Consolidated financial statements

at 31 december '23

rekeep

minds that work

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	NOTES	31 December 2023	31 December 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	117,543	93,249
Property, plant and equipment under lease	5	44,555	54,625
Goodwill	7	406,700	404,935
Other intangible assets	6	17,731	18,288
Investments accounted for under the equity method	8	11,758	10,121
Other investments	9	5,996	5,996
Non-current financial assets	9	6,929	24,202
Other non-current assets	9	4,607	3,104
Deferred tax assets	30	16,472	17,968
TOTAL NON-CURRENT ASSETS		**632,291**	**632,488**
CURRENT ASSETS			
Inventories	10	13,373	12,088
Trade receivables and advances to suppliers	11	513,771	537,227
Current tax receivables	30	6,589	8,671
Other current assets	11	31,681	59,211
Current financial assets	12	15,545	7,017
Cash and cash equivalents	12	76,812	84,243
TOTAL CURRENT ASSETS		**657,771**	**708,457**
Assets held for sale		0	0
TOTAL NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,290,062**	**1,340,945**

(in thousands of Euro)	NOTES	31 December 2023	31 December 2022
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		7,769	6,696
Retained earnings		(48,212)	(76,115)
Profit/(loss) for the year attributable to equity holders of the Parent		(13,221)	27,131
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**55,486**	**66,862**
Capital and reserves attributable to non-controlling interests		5,825	5,728
Profit/(loss) for the year attributable to non-controlling interests		690	368
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**6,515**	**6,096**
TOTAL SHAREHOLDERS' EQUITY	13	**62,001**	**72,958**
NON-CURRENT LIABILITIES			
Employee termination indemnity	14	10,419	9,970
Provisions for risks and charges, non- current	15	31,692	30,192
Long-term financial debt	17	398,218	408,608
Deferred tax liabilities	30	14,619	15,819
Other non-current liabilities		85	1,991
TOTAL NON-CURRENT LIABILITIES		**455,033**	**466,580**
CURRENT LIABILITIES			
Provisions for risks and charges, current	15	22,707	18,483
Trade payables and contract liabilities	19	422,958	480,808
Current tax payables	30	142	21
Other current liabilities	19	172,095	169,667
Bank borrowing, including current portion of long-term debt, and other financial liabilities	17	155,126	132,428
TOTAL CURRENT LIABILITIES		**773,028**	**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		**1,290,062**	**1,340,945**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands of Euro)	NOTES	For the year ended	
		31 December 2023	31 December 2022
REVENUES			
Revenues from contracts with customers	20	1,182,372	1,290,608
Other revenues	21	4,397	3,768
TOTAL REVENUES		**1,186,769**	**1,294,376**
OPERATING COSTS			
Costs of raw materials and consumables	22	(253,764)	(352,579)
Change in inventories of finished and semi-finished products	22	207	217
Costs for services and use of third-party assets	23	(319,607)	(335,877)
Personnel costs	24	(485,972)	(469,406)
Other operating costs	25	(9,860)	(10,923)
Capitalization of lower internal construction costs		957	552
Amortization, depreciation, write-downs and write-backs of assets	26	(47,721)	(41,912)
Accrual of provisions for risks and charges	15	(14,964)	(13,505)
TOTAL OPERATING COSTS		**(1,130,724)**	**(1,223,433)**
OPERATING INCOME		**56,045**	**70,943**
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	8	(24)	703
Dividends and income (loss) from sale of investments	27	312	(478)
Financial income	28	2,282	2,773
Financial charges	29	(56,509)	(43,568)
Profit (loss) on exchange rate		(1,529)	876
Profit (loss) before tax		**577**	**31,249**
Income taxes, current, prepaid and deferred	30	(13,108)	(3,750)
Net profit (loss) from continuing operations		(12,531)	27,499
Profit (loss) from discontinued operations		0	0
Profit (loss) for the year		**(12,531)**	**27,499**
Net profit (loss) for the year attributable to non- controlling interests	13	(690)	(368)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP		**(13,221)**	**27,131**

	For the year ended	
	31 December 2023	31 December 2022
Basic earnings per share	(0.121)	0.249
Diluted earnings per share	(0.121)	0.249
Basic earnings per share from continuing operations	(0.121)	0.249
Diluted earnings per share from continuing operations	(0.121)	0.249

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)	NOTES	For the year ended	
		31 December 2023	31 December 2022
NET RESULT FOR THE YEAR		**(12,531)**	**27,499**
Other comprehensive income, which will be subsequently reclassified under profit/loss for the year:			
Differences from translation of foreign financial statements		949	(1,151)
Share of other comprehensive income of entities accounted for using the equity method, which will be subsequently reclassified under profit/loss for the year	8	226	610
Other comprehensive income, which will be subsequently reclassified under profit/loss for the year		**1,174**	**(541)**
Other comprehensive income, which will not be subsequently reclassified under profit/loss for the year:			
Actuarial gains (losses) on defined benefit plans		(376)	774
Income taxes		97	(42)
Net effect on actuarial gains (losses)	14	**(280)**	**732**
Share of other comprehensive income for the year of entities accounted for using the equity method, which will not be subsequently reclassified under profit/loss for the year	8	7	86
Other comprehensive income for the year, which will not be subsequently reclassified under profit/loss for the year		**(273)**	**818**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		**902**	**276**
COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**(11,629)**	**27,775**
Equity holders of the Parent		(12,013)	27,469
Non-controlling interests		384	306

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	For the year ended	
		31 December 2023	31 December 2022
Net result from continuing operations for the year		**(12,531)**	**27,499**
Income taxes for the year		13,108	3,750
Profit before taxes		**577**	**31,249**
Amortization, depreciation, write-downs and (write-backs) of assets		47,721	41,912
Accrual (reversal) of provisions for risks and charges		14,964	13,505
Employee termination indemnity provision		1,777	1,645
Payments of employee termination indemnity		(1,780)	(1,976)
Utilization of provisions		(7,764)	(2,999)
Share of net profit of associates, net of dividends collected		299	356
Financial charges (income) for the year		55,538	39,919
Operating cash flows before movements in Working Capital		**111,332**	**123,610**
Decrease (increase) of inventories		(1,285)	645
Decrease (increase) of trade receivables and advances to suppliers		19,442	(96,670)
Decrease (increase) of other current assets		26,042	(35,152)
Increase (decrease) in trade payables		(59,653)	74,437
Increase (decrease) of other current liabilities		(190)	1,563
Change in Working Capital		**(15,645)**	**(55,177)**
Net interests received (paid) in the year		(44,999)	(30,308)
Income taxes paid in the year		(10,526)	(7,830)
Net cash flow from operating activities		**40,162**	**30,295**
(Purchase of intangible assets, net of sales)	6	(5,356)	(4,586)
(Purchase of property, plant and equipment)	4 - 5	(41,432)	(53,331)
Proceeds from sale of property, plant and equipment	4 - 5	2,310	1,219
(Acquisition) of investments		(604)	(507)
Decrease (increase) of financial assets		4,510	(7,446)
Financial effects of business combinations	3	(3,447)	(12,793)
Net cash flow from (used in) investing activities		**(44,019)**	**(77,445)**
Lease payments	17	(13,048)	(8,711)
Opening of medium- and long-term borrowings	17	60,186	0

(in thousands of Euro)	NOTES	For the year ended	
		31 December 2023	31 December 2022
Repayment of medium- and long-term borrowings	17	(24,240)	(266)
Net opening (repayment) of short-term bank credit lines	17	12,256	9,153
Other net changes in borrowings	17	(39,398)	33,227
Dividends distributed		(122)	(918)
(Purchase) /sale of subsidiaries' minority shareholdings		(155)	(655)
Differences arising from translation of financial statements in foreign currency		937	(110)
Net cash flow from / (used in) financing activities		**(3,583)**	**31,720**
Change in cash and cash equivalents		**(7,441)**	**(15,430)**
Cash and cash equivalents at the beginning of the year		84,243	99,512
Change in cash and cash equivalents		(7,441)	(15,430)
Translation differences on cash and cash equivalents		10	161
Cash and cash equivalents at the end of the year		**76,812**	**84,243**
Details of cash and cash equivalents:			
Cash and bank current accounts		76,812	84,243
TOTAL CASH AND CASH EQUIVALENTS		**76,812**	**84,243**

SUPPLEMENTARY INFORMATION

(in thousands of Euro)	For the year ended	
	31 December 2023	31 December 2022
Interest paid	(47,281)	(33,076)
Interest received	2,282	2,768
Dividends paid	(122)	(918)
Dividends received	157	481

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Reserves	Retained Earnings	Net Result of the period	Equity attributable to Equity holders of the Parent	Equity attributable to non-controlling interests	Total shareholder s' equity
1 January 2023	**109,150**	**6,695**	**(76,115)**	**27,131**	**66,862**	**6,096**	**72,958**
Allocation of prior year result		33	27,098	(27,131)	**0**		**0**
Distribution of dividends					**0**	(122)	**(122)**
Business combinations "under common control"		(168)			**(168)**		**(168)**
Change in consolidation area			805		**805**		**805**
Acquisition/sale of minority interests in subsidiaries					**0**	156	**156**
Total comprehensive income (loss) for the period		1,208		(13,221)	**(12,013)**	384	**(11,629)**
31 December 2023	**109,150**	**7,769**	**(48,212)**	**(13,221)**	**55,486**	**6,515**	**62,001**

	Share Capital	Reserves	Retained Earnings	Net Result of the period	Equity attributable to Equity holders of the Parent	Equity attributable to non-controlling interests	Total shareholder s' equity
1 January 2022	**109,150**	**11,510**	**(51,326)**	**(22,588)**	**46,746**	**4,588**	**51,334**
Allocation of prior year result		1,102	(23,690)	22,588	**0**		**0**
Distribution of dividends					**0**	(40)	**(40)**
Currency appreciation due to hyperinflation		613			**613**	589	**1,201**
Business combinations "under common control"		(6,866)			**(6,866)**		**(6,866)**
Acquisition/sale of minority interests in subsidiaries			(1,099)		**(1,099)**	654	**(446)**
Total comprehensive income (loss) for the period		338		27,131	**27,469**	306	**27,775**
31 December 2022	**109,150**	**6,695**	**(76,115)**	**27,131**	**66,862**	**6,096**	**72,958**

EXPLANATORY NOTES

1. GENERAL INFORMATION

The publication of the Consolidated Financial Statements of the Rekeep Group for the year ended 31 December 2023 was authorized by resolution of the Board of Directors of 21 March 2024.

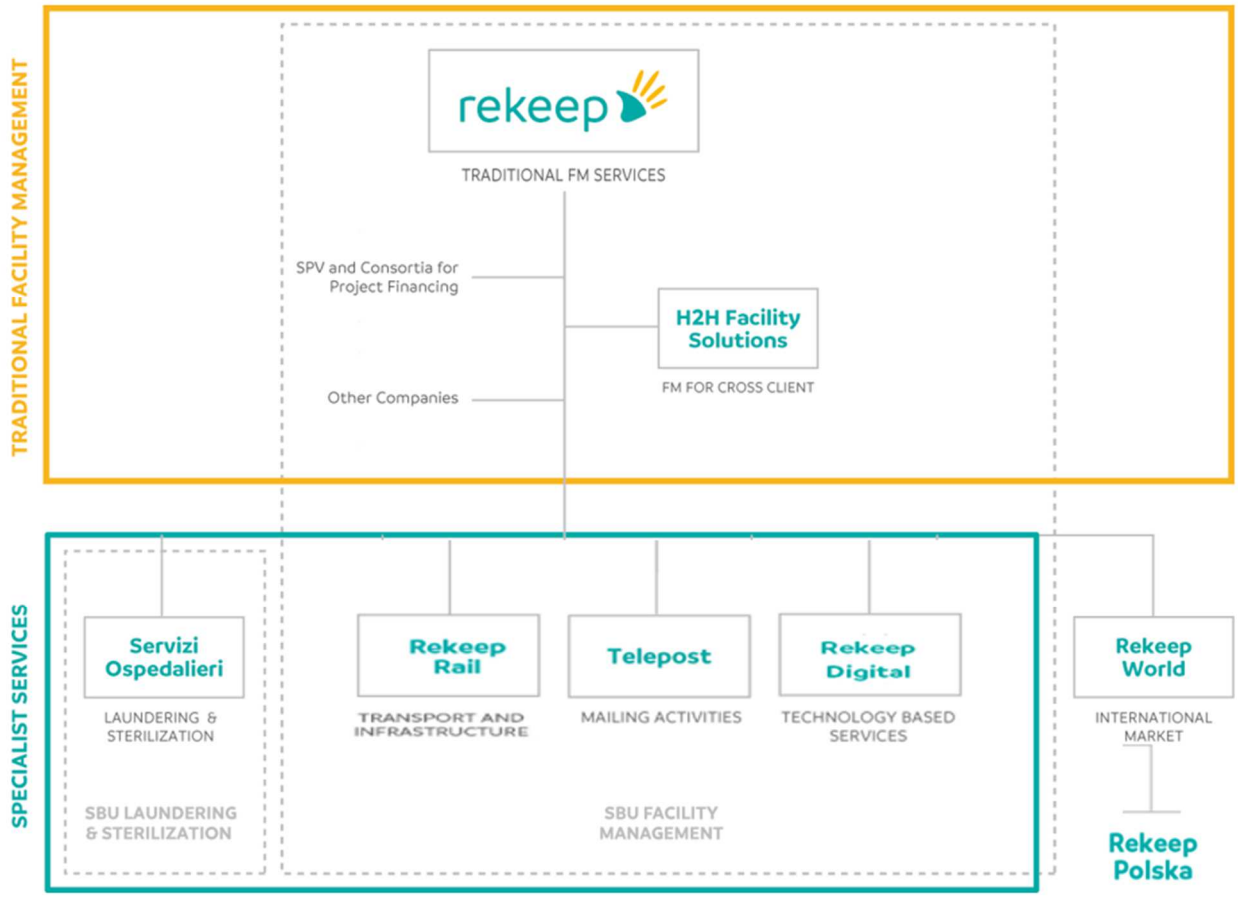
As at 31 December 2023 the share capital of Parent Company Rekeep S.p.A. was wholly held by the sole shareholder MSC Società di Partecipazione tra Lavoratori S.p.A., which also carries out Management and Coordination Activities.

1.1 The business

The Group is active in the management and provision of integrated services to public and private customers, targeted at people, buildings and cities (so-called “Integrated Facility Management”) health care activities. In particular, the Rekeep Group provides a wide and coordinated range of integrated services, aimed at rationalizing and improving the quality of the non-strategic and auxiliary activities of major private groups, public authorities and health care facilities.

At present the Rekeep Group is structured into a single operating holding company which combines so-called “traditional” facility management production resources with those related to supporting the whole Group’s business. a strategy has been pursued by the central holding functions to diversify operations, also through a series of company acquisitions, with some “specialist” facility management services (document management, logistics services, etc.), 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., which has already been operating for a few years in France, Turkey and Saudi Arabia through its subsidiaries, and, as from 2019, also in Poland, following the acquisition of Rekeep Polska S.A., a local leading company in the field of facility management in the healthcare sector, which is the parent of the group with the same name.

Therefore, the Group now operates through specific companies for each sector:



The Facility management segment offers a collection 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 activity includes cleaning and hygiene services, sanitation, disinfection, pest control and rat extermination, collection, transport and disposal of hospital waste and employs the highest number of Group employees.

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

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

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

Property management also includes energy management activities, 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. internal and external logistics services for drugs and medical devices offered through an end-to-end management system.

The Group, through a series of acquisitions, has 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.);

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.

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 in Saudi Arabia (through Rekeep Saudi Arabia

Ltd): these companies mainly perform cleaning services in the field of transport and healthcare. 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, especially cleaning and disinfection of healthcare facilities, specialist hospital services for the maintenance of spaces and medical instruments, assisting 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 rental and transport of persons with disabilities.

2. ACCOUNTING STANDARDS AND BASIS OF PRESENTATION

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

The balance sheet and income statement values reported in the Statements, the Statement of Cash Flow and the Explanatory Notes are compared with those at 31 December 2022. The consolidated Financial Statements at 31 December 2023 were prepared on a historical cost basis, except for the financial instruments that have been measured at fair value.

The Directors have deemed it appropriate to prepare the Consolidated Financial Statements at 31 December 2023 based on the going-concern assumption, taking into account the actual results achieved to date and the results expected for the current and next financial years, as well as the estimated cash flows expected for the next 12 months from the Parent Company and other Group companies, which are sufficient to regularly meet its obligations over that time horizon and, after assessing any possible uncertainties surrounding the Group's ability to continue as a going concern, mainly linked to the management of the Group's financial debt, as described in paragraph 2.3 "Discretionary assessments and significant accounting assumptions" below, including financial risks described in note 35 and other market risks associated with the proceedings in progress described in note 15, and the actions that are currently in place to meet the substantial medium-term financial commitments.

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

The Financial Statements at 31 December 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.

2.1 Statement of compliance with international accounting standards (IFRS)

The Consolidated Financial Statements at 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The Rekeep Group is subject to Letter f) of Article 2 under the Italian Legislative Decree no. 38 of 28 February 2005, which rules the exercise of the options provided for by the Article 5 of Regulation (EC) 1606/2002 about the International Financial Reporting Standards and, therefore, pursuant to Article 3, paragraph 2, and Article 4, paragraph 5, of the aforesaid Italian Legislative Decree, the Parent Company has applied the IFRS as adopted by the European Union in the preparation of its consolidated and separate Financial Statements as from the year ended 31 December 2005.

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 of the previous year, to which reference should be made for their detailed disclosure, with the exception of the standards and interpretations which are newly issued and applicable from 1 January 2023, in addition to the amendments to standards already in force, as detailed below.

The Group did not provide for the early adoption of any standard, interpretation or improvement issued but still not obligatorily 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).

The amendments did not have any impact on the Group's consolidated financial statements.

- 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 was applied as from 1 January 2023 together with the application of IFRS 17, in order to avoid temporary accounting mismatches between financial assets and liabilities of insurance contracts, and improve the usefulness of comparative information for readers of financial statements. The amendments did not have any impact on the Group's consolidated 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.
- On 23 May 2023 the IASB published "*Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules*". The document provides for a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules and for specific disclosure requirements for entities involved in the related International Tax Reform. The document provides for immediate application of the temporary exception while disclosure requirements will be applicable only to annual financial statements for the financial periods beginning on or after 1 January 2023, but not to interim financial statements having a reporting date prior to 31 December 2023. The Group falls within the scope of Pillar Two rules but since the Parent Company is not the ultimate controlling entity, the entry into force of the amendment does not entail any effect on the Rekeep Group's financial statements.

All amendments became effective from 1 January 2023 and their adoption did not entail any significant effect on the Group's consolidated financial statements.

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

The following IFRS accounting standards, amendments and interpretations were endorsed by the European Union at the reporting date of this document, but are mandatorily applicable from subsequent periods and have not been early adopted by the Group:

- On 23 January 2020 the IASB published "*Amendments to IAS 1 Presentation of financial statements: Classification of Liabilities as Current or Non-current*", and on 31 October 2022 the IASB published "*Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants*". 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.

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

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

- On 25 May 2023 the IASB published "*Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements*". The document requires an entity to provide additional disclosures about reverse factoring arrangements that enable users of financial statements to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of those arrangements on the entity's exposure to liquidity risk. The amendments shall apply 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 15 August 2023 the IASB published "*Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*". The document requires an entity to select a methodology to be applied consistently in order to verify whether one currency can be converted into another and, when this is not possible, provides guidance on how to determine the exchange rate to be used and the disclosure to be provided in the notes to the financial statements. The amendments shall apply from 1 January 2025, 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, as well as the assessment of the going-concern assumption. 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 assessment of the company's ability to continue as a going concern and the sustainability of debt, as well as the recoverability of assets, with specific regard to goodwill, and 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 theacquiree 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 and assumptions

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

Assessing the going-concern assumption

The Group ended the 2023 financial year with consolidated revenues totaling € 1,187 million (€ 1,294 million at 31 December 2022), EBITDA of € 118.7 million equal to 10% of revenues (€126 million at 31 December 2022), including non-recurring charges of € 9.3 million, and a net loss of € 13.2 million (against a net profit of € 27,1 million at 31 December 2022). Following the result for the year, consolidated equity decreased to a total of € 62 million at 31 December 2023 while the net financial position increased to € 461.0 million at the end of the year (of which € 155.1 million was short-term). The growth of the Group and the structural dynamics of the business, in addition to the increase in the procurement prices of energy that characterized previous years and led to increasing pressure on net operating working capital, as well as the events involving the subsidiary Rekeep Saudi culminating in the international arbitration proceedings, have led to an increase in the net financial debt in recent years, and consequently in the financial charges charged to the income statement (equal to € 56.5 million at 31 December 2023). In this

circumstance, when preparing the Consolidated Financial Statements, in order to verify whether the going-concern assumption requirements is met, the Directors assessed both the actual results as at the reporting date of the Consolidated Financial Statements, in line with expectations, and the results expected by the Group for the current and subsequent years, characterized by a gradually increasing performance, estimated on the basis of historical experience and assumptions that take into account the circumstances and conditions existing at the time of preparing the Consolidated Financial Statements. The Directors also assessed the status of existing relationships with the Group's banks and other lenders, which have not changed significantly since the previous year, and verified whether the Parent Company and other Group companies were able to generate sufficient cash flows from their core business activities over the next 12 months to meet their obligations on a regular basis over that time horizon. On the basis of the analyses carried out, although the assumptions on which the evaluations are based inherently incorporate elements of discretion and uncertainty, the Directors have assessed how the aforementioned circumstances do not pose a threat to the Group's ability to continue as a going concern over the next 12 months.

Having stated this, the Directors have also noted how both the Group's historical cash flow trends and the expectations of the projected cash flows set forth in the 2024-2026 Business Plan, including the repayments of the loans maturing in the coming months and the continued payment of the “FM4” penalty, suggest that when the Bond matures in February 2026, it is likely that there will not be the resources to repay the Bond in full. The Directors have therefore started analyses in order to find the best solutions to deal with this situation and make the debt itself sustainable, including the possibility of partially refinancing the aforementioned Bond, procuring any other possible sources of financing as well as carve-outs (sale of assets or disposal of equity investments).

As at the date of preparation of these Consolidated Financial Statements, the aforementioned assessments were still in progress, given that a mandate had already been given to leading national and international advisors in order to design the best strategy and possible counterparties. At the same time, the Group's sole shareholder has been taking actions in order to find any possible alternative solutions to enable the Rekeep Group to honor its medium-term commitments and pursue the best solution to maximize the value of its main asset.

Based on the above considerations, the Consolidated Financial Statements have therefore been prepared on a going-concern basis while being aware of the actions currently in place to meet the substantial medium-term financial commitments. For further details, please refer to Note 35.

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, as provided for by IAS 36. Specifically, the purpose of the impairment test is to verify the recoverability of goodwill by comparing the net book value of cash-generating units to which the goodwill has been allocated with the recoverable value of those units, The recoverable value of cash-generating units corresponds to the higher of fair value less costs to sell and value in use.

This requires an estimate of the value in use of the CGU (cash-generating unit) to which the goodwill isallocated, 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 December 2023 the carrying amount of Goodwill was equal to € 406,700 thousand (€ 404,935 thousand at 31 December 2022). See note 7 for 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 held majority interests in subsidiaries in past years in relation to which the minority shareholders held 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 14 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 items of financial statements

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 Consolidated Financial Statements include the financial statements of Rekeep S.p.A. (“the ‘Parent Company””, “Rekeep S.p.A.” or “Rekeep”) and its subsidiaries, prepared as at 31 December 2023. The financial statements of 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 fiscal year. If the Group loses control over a subsidiary, it eliminates the related assets (including goodwill), liabilities, minority interests and other components of equity, while any gain or loss is recognized in the income statement. Any shareholding that is possibly retained is recognized at fair value.

Joint-ventures with other shareholders and associates are accounted for under equity method. Changes in the Group's shareholding 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 currency. Statements of financial position and income statements stated in foreign currency are converted to 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 or 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%.

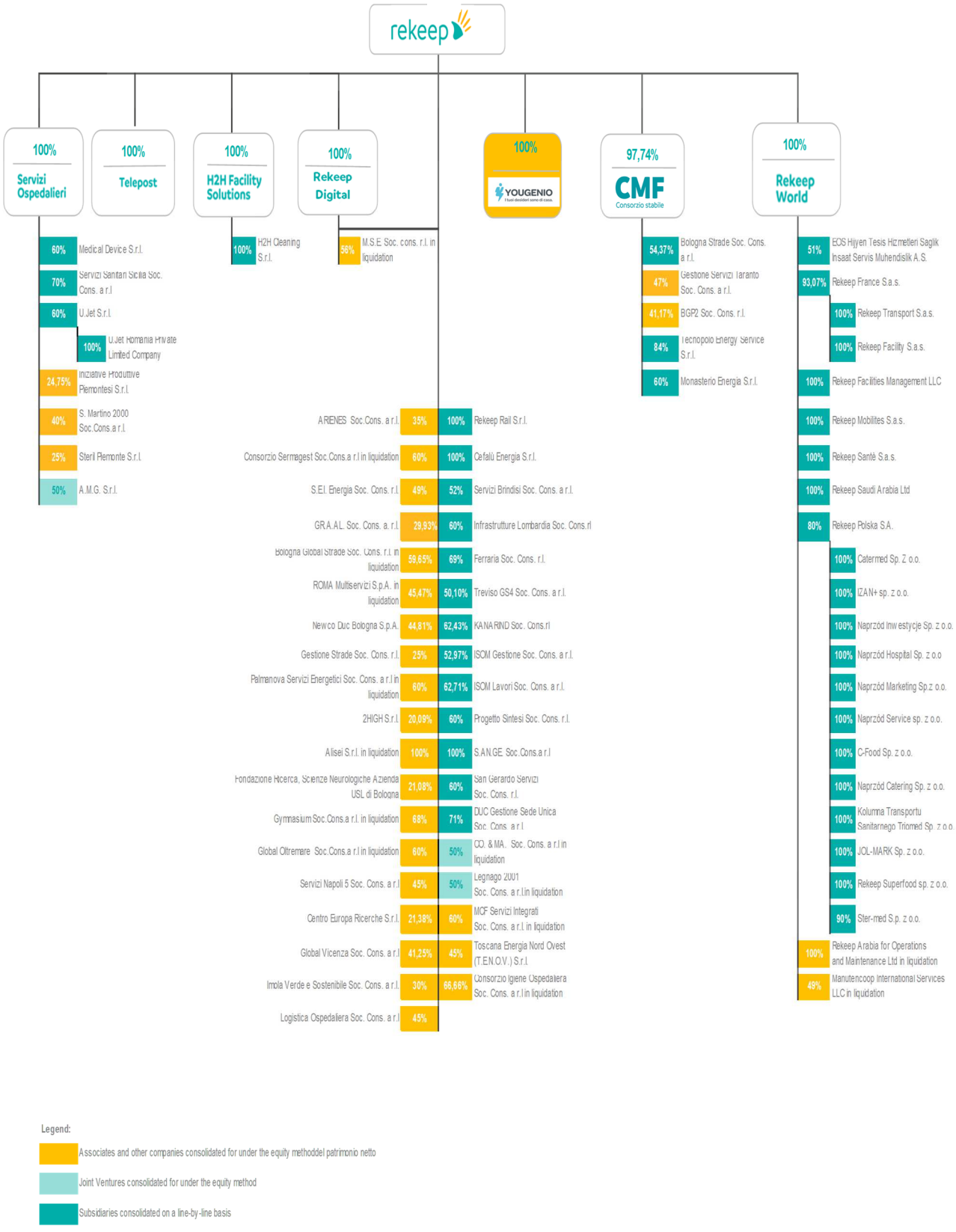
If hyperinflation arises, non-monetary items in the statement of financial position are restated by applying the change in the general price index that has occurred between the date of recognition in the accounts and the reporting date. Monetary items are not restated because they are already expressed 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 December 2023	Average exchange rate for the year ended 31 December 2023	Exchange rate at 31 December 2022	Average exchange rate for the year ended 31 December 2022
United Arab Emirates Dirham (AED) – United Arab Emirates	4.0236	3.9712	3.9233	3.7416
Romanian Leu (RON) – Romania	4.9705	4.9468	4.9400	4.9313
Turkish Lira (TRY) – Turkey	32.5684	32.5684	20.0039	20.0039

Qatar Riyal (QAR)– Qatar	3.9880	3.9360	3.8886	3.8331
Saudi Arabia Riyal (SAR) – Saudi Arabia	4.1085	4.0550	4.0061	3.9489
Zloty (PLN) – Poland	4.3708	4.5413	4.6813	4.6861

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 December 2023 the accounts of the consolidated company applying the Turkish lira as the local currency have been prepared in order to report operating results and the statement of financial position at purchasing power prevailing at the end of the reporting period. Accordingly, all items from the financial statements of Turkish company have been translated by using the exchange rate as at the reporting date of the consolidated financial statements.

Scope of consolidation at 31 December 2023 is shown below.


rekeep
100% Servizi Ospedalieri
100% Telepost
100% H2H Facility Solutions
100% Rekeep Digital
100% YOUGENIO
97,74% CMF Consorzio stabile
100% Rekeep World
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
24,75% Iniziative Produttive Piemontesi S.r.l.
40% S. Martino 2000 Soc.Cons.a r.l.
25% Steril Piemonte S.r.l.
50% A.M.G. S.r.l.
100% H2H Cleaning S.r.l.
56% M.S.E. Soc. cons. r.l. in liquidation
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.
84% Tecnopolo Energy Service S.r.l.
60% Monasterio Energia S.r.l.
51% EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.
93,07% Rekeep France S.a.s.
100% Rekeep Transport S.a.s.
100% Rekeep Facility S.a.s.
100% Rekeep Facilities Management LLC
100% Rekeep Mobilites 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% IZAN+ sp. z o.o.
100% Naprzód Inwestycje 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% C-Food Sp. z o.o.
100% Naprzód Catering Sp. z o.o.
100% Kolumna Transportu Sanitarnego Triomed Sp. z o.o.
100% JOL-MARK Sp. z o.o.
100% Rekeep Superfood sp. z o.o.
90% Ster-med S.p. 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.El. Energia Soc. Cons. r.l. 49% 52% Servizi Brindisi Soc. Cons. a r.l.
GR.A.AL. Soc. Cons. a. r.l. 29,93% 60% Infrastrutture Lombardia Soc. Cons.rl
Bologna Global Strade Soc. Cons. r.l. in liquidation 59,65% 69% Ferraria Soc. Cons. r.l.
ROMA Multiservizi S.p.A. in liquidation 45,47% 50,10% Treviso GS4 Soc. Cons. a r.l.
Newco Duc Bologna S.p.A. 44,81% 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% 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% 71% 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
Centro Europa Ricerche S.r.l. 21,38% 60% MCF Servizi Integrati Soc. Cons. a r.l. in liquidation
Global Vicenza Soc. Cons. a r.l. 41,25% 45% Toscana Energia Nord Ovest (T.E.N.O.V.) S.r.l.
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%
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 2023 financial year note the following events:

- the winding-up 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 winding-up process was completed in 2023;
- the winding-up 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 winding-up 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 winding-up process was completed in 2023;
- the winding-up 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; the winding-up process was completed in 2023 ;
- the merger of the Polish company Naprzód Cleaning sp. z o.o. into the Polish company Naprzód Marketing sp. z o.o, both of which are directly controlled by Rekeep Polska S.A.;
- the shutdown of the Polish company Naprzód IP sp. z o.o. in liquidation, directly controlled by Rekeep Polska S.A., at the end of the winding-up process;
- the shut-down of the Polish company Vendi Service sp. z o.o. in liquidation, directly controlled by Rekeep Polska S.A., at the end of the winding-up process;
- the acquisition of 22% quotas of DUC Gestione S.c. a r.l. by Rekeep S.p.A., which increased from 49% to 71%, thus obtaining the control;
- on 24 October 2023 Rekeep Superfood S.p. z.o.o. was established, wholly owned by Rekeep Polska S.A.;
- the acquisition of 90% quotas of Ster-med S.p. z.o.o. on 20 November 2020. by Rekeep Polska SA;
- on 15 November 2023 Tecnopolo Energy Service S.r.l. was established, the quota capital of which is 84% owned by Consorzio Stabile CMF;
- on 13 December 2023 Monasterio Energia S.r.l. was established, the quota capital of which is 60% owned by Consorzio Stabile CMF.

Furthermore, it should be noted that Rekeep FM sp. z o.o., wholly owned by Rekeep Polska S.A., changed its company name to C-Food Sp. z o.o. as from 3 August 2023.

2.4 Summary of the main accounting policies

Property, plant and equipment

Property, plant and equipment are recognized at historical cost, net of the associated accumulated depreciation and accumulated impairment losses. This cost includes the costs for the replacement of part of the plant and equipment at the moment they are incurred if they conform to the recognition criteria.

Depreciation is calculated on a straight line basis in line with the estimated useful life of the asset, starting from the date the asset becomes available for use, until the date it is sold or disposed of. The carrying amount of property, plant and equipment is subject to impairment test when events or changes suggest that the carrying amount may not be recoverable. A tangible asset is derecognized from the financial statements at the moment of sale or when no future economic benefits are expected from its use or disposal. Any profits or losses (calculated as the difference between net proceeds from the sale and the carrying amount) are included in the income statement in the year of the aforementioned derecognition. The residual value of the asset, useful life and method applied are reviewed annually and adjusted, if necessary, at the end of each financial year.

The useful life of the various classes of tangible assets is estimated as shown below:

	Useful life
Plant and equipment, maintenance and landscaping	11 years
Plant and equipment, maintenance and construction of properties	From 6.5 to 10 years
Telephone systems	4 years
Properties	33 years
Equipment for cleaning/landscaping activities	6.5 years
Equipment for technological system management	3 years
Equipment for building construction and maintenance	2.5 years
Other industrial and commercial equipment	10 years
Laundry equipment	8 years
Linen	From 2.5 to 4 years
Vehicles	From 4 to 5 years
Office furniture and equipment	From 5 to 8 years
Leasehold improvements (including under plant and equipment)	< between useful life and lease term

The item property, plant and equipment in the statement of financial position includes not only property, plant and equipment in the strictest sense, but also machinery, motor vehicles, office machines and furniture.

Financial costs arising from the purchase are charged to the income statement except in the case in which they are directly attributable to the acquisition, construction or production of an asset which justifies their capitalization (qualifying asset), in which case they are capitalized. A qualifying asset is an asset that requires a certain period to be ready for use.

The capitalization of financial costs substantially ceases when all the activities needed to make the qualifying asset ready for use have been completed.

Extraordinary maintenance expenses are only included in the carrying amount of the asset when the company is likely to receive the associated economic benefits in the future and the cost can be reliably measured. The costs of repairs, maintenance or other operations to ensure the functioning of the assets are charged to the income statement in the year in which they are incurred.

Leasehold improvements are classified, on the basis of the nature of the cost incurred, under property, plant and equipment when they meet the capitalization criteria set forth by IAS 16. The period for depreciation corresponds to the lower of the residual useful life of the tangible asset and the residual lease term.

Business combinations

Business combinations are recognized according to the acquisition method. Under this method, the consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair values of the assets transferred and liabilities assumed by the Company at the acquisition date and the equity instruments issued in exchange for control over the acquiree. Additional transaction costs are generally recognized through profit or loss when they are incurred.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at fair value applicable on the acquisition date, except for the following items that are instead measured in accordance with their relevant standard:

- Deferred tax assets and liabilities;
- Assets and liabilities for employee benefits;
- Liabilities or equity instruments relating to payments based on the acquiree's shares or share-based payments relating to the Company, issued to replace the acquiree's contracts;
- Assets held for sale and Discontinued Operations.

Goodwill is determined as the excess of the sum of the consideration transferred in the business combination, the value of the shareholders' equity attributable to non-controlling interests and the fair value of any previously-held equity interest in the acquiree compared to the acquisition-date fair value of the net assets acquired and liabilities assumed. If the acquisition-date value of the net assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the value of shareholders' equity attributable to non-controlling interests and the fair value of any previously-held equity interest in the acquiree, this excess is immediately recognized in the income statement as a profit arising from the transaction that has been completed.

Any consideration subject to the conditions set out in the business combination agreement is measured at acquisition-date fair value and included in the value of the consideration transferred in the business combination for the purpose of determining goodwill. Any subsequent fair value changes, which can be qualified as adjustments arising during the measurement period, are included in the goodwill on a retrospective basis. Fair value changes that can be described as adjustments arising in the measurement period are those that arise from more information about facts and circumstances that existed at the acquisition date, obtained during the period of measurement (which may not exceed 1-year period after the business combination).

In the event of business combinations that occurred in stages, the equity interest previously held by the Company in the acquiree is remeasured at fair value at the date control is acquired and any resulting gain or loss is recognized in the income statement. Any values arising from the previously-held equity interest recognized in Other Comprehensive Income or Losses are reclassified in the income statement as if the investment had been sold.

If the initial values of a business combination are incomplete on the reporting date when the business combination took place, the Company reports in its financial statements the provisional values of the items for which recognition cannot be completed. These provisional values are adjusted in the measurement period in order to take account of new information gathered on facts and circumstances existing at the acquisition date which, if known, would have affected the value of assets and liabilities recognized at that date.

Goodwill

Goodwill arising in a business combination, is initially valued at cost, represented by the excess of the cost of the business combination with respect to the share pertaining to the Group in the net fair value relating to the identifiable values of assets and liabilities acquired and contingent liabilities. After the initial recognition, goodwill is valued at cost less any accumulated impairment losses. Goodwill is subject to an analysis of fairness on an annual basis, or more frequently if events or changes are identified which may give rise to any evidence of possible impairment losses.

For the purposes of this analysis of fairness, goodwill is allocated, from the date of acquisition, when the allocation is possible without arbitrariness, to each of the cash-generating units of the Group which believe that they will benefit from the synergies of the acquisition, irrespective of the allocation of other assets or liabilities to said units. Each unit to which goodwill is allocated:

- represents the lowest level, within the Group, at which goodwill is monitored for internal management purposes; and
- is not larger than the segments identified on the basis of either the primary of secondary presentation layout as regards disclosures on the Group's operating segments, based on IFRS 8 - Operating Segments.

Impairment is determined as the difference between the recoverable value of the cash-generating unit (or group of units) to which goodwill is allocated ("impairment test") and the book value of goodwill allocated thereto.

When the recoverable value of the cash-generating unit (or group of units) is lower than the carrying amount, an impairment loss is recognized. The value of goodwill previously written down cannot be restored.

Other intangible assets

Intangible assets acquired separately are initially capitalized at cost, while those acquired through business combinations of companies not subject to joint control are capitalized at fair value on the date of acquisition. After initial recognition, intangible assets are recorded at cost net of amortization and accumulated impairment losses.

The useful life of the intangible assets is finite or indefinite. Intangible assets with a finite useful life are amortized over their useful life and subject to fairness tests whenever there is evidence of potential impairment losses. The period of amortization and method applied thereto are reviewed at the end of each financial year or more frequently if necessary. Changes in the expected useful life or the methods with which the future economic benefits of the intangible asset are achieved by the Group are recorded by modifying the period or method of amortization, and treated as changes in the accounting estimates. The amortization charges of intangible assets with a finite useful life are recorded in the income statement under the cost item of "amortization, depreciation, impairment losses and write-backs of assets".

The Group did not record any intangible assets with an indefinite useful life, with the exception of goodwill.

The principles the Group applied for intangible assets are summarized below:

	Concessions, licenses, trademarks and similar rights	Other intangible assets
Breakdown of composition	Software and Trademarks	Contractual customers relations
Useful Life	Finite	Finite
Method used	Amortization on a straight line basis over the shortest time span between: > legal term of the right > expected financial period of use	Amortization in proportion to consumption of related backlog
Produced internally or purchased	Purchased	Acquired in business combination
Impairment tests / tests on recoverable value	Yearly or more frequently when there is evidence of impairment	Yearly or more frequently when there is evidence of impairment

Profits or losses arising from the disposal of an intangible asset are measured as the difference between the net sales revenue and the carrying amount of the asset, and are recognized in the income statement at the moment of disposal.

Equity investments in joint ventures and associates

According to the equity method, the equity investment is recognized in the balance sheet at cost increased by changes, after the acquisition, in the Group's share of the investee's net assets. Goodwill relating to the associate is included in the carrying amount of the equity investment and not subject to amortization. Following application of the equity method, the Group determines whether it is necessary to recognize any additional impairment losses with reference to the Group's net equity investment in the investee. The income statement reflects the Group's share of the investee's result for the year. In the event in which the investee recognizes adjustments directly in shareholders' equity, the Group recognizes its share, and presents this, where applicable, in the statement of changes in shareholders' equity.

In the majority of cases, the end of the investees' financial year is the same as that of the Group. Where this does not occur, in most cases, the investees prepare accounting statements at the reporting date of the Group's financial year. The accounting standards used conform to those used by the Group.

Impairment of assets

At the reporting date of the financial statements, the Group assesses whether there is any evidence of impairment of assets. In this case, or in the event an annual impairment test is required, the Group prepares an estimate of the recoverable value. The recoverable value is the higher of the fair value of an asset or cash-generating unit, net of selling costs and its value in use and is determined for each individual asset, except when said asset does not generate cash flows that are largely independent from those generated by other assets or groups of assets. If the carrying amount of an asset is higher than its recoverable value, said asset has been impaired and is subsequently written down to its recoverable value. In calculating the value in use, the Group discounts estimated future cash flows at the present value by using a pre-tax discount rate which reflects the market valuations on the time value of money and the specific risks of the asset. Impairment losses of operating assets are recognized in the income statement under 'amortization, depreciation, impairment losses and write-backs of assets'.

At each reporting date, the Group also assesses whether there is any evidence that the impairment losses recorded previously no longer exist (or have fallen) and, if said evidence exists, estimates the recoverable value. The value of an asset previously written down may only be restored if there have been changes to the estimates used to calculate the recoverable value of the asset following the latest recognition of an impairment loss. In said case, the carrying amount of the asset is adjusted at the recoverable value, without, however, the increased value exceeding the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized in the preceding years. Any write-back is recognized as income in the income statement, in the same category in which the write-down was recorded, except where the asset is recognized in a revalued amount, in which case the write-back is treated as a revaluation. After a write-back has been recognized, the amortization charge of the asset is adjusted in future periods, in order to break down the modified carrying amount, net of any residual values, on a straight line basis over the residual useful life.

Financial assets

IFRS 9 makes provision for the following types of financial instruments:

- financial assets at amortized cost, i.e. trade receivables and debt instruments characterized by contractual cash flows at defined maturities, represented solely by the repayment of principal and the payment of interest, as well as by a business model that envisages holding them for the sole purpose of receiving such flows;
- financial assets at fair value through OCI (FVTOCI), which include equity instruments that are not held for sale, for which, upon initial recognition, an irrevocable option was exercised for the recognition of fair value changes in a specific equity reserve, as well as debt instruments characterized by contractual cash flows, represented solely by the repayment of principal and the payment of interest, as well as by a business model that is aimed at the sale of these instruments;

- financial assets at fair value through profit or loss (FVTPL), a category which includes the financial assets for which the conditions for recognition at amortized cost are not fulfilled, as well as equity instruments for which the irrevocable option of recognition at FVTOCI has not been exercised, and debt instruments characterized by contractual cash flows and by a business model that does not allow their recognition in the previous categories.

All financial assets are initially recognized at fair value, increased, in the event of assets other than those at fair value through profit or loss, by additional charges. Following the initial recognition, the Group determines the classification of its financial assets and, where appropriate and permitted, reviews said classification at the closing date of each financial year.

The accounting policies applied by the Group are the following.

Financial assets at amortized cost

Financial assets accounted for at amortized cost are measured using the effective discount rate method. Profits or losses are recognized through profit or loss when financial assets are derecognized from the accounts or when impairment losses occur, as well as through the amortization process.

Financial assets at fair value through OCI

Financial assets at fair value through OCI (FVTOCI) are measured at fair value and profits or losses must be recognized in a separate equity item.

For the year ended, however, as in the previous year, the Group only classifies investments of lower than 20% in this category of assets, which are valued at cost when it can be regarded as a representation of fair value. In particular, consortium companies and consortia, which are not listed on regulated markets and whose objective is to regulate relations as part of temporary business combines established for the operational purposes of management of some service contracts, are valued at cost, represented by the portion of subscribed share capital.

Inventories

Inventories are valued at the lower of cost and net presumed realizable value.

The costs incurred to deliver each asset to its current location and for warehousing are recognized as follows:

Raw materials (excluding fuel)	Purchase cost based on the weighted average cost method
Fuel inventories	Purchase cost based on the weighted average cost method

The net presumed realizable value of raw materials is represented by the replacement cost.

Trade receivables and other receivables

Trade receivables, which generally have contractual maturities of between 30-90 days, are recognized at nominal value, stated in the invoice, net of the provisions for bad debts. This allocation is made in the presence of objective evidence that the Group will not be able to collect the receivable. Uncollectible receivables are written down when they are identified. Receivables and payables in a foreign currency other than the functional currency of the individual entities are adjusted at the year-end exchange rates.

Contract assets on plan construction orders

A job order is a contract specifically stipulated for the construction of an asset on the instructions of a customer, who defines its design and technical features on a preliminary basis.

Job order revenues include the considerations initially agreed with the customer, in addition to the changes to the job order and price variations set out in the contract which can be determined reliably.

When the result of the job order can be determined reliably, the job orders are valued on the basis of the percentage of completion method. The progress status is determined by making reference to the costs of the job order incurred up to the balance sheet date as a percentage of total estimated costs for each job order. The percentage of completion determined in this manner is then applied to the contract price in order to determine the value of contract assets, classified under “Trade receivables". When the costs of the job order are likely to exceed total revenues, the expected loss is recognized immediately as a provision. Should the amount of the contract price already invoiced exceed the estimated value of contract assets, it must be recognized as a payable for the portion exceeding the value of the same and, as such, must be classified under "Contract liabilities".

Cash and cash equivalents

Cash and cash equivalents and short-term deposits in the statement of financial position include cash at hand and sight and short-term deposits, in the latter case with an original maturity of no more than three months.

Loans

All loans are initially recognized at the fair value of the consideration received net of additional charges involved in raising the loan. After initial recognition, loans are valued according to the amortized cost criterion using the effective interest rate method. All profits or losses are recognized in the income statement when the liability is extinguished, as well as through the amortization process.

Derecognition of financial assets and liabilities

Financial Assets

A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognized from the accounts when:

- the contractual rights over cash flows arising from financial assets have expired ;
- the Group has transferred the financial asset (transferring the right to receive cash flows from the asset or retaining the right to receive these but assuming the contractual obligation to pay them in full and without delay to a third party) and has transferred substantially all risks and rewards of ownership of the financial asset.

If, as a result of the transfer, a financial asset is derecognized in full, but the result is that the Group obtains a new financial asset or assumes a new financial liability, the Group recognizes the new financial asset, financial liability or liability originating from service at fair value.

Financial Liabilities

A financial liability is derecognized from the accounts when the obligation underlying the liability is discharged, cancelled or fulfilled. In cases where an existing financial liability is replaced by another of the same provider, under essentially different conditions, or the conditions of an existing liability are essentially modified, said exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and any differences in the carrying amounts are booked to the income statement.

Impairment of financial assets

At the reporting date, the Group assesses whether a financial asset or group of financial assets has incurred any impairment loss.

Assets valued according to the amortized cost criterion

If there is an objective evidence that a loan or a receivable carried at amortized cost has suffered an impairment loss, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future credit losses still not incurred) discounted at the original effective interest rate of the financial asset (i.e. effective interest rate calculated at the initial recognition date). The carrying amount of the asset will be reduced both directly and through the use of a provision. The amount of the loss will be recognized through profit or loss.

The Group firstly assesses whether there is any objective evidence of an impairment loss at individual level, for financial assets that are significant on an individual basis, and therefore at individual or collective level for financial assets that are not significant on an individual basis. In the absence of any objective evidence of impairment of a financial asset that is valued individually, whether it is significant or not, said asset is included in a group of financial assets with similar credit risk characteristics and said group is subject to impairment test in a collective fashion, by determining the forecast insolvency rate, i.e. the loss rate (Probability of default "PD") for the amount of expected losses (Loss Given Default "LGD") calculated taking account of elements of forward

looking, thus also reporting and representing incurred losses. The assets valued at individual level and for which an impairment loss is recognized or continues to be recognized, will not be included in a collective valuation.

If, in a subsequent financial year, the size of the impairment loss falls and said reduction can be related objectively to an event which occurred after the recognition of the impairment loss, the previously reduced value can be written back. Any subsequent write-backs are recognized through profit or loss to the extent the carrying amount does not exceed the amortized cost at the write-back date.

Assets recognized at cost

If there is objective evidence of an impairment of an unlisted equity instrument which is not recognized at fair value since it cannot be measured reliably, or of a derivative instrument which is linked to said equity instrument and has to be settled through the delivery of said instrument, the amount of the impairment loss is measured by the difference between the carrying amount of the asset and the present value of expected future cash flows and discounted at the current market rate of return for a similar financial asset.

Financial assets at fair value through OCI

In the case of an impairment of a financial asset at fair value through OCI, a transfer from shareholders' equity is effected of a value equal to the difference between its cost (net of the repayment of capital and amortization) and its present fair value. Write-backs of instruments classified in this category are also recognized in a specific equity reserve.

Provisions for risks and charges

Accruals to provisions for risks and charges are made when the Group has to fulfill a current obligation (legal or implicit) resulting from a past event, resources are likely to be sacrificed to meet said obligation and its amount can be estimated reliably.

When the Group believes that an accrual to the provision for risks and charges will be partially or fully reimbursed, e.g. in the event of risks covered by insurance policies, the compensation is recognized separately under assets if and only if it is virtually certain. In said case, a cost is stated through profit or loss which is the cost of the associated related accrual, net of the amount recognized for the compensation.

If the effect of discounting the value of money is significant, accruals are discounted using a pre-tax discount rate which reflects, where appropriate, the specific risks of the liabilities. When discounting is carried out, the increase in the provision due to the passing of time is recognized as a financial cost.

Provision for employee termination benefits

Liabilities in the form of employee termination benefits are only recognized when the Group is demonstrably committed to: (a) terminate the employment of an employee or group of employees before the normal retirement date; or (b) provide termination benefits as a result of an offer made in order to encourage voluntary resignation for redundancy purposes. The Group is

demonstrably committed to terminate employment only when it has a detailed formal plan for the dismissal (termination of employment) and is without realistic possibility of withdrawal from the plan.

Employee benefits

Italian legislation (art. 2120 of the Civil Code) requires that, on the date of termination of their employment with the company, each employee receives compensation known as ESI (Employee Severance Indemnity). Calculation of this indemnity is based on certain items that form the annual employee remuneration for each year of employment (re-valued as necessary) and on the length of service. According to statutory Italian legislation, said indemnity is reported in the financial statements according to a calculation method based on the indemnity accrued by each employee at the balance sheet date, in the assumption that all employees terminate their employment at said date.

The IFRIC issued by the IASB tackled the issue of Italian ESI and concluded that, in application of IAS 19, it falls within the scope of "defined benefit" plans, as regards post-employment benefits and, as such, must be calculated using the Projected Unit Credit Method (PUCM), in which the amount of liabilities in the form of acquired benefits must reflect the expected date of termination and must be discounted.

Following the 2007 reform of national legislation which governs, for Companies with more than 50 employees, ESI accruing from 1 January 2007, it is established as a "defined contribution" plan, whose payments are accounted for directly in the income statement, as a cost, when recognized. ESI accrued up until 31 December 2006 remains a defined benefit plan, without future contributions.

The Group accounts for actuarial gains or losses arising from the application of the aforementioned method (PUCM) in an appropriate equity reserve according to the provisions of IAS 19 pars. 120 and 128.

The actuarial valuation of the liability was entrusted to an independent actuary.

The Group has no other significant defined benefit pension plans.

Leases

According to IFRS16 a lease is an agreement that grants the right to use an asset ("the underlying asset") for a certain period of time against the payment of a consideration. At the inception of the contract the entity must assess whether the contract is, or contains, a lease. The contract is, or contains, a lease if it gives the entity the right to control the use of a specified asset for a period of time in exchange for consideration. An entity must reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are amended.

For a contract that is, or contains, a lease, the entity must account for each lease component as a lease separately from non-lease components. For contracts that contain a lease component and one or more lease and non-lease components, the lessor must allocate the consideration under the contract by applying IFRS15.

Lease agreements, including operating leases, give rise to a lease liability and are measured by the lessor at the effective date, at the fair value of the leased asset or, if lower, at the present value of lease payments outstanding at that date. Lease payments must be discounted back by using the interest rate implicit in the lease if it is determinable reliably. If it is not possible, the lessee must use its marginal borrowing rate. The underlying asset, which consists of the Right Of Use (ROU), must be recognized among assets against an entry for this liability, in addition to additional costs, amounts paid on the spot, advances and maxi-installments of lease payments (if any). After the effective date, the lessee must measure the asset consisting of the right of use by applying the cost model, unless the fair value model or the revaluation model is applied. Group companies do not apply such alternative models. Capitalized leased assets are amortized over the estimated useful life of the asset and the lease term, whichever is the shorter, if there is no reasonable certainty that the ownership of the asset will be obtained at the end of the contract. Lease payments are split between the portions of principal and interest so as to obtain the application of a constant interest rate on the residual debt balance. Financial costs are charged directly to the income statement.

Finally, the Group has adopted some exceptions allowed by the accounting standard, excluding any lease with a term of less than 12 months, as well as any lease and hire of low value (less than € 5,000) from the related scope of application. Furthermore, the Group has exercised its right to not review whether a contract is, or contains, a lease on the date of first-time adoption (IFRS16.C3).

In fact, as regards the lessor, the accounting method of lease and long-term hire agreements is substantially unchanged with respect to the provisions laid down under the previous IAS17.

Revenue recognition

Revenues are recognized to the extent in which it is likely that economic benefits can be achieved by the Group and the associated amount can be determined reliably. The following specific revenue recognition criteria must be complied with before revenues are charged to the income statement:

Provision of services

The main types of service provided by the Group, separately or jointly as part of Integrated Services, are:

- operation and maintenance of properties and plants, often associated with the provision of heat (energy service);
- cleaning and environmental hygiene services;
- landscaping;
- project management services;
- design services;
- linen rental and industrial laundering and sterilization services.

Revenues are recognized on the basis of the progress of the services underway at the balance sheet date, measured as a percentage with reference to the different variables depending on the services provided and the contracts stipulated with the customer (square meters, hours, costs incurred, hospital days).

The provisions of services, which are still not completed at the reporting date, constitute contract assets and are classified under trade receivables.

Revenues billed at the balance sheet date, which exceed the amount accrued on the basis of the progress status of the service, are suspended under contract liabilities, and classified under trade payables. The considerations, also as part of multi-service contracts, are, as a rule, defined separately by service type and the amount of revenues to be attributed to the individual services is quantified at fair value.

When the outcome of a services transaction cannot be measured reliably, revenues are only recognized to the extent it is believed that the costs incurred can be recovered.

Plant construction activities

The Group recognizes the revenues arising from building contracts on the basis of the percentage of completion of the job order, measured as a percentage of the costs incurred with respect to the total estimated costs for completing the work. When the outcome of a job order cannot be measured reliably, revenues are only recognized to the extent it is believed that the costs incurred can be recovered.

Sales of assets

The revenue is recognized when the company has transferred all significant risks and rewards related to ownership of the asset to the purchaser.

Interest

Interest is recognized as financial income following the verification of interest income accrued (carried out using the effective interest rate method which is the rate that accurately discounts expected future cash flows based on the expected life of the financial instrument at the net carrying amount of the financial asset).

Dividends

Revenues are recognized when the right of shareholders to receive the payment arises.

Government grants

Government grants are recognized when it is reasonably certain they will be received and all inherent conditions are met. When grants are related to cost components, they are recognized as revenues, but are systematically split over the financial years so

they are commensurate with the costs they intend to compensate. In the event the grant is related to an asset, the fair value is deducted from the carrying amount of the asset to which it is related and the release to the income statement occurs progressively over the expected useful life of the asset on a straight line basis, through the systematic reduction of the associated amortization charges.

Income taxes

Current taxes

Current tax assets and liabilities for the year are valued by applying estimate criteria to determine the amount accrued in the financial year which is expected to be recovered or paid to the tax authorities. The rates and tax legislation used to calculate the amount are those issued at the balance sheet date.

Deferred taxes

Deferred taxes are calculated on the temporary differences arising at the balance sheet date between the tax values taken as a reference for assets and liabilities and the values stated in the financial statements.

Deferred tax liabilities are recognized against all temporary taxable differences, except for:

- deferred tax liabilities arise from the initial recognition of goodwill or of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, does not have any effect on the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- taxable temporary differences associated with equity investments in subsidiaries, associates and joint ventures, in the event in which the reversal of the temporary differences can be controlled and is not likely to occur in the foreseeable future.

Deferred tax assets are recognized against all deductible temporary differences and for tax assets and liabilities carried forward, to the extent it is possible that there will be adequate future tax profits that make the use of temporary deductible differences and tax assets and liabilities carried forward applicable, except in the case in which:

- deferred tax assets connected to deductible temporary differences arise from the initial recognition of an assets or liability in a transaction which is not a business combination and which, at the time of the transaction, does not have any effect on the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- with reference to taxable temporary differences associated with equity investments in subsidiaries, associated and joint ventures, deferred tax assets are recognized only to the extent in which it is likely that the deductible temporary differences will be reversed in the immediate future and that sufficient tax profits will be generated against which the temporary differences can be used.

The value of deferred tax assets to be recognized in the financial statements is reviewed at each reporting date of the financial statements and reduced to the extent it is no longer likely that sufficient tax profits will be available in the future to permit all or

part of said receivable to be used. Unrecognized deferred tax assets are reviewed annually at the reporting date of the financial statements and are recognized to the extent it has become likely that the tax profit is sufficient to allow said deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured on the basis of the tax rates that are expected to be applied in the year in which said assets are sold or said liabilities are extinguished, considering the rates in force and those already issued or substantially issued at the balance sheet date.

Income taxes relating to items recorded directly in equity are charged directly to equity and not to the income statement.

Deferred tax assets and liabilities are offset, if there is a legal right to offset the current tax assets with current tax liabilities and the deferred taxes refer to the same tax entity and the same tax authorities.

VAT

Revenues, costs and assets are recognized net of VAT, with the exception of the case in which said tax applied to the purchase of goods or services is non-deductible, in which case it is recognized as part of the purchase cost of the asset or part of the specific cost item recognized through profit or loss. Trade receivables and payables for which an invoice has already been issued or received are carried inclusive of tax.

The net amount of indirect taxes on sales and purchases that can be recovered from or paid to the tax authorities is included in the financial statements under other receivables or payables depending on the accounting sign.

Service concession arrangements

The Group is the holder of concession agreements in which certain companies manage activities in the public interest, provided that the grantor (i) controls/regulates, by determining the price, which public services must be offered by the concessionary companies through the infrastructures that the concessionary company obtains under management or constructs and (ii) maintains, through ownership or by other means, the authorization granted and any other interest in the infrastructures upon expiry of the concession agreement.

The concessionary company shall not carry infrastructure under tangible assets as it does not hold “control”, as set forth in IFRIC 12. The asset to be recognized is the right to use the infrastructure for providing the service, to be classified as a financial asset in the presence of an unconditional right to receive future compensation regardless of actual use of the infrastructure and as an intangible asset in the presence of a right to exploit the infrastructure itself in financial terms, charging users based on use of the service received. Provision is also made for a “mixed” accounting model if the concessionary company is the holder of both a financial asset and an intangible right, where it is necessary to separate the component of remuneration as provided for under the agreement relating to the financial asset, determining the amount of the intangible asset as a secondary activity (with respect to the value of the construction services provided).

The concessionary company also recognizes revenues for the services it provides, in compliance with IFRS15, and, therefore, the consideration envisaged in the agreement must be allocated with reference to the fair value of the associated services provided (construction, improvements and management respectively). Pursuant to IAS 23, financial costs attributable to the agreement must be recognized as costs in the financial year in which they are incurred, unless the concession holder has recognized an intangible asset, for which said costs are capitalized during the phase of drafting of the agreement. Otherwise, if the concession holder has recognized a financial asset, IAS 39 requires financial income calculated on the basis of the effective interest method to be recognized in the income statement.

Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to the Parent Company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to the Parent Company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year.

The Parent Company presents voluntary disclosures on earnings per share, with reference solely to consolidated data.

Operating segments

An operating segment is made up of a clearly identifiable group of assets and operations which provides a collection of related products and services, subject to risks and rewards other than those of other Group business sectors. For operational purposes, the Group is structured into business areas that coincide with the "strategic business units" (SBU) in which the Group operates.

No operating segments were combined for the purpose of determining the operating segments subject to disclosure obligations.

The Group's Management look at the results achieved by the individual Strategic Business Units separately, for the purpose of making decisions regarding the allocation of resources and performance monitoring. The segment performance is assessed on the basis of the EBIT. The Group's financial management (including loan costs and revenues) and income taxes are managed at Group level and are not allocated to operating segments.

Methods of calculation of costs allocated to segments

The Group includes direct and indirect production costs relating to the business sector in the costs attributed to the segments. Starting from the consolidated financial statements for the year ended 31 December 2007, it was deemed appropriate to also allocate to the segment commercial costs and other general overheads on the basis of the appropriate conventional allocation drivers. By contrast, any income and costs generated by financial management and current and deferred taxes remain unallocated to the segments, while income from equity investments valued at equity is attributed to the segments.

Method of calculation of assets and liabilities allocated to segments

The assets and liabilities have been attributed to the various segments in accordance with the method used for income statement items.

Changes in accounting estimates and errors

Some elements in the financial statements cannot be measured accurately and are therefore the objects of estimates which depend on future uncertain circumstances governing the conduct of the entity's business. Over time these estimates will be revised to take account of the data and information that subsequently become available. The effect of a change in accounting estimates in the financial year in which it has occurred must be recognized prospectively and included in the income statement of that period and in future periods if the change also affects these. Prospective recognition of the effects of the changed estimate means that the change is applied to transactions that take place from the time that the estimate is changed. Accounting estimates are reviewed or changed if new information comes to hand or if there are new developments in operations and. for these reasons, these do not constitute corrections of errors.

Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from a failure to use, or a misuse of, reliable information that was available when the financial statements for those periods were authorized for issue, and could reasonably have been expected to have been obtained and used in the preparation and presentation of these financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting standards, oversights or misinterpretation of facts and fraud. Financial statements do not comply with IFRSs if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an entity's statement of financial position, financial performance or cash flows. Potential current period errors discovered in that period must be corrected before the financial statements are authorized for issue. Errors recognized in subsequent periods must be corrected in the comparative information presented in the financial statements for that subsequent period if they are material errors and the correction is deemed feasible, restating the opening balances of assets, liabilities and equity for that period ("Restatement").

Restatement is not applied if errors are recognized prospectively should the errors and omissions are considered immaterial. Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that the users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

3. BUSINESS COMBINATIONS

3.1 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 to Rekeep and its subsidiaries.

The transfer of the business unit became effective from 1 January 2023 and took place at the price of € 787 thousand, agreed upon between the parties, in line with the business unit's economic value that emerges from the expert's report prepared on the prospective accounting position at 31 December 2022, in addition to an adjustment calculated on the final book value of the business unit at the date of transfer. Within this transaction, Rekeep will proceed with the insourcing of the processing and calculation of Rekeep's payroll, which were previously outsourced 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 (an amount of € 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**	

The fair value of assets and liabilities acquired through the business combination was positive and set at € 555 thousand, while the overall cost of the business combination was equal to € 787 thousand, fully paid at 31 December 2023.

3.2 Acquisition of a majority interest of DUC Gestione Sede Unica Società Consortile a r.l.

On 30 January 2023 the Court of Bologna published the notice of competitive sale of the entire package consisting of the quotas held by Cogei Sviluppo Immobiliare S.r.l. in liquidation, representing 22% of the quota capital of DUC Gestione Sede Unica Società Consortile a r.l. and the shares representing 17.50% of the share capital of Newco DUC S.p.A.: they are respectively the

consortium company and project company under the concession agreement that was entered into by, among others, the Parent Company Rekeep S.p.A. in 2004 for the design, construction and operation of the real estate complex comprising the "Unified Services Headquarters of the Municipality of Bologna."

The Parent Company Rekeep S.p.A. participated in the auction jointly with C-Holding S.r.l., which was also a former shareholder of Newco DUC S.p.A., being awarded the joint sale on 6 July 2023. On 1 August 2023 the Parent Company Rekeep S.p.A. and C-Holding proceeded with dissolving the joint ownership arrangement by a notarial deed. At the end of the transaction Rekeep S.p.A. acquired 22% of the quotas of DUC Gestione., thus increasing its percentage from 49% to 71% and gaining control over the company.

As from the date of the transaction, meeting the requirements of IFRS10, DUC Gestione is consolidated on a line-by-line basis in the consolidated financial statements of the Rekeep Group. It was already previously included in the Group's consolidated financial statements using the equity method.

Accounting effects of the acquisition

he transaction for the acquisition of 22% of the equity interest in DUC Gestione is a business combination: the Group has therefore applied IFRS 3 “Business Combinations” in accounting for it.

The value as at the acquisition date of assets and liabilities of the acquired company, the difference between purchase value and book value related to the transaction, and the net cash used in the acquisition are shown in the table below:

	Recognized value	Book value
ASSETS		
NON-CURRENT ASSETS		
Other non-current assets	321	321
TOTAL NON-CURRENT ASSETS	**321**	**321**
CURRENT ASSETS		
Trade receivables and advances to suppliers	12,602	12,602
Current tax receivables	23	23
Other current assets	450	450
Cash and cash equivalents	374	374
TOTAL CURRENT ASSETS	**13,449**	**13,449**
TOTAL ASSETS	**13,770**	**13.770**
LIABILITIES		
NON-CURRENT LIABILITIES		

	Recognized value	Book value
Capital and reserves attributable to non-controlling interests	6	6
Long-term loans	367	367
TOTAL NON-CURRENT LIABILITIES	**373**	**373**
CURRENT LIABILITIES		
Short-term loans	31	31
Trade payables and contract liabilities	13,319	13,319
Current tax payables	24	24
Other current liabilities	9	9
TOTAL CURRENT LIABILITIES	**13,383**	**13,383**
TOTAL LIABILITIES	**13,756**	**13,756**
FAIR VALUE OF NET ASSETS	**14**	**14**
Fair value of 49% stake already held by the Group	285	
EQUITY RESERVE OF THE BUYER FROM BUSINESS COMBINATION	**(399)**	
Total cost of business combination:		
Consideration paid to the transferor	128	
TOTAL COST OF BUSINESS COMBINATION	**128**	
Net cash used in business combination:		
Cash and cash equivalents of the acquiree	374	
Payments to the transferor	(128)	
NET CASH USED IN THE ACQUISITION	**246**	

The fair value of assets and liabilities acquired through the business combination was positive and set at € 14 thousand while the overall cost of the business combination was equal to € 128 thousand, fully paid at 31 December 2023. The net cash generated by the business combination amounted to € 246 thousand.

3.3 Acquisition of a majority interest of Ster-med S.p. z.o.o.

On 20 November 2023, the Group, through its subsidiary Rekeep Polska S.A., acquired a 90% stake in the share capital of Ster-Med sp. z o.o., a company operating in the field of sterilization of surgical instruments in the healthcare sector. The company is headquartered in Krakow (Poland), operates exclusively in Poland and recorded revenues of €1.0 million at the end of the 2022 financial year. The acquisition was concluded through the acquisition of 90 % of the shares representing the company's share

capital at a price of €1.4 million while on the remaining stake, which remained with the historical management, there is contractually a call option to the buyer and a put option to the transferor (exercisable between 2 November 2026 and 2 May 2027), for the transfer of the additional 10% interest in the company's capital. The exercise price of these options will be calculated with reference to the 10% valuation of the stake as updated on the date of exercise, equal to the product of LTM EBITDA for the quarter immediately preceding that date of exercise by a multiple of 7x, less net debt at the time of exercise.

In application of IFRS accounting standards, the present value of the exercise price of these options, where they could be reliably determined, should have been recognized as a financial liability as early as these consolidated financial statements. As at the date of the consolidated financial statements at 31 December 2023, however, the management of the direct parent company Rekeep Polska S.A., while believing the exercise of these options to be probable, did not have sufficient evidence to reliably determine the amount of the exercise price thereof and therefore did not account for the related financial liability and the resulting goodwill.

As of today, in fact, it is objectively unlikely to produce a reliable estimate of the above two amounts due to a number of elements of uncertainty such as (i) the significant temporal distance between the date of these Consolidated Financial Statements and the date on which the reference values will be defined; (ii) the numerous variables relevant for the purposes of this valuation and their low predictability, with particular reference to the net financial debt resulting from the growth process that is expected for the Company; (iii) the need for the Group's management to become familiar with the business drivers typical of the sterilization market in Poland, which to date is not included in its core business.

The transaction is part of a strategy to diversify operations in Poland by expanding the range of services offered to customers.

Accounting effects of the acquisition

The transaction involving the acquisition of 90% of the interest in Ster-med was a business combination, so the Group applied IFRS 3 “Business Combinations” in accounting for it.

The fair value of assets and liabilities of the acquired company was determined provisionally, as was the goodwill arising from the transaction. The table below shows the values provisionally attributed to the acquired assets and liabilities:

	Recognized value	Book value
ASSETS		
NON-CURRENT ASSETS		
Property, palnt and equipment	3	3
TOTAL NON-CURRENT ASSETS	**3**	**3**
CURRENT ASSETS		

	Recognized value	Book value
Trade receivables and advances to suppliers	373	373
Current tax receivables	2	2
Other current assets	390	390
Cash and cash equivalents	42	42
TOTAL CURRENT ASSETS	**807**	**807**
TOTAL ASSETS	**810**	**810**
LIABILITIES		
NON-CURRENT LIABILITIES		
Capital and reserves attributable to non-controlling interests	7	7
TOTAL NON-CURRENT LIABILITIES	**7**	**7**
CURRENT LIABILITIES		
Short-term loans	459	459
Trade payables and contract liabilities	219	219
Other current liabilities	60	60
TOTAL CURRENT LIABILITIES	**738**	**738**
TOTAL LIABILITIES	**745**	**745**
FAIR VALUE OF NET ASSETS	**65**	**65**
GOODWILL FROM BUSINESS COMBINATION	**1.366**	
Total cost of business combination:		
Consideration paid to the transferor	1.431	
TOTAL COST OF BUSINESS COMBINATION	**1.431**	
Net cash used in business combination:		
Cash and cash equivalents of the acquiree	42	
Payments to the transferor	(1.354)	
NET CASH USED IN THE ACQUISITION	**(1.312)**	

The fair value of assets and liabilities acquired through the business combination was positive and set at € 65 thousand, while the overall cost of the business combination was equal to € 1,431 thousand, of which an amount of € 1,354 thousand was paid at 31 December 2023. The net cash absorbed by the business combination amounted to € 1,312 thousand.

4. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in the company-owned property, plant and equipment in the financial year ended 31 December 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	0	325	325
Additions from acquisitions	1,810	35,834	37,644
Disposals	(127)	(1,660)	(1,787)
Depreciation for the year	(1,829)	(23,238)	(25,067)
Others	18,295	(5,116)	13,179
At 31 December 2023	**37,435**	**80,108**	**117,543**
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 December 2023			
Historical cost	45,599	504,947	550,546
Accumulated depreciation and impairment losses	(8,164)	(424,839)	(433,003)
NET BOOK VALUE	**37,435**	**80,108**	**117,543**

The additions from acquisitions which took place in the financial year mainly related to the linen in the *Laundering&Sterilization* segment for € 13,618 thousand and to the purchases of other machinery and specific equipment for € 22,216 thousand, of which an amount of € 13,959 thousand related to investments made by companies of the sub-group controlled by Rekeep Polska for the "centralized kitchen" (Cook&Chill) project to support catering services; an additional phase of the same project was also supported by an investment in land for € 1,730 thousand.

Decreases for the period, totaling € 1,787 thousand, mainly relate to disposals made by the Parent Company Rekeep S.p.A. and the subsidiary Servizi Ospedalieri S.p.A. and mainly arising from the completion of job orders and the replacement of linen.

Other changes mainly relate for € 14,540 thousand to the reclassification as a building held in property of the net book value relating to the property of the headquarters of Rekeep S.p.A., following the exercise of the redemption option under the property lease agreement with MPS Leasing&Factoring, which it had taken over last year through the purchase of the contract from parent company MSC MSC S.p.A., The remaining balance mainly refers 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.

The table below shows the changes in the company-owned property, plant and equipment in the financial year ended 31 December 2022.

	Property	Plant and equipment	Total
At 1 January 2022, net of accumulated depreciation and impairment	**18,243**	**68,132**	**86,375**
Additions from acquisitions	1,917	32,791	34,708
Impairment losses	0	(128)	(128)
Disposals	(14)	(958)	(972)
Depreciation for the year	(945)	(22,986)	(23,931)
Others	85	(2,888)	(2,803)
At 31 December 2022	**19,286**	**73,963**	**93,249**
At 1 January 2022			
Historical cost	23,633	446,619	470,252
Accumulated depreciation and impairment losses	(5,390)	(378,487)	(383,877)
NET BOOK VALUE	**18,243**	**68,132**	**86,375**
At 31 December 2022			
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**

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 December 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	7,470	6,557	14,027
Decreases	0	(523)	(523)
Early termination	(369)	(250)	(619)
Depreciation for the period	(4,343)	(5,921)	(10,264)

Others	(14,568)	1,877	(12,691)
At 31 December 2023	**25,853**	**18,702**	**44,555**
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 December 2023			
Historical cost	61,871	62,054	123,924
Accumulated depreciation and impairment losses	(36,017)	(43,352)	(79,369)
NET BOOK VALUE	**25,853**	**18,702**	**44,555**

Property, plant and equipment under leases reported changes during the year, which were due to depreciation for the year, as well as to the execution of new lease agreements for a total of € 14,027 thousand. Of these an amount of € 7,470 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 € 6,557 thousand and included surgical instruments rental agreements for € 2,427 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 € 619 thousand in 2023.

As already reported in the paragraph above, Other changes relate for € 14,540 thousand to the reclassification, under owned properties, concerning the net book value of the property of the headquarters of Rekeep S.p.A., previously held under lease. The remaining other changes mainly refer 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.

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

	Rights of use of properties	Rights of use of plant and machinery	Total
At 1 January 2022, net of accumulated depreciation and impairment	**29,299**	**14,291**	**43,590**
Additions from acquisitions	20,498	5,976	26,474
Decreases		(247)	(247)
Early termination	(8,080)	(792)	(8,872)
Depreciation for the period	(4,567)	(5,294)	(9,861)
Others	513	3,028	3,541

At 31 December 2022	**37,663**	**16,962**	**54,625**
At 1 January 2022			
Historical cost	56,407	46,428	102,834
Accumulated depreciation and impairment losses	(27,107)	(32,137)	(59,244)
NET BOOK VALUE	**29,299**	**14,291**	**43,590**
At 31 December 2022			
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**

6. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the year ended 31 December 2023.

	Other intangible assets	Goodwill	Total
At 1 January 2023, net of accumulated amortization and impairment	**18,287**	**404,935**	**423,223**
Additions from business combinations	0	1,765	**1,765**
Additions from acquisitions	5,368		**5,368**
Decreases	(12)	0	**(12)**
Amortization for the year	(5,924)	0	**(5,924)**
Others	12	0	**12**
At 31 December 2023	**17,731**	**406,700**	**424,431**
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 December 2023			
Historical Cost	139,831	409,017	**548,848**
Accumulated Amortization and impairment losses	(122,100)	(2,318)	**(124,417)**
NET BOOK VALUE	**17,731**	**406,700**	**424,431**

Goodwill is tested for impairment on an annual basis. The increase of € 1,765 thousand in goodwill, from € 404,935 thousand at 31 December 2022 to € 406,700 thousand at 31 December 2023, was linked to the business combination of Ster-med Sp.p z.o.o. and Duc Gestione Sede Unica Scarl, as detailed in note 3 above. For more details on goodwill, reference should be made to note 7 below.

Other intangible assets, amounting to € 17,731 thousand at 31 December 2023, mainly consist of investments in software carried out as part of the projects aimed at upgrading and enhancing the corporate information systems. Additions from acquisitions for the period (€ 5,368 thousand) are mainly attributable to the Parent Company Rekeep S.p.A. and are related to the implementation and upgrading of software platforms used by the Group.

The table below shows the changes in intangible assets in the year ended 31 December 2022:

	Other intangible assets	Goodwill	Total
At 1 January 2022, net of accumulated amortization and impairment	**19,479**	**404,706**	**424,185**
Additions from business combinations		229	229
Additions from acquisitions	4,586		4,586
Amortization for the year	(5,789)		(5,789)
Others	12		12
At 31 December 2022	**18,287**	**404,935**	**423,223**
At 1 January 2022			
Historical Cost	129,853	407,023	536,877
Accumulated Amortization and impairment losses	(110,375)	(2,318)	(112,692)
NET BOOK VALUE	**19,479**	**404,706**	**424,185**
At 31 December 2022			
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**

7. IMPAIRMENT OF GOODWILL

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

SBU – Facility management

The SBU is identified with:

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

SBU– Laundering & Sterilization

The SBU is identified with:

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

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

	31 December 2023	31 December 2022
Goodwill allocated to Facility Management CGU	390,516	388,752
of which International markets	*35,880*	*34,514*
Goodwill allocated to Laundering & Sterilization CGU	16,183	16,183
CONSOLIDATED GOODWILL	**406,700**	**404,935**

Changes during 2023 relate exclusively to the Facility Management CGU. Specifically, goodwill in the period increased by € 399 thousand following the acquisition of an additional 22% of the capital of DUC Gestione Sede Unica Società Consortile a r.l. by Rekeep S.p.A, which enabled it to gain control, and by € 1,366 thousand of the goodwill provisionally determined for the acquisition on the international market front of Ster-med S.p. z.o.o. by Rekeep Polska S.A. on 20 November 2023 (for more details, see note 3 above).

Facility management CGU Goodwill

The goodwill allocated to the Facility management CGU, which amounted to € 390,516 thousand at 31 December 2023, was recognized as a result of various business combinations from 2004 to date, the most important of which are listed below:

- Project 'Palladio', which took place on 29 December 2003, involved the Group acquiring control of the business unit relating to facility management technical services previously managed by the parent company Manutencoop Società Cooperativa (now MSC Società di Partecipazione tra Lavoratori S.p.A.);
- Acquisition of MCB S.p.A., a company through which the Group established the first facility management unit for "network" customers (banks, insurance companies, etc.). In 2010, MCB S.p.A. was merged by incorporation into MP Facility S.p.A. (now H2H Facility Solutions S.p.A.);
- Acquisition of Teckal S.p.A., which was merged by incorporation into Manutencoop Facility Management S.p.A. (now Rekeep S.p.A.) in 2010, through which the Group strengthened the production structure of traditional facility management, in particular in the heat management service;
- Acquisition of Altair IFM S.p.A. (the most significant transaction to date), which enable the Group to gear the customer portfolio towards large private customers. In 2010 the larger companies in the Altair sub-group were merged by incorporation into Manutencoop Facility Management S.p.A (now Rekeep S.p.A.);
- Reverse merger of the Parent Company CMF S.p.A. by incorporation into the subsidiary Rekeep S.p.A. with statutory accounting and tax effects starting from 1 July 2018. The operation, defined as an "Operation Under Common Control" since it was carried out between parties subject to common control, gave rise to the recognition of a merger deficit in the assets up to the amount recorded in the Consolidated Financial Statements in which the companies involved in the merger participate, i.e. that of Manutencoop Società Cooperativa (now MSC Società di Partecipazione tra Lavoratori S.p.A.). The non-recognizable difference also gave rise to a negative equity reserve.

The Facility management SBU also includes the goodwill generated from acquisitions carried out by Rekeep World S.r.l. and its subsidiaries in foreign markets:

- Acquisition of the majority stake of EOS Hijyen İşletmeciliği Tesis Hizmetleri Sağlık İnşaat Servis ve Mühendislik Anonim Şirketi ("EOS", of which the Group already held a stake of 50%) on 28 February 2018. The Company is active in the linen rental and industrial laundering services and surgical instrument sterilization to support healthcare activities in Turkey, with a portfolio of orders already underway;
- Acquisition of Naprzód S.A. (now Rekeep Polska S.A.), controlling a group of other 15 companies operating in Poland in the provision of facility management services in the healthcare sector, catering and medical transportation services, including outsourcing services, ambulance hire, security in mass events and the transport of disabled people;
- Acquisition of Ster-med S.p. z.o.o., which operates in the sterilization of surgical instruments segment in the healthcare sector. The acquisition was completed through the subsidisry Rekeep Polska S.A. on 20 November 2023.

Laundering & Sterilization CGU Goodwill

The goodwill allocated to the Laundering & Sterilization CGU, which amounted to € 16,183 thousand, emerged as a result of the following acquisition:

- Acquisition during the 2003 financial period of a business unit dealing with the linen rental and industrial laundering and sterilization activities for public and private healthcare of LIS S.p.A., with contracts mainly located in the Marche Region.
- Acquisition during the 2006 financial period of a business unit dealing with the linen rental and industrial laundering and sterilization activities for public healthcare of Lidi Service S.p.A., the activity of which was carried out in Porto Garibaldi (province of Ferrara) plant.
- Acquisition of Omasa S.p.A. in 2007, a company operating in the market for the sterilization of surgical instruments and linen, as well as following further minor acquisition, all made by Servizi Ospedalieri S.p.A., a company operating in the linen rental and industrial laundering and sterilization market. Omasa S.p.A. was then merged by incorporation into Servizi Ospedalieri S.p.A. on 1 July 2009;
- On 3 July 2018, acquisition of Medical Device S.r.l., a trading company which has acquired over the years many certifications for the marketing of Class 3 medical devices, particularly critical for their intended use and requiring very complex certification procedures by Notified Bodies;
- On 1 June 2021 acquisition of U.Jet S.r.l., a trading company 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.

Impairment Test

Pursuant to IAS 36, goodwill is not amortized, but is tested for any possible impairment on an annual basis, or more frequently, should specific events or circumstances arise which provide evidence of an impairment loss. The impairment test, prepared by the Management and presented to the Board of Directors at the time of the approval of the draft financial statements, was carried out through the comparison between the net book value and the recoverable value of the individual CGUs to which goodwill was allocated, determined on the basis of the discounting-back of expected future cash flows relating to the period from 2024 to 2028 and extrapolated from the Business Plan of the Rekeep Group.

The five-year period Business plan (from 2024 to 2028) used for the analysis described in these Explanatory Notes, prepared on the basis of the three-year Business Plan (from 2024 to 2026) approved by the Rekeep S.p.A.'s Board of Directors on 16 February 2024, was approved by the Board of Directors of Rekeep S.p.A. for impairment test purposes only on 21 March 2024.

As from 2019, steps were taken, following the acquisition of the Rekeep Polska sub-group on the part of Rekeep World, to test separately the goodwill allocated to the Facility Management and Laundering & Sterilization CGUs, as well as that accounted for following this business combination, as well as the goodwill pertaining to the sub-group, totaling € 33,851 thousand.

The estimated value in use of the Facility management, Laundering & Sterilization and the Rekeep Polska Group was based on the following assumptions:

- The expected future cash flows, for the period from 2024 to 2028, extrapolated from the Business Plan, are derived from projected cash flows obtained through:
    - determination of the value of the forecast gross margins according to the projection of the backlog of existing service contracts, augmented by the assumptions of renewals and new portfolio acquisitions,
    - estimates of changes in Net Working Capital on the basis of the target days of stock rotation, the payment of amounts due and collection of receivables,
    - assumptions of investments consistent with the performance of forecast revenues in the various business sectors in which the Group operates,
- A terminal value used to estimate future results beyond the time horizon expressly considered. The terminal value was determined by applying a NOPLAT equal to 2028 EBIT adjusted by the average expected depreciation and amortization and investments, net of a nominal tax rate. As regards long-term growth rates, an assumption of 1% was considered for all CGUs.
- The expected future cash flows were discounted back at a discount rate (WACC) of 9.25% for the Facility Management CGU (2022: 9.14%), at a discount rate (WACC) of 8.70% (2022: 6.97%) for the *Laundering&Sterilization* CGU and at a discount rate (WACC) of 9.50% for the Rekeep Polska Group (2022: 13.03%). The WACC was determined by using the Capital Asset Pricing Model ("CAPM"), bywhich the risk-free rate was calculated with reference to the curve of the rates of return of Italian long-term government bonds, while the non-diversifiable systematic risk ratio (βeta) and the debt/equity ratio were extrapolated from the analysis of a group of comparable companies operating in the European facility management and laundering sector. In addition, in order to reflect the uncertainty of the current economy and the future market conditions, the cost of the equity component of the WACC rate was increased with a risk premium of 100 basis points for the Facility Management CGU and for Laundering&Sterilization CGU and 50 basis points in Rekeep Polska Group CGU in each financial period.

For all CGUs analyzed, the analysis confirmed that the recoverable value of the same exceeds the associated carrying amount, therefore not requiring any write-downs. On a prudential basis "Worst Cases" were outlined with reference to the WACC, the growth rates applied and a deterioration in operating cash flows compared to forecasts, both with reference to the plan time frame and with reference to the terminal value. However, in simulating nil or negative growth rates, also in combination with WACCs exceeding those applied by one percentage point (and, then, equal to 10.25% for Facility management CGU, 9.70% for Laundering & Sterilization CGU and 10.50% for Rekeep Polska Group, there would be no need to make write-downs in all CGUs, as the recoverable value would exceed the related book value.

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 December 2023 the net-book value of investments valued at Equity reported a net amount of € 11,349 thousand, against a net amount of € 9,717 thousand in 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 15).

	Net assets 31 December 2023	Net assets 31 December 2022
Investments accounted for under the equity method	11,758	10,121
Provision for risks on investments	(408)	(414)
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**11,350**	**9,717**

The breakdown of changes during the year is shown in Annex II attached to the Consolidated Financial Statements, to which reference should be made.

Others include an increase in the shareholding in Newco DUC S.p.A., from 24.90% to 44.81% in two successive stages: (i) following the acquisition of shares by Rekeep S.p.A. from CCC Società Cooperativa on 25 January 2023 at a price of € 735 thousand, and (ii) following participation in the competitive sale of the unitary share package consisting of the quotas held by Cogei Sviluppo Immobiliare S. r.l. in liquidation called by the Court of Bologna, which was completed with the transfer of shares on 6 July 2023 at a price of € 857 thousand; Rekeep participated in the auction jointly with C-Holding S.r.l, which is also a former shareholder of Newco DUC S.p.A., except for dissolving the joint venture on 1 August 2023.

During 2023 investments accounted for under the equity method recorded a net loss equal to € 24 thousand, for the share attributable to the Group (a profit of € 703 thousand at 31 December 2022), following the recognition of income from investments for € 1,606 thousand (€ 730 thousand at 31 December 2022) and losses from investments for € 1,630 thousand (no loss was recognized at 31 December 2022). Positive effects were also recognized directly in the Consolidated Equity to an overall amount of € 233 thousand (€ 703 thousand at 31 December 2022).

Below are the main financial statements data relating to the major companies accounted for under equity method, as well as to the project financing companies owned by the Group. The data relate to the information contained in the most recent approved separate financial statements.

	% Ownership	Total Assets	Total Liabilities	Shareholders' Equity	Net financial position	Revenues	Profit (loss) for the year
Roma Multiservizi S.p.A. in liquidation	45.47%	37,867	(32,635)	(5,232)	(7,918)	57,585	(851)

	% Ownership	Total Assets	Total Liabilities	Shareholders' Equity	Net financial position	Revenues	Profit (loss) for the year
Project financing companies	<50%	53,184	(47,673)	(5,511)	(25,088)	13,677	896

Project financing companies are vehicles invested in by the Group companies in order to do work in the field of long-term project financing concessions.

9. OTHER NON-CURRENT ASSETS

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

	31 December 2023	31 December 2022
Other investments	5,996	5,996
Non-current financial assets	6,929	24,202
Other non-current assets	4,607	3,104
OTHER NON-CURRENT ASSETS	**17,532**	**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 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 the fair value, since there is no active market in the securities concerned, which for the most part cannot be freely transferred to third parties due to limitations and restrictions preventing their free circulation.

Non-current financial assets, amounting to € 6,929 thousand at 31 December 2023 (€ 24,202 thousand at 31 December 2022), are composed of:

- € 1,135 thousand of non-current financial receivables due from associates, affiliates or joint-ventures (€ 1,493 thousand at 31 December 2022). The face value of these receivables is € 1,170 thousand, while the discounting fund amounts to € 35 thousand (€ 1,517 thousand and € 24 thousand at 31 December 2022, respectively). Some of these are non-interest bearing since they were drawn down from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying Eurirs as the reference interest rate, plus a spread;
- € 4,693 thousand of Non-current financial receivables from third parties (€ 21,608 thousand at 31 December 2022). The item includes the balance of an escrow account of € 2,000 thousand, and 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 collection of which is subject to the completion of the construction phase on some project financing companies subject to disposal. The decrease in the item is mainly attributable to the amounts pledged as collateral for the contracts for the supplies of gas (*cash collateral*) of the Parent Company, of which an amount of €4.5 million was converted into cash in March 2023 and €12.4 million reclassified to short-term items among financial receivables, since they were converted into cash within 1 year of the reporting date for the period, and forming part of cash and cash equivalents of Rekeep S.p.A. in February 2024;

- € 1,101 thousand of securities held to maturity (unchanged compared to 31 December 2022).

Furthermore, the item is made up of security deposits related to long-term manufacturing contracts for € 2,757 thousand (€ 2,065 thousand at 31 December 2022) and long-term deferrals relating to some contracts equal to 847 thousand (€ 670 thousand at 31 December 2022).

10. INVENTORIES

The Group recognized inventories of € 13,373 thousand at 31 December 2023, marking a decrease of € 12,088 thousand compared to the amount in the previous year.

	31 December 2023	31 December 2022
Inventories of raw materials, consumables and goods for resale	13,782	12,507
Provision for write-down of raw materials, finished products and goods for resale	(409)	(419)
INVENTORIES	**13,373**	**12,088**

The final inventory of raw materials is composed of materials and goods for resale present in the warehouses, while waiting to be used at work sites, valued at the average weighted purchase cost, goods for resale (mostly medical devices) stored in the warehouses of Medical Device S.r.l. and U.Jet S.r.l. and stocks of fuel in tanks belonging to integrated service customers. The change was mainly attributable to the inventories in medical devices and personal protective equipment (PPE) of Medical Device and U.Jet at the end of the year, as well as the provision for write-down of finished products, as determined by the comparison between the carrying amount of inventories and presumed realizable value at 31 December 2023.

11. 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 December 2023 and 31 December 2022:

	31 December 2023	of which from related parties	31 December 2022	of which from related parties
Contract assets	29,959	1,353	33,161	396
Trade receivables, gross	457,744		475,471	
Allowance for doubtful accounts	(20,683)		(19,598)	
Trade receivables due from third parties	**467,020**	**1,353**	**489,034**	**396**
Trade receivables from MSC	14	14	477	477
Trade receivables from Associates, Affiliates and Joint Ventures	39,776	39,776	41,632	41,632
Trade receivables from Group	**39,790**	**39,790**	**42,109**	**42,109**
Advances to suppliers	6,961	1	6,084	
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**513,771**	**41,144**	**537,227**	**42,505**
Current tax assets within 12 months	11,531		35,908	
Other current assets due from third parties	14,482		18,174	
Due from social security institutions	1,089		1,316	
Due from employees	165		222	
Other current assets from third parties	**27,267**	**0**	**55,620**	**0**
Current assets from MSC	317	317	333	333
Current assets from Associates, Affiliates and Joint Ventures	244	244	269	269
Other current assets from Group	**561**	**561**	**602**	**602**
Accrued income	1,063		845	
Prepaid expenses	2,790		2,144	
Accrued income and prepaid expenses	**3,853**	**0**	**2,989**	**0**
OTHER CURRENT ASSETS	**31,681**	**561**	**59,211**	**602**

The balance of trade receivables and advances to suppliers, which also includes contract assets, amounted to € 513,771 thousand at 31 December 2023, down by € 23,456 thousand compared to 31 December 2022 (€ 537,227 thousand), linked to lower prices, in particular of energy, and the actions taken for working capital management during the year.

The change in question was due to a decrease of € 16,850 thousand in trade receivables from third parties and advances to suppliers, and of € 2,319 thousand in receivables from other Group companies. Furthermore, there was a decrease in contract assets for € 3,202 thousand, while provision for bad debts increased by € 1,085 thousand.

In 2023 the Group continued to hold contracts for the assignment without recourse of trade receivables from third parties, including the no-recourse maturity factoring agreement with BFF Bank S.p.A. due 25 January 2028 signed by the Parent Company Rekeep S.p.A. and other subsidiaries and concerning the 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 € 322,457 thousand (of which the balance amounting to € 62,795 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 € 3,615 thousand.

Finally, trade receivables from non-consolidated Group companies and other related parties amounted to € 41,144 thousand in addition to advances for € 1 thousand (€ 42,505 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 recorded against non-performing loans, which are difficult to fully recover, amounting to € 20,683 thousand at 31 December 2023 (€ 19,598 thousand at 31 December 2022). S Changes in the provision during the eriod are detailed as follows:

	31 December 2022	Increases	Uses	Releases	Others	31 December 2023
Provision for bad debts	**19,598**	7,057	(3,161)	(632)	(2,180)	**20,683**

An analysis of trade receivables at 31 December 2023 and as at the end of the previous year is provided below, broken down by maturity. The balances shown are net of the provision for bad debts.

	Total	Trade receivables reaching maturity	Overdue trade receivables				
			< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	beyond 120 days
31 December 2023	**437,061**	323,048	24,296	11,635	10,766	6,877	60,440
31 December 2022	**455,873**	366,548	27,739	11,262	6,650	3,371	40,303

Other current assets, equal to € 31,681 thousand (€ 59,211 thousand at 31 December 2022), showed a total decrease of € 27,530 thousand.

Below are the details of the most significant entries in this item:

- tax receivables, which mostly include receivables concerning the VAT payments made by the Group companies (€ 9,232 thousand against € 10,282 thousand at 31 December 2022), which continue to show a credit balance given the widespread application of the regulations governing "Split-payment" and "Reverse charge" to the cycle of purchasing and sales invoicing. Assignments without recourse of VAT receivables of some Group companies were made in 2023 for a total nominal amount of € 33,876 thousand;
- receivables for short-term security deposits on new annual electricity and gas utility contracts paid to suppliers for € 3,505 thousand (€ 7,354 thousand at the end of the previous year);
- tax credits, including the recognition of the tax credits for the period, including the tax credit to partially offset the higher costs incurred for the purchase of electricity and natural gas in the first and second quarter of the year for € 17,701 thousand, against the use of the same credits as offsetting during the year. Tax credits not yet been used on the reporting date amounted to € 765 thousand (€ 24,174 thousand at 31 December 2022).

12. CASH AND CASH EQUIVALENTS, RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS

A breakdown of the balance as at 31 December 2023 and 31 December 2022 is shown below:

	31 December 2023	31 December 2022
Bank and postal deposits	76,419	82,705
Cash in hand	165	162
Current financial accounts - consortia	228	1,376
CASH AND CASH EQUIVALENTS	**76,812**	**84,243**
Current financial receivables from third parties	13,987	6,540
Current financial receivables from Group Companies	1,255	285
Marketable securities	211	0
Other receivables for dividends	92	192
RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS	**15,545**	**7,017**

Bank deposits accrue interest at the respective short-term interest rates.

Amounts deposited at Consorzio Integra and Consorzio Nazionale Servizi (C.N.S.) also have the nature of available current accounts on demand and accrue interest.

At 31 December 2023 *Current financial assets* amounted to € 15,545 thousand (€ 7,017 thousand at 31 December 2022) and mainly include:

- The balance of the escrow accounts for € 12,350 thousand of the amounts pledged as collateral for the contracts for the supply of gas (cash collateral) previously included among non-current financial receivables and reclassified as short-term at 31 December 2023 since they can be converted into cash within 1 year from the reporting date for the period. It should be noted that at 9 February 2024, these amounts had been fully released and made available in the ordinary current accounts of Rekeep S.p.A.;
- the balance of the pledged current accounts dedicated to the operation of the service for managing receipts within the scope of assignments of trade receivables without recourse, equal to € 779 thousand (€ 5,564 thousand at 31 December 2022);
- financial receivables for the transfer of the remaining balance of electricity and gas tax credits to the parent company MSC by some Group companies for € 630 thousand;
- an overall amount of € 643 thousand of receivables for short-term loans and financial accounts held with non-consolidated Group companies (€ 855 thousand at 31 December 2022).

13. SHARE CAPITAL AND RESERVES

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

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

The Parent Company does not hold own shares.

Reserves and retained Earnings

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

	Share premium reserve	Legal reserve	SE reserves companies valued at SE	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 prior year result				1,165	(63)		1,102
Currency appreciation due to hyperinflation						613	613
Business combinations “under common control”						(6,866)	(6,866)
Economic effects accounted for in 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				1,041	(394)	(613)	**33**
Business combinations “under common control”						(168)	**(168)**
Economic effects accounted for in equity			233	1,244	(269)		**1,208**
31 December 2023	**145,018**	**21,830**	**4,642**	**1,243**	**(4,958)**	**(160,006)**	**7,769**

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

- the reserve originating from the recognition of transactions under common control, which includes the differences between the purchase cost and the net carrying amount of the assets acquired under business combinations between entities under common control, for a loss of € 250,695 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 € 168 thousand at 31 December 2023, due to the effects of the agreement signed on 22 December 2022 by Rekeep S.p.A. with

Sacoa S.r.l., part of the same *g*roup led by the parent company MSC Società di Partecipazione tra Lavoratori S.p.A., relating to the acquisition of the "Major Customers" business unit (for more details, see note 3 above);

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

The table below shows changes in *Retained earnings*:

	Retained earnings of the Parent Company	Consolidation reserve	Total retained earnings
31 December 2021	**3,809**	**(55,135)**	**(51,326)**
Allocation of prior year result		(23,690)	(23,690)
Change in consolidation area		(1,099)	(1,099)
31 December 2022	**3,809**	**(79,924)**	**(76,115)**
Allocation of prior year result		27,098	27,098
Change in consolidation area		805	805
31 December 2023	**3,809**	**(52,021)**	**(48,212)**

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

	31 December 2023	31 December 2022
Equity attributable to non-controlling interests	**6,515**	**6,096**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	689	882
Subsidiaries of Servizi Ospedalieri S.p.A.	5,158	4,628
Other subsidiaries and consortia	668	586

	31 December 2023	31 December 2022
Profit for the year attributable to non-controlling interests	**690**	**368**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	214	100
Subsidiaries of Servizi Ospedalieri S.p.A.	536	268
Other subsidiaries and consortia	(61)	0

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

Rekeep World S.r.l., which is the Group's sub-holding company active in the development of international markets, holds a stake of 70% of the capital of Rekeep France S.a.s. and an investment of 80% in the capital of the Polish company Rekeep Polska. There is no recognition of equity attributable to minority shareholders of these subsidiaries since a Put option is granted to 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 during the year in the Shareholders' Equity of non- controlling interests.

Finally, Shareholders' equity of third parties includes the minority interests of Medical Device S.r.l. (60% owned by Servizi Ospedalieri S.p.A.) and of U.Jet S.r.l., which is also 60% owned by Servizi Ospedalieri S.p.A..

14. EMPLOYEE TERMINATION INDEMNITY (TFR)

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

	For the year ended	
	31 December 2023	31 December 2022
AT 1 JANUARY	**9,970**	**10,483**
Additions for business combinations	75	597
Current Service cost	1,426	1,587
Interest costs on benefit obligations	352	57
Benefits paid	(1,780)	(1,976)
Net actuarial (gains)/ losses from benefit obligations	376	(774)
Other changes	0	(3)
AT 31 DECEMBER	**10,419**	**9,970**

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

	For the year ended	
	31 December 2023	31 December 2022
Current service cost	1,426	1,587
Interest costs on benefit obligations	352	57
Net cost of the benefits recognized through profit or loss	**1,777**	**1,644**
Net actuarial (gains)/ losses recognized in equity	376	(774)
TOTAL NET COST OF THE BENEFIT	2,154	**870**

The main financial and demographic assumptions used in the actuarial valuation of the obligation relating to TFR are illustrated below:

	31 December 2023	31 December 2022
Discount rate	3.17%; 3.08%	3.77%; 3.63%
Inflation rate	2.00%	5.9% (2023); 2.3% (2024); 2,0% (from 2025)
Estimated turnover	From 3.5% to 10.00%	From 3.5% to 10.00%

The discount rates used to assess the TFR obligation are defined on the basis of curves of rates of return of high-quality fixed-interest securities, the amounts and maturity dates of which correspond to those of the payments of expected future benefits. In 2023 two different discount rates were used by the Group depending on the remaining average period of time during which personnel remains in each company, equal to 3.17% and 3.08% (equal to 3.77% and 3.63% in 2022).

The estimated turnover rate is presented in a range as the actuary appointed by the Group Companies for the actuarial estimate of the liability used different turnover rates for the individual companies.

The effects on the TFR obligation from the increasing or decreasing measurement of the financial rates in relation to reasonably possible changes in interests rates and in the assumptions of average duration of the working population, while maintaining all the other variables unchanged, are illustrated below:

	Financial year ended 31 December 2023		Financial year ended 31 December 2022	
	Assumptions	Employee Termination Indemnity	Assumptions	Employee Termination Indemnity
Discount rate	+ 0.25 bps	10,273	+ 0.25 bps	9,872
	- 0.25 bps	10,619	- 0.25 bps	10,189
Inflation rate	+ 0.25 bps	10,524	+ 0.25 bps	10,106
	- 0.25 bps	10,364	- 0.25 bps	9,951
Actuarial assumptions	+ 2.00 ppt	10,463	+ 2.00 ppt	10,065
	- 2.00 ppt	10,420	- 2.00 ppt	11,988

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

	For the year ended	
	31 December 2023	31 December 2022
Executive	69	68
White collars	1,777	1,741
Blue collars	23,877	24,939
AVERAGE STAFF	**25,723**	**26,748**

15. PROVISIONS FOR RISKS AND CHARGES

Below are reported the breakdown and changes in provisions for risks and charges for the year ended 31 December 2023:

	Risks on Investments	Risks on job orders	Pending disputes	Tax litigation	Agents' indemnity leave	Severance provisions	Other provisions	Total
At 1 January 2023	**414**	**12,886**	**25,344**	**441**	**176**	**670**	**8,743**	***48,675***
Accruals	8	6,142	2,900	0	0	0	6,779	**15,828**
Uses	(9)	(2,619)	(1,703)	(2)	0	(32)	(3,399)	**(7,764)**
Reversals	0	(323)	(376)	0	0	0	(166)	***(864)***
Others	(5)	378	(265)	8	(176)	0	(1,417)	***(1,477)***
At 31 December 2023	**408**	**16,465**	**25,900**	**447**	**0**	**638**	**10,541**	***54,398***
At 31 December 2023:								
Current	*408*	*14,989*	*272*	*447*	*0*	*638*	*5,953*	***22,707***
Non-current	*0*	*1,476*	*25,628*	*0*	*0*	*0*	*4,587*	***31,692***
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 € 408 thousand (€ 414 thousand at 31 December 2022), includes the provision for unrecoverable future losses of Group companies and relates for € 126 thousand to the subsidiary Alisei S.r.l. in liquidation, for € 114 thousand to the subsidiary Manutencoop International Services LLC in liquidation and for € 169 thousand to the subsidiary Yougenio S.r.l. in liquidation.

Provision for risks on job orders

This provision includes, at consolidated level:

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

The balance amounted to € 16,465 thousand at 31 December 2023 (€ 12,886 thousand at 31 December 2022), up by € 3,579 thousand against accruals of € 6,142 thousand, uses and releases of € 2,941 thousand and other changes of €378 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 year ended 31 December 2023 the provision, totaling € 25,900 thousand (€ 25,344 thousand at 31 December 2022), recorded increases for accruals to provisions of € 2,900 thousand and decreases for uses and releases totaling € 2,078 thousand, as well as other changes of € 265 thousand.

Provisions were recognized to hedge the risks involving the Parent Company Rekeep S.p.A. for € 2,474 thousand. Uses and reversals for the period, most of which are 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 16 October 2023 and currently retained for decision. 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 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, as a result of which, on 27 November 2023, the Court of Rome issued a ruling accepting in part the opposing party's claims, ordering Rekeep to provide in its favor a guarantee equal to the amount of the surety enforced by Consip and providing, in case of failure or delay in providing the guarantee, the application of a penalty ("*astrenide*") of € 500/day.

Finally, on 6 March 2020 Consip S.p.A. informed the Company of the exclusion from the tender for the cleaning of museum premises ("Consip Musei"), with the intention of sending the document to ANAC, which may proceed with the entry in the electronic criminal records of "Useful information". On 13 March 2020 a request was also sent for the enforcement of the bid bond relating to this tender (equal to € 2.8 million). The Company challenged these orders before the Regional Administrative Court, which rejected the appeal. However, by an order of 11 March 2021 the Council of State granted the preliminary request submitted by the Company and suspended the enforcement of the judgment that had been appealed against. At the hearing held on 7 June 2022, the Council of State suspended the proceedings pending the filing of the Constitutional Court's decision, which, on 26 July 2022, rejected the objections on constitutional legitimacy by judgment 198/2022. Thus 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 has filed an appeal for review before the Council of State, which, by an order dated 24 March 2023, ordered the suspension of the challenged order limited to the enforcement of sureties. The Council of State set the next hearing for 23 May 2024.

The Consip Sanità, Consip Caserme and Consip Musei tenders did not generate consolidated Revenues until 31 December 2023 and were not included in the Group's backlog at 31 December 2023.

In the Consolidated Financial Statements at 31 December 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 2023.

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, the Company filed an appeal for review before the Council of State on 10 June 2022 and an appeal before the Supreme Court on 8 July 2022, both of which were declared as being inadmissible. The Company, through its attorneys, brought an appeal before the European Court of Human Rights in connection with the judgment of the Council of State that settled the appeal by review, which, in a decision adopted on 25 January 2024, declared the appeal to be inadmissible. An appeal was also brought to the Court of Cassation against the judgment of the Council of State dismissing the appeal for review.

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. The residual debt amounted to € 55,172 thousand at 31 December 2023. For more details on the liability stated, reference should be made to note 19 below.

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 already mentioned Constitutional Court's decision, 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: following the granting of the request for precautionary measures for the suspension discussed at the hearing on 2 February 2023, the Council of State, by an order dated 30 August 2023, ordered, at the hearing on 18 May 2023, a stay of proceedings until the outcome of the decisions of the European Court of Justice on preliminary questions raised in another appeal. However, the Council of State set a new hearing on 8 February 2024, which was postponed to 9 May 2024, to discuss the legality of the suspension by referral to the European Court, since it occurred at a hearing other than the one at which the question of legality had arisen. 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 for the discussion of the merits, finally scheduled on 9 November 2023, was adjourned by the Council of State to 20 June 2024.

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. Potential revenues relating to the FM4 Tender have never been included in the Rekeep Group's backlog.

In assessing the going-concern assumption, the Directors took into account what has been described regarding the Competition Authority's order, finding no uncertainties. For more details, please refer to paragraph 2.3 above, "Discretionary assessments and significant accounting assumptions."

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 the sundry restructuring plans implemented by some Group companies over the last few years. The provision recorded a balance equal to € 638 thousand at 31 December 2023 (€ 670 thousand at 31 December 2022), against uses equal to € 32 thousand.

Provision for tax disputes

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

Other provisions for risks and charges

The provision, amounting to € 10,541 thousand at 31 December 2023, showing an increase of € 1,797 thousand compared to 31 December 2022 (€ 8,743 thousand) as a result of provisions for € 6,779 thousand and uses, releases and other changes totaling € 4,981 thousand.

Provisions for the period included, among others, the provision recorded by the subsidiary Rekeep Saudi CO Ltd for charges expected to be incurred in future years, estimated at € 6,107 thousand, due to the opening of the international arbitration procedure in May 2023 against its customer OPS LLC and the conclusion of the Metro Riyadh services contract in July 2023 and the consequent reduction in personnel and business operations that will be realized gradually until the arbitration procedure is concluded (which is estimated to take place in 2025).

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 for 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 2023, 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. The request for arbitration was served on the counterparty on 30 May 2023. On 1 August 2023, OPS filed its counterarguments by submitting its own claim for damages and asked the ICC to authorize it to sue the Parent Company Rekeep S.p.A. in the proceedings. In October 2023, the constitution of the arbitration panel was finalized with the appointment by ICC of the Chairperson, which gave

impetus to a series of procedural activities preparatory to the pre-trial investigation. On 31 January 2024, Rekeep Saudi filed a memorandum on the status of the case with the Arbitration Court. The opposing party will have until 1 May 2024 to file its defense brief.

In the meantime, on 12 May 2023 Rekeep Saudi CO Ltd served OPS LLC with a notice of termination of contract due to a serious breach on the part of OPS LLC, which then became effective on 11 July 2023.

The Management believes that the subsidiary has fulfilled its obligations under the contract and intends to defend its position. At present, any risk that might arise from arbitration litigation regarding the counterclaim for damages by the opposing party is therefore considered to be remote.

It should be noted that the provision also includes the non-recurring provision recorded by subsidiary Servizi Ospedalieri, amounting to € 940 thousand at 31 December 2023, in consideration of the sums that are considered likely to have to be paid to certain Regional Governments in application of the provisions laid down in Article 17 of Law no. 111 of 2011 and Article 9 of Decree Law no. 78 of 2015, as converted by Law no. 125 of 2015, which became applicable in 2022 under the Ministry of Health's Decree of 6 July 2022 (published on 15 September 2022) and the Aid-*bis* Decree (as converted by Law no. 142 of 21 September 2022), the so-called "Medical device payback". First of all, the legislation set, as from 2015, an expenditure ceiling for the Regions in relation to the purchase of medical devices, amounting to 4.4% of the National Health Fund (NHS), while obliging the relevant supplier companies to bear excess expenses, certified by each Regional Government, through the payment of a sum proportional to the share of the spending overrun, corresponding to 40% for the year 2015, 45% for the year 2016 and 50% as from the year 2017. The provision recognized in the financial statements is Management's best estimate of the amounts accrued in previous years, which are expected to be reimbursed to each Regional Government.

16. DERIVATIVES

At 31 December 2023, the Group had not recorded any derivative assets or liabilities.

17. BORROWINGS, LOANS AND OTHER CURRENT FINANCIAL LIABILITIES

The items non-current loans and Loans and other current financial liabilities include both the non-current and current portion of loans from credit institutions and consortium members, respectively. Furthermore, there is also the recognition of payables to other lenders and lease liabilities, as well as of other current debt balances of a financial nature such as,for example, the debt for the acquisition of investments or business units and the liability for dividends to be paid.

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

	31 December 2023	within 1 year	beyond 1 year to 5 years	beyond 5 years
Senior Secured Notes	**366,179**		366,179	
Artigiancassa loan	**785**	314	471	
SACE/Banca Sistema loan	**36,000**	36,000		
Banca di Bologna (DUC) loan	**367**	66	301	
Prepaid interest expenses	**(671)**	(509)	(163)	
Accrued interest expenses	**12,299**	12,299		
Long-term bank borrowings and current portion of long-term bank borrowings	**414,958**	**48,170**	**366,788**	**0**
Current bank overdraft, advance payments and hot money	**27,549**	27,549		
Financial liabilities for leases	**41,697**	10,978	25,604	5,115
Loans from syndicated shareholders	**904**	193	599	112
Loan from Parent Company MSC Società di Partecipazione tra Lavoratori	**16**	16		
Other financial liabilities	**2,073**	2,073		
Obligations from assignments with recourse of trade receivables	**18,183**	18,183		
Collections on behalf of assignees of trade receivables	**11,387**	11,387		
Obligations arising from reverse factoring transactions	**16,633**	16,633		
Potential debt for the acquisition of investments/business units	**19,545**	19,545		
Debt for the acquisition of investments/business units	**83**	83		
Share capital to be paid in associates	**315**	315		
TOTAL FINANCIAL LIABILITIES	**553,345**	**155,126**	**392,991**	**5,227**

	31 December 2022	within 1 year	beyond 1 year to 5 years	beyond 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**
Current bank overdraft, advance payments and hot money	15,293	15,293		
Financial liabilities for leases	48,956	20,180	23,833	4,943
Loans from syndicated shareholders	1,040		1,040	
Loan from Parent Company MSC Società di Partecipazione tra Lavoratori	1	1		
Other financial liabilities	7,635	7,635		
Obligations from assignments with recourse of trade receivables	11,806	11,806		
Collections 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 financial period. 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 31 December 2023 the financial charges accrued on the bond coupons amounted to € 26,602 thousand against € 26,850 thousand in the previous year. The upfront fees relating to the issue of Senior Secured Notes were accounted for according to the amortized cost method, which entailed, in accordance with IFRS 9, the recognition of financial Amortization charges of € 1,638 thousand in 2023 (€ 1,516 thousand at 31 December 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 guarantees a senior secured line of credit ("RCF") for an amount of up to € 75 million, and due 1 August 2025, to be used for general purposes and to manage the working capital of the Issuer and its subsidiaries. The subsidiary Servizi Ospedalieri S.p.A. may also access this facility providing a specific personal security. The interest rate applicable to each use of the RCF loan for each interest period will be equal to the percentage rate resulting from the sum of the fixed margin (equal to 3.5) and the applicable EURIBOR parameter.

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

The facility was partially drawn down during the year in order to meet temporary cash requirements (if any), and promptly repaid: the RCF facility had not been drawn down at 31 December 2023. The temporary partial use entailed the charging of financial costs accrued in the meantime for € 1,396 thousand (€ 982 thousand at 31 December 2022).

Prepaid interest expenses

At 31 December 2023 the Company recognized prepaid interest expenses of € 671 thousand (€ 1,065 thousand at 31 December 2022). The item mainly related to arrangement fees initially paid by Rekeep S.p.A. for entering into the Super Senior Revolving (RCF) facility agreement, initially equal to € 1,260 thousand. These costs are amortized on a straight-line basis throughout the term of the credit facility and generated amortization charges of € 280 thousand in 2023 (unchanged compared to the previous year).

Accrued interest expenses

At 31 December 2023 accrued interest expenses were recognized for € 12,299 thousand (€ 11,695 thousand at 31 December 2022), of which € 11,401 thousand relating to the coupon of the Senior Secured Notes due 1 February 2024 (€ 11,624 thousand at 31 December 2022).

SACE loan (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 S.p.A. 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.

This loan is disbursed for an initial amount of € 60 million, matures on 30 September 2024, has an initial pre-amortization period, bears interest and is repayable in 5 quarterly installments. At 31 December 2023, the residual debt amounted to € 36,000 thousand (item not present in the previous year).
The available line of credit, used to pay debts to its suppliers and subcontractors, was fully utilized as at 31 December 2023.
Finally, the financial charges accrued on this loan amounted to € 2,400 thousand at 31 December 2023.

Artigiancassa loan (Rekeep S.p.A.)

On 21 June 2018 the Company obtained a soft loan from the "Energy and Mobility Fund" operated by the Regional Government of Marche, aimed at supporting the energy efficiency development of healthcare units. This loan was partly disbursed by Artigiancassa S.p.A. in the form of a 8-year financing for an initial amount of € 1,676 thousand, to which must be added a further € 186 thousand requested in December 2023, with a pre-amortization period of 12 months. This 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 December 2023 the residual debt of this loan amounted to € 785 thousand (€ 838 thousand at 31 December 2022).

Banca di Bologna S.p.A. loan (DUC Gestione Sede Unica Società Consortile a r.l.)

The loan, recorded following the consolidation of DUC Gestione Sede Unica Società Consortile a r.l. (for further details see Note 3 above) with a residual value of € 367 thousand at 31 December 2023, was entered into by the subsidiary with Banca di Bologna S.p.A. to finance the construction of the PV system at the complex of the new headquarters of the unified services of the Municipality of Bologna. The bank disbursed the loan in 2008 for a total amount of € 1,020 thousand to be repaid in 20 years, in quarterly installments and at a rate equal to the IRS plus a spread of 0.70. The loan is not covered by covenants and there are no derivatives attached to it.

Other bank loans

There were no other bank loans at 31 December 2023 (unchanged compared to 31 December 2022).

Current account overdraft, advance payments and hot money

At 31 December 2023 this item showed a balance of € 27,549 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 reductions in cash within inflows and outflows on the reporting date.

Financial lease liabilities

Obligations in place at 31 December 2023 for lease agreements, property and operating leases amounted to € 41,697 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 € 14,026 thousand, while contracts were early terminated for a residual value of € 619 thousand. The new contracts signed refer to motor vehicles, company fleet vehicles, equipment, plant and machinery (the latter referring mainly to Servizi Ospedalieri S.p.A., which uses them in the production processes of laundering and sterilization), as well as property leases, including revaluations of rentals on existing contracts

In addition, in December 2023, the property lease agreement of the Parent Company Rekeep with MPS Leasing&Factoring concerning the registered office building came to its natural expiration: The company exercised the redemption option provided for the transfer of ownership of the property, amounting to € 9,956 thousand.

Syndicated loans

This item refers to financing provided by the consortium members, which are minorities in the consortium companies included within the scope of consolidation, since they are owned or held in joint venture at 50%. In certain cases, these loans are non-interest-bearing loans and are repayable on request. In other cases, they have a contractually defined maturity and, in others still, they do not have a contractually defined maturity but will essentially be repayable at the end of the long-term service contract, on the basis of which the consortium company was established. As at 31 December 2023 the overall balance of these loans amounted to € 904 thousand (€ 1,040 thousand at 31 December 2022).

Collections on behalf of assignees of trade receivables

The item included receipts from customers on assigned receivables as part of the factoring without recourse transaction of trade receivables, for which the Group acts as an agent to manage receipts on behalf of the factor. The receipts, equal to € 11,387 thousand at 31 December 2023 (€ 28,480 thousand at 31 December 2022), were transferred to the factor in the subsequent 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 with Banca Sistema S.p.A. for the assignment with recourse of trade receivables from Public Authorities.

During 2023 assignments with recourse were made with regard to trade receivables at a nominal value of receivables of € 61,947 thousand, while the exposure was equal to € 18,183 thousand at 31 December 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 € 16,633 thousand at 31 December 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 € 19,545 thousand at 31 December 2023 (€ 16,046 thousand at 31 December 2022).

Of these an amount of € 17,593 thousand related to the fair value at the date of the Put option granted in favor of the minority shareholder Rekeep Polska S.A. on 20% of the share 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 the 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 one year as from the fifth year after the date of acquisition (between 30 October 2024 and 30 October 2025).

As at 31 December 2023 the estimated liability linked to the Put option held by the minorities of Rekeep France S.a.s. was also recognized, whose shareholding of 30% was transferred to third parties on 15 January 2018 under an Investment Agreement signed in 2017.

Debt for the acquisition of investments/business units

This item amounted to € 93 thousand at 31 December 2023 (€ 1,956 thousand at the end of the previous year). The item includes, per € 77 thousand, Rekeep Polska S.A.'s residual debt for the acquisition of the Polish company Ster-med S.p. z.o.o. as more fully detailed in note 3 above. At the end of the previous year this item included Rekeep S.p.A.'s residual debt to the parent company MSC Società di Partecipazione tra Lavoratori S.p.A., relating to the acquisition of the "Personnel Activities" business unit in 2022, fully repaid in 2023.

Other financial liabilities

As at 31 December 2023 other financial liabilities were recorded for € 2,073 thousand, against € 7,635 thousand at 31 December 2022. The balance of the item includes the price that the Parent Company Rekeep paid to its controlling company MSC for the purchase of the property leases of its head office in place with MPS Leasing & Factoring S.p.A., with a residual value of € 1,550 thousand at 31 December 2023 (initial debt of € 5,370 thousand, including VAT, equal to the residual value at 31 December 2022), defined by the positive differential between the value of the real estate complex and the residual debt resulting from the amortization schedules under the lease agreements. At 31 December 2022 other financial liabilities also included a loan with a residual value of €1,182 thousand granted by the Polish Government to the Polish group's subsidiary Catermed Sp. z o.o. within the scope of measures put in place to support companies in order to counter the COVID-19 emergency. The loan, which is structured into two lines, i.e. liquidity and preferential financing, with a term of three years and accrues interest, has been fully repaid to date.

18. CONTINGENT LIABILITIES

As at the date of approval of the Consolidated Financial Statements at 31 December 2023 no contingent liabilities had arisen for the Rekeep Group, which had not been recognized in the accounts, for which the Management believes that the related financial risks can be regarded as possible but unlikely or for which these risks cannot be quantified and recognized in the financial statements at 31 December 2023.

19. TRADE PAYABLES, CONTRACT LIABILITIES AND OTHER CURRENT LIABILITIES

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

	31 December 2023	of which to related parties	31 December 2022	of which to related parties
Trade payables	358,781		412,860	
Trade payables due to third parties	**358,781**	**0**	**412,860**	**0**
Trade payables to MSC S.p.A.	1,983	1,983	1,312	1,312
Trade payables to associates, affiliates and joint ventures	35,342	35,342	44,061	44,061
Trade payables to the Group	**37,325**	**37,325**	**45,373**	**45,373**
Advances from customers, including contract liabilities	26,852	603	22,575	
Trade payables and contract liabilities	**422,958**	**37,928**	**480,808**	**45,373**
Fees due to directors and statutory auditors	289		255	
Tax payables	8,997		8,409	
Payables to social security institutions within 12 months	16,597		17,113	
Other payables to TJA (“Associazione temporanea di imprese”)	7,114		7,833	
Payables to employees within 12 months	59,420		53,087	
Other payables within 12 months	76,512		79,462	
Property collection on behalf of customers	2,176		2,176	
Other current operating payables to third parties	**171,105**	**0**	**168,335**	**0**
Other current payables to MSC S.p.A.	48	48	23	23
Other payables to associates, affiliates and joint ventures	42	42	42	42
Other current payables to the Group	**90**	**90**	**65**	**65**
Accrued expenses	801		111	
Deferred income	99		1,156	
Accrued expenses and deferred income	**900**	**0**	**1,267**	**0**
Other current operating payables	**172,095**	**90**	**169,667**	**65**

Trade payables do not accrue interest and are settled, on average, 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 € 422,958 thousand at 31 December 2023 against a balance of € 480,808 thousand at 31 December 2022, showing a decrease of € 57,850 thousand, due to the drop in prices, especially energy prices, and to the actions taken to manage working capital during the year.

These amounts include trade payables to the Group amounting to € 37,325 thousand, as well as advances of € 603 thousand (€ 45,373 thousand at 31 December 2022). For more details, reference should be made to Annex III – Related-Party transactions.

Other current operating payables showed a balance of € 172,095 thousand at 31 December 2023 (€ 169,667 thousand at 31 December 2022) and were mainly made up of the following items:

- payables to employees of € 59,420 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 period, as well as payables for additional monthly salary to be paid (a portion of the 14th salary, to be paid every year in the month of July, and of the 13th salary, to be paid every year in December). Furthermore, the corresponding payables to social security institutions were recognized for € 16,597 thousand (€17,113 thousand at 31 December 2022);
- payables due to tax authorities for € 8,997 thousand mainly relating to the balance of payables for VAT payments on the part of some Group companies and of the IRPEF (Personal Income) tax payable for employees (€ 8,409 thousand at 31 December 2022);
- collections on behalf of Temporary Associations of Companies (TJA) for € 7,114 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mainly relating to job orders under CONSIP agreement (€ 7,833 thousand at 31 December 2022).

Other current liabilities also include the residual balance of € 55,172 thousand of the liability recognized 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 amounts in the taxpayers' list on the part of the Revenue Agency, subject of a payment plan of no. 72 monthly installments sent on 22 December 2020 (for an initial debt equal to € 82.2 million). It should be noted that at 31 December 2023, Rekeep S.p.A. was regularly paying the installments under the installment payment plan, and the installments that are unpaid to date as a result of the Covid moratorium (Decree Law no. 18 of 17 March 2020, governing "Measures to strengthen the National Health Service and to provide financial support to households, workers and businesses related to the COVID-19 epidemic emergency" ("Cure Italy Decree") do not result in the forfeiture of the plan itself.

20. REVENUES FROM CONTRACTS WITH CUSTOMERS

The table below sets forth the breakdown of the item for the years ended 31 December 20232 and 31 December 2022:

	For the year ended	
	31 December 2023	31 December 2022
Revenues from product sales	30,004	26,720
Service revenues	1,071,099	1,136,830
Revenues from construction activities and plant installation	56,362	83,090
Other sales revenues	24,907	43,968
REVENUES FROM CONTRACT WITH CUSTOMERS	**1,182,372**	**1,290,608**

At 31 December 2023 *Revenue from contracts with customers* amounted to € 1,182,372 thousand (€ 1,290,608 thousand at 31 December 2022). The item showed a decrease of € 108,236 thousand, due to the decline in prices, especially of energy, compared to the comparative period, when inflationary pressure was still significant, which affects the pricing charged to customers, especially in energy services contracts; The 2023 financial year also saw portfolio exits, which were only partly offset by the entry into full force of contracts acquired in the second half of 2022 and during 2023..

The contribution to the item of foreign companies (International Markets) was equal to Euro 210,297 thousand in 2023, thanks to the contribution given in the healthcare sector by the Group controlled by Rekeep Polska and the French subsidiaries in the healthcare sector.

21. OTHER REVENUES

The table below sets forth the breakdown of the item for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	31 December 2022
Grants	781	620
Asset capital gains	730	256
Recovery of seconded personnel costs	20	0
Compensation for damages	363	579
Revenues for leases and rentals	0	1
Other revenues	2,503	2,312
OTHER REVENUES	**4,397**	**3,768**

At 31 December 2023 the balance of *Other revenues* amounted to € 4,397 thousand compared to € 3,768 thousand in 2022, showing an increase of € 629 thousand.

The item includes Operating grants, amounting to € 781 thousand at 31 December 2023 (€ 620 thousand in 2022), mainly related to grants on training projects for subordinate staff and development of remote working projects.

Finally, "Otherrevenues" mainly include unsecured grants that the Polish Government has disbursed and the insurance refunds from damage to vehicles used in medical transport related to the companies of the Rekeep Polska Group.

22. COSTS OF RAW MATERIALS AND CONSUMABLES AND CHANGE IN INVENTORIES OF FINISHED AND SEMI-FINISHED PRODUCTS

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	**31 December 2022**
Fuel consumption	77,638	140,807
Consumption of raw materials	154,926	189,329
Purchase of semi-finished/finished products	795	631
Products of auxiliary materials and consumables	14,652	14,212
Packaging	2,479	2,585
Change in inventories of fuel and raw materials	(741)	967
Other purchases	4,015	4,048
CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**253,764**	**352,579**
Change in inventories of finished and semi-finished products	(207)	(217)
CHANGE IN INVENTORIES OF FINISHED AND SEMI-FINISHED PRODUCTS	**(207)**	**(217)**

At 31 December 2023 *Consumption of raw materials and consumables* amounted to € 253,764 thousand compared to € 352,579 thousand at 31 December 2022. The decrease, equal to € 98,815 thousand, was mainly due to a drop in costs for the consumption of fuel and other energy resources as a result of the reduction in the price of raw materials compared to the same period of the previous year, when inflationary pressure was more marked. In the financial year ended 31 December 2023 the item included the tax credit granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as amended, as partial compensation for the higher costs incurred for the purchase of electricity and natural gas as until the second half of 2023, totaling € 12,856 thousand on the cost of natural gas and € 4,650 thousand on costs for electricity (€ 12,203 thousand on the cost of natural gas and € 15,526 thousand on costs for electricity in the previous year).

Other purchases include costs for other materials such as clothing and PPE for the staff members employed on site at customers' premises.

The change in inventories of finished products was mainly due to the production by Medical Device S.r.l. and U.Jet S.r.l. of medical devices and PPE.

23. COSTS FOR SERVICES AND USE OF THIRD PARTY ASSETS

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	**31 December 2022**
Third-party services	191,483	207,911
Consortia services	8,949	11,419
Equipment maintenance and repair	8,512	8,016
Professional services	38,545	40,414
Statutory Auditors' fees	412	342
Transport	11,913	12,638
Advertising and promotion	455	560
Bonuses and commissions	(229)	249
Insurance and sureties	6,380	7,270
Bank services	434	387
Utilities	14,981	14,166
Travel expenses and reimbursement of expenses	2,595	2,788
Employee services	6,819	7,400
Other services and contingent items	18,050	10,971
Costs for services	**309,299**	**324,531**
Rent expense and Hires	5,518	5,458
Hiring of equipment and others	4,790	5,888
Costs for leased assets	**10,308**	**11,346**
COSTS FOR SERVICES AND USE OF THIRD PARTY ASSETS	**319,607**	**335,877**

For the year ended 31 December 2023 *Costs for services and use of third party assets* totaled € 319,607 thousand, marking a decrease of € 16,270 thousand compared to the balance of the item recorded in the previous year.

The change in the item was mainly related to costs for professional and third-party service: this change was closely related to higher volumes and depending on the structure of the mix of production factors in the performance of some activities, as detailed in note 24 below.

This item also included cost for utilities of € 14,981 thousand, partially offset by tax credit on electricity as already commented on above, which had an impact on the item for 194 thousand.

24. PERSONNEL COSTS

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	**31 December 2022**
Wages and salaries	354,097	333,981
Social security charges	82,915	82,837
Secondment costs	15,586	24,421
ESI paid to INPS (National Social Security Institute) and to funds	24,953	22,978
Directors' fees	580	663
Other personnel costs	4,710	1,970
Current benefits	**482,841**	**466,850**
Employee termination indemnity provision	1,777	1,645
Subsequent benefits	**1,777**	1,645
Employment termination benefits	1,354	911
Employment termination benefits	**1,354**	911
PERSONNEL COSTS	**485,972**	**469,406**

At 31 December 2023, Personnel Costs amounted to € 485,972 thousand, showing an increase of € 16,566 thousand compared to the previous year (when they amounted to € 469,406 thousand).

The total change in Group personnel costs is necessarily correlated to the cost of services, as the mix of production costs linked to "internal" work (i.e. work performed by employees of Group companies) and "external" work (i.e. work performed by third-party providers) can change significantly according to organizational changes aimed at increasing overall productivity.

The ratio between *Revenues from sales and services* and the total amount of costs for internal personnel ("make") and services costs ("buy") relating to third-party services, services provided by consortia and professional services, came to 163% at 31 December 2023 against 177% at 31 December 2022. The "make-or-buy ratio" shows that the Group is continuing to implement an organizational preference for producing by greater recourse to internal production factors than to purchasing services from external sources.

The cost of personnel related to the work performed in Italy was € 345,251 thousand (€ 354,524 thousand at 31 December 2022).

25. OTHER OPERATING COSTS

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	**31 December 2022**
Capital losses on disposals of assets	150	72
Losses on receivables	14	25
Other taxes	2,362	2,273
Fines and penalties	2,249	1,980
Credit Discount on assignments of receivables	170	146
Other operating costs and contingent items	4,915	6,427
OTHER OPERATING COSTS	**9,860**	**10,923**

Other operating costs amounted to € 9,860 thousand, showing a decrease of € 1,063 thousand compared to the balance for the previous year (€10,923 thousand at 31 December 2022).

While analyzing he details of the item, we must note an increase in other duties, fine and penalties, while there was a drop in other operating costs, which had also included non-recurring charges in the previous year for the reorganization of the Group's structure.

26. AMORTIZATION/DEPRECIATION, WRITE-DOWNS AND WRITE-BACKS OF ASSETS

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	31 December 2022
Amortization of intangible assets	5,924	5,789
Depreciation of owned property, plant and equipment	25,066	23,932
Amortization of Rights of use	10,265	9,860
Write-downs of receivables, net of releases	6,425	2,181
Write-down of property, plant and equipment	0	128
Other write-downs	41	22
AMORTIZATION/DEPRECIATION, WRITE-DOWNS AND WRITE-BACK OF ASSETS	**47,721**	**41,912**

At 31 December 2023 *Amortization/depreciation, write-downs and write-backs of assets* amounted to € 47,721 thousand, showing an increase of € 5,809 thousand compared to the balance of item in the previous year.

Specifically the following changes must be noted in the financial year:

- an increase in amortization/depreciation for a total of € 1,674 thousand, mainly attributable to depreciation of property, plant and equipment, both owned and leased;
- higher write-downs of receivables made for € 4,244 thousand, of which € 2,387 thousand relating to the subsidiary Rekeep Saudi CO Ltd.

27. DIVIDENDS, INCOME AND LOSSES FROM INVESTMENTS

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	31 December 2022
Dividends	157	490
Capital gains (capital losses) from sale of equity investments	155	(968)
DIVIDENDS, INCOME AND LOSSES FROM INVESTMENTS	**312**	**(478)**

In 2023, dividends were collected from other companies not included under the scope of consolidation for € 157 thousand, relating to investee companies of the Parent Company Rekeep S.p.A..

As at 31 December 2023 *Capital gains (capital losses) from sale of equity investments* included income of € 155 thousand following the sale or completion of the process for disposal of equity investments. As at 31 December 2022, on the other hand, there was a capital loss generated by the deconsolidation of the Turkish company Rekeep United Yönetim Hizmetleri A.Ş. following the sale to the minority shareholder, which took place in the last quarter of 2022 (however, there was no effect on the separate Financial Statements of the direct controlling company Rekeep World S.r.l.).

28. FINANCIAL INCOME

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	**31 December 2022**
Interest on bank current accounts	269	28
Interest on non-property and intercompany current accounts	275	255
Interest on trade receivables	431	1,977
Other financial income	1,307	509
FINANCIAL INCOME	**2,282**	**2,773**

Financial income recorded an increase equal to € 2,282 thousand compared to the previous year, when default interest income to a customer in court was recognized for € 1,498 thousand.

29. FINANCIAL COSTS

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	**31 December 2022**
Interest on bank loans and current account overdrafts	2,914	1,834
Financial charges on other loans	33,998	29,058
Financial costs for leases	2,193	1,070
Financial costs on intercompany loans	9	24
Interest discount on assignments of receivables without recourse	4,712	3,360

	For the year ended	
	31 December 2023	**31 December 2022**
Interest on trade payables	870	535
Other financial costs	11,813	7,687
FINANCIAL COSTS	**56,509**	43,568
Exchange rate adjustments	1,529	(876)
PROFIT (LOSS) ON EXCHANGE RATE	**1,529**	**(876)**

Financial costs showed a total increase of € 12,941 thousand in 2023 compared to the previous year.

Financial charges on other loans included financial costs on the coupons of the *Senior Secured Notes* (payable with a coupon on a six-monthly basis on 1 February and 1 August), which accrued for € 26,602 thousand in 2023 (€ 26,850 thousand at the end of the previous year). On the other hand, *Other financial costs* included financial charges for amortized cost accrued in 2023 for € 1,638 thousand, against costs of € 1,516 thousand at 31 December 2022.

Other financial costs also included amortization charges of the initial costs for the new facility *Super Senior Revolving Credit Facility* ("RCF"). These costs, which were initially equal to € 1,260 thousand, were also amortized on a straight-line basis throughout the term of the credit facility and gave rise to amortization charges of € 280 thousand in 2023, unchanged compared to the previous year. Other financial charges incurred for the Super Senior Revolving Facility included commitment fees charged by banks equal to € 575 thousand in 2023 (€ 536 thousand at 31 December 2022). Finally, the facility, interest on temporary partial uses accrued for € 1,396 thousand in 2023, which was included in the item *Charges on other loans* (€ 982 thousand at 31 December 2022).

Finally, the Group recorded charges correlated to the assignments of trade receivables without recourse and VAT, as well as for assignments of tax credits to the parent company MSC, made during the year for € 4,712 thousand at 31 December 2023 (€ 3,360 thousand at 31 December 2022), financial costs for assignment with recourse and reverse factoring for € 2,978 thousand (€ 1,640 thousand at the end of the previous year) and financial costs accrued on lease financial liabilities equal to € 2,193 thousand (€ 1,070 thousand in 2022).

30. CURRENT AND DEFERRED TAXES

The breakdown of the item is shown below for the years ended 31 December 2023 and 31 December 2022:

	For the year ended	
	31 December 2023	**31 December 2022**
Current IRES tax	9,966	8,362
Current IRAP tax	4,140	5,132
(Income) costs from tax consolidation	(2,170)	(1,513)
Adjustments to current taxes of previous years	(463)	(7,027)
Current taxes	**11,473**	**4,954**
Deferred IRES tax	941	(618)
Deferred IRAP tax	179	(73)
Deferred taxes relating to previous years	515	(513)
Deferred taxes	**1,635**	**(1,204)**
CURRENT AND DEFERRED TAXES	**13,108**	**3,750**

In 2023 the Group recorded taxes totaling €13,108 thousand, marking an increase of € 9,358 thousand compared to the taxes recognized at 31 December 2022.

More specifically, the main changes are as follows:

- an increase of € 1,604 thousand in the current IRES tax balance;
- a decrease of € 992 thousand in the current IRAP tax balance;
- an increase of € 657 thousand in the balance of income from tax consolidation;
- positive adjustments to current taxes relating to previous years for € 463 thousand against positive adjustments equal to € 7,027 thousand at 31 December 2022, when the parent company Rekeep S.p.A. and its subsidiaries H2H Facility Solutions S.p.A. and Servizi Ospedalieri S.p.A. submitted the supplementary tax returns of Income 2017-2022 and IRAP (Regional Production Activity Tax) 2017 – 2022, recording income totaling € 6,181 thousand;
- the recognition of a net charge of € 1,635 thousand, relating to the total balance of prepaid and deferred taxes against a net income of € 1,204 thousand at 31 December 2022. The future recovery of deferred tax assets has been assessed on the basis of the same forecasts as those used by the Management for the impairment test on goodwill (see note 7).

.At 31 December 2023 the Group finally recognized Current tax receivables for a total amount of € 6,589 thousand and Current tax payables equal to € 142 thousand, relating to the netbalance of the excess IRES tax advances paid to the Tax Office or receivables from parent company MSC, which arose within the scope of the national tax consolidation in force with some Group companies.

The reconciliation between current income taxes accounted for and the theoretical tax resulting from the application of the IRES tax rate in force for the years ended 31 December 2023 and 31 December 2022 to pre-tax profit is set out below. The theoretical IRES tax rate applicable in Italy is 24% of taxable income for the financial period. The table includes the effects on current IRES tax

arising from the recognition of income from participation in the tax consolidation scheme. The theoretical IRAP tax rate applicable in Italy varies by region and business sector. The taxes of foreign companies are calculated on the basis of rates that are applicable at local level.

	31 December 2023		31 December 2022	
		%		%
PRE-TAX PROFIT	577		31,247	
Current taxes calculated in Italy – IRES tax	8,289		7,419	
(Income)/ costs from national tax consolidation	(2,171)		(1,514)	
Current taxes calculated in Italy - IRAP tax	4,140		5,132	
Current taxes calculated abroad	1,677		943	
Taxes for previous years	(463)		(7,027)	
EFFECTIVE TAX / RATE	**11,472**	**N.A.**	**4,954**	**15.85%**

Deferred tax assets and liabilities

As at 31 December 2023 the Group recorded deferred tax assets of € 16,472 thousand, net of deferred tax liabilities of € 14,619 thousand, as shown below:

	Tax effect on thebalance sheet			Tax effect through P&L	Tax effect on equity
	31 December 2022	of which Business Combinations	31 December 2023	31 December 2023	31 December 2023
Deferred tax assets:					
Expected credit losses	2,539		2,449	(90)	
Provisions for risks and charges	5,180		5,359	179	
Amortization	1,351		987	(364)	
Interest expense	3,090		1,947	(1,143)	
Cash cost deduction	17		29	13	
Other consolidation adjustments	291		261	(31)	

	Tax effect on thebalance sheet			Tax effect through P&L	Tax effect on equity
	31 December 2022	of which Business Combinations	31 December 2023	31 December 2023	31 December 2023
Other temporary adjustments	5,500	65	5,440	(149)	69
Foreign exchange effect					(45)
Total deferred tax assets	**17,968**	**65**	**16,472**	**(1,584)**	**24**
Deferred tax liabilities:					
Goodwill amortization	(11,605)		(11,699)	(93)	
Purchase Price Allocation	(1,405)		(1,338)	67	
Cash cost deduction	(25)		(66)	(41)	
Other consolidation adjustments	(63)		(47)	16	
Other temporary differences	(2,721)		(1,469)	2	32
Foreign exchange effect					1,219
Total deferred tax liabilities	**(15,819)**		**(14,619)**	**(50)**	**1,251**
NET DEFERRED TAXES	**2,149**	**65**	**1,853**	**(1,634)**	**1,275**

31. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing consolidated net profit in the year pertaining to the Parent Company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year. Diluted earnings per share are, in the case of the Rekeep Group, equal to basic earnings per share, since no convertible bonds or share options were issued by the Parent Company.

Income and information on the shares used for the purpose of calculating consolidated basic earnings per share are shown below:

	For the year ended	
	31 December 2023	31 December 2022
Net profit /(loss) attributable to shareholders (in thousands of Euro)	(13,221)	27,131
Number of ordinary shares (excluding own shares) for the purpose of basic earnings per share	109,149,600	109,149,600
BASIC AND DILUTED EARNINGS PER SHARE (IN EURO)	**N.A.**	**0.249**

	For the year ended	
	31 December 2023	31 December 2022
Net profit /(loss) from continuing operations (in thousands of Euro)	(12,531)	27,499
Net profit /(loss) from continuing operations pertaining to minority interests (in thousands of Euro)	(690)	(368)
Net profit from continuing operations pertaining to the Group (in thousands of Euro)	(13,221)	27,131
Number of ordinary shares for the purpose of basic earnings per share	109,149,600	109,149,600
BASIC AND DILUTED EARNINGS PER SHARE OF CONTINUING OPERATIONS (IN EURO)	**N.A.**	**0.249**

No other transactions were performed regarding ordinary shares or potential ordinary shares between the balance sheet date and the date the financial statements were drafted.

32. 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.

Information on the operating segments for the financial year ended 31 December 2023

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment revenues	1,051,179	153,936	(18,346)	**1,186,769**
Segment costs	(1,002,846)	(146,224)	18,346	**(1,130,723)**
Operating income (loss) by segment	**48,333**	**7,712**	**(0)**	**56,045**
Share of net profit of associates	(294)	270		**(24)**
Net financial income (costs)				**(55,444)**
Profit (loss) before taxes				**577**
Income taxes				**(13,108)**
NET PROFIT (LOSS) FOR THE YEAR ENDED 31 DECEMBER 2023				**(12,531)**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	597,171	153,697	(12,214)	**738,653**
Goodwill	390,516	16,183		**406,700**
Investments	13,914	3,841		**17,755**
Other assets not allocated and related taxes				**126,955**
SEGMENT ASSETS AT 31 DECEMBER 2023	**1,001,601**	**173,721**	**(12,214)**	**1,290,062**
Liabilities allocated to the segment	605,306	66,779	(12,214)	**659,871**
Other liabilities not allocated and related taxes				**568,190**
SEGMENT LIABILITIES AT 31 DECEMBER 2023	**605,306**	**66,779**	**(12,214)**	**1,228,061**

	Facility management	Laundering & Sterilization	Total
OTHER SEGMENT INFORMATION AT 31 DECEMBER 2023			
Investments in segment assets	25,450	21,350	**46,800**
Amortization/depreciation and write-downs of segment assets	26,069	21,653	**47,721**

Information on the operating segments for the financial year ended 31 December 2022

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment revenues	1,158,704	144,503	(8,832)	1,294,376
Segment costs	(1,091,373)	(140,892)	8,832	(1,223,433)
Operating income (loss) by segment	**67,331**	**3,612**	**0**	**70,943**
Share of net profit of associates	496	206		702
Net financial income (costs)				(40,398)
Profit (loss) before taxes				**31,247**
Income taxes				(3,747)
NET PROFIT (LOSS) FOR THE YEAR ENDED 31 DECEMBER 2022				**27,499**

	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**

	Facility management	Laundering & Sterilization	Consolidato
OTHER SEGMENT INFORMATION AT 31 DECEMBER 2022			

	Facility management	Laundering & Sterilization	Consolidato
Investments in segment assets	35,178	22,740	**57,918**
Amortization/depreciation and write-downs of segment assets	20,381	21,531	**41,912**

Geographical areas

The Group conducts its core business in Italy. At 31 December 2023 the activities conducted abroad were still marginal for the Group, although on the rise, and generated revenues amounting to € 213,724 thousand (€ 186,204 thousand at 31 December 2022).

The information by geographical area required by IFRS 8 is shown below for the years ended 31 December 2023 and 2022.

	Italy	Foreign countries	Eliminations	Total
INFORMATION BY GEOGRAPHICAL AREA AT 31 DECEMBER 2023				
Revenues	973,045	213,724		**1,186,769**
Non-current operating assets	554,611	36,524		**591,135**

	Italy	Foreign countries	Eliminations	Total
INFORMATION BY GEOGRAPHICAL AREA AT 31 DECEMBER 2022				
Revenues	1,108,172	186,204		**1,294,376**
Non-current operating assets	548,150	26,052		**574,202**

33. 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, as well as long-term hire agreements for the Group companies' corporate fleets and agreements for the hiring of equipment used in performing some work contracts, accounted for in accordance with the accounting standard IFRS16.

The tables below report the breakdown of the amount of future payments under lease agreements and their present value at 31 December 20232 and 31 December 2022:

	31 December 2023		31 December 2022	
	Lease payments	**Present value of lease payments**	**Lease payments**	**Present value of lease payments**
Within 1 year	12,287	10,978	21,243	8,946
From one year to five years	28,668	25,604	25,720	25,976
After 5 years	5,586	5,115	6,325	9,184
TOTAL LEASE PAYMENTS	46,540	41,697	**53,288**	**44,107**
Financial charges	(4,843)		(4,332)	
PRESENT VALUE OF LEASE	41,697	41,697	**48,956**	**44,107**

Furthermore, as at 31 December 2023, the Group granted sureties to third parties for:

- guarantees for financial obligations of € 4,326 thousand (€ 9,652 thousand at 31 December 2022), of which € 697 thousand issued in the interest of associates for overdrafts and other financial obligations (€ 789 thousand at 31 December 2022);
- sureties issued to third parties to ensure the correct fulfillment of contract obligations in place with customers amounting to € 349,981 thousand (€ 376,420 thousand at 31 December 2022), of which € 3,904 thousand issued in the interest of associates (€ 1 thousand at 31 December 2022);
- other guarantees issued by third parties in favor of associates, joint ventures and other shareholdings amounting to € 7,454 thousand (€ 9,993 thousand at 31 December 2022);
- other guarantees granted to third parties to replace security deposits required to activate utilities or for lease contracts, as well as to the Inland Revenue Agency for VAT refunds, for a total amount of € 105,341 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 facility (RCF) are backed by the following collateral provided:

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

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

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

34. 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 the 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. As at 31 December 2023, contract assets of € 1,353 thousand had been recognized in consideration of these services (€ 396 thousand at 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; as from 1 January 2023 it was supplemented with a further contract with a term of 5 years. Annual rent is expected to be a total of € 364 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

In January 2024, some Group companies also entered into a contract for the provision of accounting, administrative and tax consulting services with Sacoa S.r.l..

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

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

Pursuant to art. 2497-bis, paragraph 4 of the Italian Civil Code, the highlights of the latest set of approved financial statements are provided below:

	31 December 2022	31 December 2021
BALANCE SHEET		
ASSETS		
A) Subscribed capital unpaid	0	6
B) Fixed assets	88,622	96,514
C) Current assets	16,044	12,289
D) Accrued income and prepaid expenses	0	542
TOTAL ASSETS	**104,666**	**109,351**
LIABILITIES		
A) Shareholders' equity:		
Share capital	9,567	3,608
Reserves	58,389	98,906
Profit/(Loss) for the year	12,116	(26,768)

	31 December 2022	31 December 2021
B) Provisions for risks and charges	4,939	129
C) Employee Severance Indemnity	5	683
D) Payables	19,599	32,763
E) Accrued expenses and deferred income	51	30
TOTAL LIABILITIES	**104,666**	**109,351**
INCOME STATEMENT		
A) Value of production	32,506	30,821
B) Costs of production	(19,585)	(29,698)
C) Financial income and costs	2,126	700
D) Value adjustments to financial assets	(931)	(28,449)
Income taxes for the year	(2,000)	(142)
Profit/(Loss) for the year	**12,116**	**(26,768)**

Remuneration of members of the Governing and Control Bodies, as well as of other executives with strategic responsibilities

Fees paid to members of governing and control bodies reported below include the total fees paid to the members of these corporate bodies in 2023, as well as those paid to executives with strategic responsibilities in the Parent Company, including for roles held in other Group companies:

	31 December 2023	31 December 2022
Board of Directors		
Short-term benefits	296	296
TOTAL BOARD OF DIRECTORS	**296**	**296**
Executives with strategic responsibilities		
Short-term benefits	2,757	2,918
Post-employment benefits	108	111
TOTAL EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	**2,866**	**3,029**
Board of Statutory Auditors		
Short-term benefits	102	92
TOTAL BOARD OF STATUTORY AUDITORS	**102**	**92**

The table below reports the fees accounted for in the 2023 consolidated income statement for audit and non-audit services rendered by EY S.p.A. and by other entities in its network:

	31 December 2023	31 December 2022
Audit services	679	653
Certification services	17	33
Other services	2,452	68
TOTAL FEES DUE TO EY S.P.A. NETWORK COMPANIES	**3,147**	**753**

Audit services include the fees paid for the audit of annual and interim consolidated financial statements, as well as of the separate Financial Statements of the Parent Company and of some subsidiaries.

Certification services relate to the fees paid for the issue of tax compliance certificates and the engagements for performance of agreed-upon procedures.

Other services mainly concerned advice services for certain projects of the Parent Company Rekeep and other Group companies.

35. MANAGEMENT OF FINANCIAL RISKS

Management of financial risks

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

On 18 January 2021, Rekeep S.p.A. completed the issue at par of Senior Secured Notes for a total nominal amount of € 350 million due 2026, an annual fixed coupon of 7.25% (payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021) and non-callable repayment until 1 February 2023. The stock was admitted for listing on the EURO MTF multilateral trading facility managed by the Luxembourg Stock Exchange and on the ExtraMOT multilateral trading facility, PRO segment, organized and managed by Borsa Italiana S.p.A.. On 9 February 2021, the Company also issued additional Senior Secured Notes with a par value of € 20 million at an issue price of 102.75% plus an amount equal to the interest that would have accrued on the Notes until (and excluding) 9 February 2021 in the event of them being issued on 28 January 2021. These Notes are regulated by the same terms and conditions as those issued previously (annual rate of 7.25% and due 2026) and will be formally registered in the same series as the latter ones.

The transaction enabled the Parent Company Rekeep S.p.A. to early repay the previous high-yield bond issue named "€360,000,000 9.0% Senior Secured Notes due 2022".

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

- short-term loans and revolving assignments of trade receivables without and with recourse, as well as reverse factoring, with the aim of funding working capital;
- very short-term credit lines used for contingent cash requirements;
- medium- to long-term loans with a long-term amortization schedule to cover investments in fixed 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 debt as at 31 December 2023 was € 491,329 thousand, up from 31 December 2022 (€ 449,776 thousand) and 31 December 2021 (€ 380,649 thousand) due to the gradual growth of the Group, as well as the structural and economic trends in the business in which it operates. For more details regarding the Directors' assessments of the level of debt at 31 December 2023, described in detail in Notes 12 and 17 above (*Cash and Cash Equivalents*, *Loans and Other Current Financial Assets*, and *Loans, Loans and Other Current Financial Liabilities*, respectively), and its evolution, as well as the going-concern assumption, please refer to Section 2.3 above, "*Discretionary assessments and significant accounting estimates*."

The company Directors monitor current cash flows and the Parent Company and other Group companies' ability to generate prospective cash flows on an ongoing basis in order to effectively and efficiently meet their commitments.

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 December 2023 and 31 December 2022:

	Hierarchy Levels				Hierarchy Levels			
	31 December 2023	**Level 1**	**Level 2**	**Level 3**	**31 December 2022**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss								
Financial assets, securities and other non-current financial assets	**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 assets and other current financial assets	**211**		211		**0**			
- of which securities	**211**		211		**0**			
- of which hedging derivatives	**0**				**0**			
- of which non-hedging derivatives	**0**				**0**			
TOTAL FINANCIAL ASSETS	**1,312**	**101**	**211**	**1,000**	**1,101**	**101**	**0**	**1,000**

The other financial assets posted in the Statement of financial position are not measured at fair value and the Group has no financial liabilities measured at fair value at 31 December 2023 and 31 December 2022. During the 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.

Classes of financial assets and liabilities

The following table shows the classification of financial assets and liabilities recorded in the consolidated Financial Statements of the Rekeep Group, as required by IFRS 7, and the associated economic effects for the year ended 31 December 2023:

	31 December 2023	Financial Assets at Fair value through OCI	Financial Assets at amortized cost
NON-CURRENT FINANCIAL ASSETS			
Other investments	5,996	5,996	
Non-current financial assets	6,929		6,929
Other non-current assets	16,472		16,472
Total non-current financial assets	**29,397**	**5,996**	**23,401**
CURRENT FINANCIAL ASSETS			
Trade receivables and advances to suppliers	513,771		513,771
Current tax receivables	6,589		6,589
Other current assets	31,681		31,681
Current financial assets	15,545		15,545
Cash and cash equivalents	76,812		
Total current financial assets	**644,398**	**0**	**567,586**
TOTAL FINANCIAL ASSETS	***673,795***	***5,996***	***590,987***
FINANCIAL INCOME (COSTS)	**2,594**	**312**	**2,282**

	31 December 2023	Financial Liabilities at Fair Value through profit or loss	Financial Liabilities at amortized cost
NON-CURRENT FINANCIAL LIABILITIES			
Non-current loans	398,218		
Other non-current liabilities	85		
Total non-current financial liabilities	**398,303**	**0**	**0**
CURRENT FINANCIAL LIABILITIES			
Trade payables and contract liabilities	422,958		
Current tax payables	142		
Other current liabilities	172,095		
Bank borrowings and other financial liabilities	155,126		
Total current financial liabilities	**750,321**	**0**	**0**
TOTAL FINANCIAL LIABILITIES	***1,148,624***	***0***	***0***
FINANCIAL INCOME (COSTS)	**(62,750)**	**0**	**(62,750)**

The same information is reported below for the financial year ended 31 December 2022:

	31 December 2022	Financial Assets at Fair value through OCI	Financial Assets at amortized cost
NON-CURRENT FINANCIAL ASSETS			
Other investments	5,996	5,996	
Non-current financial assets	24,202		24,202
Other non-current assets	3,104		3,104
Total non-current financial assets	**33,302**	**5,996**	**27,306**
CURRENT FINANCIAL ASSETS			
Trade receivables and advances to suppliers	537,227		537,227
Current tax receivables	8,671		8,671
Other current assets	59,211		59,211
Current financial assets	7,017		7,017
Cash and cash equivalents	84,243		
Total current financial assets	**696,369**	**0**	**612,126**
TOTAL FINANCIAL ASSETS	**729,671**	**5,996**	**639,432**
FINANCIAL INCOME (COSTS)	**3,171**	**(478)**	**3,649**

	31 December 2022	Financial Liabilities at Fair Value through profit or loss	Financial Liabilities at amortized cost
NON-CURRENT FINANCIAL LIABILITIES			
Non-current loans	408,608		408,608
Other non-current liabilities	1,991		1,991
Total non-current financial liabilities	**410,599**	**0**	**410,599**
CURRENT FINANCIAL LIABILITIES			
Trade payables and contract liabilities	480,808		480,808
Current tax payables	21		21
Other current liabilities	169,667		169,667
Bank borrowings and other financial liabilities	132,428		132,428
Total current financial liabilities	**782,924**	**0**	**782,924**

	31 December 2022	Financial Liabilities at Fair Value through profit or loss	Financial Liabilities at amortized cost
TOTAL FINANCIAL LIABILITIES	**1,193,523**	**0**	**1,193,523**
FINANCIAL INCOME (COSTS)	**(46,928)**	**0**	**(46,928)**

Liquidity risk

The Group's objective is to maintain a balance between funding and flexibility through the use of current account overdrafts, short-term bank loans (hot money and advances), leases and medium/long-term loans.

The Group is characterized by a labor-intensive model which does not involve significant requirements of capital for investments. However, the Group's customers are mainly composed of public authorities, known for long payment times in respect of the services provided. This aspect means the Group has to also finance working capital through bank indebtedness.

For this purpose the Group may make use of committed credit lines in the form of loans or of assignments without recourse of trade receivables and reverse factoring in order to meet financial requirements (if any).

On 14 January 2022, the Parent Company Rekeep S.p.A. and other subsidiaries signed a new agreement with BFF Bank S.p.A. for the non-recourse assignment of its own trade receivables for an amount of up to € 300 million. The agreement, initially for a three-year term, was supplemented on 31 January 2024 to extend its term until 25 January 2028 and provides for the possibility of assigning, without recourse and on a revolving basis, the amounts claimed from Entities in the National Health System and Public Authorities. The new agreement replaces the previous one, which was also signed with BFF Bank S.p.A. in 2018 and which provided for an annual ceiling of up to € 200 million for the assignment of receivables of the same type.

Within the context of the abovementioned refinancing transaction, the Parent Company Rekeep S.p.A. also signed a Super Senior Revolving (RCF) loan agreement for a total amount of € 75 million, governed by English law. Specifically, the RCF loan agreement was entered into between, among others, Rekeep S.p.A., on the one hand, and Credit Suisse AG Milan Branch, Goldman Sachs Bank Europe SE, JP Morgan AG and Unicredit S.p.A. (as Mandated Lead Arrangers), Unicredit S.p.A. as Agent and Security Agent, and the Original Lenders, on the other hand. No amount arising from uses under the Super Senior Revolving Loan Agreement may be used, directly or indirectly, in order to,among other things, proceed with the repurchase or redemption of the Bond Issue or the purchase of shares in Rekeep S.p.A..

The Group's management believes that the structure of the financial debt maturity, as well as the availability of the abovementioned committed credit lines, allow the Group to meet its financial requirements in an adequate manner.

Price risk

Risks of this nature which the Group is exposed to could involve changes in the price:

of oil products relating to heat management activities,

of cotton, the raw material in the linen used for laundering activities.

However, concerning oil products, these changes are, for the most part, accommodated by the conditions of contracts in place with customers, given that price revision is provided for both by contract, and by art. 115 of Decree Law no. 163 of 12 April 2006. In fact, these clauses were activated during 2022 and 2023, which was characterized by a sharp rise in energy prices, allowing the Group to mitigate their effects to a significant extent.

Credit risk

The Group's portfolio mix, which, in the past, was made up mainly of contracts with the Public Administration, a situation that did not present insolvency problems, but which required constant contact with customers in order to minimize delays caused by the Authority's red-tape and jointly resolve problems relating to their financial management. At present the portfolio mix also includes some large Italian industrial, commercial and banking groups, mainly organized as a network all over the country.

There are no significant credit concentration risks to report, which are carefully monitored by the Group. Furthermore, the Group has equipped itself over time with specific procedures and structures aimed at a more efficient management of its working capital, as well as of debt collection.

Fair value

The carrying amount of the Group's financial instruments recorded in the consolidated Financial Statements does not deviate from the fair value, including the value of those classified as assets held for sale. Market interest rates were applied to financial assets and liabilities as at the balance sheet date.

The comparison between the carrying amount and fair value of the main financial assets and liabilities is shown below:

	Carrying Amount		Fair value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
FINANCIAL ASSETS				
Cash and cash equivalents	76,812	84,243	76,812	84,243
Receivables and other current financial assets	15,545	7,017	15,545	7,017
Other minority interests	5,996	5,996	5,996	5,996
Non-current financial receivables	6,929	24,202	6,929	24,202
FINANCIAL LIABILITIES				

	Carrying Amount		Fair value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Loans:				
- Variable rate loans	43,689	42,100	43,689	42,100
- Fixed rate loans	449,533	439,478	449,533	439,478
Other current financial liabilities	60,122	59,459	60,122	59,459

Interest rate risk

With the refinancing transaction carried out by the Parent Company Rekeep S.p.A., the Group has requalified its own financial structure, extending the maturity of the medium/long-term debt and keeping a short-term debt portion balanced with respect to the financing requirements of its working capital.

The main source of financing of the Rekeep Group consists of the Senior Security Notes bond issue with a coupon at a fixed rate of 7.25%.

In addition to the bond issue the Group uses, as medium/long-term financing, bank loans subject to the application of fixed interest rates and lease agreements subject to the application of variable interest rates.

The forms of short-term financing used by the Group, which are mainly subject to the application of variable rates which can be identified as the EURIBOR rate, include current account overdrafts, short- and very short-term (hot money) bank loans and assignments of receivables and reverse factoring.

The Group's indebtedness mix is then mainly linked to medium/long-term fixed interest rates.

The breakdown of financial instruments of the Group exposed to interest rate risks is listed in note 17, to which reference should be made as regards Loans, and in notes 9 and 12 to which reference should be made as regards *Non-current financial assets* and *Cash and cash equivalents*, *Receivables and other current financial assets*, respectively.

Interest rate sensitivity analysis

The structure of the consolidated debt is affected, to a marginal extent, by the changes in market rates, as it is mainly based on forms of financing subject to the payment of interest calculated on the basis of fixed rates, as described above. For the remaining amount, the Group makes recourse to variable rate loans, which are linked to the EURIBOR performance.

The table below shows the sensitivity of pre-tax profit for the year to reasonably possible variations in interest rates, all the other variables being kept constant.

	Increase / Decrease	Effect of the profit (loss) gross of taxes
Financial year ended 31 December 2023	+ 150 bps	(1,878)
	- 30 bps	376
Financial year ended 31 December 2022	+ 150 bps	(2,178)
	- 30 bps	436

The sensitivity analysis confirms the rigidity of the financial structure adopted by the Rekeep Group, which is mainly based on medium/long-term fixed-rate loans, as already detailed above.

Exchange rate risk

The Group companies have limited dealings with countries in different currencies; however, some companies operate in countries that are not part of the Eurozone. In relation to exchange rate risk, it should be noted that the amount of accounting balances denominated in currencies other than the functional currency is to be regarded as not significant compared to the Group's total revenues (18% at 31 December 2023).

Therefore, the Group remains exposed to exchange rate risk on the balances of assets and liabilities denominated in foreign currency at the end of the year.

The Group has neither entered into nor is planning to enter into hedging instruments against exchange rate fluctuations in the future.

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 December 2023	31 December 2022
Employee termination indemnity	10,419	9,970
Interest-bearing loans	493,222	481,577
Trade payables and contract liabilities	422,958	480,808
Other current payables	172,095	169,667

	31 December 2023	31 December 2022
Other current financial payables	60,122	59,459
Cash and cash equivalents	(76,812)	(84,243)
Other current financial assets	(15,545)	(7,017)
Total Net Debt	**1,066,459**	**1,110,221**
Group shareholders' equity	55,486	66,862
Undistributed net profit (loss)	13,221	(27,131)
Total Capital	**68,707**	**39,731**
EQUITY AND NET DEBT	**1,135,166**	**1,149,952**
INDEBTEDNESS RATIO	**93.9%**	**96.5%**

The debt ratio was equal to 93.9% at 31 December 2023. The debt ratio showed a decrease compared to 31 December 2022 as a result of two effects: (i) an increase in the share capital due to the allocation of profits achieved in 2022 to reserves; (ii) a decrease in net debt during 2023.

36. OTHER INFORMATION

In 2023, the Group companies received some financial benefits from Public Authorities or entities treated as such as referred to in Law no. 124 of 4 August 2017 bearing "*Annual Act on market and competition*".

Specifically, during the 2023 financial year proceeds were achieved from tax credits, equal to a total amount of € 17.7 million for the Group, as partial compensation for higher costs incurred for the purchase of electricity and natural gas, granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as supplemented.

Furthermore, the Parent Company Rekeep S.p.A. and Medical Device S.r.l. entered into soft loans named "Artigiancassa Loan", "SACE Loan" and "Sabatini Loan", respectively, as described in note 17 above. Finally, additional financial benefits were obtained for a lower amount, for which reference should be made to the information provided in the "Register of State Aids" published on-line at the website www.rna.gov.it, s section "TRANSPARENCY - PERSONAL AID".

37. SUBSEQUENT EVENTS

Appointment of members of the Board of Directors of Rekeep S.p.A. and consequent resolutions

At the Ordinary Shareholders' Meeting held by the Sole Shareholder on 14 March 2024, the new members of the Board of Directors of Rekeep S.p.A. were appointed, consisting of 7 members, 3 of whom meet the independence requirements prescribed by Article 148, paragraph 3, of Legislative Decree no. 58 of 24 February 1988, as well as the independence requirements

prescribed in the Corporate Governance Code for Listed Companies, appointing the Chairman in the person of Director Claudio Levorato. On the same date, the Board of Directors appointed by the Shareholders' Meeting met to make appointments and grant proxies and powers. Specifically, the Board of Directors appointed Claudio Levorato as Executive Chairman, and Giuliano Di Bernardo as Chief Executive Officer of the Company.

The Board of Directors also set up board committees: the Related Parties Committee, the Nomination and Remuneration Committee, and the Control and Risk - ESG Committee, each consisting of 3 members, and appointed their members, identified as independent directors.

At the same meeting, the Board of Directors of Rekeep S.p.A. finally appointed the members of the Supervisory Board, composed of 3 members chosen from among third-party professionals and entrusted the mandate of the Internal Audit function, reporting directly to the Board itself, to a third-party professional while also defining its purpose, powers and responsibilities.

Proceedings under Article 2409 of the Italian Civil Code at the Group's parent company

In early 2024, some minority shareholders of the parent company MSC S.p.A. initiated proceedings pursuant to Article 2409 of the Italian Civil Code, including in relation to facts and circumstances relating to the Rekeep Group, which, however, is not a party to the proceedings. As of the date of preparation of this report, the proceedings were still pending.

Zola Predosa, 29 April 2024

The Chairman

Claudio Levorato

ANNEX I

GROUP COMPANIES

PARENT COMPANY

	Currency	Registered Office	City
Rekeep S.p.A.	Euro	Via Ubaldo Poli n. 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
C-Food S.p. z o.o.	ul. Traktorowa 126/201, 91-204	Lodz (Poland)	100%	PLN
Catermed S.p. z o.o.	ul. Traktorowa n. 126/201, 91-204	Lodz (Poland)	100%	PLN
Cefalù Energia S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Consorzio Stabile CMF	Via Bolzano no. 59	Trento (TN)	97.74%	Euro
DUC Gestione Sede Unica Soc.cons.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	71%	Euro
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	Üniversiteler Mahallesi, Bilkent Plaza, A3 Blok, n. 4	Çankaya/ Ankara	51%	TRY
Ferraria Soc. cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	69%	Euro
H2H Cleaning S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
H2H Facility Solutions S.p.A.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Infrastrutture Lombardia Servizi Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
ISOM Gestione Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	52.97%	Euro
ISOM Lavori Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	62.71%	Euro
IZAN+ sp. z o.o.	ul. Żabiniec n. 46, 31-215	Krakow (Poland)	100%	PLN
JOL-MARK sp. z o.o.	ul. Portowa n. 16G, 44-100	Gliwice (Poland)	100%	PLN
KANARIND Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	62.43%	Euro
Kolumna Transportu Sanitarnego Triomed sp. z o.o.	ul. Północna n. 22, 20-064	Lublin (Poland)	100%	PLN
Medical Device S.r.l.	Via della Tecnica no. 52	Montevarchi (AR)	60%	Euro
Monasterio Energia S.r.l.	Via dei Colatori, 12	Sesto Fiorentino (FI)	60%	Euro

Name	Registered Office	City	% Held	Currency
Naprzód Catering sp. z o.o.	ul. Stefana Banacha 1A, 02-097	Warsaw (Poland)	100%	PLN
Naprzód 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 Marketing sp. z o.o.	ul. Traktorowa 126/301, 91-204	Lodz (Poland)	100%	PLN
Naprzód Service sp. z o.o.	ul. Traktorowa 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 France S.a.s.	52, Boulevard de Sebastopol	Paris	93.07%	Euro
Rekeep Mobilites 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 Santè S.a.s.	11 bis Rue de Moscou	Paris	100%	Euro
Rekeep Saudi CO Ltd	P.O Box 230888, K.S.A., 28th floor, Kingdom Tower	Riyadh (United Arab Emirates)	100%	SAR
Rekeep Superfood S.p. z o.o.	91-204 Lodz, ul. Traktorowa 126	Krakow, Poland	100%	PLN
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
Ster-med S.p. z o.o.	ul. Plk. Stanislawa Dabka 16, 30-372	Krakow, Poland	90%	PLN
Tecnopolo Energy Service S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	84%	Euro
Telepost S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Treviso GS4 Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	50.10%	Euro
U.Jet Romania Private Limited Company	str. Garii no. 10	Sighetu Marmatiei, Romania	100%	RON
U.Jet S.r.l.	Via San Francescuccio dè Mietitori no. 32	Bastia Umbra (PG)	60%	Euro

JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% Held	Currency
AMG S.r.l.	SS Laghi di Avigliana 48/a	frazione Roata Raffo Busca (CN)	50%	Euro
CO. & MA. Soc. Cons. a r.l. in liquidation	Via del Parco no. 16	Tremestieri Etneo (CT)	50%	Euro
Legnago 2001 Soc.cons.r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	50%	Euro

ASSOCIATES AND OTHER COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% Held	Currency
2High S.r.l.	Via Farini no.6	Bologna	20.09%	Euro
Alisei S.r.l. in liquidation	Via Cesari 68/1	Modena	100%	Euro
ARIENES Soc. Cons. a r.l.	Via Nubi di Magellano no. 30	Reggio Emilia	35%	Euro
BGP2 Soc. Cons. r.l.	Via Giovanni Papini no. 18	Bologna	41.17%	Euro
Bologna Global Strade Soc. Cons. r.l. in liquidation	Via Zanardi no. 372	Bologna	59.65%	Euro
Centro Europa Ricerche S.r.l.	Via G. Zanardelli no. 34	Rome	21.38%	Euro
Consorzio Igiene Ospedaliera Soc. Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	66.66%	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 n. 64/B	Parma	25%	Euro
Global Oltremare Soc. Cons. r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Global Vicenza Soc. Cons. a r.l.	Via Grandi no. 39	Concordia Sulla Secchia (MO)	41.25%	Euro
Gymnasium Soc. Cons. r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	68%	Euro
GR.A.AL. Soc. Cons. a. r.l.	Via Guelfa no. 76	Bologna	29.93%	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

Name	Registered Office	City	% Held	Currency
Logistica Ospedaliera Soc. Cons. a r.l	Via C. Alberto Dalla Chiesa 23/I	Caltanissetta (CL)	45%	Euro
Manutencoop International Services LLC in liquidation	Qatar Tower, building 35, street 920, zone 63	Doha (Qatar)	49%	QAR
MCF servizi Integrati Soc. Cons. a r.l in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
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 182/2	Bologna	44.81%	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. in liquidation	Via Tiburtina 1072	Rome	45.47%	Euro
San Martino 2000 Soc. Cons. a r.l.	Via al Molo Vecchio	Calata Gadda (GE)	40%	Euro
S.E.I. Energia Soc. Cons. a r.l.	Via Emilia no. 65	Palermo (PA)	49%	Euro
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
Toscana Energia Nord Ovest (T.E.N.O.V.) S.r.l.	Via dei Colatori no.12	Sesto Fiorentino (FI)	45%	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 for the financial year					Net assets 31 December 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)				(8)		(126)	0	(126)
A.M.G. S.r.l.	50%	2,371			244			2,615	2,615	
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. in liquidation	59.65%	60	(12)		12			60	60	
Centro Europa Ricerche S.r.l.	21.38%	66			(2)			64	64	
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						0	0	
Co. & Ma. Soc. Cons.r.l. in liquidation	50%	5						5	5	
Consorzio Sermagest in liquidation	60%	0						0	0	
Consorzio Servizi Toscana a r.l.	60%	6	(6)					0	0	
DUC Gestioni Soc.Cons. a r.l.	49%	10	(10)					0	0	
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			24			534	534	

	%	Net assets 31 December 2022	Changes for the financial year					Net assets 31 December 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%	5						5	5	
Logistica Sud-Est Soc. Cons. a r.l. in liquidation	60%	0						0	0	
Manutencoop International Services LLC	49%	(128)					14	(114)	0	(114)
MCF Servizi integrati Soc. Cons. a r. l. in liquidation	60%	6						6	6	
MSE Soc. Cons. a r.l. in liquidation	56%	6						6	6	
Newco DUC Bologna S.p.A.	44.81%	3,001	2,400		620		211	6,232	6,232	
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. in liquidation	45.47%	2,801			(1,574)		7	1,234	1,234	
S.AN.CO S.c.a.r.l. in liquidation	100%	0	(685)		685			0	0	
San Martino 2000 Soc.Cons. a r.l.	40%	4						4	4	
S.E.I. Energia Soc. Cons. a r.l.	49%	5						5	5	
Servizi Napoli 5 Soc. Cons. a r.l.	45%	5						5	5	
Servizi Sportivi Brindisi Soc. Cons. a r.l. in liquidation	50%	5	(5)					0	0	
Steril Piemonte S.r.l.	25%	994	(750)		2			246	246	
Toscana Energia Nord Ovest (T.E.N.O.V.) S.r.l.	45%	0	450		18			468	468	
Yougenio S.r.l. in liquidation	100%	(169)	53		(53)			(169)	0	(169)
NET BOOK VALUE		**9,707**	**1,442**	**0**	**(24)**	**(8)**	**233**	**11,349**	**11,758**	**(408)**

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-Dec-22	112	15,364	126	616	31-Dec-22	477	8,232	1,312	11,100
	31-Dec-23	47	2,800		561	31-Dec-23	14	5,772	1,983	5,426

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-Dec-22		296			31-Dec-22			176	
	31-Dec-23	4	293	1		31-Dec-23	2	21	225	
Alisei s.r.l. in liquidation	31-Dec-22					31-Dec-22	3			1
	31-Dec-23					31-Dec-23	3			1
AMG S.r.l.	31-Dec-22		577			31-Dec-22			722	
	31-Dec-23		883			31-Dec-23			880	
ARIENES Soc. Cons. a r.l.	31-Dec-22	21,678	20,528			31-Dec-22	21,678		20,528	
	31-Dec-23	17,173	17,207			31-Dec-23	19,013		16,715	
Bologna Gestione Patrimonio 2 Soc.Cons. a r.l.	31-Dec-22		639			31-Dec-22	18	25	785	
	31-Dec-23		254			31-Dec-23		25	450	
Bologna Global Strade Soc. Cons. a r.l. in liquidation	31-Dec-22		(50)			31-Dec-22	39	383	(159)	
	31-Dec-23	65				31-Dec-23				60
Centro Europa Ricerche S.r.l.	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
CO.GE.F. Soc. Cons. a r.l. in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23		(78)			31-Dec-23				
Consorzio Igiene Ospedaliera Soc. Cons. a r.l. in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23		12			31-Dec-23			65	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Consorzio Sermagest Soc.Cons.a r.l in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
Consorzio Servizi Toscana Soc.Cons.a r.l in liquidation	31-Dec-22					31-Dec-22	282		177	
	31-Dec-23		16			31-Dec-23				
CO.& MA. Soc. Cons. a r.l	31-Dec-22		(73)			31-Dec-22		20	676	
	31-Dec-23		9			31-Dec-23				5
DUC Gestione Sede Unica Soc. Cons. a r.l.	31-Dec-22	8,492	4,166			31-Dec-22	7,085		3,673	
	31-Dec-23	4,619	1,876			31-Dec-23				
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
Gestione Servizi Taranto Soc.Cons.a r.l.	31-Dec-22	5,189	4,866			31-Dec-22	6,975	42	5,658	
	31-Dec-23	4,504	3,851	60		31-Dec-23	9,514	41	7,140	
Gestione Strade soc.cons.r.l.	31-Dec-22	177	1,365			31-Dec-22	122	63	800	
	31-Dec-23	55	1,260			31-Dec-23	65	63	881	
Global Oltremare Soc.Cons.a r.l in liquidation	31-Dec-22		7			31-Dec-22			99	
	31-Dec-23		6			31-Dec-23			106	
Global Provincia di RN Soc.Cons.a r.l. in liquidation	31-Dec-22					31-Dec-22		70		
	31-Dec-23					31-Dec-23				
Global Vicenza Soc.Cons. a r.l.	31-Dec-22					31-Dec-22		10	17	
	31-Dec-23					31-Dec-23		10	17	
GR.A.AL. Soc. Cons. a. r.l.	31-Dec-22					31-Dec-22				
	31-Dec-23	15				31-Dec-23	15			
Gymnasium Soc. cons. a r.l in liquidation	31-Dec-22					31-Dec-22	1	8	33	
	31-Dec-23					31-Dec-23	1	8	33	
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	31-Dec-22	297	292			31-Dec-22	211		198	
	31-Dec-23	226	220			31-Dec-23	79		58	
IPP S.r.l.	31-Dec-22	4	325			31-Dec-22	16	35	305	
	31-Dec-23	2	239	1		31-Dec-23	2	36	207	
Legnago 2001 Soc. Cons. r.l. in liquidation	31-Dec-22		4			31-Dec-22	158		71	
	31-Dec-23		2			31-Dec-23	158		81	
Logistica Ospedaliera Soc. Cons. a r.l.	31-Dec-22		2			31-Dec-22			20	
	31-Dec-23		4			31-Dec-23			17	
Logistica Sud-Est Soc. Cons. a r.l. in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23		10			31-Dec-23				
Manutencoop International Services LLC in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
MCF Servizi integarti Soc. cons. a r.l. in liquidation	31-Dec-22					31-Dec-22	365		5	
	31-Dec-23					31-Dec-23	365		5	
MSE Soc. cons. a r.l. in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
Newco DUC Bologna S.p.A	31-Dec-22					31-Dec-22			58	
	31-Dec-23	108	18			31-Dec-23	3,730	6	159	
Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation	31-Dec-22		5			31-Dec-22	75		5	
	31-Dec-23		5			31-Dec-23	75		10	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
Roma Multiservizi S.p.A. in liquidation	31-Dec-22	593	415			31-Dec-22	361		312	
	31-Dec-23	516	(100)			31-Dec-23	582		165	
SA.N.CO. Soc. Cons. a r.l. in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
San Martino 2000 Soc.Cons. r.l.	31-Dec-22	1,700	2,314			31-Dec-22	561		1,609	
	31-Dec-23	1,527	2,246			31-Dec-23	930		1,537	
S.E.I. Energia Soc. Cons. a r.l.	31-Dec-22	49	7,055	22		31-Dec-22	184	880	5,395	
	31-Dec-23	76	5,627	47		31-Dec-23	121	904	4,314	
Servizi Napoli 5 Soc.Cons. a r.l.	31-Dec-22	836	754			31-Dec-22	3,439		2,038	
	31-Dec-23					31-Dec-23	3,439		2,038	
Steril Piemonte S.r.l.	31-Dec-22					31-Dec-22	7		104	
	31-Dec-23					31-Dec-23		550	32	
Toscana Energia Nord Ovest (T.E.N.O.V.) S.r.l.	31-Dec-22					31-Dec-22				
	31-Dec-23	2,273	51			31-Dec-23	1,618		655	315
Yougenio S.r.l. in liquidation	31-Dec-22	21	0	101		31-Dec-22	1		4	40
	31-Dec-23	23	(3)	223		31-Dec-23	28		2	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-Dec-22					31-Dec-22	1			
	31-Dec-23					31-Dec-23	1			

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Holmo S.p.A.	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
Nugareto Società Agricola Vinicola S.r.l.	31-Dec-22	1	49			31-Dec-22	1	6	72	
	31-Dec-23		41			31-Dec-23	1	6	121	
Puglia Multi Servizi S.r.l. in liquidation	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
Sacoa S.r.l.	31-Dec-22	51	836			31-Dec-22	25		663	
	31-Dec-23		4			31-Dec-23				
Sacoa Servizi Telematici S.r.l.	31-Dec-22		26			31-Dec-22			15	
	31-Dec-23		25			31-Dec-23			31	
Segesta servizi per l'Ambiente S.r.l.	31-Dec-22	6				31-Dec-22	2	1		
	31-Dec-23	4				31-Dec-23	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-Dec-22	63	1			31-Dec-22	21		1	
	31-Dec-23	91	1			31-Dec-23	31		1	
Consorzio Karabak Due Società Cooperativa	31-Dec-22	4				31-Dec-22	1			
	31-Dec-23	5				31-Dec-23	2			
Consorzio Karabak Quattro Società Cooperativa	31-Dec-22		1			31-Dec-22			1	
	31-Dec-23					31-Dec-23				
Consorzio Karabak Cinque Società Cooperativa	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				
Consorzio Karabak Sei Società Cooperativa	31-Dec-22					31-Dec-22				
	31-Dec-23					31-Dec-23				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
TOTAL	**31-Dec-22**	**39,273**	**59,764**	**249**	**616**	**31-Dec-22**	**42,109**	**9,775**	**45,373**	**11,141**
	31-Dec-23	**31,333**	**36,779**	**332**	**561**	**31-Dec-23**	**39,791**	**7,443**	**37,928**	**5,847**

ANNEX IV

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

	For the year ended 31 December			
	2023		2022	
Cash and cash equivalents at the beginning of the year		**84,243**		**99,512**
Cash flow from current operations:		**53,711**		**80,841**
Profit before tax	577		31,249	
Amortization, depreciation, write-downs and (write-backs) of assets	47,721		41,912	
Accrual (reversal) of provisions for risks and charges	14,964		13,505	
Employee termination indemnity provision	1,777		1,645	
Share of net profit of associates, net of dividends collected	299		356	
Financial charges (income) for the period	55,538		39,919	
Net interests received (paid) in the period	(44,999)		(30,308)	
Income taxes paid in the period	(10,526)		(7,830)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit or Loss	*(11,639)*		*(9,606)*	
Uses of provisions for risks and charges and payments of the Employee Termination Indemnity (TFR):		**(9,544)**		**(4,976)**
Payments of employee termination indemnity	(1,780)		(1,976)	
Use of provisions for risks and charges	(7,764)		(2,999)	
CHANGE IN NWOC:		**(41,496)**		**(21,588)**

	For the year ended 31 December			
	2023		2022	
Decrease (increase) in inventories	(1,285)		645	
Decrease (increase) in trade receivables	19,442		(96,670)	
Increase (decrease) in trade payables	(59,653)		74,437	
INDUSTRIAL AND FINANCIAL CAPEX:		**(30,783)**		**(83,316)**
(Purchase of intangible assets, net of sales)	(5,356)		(4,586)	
(Purchase of property, plant and equipment)	(41,432)		(53,331)	
Proceeds from sale of property, plant and equipment	2,310		1,219	
(Acquisition of investments)	(604)		(507)	
Decrease (increase) of financial assets	4,510		(7,446)	
Financial effects of business combinations	(3,447)		(12,793)	
Reclassifications:				
Change in current financial assets	*13,313*		*(10,798)*	
Debt for the acquisition of investments and business combinations	*(77)*		*(1,950)*	
Non-cash elements on net acquisitions of fixed assets	*0*		*6,877*	
CHANGE IN NET FINANCIAL LIABILITIES:		**3,780**		**53,858**
Lease payments	(13,048)		(8,711)	
Non-current borrowings	60,186		0	
Repayment of non-current borrowings	(24,240)		(266)	
Net opening (repayment) of short-term bank credit lines	12,256		9,153	
Other net changes in borrowings	(39,398)		33,227	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit or Loss	*11,639*		*9,606*	
Net change in current financial assets	*(13,313)*		*10,798*	
Non-cash elements on acquisitions of rights of use	*9,620*		*(1,022)*	
Debt for the acquisition of investments and business combinations	*77*		*1,950*	
Dividend authorized and not distributed in the year/ Dividend distribution authorized in the previous year	*0*		*(878)*	
OTHER CHANGES:		**16,902**		**(40,088)**
Decrease (increase) in other current assets	26,042		(35,152)	

	For the year ended 31 December			
	2023		2022	
Increase (decrease) in other current liabilities	(190)		1.563	
Dividends distributed	(122)		(918)	
Acquisition/sale of minority interests in subsidiaries	(155)		(655)	
Differences from translation of financial statements in foreign currency	948		51	
Reclassifications:				
Non-cash elements on acquisitions of rights of use	*(9,620)*		*(5,856)*	
Dividend authorized and not distributed in the year / Dividend distribution authorized in the previous year	*0*		*878*	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**76,812**		**84,243**

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