obligations in place with customers, amounting to € 371,313 thousand (31 December 2022: € 376,420 thousand), of which € 1 thousand issued in the interest of associates (unchanged compared to 31 December 2022);
- other guarantees granted by third parties in favor of associates, joint ventures and other equity investments for € 9,743 thousand (€ 9,993 thousand at 31 December 2022);
- other guarantees granted to third parties to replace security deposits required to activate utilities or to execute lease agreements, as well as for VAT refunds from Inland Revenue Agency, for a total amount of € 109,635 thousand (€ 109,193 thousand at 31 December 2022).

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

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

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

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

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

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

The guarantees listed above may be called by the counterparties only in the case that one of the events of default envisaged in the abovementioned contracts occurs; up to the occurrence of the same, the assets covered by the guarantee are fully available to the Rekeep Group companies. At 31 March 2023 no events of default had occurred.

18. FINANCIAL RISK MANAGEMENT

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

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 other traditional financing instruments used by the Group Companies are made up of:

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

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

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

- Level 1: prices quoted on active markets for similar liabilities and assets;
- Level 2: prices calculated through information obtained from observable market data;
- Level 3: prices calculated through information other than observable market data.

The table below shows the hierarchical levels for each class of financial asset measured at fair value on 31 March 2023 and 31 December 2022:

		Hierarchy				Hierarchy		
	31 March 2023	Level 1	Level 2	Level 3	31 December 2022	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss								
Financial receivables, securities and other non-current financial assets	**1,101**	101		1,000	**1,101**	101		1,000
- of which securities	**1,101**	101		1,000	**1,101**	101		1,000
Available-for-sale financial assets								
Financial receivables and other current financial assets	**0**				**0**			
- of which securities	**0**				**0**			
- of which hedging derivatives	**0**				**0**			
- of which non-hedging derivatives	**0**				**0**			
TOTAL FINANCIAL ASSETS	**1,101**	**101**		**1,000**	**1,101**	**101**		**1,000**

The other financial assets posted in the Statement of financial position are not measured at fair value and the Group had no financial liabilities measured at fair value at 31 March 2023 and 31 December 2022. During the financial year under consideration there were no transfers between fair value measurement levels.

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

Capital management

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

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

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

	31 March 2023	31 December 2022
Employee termination indemnity	9,695	9,970
Interest-bearing loans	500,246	481,577
Trade payables and contract liabilities	460,632	480,808
Other current payables	176,054	169,667
Other current financial payables	58,877	59,459
Cash and cash equivalents	(73,422)	(84,243)
Other current financial assets	(16,111)	(7,017)
Total Net Debt	**1,115,971**	**1,110,221**
Group shareholders' equity	73,058	66,862
Undistributed net profit (loss)	(5,518)	(27,131)
Total Capital	**67,540**	**39,731**
EQUITY AND NET DEBT	**1,183,511**	**1,149,952**
INDEBTEDNESS RATIO	**94.3%**	**96.5%**

The debt ratio showed a decrease compared to 31 March 2023 due to the two effects of opposite sign: (i) a capital increase through the al location of the profit achieved in 2022; (ii) an increase in debt recorded during the first quarter of 2023.

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 7 for details.

Facility Management SBU

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

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

- Cleaning;
- Technical Services;
- Landscaping;
- Energy management;
- Healthcare logistics.

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

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

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

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

Again within the scope of the operation of properties, energy management activities are carried out, 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.

Finally, healthcare logistics activities are developed, i.e., in-house and third-party logistics services for drugs and medical devices offered through an end-to-end management system.

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

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

Finally, the internationalization process led to the start-up of facility operations in France (through the sub-group controlled by Rekeep France S.a.S.) and other two subsidiaries, Turkey (through EOS) and Saudi Arabia (through Rekeep Saudi Arabia Ltd): these companies mainly deliver cleaning services in the transport and healthcare sectors. In 2019 the acquisition of the Polish company Rekeep Polska S.A., the parent company controlling the group with the same name, served to expand and strengthen the market position in the field of facility management in the healthcare sector, particularly cleaning and disinfection of healthcare facilities, specialist hospital services of maintenance of medical areas and instruments, assistance to patients in bed arrangement, transport, medical operations and procedures, as well as catering services, i.e., preparation and distribution of meals to patients and operation of hospital canteens, and medical transportation services, i.e., ambulance hire and transport of people with disabilities.

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 and kits;
- rental of linen with special materials for operating rooms;
- acceptance, treatment, sterilization and redelivery of surgical instruments;
- rental of surgical instruments;
- creation and management of sterilization systems.

The results of operations by segment for the periods ended 31 March 2023 and 31 March 2022:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment revenues	278,438	39,871	(4,936)	313,373
Segment costs	(258,348)	(38,007)	4,936	(291,418)
Operating income (loss) by segment	**20,090**	**1,864**	**0**	**21,955**
Share of net profit of associates	(44)	112		68
Net financial income (costs)				(12,411)
Profit (loss) before taxes				**9,612**
Income taxes				(3,782)
NET PROFIT (LOSS) FOR THE PERIOD ENDED 31 MARCH 2023				**5,830**

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

The table below reports the data relating to assets and liabilities for the Group's operating segments at 31 March 2023 and at 31 December 2022:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	668,334	159,072	(13,360)	814,046
Goodwill	388,751	16,183		404,935
Investments	12,803	4,433		17,236

	Facility Management	Laundering & Sterilization	Eliminations	Total
Other assets not allocated and related taxes				123,631
SEGMENT ASSETS AT 31 MARCH 2023	**1,069,888**	**179,688**	**(13,360)**	**1,359,848**
Liabilities allocated to the segment	642,515	73,967	(13,360)	703,121
Other liabilities not allocated and related taxes				573,350
SEGMENT LIABILITIES AT 31 MARCH 2023	**642,515**	**73,967**	**(13,360)**	**1,280,472**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	634,684	147,886	(7,882)	774,688
Goodwill	388,752	16,183		404,935
Investments	11,797	4,321		16,118
Other assets not allocated and related taxes				145,203
SEGMENT ASSETS AT 31 DECEMBER 2022	**1,035,233**	**168,391**	**(7,882)**	**1,340,945**
Liabilities allocated to the segment	649,059	67,943	(7,882)	709,120
Other liabilities not allocated and related taxes				558,867
SEGMENT LIABILITIES AT 31 DECEMBER 2022	**649,059**	**67,943**	**(7,882)**	**1,267,987**

20. TRANSACTIONS WITH RELATED PARTIES

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

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

The Parent Company has some sub-lease agreements in place with its parent company MSC Società di Partecipazione tra Lavoratori S.p.A..

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. No advances previously collected in consideration of these services were recognized at 31 March 2023 (unchanged compared to 31 December 2022).

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

- MSC S.p.A. 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 expected to be € 325 thousand, to be paid in 12 monthly installments;
- Rekeep S.p.A. signed agreements with MSC and the other Group companies for the provision of tax consultancy services.

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

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

Zola Predosa, 18 May 2023

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 no. 126/201, 91-204	Lodz (Poland)	100%	PLN
Cefalù Energia S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Consorzio Stabile CMF	Via Bolzano no. 59	Trento (TN)	97.83%	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 no. 46, 31-215	Krakow (Poland)	100%	PLN
JOL-MARK sp. z o.o.	ul. Portowa no. 16G, 44-100	Gliwice (Polonia)	100%	PLN
KANARIND Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	62.43%	Euro
Kolumna Transportu Sanitarnego Triomed sp. z o.o.	ul. Północna no. 22, 20-064	Lublin (Poland)	100%	PLN
Infrastrutture Lombardia Servizi Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Medical Device S.r.l.	Via della Tecnica no. 52	Montevarchi (AR)	60%	Euro
Naprzód Catering sp. z o.o.	ul. Stefana Banacha 1A, 02-097	Warsaw (Poland)	100%	PLN
Naprzód Cleaning sp. z o.o.	ul. Traktorowa 126/301, 91-204	Lodz (Poland)	100%	PLN

Name	Registered Office	City	% Held	Currency
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 World S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	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 n. 10	Sighetu Marmatiei, Romania	100%	RON
U.Jet S.r.l.	Via San Francescuccio dè Mietitori no. 32	Bastia Umbra (PG)	60%	Euro
Vendi Service sp. z o.o. in liquidation	ul. Traktorowa n.126, 91-204	Lodz (Poland)	100%	PLN

JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% Held	Currency
AMG S.r.l.	SS Laghi di Avigliana no. 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
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
CO.GE.F. Soc. Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	80%	Euro
Consorzio Igiene Ospedaliera Soc. Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	66.66%	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
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 Vicenza Soc. Cons. a r.l.	Via Grandi no. 39	Concordia Sulla	41.25%	Euro

Name	Registered Office	City	% Held	Currency
		Secchia (MO)		
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
Logistica Sud Est Soc.Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	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	33.02%	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
S.AN.CO S.c.a.r.l. in liquidation	Via Aurelio Saffi no. 51	Bologna	100%	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
Servizi Napoli 5 Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	45%	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 2022	Changes in the period					Net assets 31 March 2023	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%	(118)						(118)	0	(118)
A.M.G. S.r.l.	50%	2,371			100			2,471	2,471	
ARIENES Soc. Cons. a r.l.	35%	18						18	18	
BGP 2 Soc. Cons. a r.l.	41.47%	62						62	62	
Bologna Global Strade Soc. Cons. a. r.l.	59.65%	60						60	60	
Centro Europa Ricerche S.r.l.	21.38%	66						66	66	
Consorzio Igiene Ospedaliera Soc. Cons. a r.l. in liquidation	66.66%	0	7					7	7	
CO.GE.F. Soc. Cons. a r.l. in liquidation	80%	0	6					6	6	
Co. & Ma. Soc. Cons.r.l.	50%	5						5	5	
Consorzio Sermagest in liquidation	60%	0						0	0	
Consorzio Servizi Toscana a r.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%	35						35	35	
Gestione Servizi Taranto Soc. Cons. r.l.	47%	9						9	9	
Gestione Strade Soc. Cons. a r.l.	25%	13						13	13	
Global Oltremare Soc. Cons. a r.l. in liquidation	60%	6						6	6	
Global Vicenza Soc.Cons. a r.l.	41.25%	4						4	4	
GR.A.AL Soc. Cons. a r.l.	29.93%	3						3	3	
Gymnasium soc. Cons. a r.l. in liquidation	68%	7						7	7	
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	30%	6						6	6	
IPP S.r.l.	24.75%	510			12			522	522	

	%	Net assets 31 December 2022	Changes in the period					Net assets 31 March 2023	Book value	Provision for risks
			Financial effects	Dividends	Revaluations / Write-downs	Provision for risks	Effects on shareholders' equity			
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	
Logistica Sud-Est Soc. Cons. a r.l. in liquidation	60%	0	6					6	6	
Manutencoop International Services LLC	49.00%	(128)					10	(118)	0	(118)
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%	6						6	6	
Newco DUC Bologna S.p.A.	33.02%	3,001	982		30		(11)	4,001	4,001	
Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation	60%	6						6	6	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	100%	0						0	0	
ROMA Multiservizi S.p.A.	45.47%	2,801		0	(12)			2,788	2,788	
S.AN.CO S.c.a.r.l. in liquidation	100%	0	(308)					(308)	0	(308)
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 Napoli 5 Soc. Cons. a r.l.	45%	5						5	5	
Servizi Sportivi Brindisi Soc. Cons. a r.l.	50%	5						5	5	
Steril Piemonte S.r.l.	25%	994						994	994	
Yougenio S.r.l. in liquidation	100.00%	(169)	62		(62)			(169)	0	(169)
NET BOOK VALUE		**9,707**	**754**	**0**	**68**	**0**	**(1)**	**10,527**	**11,240**	**(713)**

ANNEX III

RELATED-PARTY TRANSACTIONS

PARENT COMPANIES

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
MSC S.p.A.	31-Mar-22	46	6,200	57	162	31-Dec-22	477	8,232	1,312	11,100
	31-Mar-23	12	867	1	44	31-Mar-23	19	8,267	1,115	13,037

ASSOCIATES AND JOINT-VENTURES

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
2HIGH S.r.l.	31-Mar-22		38			31-Dec-22			176	
	31-Mar-23		52			31-Mar-23			88	
Alisei s.r.l. in liquidation	31-Mar-22					31-Dec-22	3			1
	31-Mar-23					31-Mar-23	3			1
AMG S.r.l.	31-Mar-22		64			31-Dec-22			722	
	31Mar-23		231			31-Mar-23			718	
ARIENES Soc. Cons. a r.l.	31-Mar-22					31-Dec-22	21,678		20,528	
	31-Mar-23	4,624	5,178			31-Mar-23	27,301		26,629	
Bologna Gestione Patrimonio 2 Soc.Cons. a r.l.	31-Mar-22		61			31-Dec-22	18	25	785	
	31-Mar-23		65			31-Mar-23	18	25	689	
Bologna Global Strade Soc. Cons. a r.l	31-Mar-22					31-Dec-22	39	383	(159)	
	31-Mar-23					31-Mar-23	39	383	(159)	
Centro Europa Ricerche S.r.l.	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23				
CO.GE.F. Soc. Cons. a r.l. in liquidation	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23	1,081		699	
Consorzio Igiene Ospedaliera Soc. Cons. a r.l. in liquidation	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23	364		451	
Consorzio Polo	31-Mar-22					31-Dec-22				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Sterilizzazione Integrata a r.l.	31-Mar-23					31-Mar-23				
Consorzio Sermagest Soc.Cons.a r.l in liquidation	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23				
Consorzio Servizi Toscana Soc.Cons.a r.l in liquidation	31-Mar-22					31-Dec-22	282		177	
	31-Mar-23					31-Mar-23	282		177	
CO.& MA. Soc. Cons. a r.l	31-Mar-22					31-Dec-22		20	676	
	31-Mar-23					31-Mar-23		20		
DUC Gestione Sede Unica Soc. Cons. a r.l.	31-Mar-22	2,078	1,064			31-Dec-22	7,085		3,673	
	31-Mar-23	2,280	995			31-Mar-23	6,320		3,762	
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23				
Gestione Servizi Taranto Soc.Cons.a r.l.	31-Mar-22	1,238	1,363			31-Dec-22	6,975	42	5,658	
	31-Mar-23	1,365	1,217			31-Mar-23	7,076	38	4,987	
Gestione Strade soc.cons.r.l.	31-Mar-22	77	345			31-Dec-22	122	63	800	
	31-Mar-23	22	238			31-Mar-23	147	63	675	
Global Oltremare Soc.Cons.a r.l in liquidation	31-Mar-22		2			31-Dec-22			99	
	31-Mar-23		1			31-Mar-23			101	
Global Provincia di RN Soc.Cons.a r.l. in liquidation	31-Mar-22					31-Dec-22		70		
	31-Mar-23					31-Mar-23				
Global Vicenza Soc.Cons. a r.l.	31-Mar-22					31-Dec-22		10	17	
	31-Mar-23					31-Mar-23		10	17	
GR.A.AL. Soc. Cons. a. r.l.	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23				
Gymnasium Soc. cons. a r.l in liquidation	31-Mar-22					31-Dec-22	1	8	33	
	31-Mar-23					31-Mar-23	1	8	33	
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	31-Mar-22	109	106			31-Dec-22	211		198	
	31-Mar-23	77	75			31-Mar-23	315		299	
IPP S.r.l.	31-Mar-22		65			31-Dec-22	16	35	305	
	31-Mar-23		55			31-Mar-23		35	293	
Legnago 2001 Soc. Cons. r.l. in liquidation	31-Mar-22		1			31-Dec-22	158		71	
	31-Mar-23		2			31-Mar-23	158		80	
Logistica Ospedaliera Soc. Cons. a r.l.	31-Mar-22					31-Dec-22			20	
	31-Mar-23					31-Mar-23			20	
Logistica Sud-Est Soc. Cons. a r.l. in liquidation	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23	37		31	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Manutencoop International Services LLC in liquidation	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23				
MCF Servizi integarti Soc. cons. a r.l. in liquidation	31-Mar-22					31-Dec-22	365		5	
	31-Mar-23					31-Mar-23	365		5	
MSE Soc. cons. a r.l. in liquidation	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23				
Newco DUC Bologna S.p.A	31-Mar-22					31-Dec-22			58	
	31-Mar-23					31-Mar-23			58	
Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation	31-Mar-22		2			31-Dec-22	75		5	
	31-Mar-23		1			31-Mar-23	75		6	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23				
Roma Multiservizi S.p.A.	31-Mar-22	130	1			31-Dec-22	361		312	
	31-Mar-23	126	51			31-Mar-23	455		365	
SA.N.CO. Soc. Cons. a r.l. in liquidation	31-Mar-22					31-Dec-22				
	31-Mar-23					31-Mar-23	80	861		627
San Martino 2000 Soc.Cons. r.l.	31-Mar-22	445	585			31-Dec-22	561		1,609	
	31-Mar-23	352	574			31-Mar-23	412		1,722	
S.E.I. Energia Soc. Cons. a r.l.	31-Mar-22	12	1,385	6		31-Dec-22	184	880	5,395	
	31-Mar-23	12	1,927	47		31-Mar-23	177	949	5,010	
Servizi Napoli 5 Soc.Cons. a r.l.	31-Mar-22	334	329			31-Dec-22	3,439		2,038	
	31-Mar-23					31-Mar-23	3,439		2,038	
Steril Piemonte S.r.l.	31-Mar-22					31-Dec-22	7		104	
	31-Mar-23					31-Mar-23			104	
Yougenio S.r.l. in liquidation	31-Mar-22	5	3	26		31-Dec-22	1		4	40
	31-Mar-23	5	0	47		31-Mar-23	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	31-Mar-22					31-Mar-23	1			
	31-Mar-23					31-Dec-22	1			
Holmo S.p.A.	31-Mar-22					31-Mar-23				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
	31-Mar-23					31-Dec-22				
Nugareto Società Agricola Vinicola S.r.l.	31-Mar-22					31-Mar-23	1	6	72	
	31-Mar-23					31-Dec-22	1	6	72	
Sacoa S.r.l.	31-Mar-22	13	12			31-Mar-23	25		663	
	31-Mar-23		1			31-Dec-22			44	160
Sacoa Servizi Telematici S.r.l.	31-Mar-22		1			31-Mar-23			15	
	31-Mar-23		1			31-Dec-22			14	
Segesta servizi per l'Ambiente S.r.l.	31-Mar-22	1				31-Mar-23	2	1		
	31-Mar-23	1				31-Dec-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	31-Mar-22	20				31-Mar-23	21		1	
	31-Mar-23	30				31-Dec-22	36			
Consorzio Karabak Due Società Cooperativa	31-Mar-22	1				31-Mar-23	1			
	31-Mar-23	1				31-Dec-22	1			
Consorzio Karabak Quattro Società Cooperativa	31-Mar-22					31-Mar-23			1	
	31-Mar-23					31-Dec-22			1	
Consorzio Karabak Cinque Società Cooperativa	31-Mar-22					31-Mar-23				
	31-Mar-23					31-Dec-22				
Consorzio Karabak Sei Società Cooperativa	31-Mar-22					31-Mar-23				
	31-Mar-23					31-Dec-22				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
GRAND-TOTAL	**31-Mar-22**	**5,509**	**11,624**	**89**	**162**	**31-Dec-22**	**42,109**	**9,775**	**45,373**	**11,141**
	31-Mar-23	**8,907**	**11,531**	**95**	**44**	**31-Mar-23**	**48,211**	**10,666**	**50,148**	**13,865**

ANNEX IV

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

	For the quarter ended 31 March			
	2023		2022	
Cash and cash equivalents at the beginning of the period		**84,243**		**99,512**
Cash flow from current operations:		**30,156**		**11,846**
Profit before taxes	9,612		8,273	
Amortizations, depreciations, write-downs (write-backs) of assets	10,002		9,917	
Accruals (reversals) of provisions	10,593		530	
Employee termination benefits provision	39		250	
Share of net profit of associates, net of dividends collected	(68)		(159)	
Financial charges (income) in the period	12,131		9,029	
Net interest received (paid) in the period	(17,811)		(9,002)	
Taxes paid in the period	609		(6,955)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the period	*5,029*		*(37)*	
Uses of provisions for risks and charges and payments of the employee termination indemnity:		**(1,681)**		**(1,320)**
Uses of employee terminations benefits	(389)		(575)	
Uses of provisions for risks and charges	(1,292)		(745)	
CHANGE IN NWOC:		**(41,937)**		**(28,755)**

	For the quarter ended 31 March			
	2023		2022	
Decrease (increase) in inventories	(772)		289	
Decrease (increase) in trade receivables	(22,965)		(58,595)	
Changes in trade payables	(18,199)		29,552	
INDUSTRIAL AND FINANCIAL CAPEX:		**1,4817**		**(11,822)**
(Purchase of intangible assets, net)	(963)		(853)	
(Purchase of property, plant and equipment)	(10,101)		(10,927)	
Sale of property, plant and equipment	582		375	
(Acquisition of investments, net)	(1,300)		(411)	
Decrease (increase) of financial assets	4,067		6,026	
Financial effects of business combinations	(627)		0	
Reclassifications:				
Net change in the balance of short-term financial assets	*11,933*		*(6,032)*	
Financial effects of business combinations	*(2,110)*			
CHANGE IN NET FINANCIAL LIABILITIES:		**8,993**		**16,725**
Change in finance lease debt	(886)		(612)	
Repayment of non-current borrowings	(120)		(120)	
Proceeds from/(repayment of) short-term bank debt	1,058		8,416	
Other changes in financial debt	24,628		3,172	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the year	*(5,029)*		*37*	
Net change in the balance of short-term financial assets	*(11,933)*		*6,032*	
Non-cash elements on net acquisitions of fixed assets	*(835)*		*678*	
Debt for acquisition of investments and business combinations	*2,110*		*0*	
Distribution of reserves and other changes in Equity	*0*		*(878)*	
OTHER CHANGES:		**(7,833)**		**(7,558)**
Decrease (increase) in other current assets	(14,341)		(6,366)	
Change in other current liabilities	5,384		(56)	

	For the quarter ended 31 March			
	2023		2022	
Dividends distributed	(48)		(878)	
Acquisition/assignment of minority interests of subsidiaries	(233)		8	
Differences arising from translation of financial statements in foreign currency	571		(466)	
Reclassifications:				
Non-cash elements on net acquisitions of fixed assets	*835*		*(678)*	
Distribution of reserves and other changes in Equity	*0*		*878*	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**73,422**		**78,629**

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