Interim report on operation

at 31 march

'24



rekeep

General information

REGISTERED OFFICE

Via U. Poli, 4
40069 Zola Predosa (BO)

BOARD OF DIRECTORS

Appointed by the Shareholders' Meeting
on 14 March 2024

CHAIRMAN

Claudio Levorato

CHIEF EXECUTIVE OFFICER

Giuliano Di Bernardo

MEMBERS OF THE BOARD OF DIRECTORS

Stefano Donati
Paolo Leonardelli
Linda Faiola (independent director)
Francesco Silvestrini (independent director)
Matteo Tamburini (independent director)

BOARD OF STATUTORY AUDITORS

Appointed by the Shareholders' Meeting
on 28 April 2023

CHAIRMAN

Germano Camellini

STANDING AUDITORS

Marco Benni
Giacomo Ramenghi

ALTERNATE AUDITORS

Michele Colliva
Antonella Musiani

INDEPENDENT AUDITORS

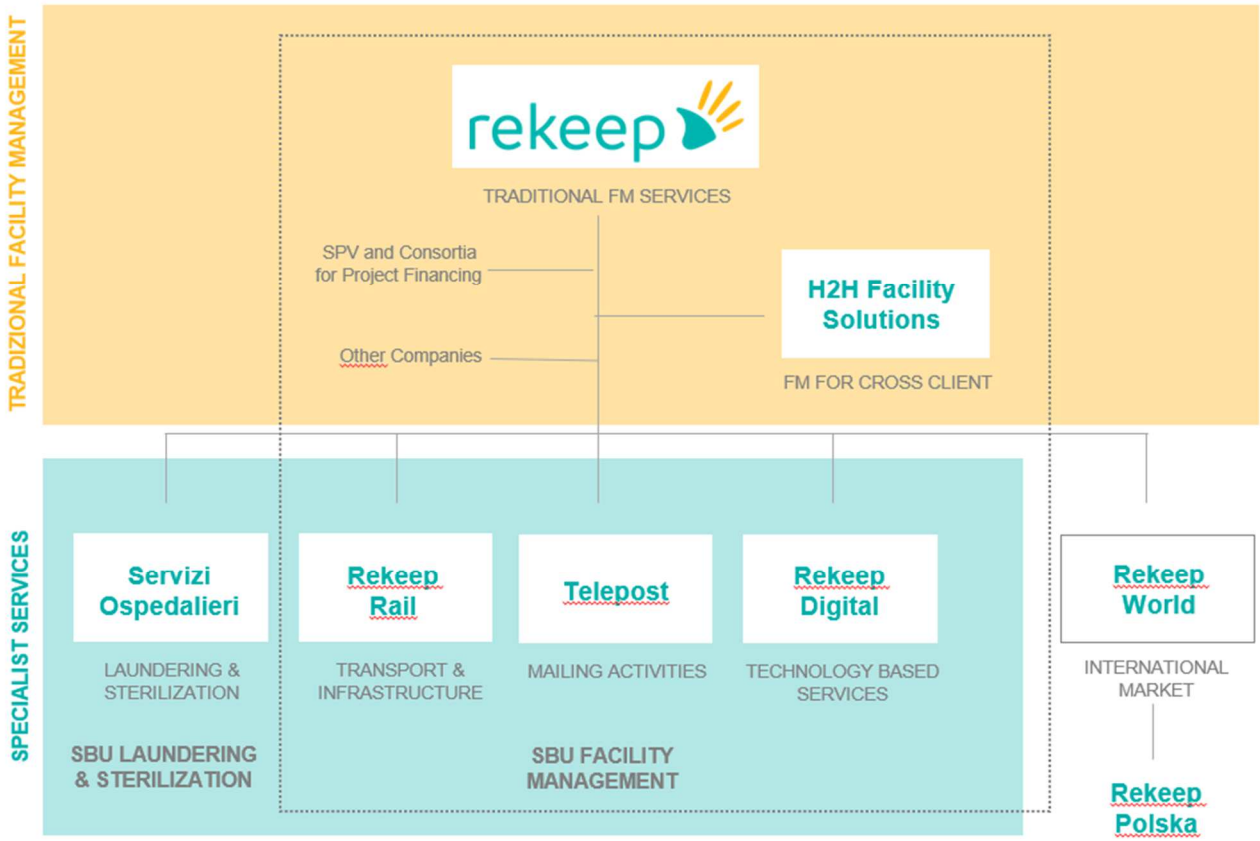
EY S.p.A.

Interim Report on Operations

rekeep

Preamble

At 31 March 2024 the Group controlled by Rekeep S.p.A. was composed as follows:



The Rekeep Group is active in the management and provision of integrated services to public and private customers, targeted at people, buildings and cities (“Integrated facility management”). At present the Rekeep brand is managed by a single operating holding company which combines so-called “traditional” facility management production resources with those related to supporting the whole Group’s business. a strategy has been pursued by the central holding functions to diversify operations, also through a series of corporate acquisitions, with some “specialist” facility management services (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.

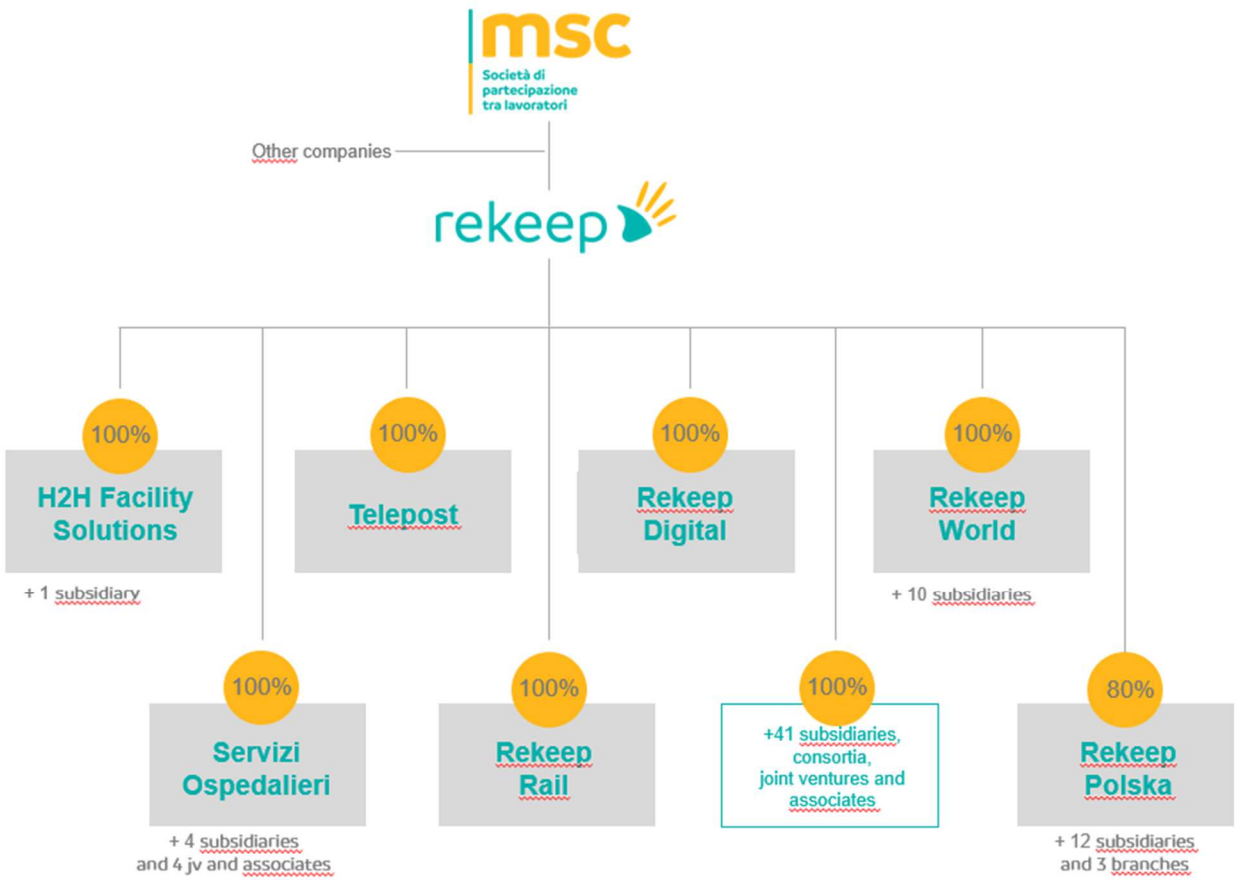
Furthermore, the Group started a major process of business development in international markets from the 2015 financial year, by establishing the sub-holding company Rekeep World S.r.l. and by the start-up of facility operations in France (through the sub-group controlled by Rekeep France S.a.S.), Turkey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

Shareholding structure

Ordinary shares issued by Rekeep S.p.A. and fully paid up at 31 March 2024 amounted to 109,149,600, with a par value of € 1 each.

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

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



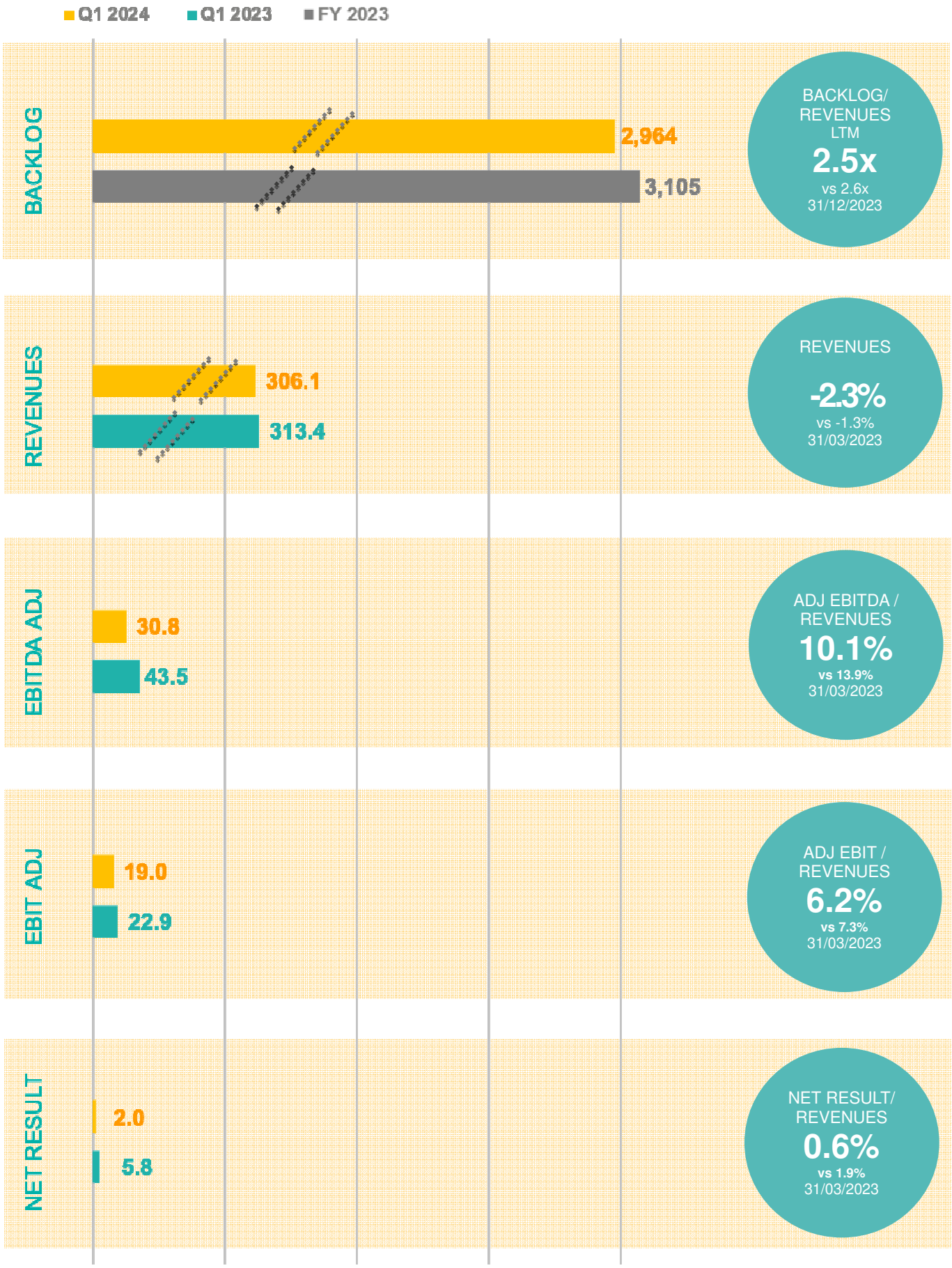
Alternative performance measures (non-GAAP financial measures)

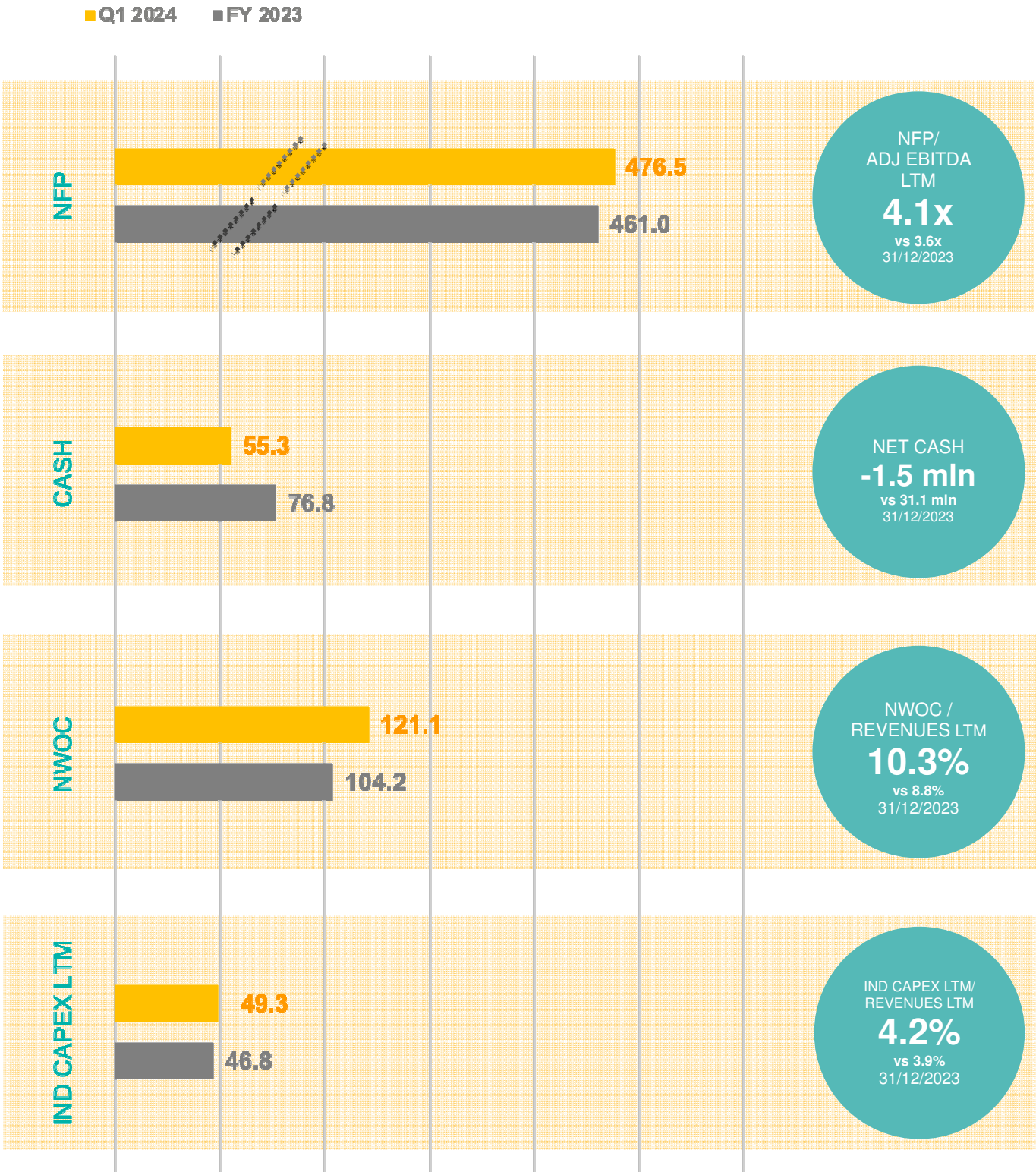
The Rekeep Group's management monitors and assesses the business performance and consolidated results of operations and cash flows by using various alternative performance indicators that are not defined under the international accounting standards IAS/IFRS ("APMs" or Non-GAAP measures") and that are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

	Definition
Backlog	The Backlog is the amount of contract fees not yet accrued and connected with the residual term of orders, which are held by the Group in the backlog.
Financial capex	Financial capex is the net expenditure on the acquisition of equity investments on business combinations and on grants of long-term loans.
Industrial capex	Industrial CAPEX are defined as the purchase of (i) Property, plant and equipment, (ii) Property, plant and equipment under lease (excluding lease and long-term hire agreements) and (iii) other intangible assets.
NWC	Consolidated Net Working Capital (NWC) is defined as the consolidated NWOC which is added the amount of other operating assets and liabilities (other current assets, other current liabilities, current tax receivables and payables, current provisions for risks and charges).
NWOC	Consolidated Net Working Operating Capital (NWOC) is composed of "trade receivables and advance to supplier" and "inventories", net of "trade payables and contract liabilities".

	Definition
DPO	DPO (Days Payables Outstanding) is a weighted average of days for payment of consolidated trade payables calculated as the ratio of trade payables, net of VAT on the amounts already received from the supplier, and costs over the last 12 months related to external production factors (included the capex) multiplied by the days of the reference period.
DSO	DSO (Days Sales Outstanding) is a weighted average of days for collection of consolidated trade receivables calculated as the ratio of trade receivables, net of VAT on the amounts already billed to customers, and revenues over the last 12 months multiplied by the days of the reference period.
EBIT	EBIT represents the Profit (Loss) before taxes gross of: i) Financial charges; ii) Financial income; iii) Dividend and income (loss) from sale of investments; iv) Share of net profit of associates; v) Profit (loss) on exchange rate. The Statement of Profit or Loss shows EBIT as "Operating Income".
EBITDA	EBITDA represents the Operating Income before allocations to the accrual of provisions for risks and amortization/depreciation, write-downs and write-backs of assets. EBITDA is a measure used by the Group's management to monitor and assess its operating performance.
Adjusted EBITDA and EBIT	Adjusted EBITDA and Adjusted EBIT do not include non-recurring elements recorded in the consolidated Statement of Profit/Loss for the year, as described in paragraph "Non-recurring events and transactions" of this report.
LTM (Last Twelve Months)	LTM values relate to the economic values or financial flows identified in the last 12 months, or in the last 4 financial reporting years.
Net Cash	Net Cash is defined as the balance of "Cash and cash equivalents" net of: i) Bank overdrafts, advance payments and hot money; ii) Obligations arising from assignments of trade receivables with recourse.
Gross Debt	Gross Debt is defined as the sum of debts for principal referring to: i) Senior Secured Notes (face value); ii) Bank debts (face value); iii) Current bank overdraft, advance payments and hot money; iv) Obligations arising from assignments of trade receivables with recourse; v) Lease obligations; vi) Reverse factoring debt.
Net Debt	Net Debt is defined as the Gross Debt, net of the balance of "Cash and cash equivalents" and "Receivables and other current financial assets".

	Definition
Financial indebtedness	Financial indebtedness consists of the balance of Long-term debt, Derivatives, Bank borrowings (including current portion of long-term debt) and other financial liabilities, in addition to the financial component of trade payables and other non-current payables, net of the amount of "Receivables and other current financial assets" and of "Cash and Cash equivalents". It complies with the provisions of CONSOB Communication no. DEM/6064293 of 28 July 2006, amended as contained in Warning Notice no. 5/21 of 29 April 2021.
Financial indebtedness and Adjusted NWOC	Adjusted NWOC and Adjusted financial Indebtedness include the balance of the trade receivables assigned in the framework of the previous years' assignment without recourse programs and not yet collected by the factoring companies.


Q1 2024
Q1 2023
FY 2023
BACKLOG
2,964
3,105
BACKLOG/ REVENUES LTM
2.5x
vs 2.6x 31/12/2023
REVENUES
306.1
313.4
REVENUES
-2.3%
vs -1.3% 31/03/2023
EBITDA ADJ
30.8
43.5
ADJ EBITDA / REVENUES
10.1%
vs 13.9% 31/03/2023
EBIT ADJ
19.0
22.9
ADJ EBIT / REVENUES
6.2%
vs 7.3% 31/03/2023
NET RESULT
2.0
5.8
NET RESULT/ REVENUES
0.6%
vs 1.9% 31/03/2023


Q1 2024
FY 2023
NFP
476.5
461.0
NFP/ ADJ EBITDA LTM
4.1x
vs 3.6x 31/12/2023
CASH
55.3
76.8
NET CASH
-1.5 mln
vs 31.1 mln 31/12/2023
NWOC
121.1
104.2
NWOC / REVENUES LTM
10.3%
vs 8.8% 31/12/2023
IND CAPEX LTM
49.3
46.8
IND CAPEX LTM/ REVENUES LTM
4.2%
vs 3.9% 31/12/2023

Significant events of the first quarter of 2024

In early 2024, the international geopolitical scenario still showed high tensions and uncertainties. The decline in inflation rates continued, which was driven by food and non-energy industrial goods in the quarter, confirming 2023 forecasts.

In terms of results of operations, the first quarter of 2024 was still affected by the trends generated by changes in the price of energy, which showed a decline compared to the comparative period, when prices, primarily of energy, continued to remain at high levels, despite already showing a downward trend. Revenues amounted to € 306.1 million at 31 March 2024, compared to € 313.4 million in the same period of the previous year. LTM revenues thus amounted to € 1,179.5 million at 31 March 2024 (€ 1,186.8 million at 31 December 2023).
In terms of profit margins, Adjusted EBITDA came to € 30.8 million at 31 March 2024, with relative profit margins equal to 10.1% compared to € 43.5 million at 31 March 2023 (13.9% compared to revenues): the indicator thus showed a decrease of € 12.7 million, still being affected by general trends in prices and consequent measures. LTM Adjusted EBITDA came to € 115.4 million at 31 March 2024 (€ 128.1 million at 31 December 2023).

In terms of financial performance, there was an increase in Net debt from € 461.0 million at 31 December 2023 to € 476.5 million at 31 March 2024, as was in Net working operating capital from € 104.2 million at 31 December 2023 to € 121.1 million at 31 March 2024.

In early 2024, the Directors commenced work on analyses to effectively assess the Group's contingent situation, as well as debt sustainability. Furthermore, they gave a mandate to leading national and international advisors in order to design the best strategy and identify any 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.

APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS OF REKEEP S.P.A. AND CONSEQUANTE 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 Body, 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.

In the first meetings held following their formation, the Committees appointed their respective Chairs in the persons of: Linda Faiola, appointed to chair the Related Parties Committee; Francesco Silvestrini, appointed to chair the Nomination and Remuneration Committee, and Matteo Tamburini, appointed to chair the Control and Risk - ESG Committee.
The Committees also started the process of drafting their respective rules of operation, to be submitted for approval by the Board of Directors.

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. In the meantime no detrimental measures have been taken for MSC and/or the Rekeep Group companies.

BUSINESS DEVELOPMENT

During the first quarter of 2024 the Group gained orders for an overall long-term amount of € 100.8 million, of which € 90.4 million relating to extensions and renewals of contracts already included in its sales portfolio, and € 10.4 million relating to the development of a new portfolio. The value of contracts acquired in International Markets during the quarter was equal to about 56.1% of the total orders gained during the period.

New contracts in the Healthcare sector amounted to € 78.2 million at 31 March 2024 (about 77.6% of total orders gained during the period) against orders gained for € 6,1 million in the Public sector (6.1% d of the total), and € 16.5 million in the Private sector (16.4% of the total). In terms of Strategic Business Unit

("SBU"), Facility Management (which also includes International Markets) obtained contracts of € 78.2 million while Laundering&Sterilization obtained contracts of € 22.6 million.

In particular, the Group achieved a further project aimed at maintaining the former MIES 2 portfolio in a major Italian hospital complex in the Healthcare market. On the International Markets front, we must note acquisitions in Saudi Arabia, and portfolio renewals in Turkey, as well as major orders for the Rekeep Polska Group, which were gained for the renewal of portfolio contracts due to expire, and new contracts for hygiene, catering and medical transportation in the hospital sector.
Moreover, the subsidiary Servizi Ospedalieri S.p.A. achieved renewals of contracts already included in the portfolio, both for industrial laundering and linen rental and sterilization services in the first quarter of 2024, at various local public and private hospital trusts.

As regards the Public Market, contracts were signed under an agreement for hygiene services at head and entities' offices of a regional government in the first quarter of 2024.

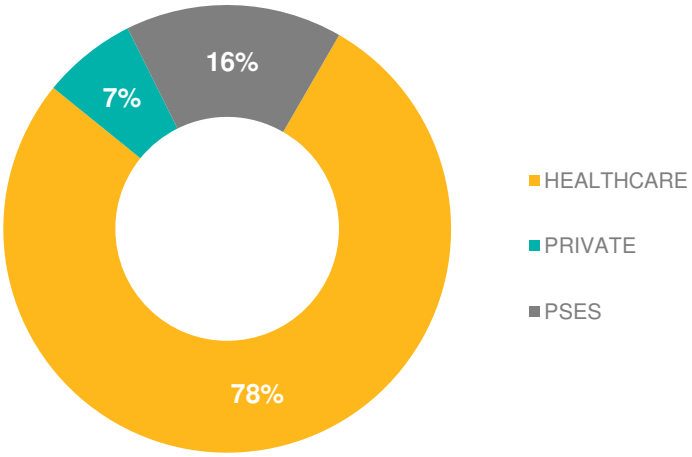
Finally, contracts were renewed with some network customers in the Private sector. In International Markets renewals were obtained for the portfolio, as were new acquisitions of contracts for hygiene, catering and surgical instrument sterilization services for private customers in Poland and Turkey.

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

	31 March 2024	31 December 2023	31 December 2022
Backlog	2,964	3,105	3,058

At 31 March 2024 the **Backlog** came to € 2,964 million, showing a decrease compared to the value posted at the end of 2023 (€ 3,105 million) and at the end of 2022. On the other hand, the Backlog/Revenues ratio was 2.5x (2.6x at 31 December 2023).

BACKLOG BY MARKET



1. Summary of results of the first quarter of 2024

The income statement highlights for the quarter compared with the same period of the previous year are reported below.

	For the Quarter ended 31 March		
	2024	2023	%
Revenues	306,122	313,373	-2.3%
of which Revenues - International Markets	*67,861*	*51,522*	
Adjusted EBITDA *	30,803	43,468	-29.1%
Adjusted EBITDA % of Revenues	10.1%	13.9%	
Adjusted EBIT *	19,005	22,853	-16.8%
Adjusted EBIT % of Revenues	6.2%	7.3%	
Consolidated net result	1,956	5,830	
Consolidated net result % on Revenues	0.6%	1.9%	

The balance sheet highlights for the quarter, compared with the values posted in the same period of the previous year and at the end of 2023, are reported below.

	31 March 2024	31 December 2023	31 March 2023
Net Working Operating Capital (CCON)	121,062	104,186	112,493
Financial indebtedness	(476,533)	(460,987)	(469,590)

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

2. Group's performance of operations and consolidated financial position at 31 March 2024

2.1. Consolidated performance of operations in the first quarter of 2024

Below are reported the main income figures relating to the first quarter of 2024 compared to the figures in the same period of 2023.

(in thousands of Euro) **For the quarter ended 31 March**

	2024	2023
Revenues	306,122	313,373
Costs of production	(275,908)	(270,803)
EBITDA	**30,214**	**42,570**
EBITDA %	9.9%	13.6%
Amortization, depreciation, write-downs and write-backs of assets	(10,916)	(10,022)
Accrual and reversal of provisions for risks and charges	(882)	(10,593)
Operating Income (EBIT)	**18,416**	**21,955**
EBIT %	6.0%	7.0%
Share of net profit of associates	79	68
Net financial charges	(12,469)	(12,411)
Profit before taxes (EBT)	**6,026**	**9,612**
EBT %	2.0%	3.1%
Income taxes	(4,070)	(3,782)
CONSOLIDATED NET PROFIT (LOSS)	**1,956**	**5,830**
CONSOLIDATED NET PROFIT (LOSS) %	0.6%	1.9%
Minority interests	(199)	(312)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,757**	**5,518**
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	0.6%	1.8%

Non-recurring events and transactions

During the first quarter of 2024 the Rekeep Group recognized, in the Statement of Profit/Loss for the period, some "non-recurring" financial items which impacted on the normal dynamics of the consolidated results. Pursuant to CONSOB Communication DEM/6064293 of 28 July 2006, "*significant non-recurring events and transactions*" mean events or transactions whose occurrence is non-recurring or those transactions or events that are not repeated frequently as part of normal operations and have a significant impact on the financial position, results of operations and cash flows of Group companies.

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

(in thousands of Euro) **For the quarter ended 31 March**

	2024	2023
Structural reorganization consulting fees	225	715
M&As and extraordinary transactions by Group companies	364	183
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA	**589**	**898**

During the first quarter of 2024, the Group incurred non-recurring costs impacting on EBITDA for a total amount of € 0.6 million. An amount of € 0.2 million of which related to the projects for the reorganization of company units and of the Group structures while an amount of € 0.4 million related to costs for M&A operations completed in previous years and recorded on an accruals basis in the period.

During the first quarter of 2023 non-recurring costs totaled € 0.9 million, of which an amount of € 0.7 million for the reorganization of company units, and an amount of € 0.2 million for M&A operations carried out in foreign countries.

Consolidated Adjusted EBITDA and EBIT are thus represented as follows:

(in thousands of Euro) **For the quarter ended 31 March**

	2024	2023
EBITDA	**30,214**	**42,570**
Non-recurring charges (income) impacting on EBITDA	589	898
Adjusted EBITDA	**30,803**	**43,468**
Adjusted EBITDA % on Revenues	10.1%	13.9%

(in thousands of Euro) For the quarter ended 31 March

EBIT	**18,416**	**21,955**
Non-recurring charges (income) impacting on EBITDA and on EBIT	589	898
Adjusted EBIT	**19,005**	**22,853**
Adjusted EBIT % on Revenues	6.2%	7.3%

Revenues

During the period ended 31 March 2024 the Group recorded Revenues of € 306.1 million, against € 313.4 million in the same period of the previous year, recording a decline in volumes of € 7.3 million (-2.3%).

The performance of revenues for the period was affected by falling prices compared to the comparative period, particularly of energy, which has an impact on the pricing charged to customers, especially in energy service contract. Although beginning to show a downward trend that would continue throughout 2023, prices, primarily of energy, continued in fact to remain at high levels during the first quarter of 2023. Furthermore, there was the termination of some contracts in the portfolio during the quarter, which was only partially offset by the entry of projects into full operation under the contracts acquired in the second half of the previous year. The performance of the International Markets confirmed the upward trend (+ € 16.3 million), thanks to the contribution given by the sub-group controlled by Rekeep Polska, particularly in catering services. Finally, we must note the acquisition and start-up of facility management contracts in Saudi Arabia, mainly in the healthcare sector, after the early termination of the contract for the operation and maintenance services of four lines of the Riyadh metro, which had taken place in July 2023, and for which an international arbitration procedure had been initiated (for more details in this regard, please refer to paragraph 3 – “Update on Legal Proceedings” below).

The breakdown of the consolidated Revenues in the first quarter of 2024 is provided below by target Market, compared to the value posted in the same period of the previous year.

Revenues by market

(in thousands of Euro) **For the quarter ended 31 March**

	2024	% of total Revenues	2023	% of total Revenues
Public Authorities	58,297	19.0%	63,211	20.2%
Healthcare	195,004	63.7%	194,589	62.1%
Private Customers	52,821	17.3%	55,573	17.7%
CONSOLIDATED REVENUES	**306,122**		**313,373**	

Revenues in the Healthcare sector increased by € 0.4 million during the period compared to the same period of 2023, from € 194.6 million to € 195.0 million, thus accounting for 63.7% of total consolidated Revenues. The first quarter of 2024 also showed a drop in revenues in the Healthcare market compared to the first quarter of the previous year as a result of the aforementioned decline in prices in the energy services business segment, which was more than offset by the positive performance in the healthcare business segment of International Markets.

On the other hand, in the first quarter of 2024 Public and Private markets showed a decline in volumes of € 4.9 million and € 2.8 million, respectively, compared to the first quarter of 2023. Specifically, both markets recorded the termination of some contracts in the portfolio, which was only partially offset by the acquisition of new orders in the same markets. Finally, the performance of the Public and Private markets was also affected by the different trend in prices between the two periods under comparison.

ANALYSIS OF REVENUES BY SEGMENT

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

Revenues by segment

(in thousands of Euro) **For the quarter ended 31 March**

	2024	% of total Revenues	2023	% of total Revenues
Facility Management	272,683	89.1%	278,438	88.9%
of which International markets	67,861	22.2%	51,522	16.4%
Laundering & Sterilization	37,604	12.3%	39,871	12.7%
Eliminations	(4,165)		(4,936)	
CONSOLIDATED REVENUES	**306,122**		**313,373**	

Revenues of the Facility Management SBU showed a decrease of € 5.8 million (-2.1%) during the first quarter of 2024 compared to the same period of the previous year, from € 278.4 million at 31 March 2023 to € 272.7 million at 31 March 2024.

The sector's revenues were affected by the different trends recorded by prices in the two comparative periods, which affected the total volumes of energy services, as well as by the termination of contracts, which was only partially offset by the acquisition of new orders. Finally, the Facility Management sector benefitted from the contribution given by International Markets, which achieved revenues of € 67.9 million in the first quarter of 2024.

On the other hand, revenues of the Laundering&Sterilization SBU decreased from € 39.9 million for the period ended 31 March 2023 to € 37.6 million for the period ended 31 March 2024, thus recording a decline in volumes of € 2.3 million, as a result of the termination of some contracts while benefiting from the entry of projects into full operation under some contracts started in the business segment of surgical kits at the end of 2023.

The Facility Management SBU recorded a relative weight of 89.1% (88.9% in the first quarter of 2023) on total consolidated revenues for the quarter.

EBITDA

The Group's EBITDA stood at € 30.2 million in the period ended 31 March 2024, showing a decrease of € 12.4 million compared to the same period of the previous year (€ 42.6 million). However, it should be noted that, during the two comparative periods, EBITDA expensed non-recurring costs of € 0.6 million at 31 March 2024, and € 0.9 million at 31 March 2023. Therefore, Adjusted EBITDA, excluding these non-recurring items, amounted to € 30.8 million at 31 March 2024 against Adjusted EBITDA of € 43.5 million at 31 March 2023 (- € 12.7 million).

Below is provided a comparison of EBITDA by segment for the period ended 31 March 2024 and the period ended 31 March 2023:

EBITDA by segment

(in thousands of Euro) **For the quarter ended 31 March**

	2024	% of Revenues of the segment	2023	% % of Revenues of the segment
Facility Management	22,802	8.4%	35,357	12.7%
of which International markets	*5,308*		*155*	
Laundering&Sterilization	7,412	19.7%	7,212	18.1%
CONSOLIDATED EBITDA	**30,214**	**9.9%**	**42,570**	**13.6%**

The Facility Management sector showed EBITDA of € 22.8 million at 31 March 2024, showing a decrease of € 12.6 million against € 35.4 million in the same period of the previous year. Even excluding the non-recurring items that affected the consolidated results during the two comparative periods, which had an impact on the sector equal to € 0.6 million in both periods, Adjusted EBITDA by segment came to € 23.4 million at 31 March 2024 compared to € 35.9 million at 31 March 2023 (- € 12.5 million).
The change in EBITDA recorded in the business segment during the first quarter of the year was still affected by the consequences of the ongoing conflict in Eastern Europe and by the consequent trends in prices, particularly those of energy, which affected revenues, as described above while reducing cost pressures. On the contrary, the growth trend continued in International Markets (+€ 5.2 million), which had been affected, in the first quarter of the previous year, by the losses recorded by subsidiary Rekeep Saudi Co Ltd, and, specifically, of the failure to commence work under the Metro Riyadh contract, which the subsidiary abandoned with final completion of the contract in July 2023.

Finally, EBITDA for the comparative period benefited from the recognition of the tax credit granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as supplemented, as partial compensation for higher costs incurred for electricity and natural gas until the first half of 2023, equal to €16.0 million at 31 March 2023 in the sector, and not renewed for the 2024 financial year.

EBITDA in the Laundering&Sterilization business segment came to € 7.4 million during the first quarter of 2024 against € 7.2 million in first quarter of the previous year (+ € 0.2 million). After excluding non-recurring elements which affected the consolidated results during the first quarter of 2023 (no non-recurring charge was reported during the first quarter of 2024), and which had an impact of € 0.3 million on this segment, Adjusted EBITDA by segment came to € 7.4 million at 31 March 2024 against € 7.6 million at 31 March 2023. The result in terms of EBITDA in the Laundering&Sterilization business segment was linked to the trend in revenues, which has been already analyzed. Finally, this segment too benefited from the tax credit for electricity and natural gas recognized to cover a percentage of the costs incurred during the first quarter of 2023, equal to € 0.9 million, and not renewed for the 2024 financial year.

COSTS OF PRODUCTION

These costs, which amounted to € 275.9 million at 31 March 2024, showed an increase of € 5.1 million in absolute value compared to € 270.8 million at 31 March 2023 (+ 1.9%).

(in thousands of Euro) **For the quarter ended 31 March**

	2024	% of total	2023	% of total
Costs of raw materials and consumables	68,662	24.9%	68,369	25.2%
Change in inventories of finished and semi-finished products	(209)	N.A.	47	0.02%
Costs for services and use of third-party assets	79,295	28.7%	77,879	28.8%
Personnel costs	127,171	46.1%	122,455	45.2%
Other operating costs	2,296	0.8%	2,283	0.8%
Lower costs for internal work capitalized	(1,307)	N.A.	(230)	N.A.
TOTAL COSTS OF PRODUCTION	**275,908**	**100.0%**	**270,803**	**100%**

Costs of raw materials and consumables amounted to € 68.7 million during the first quarter of 2024, in line with the value posted in the first quarter of 2023 (+ € 0.3 million, + 0.4%), recording an impact equal to

24.9% on total Costs of Production (25.2% at 31 March 2023). The item showed two opposite effects, mainly linked to the costs for fuel consumption and other energy resources. In the first quarter of 2024 there was, in fact, (i) a decline in the price of raw materials compared to the same period of the previous year, when inflationary pressure, although decreasing, was most pronounced; (ii) offset in 2024 by the non-renewal of the tax credit granted under Decree Law no. 21 of 2022 (Conversion Law no. 51 of 20 May 2022), as supplemented, as partial compensation for the higher costs incurred for the purchase of electricity and natural gas, from which instead the first quarter of 2023 had benefitted for an amount of € 16.0 million.

Costs for services and use of third-party assets came to € 79.3 million at 31 March 2024, up by € 1.4 million compared to the value posted at 31 March 2023 (€ 77.9 million), with an impact equal to 28.7% on total Costs of production (28.8% in the comparative period). The trend in the related incidence of *Costs for services and use of third party assets* on the total was directly due to production activities (third-party and professional services, as well as consortia costs), which are typically linked to the mix of services being delivered and to any possible resulting make-or-buy choices.

Personnel costs showed an increase of € 4.7 million in absolute terms (+ 3.9%) from € 122.5 million at 31 March 2022 to € 127.2 million at 31 March 2024, with an impact equal to 46.1% at 31 March 2024 on total Costs of Production (against 45.2% at 31 March 2023).
The average number of employees in service during the first quarter of 2024 was equal to 24,992 units while it was 26,248 during the same period in the previous year (of which: 23,124 against 24,387 manual workers). As it was said for costs for services, the trend in the number of Group employees, and in particular manual workers, was closely related to the mix of services being delivered, as well as to the impact of related costs on total operating costs. Furthermore, adjustments to wages and salaries in line with the cost of living, particularly in France and Poland, were also significant in the quarter.

At 31 March 2024, there also was the recognition of *Capitalization of lower internal construction costs* for € 1.3 million (€ 0.2 million at 31 March 2023), relating to a service concession involving the initial implementation of long-term works for the integrated management of thermal and electrical energy supply and management services through subsidiary Cefalù Energia S.r.l..

Finally, *Other operating costs* at 31 March 2024 amounted to € 2.3 million, unchanged compared to 31 March 2023). This item mainly included taxes, penalties and other operating charges.

Operating income (EBIT)

In the first quarter of 2024 consolidated Operating Income (EBIT) stood at € 18.4 million (equal to 6.0% of Revenues) against € 22.0 million (equal to 7.0% of Revenues) for the same period in 2023.

EBIT for the period was affected by the above-mentioned consolidated performance in terms of EBITDA (- € 12.4 million compared to the same period of the previous year), from which must be deducted higher *amortization and depreciation* for € 0.7 million (€ 10.6 million at 31 March 2024, against €10.0 million in the same period of the previous year), and higher *write-downs* of trade receivables (net of releases) and other assets for € 0.2 million while adding lower *Accruals to provisions for risks and charges* (net of reversals) for € 9.7 million.

Adjusted EBIT (which recognized the same non-recurring items impacting on Adjusted EBITDA) came to € 19.0 million and € 22.9 million at 31 March 2024 and 31 March 2023, respectively, with relative profit margins (Adjusted EBIT/Revenues), equal to 6.2% and 7.3%, respectively.

Below is a comparison of Operating Income (EBIT) by business segment for the period ended 31 March 2024 and 31 March 2023:

EBIT by segment

(in thousands of Euro) **For the quarter ended 31 March**

	2024	% of Revenues by segment	2023	% of Revenues by segment
Facility Management	16,626	6.1%	20,090	7.2%
of which International markets	*3,266*		*(10,842)*	
Laundering&Sterilization	1,790	*4.8%*	1,864	4.7%
CONSOLIDATED EBIT	**18,416**	**6.0%**	**21,955**	**7.0%**

EBIT in the *Facility Management* segment came to € 16.6 million at 31 March 2024, showing a decrease of € 3.5 million compared to 31 March 2023, recording operating profit margins reaching 6.1% of segment Revenues (7.2% at 31 March 2023). Adjusted EBIT by segment showed a decrease from € 20.6 million at 31 March 2023 to € 17.2 million at 31 March 2024.

Adjusted EBIT by segment reflected the abovementioned performance in terms of Adjusted EBITDA (- € 12.5 million), from which must be deducted higher amortization and depreciation for € 0.7 million, and must be added lower accruals, net of releases on provisions for future risks and charges for € 9.7 million.

EBIT in the *Laundering&Sterilization* segment showed a decrease of € 0.1 million and profit margins of 4.8% in terms of EBIT on related Revenues by segment (4.7% at 31 March 2023).

Adjusted EBIT by segment decreased from € 2.2 million at 31 March 2023 to € 1.8 million at 31 March 2024, reflecting the performance in terms of Adjusted EBITDA during the first quarter of 2024 compared to the same period of the previous year (- € 0.1 million), as well as higher write-downs of trade receivables (net of releases) for € 0.3 million.

Profit before taxes from continuing operations

To the consolidated EBIT must be added the net proceeds of companies valued at equity, equal to € 0.1 million at 31 March 2024 (unchanged compared to the same period in the previous year).

As at 31 March 2024 there was the recognition of net financial charges of €12.5 million (€ 12.4 million at 31 March 2023), thus obtaining a Result before taxes from continuing operations of € 6.0 million (€ 9.6 million at 31 March 2023).

Below is provided the breakdown by nature of net financial charges for the first quarter of 2024 compared to the same period of the previous year:

(in thousands of Euro) **For the quarter ended 31 March**

	2024	2023
Dividends, income (charges) from sale of equity investments	4	(99)
Financial income	646	323
Financial charges	(13,154)	(12,306)
Profit (loss) on exchange rate	35	(329)
NET FINANCIAL CHARGES	**(12,469)**	**(12,411)**

In the first quarter of 2024 there was the recognition of dividends from non-consolidated companies for an amount less than € 0.1 million (not recognized at 31 March 2023) against net income from disposal of investments recognized for € 0.1 million in the first quarter of 2023 (not recognized at 31 March 2024).

Financial income of € 0.6 million was recorded at 31 March 2024, showing an increase compared to € 0.3 million posted in the same period of 2023.

On the other hand, during the period the impact of financial charges on the consolidated results of operations was equal to € 13.2 million compared to € 12.3 million for the same period of the previous year, recording an increase of € 0.8 million.

Specifically, the financial charges accrued on the coupons of the Senior Secured Notes amounted to € 6.5 million in the first quarter of 2024 (€ 6.2 million at 31 March 2023). The upfront fees relating to the issue of the Senior Secured Notes, accounted for according to the amortized cost method, entailed financial amortization charges of € 0.4 million during the period, in line with the same period of the previous year.
At the same time as the bond issue, the Parent Company Rekeep S.p.A. entered into a new Super Senior Revolving loan agreement for € 75.0 million, the costs of which (initially equal to € 1.3 million) are also amortized on a straight-line basis throughout the term of the credit facility, and entailed the payment of financial charges of € 0.2 million for the period (including commitment fees charged by banks), against € 0.3 million at 31 March 2023. Furthermore, the use of the credit facility during the first quarter of 2024 led to charging financial costs of € 0.3 million (€ 0.4 million at 31 March 2023). The facility was partially used to meet temporary cash requirements (if any) and was promptly repaid.
The confirming credit line of € 60 million entered into on 20 April 2023 by the parent company Rekeep S.p.A. with SACE Fct S.p.A., the factoring company of the SACE Group leading the transaction, and Banca Sistema S.p.A., entailed the payment of financial charges of € 0.6 million at 31 March 2024.
Interest discount costs were also recognized for € 1.0 million during the first quarter of 2024 in relation to non-recourse assignments of trade and VAT receivables (unchanged compared to the same period of the previous year). Furthermore, assignments with recourse and reverse factoring facilities generated financial costs of € 0.8 million at 31 March 2024, against financial costs of € 1.0 million at 31 March 2023.
Additional financial charges mainly concerned lease agreements (€ 0.5 million in the first quarter of 2024 against € 0.6 million in the first quarter of 2023), financial charges for discounting on contingent liabilities for the Put options granted to minority shareholders of Rekeep Polska and Rekeep France, respectively (€ 0.4 million at 31 March 2024 against € 0.3 million at 31 March 2023), and bank interest expense and financial charges on minor loans.
Finally, foreign exchange gains of a non-significant amount were recorded at 31 March 2024, mainly linked to the fluctuations in Euro exchange rates during the period (against losses of € 0.3 million at 31 March 2023).

Consolidated net result

From the Result before taxes from continuing operations for the period, equal to € 6.0 million, must be deducted taxes of € 4.1 million, thus obtaining a consolidated Net result of € 2.0 million (€ 5.8 million at 31 March 2023).

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

(in thousands of Euro) **For the quarter ended 31 March**

	2024	2023
Profit before taxes from continuing operations	**6,026**	**9,612**
Current, prepaid and deferred IRES tax	(2,918)	(2,324)
Current, prepaid and deferred IRAP tax	(1,152)	(1,458)
Consolidated net result	**1,956**	**5,830**
Overall tax rate	**67.5%**	**39.3%**

The Group recognized higher current, prepaid and deferred taxes for € 0.3 million compared to the same period of the previous year, against lower profit before taxes of € 3.6 million, affected by some items excluded from taxable base for tax purposes in the first quarter of 2023.

2.2. Analysis of the Statement of financial position as at 31 March 2024

The statement of Sources and Uses is reported below:

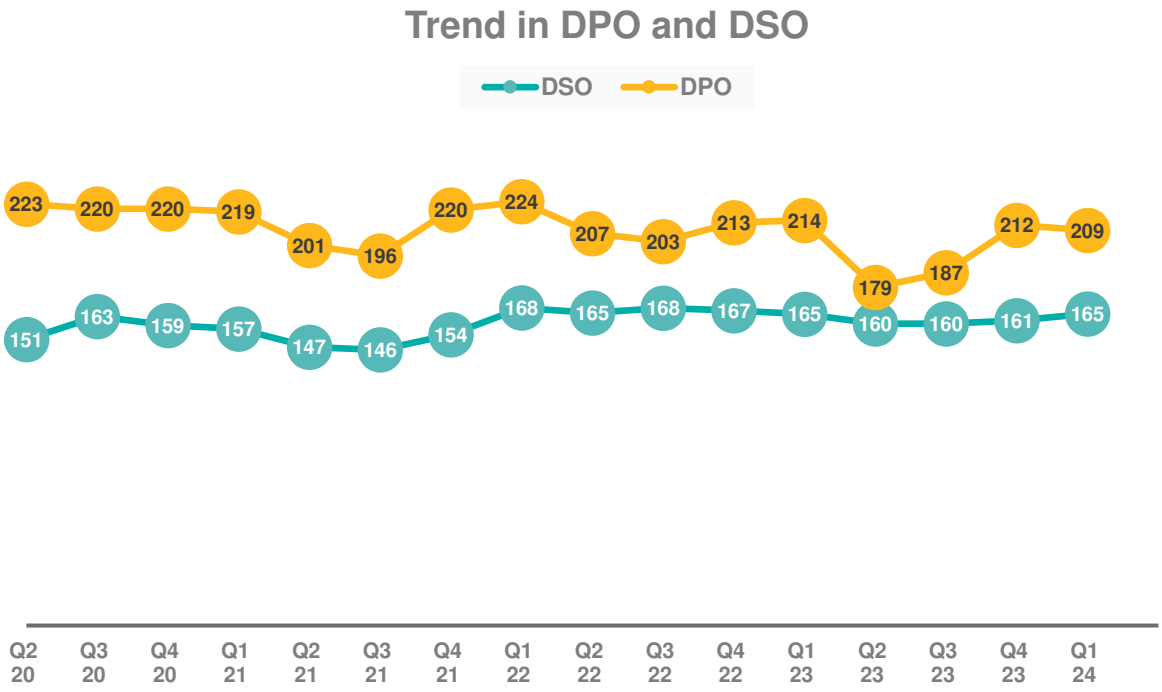
(in thousands of Euro)	31 March 2024	31 December 2023
USES		
Trade receivables and advances to suppliers	540,351	513,771
Inventories	13,441	13,373
Trade payables and contract liabilities	(432,730)	(422,958)
Net working operating capital	**121,062**	**104,186**
Other elements of working capital	(162,493)	(156,674)
Net working capital	**(41,431)**	**(52,488)**
Property, plant and equipment	122,358	117,543
Right-of-use assets	45,391	44,555
Goodwill and other intangible assets	423,441	424,431
Investments accounted for under the equity method	11,761	11,758
Other elements of non-current assets	33,549	34,004
Fixed Assets	**636,500**	**632,291**
Non-current liabilities	(55,407)	(56,815)
NET INVESTED CAPITAL	**539,662**	**522,988**
SOURCES		
Equity attributable to non-controlling interests	6,650	6,515
Equity attributable to equity holders of the parent	56,479	55,486
Shareholders' equity	**63,129**	**62,001**
Net financial indebtedness	476,533	460,987
of which fair value of call options on subsidiaries' non-controlling interests	*20,279*	*19,545*
FINANCING SOURCES	**539,662**	**522,988**

Net working capital

At 31 March 2024 Consolidated Net Working Capital (**NWC**) posted a negative value of € 41.4 million against a negative value of NWC of € 52.5 million at 31 December 2023.

At 31 March 2024, the consolidated Net Working Operating Capital (NWOC), composed of trade receivables and advances to suppliers and inventories, net of trade payables and contract liabilities, was equal to € 121.1 million against € 104.2 million at 31 December 2023. After considering the balance of receivables assigned without recourse by the Group, and not yet collected by the factoring agencies equal to € 51.8 million at 31 March 2024, and € 62.8 million at 31 December 2023, the Adjusted NWOC stood at € 172.9 million and € 167.0 million, respectively.
The change in the latter indicator (+ € 5.9 million) was linked to an increase in the balance of trade payables (- € 9.8 million), as well as to an increase in trade receivables (+ € 15.6 million, considering the balance of receivables assigned by the Group without recourse, and not yet collected by the factoring companies), and a change in the balance in inventories (+ € 0.1 million). At 31 March 2024, Adjusted NWOC continued to be affected by the effects arising from the growth in prices recorded in previous periods, including higher volumes recorded on both trade payables and receivables, and higher pressure from the suppliers of energy materials.

At 31 March 2024 average DSO was 165 days (in line with the value posted at 31 March 2023) against 161 days at 31 December 2023 while average DPO stood at 209 days, showing a decrease compared to the value posted at 31 December 2023 (212 days), and 31 March 2023 (214 days). The trends that were recorded in DSO, as well as in DPO, were also linked to the events that involved the energy sector, and the consequent actions put in place by the management, such as the reduction of the invoicing period and the use of available lines of credit.



The balance of the other elements in working capital at 31 March 2024 was a net liability of € 162.5 million, up by € 5.9 million compared to a net liability of € 156.7 million at 31 December 2023:

(in thousands of Euro)	31 March 2024	31 December 2023	Change
Current tax receivables	3,443	6,589	(3,146)
Other current assets	38,747	31,681	7,066
Provisions for risks and charges, current	(23,450)	(22,707)	(743)
Current tax payables	(336)	(142)	(194)
Other current liabilities	(180,897)	(172,095)	(8,802)
OTHER ELEMENTS IN WORKING CAPITAL	**(162,493)**	**(156,674)**	**(5,819)**

The change in the net liability of other working capital elements, compared to 31 December 2023 was due to a combination of factors, mainly including:

- an increase in the net VAT credit balances of the Group companies that are predominantly subject to a VAT invoicing system based on “Split payment” and “Reverse charge” (+ € 6.3 million). These credit balances allowed, during the first quarter of 2024, the performance of assignments without recourse of the balances on account of refund required from the Tax Authorities, for a total amount of € 3.5 million;
- the partial repayment of guarantee deposits on new annual electricity and gas utility contracts for € 0.8 million compared to the amounts outstanding at 31 December 2023;
- a decrease in the balance of net current tax receivables, equal to € 3.1 million at 31 March 2024 against a net receivable of € 6.4 million at 31 December 2023.

Furthermore, “Other current liabilities” include the residual balance of € 53.1 million (€ 55.2 million at 31 December 2023), of the liability recorded by the Parent Company Rekeep S.p.A. following the service of the Competition Authority’s updated order concerning the Consip FM4 tender, and the subsequent entry of the requested amount in the taxpayers’ list on the part of the Revenue Agency, subject to a payment plan of no. 72 monthly installments sent on 22 December 2020 (initially equal to € 82.2 million). On 19 April 2024, the Revenue Agency accepted the Parent Company's request to extend the aforesaid plan, thus transmitting a new monthly installment plan in 62 installments expiring in May 2029. For further details, please refer to the information provided in paragraph 4 - "Subsequent events " below.

Other long-term liabilities

“Other long-term liabilities” include liabilities relating to:

- defined-contribution plans for employee benefits, mainly including Employee Termination Benefits (TFR), equal to € 10.4 million at 31 March 2024 (unchanged compared to 31 December 2023);
- the long-term portion of Provisions for risks and charges (€ 30.4 million at 31 March 2024 against € 31.7 million at 31 December 2023);
- deferred tax liabilities of €14.5 million (€ 14.6 million at 31 December 2023);
- other non-current liabilities, equal to € 0.1 million at 31 March 2024, in line with the balance at 31 December 2023.

Consolidated financial indebtedness

The breakdown of financial indebtedness at 31 March 2024 is reported below, as determined on the basis of the instructions laid down in CONSOB Communication no. DEM/6064293 of 28 July 2006, as amended by the Guidelines issued by ESMA (“European Securities and Markets Authority”) on disclosure requirements (ESMA32-382-1138 of 4 March 2021) and implemented by CONSOB itself in Warning Notice no. 5/21 of 29 April 2021 - "*Compliance with ESMA Guidelines on disclosure requirements under the Prospectus Regulation*”.

The breakdown at 31 March 2024 is compared with the figures at 31 December 2023.

(in thousands of Euro)	31 March 2024	31 December 2023
A. Cash	181	166
B. Cash equivalents (c/a, bank deposits and consortia, non-proprietary accounts)	55,146	76,646
C. Other current financial assets	11,221	15,545
D. Liquidity (A) + (B) + (C)	**66,548**	**92,357**
E. Current financial liabilities	115,466	102,544
F. Current portion of non-current debt	33,578	52,583
G. Current financial indebtedness (E)+(F)	**149,044**	**155,126**
H. Current net financial indebtedness (G) - (D)	**82,496**	**62,769**
I. Non-current financial liabilities	27,429	32,039
J. Debt instruments	366,608	366,179
K. Trade payables and other non-current payables	0	0
L. Non-current financial indebtedness (I) + (J) + (K)	**394,037**	**398,218**
M. TOTAL FINANCIAL INDEBTEDNESS (H) + (L)	**476,533**	**460,987**

Consolidated financial indebtedness increased from € 461.0 million at 31 December 2023 to € 476.5 million at 31 March 2024.

Work continued during the first quarter of 2024 on the assignments of trade receivables without recourse to factoring companies, including BFF Bank S.p.A., with which the Parent Company Rekeep S.p.A. and other subsidiaries have in place a maturity factoring agreement concerning the assignment, without recourse and on a revolving basis, of receivables claimed by the same companies from Entities in the National Health System and Public Authorities, for an amount of up to € 300 million, and which was renewed for the last time on 14 January 2022 and amended on 31 January 2024 to extend its term until 25 January 2028. Furthermore, additional relationships are maintained with factoring companies for converting specifically-agreed credit positions into cash, which are claimed from both Entities in the National Health System and Public Authorities and private individuals. Assignments of trade receivables without recourse that were carried out by the Group in the first quarter of 2024 amounted to a total of € 64.7 million, in addition to assignments of VAT credits requested for refund for a total of € 3.5 million. The entire loan portfolio sold under non-recourse contracts was derecognized in accordance with the provisions of IFRS9.

The consolidated adjusted financial debt for the amount of trade receivables assigned without recourse to factoring companies, which had not been collected by the latter at the reporting date (totaling € 51.8 million

at 31 March 2024 against € 62.8 million at 31 December 2023) amounted to € 528.4 million at 31 March 2024 against € 523.8 million at 31 December 2023.
Financial indebtedness also included the contingent financial liability related to the fair value measurement of options on the minority interest of the subsidiaries Rekeep Polska S.A. and Rekeep France S.a.S., which totaled € 20.3 million at 31 March 2024 (€ 19.5 million at 31 December 2023).

The balance of cash and cash equivalents, net of short-term lines of credit ("Net Cash"), showed a debt of € 1.5 million at 31 March 2024 (€ 31.1 million at 31 December 2023):

(in thousands of Euro)	31 March 2024	31 December 2023
Cash and cash equivalents	55,327	76,812
Current bank overdraft, advance payments and hot money	(35,047)	(27,549)
Obligations arising from assignments of trade receivables with recourse	(21,731)	(18,183)
NET CASH	**(1,451)**	**31,080**

Below is a breakdown of the net financial exposure by bank credit lines and lease agreements (Net Debt) at 31 March 2024 compared to the value posted at 31 December 2023:

(in thousands of Euro)	31 March 2024	31 December 2023
Senior Secured Notes (nominal value)	370,000	370,000
Bank debts (nominal value)	25,136	37,152
Financial lease liabilities	42,575	41,697
Current bank overdraft, advance payments and hot money	35,047	27,549
Obligations arising from assignments of receivables with recourse	21,731	18,183
Reverse factoring payables	8,583	16,633
GROSS DEBT	**503,072**	**511,214**
Current financial assets	(11,221)	(15,545)
Cash and cash equivalents	(55,327)	(76,812)
NET DEBT	**436,524**	**418,857**

At 31 March 2024 there was the recognition of a lower exposure for bank debt for € 12.0 million compared to 31 December 2023 following the repayment of an additional installment of the confirming loan, which had been signed with SACE Factoring S.p.A. in April 2023 for payments to suppliers, and which entailed on the other hand the recognition of a 18-month loan with a residual value equal to € 24.0 million at 31 March 2024.

During the first quarter of 2024 there was also the recognition of higher uses of credit lines for the assignment with recourse of trade receivables (+ € 3.5 million compared to 31 December 2023), and higher uses of Current bank overdraft, advance payments and hot money (+ € 7.5 million compared to 31 December 2023), against a lower use of reverse factoring lines (- €8.1 million compared to 31 December 2023).

At 31 March 2024 current financial assets decreased by € 4.3 million compared to 31 December 2023. On 9 February 2024 Rekeep S.p.A. obtained the full release of the sums pledged as cash collateral for gas supply contracts, equal to € 12.4 million at the end of the previous year. On the other hand, there was an increase in receivables from factoring firms in the quarter under the aforementioned contracts for the non-recourse assignment of trade receivables (€ 7.9 million at 31 March 2024 against € 0.8 million at 31 December 2023).

The change in Cash and cash equivalents is analyzed in the table below, showing the cash flows for the first quarter of 2024, compared with the figures for the same period of the previous year. A reconciliation between the items in the table below, and those in the statutory schedule of the Interim Report on Operations shown in the condensed Explanatory notes pursuant to IAS 7 is reported in the Annexes, to which reference should be made.

(in thousands of Euro)	2024	2023
At 1 JANUARY	**76,812**	**84,243**
Cash flow from current operations	17,297	30,156
Uses of provisions for risks and charges and for employee termination indemnity	(2,213)	(1,681)
Change in NWOC	(16,519)	(41,937)
Industrial Capex net of disposals	(12,821)	(10,482)
Financial Capex net of disposals	(346)	11,963
Change in net financial liabilities	(5,940)	8,993
Other changes	(944)	(7,834)
AT 31 MARCH	**55,327**	**73,422**

The overall cash flows mainly reflect:

- a flow generated from current operations for € 17.3 million (against inflows of € 30.2 million at 31 March 2023);
- outflows from the use of provisions for future risks and charges and for employee termination benefits for € 2.2 million (€ 1.7 million at 31 March 2023);

- a cash flow used for changes in NWOC for € 16.5 million (€ 41.9 million at 31 March 2023) resulting from an outflow correlated to an increase in trade receivables for € 15.6 million (- € 23.0 million during the first quarter of 2023), an increase in inventories for € 0.1 million (against an outflow of € 0.7 million at 31 March 2023), and a decrease in trade payables for € 9.8 million (against an inflow of € 18.2 million at 31 March 2023);
- a cash outflow of € 12.8 million used in industrial investments (€ 10.5 million during the first quarter of 2023), net of disposals for € 0.8 million (€ 0.6 million in the same period of the previous year);
- a flow absorbed by financial investments and disinvestments of € 0.4 million during the first quarter of 2024, due to the effects of deconsolidation of a consortium company put into liquidation in the first months of the year; on the contrary, at 31 March 2023 there had been the generation of cash flows from financial investments and disinvestments of €12.0 million, mainly related to the sums pledged as cash collateral for gas supply contracts, of which an amount of € 4.5 million was repaid in the period and an amount of € 12.4 million reclassified to short-term financial receivables, in addition to cash outflows for the acquisition of the "Major Customers" business unit (€ 0.8 thousand) and from the deconsolidation of some consortium companies put in liquidation;
- a decrease in net financial liabilities of € 5.9 million, mainly due to (i) net changes relating to the use of short-term credit lines for hot money and advances on invoices (+ € 7.5 million), reverse factoring (- € 8.1 million), and assignments with recourse of trade receivables (+ € 3.5 million); (ii) a higher liability recognized against factoring firms for amounts received on receivables that had been previously assigned without recourse, and returned to them in the subsequent quarter (+ € 4.5 million); (iii) a change in the balance of accrued interest (- € 6.9 million); (iv) a decrease in the amount of the loans following the repayment of an additional installment of the confirm line signed with SACE Fct for € 12.0 million; (v) an increase in financial liabilities recognized on leases (+ € 0.9 million); (vi) the effects of the fair value adjustment of the contingent liability for put options on minority interests (+ € 0.7 million). During the same period of the previous year there had been an increase in net financial liabilities for € 9.0 million, which was mainly due to (i) changes relating to the use of short-term credit lines for hot money and advances on invoices (+ € 1.1 million), reverse factoring (+ € 11.4 million), and assignments with recourse of trade receivables (+ € 12.3 million); (ii) a higher liability recognized against factoring firms for amounts received on receivables that had been previously assigned without recourse and returned to them in the subsequent quarter (+ € 0.4 million); (iii) a change in the balance of accrued interest (- € 7.1 million); (iv) the increase in financial liabilities recognized on lease agreements (+ € 0.1 million); (v) the short-term reclassification of sums pledged as cash collateral for gas supply contracts and not yet repaid (- € 12.4 million); (vi) the effects of the fair value adjustment of the contingent liability, at the end of the period, for put options on minority interests (+ € 0.3 million);
- an outflow arising from other changes recorded in the period for € 0.9 million, mainly due to the net effect of: (i) the cash flow absorbed by the trend in net VAT credit balance for the Group companies, which increased by € 6.3 million during the period, against non-recourse assignments totaling € 3.5 million; (ii)

the changes in debt balances for payments due to the members of the Temporary Business Grouping for (+ € 2.3 million); (iii) an increase in payables for personnel for € 10.4 million; (iv) a decrease, among "Other operating current liabilities", in the payable related to the fine imposed by the Competition Authority in relation to the Consip FM4 Tender (- € 2.1 million); (v) the partial repayment of receivables for guarantee deposits paid on new annual electricity and gas utility contracts (+ € 0.8 million). Other changes during the first quarter of 2023 absorbed total flows of € 7.8 million, mainly due to the net effect of: (i) the cash flow absorbed by the trend in net VAT credit balance for the Group companies, which increased by € 7.7 million during the period, albeit against non-recourse assignments totaling € 3.9 million; (ii) the changes in debt balances for payments due to the members of the Temporary Business Grouping for (+ € 0.6 million); (iii) an increase in payables for personnel for € 8.2 million; (iv) a decrease, among "Other operating current liabilities", in the payable related to the fine imposed by the Competition Authority in relation to the Consip FM4 Tender (- € 2.6 million); (v) an increase in tax credits, mainly following the recognition of the tax credit on electricity and gas consumption (- € 4.4 million) and receivables for guarantee deposits paid on new annual electricity and gas utility contracts (- € 1.8 million). Other changes during the first quarter of 2022 absorbed total flows of € 7.6 million, mainly due to the net effect of: (i) the performance of the net VAT credit balance of the Group companies, which increased by € 6.4 million in the first quarter of 2022, albeit against non-recourse assignments totaling € 3.5 million; (ii) the accounting effects of the recognition of contingent liabilities connected with the options to purchase minority interests in subsidiaries (- € 0.1 million); (iii) changes in debt balances for payments due to the members of the Temporary Business Grouping for (- € 2.4 million); (iv) and an increase in payables for personnel for € 1.9 million.

Industrial and financial capex

In the first quarter of 2024 the Group made gross capital expenditure which totaled € 13.6 million (€ 11.1 million in the same period of the previous year), from which must be deducted disinvestments of € 0.8 million (€ 0,6 million in the same period of the previous year):

(in thousands of Euro) **For the period end 31 March**

	2024	2023
Acquisition of owned properties	27	0
Acquisition of owned plant and equipment	12,478	8,168
Acquisition of rights of use of properties[1]	130	0
Acquisition of rights of use of plant and equipment[1]	365	1,933
Other investments in intangible assets	581	963
INDUSTRIAL CAPEX	**13,581**	**11,064**

Acquisitions of company-owned plant and equipment related to investments of € 4.8 million in the "centralized kitchens" project with Cook&Chill technology to support the catering services provided by the Polish sub-group (€ 1.6 million at 31 March 2023). During the first quarter of 2024, Servizi Ospedalieri S.p.A. acquired linen for the linen rental and industrial laundering business, which requires periodic and frequent repairs, for € 4.5 million (€ 3.6 million at 31 March 2023), and surgical instruments for € 0.4 million (€ 1.5 million at 31 March 2023).

A portion of the period's investments in surgical instrumentation at Servizi Ospedalieri was also made under lease agreements (€ 0.4 million at 31 March 2024 and € 1.7 million at 31 March 2023).

[1] Excluding the increase in rights of use for lease and long-term hire agreements.

Investments in intangible assets amounted to € 0.6 million in the period (€ 0.9 million at 31 March 2023) and mainly related to ICT investments by the Parent Company for the upgrading and enhancement of its SAP infrastructure and other similar investments.

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

(in thousands of Euro) **For the quarter end 31 March**

	2024	2023
Facility Management	7,228	3,532
of which relating to International markets	*5,085*	*2,457*
Laundering & Sterilization	6,353	7,531
INDUSTRIAL CAPEX	**13,581**	**11,064**

Financial investments made during the first quarter of 2024, net of disinvestments, absorbed resources for € 0.4 million for the deconsolidation of a consortium company put in liquidation during the first months of 2024. On the other hand, there was the recognition of cash generation of € 12.0 million during the same period of the previous year, mainly related to the sums pledged as cash collateral for gas supply contracts, of which an amount of € 4.5 million was repaid in the period, and an amount of € 12.4 million was reclassified to short-term financial receivables, partly offset by cash outflows for the acquisition of the "Major Customers" business unit (€0.8 thousand), and for the deconsolidation of some consortium companies put in liquidation.

Change in net financial liabilities

The table below shows the changes that were recorded in the period in the items making up consolidated financial liabilities:

(in thousands of Euro)	31 December 2023	New loans	Refunds/ Repayments	Buy-back/ Early redemption	Other changes	31 March 2024
Senior Secured Notes	366,179				430	366,608
Revolving Credit Facility RCF)	0	25,000	(25,000)			0
Bank loans	37,152		(12,016)			25,136
Current bank overdraft, advance payments and hot money	27,549	35,047	(27,549)			35,047
Accrued expenses and deferred income on loans	11,628		(13,413)		6,363	4,579
BANK DEBTS	**442,508**	**60,047**	**(77,978)**	**0**	**6,793**	**431,370**
Lease liabilities	41,697	3,803	(962)	(190)	(1,772)	42,575

(in thousands of Euro)	31 December 2023	New loans	Refunds/ Repayments	Buy-back/ Early redemption	Other changes	31 March 2024
Payables for assignments of trade receivables with recourse	18,183	15,302	(11,755)			21,731
Payables for reverse factoring	16,633	8,583	(16,633)			8,583
Receipts on behalf of assignees of trade receivables without recourse	11,387	15,909	(11,387)			15,909
Fair value put option	19,545				734	20,279
Other financial liabilities	3,391		(758)			2,633
FINANCIAL LIABILITIES	**553,344**	**103,645**	**(119,473)**	**(190)**	**5,755**	**543,081**
Current financial assets	(15,545)	(8,999)	13,323			(11,221)
NET FINANCIAL LIABILITIES	**537,799**	**94,646**	**(106,150)**	**(190)**	**5,755**	**531,860**

The residual debt for principal relating to the Senior Secured Notes was equal to € 370.0 million at 31 March 2024, to which must be added the accounting adjustment on the premium and additional issue costs, accounted for according to the amortized cost method (€ 3.4 million). The financial amortization of this adjustment generated financial costs for € 0.4 million during the first quarter of 2024. The facility also entailed the payment of periodic six-monthly interest, which affected the period for € 6.5 million (€ 6.2 million in the same period of the previous year).

At the same time as the issue of Notes the Parent Company also signed a new revolving loan agreement in a maximum amount of € 75 million. The facility was partially used during the period in order to meet any temporary cash requirements, and was promptly repaid (the RCF had not been drawn down at 31 March 2024); the uses for the period led to financial interest costs being charged for € 0.3 million during the first quarter of 2024 (€ 0.4 million at 31 March 2023).
The Super Senior Revolving loan agreement provides for compliance with a financial covenant, which is preliminary to the possible use of the line granted. This financial covenant is in line with the market practice for similar financing transactions and is recognized on a quarterly basis on the basis of the data relating to the last 12 months, as resulting from the financial position, results of operations and cash flows approved during the quarter prior to the date of the application for use of the credit facility. The financial ratios had been complied with at the reporting date of these financial statements.

At 31 March 2024 bank loans showed, compared to the balance at 31 December 2023, a decrease as a result of the repayment of an additional installment of the confirming credit line made available by SACE Fct S.p.A., and Banca Sistema with counter-guarantee of SACE S.p.A. for an initial nominal amount of € 60 million, which may be repaid in 18 months as from 30 September 2023, signed by the Parent Company

Rekeep S.p.A.. The loan, impacting for € 0.6 million on financial charges for the quarter, showed a residual debt of € 24.0 million at the end of the period. The available credit line was used in full to pay debts to its suppliers and subcontractors.

Furthermore, at 31 March 2024 there was the recognition of accrued expenses on loans in a total amount of € 5.2 million (almost entirely related to the amount accrued on the bond coupon due 1 August 2024), and prepaid financial expenses of € 0.6 million, of which an amount of € 0.4 million relating to the remaining amount of costs to be amortized for obtaining the Revolving Credit Facility, for an initial amount of € 1.3 million and amortized on a straight-line basis throughout the term of the credit facility (financial charges of € 0.2 million recognized in the period).

As at the reporting date of the period short-term uncommitted credit lines had also been used for hot money and advances on invoices for € 35.0 million, aimed at meeting peaks in temporary cash requirements linked to the natural performance of operations, against a balance of € 27.5 million at 31 December 2023. Furthermore, Rekeep S.p.A. and Servizi Ospedalieri S.p.A. used credit lines for the assignment of trade receivables with recourse with Banca Sistema, concerning receivables from customers in the Public sector. During the first quarter of 2024 assignments were made in an overall nominal amount of € 15.3 million while the lines had been used for € 21.7 million at the end of the period (€ 18.2 million at 31 December 2023). The Parent Company also entered into reverse factoring lines in order to ensure a greater amount of cash on some significant suppliers, against which a liability of € 8.6 million was also recognized at 31 March 2024 (€ 16.6 million at 31 December 2023).

The Group recorded receipts at 31 March 2024 concerning receivables included in non-recourse assignments for which the respective debtors have not made any payment to the bank accounts specified by the factor, for a value of € 15.9 million. These amounts constitute a financial liability for the Group, since it acts as an agent for the management of receipts on behalf of the factor, which therefore gave rise to the payment of said amounts in the first days of the subsequent quarter.

The financial liabilities relating to the present value of future lease payments to be made on leasing, property lease and operating leases amounted to € 42.6 million at 31 March 2024 (against € 41.7 million at 31 December 2023). During the period, new agreements were entered into and rentals were revalued for a present value of € 3.8 million upon recognition, while contracts with a residual value of € 0.2 million were early terminated.

Finally, contingent liabilities were recognized under financial liabilities for the acquisition of investments for a total amount of € 20.3 million (€ 19.5 million at 31 December 2023), relating to the put option granted to the seller on the 20% minority interest under the Investment Agreement which led to the acquisition of Rekeep Polska and the group it controls, in addition to the put option granted in favor of the minority shareholder

Rekeep France on the remaining 30% of the share capital, both of which had been already recognized at 31 December 2023.

Finally, “Other financial liabilities” included loans taken out by Group companies against non-banking counterparties. The balance of € 2.6 million at 31 March 2024 showed a decrease during the period, mainly due to the partial repayment of the debt to the parent company MSC S.p.A. for the acquisition of the property lease agreement with MPS Leasing & Factoring S.p.A. concerning the registered office of the Parent Company Rekeep (a residual value of € 0.4 million at 31 March 2024).

The balance of short-term financial assets showed a decrease of € 4.3 million in the first quarter of 2024, mainly as a result of the release, on 9 February, of the sums pledged as cash collateral for gas supply contracts and not yet repaid as at the end of the period in the amount of € 12.4 million. At the end of the period, financial assets also included the balance of the current accounts subject to pledge used within the scope of the aforementioned agreements for the non-recourse assignment of trade receivables (€ 5.4 million), and other financial receivables from factoring firms within the scope of the same contracts, amounting to € 2.5 million.

3. Update on legal proceedings

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

International arbitration of subsidiary Rekeep Saudi CO Ltd

On 10 April 2023, the 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 of four lines of the Riyadh Metro, which was promptly rejected. On 10 May 2023, the subsidiary 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, which was served on the opposing party on 30 May 2023. Subsequently, the opposing party OPS filed its counterarguments by submitting its own claim for damages, and asked and obtained 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. Finally, on 31 January 2024, Rekeep Saudi filed a brief on the status of the case with the Arbitration Court while on 1 May 2024 the opposing party OPS filed its defense brief. Within the next 15 days, each party may request the production of other documentation, which at present has not yet been provided; after which the parties will have a term of further 15 days to reply to

the aforementioned requests for production of documents; following the exchange of the aforementioned requests and any possible objections, the Arbitration Panel will decide on the matter.

The Management believes that the subsidiary has fulfilled its obligations under the contract, and intends to defend its position. The Metro Riyadh contract was not included in the consolidated backlog as at 31 March 2024.

A detailed report on the administrative procedures in progress and further assessments made by the Directors at the end of the reporting period of the Consolidated Financial Statements at 31 March 2024 are included in the condensed explanatory notes (notes 13 and 14), to which reference is made.

4. Subsequent events

Extension of the term of the installment payment plan of the Competition Authority's fine "AGCM FM4"

On 19 April 2024, the Revenue Agency – Collection Department accepted the Parent Company Rekeep's request to extend the term of the debt installment plan for the payment of the Competition Authority's fine "AGCM FM4", originally amounting to €82.2 million (including collection charges), which had been sent on 20 December 2020. At the same time, the Revenue Agency sent the Company a new installment plan for the repayment of the remaining debt resulting from the previous plan, which then amounted to €45.6 million (including collection charges of €1.3 million), made up of 62 monthly installments, starting from April 2024 and expiring in May 2029. The new installment payment plan is formulated according to the "increasing variable installment" criterion, which envisages initial installments of a smaller amount compared to the fixed installment amortization schedule (French-style amortization), but increasing and gradually higher in subsequent years. With the exception of the term, the new installment payment plan incorporates the same terms and conditions as the previous one, which provided for a total of 72 monthly installments, expiring in December 2025.

Before amending the pre-existing installment payment plan, in April 2024 the Parent Company arranged for the payment of some of the installments, which were then overdue and unpaid under the suspension provided for by the legislative measures enacted during the Covid-19 emergency (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"), and which had become due and payable on 31 August 2021, thus incurring an outlay totaling € 7.2 million (€ 6.8 million on account of principal, and € 0.4 million on account of collection charges). The additional suspended installments remaining on 19 April 2024 were rescheduled under the new installment payment

plan: therefore, the Company had no overdue and unpaid installments on the same plan as at the date of this report.

Under the installment payment plan sent on 19 April, the Parent Company Rekeep achieved the deferment of the conclusion of the payment plan for the “AGCM FM4' fine by more than three years, from December 2025 to May 2029. Moreover, in the coming months the Company will benefit from a reduction in the monthly installment, which will have a lower impact on cash outflows incurred on a monthly basis. Finally, the absence of overdue installments will result in savings in terms of additional collection charges, which would have been due for each installment overdue and unpaid for more than 60 days,

5. Business outlook

The gradual decrease in inflationary pressure in recent months, and the forecasts for the following months, will allow the Rekeep Group to concentrate its efforts on putting the results achieved so far on a sound footing in a structured manner in all business sectors as far as the domestic perimeter is concerned, and to sustain business development in the foreign perimeter, thanks to new business opportunities in the Arabian peninsula, and the commissioning of the first centralized kitchen with the mew Cook&Chill technology for the production of meals in Poland, which is expected in the coming months. Therefore, the Group confirms the targets stated in the Group Plan 2024-2026, which was approved in February. Anyway, the Management continues to monitor developments in the international geo-political and economic scenario, in order to seize in good time any signs that might herald a change in the trend from that observed so far.

In the coming months, the Directors will continue their work on analyses in order to find the best solutions to deal with the Group’s situation, and make the debt sustainable, including the possibility of partially refinancing the Senior Secured bond, procuring any other possible sources of financing and carve-outs (sale of assets or disposal of equity investments).

As at the date of preparation of this report, the aforementioned assessments, as well as the work envisaged by the mandate given to leading national and international advisors in order to design the best strategy and identify any possible counterparties, were still in progress. Finally, the Group's sole shareholder confirms its commitment 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.

Consolidated Interim Financial Statements

rekeep

Interim condensed consolidated financial statements

Consolidated statement of financial position

(in thousands of Euro)	NOTES	31 March 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	3	122,358	117,543
Property, plant and equipments under lease	4	45,391	44,555
Goodwill	5-6	406,550	406,700
Other intangible assets	5	16,891	17,731
Investments accounted for under the equity method	7	11,761	11,758
Other investments	8	5,996	5,996
Non-current financial assets	8	6,889	6,929
Other non-current assets	8	3,799	4,607
Deferred tax assets		16,865	16,472
TOTAL NON-CURRENT ASSETS		**636,500**	**632,291**
CURRENT ASSETS			
Inventories		13,441	13,373
Trade receivables and advances to suppliers	9	540,351	513,771
Current tax receivables		3,443	6,589
Other current assets	9	38,747	31,681
Current financial assets	11	11,221	15,545
Cash and cash equivalents	11	55,327	76,812
TOTAL CURRENT ASSETS		**662,530**	**657,771**
Assets held for sale		0	0
TOTAL NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,299,030**	**1,290,062**

(in thousands of Euro)	NOTES	31 March 2024	31 December 2023
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		6,038	7,769
Retained earnings		(60,466)	(48,212)
Profit/(loss) for the year attributable to equity holders of the Parent		1,757	(13,221)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**56,479**	**55,486**
Capital and reserves attributable to non-controlling interests		6,451	5,825
Profit/(loss) for the year attributable to non-controlling interests		199	690
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**6,650**	**6,515**
TOTAL SHAREHOLDERS' EQUITY	10	**63,129**	**62,001**
NON-CURRENT LIABILITIES			
Employee termination indemnity	12	10,361	10,419
Provisions for risks and charges, non-current	13	30,427	31,692
Long-term financial debt	11	394,037	398,218
Deferred tax liabilities		14,538	14,619
Other non-current liabilities		81	85
TOTAL NON-CURRENT LIABILITIES		**449,444**	**455,033**
CURRENT LIABILITIES			
Provisions for risks and charges, current	13	23,450	22,707
Trade payables and contract liabilities	15	432,730	422,958
Current tax payables		336	142
Other current liabilities	15	180,897	172,095
Bank borrowings, including current portion of long-term debt, and other financial liabilities	11	149,044	155,126
TOTAL CURRENT LIABILITIES		**786,457**	**773,028**
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		**1,299,030**	**1,290,062**

Consolidated statement of profit (loss) for the period

(in thousands of Euro)	NOTES	For the quarter ended 31 March 2024	For the quarter ended 31 March 2023
REVENUE			
Revenue from contracts with customers		304,261	311,977
Other revenue		1,861	1,396
TOTAL REVENUE		**306,122**	**313,373**
OPERATING COSTS			
Costs of raw materials and consumables		(68,662)	(68,369)
Change in inventories of finished and semi-finished products		209	(47)
Costs for services and use of third-party assets		(79,295)	(77,879)
Personnel costs		(127,171)	(122,455)
Other operating costs		(2,296)	(2,283)
Lower costs for internal work capitalized		1,307	230
Amortization, depreciation, write-downs and write-backs of assets	3-4-5	(10,916)	(10,022)
Accrual (reversal) to provisions for risks and charges	13	(882)	(10,593)
TOTAL OPERATING COSTS		**(287,706)**	**(291,418)**
OPERATING INCOME		**18,416**	**21,955**
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	7	79	68
Dividend and net income/(loss) from sale of investments		4	(99)
Financial income		646	323
Financial expenses		(13,154)	(12,306)
Gains / (losses) on exchange rate		35	(329)
Profit/(loss) before taxes		**6,026**	**9,612**
Income taxes		(4,070)	(3,782)
Profit/(loss) from continuing operations		**1,956**	**5,830**
Profit/(loss) from discontinued operations		0	0
Net profit (loss) for the period		**1,956**	**5,830**
Net profit (loss) attributable to non- controlling interests		(199)	(312)
NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**1,757**	**5,518**

	For the quarter ended 31 March 2024	For the quarter ended 31 March 2023
Basic earnings/(losses) per share	0.016	0.051
Diluted earnings/(losses) per share	0.016	0.051
Basic earnings/(losses) per share from continuing operations	0.016	0.051
Diluted earnings/(losses) per share from continuing operations	0.016	0.051

Consolidated statement of other comprehensive income

(in thousands of Euro)	NOTES	For the quarter ended 31 March 2024	For the quarter ended 31 March 2023
NET PROFIT/LOSS FOR THE PERIOD		**1,956**	**5,830**
Other components of the comprehensive income, which will be subsequently reclassified under profit/(loss) for the period:			
Differences arising from translation of financial statements in foreign currency		(688)	571
Share of other comprehensive income for the period of entities accounted for using the equity method, which will be subsequently reclassified under profit/(loss) for the period	7	(119)	(1)
Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/(loss) for the period		**(807)**	**569**
TOTAL PROFIT/(LOSS) IN THE STATEMENT OF COMPREHENSIVE INCOME, NET OF TAXES		**(807)**	**569**
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAXES		**1,149**	**6,399**
Equity holders of the Parent		993	6,120
Non-controlling interests		157	279

Consolidated statement of cash flow

(in thousands of Euro)	NOTES	For the quarter ended 31 March 2024	For the quarter ended 31 March 2023
Net profit (loss) from continuing operations		1,956	5,830
Income taxes for the period		4,070	3,782
Profit before taxes for the period		6,026	9,612
Amortization, depreciation, write-downs and (write-backs) of assets		10,916	10,022
Accrual (reversal) of provisions for risks and charges		882	10,593
Employee termination indemnity provision		423	39
Payments of employee termination indemnity		(481)	(389)
Utilization of provisions for risks and charges		(1,731)	(1,292)
Share of net profit of associates, net of dividends collected		(79)	(68)
Financial charges (income) for the period		12,768	12,131
Operating cash flows before movements in working capital		**28,724**	**40,648**
Decrease (increase) of inventories		(68)	(772)
Decrease (increase) of trade receivables		(26,618)	(22,965)
Decrease (increase) of other current assets		(6,469)	(14,341)
Increase (decrease) of trade payables		10,167	(18,199)
Increase (decrease) of other current liabilities		8,236	5,384
Change in Working Capital		**(14,751)**	**(50,894)**
Net interest received (paid) in the period		(11,055)	(17,811)
Income taxes paid in the period		(1,212)	609
Net cash flow from operating activities		**1,706**	**(27,448)**
(Purchase of intangible assets, net of sales)	5	(574)	(963)
(Purchase of property, plant and equipment)	3-4	(12,999)	(10,101)
Proceeds from sales of property, plant and equipment	-4	752	582
(Net acquisition of investments)		(86)	(1,300)
Decrease (increase) of financial assets		8,641	4,067
Financial effects of business combinations		0	(627)
Net cash flow from (used in) investing activities		**(4,266)**	**(8,342)**
Lease payments	11	(962)	(886)
Repayment of non-current borrowings	11	(12,000)	(120)
Proceeds from/(repayment of) current borrowings	11	7,498	1,058
Other change in financial debt	11	(12,751)	24,628
Dividends distributed		(10)	(48)
(Acquisition)/sale of minority interests in subsidiaries		12	(233)
Differences from financial statements translation in foreign currency		(739)	588
Net cash flow from / (used in) financing activities		**(18,953)**	**24,987**
Changes in cash and cash equivalents		**(21,513)**	**(10,804)**
Cash and cash equivalents at the beginning of the period		76,812	84,243

(in thousands of Euro)	NOTES	For the quarter ended 31 March 2024	For the quarter ended 31 March 2023
Changes in cash and cash equivalents		(21,513)	(10,804)
Translation differences on cash and cash equivalents		28	(17)
Cash and cash equivalents at the end of the period		**55,327**	**73,422**
Details of cash and cash equivalents:			
Cash and bank current accounts		55,327	73,422
TOTAL CASH AND CASH EQUIVALENTS		**55,327**	**73,422**

Supplementary information

(in thousands of Euro)	For the quarter ended 31 March 2024	For the quarter ended 31 March 2023
Interest paid	(11,678)	(18,134)
Interest received	623	323
Dividends paid	(10)	(48)
Dividends received	4	4

Consolidated statement of changes in shareholders' equity

	Share Capital	Reserves	Retained earnings	Result for the period	Total Shareholders' equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total Shareholders' equity
1 January 2024	**109,150**	**7,769**	**(48,212)**	**(13,221)**	**55,486**	**6,515**	**62,001**
Allocation of previous year result		(966)	(12,255)	13,221	**0**		**0**
Distribution of dividends					**0**	(10)	**(10)**
Acquisition/sale of minority interests in subsidiaries					**0**	(12)	**(12)**
Total comprehensive income (loss) for the period		(766)		1,757	**991**	157	**1,148**
31 March 2024	**109,150**	**6,038**	**(60,467)**	**1,757**	**56,479**	**6,650**	**63,129**

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

1. General information

The Interim Report on Operations of the Group controlled by Rekeep S.p.A. ("the Rekeep Group" or "the Group") for the quarter ended 31 March 2024 is made up of the Interim Report on Operations and of the interim condensed Consolidated Financial Statements, prepared in accordance with IAS 34 – Interim Financial Reporting. The publication of the Rekeep Group's Interim Report on Operations was authorized by a resolution passed by the Board of Directors on 16 May 2024.

On 31 March 2024 the share capital of Parent Company Rekeep S.p.A. was wholly held by the sole shareholder MSC Società di Partecipazione tra Lavoratori S.p.A., which carries out Management and Coordination activities.

2. Accounting standards and basis of presentation

The interim condensed Consolidated Financial Statements at 31 March 2024 comprise the Consolidated Statement of financial position, the Consolidated Statement of profit or loss for the period, the Consolidated Statement of other comprehensive income, the Consolidated Statement of Cash flows, the Consolidated Statement of changes in Shareholders' Equity and the related condensed Explanatory Notes.

The balance sheet values recognized in the Statements and Condensed Explanatory Notes are compared to those relating to 31 December 2023 while the income statement values, included in the Consolidated Statement of Profit/(Loss) for the period, the Statement of other comprehensive income, and those reported in the Statement of Cash Flows, are compared to those relating to the first quarter of 2023.

The Directors have deemed it appropriate to prepare the Consolidated Financial Statements at 31 March 2024 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, 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, assumptions and significant accounting estimates" below, including financial risks described in note 17, and other market risks associated with the proceedings in progress described in note 13, 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 Consolidated Statement of profit or loss for the period is classified by nature, while the Consolidated Statement of other comprehensive income sets forth the result for the period added

with income and expenses that, as expressly required by IFRS, are directly recognized in consolidated Equity. The Statement of Cash flows has been prepared on the basis of the indirect method and presented in accordance with IAS 7, distinguishing between cash flow from operating, investing and financing activities.

The interim condensed Consolidated Financial Statements at 31 March 2024 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 interim condensed Consolidated Financial Statements at 31 March 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed Consolidated Financial Statements do not include all information required for complete annual accounts prepared according to IAS 1: therefore, they must be read together with the Consolidated Financial Statements at 31 December 2023.

2.2. Changes in accounting standards and disclosures

The criteria adopted for the preparation of the Consolidated Financial Statements are consistent with those used to prepare the consolidated Financial Statements for the previous year, to which reference should be made for their detailed description, with the exception of the standards and interpretations which are newly issued and applicable from 1 January 2024, in addition the amendments to the standards that are already applicable, as specified below.

The Group has not proceeded with the early adoption of any standard, interpretation or improvement issued but not yet mandatorily in force.

New of revised IFRS, amendments and interpretations applied from 1 January 2024

The following IFRS accounting standards, amendments and interpretations were applied by the Group for the first time as from 1 January 2024.

- 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.
- 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.

- 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.

All amendments became applicable from 1 January 2024, and their adoption had no significant effect on the Group's consolidated Financial Statements.

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 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, assumptions and significant accounting estimates

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 the acquiree and of the acquiring entity are therefore recorded on the basis of the carrying amounts included in their respective accounts before the transaction.

Uncertainty of estimates and assumptions

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

ASSESSING THE GOING-CONCERN ASSUMPTION

In order to verify whether the going-concern assumption requirement is met, the Directors have assessed the actual results as at the reporting date of the interim condensed Consolidated Financial Statements, the results expected by the Group for the current and subsequent years, the Parent Company and other Group companies' ability to generate future cash flows from their core business activities, as well as the status of existing relationships with the Group's banks and other lenders, on the basis of historical experience and assumptions that take into account the circumstances and conditions existing at the time of preparing the interim condensed Consolidated Financial Statements. The assumptions on which the assessments are based inherently incorporate elements of discretion and uncertainty.

The Group ended the first quarter of 2024 with a consolidated equity of € 63.1 million (€ 62.0 million at 31 December 2023), including profit for the period of € 2.0 million, and a net financial position of € 476.5 million, up from € 461.0 million at the end of the previous year. 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 € 13.2 million at 31 March 2024 against € 12.3 million at 31 March 2023). In this circumstance, when preparing the interim condensed Consolidated Financial Statements, in order to verify whether the going-concern assumption requirement is met, the Directors have assessed both the actual results as at the reporting date of the period, 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 in place. The Directors have also assessed the status of existing relationships with the Group's banks and other lenders, which have not changed significantly since the end of the previous year. On the basis of the analyses carried out, although the assumptions on which the assessments are based inherently incorporate elements of discretion and uncertainty, the Directors have established that the aforementioned circumstances do not pose any 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 that both the Group's historical cash flow trends and the expectations of the projected cash flows set forth in the 2024-2026 Business Plan, which was approved in February, including the repayments of the loans maturing in the coming months, and the continued payment of the debt relating to the “FM4” fine according to the new installment plan received from the Revenue Agency on 19 April 2024, which has postponed the expiry of the plan from December 2025 to May 2029 (as reported in the subsequent events in paragraph 4 above), 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 and carve-outs (sale of assets or disposal of equity investments).

Based on the above considerations, the interim condensed 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 17.

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 is allocated, in turn based on an estimate of expected cash flows from the CGU and their discounting on the basis of a suitable discount rate. At 31 March 2024 the carrying amount of the goodwill was equal to € 406,550 thousand (€ 406,700 thousand at 31 December 2023). For more details, please refer to note 6.

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 OFLIABILITIES FOR EARN-OUTS ON ACQUISITION MADE

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

MAIN ASSUMPTIONS APPLIED TO THE ACTUARIAL VALUATION OF THE TFR (EMP'LOYEE 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 12 for details.

DEFERRED TAX ASSETS AND LIKELIHOOD OF THESE BEING REVERSED IN THE FUTURE

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

OTHER FINANCIAL STATEMENT ITEMS

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

Consolidation principles

The interim condensed Consolidated Financial Statements include the financial statements of Rekeep S.p.A. (the "Parent Company", "Rekeep S.p.A." or merely "Rekeep") and of its subsidiaries, prepared as at 31 March 2024. The financial statements of the subsidiaries have been prepared by adopting for each closing date the same accounting standards as those applied for the parent company.

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

Subsidiaries are consolidated on a line-by-line basis starting from the acquisition date, i.e. the date on which the Group acquires control, and are deconsolidated on the date in which control is transferred out of the Group. Acquisitions of subsidiaries, with the exception of those deriving from combinations of entities subject to joint control, are accounted for using the purchase method. This involves the allocation of the cost of the business combination to the fair values of assets, liabilities and contingent liabilities acquired at the

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

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

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

CONVERSION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES

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

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

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

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
- the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;

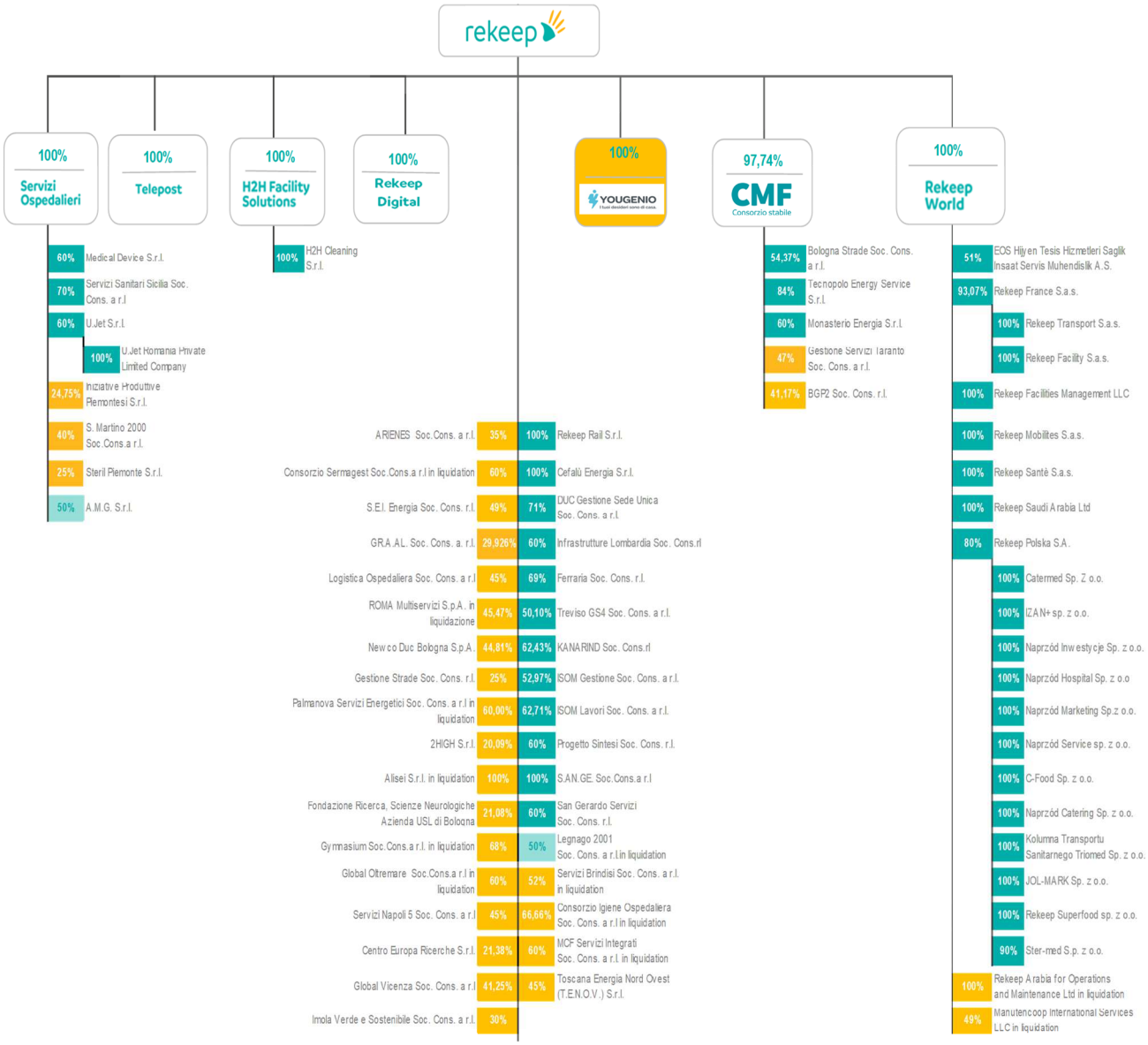
- sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the extension period, even if the period is short;
- interest rates, wages, and prices are linked to a price index;
- the cumulative inflation rate over three years approaches, or exceeds, 100%.

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

Currency	Exchange rate at 31 March 2024	Average exchange rate for the quarter ended 31 March 2024	Exchange rate at 31 December 2023	Average exchange rate for the quarter ended 31 March 2023
Arab Emirates Dirham (AED) – United Arab Emirates	3.9476	3.9869	4.0236	3.8821
Romanian Leu (RON) – Romania	4.9699	4.9734	4.9705	4.9291
Turkish Lira (TRY) – Turkey	34.6033	34.6033	32.5684	20.8632
Qatar Riyal (QAR)– Qatar	3.9126	3.9516	3.9880	3.8478
Saudi Arabia Riyal (SAR) – Saudi Arabia	4.0309	4.0711	4.1085	3.9641
Zloty (PLN) – Poland	4.2938	4.3327	4.3708	4.6906

The financial statements of the Turkish consolidated company have been prepared by taking account of the application of IAS 29 in view of the cumulative Turkish inflation rate for the past three years, which is more than 100%. Therefore, in the consolidated financial statements at 31 March 2024, the accounts of the consolidated company adopting the Turkish lira as the local currency have been prepared in order to report operating results and the statement of financial position at purchasing power prevailing at the end of the reporting period. Accordingly, all items from the financial statements of the Turkish company have been translated by using the exchange rate as at the reporting date of the consolidated financial statements.

The scope of consolidation at 31 March 2024 is shown below.



Legend:

- Associates and other companies consolidated for under the equity methoddel patrimonio netto
- Joint Ventures consolidated for under the equity method
- Subsidiaries consolidated on a line-by-line basis

During the first quarter of 2024 we must note the following events:

- the liquidation of Servizi Brindisi Soc. Cons. a r.l. with effect from 17 January 2024, which, therefore, changed its name to Servizi Brindisi Soc. Cons. a r.l. in liquidation.

3. Property, plant and equipment

The table below shows the changes in property, plant and equipment in the period ended 31 March 2024.

	Property	Plant and equipment	Total
At 1 January 2024, net of accumulated depreciation and impairment	**37,435**	**80.108**	**117,543**
Additions from acquisitions	27	12,478	12,505
Disposals	(36)	(481)	(517)
Depreciation	(605)	(5,928)	(6,533)
Others	161	(801)	(640)
At 31 March 2024	**36,982**	**85,376**	**122,358**
At 1 January 2024			
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**
At 31 March 2024			
Historical cost	45,751	516,143	561,894
Accumulated depreciation and impairment losses	(8,769)	(430,767)	(439,536)
NET BOOK VALUE	**36,982**	**85,376**	**122,358**

The additions from acquisitions that took place during the period mainly related to the linen, mainly in the Laundering & Sterilization segment, for € 4,547 thousand, as well as to the purchases of other machinery and specific equipment for € 7,916 thousand, of which an amount of € 4,820 thousand related to investments made by companies in the sub-group controlled by Rekeep Polska for the “centralized kitchens” (with Cook&Chill technology) project to support catering services.

Decreases for the period, totaling € 517 thousand, mainly related to disposals made by the Parent Company Rekeep S.p.A., and the subsidiary Servizi Ospedalieri S.p.A., mainly arising from the completion of job orders and the replacement of linen.

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

4. Property, plant and equipment under lease

The table below shows the changes in property, plant and equipment under lease in the year ended 31 March 2024.

	Rights of use of properties	Rights of use of plant and machinery	Total
At 1 January 2024, net of accumulated depreciation and impairment	**25,853**	**18,702**	**44,555**
Additions from acquisitions	841	1,846	2,687
Disposals		(235)	(235)
Early redemption	(147)	(43)	(190)
Depreciation	(1,052)	(1,582)	(2,634)
Others	8	1,200	1,208
At 31 March 2024	**25,503**	**19,888**	**45,391**
At 1 January 2024			
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**
At 31 March 2024			
Historical cost	62,573	64,822	127,394
Accumulated depreciation and impairment losses	(37,069)	(44,934)	(82,003)
NET BOOK VALUE	**25,503**	**19,888**	**45,391**

Property, plant and equipment under lease reported changes during the period due to depreciation, as well as to the execution of new lease agreements for a total of € 2,687 thousand. Of these an amount of € 841 thousand related to the execution of new real estate and property lease agreements. On the other hand, the new lease agreements and long-term hire of machinery, vehicles that make up the corporate fleets and equipment amounted to € 1,846 thousand, and included surgical instrumentation lease agreements for € 365 thousand, which were signed by subsidiary Servizi Ospedalieri S.p.A..

Furthermore, there was the early termination of some lease and long-term hire agreements for a total of € 190 thousand in 2024.

Other residual changes mainly related to the effect of a change in the exchange rate applied for the translation of balances relating to foreign companies with a currency other than the Euro.

5. Other intangible assets

The table below shows the changes in intangible assets in the period ended 31 March 2024.

	Other intangible assets	Goodwill	Total
At 1 January 2024, net of accumulated depreciation and impairment	**17,731**	**406,700**	**424,431**
Additions from acquisitions	582		582
Disposals	(8)		(8)
Depreciation	(1,423)		(1,423)
Others	9	(150)	(141)
At 31 March 2024	**16,891**	**406,550**	**423,441**
At 1 January 2024			
Historical cost	139,831	409,017	548,848
Accumulated depreciation and impairment losses	(122,100)	(2,318)	(124,417)
NET BOOK VALUE	**17,731**	**406,700**	**424,431**
At 31 March 2024			
Historical cost	140,422	408,867	549,289
Accumulated depreciation and impairment losses	(123,531)	(2,318)	(125,848)
NET BOOK VALUE	**16,891**	**406,550**	**423,441**

Goodwill is tested annually for impairment. The balance of the item decreased from € 406,700 thousand at 31 December 2023 to € 406,550 thousand at 31 March 2024. For more details on goodwill, reference should be made to note 6 below.

Other intangible assets, amounting to € 16,891 thousand at 31 March 2024, mainly consist of investments in software carried out as part of the projects aimed at upgrading and enhancing the corporate information systems. The additions from acquisitions for the period (€ 582 thousand) were mainly attributable to Parent Company Rekeep S.p.A. and relating to the implementation and upgrading of software platforms used by the Group.

6. Impairment test of goodwill

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

SBU – FACILITY MANAGEMENT

The SBU is identified with:

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

SBU – LAUNDERING & STERILIZATION

The SBU is identified with:

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

The table below sets forth the carrying amounts of the goodwill recognized in the interim condensed Consolidated Financial Statements at 31 March 2024, broken down into the different CGUs.

	31 March 2024	31 December 2023
Goodwill allocated to Facility Management CGU	390,366	390,516
of which International markets	*35,730*	*35,880*
Goodwill allocated to Laundering & Sterilization CGU	16,183	16,183
CONSOLIDATED GOODWILL	**406,550**	**406,700**

At 31 March 2024 the balance of the item showed a decrease of € 150 thousand due to the change in the value of goodwill arising from the business combination of Stermed S.p. z.o.o., as resulting from the more detailed analysis of the transaction put in place by subsidiary Rekeep Polska, compared to the amount provisionally recognized at the end of the previous year (when it amounted to €1,366 thousand), as well as due to the fluctuation in Euro/Polish Zloty exchange rate during the period.

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

As at 31 March 2024, following the analysis of any possible evidence of impairment, the Directors, despite the economic situation existing as at the reporting date of this Interim Report, did not report any risk of impairment on the value of the cash generating units, including after considering the headroom noted in the sensitivity analyses and stress tests conducted at the reporting date of the Consolidated Financial Statements at 31 December 2023, which support the recoverability of consolidated assets even in the presence of any possible risk of significant amount. Therefore, there was no formal update of impairment tests prepared at 31 December 2023, since it was deemed that the assumptions and conclusions behind them were applicable at 31 March 2024.

7. Investments accounted for under the equity method

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

At 31 March 2024 the net book value of investments valued at Equity reported a net amount of € 11,342 thousand, against a net amount of € 11,349 thousand at the end of 2023; 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 13).

	Net assets 31 March 2024	Net assets 31 December 2023
Investments valued for under the Equity method	11,761	11,757
Provision for risks on investments	(419)	(408)
Investments accounted for under the equity method	**11,342**	**11,349**

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

During the first quarter of 2024 investments accounted for under the equity method recorded a positive result of € 79 thousand (a positive result of € 68 thousand at 31 March 2023), or the share attributable to the Group, as a result of the recognition of income from equity investments of € 182 thousand (€ 142 thousand at 31 March 2023), and charges from equity investments for € 103 thousand (€ 74 thousand at 31 March 2023). Furthermore, negative effects were recognized directly in the consolidated Equity to an overall amount of €119 thousand (positive effects of € 1 thousand at 31 March 2023).

8. Other non-current assets

The table below sets forth the breakdown of other non-current assets at 31 March 2024 and at 31 December 2023:

	31 March 2024	31 December 2023
Other investments	5,996	5,996
Non-current financial assets	6,889	6,929
Other non-current assets	3,799	4,607
OTHER NON-CURRENT ASSETS	**16,684**	**17,532**

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 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 € 6,889 thousand at 31 March 2024 (€ 6,929 thousand at 31 December 2023), are composed o:

- € 1,095 thousand of non-current financial receivables due from associates, affiliates and joint ventures (€ 1,135 thousand at 31 December 2023). The face value of these receivables is € 1,129 thousand while the provision for discounting amounts to € 34 thousand (€ 1,170 thousand and € 35 thousand at 31 December 2023, respectively). Some of these are non-interest bearing since they were drawn down proportionally from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying EURIRS as the reference interest rate, plus a spread;

- € 4,693 thousand of non-current financial receivables from third parties (the same amount posted at 31 December 2023). The item included the balance of an escrow account for € 2,000 thousand, as well as the long-term portion, equal to € 2,357 thousand, of the deferred price relating to the sale of 95% of the quota capital of MFM Capital S.r.l. to 3i EOPF, which took place in December 2018, the collection of which is subject to the completion of the construction phase on some project financing companies subject to disposal (both of them were unchanged compared to 31 December 2023);
- € 1,101 thousand of securities held to maturity (unchanged compared to 31 December 2023).

Furthermore, the item is composed of security deposits related to long-term manufacturing contracts for € 2,727 thousand (€ 2,757 thousand at 31 December 2023), and long-term prepaid expenses relating to certain job orders for € 361 thousand (€ 847 thousand at 31 December 2023).

9. Trade receivables, advances to suppliers and other current receivables

The following table includes the breakdown of Trade receivables and advances to suppliers and Other current operating receivables at 31 March 2024 and 31 December 2023:

	31 March 2024	of which from related parties	31 December 2023	of which from related parties
Contract assets	27,500	1,833	29,959	1,353
Trade receivables, gross	484,697		457,744	
Allowance for doubtful accounts	(20,792)		(20,683)	
Trade receivables from third parties	**491,405**	**1,833**	**467,020**	**1,353**
Trade receivables from MSC	42	42	14	14
Trade receivables from Associates, Affiliates and Joint Ventures	44,246	44,246	39,776	39,776
Trade receivables from Group	**44,288**	**44,288**	**39,790**	**39,790**
Advances to suppliers	4,658		6,961	1
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**540,351**	**46,121**	**513,771**	**41,144**
Other tax receivables due within 12 months	18,048		11,531	
Other current receivables from third parties	13,246		14,482	
Short-term receivables from social security institutions	1,085		1,089	
Short-term receivables from employees	206		165	
Other current assets from third parties	**32,585**	**0**	**27,267**	**0**
Current assets from MSC	319	319	317	317

	31 March 2024	of which from related parties	31 December 2023	of which from related parties
Current assets from Associates, Affiliates and Joint Ventures	544	544	244	244
Other current assets from Group	**863**	**863**	**561**	**561**
Accrued income	722		1,063	
Prepaid expenses	4,577		2,790	
Accrued income and prepaid expenses	**5,299**	**0**	**3,853**	**0**
OTHER CURRENT ASSETS	**38,747**	**863**	**31,681**	**561**

The balance of trade receivables and advances to suppliers, which also includes contract assets, amounted to € 540,351 thousand at 31 March 2024, showing an increase of € 26,580 thousand compared to the amount at 31 December 2023 (€ 513,771 thousand).

The change in question was the result of an increase of € 24,385 thousand in trade receivables from third parties, and an increase of € 4,498 thousand in receivables from other Group companies, offset by a decrease of € 2,303 thousand in advances to suppliers. Furthermore, there was a decrease in the value of contract assets for € 2,459 thousand while the provision for bad debts increased by € 109 thousand.

During 2024 the Group continued to hold contracts for the non-recourse assignment of trade receivables from third parties, including the no-recourse maturity factoring agreement with BFF Bank S.p.A. expiring on 25 January 2028, signed by the Parent Company Rekeep S.p.A. and other subsidiaries, and concerning the non-recourse assignment on a revolving basis of receivables claimed by the same companies from entities in the National Health System and Public Authorities, in an amount of up to € 300 million. These are accompanied by additional relationships with factoring companies for the disinvestment of specifically-agreed credit positions claimed both from entities in the National Health System and Public Authorities and from private entities.

During the year, the Group made assignments of trade receivables amounting to € 64,727 thousand (of which the balance amounting to € 51,839 thousand has not yet been collected from the customer on the part of the 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 € 941 thousand.

Finally, trade receivables from non-consolidated Group companies and other related parties amounted to € 46,121 thousand, in addition to advances for € 1 thousand (€ 44,144 thousand at 31 December 2023). For more details, reference should be made to Annex III – Related-Party transactions.

A specific provision for bad debts was recognized in connection with non-performing loans, which are difficult to fully recover, amounting to € 20,792 thousand at 31 March 2024 (€ 20,683 thousand at 31 December 2023). Below are the changes for the period:

	31 December 2023	Increases	Uses	Releases	Others	31 March 2024
Provision for bad debts	**20,683**	462	(239)	(181)	67	**20,792**

Other current assets, equal to € 38,747 thousand (€ 31,681 thousand at 31 December 2023), showed a total increase of € 7,066 thousand.

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

- tax receivables, mostly including receivables relating to the VAT payments made by the Group companies (€ 15,796 thousand against € 9,232 thousand at 31 December 2023), which systematically show a credit balance given the widespread application of the regulations governing “Split-payment” and “Reverse charge” to the cycle of purchasing and sales invoicing. Non-recourse assignments of VAT receivables held by some Group companies were made during the first quarter of 2024 for a nominal total amount of € 3,548 thousand;
- receivables for short-term security deposits on new annual electricity and gas utility contracts paid to suppliers for € 2,722 thousand (€ 3,505 thousand at the end of the previous year).

10. Share capital and reserves

	31 March 2024	31 December 2022
Share Capital – Ordinary shares	109,150	109,150

Ordinary shares have a nominal value of Euro 1 each. Ordinary shares issued and fully paid up at 31 March 2024 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 during the period.

	Share premium reserve	Legal reserve	Reserves for effects on SE of equity-accounted companies	Translation reserve	SORIE reserve	Other reserves	Total reserves
31 December 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 on shareholders' equity			233	1,244	(269)		1,208
31 December 2023	**145,018**	**21,830**	**4,642**	**1,243**	**(4,958)**	**(160,006)**	**7,769**
Allocation of prior year result				(1,243)	277		(966)
Economic effects on shareholders' equity			(119)	(647)			(766)
31 March 2024	**145,018**	**21,830**	**4,523**	**(647)**	**(4,682)**	**(160,006)**	**6,038**

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

- the reserve originating from the recognition of joint operations, which includes the differences between the purchase cost and the net carrying amount of the assets acquired under business combinations between jointly-controlled entities, for a loss of € 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 in 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 in 2023 due to the effects of the agreement signed by Rekeep S.p.A.. on 22 December 2022 with Sacoa S.r.l, a company in the same group controlled by the parent company MSC Società di Partecipazione tra Lavoratori S.p.A., concerning the acquisition of the "Major Customers" business unit.
- the Parent Company's extraordinary reserve equal to € 43,967 thousand.

The table below shows changes in *Retained earnings*:

	Accumulated profits (losses) of the Parent Company	Consolidation reserve	Total retained earnings
31 December 2022	**3,809**	**(79,924)**	**(76,115)**
Allocation of profits of previous years		27,098	27,098
Change in consolidation area		805	805
31 December 2023	**3,809**	**(52,021)**	**(48,212)**
Allocation of profits of previous years		(12,255)	(12,255)
31 March 2024	**3,809**	**(64,276)**	**(60,466)**

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

	31 March 2023	31 December 2023
Equity attributable to minority interests	**6,650**	**6,515**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	653	689
Subsidiaries of Servizi Ospedalieri S.p.A.	5,278	5,158
Other subsidiaries and consortia	720	668

	31 March 2023	31 December 2023
Profit attributable to minority interests	**199**	**690**
of which attributable to:		
Subsidiaries of Rekeep World S.r.l.	28	214
Subsidiaries of Servizi Ospedalieri S.p.A.	122	536
Other subsidiaries and consortia	49	(61)

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

Rekeep World S.r.l., the Group's sub-holding company dedicated to the development of the international market, holds a stake of 93.07% in the capital of Rekeep France S.a.s. and a stake of 80% if the capital of the Polish company Rekeep Polska. There is no recognition of equity attributable to minority interests of these subsidiaries since there is a put option in favor of the minority shareholders which is recognized as a financial liability in the Consolidated Financial Statements.

Furthermore, the subsidiary Rekeep Polska holds a stake of 90% in the capital of Ster-med S.p. z.o.o.. However, it holds a Put option granted to the minority shareholder on the remaining portion of the capital, and, therefore, no item is stated for equity attributable to minority interests.

During 2018 EOS, a Turkish company in which Rekeep World S.r.l. acquired a majority stake against a stake of 49% held by local partners was consolidated for the first time. The valuation of the stake pertaining to minority shareholders was accounted for as an increase in the Shareholders' Equity of non-controlling interests for the year.

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

11. Financial indebtedness

Net financial indebtedness amounted to € 476,533 thousand at 31 March 2024, against € 460,987 thousand at 31 December 2023.

Below is the breakdown by item of financial statements:

	31 March 2024	31 December 2023
Long-term financial debt	394,037	398,218
Bank borrowings, including current portion of long-term debt and other financial liabilities	149,044	155,126
Total gross debt	**543,082**	**553,345**
Cash and cash equivalents	(55,327)	(76,812)
Current financial assets	(11,221)	(15,545)
Financial indebtedness	**476,533**	**460,987**

Current and non-current financial liabilities

The tables below set forth the qualitative breakdown by current and non-current financial liabilities at 31 March 2024 and 31 December 2023.

	31 March 2024	within 1 year	from 1 year to 5 years	after 5 years
Senior Secured Notes	366,608		366,608	
Artigiancassa loan	785	471	314	
SACE loan	24,000	24,000		
Banca di Bologna loan	351	66	284	
Prepaid interest expenses	(574)	(574)		
Accrued interest expenses	5,153	5,153		
Long-term bank borrowings and current portion of long-term bank borrowings	**396,323**	**29,116**	**367,207**	**0**
Current account overdrafts, advance payments and hot money	35,047	35,047		
Lease liabilities	42,575	16,455	20,607	5,513
Loans from syndicated shareholders	868	157	599	112
Loan from Parent Company MSC S.p.A.	13	13		
Other financial liabilities	1,431	1,431		
Obligations from assignments of trade receivables with recourse	21,731	21,731		
Amounts collected on behalf of assignees of trade receivables	15,909	15,909		
Obligations arising from reverse factoring transactions	8,583	8,583		
Options on subsidiaries' minority shareholdings	20,279	20,279		
Share capital to be paid in associates	315	315		
Debt for acquisition of investments/business units	6	6		

	31 March 2024	within 1 year	from 1 year to 5 years	after 5 years
TOTAL FINANCIAL LIABILITIES	**543,082**	**149,044**	**388,412**	**5,625**

	31 December 2023	within 1 year	from 1 year to 5 years	after 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 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 account overdrafts, advance payments and hot money	27,549	27,549		
Lease liabilities	41,697	10,978	25,604	5,115
Loans from syndicated shareholders	904	193	599	112
Loan from Parent Company MSC S.p.A.	16	16		
Other financial liabilities	2,073	2,073		
Obligations from assignments of trade receivables with recourse	18,183	18,183		
Amounts collected on behalf of assignees of trade receivables	11,387	11,387		
Obligations arising from reverse factoring transactions	16,633	16,633		
Options on subsidiaries' minority shareholdings	19,545	19,545		
Share capital to be paid in associates	315	315		
Debt for acquisition of investments/business units	83	83		
TOTAL FINANCIAL LIABILITIES	**553,345**	**155,126**	**392,991**	**5,227**

SENIOR SECURED NOTES (REKEEP S.P.A.)

On 28 January 2021 Rekeep S.p.A. launched a high-yield bond issue named "€350,000,000 7.25% Senior Secured Notes due 2026", which is not convertible and not subordinated, for a total amount on account of principal of € 350 million, due 1 February 2026. The Notes, which were reserved for institutional investors, were admitted to listing on the EURO MTF multilateral trading facility managed by the Luxembourg Stock Exchange and on the ExtraMOT multilateral trading facility, PRO segment, organized and managed by Borsa

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

The rules of the bond issue provide for a system of guarantees and covenants to protect the Bondholders' investment. There are in fact some limitations on the financial operations of the Issuer and of its subsidiaries, while allowing the Group to operate freely, provided that the operations carried out contribute added value and cash flows to the Group, at least potentially. These covenants substantiate in some limitations on the possibility of incurring new indebtedness and making distribution of dividends, investments and some types of payments outside the Restricted Group (restricted payments). Furthermore, there are also rules governing the allocation of sums obtained from the sale of fixed assets, the performance of non-recurring and related-party transactions and the release of collateral on corporate assets to third parties. The covenants in question substantiate in the compliance with certain financial parameters (incurrence base financial covenants), the fulfillment of some conditions or the application of a quantitative limit on the performance of the transactions referred to above rather than in a full prohibition on carrying out the aforesaid transactions. Finally note interim reporting obligations concerning the Group's financial position, results of operations and cash flows. The limits and provisions laid down in the rules of the bond issue are in line with market practice for similar operations. The failure by the Issuer to comply with one or more covenants, in addition to significant events that give rise to a state of insolvency, constitute default events. There is the possibility of remedying most of them within a certain period of time. The default event relating to the state of insolvency or the failure to remedy the other default events constitute grounds for acceleration, i.e. the beneficiary's forfeiture of the right to the time limit and the early redemption of the Notes. No default events had occurred at the reporting date of these Financial Statements.

As at 31 March 2024 the financial charges accrued on the bond coupons amounted to € 6,483 thousand against € 6,185 thousand in the first quarter of the previous year. The upfront fees relating to the issue of Senior Secured Notes, accounted for according to the amortized cost method in accordance with IFRS 9, entailed the recognition of financial amortization charges of € 430 thousand during the first quarter of 2024 (€ 398 thousand in the first quarter of 2023).

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 is equal to the percentage rate resulting from the sum of the fixed margin (equal to 3.5) and the applicable EURIBOR parameter.

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

The facility was partially drawn down during the period in order to meet temporary cash requirements (if any), and promptly repaid: the RCF facility had not been drawn down at 31 March 2024. The temporary partial uses entailed the charging of financial costs accrued for the time being, for an amount of € 259 thousand (€ 424 thousand at 31 March 2023).

PREPAID INTEREST EXPENSES

At 31 March 2024 the Parent Company Rekeep recognized prepaid interest expenses of € 574 thousand (€ 671 thousand at 31 December 2023). The item mainly relates to the arrangement fee initially incurred for the execution of the Super Senior Revolving (RCF) loan agreement, initially equal to € 1,260 thousand). These costs will be amortized on a straight-line basis throughout the term of the credit line, and generated amortization charges of € 70 thousand in the first quarter of 2024 (the same amount compared to the same period of the previous year).

ACCRUED INTEREST EXPENSES

At 31 March 2024 accrued interest expenses were recognized for € 5,153 thousand (€ 12,299 thousand at 31 December 2023), of which € 4,471 thousand relating to the coupon of the Senior Secured Notes due 1 August 2024 (€ 11,401 thousand at 31 December 2023).

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 March 2024 the residual debt amounted to € 24,000 thousand (€ 36,000 thousand at 31 December 2023).
The available line of credit, used to pay debts to its suppliers and subcontractors, had been used in full at 31 March 2024.
Finally, the financial charges accrued on this loan amounted to € 582 thousand at 31 March 2024 (item not present in the first quarter of the previous year).

ARTIGIANCASSA LOAN (REKEEP S.P.A.)

On 21 June 2018 the Company obtained a soft loan from the "Energy and Mobility Fund" of the Marche Regional Government, aimed at supporting the development of energy efficiency of healthcare units. This soft loan is disbursed partly in the form of an 8-year financing on the part of Artigiancassa S.p.A. for an initial amount of € 1,676 thousand, to which must be added a further € 186 thousand requested in December 2023, with a pre-amortization period of 12 months. The loan does not bear interest, and provides for the payment of 14 six-monthly installments falling due on 31 March and 30 September of each year. As at 31 March 2024 the residual debt of this loan amounted to € 785 thousand (unchanged compared to 31 December 2023).

BANCA DI BOLOGNA S.P.A. LOAN (DUC GESTIONE SEDE UNICA SOCIETÀ CONSORTILE A R.L.)

The loan, recorded following the first consolidation in 2023 of DUC Gestione Sede Unica Società Consortile a r.l. with a residual value of € 351 thousand at 31 March 2024 (€ 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

No other loans with banks were reported at 31 March 2024 (unchanged compared to 31 December 2023).

CURRENT ACCOUNT OVERDRAFT, ADVANCE PAYMENTS AND HOT MONEY

At 31 March 2024 this item showed a balance of € 35,047 thousand, against an amount of € 27,549 thousand at the end of the previous year.
Bank overdrafts and advance payments are not backed by guarantees. Their management is linked to temporary cash requirements within inflows and outflows on the reporting date.

LEASE LIABILITIES

Liabilities outstanding at 31 March 2024 for lease agreements, property and operating leases amounted to € 42,575 thousand, against € 41,697 thousand at 31 December 2023.
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 € 3,803 thousand while contracts were early terminated for a residual value of € 190 thousand. The new contracts signed are related to motor vehicles, corporate fleet vehicles, equipment, plant and machinery (the latter mainly relating to Servizi Ospedalieri S.p.A., which uses them in the laundering and sterilization production processes), as well as property leases, including revaluations of rentals on existing contracts.

SYNDICATED LOANS

This item refers to financing provided by the consortium members, which are minorities in the consortium companies included within the scope of consolidation, since they are owned or held in joint venture at 50%. In certain cases, these loans are non-interest-bearing loans and are repayable on request. In other cases, they have a contractually defined maturity and, in others, they do not have a contractually defined maturity but will essentially be repayable at the end of the long-term service contract, on the basis of which the consortium company was established. At 31 March 2024 the overall balance of these loans amounted to € 868 thousand (€ 904 thousand at 31 December 2023).

DUE TO FACTORING AGENCIES

This item includes receipts from customers on receivables assigned within the factoring of trade receivables without recourse, for which the Group acts as an agent for the management of receipts on behalf of the factor. The amounts collected, equal to € 15,909 thousand at 31 March 2024 (€ 11,387 thousand at 31 December 2023), were transferred to the factor in the month after the end of the period.

OBLIGATIONS FROM ASSIGNMENTS OF RECEIVABLES WITH RECOURSE

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

In 2024 assignments with recourse were made with regard to trade receivables at a nominal value of receivables of € 15,302 thousand while the exposure was equal to € 21,731 thousand at 31 March 2024 (€ 18,183 thousand at 31 December 2023).

OBLIGATIONS 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 € 8,583 thousand at 31 March 2024 (€ 16,633 thousand at 31 December 2023).

OPTIONS ON SUBSIDIARIES' MINORITY SHAREHOLDINGS

The options on subsidiaries' non-controlling interests were recognized for an amount of € 20,279 thousand at 31 March 2024 (€ 19,545 thousand at 31 December 2023).

Of these an amount of € 20,279 thousand related to the fair value at the date of the Put option granted in favor of the minority shareholder of Rekeep Polska S.A. on 20% of the capital of the company acquired on 30 October 2019. The related strike price is calculated for an amount equal to the product between consolidated EBITDA on a 12-month basis for the quarter immediately preceding that exercise date by a multiple equal to 7.5x, as reduced by the consolidated net financial position and adjustments to Net Working Capital set out in the acquisition contract. This option may be exercised within 1 year as from the fifth year after the acquisition date (between 30 October 2024 and 30 October 2025).

The estimated liability linked to the Put option held by the minorities of Rekeep France S.a.s. was also recognized at 31 March 2024, whose shareholding of 30% was transferred to third parties on 15 January 2018 under an Investment Agreement signed in 2017.

DEBTS FOR THE ACQUISITION OF INVESTMENTS/BUSINESS UNITS

This item amounted to € 6 thousand at 31 March 2024 (€ 83 thousand at 31 December 2023). The item decreased by € 77 thousand compared to the end of the previous year following the payment of Rekeep Polska S.A.'s residual debt for the acquisition of the Polish company Ster-med S.p. z.o.o., carried out in 2023.

OTHER FINANCIAL LIABILITIES

As at 31 March 2024 other financial liabilities were recorded for € 1,431 thousand, against € 2,073 thousand at 31 December 2023. The balance of this item included, among others, the price that the Parent Company Rekeep has 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 € 370 thousand at 31 March 2024

(against an initial debt of € 5,370 thousand, including VAT, € 1,550 thousand at 31 December 2023), defined by the positive differential between the value of the real estate complex and the residual debt resulting from the amortization schedules envisaged under the lease agreements.

Current and other financial assets

As at 31 March 2024 Current and other financial assets amounted to € 11,221 thousand (€ 15,545 thousand at 31 December 2023), and mainly included:

- the balance of pledged current accounts dedicated to the operation of the service for managing receipts within the scope of non-recourse assignments of trade receivables, equal to € 5,356 thousand (€ 779 thousand at 31 December 2023), and other financial receivables from Factors within the scope of the same contracts amounting to € 2,522 thousand;
- an overall amount of € 700 thousand of receivables for short-term loans and financial accounts held with non-consolidated Group companies (€ 643 thousand at 31 December 2023);
- the balance of restricted accounts amounted to € 1,240 thousand (€ 12,350 thousand at 31 December 2023). On 9 February 2024 the Parent Company Rekeep S.p.A. obtained the full release of the sums pledged as cash collateral for the contracts for the supply of gas, in place at 31 December 2023 for € 12,350 thousand;
- financial receivables for the transfer of the remaining balance of electricity and gas tax credits to the parent company MSC by some Group companies, equal to € 630 thousand at 31 December 2023, were collected in full during the first quarter of 2024.

12. Employee termination indemnity (TFR)

Below are the changes in the liabilities relating to Employee Termination Indemnity (TFR) in the first quarter of 2024, compared with changes in the same period of the previous year.

	For the quarter ended	
	31 March 2024	31 March 2023
AT 1 JANUARY	**10,419**	**10,483**
Additions for business combinations	0	75
Current service cost	303	25
Interest costs on benefit obligations	121	14
Benefits paid	(481)	(389)
Other changes	(1)	0
AT 31 MARCH	**10,361**	**9,695**

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

For the quarter ended

	31 March 2024	31 March 2023
Current service cost	303	25
Interest costs on benefit obligations	121	14
Net cost of the benefits recognized through profit or loss	**423**	**39**
Total net benefit costs	**423**	**39**

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

For the quarter ended

	31 March 2024	31 March 2023
Executives	74	64
Office workers	1,794	1,797
Manual workers	23,124	24,387
Average staff	**24,992**	**26,248**

13. Provisions for risks and charges

The breakdown and changes in the provisions for risks and charges for the period ended 31 March 2024 are shown below:

	Risks on investments	Risks on job orders	Pending legal disputes	Tax litigation	Termination employee benefits	Other provisions	Total
At 1 January 2024	**408**	**16,465**	**25.900**	**447**	**638**	**10,541**	**54,398**
Accruals		664	492			84	1,240
Uses		(108)	(614)			(1,009)	(1,731)
Reversals		(336)				(22)	(358)
Others	11	178				140	328
At 31 March 2024	**419**	**16,863**	**25,778**	**447**	**638**	**9,733**	**53,877**
At 31 March 2024:							
Current	419	15,386	278	447	638	6,283	23,450
Non-current	0	1,476	25,500	0	0	3,451	30,427
At 31 December 2023:							
Current	408	14,989	272	447	638	5,953	22,707
Non-current	0	1,476	25,628	0	0	4,587	31,692

PROVISIONS FOR RISKS ON INVESTMENTS

The item, amounting to € 419 thousand (€ 408 thousand at 31 December 2023), includes the provision for unrecoverable future losses of Group companies and related for € 126 thousand to the subsidiary Alisei S.r.l. in liquidation, for € 125 thousand to the subsidiary Manutencoop International Services LLC in liquidation, and for € 169 thousand to the subsidiary Yougenio S.r.l. in liquidation.

PROVISIONS 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 € 16,863 thousand at 31 March 2024 (€ 16,465 thousand at 31 December 2023), up by € 398 thousand against accruals of € 664 thousand, uses and releases of € 444 thousand, and other

changes of €178 thousand.

PROVISIONS FOR PENDING LEGAL DISPUTES

At the reporting date of the financial statements, the risk was assessed for the Group to be required to pay future compensation in the event of losing cases in legal actions pending with customers, suppliers, employees and others. During the period ended 31 March 2024, the provision, totaling € 25,778 thousand (€ 25,900 thousand at 31 December 2023), reported increases for accruals for € 492 thousand, and decreases for uses and releases totaling € 614 thousand.

Provisions were mostly recognized to hedge the risks involving the Parent Company Rekeep S.p.A. for € 369 thousand. Uses and reversals for the period, which were mostly attributable to the Parent Company, relate to the use of provisions set aside in previous years against the settlement of disputes with suppliers and of actions with other persons or entities.

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

On 7 January 2017 the Company served on the entity a writ of summons before the Court of Rome in order to verify the unlawfulness of the termination of the agreements and to order Consip S.p.A. to pay compensation for damages suffered by the company itself. By a judgment filed on 30 May 2022, the Civil Court of Rome rejected our write of summons, while declaring that the termination of the "Consip Scuole" agreements ordered by Consip was lawful pursuant to Article 1456 of the Italian Civil Code. The Company through its legal counsels has submitted an application for appeal, with the first hearing scheduled on 31 January 2023, which was rescheduled ex officio to 16 October 2023 and is 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. On 19 April 2024 the Company submitted an appeal against the aforesaid judgment.

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

met for discussing the substance of the matter on 29 November 2022, while considering the lawfulness of the order of exclusion from the Consip Musei tender and of enforcement of the bid bond. The Company filed an appeal for review before the Council of State, which ordered the suspension of the challenged order limited to the enforcement of sureties under an order dated 24 March 2023. The 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 March 2024, and were not included in the Group's backlog at 31 March 2024.

In the Consolidated Financial Statements at 31 March 2024 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. and STI S.p.A. and subsequently extended to Exitone S.p.A., Manital Società Consortile per i Servizi Integrati per Azioni Consorzio Stabile, Manital S.c.p.a., Gestione Integrata S.r.l., Kuadra S.r.l. in Liquidation, Esperia S.p.A., Engie Energy Services International SA, Veolia Energie International SA, Romeo Partecipazioni S.p.A., Finanziaria Bigotti S.p.A., Consorzio Stabile Energie Locali S.c.a.r.l. to ascertain whether those companies put in place a possible anti-competitive agreement whose subject matter consisted of the coordination of the procedures for taking part in the tender called by Consip in 2014 for awarding the Facility Management services intended for properties mainly for office use of the Public Administration (known as "FM4 Tender"). On 9 May 2019, after the completion of the abovementioned proceedings, the Competition Authority served the final order, considering the existence of the agreement restricting competition between some of the abovementioned companies and imposing a sanction of € 91.6 million on the Company.

The Lazio Regional Administrative Court's judgment of 27 July 2020 partially granted the appeal submitted by the Company, albeit confirming the Competition Authority's Order as regards the merits, the Regional Administrative Court granted the request for redetermination of the fine setting the 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: the hearing is scheduled on 11 June 2024.

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 € 53,073 thousand at 31 March 2024. For more details on the stated liability, please refer to note 15.

Furthermore, on 28 June 2019 Consip S.p.A. served on Rekeep S.p.A. the order providing for its exclusion from the FM4 Tender due to the breach of Article 38, paragraph 1.f, of Legislative Decree 163/2006, as well as of Article 68 of Royal Decree 827/1924 and of Article 38, paragraph 2, of Legislative Decree 163/2006, while notifying the enforcement of the provisional guarantees provided by Rekeep S.p.A. in tendering (equal to € 3.9 million). With regard to this exclusion, ANAC initiated a procedure under Article 38, paragraph 1-ter, of Legislative Decree no. 163/2006. On 3 July 2019 Rekeep S.p.A. filed an appeal with the Lazio Regional Administrative Court in order to seek the annulment of the acts of Consip S.p.A.; on 10 July 2019 the administrative court ordered for them to be suspended pending its own ruling on the appeal against the Competition Authority's order, while also scheduling the hearing in chambers for the decision on the

preliminary request on 11 September 2019. On that occasion the Lazio Regional Administrative Court partially granted the preliminary request against the order issued by Consip S.p.A., providing on 10 July 2019 for the suspension of only the enforcement of the temporary guarantees until the hearing on the merits scheduled on 15 July 2020 and subsequently postponed on several occasions until 13 July 2022. On 18 July 2022 a partial judgment was filed, in which the Regional Administrative Court found that the Company's exclusion from participation in the FM4 tender was legitimate, while it suspended the proceedings regarding the enforcement of the surety bond pending the filing of the aforesaid decision of the Constitutional Court, which, on 26 July 2022, ruled by rejecting the issue of constitutional legitimacy by judgment 198/2022: therefore, the Regional Administrative Court set the hearing on the merits for the discussion about the enforcement of the surety bond for the hearing on 9 November 2022. On 16 November 2022 the Rome Regional Administrative Court rejected the appeal by “final” judgment no. 15201/22. On 18 January 2023 the Company filed an appeal against this judgment: 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 and, then, further postponed to another date to be scheduled, in order 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, assumptions and significant accounting estimates”.

As things stand as regards the abovementioned proceedings, there are no impediments for the Rekeep Group companies to the participation and awarding of new calls for tenders by the Public Administration, and, moreover, any other awarding procedure of contracts with private customers still remains valid.

PROVISION FOR TERMINATION EMPLOYEE BENEFITS

This provision has been set aside to include the amounts due for severance and employee redundancy costs, as part of various restructuring plans implemented by some Group companies over the last few years. As at 31 March 2024 the provision recorded a balance equal to € 638 thousand (unchanged compared to 31 December 2023).

PROVISION FOR TAX DISPUTES

At 31 March 2024 the provision amounted to € 447 thousand, unchanged compared to the previous year.

OTHER PROVISIONS FOR RISKS AND CHARGES

The provision, amounting to € 9,733 thousand at 31 March 2024, showing a decrease of € 807 thousand compared to 31 December 2023 (€ 10,541 thousand) as a result of provisions for € 84 thousand and uses, releases and other changes for a total of € 891 thousand.

The balance of the item includes, among others, the provision recorded during 2023 by the subsidiary Rekeep Saudi CO Ltd for charges expected to be incurred in future years, estimated at € 5,273 thousand at 31 March 2024 (€ 6,107 thousand at 31 March 2023), 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 brief on the status of the case with the Arbitration Court while on 1 May 2024 the opposing party OPS filed its statement of defense. Within the next 15 days, each party may request the production of other documentation, which at present has not yet been provided; after which the Parties will have a term of further

15 days to reply to the aforementioned requests for production of documents; following the exchange of the aforementioned requests and any possible objections, the Arbitration Panel will decide on the matter.

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 March 2024, 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. On 24 November 2023, the Lazio Regional Administrative Court referred the case to the Italian Constitutional Court in order for the latter to assess the constitutional legality of the relevant provisions. The Constitutional Court hearing is scheduled for 22 May 2024.

In addition to the "Medical Device Payback", the Ministerial Decree of 29 December 2023, issued by the Ministry of Health in agreement with the Ministry of Economy and Finance, added a new form of contribution to be paid by companies producing or distributing medical devices, and large in-vitro diagnostic medical equipment and devices, which are required, from 1 November to 31 December of each year, to pay an annual fee equal to 0.75% of the annual turnover (net of VAT) from the sale of such products to the National Health System, subject to self-declaration by 31 December of each year. The subsidiary Servizi Ospedalieri, as well as other market players, filed an appeal with the Regional Administrative Court on 9 April 2024. The amounts due in relation to this regulatory provision are set aside by the subsidiary in a specific provision amounting to € 79 thousand at 31 March 2024. For the sake of completeness, it should be noted that the subsidiaries Medical Device and UJET are also subject to the same regulatory provision, and have lodged an appeal, setting aside a provision for insignificant amounts as at 31 March 2024.

14. Contingent liabilities

As at the date of approval of the Interim Report on Operations at 31 March 2024 contingent liabilities had not arisen for the Rekeep Group which had not been recognized in the accounts, for which the Management believes that the related financial risks can be regarded as possible but unlikely or for which these risks cannot be quantified and recognized in the financial statements at 31 March 2024.

15. Trade payables, contract liabilities and other current payables

The table below sets forth the breakdown of the item at 31 March 2024 and 31 December 2023:

	31 March 2024	of which to related parties	31 December 2023	of which to related parties
Trade payables	356,408		358,781	
Trade payables to third parties	**356,408**	**0**	**358,781**	**0**
Trade payables to MSC S.p.A.	3,109	3,109	1,983	1,983
Trade payables to associates, affiliates and joint ventures	38,188	38,188	35,342	35,342
Trade payables to the Group	**41,297**	**41,297**	**37,325**	**37,325**
Advances from customers including contract liabilities	35,025	518	26,852	603
Trade payables and contract liabilities	**432,730**	**41,815**	**422,958**	**37,928**
Fees due to directors and statutory auditors	356		289	
Tax payables	8,164		8,997	
Payables to social security institutions within 12 months	17,390		16,597	
Other payables to TJA	7,448		7,114	
Payables to employees within 12 months	70,020		59,420	
Other payables within 12 months	73,386		76,512	
Property collection on behalf of customers	2,176		2,176	
Other current operating payables to third parties	**178,940**	**0**	**171,105**	**0**
Other current payables to MSC S.p.A.	48	48	48	48
Other payables to associates, affiliates and joint ventures	40	40	42	42
Other current operating payables to the Group	**88**	**88**	**90**	**90**
Accrued expenses	1,241		801	
Deferred income	628		99	

	31 March 2024	of which to related parties	31 December 2023	of which to related parties
Accrued expenses and deferred income	**1,869**	**0**	**900**	**0**
Other current operating payables	**180,897**	**88**	**172,095**	**90**

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

Trade payables and contract liabilities amounted to € 432,730 thousand at 31 March 2024, against a balance of € 422,958 thousand at 31 December 2023, showing an increase of € 9,772 thousand for the quarter.

These amounts include trade payables to the Group, amounting to € 41,297 thousand (€ 37,325 thousand at 31 December 2023), as well as advances of € 518 thousand (€ 603 thousand at 31 December 2023). For more details, reference should be made to Annex III – Related-Party transactions.

Other current liabilities showed a balance of € 180,897 thousand at 31 March 2024 (€ 172,095 thousand at 31 December 2023), and are mainly made up of the following items:

- payables to employees of € 70,020 thousand (€ 59,420 thousand at 31 December 2023), including the current monthly salaries to be paid in the months after the end of the financial year, as well as payables for additional monthly salaries to be paid (a portion of the 14th salary, to be paid in the month of July, and the 13th salary, to be paid each year in the month of December). Furthermore, the corresponding payables to social security institutions were recognized for € 17,390 thousand (€ 16,597 thousand at 31 December 2023);
- payables to tax authorities for € 8,164 thousand, mainly relating to the balance of payables for VAT payments on the part of some Group companies and of the IRPEF tax payable for employees (€ 8,997 thousand at 31 December 2023);
- receipts on behalf of Temporary Associations of Companies (ATI) for € 7,448 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mostly relating to job orders under “CONSIP” agreements (€ 7,114 thousand at 31 December 2023).

Other current liabilities also included the residual balance, amounting to € 53,073 thousand, of the liability stated by the Parent Company Rekeep S.p.A. following the service of the updated Competition Authority sanctioning order regarding the Consip FM4 tender and the Revenue Agency’s subsequent registration, in the taxpayers’ list, of the amounts requested, subject to an installment plan in no. 72 monthly installments, which was carried out on 22 December 2020 (initial debt of € 82.2 million). It should be noted that at 31 March 2024 Rekeep S.p.A. was duly paying the installments envisaged in the installment payment plan, and the installments that are still unpaid to date following 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. It should also be noted that on 19 April 2024, the revenue Agency – Collection Department accepted the Parent Company Rekeep S.p.A.'s request to extend the term of the installment payment plan. On this occasion, the Revenue Agency – Collection Department sent the Company a new installment plan, which envisages the deferment of the payment of the residual debt for the fine resulting from the previous plan in 62 monthly installments starting from April 2024. For further details, please refer to what is better commented in the preceding paragraph 4 "Subsequent events" of the Interim Report on Operations.

16. Commitments and guarantees

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

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

The tables below report the amount of future lease payments arising from leases and the present value of these fees at 31 March 2024 and 31 December 2023:

	31 March 2024		31 December 2023	
	Lease fees	Present value of lease fees	Lease fees	Present value of lease fees
Within one year	17,692	16,455	12,287	10,978
From one year to five years	22,824	20,607	28,668	25,604
After five years	6,371	5,513	5,586	5,115
TOTAL LEASE FEES	**46,887**	**42,575**	**46,540**	**41,697**
Financial costs	(4,312)		(4,843)	
PRESENT VALUE OF LEASE FEES	**42,575**	**42,575**	**41,697**	**41,697**

At 31 March 2024 the Group also granted sureties to third parties for:

- guarantees against financial obligations amounting to € 4,302 thousand (€ 4,326 thousand at 31

December 2023), of which € 674 thousand issued in the interest of associates for bank overdrafts and other financial obligations (€ 697 thousand at 31 December 2023);

- sureties granted to third parties to ensure the correct fulfillment of contract obligations in place with customers, amounting to € 349,407 thousand (€ 349,981 thousand at 31 December 2023), of which € 5,095 thousand issued in the interest of associates (€ 3,904 thousand at 31 December 2023);
- other guarantees granted by third parties in favor of associates, joint ventures and other equity investments for € 7,454 thousand (€ 6,723 thousand at 31 December 2023);
- other guarantees granted to third parties to replace security deposits required to activate utilities or to execute lease agreements, as well as for VAT refunds from Inland Revenue Agency, for a total amount of € 89,962 thousand (€ 105,341 thousand at 31 December 2023).

GUARANTEESARISING FROM THE SENIOR SECURED NOTES ISSUE LAUNCHED IN 2023 AND FROM THE SUPER SENIOR REVOLVING LOAN AGREEMENT

On 18 January 2021, Rekeep S.p.A. announced the launch of an offering of Senior Secured Notes for a total nominal amount of € 350 million. The transaction was successfully formalized on 28 January 2021 with an issue at par due 2026, an annual fixed coupon of 7.25% (payable on a six-monthly basis on 1 February and 1 August, as from 1 August 2021) and non-callable repayment until 1 February 2023. On 9 February 2021, the Company also issued additional Senior Secured Notes with a par value of € 20 million at an issue price of 102.75% plus an amount equal to the interest that would have accrued on the Notes until (and excluding) 9 February 2021 in the event of them being issued on 28 January 2021. These Notes are regulated by the same terms and conditions as those issued previously (annual rate of 7.25% and due 2026) and will be formally registered in the same series as the latter ones.
At the same time as the issue of 28 January 2021, Rekeep S.p.A. finally signed a new revolving loan agreement that will guarantee a senior secured line of credit ("RCF") for an amount of up to € 75 million, to be used for general purposes and to manage the working capital of the Issuer and Servizi Ospedalieri S.p.A..

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

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

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

The guarantees listed above may be called by the counterparties only in the case that one of the events of default envisaged in the abovementioned contracts occurs; up to the occurrence of the same, the assets covered by the guarantee are fully available to the Rekeep Group companies. At 31 March 2024 no events of default had occurred.

17. Risk management

FINANCIAL RISK MANAGEMENT

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

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

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

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

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

The Group's debt as at 31 March 2024 was € 476,533 thousand, up from 31 December 2023 (€ 460,987 thousand), and 31 December 2022 (€ 449,776 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 March 2024, described in detail in Note 11 and its outlook, as well as the going-concern assumption, please refer to paragraph 2.3, “Discretionary assessments, assumptions and significant accounting estimates” above.
The 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.

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

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

The table below shows the hierarchical levels for each class of financial asset measured at fair value on 31 March 2024 and 31 December 2023:

		Hierarchy				Hierarchy		
	31 March 2024	Level 1	Level 2	Level 3	31 December 2023	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss								
Financial receivables, securities and other non-current financial assets	**1,101**	101		1,000	**1,101**	101		1,000
- of which securities	**1,101**	101		1,000	**1,101**	101		1,000
Available-for-sale financial assets								
Financial receivables and other current financial assets	**188**		188		**211**		211	
- of which securities	**188**		188		**211**		211	
- of which hedging derivatives	**0**				**0**			
- of which non-hedging derivatives	**0**				**0**			
TOTAL FINANCIAL ASSETS	**1,289**	**101**	**188**	**1,000**	**1,312**	**101**	**211**	**1,000**

The other financial assets posted in the Statement of financial position are not measured at fair value and the Group had no financial liabilities measured at fair value at 31 March 2024 and 31 December 2023. During the financial year under consideration there were no transfers between fair value measurement levels.

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

CAPITAL MANAGEMENT

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

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

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

	31 March 2024	31 December 2023
Employee termination indemnity	10,361	10,419
Interest-bearing loans	481,972	493,222
Trade payables and contract liabilities	432,730	422,958
Other current payables	180,897	172,095
Other current financial payables	61,109	60,122
Cash and cash equivalents	(55,327)	(76,812)
Other current financial assets	(11,221)	(15,545)
Total Net Debt	**1,100,521**	**1,066,459**
Group shareholders' equity	56,479	55,486
Undistributed net profit (loss)	(1,757)	13,221
Total Capital	**54,722**	**68,707**
EQUITY AND NET DEBT	**1,155,243**	**1,135,166**
INDEBTEDNESS RATIO	**95.3%**	**93.9%**

The debt ratio was equal to 95.3% at 31 March 2024. The debt ratio showed an increase compared to 31 December 2023 as a result of an increase in net debt (34.1%), and a decrease in equity (14.0%).

18. Operating segments

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

FACILITY MANAGEMENT SBU

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

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

- *C*leaning*;*
- Technical services;
- Landscaping;
- Energy management
- Healthcare logistics.

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

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

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

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

Again within the scope of the operation of buildings, energy management activities are carried out, i.e. technical design, construction and operation of cogeneration plants and operation and maintenance of the same plants to provide customers with energy efficiency solution.

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

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

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

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

LAUNDERING & STERILIZATION SBU

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

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

The results of operations by segment for the periods ended 31 March 2024 and 31 March 2023:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment revenues	272,683	37,604	(4,165)	306,122
Segment costs	(256,057)	(35,814)	4,165	(287,706)
Operating income (loss) by segment	**16,626**	**1,790**	**0**	**18,416**
Share of net profit of associates	(8)	87		79
Net financial income (costs)				(12,468)
Profit (loss) before taxes				**6,026**
Income taxes				(4,070)
NET PROFIT (LOSS) FOR THE PERIOD ENDED 31 MARCH 2024				**1,956**

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

The table below reports the data relating to assets and liabilities for the Group's operating segments at 31 March 2024 and 31 March 2023:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	633,630	157,807	(14,257)	777,180
Goodwill	390,367	16,183		406,550

	Facility Management	Laundering & Sterilization	Eliminations	Total
Investments	13,829	3,928		17,757
Other assets not allocated and related taxes				97,543
SEGMENT ASSETS AT 31 MARCH 2024	**1,037,826**	**177,918**	**(14,257)**	**1,299,030**
Liabilities allocated to the segment	622,006	70,118	(14,257)	677,868
Other liabilities not allocated and related taxes				558,034
SEGMENT LIABILITIES AT 31 MARCH 2024	**622,006**	**70,118**	**(14,257)**	**1,235,901**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	668,334	159,072	(13,360)	814,046
Goodwill	388,751	16,183		404,935
Investments	12,803	4,433		17,236
Other assets not allocated and related taxes				123,631
SEGMENT ASSETS AT 31 MARCH 2023	**1,069,888**	**179,688**	**(13,360)**	**1,359,848**
Liabilities allocated to the segment	642,515	73,967	(13,360)	703,121
Other liabilities not allocated and related taxes				573,350
SEGMENT LIABILITIES AT 31 MARCH 2023	**642,515**	**73,967**	**(13,360)**	**1,280,472**

19. Transactions with related parties

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

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

The Parent Company 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 March 2024, contract assets of € 1,833 thousand had been recognized in consideration of these services (€ 1,353 thousand at 31 December 2023).

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 Bologna Service Consulting STP S.r.l., owned by Sacoa S.r.l., a company belonging to the Group of the Parent Company MSC S.p.A..

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

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

Zola Predosa, 16 May 2024

The Chairman

Claudio Levorato

ANNEX I

Group companies

Parent company

	Currency	Registered office	City
Rekeep S.p.A.	Euro	Via Ubaldo Poli no. 4	Zola Predosa (BO)

Subsidiaries consolidated on a line-by-line basis

Name	Registered office	City	% Held	Currency
Bologna Strade Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	54.37%	Euro
C-Food Sp. z o.o.	ul. Traktorowa 126/201, 91-204	Lodz (Poland)	100%	PLN
Catermed Sp. 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, no. 4	Çankaya/ Ankara	51%	TRY
Ferraria Soc. cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	69%	Euro
H2H Facility Solutions S.p.A.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
H2H Cleaning S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
ISOM Lavori Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	62.71%	Euro
ISOM Gestione Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	52.97%	Euro
IZAN+ sp. z o.o.	ul. Żabiniec n. 46, 31-215	Krakow (Poland)	100%	PLN
JOL-MARK sp. z o.o.	ul. Portowa n. 16G, 44-100	Gliwice (Poland)	100%	PLN
KANARIND Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	62.43%	Euro
Kolumna Transportu Sanitarnego Triomed sp. z o.o.	ul. Północna n. 22, 20-064	Lublin (Poland)	100%	PLN
Infrastrutture Lombardia Servizi Soc.Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro

Name	Registered office	City	% Held	Currency
Medical Device S.r.l.	Via della Tecnica no. 52	Montevarchi (AR)	60%	Euro
Monasterio Energia S.r.l.	Via dei Colatori, no. 12	Sesto Fiorentino (FI)	60%	Euro
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 n. 126/202, 91-204	Lodz (Poland)	100%	PLN
Progetto Sintesi Soc. Cons. a r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Rekeep Digital S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Rekeep Facility S.a.s.	52, Boulevard de Sebastopol	Paris	100%	Euro
Rekeep Facilities Management LLC	Rasis Business Centre, Makani No, 18353 78040 - Al Barsha First	Dubai (United Arab Emirates)	100%	AED
Rekeep 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 Santè S.a.s.	11 bis Rue de Moscou	Paris	100%	Euro
Rekeep Polska S.A.	ul. Traktorowa 126/301, 91-204	Lodz (Poland)	80%	PLN
Rekeep Rail S.r.l.	Via Ubaldo Poli no. 4	Zola Predosa (BO)	100%	Euro
Rekeep Saudi Arabia Ltd	P.O Box 230888, K.S.A., 28th floor, Kingdom Tower	Riyadh (Saudi Arabia)	100%	SAR
Rekeep Superfood sp. 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 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 sp. 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
Legnago 2001 Soc. cons. a.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
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	29.926%	Euro
Imola Verde e Sostenibile Soc. Cons. a r.l.	Via S. Allende no. 39	Bologna	30%	Euro
Iniziative Produttive Piemontesi S.r.l.	Corso Einaudi no. 18	Turin	24.75%	Euro
Logistica Ospedaliera Soc. Cons. a r.l	Via C. Alberto Dalla Chiesa 23/I	Caltanissetta (CL)	45%	Euro
Logistica Sud Est Soc.Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Manutencoop International Services LLC in liquidation	Qatar Tower, building 35, street 920, zone 63	Doha (Qatar)	49%	QAR
MCF servizi Integrati Soc. Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	60%	Euro
Newco Duc Bologna S.p.A.	Via M.E. Lepido 182/2	Bologna	44.81%	Euro

Name	Registered office	City	% Held	Currency
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 Brindisi Soc. Cons. a r.l. in liquidation	Via Ubaldo Poli no. 4	Zola Predosa (BO)	52%	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 23	Changes in the period					Net assets 31 March 24	Book value	Provision for risks
			Financial effects	Dividends	Revaluations/ Write-downs	Provision for risks	Effects on shareholder s' equity			
2HIGH S.r.l.	20.09%	90						90	90	
Alisei S.r.l. in liquidation	100%	(126)						(126)	0	(126)
A.M.G. S.r.l.	50%	2,615			77			2,692	2,692	
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	(60)					0	0	
Centro Europa Ricerche S.r.l.	21.38%	64						64	64	
Consorzio Igiene Ospedaliera Soc. Cons. a r.l. in liquidation	66.66%	7						7	7	
Co. & Ma. Soc. Cons.r.l. in liquidation	50%	5	(5)					0	0	
Consorzio Sermagest in liquidation	60%	0						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%	534			9			543	543	
Legnago 2001 Soc. Cons. a r.l. in liquidation	50%	5						5	5	
Logistica Ospedaliera Soc. Cons. a r.l	45%	5						5	5	
Manutencoop International Services LLC	49%	(114)					(11)	(125)	0	(125)

	%	Net assets 31 December 23						Changes in the period	Net assets 31 March 24	Book value	Provision for risks
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)						0	0	
Newco DUC Bologna S.p.A.	44.81%	6,232			94			(109)	6,218	6,218	
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%	1,234			1				1,235	1,235	
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 Brindisi Soc. Cons. a r.l. in liquidation	52%	0	5						5	5	
Servizi Napoli 5 Soc. Cons. a r.l.	45%	5							5	5	
Steril Piemonte S.r.l.	25%	246			1				247	247	
Toscana Energia Nord Ovest (T.E.N.O.V.) S.r.l.	45%	468			(5)				463	463	
Yougenio S.r.l. in liquidation	100%	(169)	98		(98)				(169)	0	(169)
NET BOOK VALUE		**11,349**	**33**	**0**	**79**	**0**		**(119)**	**11,342**	**11,761**	**(419)**

Annex III

Related-party transactions

Parent companies

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
MSC S.p.A.	31-Mar-23	12	867	1	44	31-Dec-23	14	5,772	1,983	5,426
	31-Mar-24	12	1.255		36	31-Mar-24	42	5,173	3,167	5,844

Associated and joint-ventures

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
2HIGH S.r.l.	31-Mar-23		52			31-Dec-23	2	21	225	
	31-Mar-24	1	85			31-Mar-24	4	20	235	
Alisei s.r.l. in liquidation	31-Mar-23					31-Dec-23	3			1
	31-Mar-24					31-Mar-24	3			1
AMG S.r.l.	31-Mar-23		231			31-Dec-23			880	
	31-Mar-24		231			31-Mar-24			609	
ARIENES Soc. Cons. a r.l.	31-Mar-23	4,624	5,178			31-Dec-23	19,013		16,715	
	31-Mar-24	3,889	4,983			31-Mar-24	23,872		22,373	
Bologna Gestione Patrimonio 2 Soc.Cons. a r.l.	31-Mar-23		65			31-Dec-23		25	450	
	31-Mar-24		65			31-Mar-24		25	415	
Bologna Global Strade Soc. Cons. a r.l. in liquidation	31-Mar-23					31-Dec-23				60
	31-Mar-24					31-Mar-24				
Centro Europa Ricerche S.r.l.	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
Consorzio Igiene Ospedaliera Soc. Cons. a r.l. in liquidation	31-Mar-23					31-Dec-23			65	
	31-Mar-24					31-Mar-24			65	
Consorzio Sermagest Soc.Cons.a r.l in liquidation	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
CO.& MA. Soc.	31-Mar-23					31-Dec-23				5

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Cons. a r.l. in liquidation	31-Mar-24					31-Mar-24				
DUC Gestione Sede Unica Soc. Cons. a r.l.	31-Mar-23	2,280	995			31-Dec-23				
	31-Mar-24					31-Mar-24				
Fondazione Ricerca, Scienze Neurologiche Azienda USL di Bologna	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
Gestione Servizi Taranto Soc.Cons.a r.l.	31-Mar-23	1,365	1.217			31-Dec-23	9,514	41	7,140	
	31-Mar-24	1,367	1.272			31-Mar-24	5,631	51	3,358	
Gestione Strade soc.cons.r.l.	31-Mar-23	22	238			31-Dec-23	65	63	881	
	31-Mar-24	19	327			31-Mar-24	87	63	717	
Global Oltremare Soc.Cons.a r.l in liquidation	31-Mar-23		1			31-Dec-23			106	
	31-Mar-24		2			31-Mar-24			107	
Global Vicenza Soc.Cons. a r.l.	31-Mar-23					31-Dec-23		10	17	
	31-Mar-24					31-Mar-24		10	17	
GR.A.AL. Soc. Cons. a. r.l.	31-Mar-23					31-Dec-23	15			
	31-Mar-24					31-Mar-24	15			
Gymnasium Soc. cons. a r.l in liquidation	31-Mar-23					31-Dec-23	1	8	33	
	31-Mar-24					31-Mar-24	1	8	33	
Imola Verde e Sostenibile Soc. Cons. a r.l. (IVES)	31-Mar-23	77	75			31-Dec-23	79		58	
	31-Mar-24	188	182			31-Mar-24	296		240	
IPP S.r.l.	31-Mar-23		55			31-Dec-23	2	36	207	
	31-Mar-24		73			31-Mar-24	3	35	225	
Legnago 2001 Soc. Cons. r.l. in liquidation	31-Mar-23		2			31-Dec-23	158		81	
	31-Mar-24		4			31-Mar-24	158		85	
Logistica Ospedaliera Soc. Cons. a r.l.	31-Mar-23					31-Dec-23			17	
	31-Mar-24		6			31-Mar-24			24	
Manutencoop International Services LLC in liquidation	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
MCF Servizi integarti Soc. cons. a r.l. in liquidation	31-Mar-23					31-Dec-23	365		5	
	31-Mar-24					31-Mar-24	365		5	
Newco DUC Bologna S.p.A	31-Mar-23					31-Dec-23	3,730	6	159	
	31-Mar-24	81	22			31-Mar-24	5,521	6	184	1,571

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
Palmanova Servizi Energetici Soc. Cons. a r.l. in liquidation	31-Mar-23		1			31-Dec-23	75		10	
	31-Mar-24		2			31-Mar-24	75		11	
Rekeep Arabia for Operations and Maintenance Ltd in liquidation	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
Roma Multiservizi S.p.A. in liquidation	31-Mar-23	126	51			31-Dec-23	582		165	
	31-Mar-24	136	60			31-Mar-24	718		225	
San Martino 2000 Soc.Cons. r.l.	31-Mar-23	352	574			31-Dec-23	930		1,537	
	31-Mar-24	337	545			31-Mar-24	1,386		2,221	
S.E.I. Energia Soc. Cons. a r.l.	31-Mar-23	12	1,927	47		31-Dec-23	121	904	4,314	
	31-Mar-24	(5)	1,181	12		31-Mar-24	121	1,209	5,016	
Servizi Brindisi Soc. Cons. a r.l. in liquidation	31-Mar-23					31-Dec-23				
	31-Mar-24		2			31-Mar-24	264	6	(159)	
Servizi Napoli 5 Soc.Cons. a r.l.	31-Mar-23					31-Dec-23	3,439		2,038	
	31-Mar-24					31-Mar-24	3,439		2,038	
Steril Piemonte S.r.l.	31-Mar-23					31-Dec-23		550	32	
	31-Mar-24					31-Mar-24		250		
Toscana Energia Nord Ovest (T.E.N.O.V.) S.r.l.	31-Mar-23					31-Dec-23	1,618		655	315
	31-Mar-24	1,713				31-Mar-24	2,232		569	315
Yougenio S.r.l. in liquidation	31-Mar-23	5		47		31-Dec-23	28		2	40
	31-Mar-24	6		60		31-Mar-24	7		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-Mar-23					31-Dec-23	1			
	31-Mar-24					31-Mar-24	1			
Nugareto Società Agricola Vinicola S.r.l.	31-Mar-23					31-Dec-23	1	6	121	
	31-Mar-24					31-Mar-24		6		
Sacoa S.r.l.	31-Mar-23		1			31-Dec-23				

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
	31-Mar-24					31-Mar-24				
Segesta servizi per l'Ambiente S.r.l. in liquidation	31-Mar-23	1				31-Dec-23	2	1		
	31-Mar-24					31-Mar-24	1			

Associated 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
Bologna Service Consulting STP S.r.l.	31-Mar-23					31-Dec-23				
	31-Mar-24		18			31-Mar-24				
Consorzio Karabak Soc. Cooperativa	31-Mar-23	30				31-Dec-23	31		1	
	31-Mar-24	33				31-Mar-24	43		1	
Consorzio Karabak Due Società Cooperativa	31-Mar-23	1				31-Dec-23	2			
	31-Mar-24	1				31-Mar-24	3			
Consorzio Karabak Quattro Società Cooperativa	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
Consorzio Karabak Cinque Società Cooperativa	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
Consorzio Karabak Sei Società Cooperativa	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
Holmo S.p.A.	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
Puglia Multi Servizi S.r.l. in liquidation	31-Mar-23					31-Dec-23				
	31-Mar-24					31-Mar-24				
Sacoa Servizi Telematici S.r.l.	31-Mar-23		1			31-Dec-23			31	
	31-Mar-24		3			31-Mar-24			32	

		Revenues	Costs	Financial income	Financial charges		Trade receivables	Financial receivables and others	Trade payables	Financial payables and others
GRAND-TOTAL	31-Mar-23	8,907	11,531	95	44	31-Dec-23	39,791	7,443	37,928	5,847
	31-Mar-24	7,778	10,319	72	36	31-Mar-24	44,288	6,862	41,815	7,771

Annex IV

Statement of reconciliation of the reclassified statement of cash flows and the statutory schedule items

For the quarter ended 31 March

	2024	2023
Cash and cash equivalents at the beginning of the period	**76,812**	**84,243**
Cash flow from current operations:	**17,297**	**30,156**
Profit before taxes	6,026	9,612
Amortizations, depreciations, write-downs (write-backs) of assets	10,916	10,002
Accruals (reversals) of provisions	882	10,593
Employee termination benefits provision	423	39
Share of net profit of associates, net of dividends collected	(79)	(68)
Financial charges (income) in the period	12,768	12,131
Net interest received (paid) in the period	(11,055)	(17,811)
Taxes paid in the period	(1,212)	609
Reclassifications:		
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the period	(1,372)	5,029
Uses of provisions for risks and charges èp0and payments of the employee termination indemnity:	**(2,213)**	**(1,681)**
Uses of employee terminations benefits	(481)	(389)
Uses of provisions for risks and charges	(1,731)	(1,292)
CHANGE IN NWOC:	**(16,519)**	**(41,937)**
Decrease (increase) in inventories	(68)	(772)
Decrease (increase) in trade receivables	(26,618)	(22,965)
Changes in trade payables	10,167	(18,199)
INDUSTRIAL AND FINANCIAL CAPEX:	**(13,167)**	**14,817**

For the quarter ended 31 March

(Purchase of intangible assets, net)		(574)		(963)
(Purchase of property, plant and equipment)		(12,999)		(10,101)
Sale of property, plant and equipment		752		582
(Acquisition of investments, net)		(86)		(1,300)
Decrease (increase) of financial assets		8,641		4,067
Financial effects of business combinations		0		(627)
Reclassifications:				
Net change in the balance of short-term financial assets		*(8,901)*		*11,933*
Debt for acquisition of investments and business combinations		*0*		*(2,110)*
CHANGE IN NET FINANCIAL LIABILITIES:		**(5,940)**		**8,993**
Change in lease debt		(962)		(886)
Repayment of non-current borrowings		(12,000)		(120)
Proceeds from/(repayment of) short-term bank debt		7,498		1,058
Other changes in financial debt		(12,751)		24,628
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit/Loss for the year		*1,372*		(5,029)
Net change in the balance of short-term financial assets		*8,901*		(11,933)
Non-cash elements on net acquisitions of fixed assets		*2,003*		(835)
Debt for acquisition of investments and business combinations		*0*		2,110
OTHER CHANGES:		**(944)**		**(7,833)**
Decrease (increase) in other current assets		(6,469)		(14,341)
Change in other current liabilities		8,236		5,384
Dividends distributed		(10)		(48)
Acquisition/assignment of minority interests of subsidiaries		12		(233)
Differences arising from translation of financial statements in foreign currency		(711)		571
Reclassifications:				
Non-cash elements on net acquisitions of fixed assets		*(2,003)*		*835*
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**55,327**		**73,422**

2024 - dépôt lit



rekeep.com

