

rekeep

Report on operation **at 31 december**



rekeep

General information

REGISTERED OFFICE

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

BOARD OF DIRECTORS

Appointed by the Shareholders' Meeting of 14 March 2024

CHAIRMAN

Claudio Levorato

CHIEF EXECUTIVE OFFICER

Giuliano Di Bernardo

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 of 28 April 2023

CHAIRMAN

Germano Camellini

STANDING AUDITORS

Marco Benni
Giacomo Ramenghi

ALTERNATE AUDITORS

Michele Colliva
Antonella Musiani

INDEPENDENT AUDITORS

EY S.p.A.

Preamble

The Report on Operations for Rekeep S.p.A. ("Rekeep") was drafted in accordance with art. 2428 of the Italian Civil Code and, as provided for under art. 40 of Legislative Decree 127/1991, is presented in a single document. Where appropriate, priority is given to issues considered important to the companies included in the scope of consolidation as a whole.

The Rekeep Group is active in the management and provision of integrated services to public and private customers, targeted at people, buildings and cities (so-called "Integrated Facility Management"). At present the Rekeep brand is controlled 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, energy management, 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 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 CO Ltd). Finally, the acquisition of the Polish company Rekeep Polska S.A., the parent company controlling the group with the same name and leading market in Poland, strengthened the Group's market position in the field of facility management in the healthcare sector, and expanded the range of services offered by the Group, including catering operations.

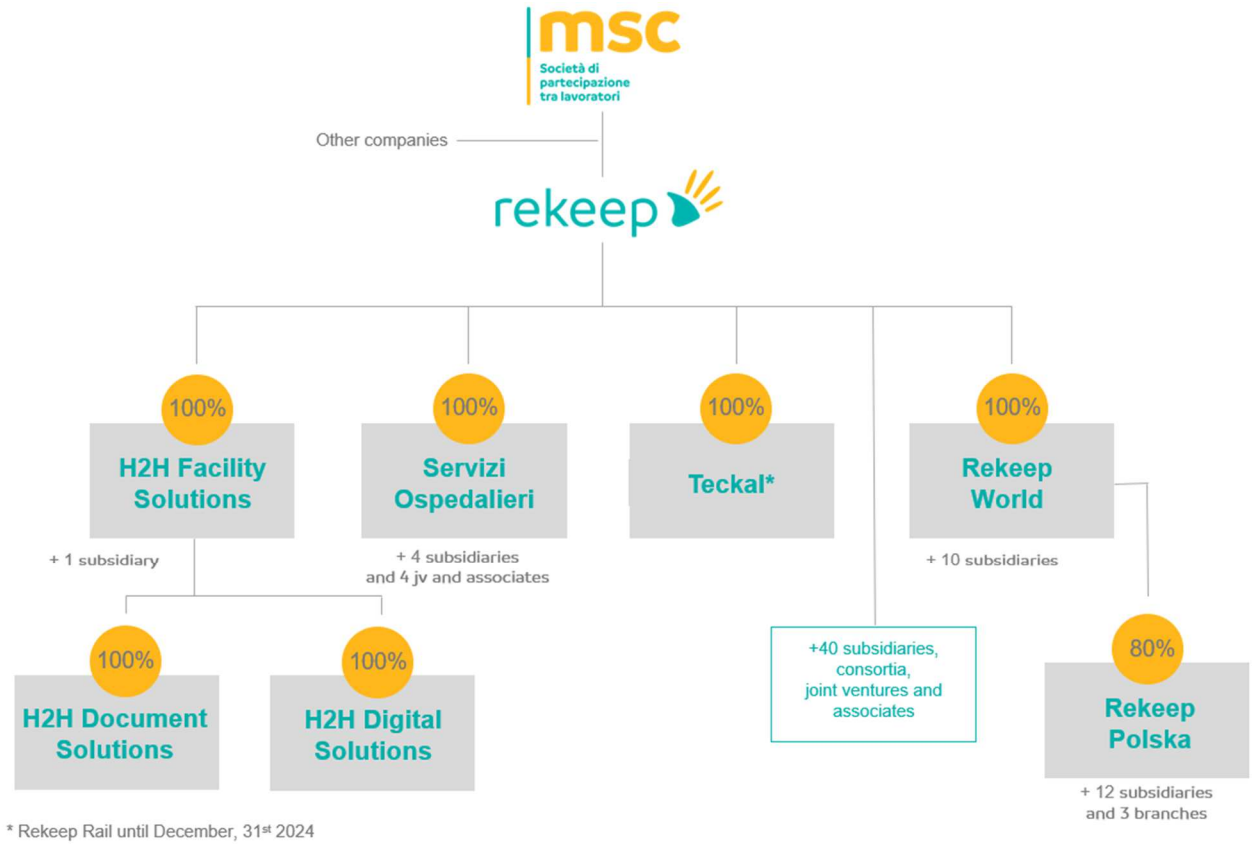
Shareholding structure

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

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

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

The structure of the Group controlled by MSC Società di Partecipazione tra Lavoratori S.p.A. at 31 December 2024 was the following:



* Rekeep Rail until December, 31st 2024

Macroeconomic and market scenario

In 2024, the global macroeconomic scenario was marked by moderate growth, with the International Monetary Fund (IMF) estimating global growth of 3.0%, reporting a slight recovery compared to 2.9% in 2023. Advanced economies, such as the United States and Europe, are showing signs of slowing down. In the United States, growth is projected at 2.0%, supported by sound domestic demand and a robust labor market, despite the Federal Reserve's restrictive monetary policy, which continues to keep interest rates high, at around 5.25-5.50% before September 2024, subsequently reduced to 4.25-4.50%. In Asia, China is set to grow at around 5.0% while India is expected to achieve expansion of around 6.0%, with domestic demand still strong and structural reforms in place. The war in Ukraine and geopolitical tensions persist, thus adversely affecting growth forecasts in some regions, but not impeding global recovery.

After the price spike caused by the war in Ukraine and the energy crisis in 2022, prices have stabilized but still remain at levels above those recorded before the pandemic.

In Europe, growth stood at a modest 1.2% in 2024, with some economies such as Germany performing below average (0.5%) while France and Spain could expand at higher rates, at around 1.5 to 1.7%. Inflation in the Eurozone continued to decline, reaching around 4.5% at the aggregate level, partly due to the European Central Bank's (ECB) policy of raising interest rates to 4.00% in 2024, although strong pressure remained on energy prices.

In Italy, economic growth in 2024 is estimated at around 0.7%, among the lowest in the Eurozone, affected by low productivity, poor industrial competitiveness and the high public debt, which is expected to be at around 141% of GDP. Inflation, while slowing, will stabilize at around 4.0% while the unemployment rate is expected to remain at around 9.0%. Italy, despite investment in infrastructure and the National Recovery and Resilience Plan (NRRP), is struggling to revive its economy due to poor dynamics in the labor market and domestic consumption.

For the first few months of 2025, the global outlook remains uncertain, with world growth likely to remain below potential trend at around 2.8% and may be lower than expected. Advanced economies, including the United States and the Eurozone, could see a tentative recovery, with growth rates expected at around 1.3% in the Eurozone and at 1.8% in the United States. In Italy, growth could improve slightly up to around 1.0% thanks to some fiscal stimulus and public investment, although labor market and productivity challenges remain persistent. The ECB's monetary policies, although less aggressive, will continue to influence inflation trends and national economies, with Eurozone inflation forecast to be at around 3.5% in early 2025.

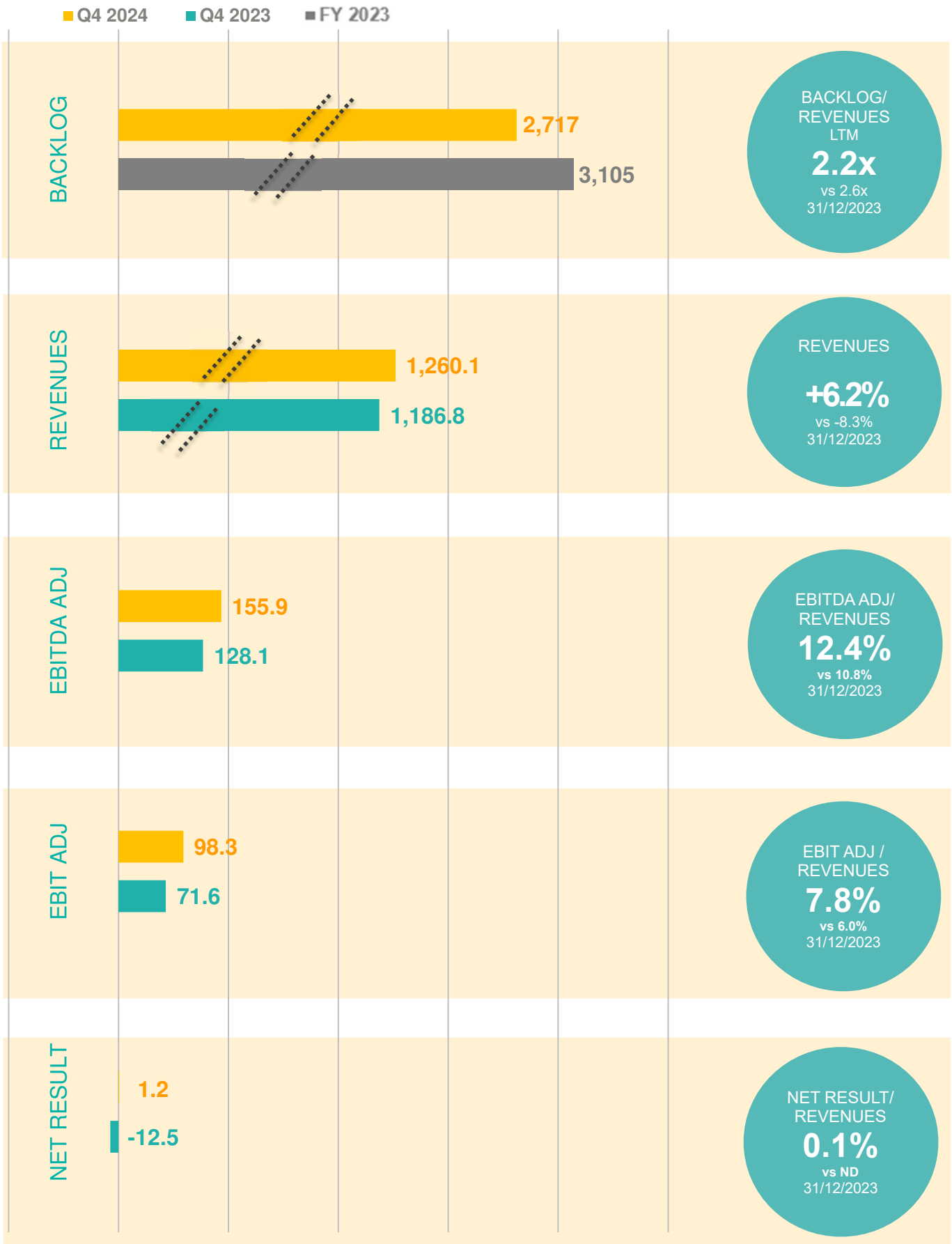
Alternative performance indicators (non-GAAP financial measures)

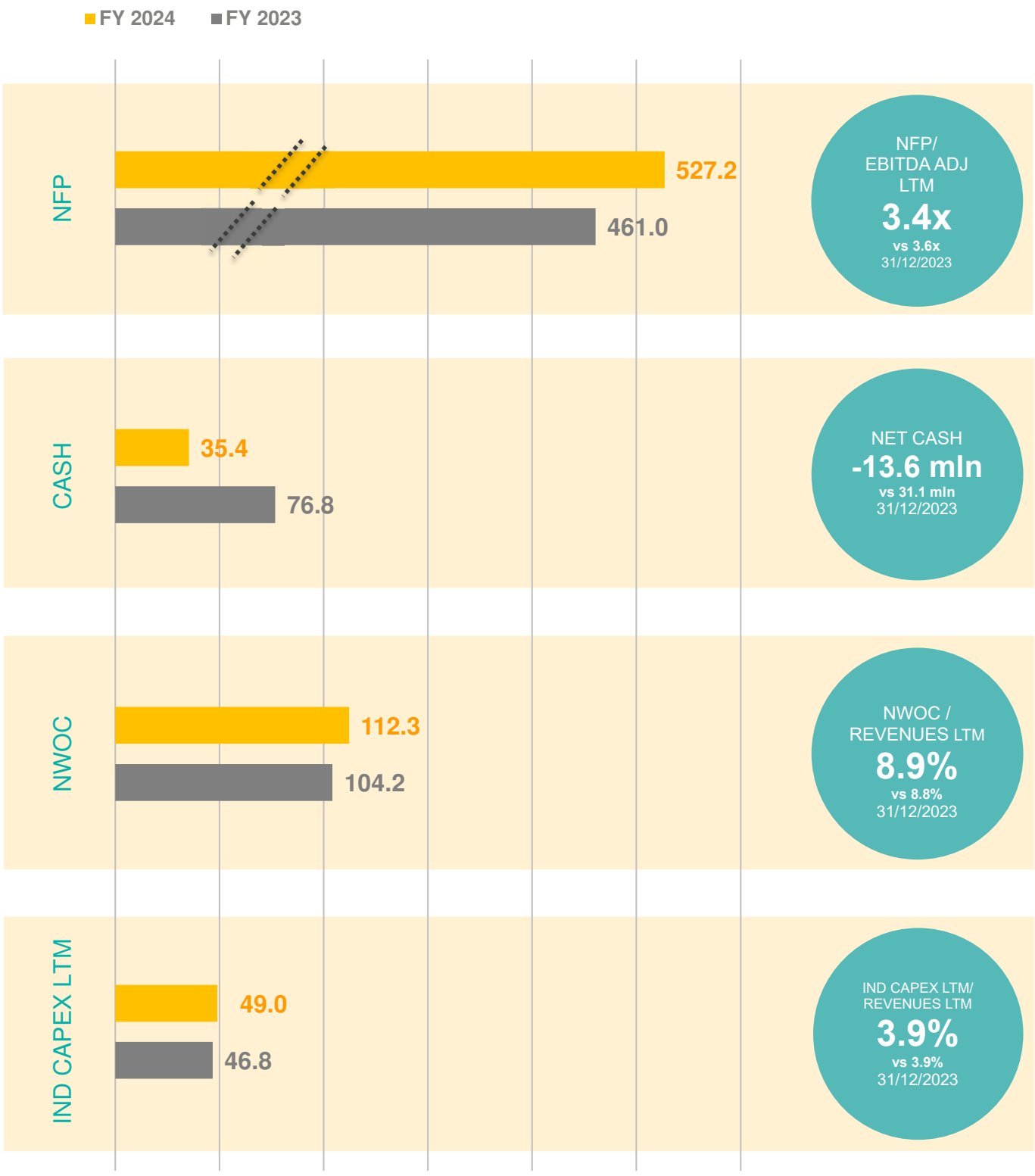
The Rekeep Group's Management monitors and assesses the consolidated business performance, results of operations and cash flows by using various alternative performance indicators that are not defined under the international accounting standards IAS/IFRS (*"API"* or *"Non-GAAP measures*"), as stated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

	Definition
Backlog	The Backlog is the amount of contract fees 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 is 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 the paragraph on "Non-recurring events and transactions" of this document.
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 (quarters).
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) Financial 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.


Q4 2024
Q4 2023
FY 2023
BACKLOG
2,717
3,105
BACKLOG/ REVENUES LTM
2.2x
vs 2.6x 31/12/2023
REVENUES
1,260.1
1,186.8
REVENUES
+6.2%
vs -8.3% 31/12/2023
EBITDA ADJ
155.9
128.1
EBITDA ADJ/ REVENUES
12.4%
vs 10.8% 31/12/2023
EBIT ADJ
98.3
71.6
EBIT ADJ / REVENUES
7.8%
vs 6.0% 31/12/2023
NET RESULT
1.2
-12.5
NET RESULT/ REVENUES
0.1%
vs ND 31/12/2023


FY 2024
FY 2023
NFP
527.2
461.0
NFP/ EBITDA ADJ LTM
3.4x
vs 3.6x 31/12/2023
CASH
35.4
76.8
NET CASH
-13.6 mln
vs 31.1 mln 31/12/2023
NWOC
112.3
104.2
NWOC / REVENUES LTM
8.9%
vs 8.8% 31/12/2023
IND CAPEX LTM
49.0
46.8
IND CAPEX LTM/ REVENUES LTM
3.9%
vs 3.9% 31/12/2023

Report on operations

2024 Significant events

During 2024 the Group continued to work on putting the results it had achieved until that time on a sound footing in a structured manner in the domestic sector and on the development in the foreign sector, in the context of a world economy that was on the whole stable and a downward inflationary trend, although constraints remained in relation to the tensions and uncertainties in the international geopolitical environment.

During 2024, the Group also focused its efforts on analyses to effectively address the contingent situation of the Group, as well as the sustainability of its debt. As at the date of preparation of this document, some evaluations were still ongoing, given that in the preceding months a mandate had been given to leading national and international advisors in order to design and implement the best strategy and select counterparties for any possible disposal of assets, providing elements for the valuation of each asset that can be sold. The Group has started concrete negotiations with leading domestic market players and international financial operators, and put in place specific activities aimed at carrying out such extraordinary transactions as may be necessary to dispose of any identified assets. The valuations and actions put in place by the Directors are broadly described in the explanatory notes to the Consolidated and Separate Financial Statements, to which we refer for further details. In addition, during February 2025, the Parent Company, Rekeep S.p.A., successfully concluded a refinancing transaction, which entailed the issue of a new Senior Secured bond, with a total nominal value of €360 million, due September 2029, the proceeds of which, together with the Cash and Cash Equivalents already shown on the Company's balance sheet, were used to extinguish the Senior Secured Notes issued in January 2021, with a nominal value of €370 million, due February 2026. The new bond issue is also linked to a new Revolving Credit Facility (RCF) for a maximum amount of €55.5 million, which ensures financial elasticity and coverage of peak needs of financial resources in the very short term.

With regard to the Group's results of operations, there was an increase of €73.4 million in revenues in 2024 (at 31 December 2024, revenues amounted to €1,260.1 million, compared to €1,186.8 million in the previous year), which confirmed the positive performance of International Markets, showing volume growth of €89.4 million. In 2024 revenues from International Markets included the amount paid to the subsidiary Rekeep Saudi CO Ltd, amounting to €29.0 million at 31 December 2024, following the execution of the out-of-court settlement agreement with the former customer OPS to close the international arbitration, as further explained below. Pro-forma revenues from this item amounted to €1,231.1 million.

In terms of profit margins, Adjusted EBITDA stood at €155.9 million at 31 December 2024, with relative profit margins of 12.4% compared to €128.1 million at 31 December 2023 (10.8% as a ratio of revenues), thus recording an increase of €27.8 million during the year. Pro-forma adjusted EBITDA, taking into account the

effect of revenues from Rekeep Saudi, as described above, was €126.9 million at 31 December 2024. The growth trend was confirmed in International Markets, including in terms of profit margins (+€39.4 million compared to the previous year).

In terms of financial performance, there was an increase in Net debt from € 461.0 million at 31 December 2023 to €527.2 million at 31 December 2024, as was in Net working operating capital from €104.2 million at 31 December 2023 to €112.3 million at 31 December 2024. These indicators continued to be affected by the general trend in prices in previous years, and the resulting measures, as well as by two further factors: (i) an increase in the contingent liability for the Put Option on the acquisition of the additional 20% stake in the share capital of subsidiary Rekeep Polska, following the adjustment to its fair value according to the new business plan, which shows an improvement in the sub-group's expected results; and (ii) the recovery of certain overdue and unpaid installments in relation to the debt for the Competition Authority's "FM4" fine, upon the issuance of a new installment payment plan on the part of the Revenue Agency, as detailed below.

APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS OF REKEEP S.P.A. AND CONSEQUENT RESOLUTIONS

At the Ordinary Shareholders' Meeting held by the Sole Shareholder on 14 March 2024, the new members of the Board of Directors of Rekeep S.p.A. were appointed, consisting of 7 people, 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 in the persons of 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.

At 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.

PROCEEDINGS UNDER ARTICLE 2409 OF THE ITALIAN CIVIL CODE AT THE GROUP'S PARENT COMPANY

In the first months of the year, 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.

EXTENSION OF THE TERM OF THE INSTALLMENT PAYMENT PLAN OF THE COMPETITION AUTHORITY'S "FM4" FINE

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 "FM4" fine, 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 obtained the deferment of the conclusion of the payment plan for the Competition Authority's "FM4" fine by more than three years, from December 2025 to May 2029. Moreover, the Company benefits from a reduction in the monthly installment, with a lower impact on cash outflows incurred on a monthly basis. Finally, the absence of overdue installments

also results in savings in terms of additional collection charges, which would have been due for each installment overdue and unpaid for more than 60 days.

AMENDMENTS TO AGREEMENTS WITH THE MINORITY SHAREHOLDER OF SUBSIDIARY REKEEP POLSKA

On 10 June 2024, the subsidiary Rekeep World S.r.l. signed the amendment to the agreements with the minority shareholder of the investee company Rekeep Polska, controlling the group of the same name, which had been signed at the time of the acquisition on 30 October 2019. The most significant amendments concern the expiry of the Put&Call Option on the minority share held by the other shareholder, amounting to 20% of the subsidiary's share capital. The new agreements set the time period for its exercise between 31 December 2027 and 31 December 2028, with the parties being allowed to renew the agreement for an additional period of 3 years by exercising their right within 6 months of the expiry of the first exercise period (thus deferring the exercise period between 31 December 2030 and 31 December 2031). It should be noted that previously the exercise period of the option was set between 30 October 2024 and 30 October 2025. Furthermore, amendments were made to the “lock-up period” clause, and to other shareholder agreements. The deferral of the exercise of the Put&Call Option will, among other things, allow the partnership to be strengthened with the minority shareholder of the subsidiary.

EXECUTION OF A SETTLEMENT AGREEMENT BETWEEN REKEEP SAUDI CO LTD, REKEEP AND CONSORZIO OPS

On 16 December 2024, Saudi Arabia-based subsidiary Rekeep Saudi CO Ltd and the Parent Company Rekeep signed an out-of-court agreement with former customer OPS LCC as a final settlement of the disputes that originated between the parties. Specifically, the agreement they have signed provides for the subsidiary being paid compensation in the amount of €30.0 million by the counterparty on 29 January 2025, and the waiver of the international arbitration procedure involving both the subsidiary Rekeep Saudi and the Parent Company Rekeep, which was formally concluded in January 2025. For more details, please refer to note 9 - Update on Legal Proceedings below and note 14 of the Notes to the Consolidated Financial Statements.

BUSINESS DEVELOPMENT

During 2024 the Group gained orders for an overall long-term amount of €370.2 million, of which €316.2 million relating to extensions and renewals of contracts already included in its sales portfolio, and €54.0 million relating to the development of a new portfolio. The value of contracts acquired in International Markets in the year was equal to about 43.0% of the total orders gained during the year.

New contracts in the Healthcare sector amounted to €244.2 million at 31 December 2024 (about 66.0% of total orders gained in the year) against orders gained for €53.6 million in the Public sector (14.5% of the total), and orders gained for €72.4 million in the Private sector (19.6% of the total). The overview by Strategic Business

Unit ("SBU") shows that Facility Management (also including International Markets) obtained contracts of €285.7 million during 2024 while Laundering & Sterilization obtained contracts of €84.5 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 new orders 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 services in the hospital sector.
Moreover, the subsidiary Servizi Ospedalieri S.p.A. achieved renewals of contracts already included in the portfolio, both for linen rental and industrial laundering and sterilization services in 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 2024. Some road and green space maintenance contracts were also signed with some municipalities in the Central-Northern Italy.

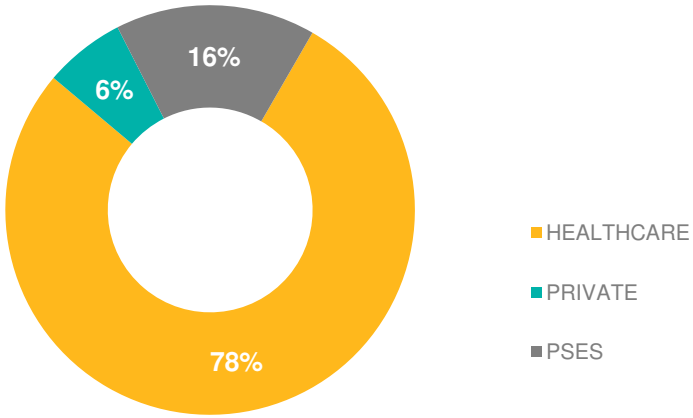
Finally, contracts were renewed with some network customers in the Private sector. In International Markets renewals were obtained for the portfolio, as were new acquisitions of contracts for hygiene, catering and surgical instrument sterilization services for private customers in Poland and Turkey

The **Backlog**, i.e. the amount of contractual revenues related to the remaining term of the contracts in the portfolio at that date, is expressed below in millions of Euros:

	31 December 2024	31 December 2023	31 December 2022
Backlog	2,717	3,105	3,058

At 31 December 2024, the Backlog stood at €2,717 million, showing a decrease compared to the value posted at the end of 2023 (€3,105 million) and 2022. However, the Backlog/Revenues ratio was equal to 2.2x (2.6x at 31 December 2023).

BACKLOG BY MARKET



1. Summary of results of the fourth quarter of 2024

	For the Quarter ended 31 December		
	2024	2023	%
Revenues	364,137	316,572	+15.0%
of which Revenues – International Markets	*96,774*	*57,000*	
Adjusted EBITDA (*)	67,913	32,153	+111.2%
Adjusted EBITDA % on Revenues	*18.7%*	*10.2%*	
Adjusted EBIT (*)	45,248	11,492	+293.7%
Adjusted EBIT % on Revenues	*12.4%*	*3.6%*	
Consolidated net result	16,620	(12,946)	
Consolidated net result % on Revenues	*4.6%*	*N.A.*	

In the fourth quarter of 2024 the Group recorded Revenues of €364.1 million, against €316.6 million compared to the same period of the previous year, with a positive change of €47.6 million. International Markets contributed revenues of €96.8 million for the quarter (of which an amount of €56.6 million was contributed by the Polish sub-group controlled by Rekeep Polska), showing an increase of €39.8 million compared to the same quarter of the previous year.

During both comparative quarters revenues were marginally affected by the trend in prices, particularly of energy, compared to the respective previous quarters. On the International Markets front, the performance in terms of revenues was driven by the positive results achieved by the Polish sub-group through both the expansion of portfolio, and favorable renewals of contracts, as well as by the positive contribution given by subsidiary Rekeep Saudi following the execution of the settlement agreement with the former customer OPS, which had an impact of €29.0 million on revenues at 31 December 2024.

In the last quarter of 2024, all markets showed a positive performance. Specifically, the Healthcare market showed growth in the last quarter of 2024 compared to the previous year (+€6.7 million), from €200.4 million in the fourth quarter of 2023 to €207.1 million in the fourth quarter of 2024; the Public market showed an increase of €39.8 million compared to the comparative period (€101.9 million in the fourth quarter of 2024 compared to €62.1 million in the fourth quarter of 2023); finally, the Private market showed higher revenues equal to €1.1 million, from €54.0 million in the fourth quarter of 2023 to €55.2 million in the fourth quarter of 2024. The results described above were driven by the positive performance of the Facility Management business segment (+€45.0 million), in particular in the Healthcare and Public markets, mainly thanks to the contribution given by the International Markets; on the contrary, the performance was substantially stable in the Private market compared to the previous quarter, thus reversing the negative performance of recent

quarters due to changes in the portfolio. The Laudering&Sterilization sector recorded a positive change of €1.6 million in revenues in the fourth quarter of 2024 (from €40.2 million in the last quarter of 2023 to €41.8 million in the same period of 2024), thanks to the start-up of some contracts for linen rental and industrial laundering and sterilization of surgical instruments by the subsidiary Servizi Ospedalieri, and the expansion of the portfolio achieved by Medical Device and Ujet in the sale of devices and procedural kits for the healthcare market. The result was achieved particularly in the Healthcare and Private market while the Public sector remained stable in the last quarter.

Adjusted EBITDA in the fourth quarter of 2024 stood at €67.9 million (18.7% on revenues), showing an increase of €27.9 million compared to the same quarter of the previous year (when it was equal to €32.2 million, 10.2% on revenues for the period), thanks to the contribution given by both sectors. On the one hand, the Facility Management SBU showed an increase of €33.4 million in profit margins during the fourth quarter of 2024 over the same period of the previous year, reflecting the revenue performance described above. The sector also benefitted from the structure efficiency improvement at the subsidiary Rekeep Saudi, which continued during 2024, after the conclusion of the facility management contract for the Riyadh Metro. On the other hand, the Laundering&Sterilization SBU recorded an increase of €2.0 million in absolute profit margins in the fourth quarter of 2024 (from €7.8 million in the last quarter of 2023 to €9.8 million in the fourth quarter of 2024), reflecting the trend in the revenues recorded in the business segment.

Adjusted EBIT for the quarter ended 31 December 2024 stood at €45.2 million (12.4% of related Revenues), showing an increase compared to the same period of the previous year (€11.5 million, 3.6% of related Revenues at 31 December 2023). The trend was affected, in absolute terms, by the described performance of Adjusted EBITDA (+€35.8 million), from which must be deducted higher amortization and depreciation for €0.3 million, higher write-downs of trade receivables (net of releases) for €2.0 million, and higher impairment losses of other assets for €0.1 million while adding net releases to provisions for future risks and charges for €0.4 million (net of the non-recurring release of €0.7 million in the last quarter of 2024).

Finally, the Consolidated net result for the fourth quarter of 2024 posted €16.6 million against a loss of €12.9 million in the quarter ended 31 December 2023. In addition to the performance in terms of consolidated adjusted EBIT described above, higher net financial charges of €2.6 million were recognized in the last quarter of 2024. Financial charges on Senior Secured Notes amounted to €6.6 million in the fourth quarter of 2024 (€6.9 million in the same period of the previous year) while amortized cost charges relating to the upfront fees incurred for the issue of Senior Secured Notes amounted to €0.5 million and €0.4 million, respectively, in the last quarter of 2024 and 2023. Furthermore, financial charges were recorded on the use of the Revolving Credit Facility (RCF) for €0.6 million in the fourth quarter of 2024 (compared to €0.3 million in the fourth quarter of 2023); on the contrary, additional charges remained stable on the same facility (€0.2 million). In the fourth quarter of 2024 the Group incurred lower interest discount charges of € 0.2 million compared to the same period in the previous year, and higher financial costs on leases for €0.1 million; on the other hand, there were

higher net financial costs in the quarter on contingent liabilities for the acquisition of minority interests in subsidiaries for €10.4 million, following the fair value adjustment of the options recognized in the consolidated financial statements, and higher financial costs on recourse and reverse factoring lines for €0.2 million, as well as a lower incidence of charges for exchange rate fluctuations totaling €1.3 million. Finally, the result for the quarter was affected by taxes, which showed an increase of €2.1 million in the quarter compared to the same quarter of 2023.

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

	31 December 2024	30 September 2024	31 December 2023
Net Working Operating Capital (NWOC)	112,289	148,362	104,186
Financial indebtedness	(527,170)	(536,617)	(460,987)

From an equity and financial point of view, the figure relating to Net Working Operating Capital (NWOC) at 31 December 2024 recorded a decrease compared to the value posted during the previous quarter (-€36.1 million) while showing an increase compared to the value posted at the end of the previous year (+€8.1 million). Specifically, lower trade receivables were recognized for €31.7 million and higher trade payables for €3.5 million in the fourth quarter of 2024 compared to the previous quarter. In 2024 trade receivables were assigned to factoring companies without recourse for a total of €272.4 million, of which €75.5 million during the fourth quarter.

At 31 December 2024 DSO was 154 days, recording a decrease compared to 31 December 2023 (161 days). Average DPO was 202 days at 31 December 2024, showing a decrease compared to the value posted at 31 December 2023 (212 days). After excluding the benefit of the electricity and gas tax credits granted in 2023, average DPO would be 198 days at 31 December 2023. The performance of amounts collected from customers and payments to suppliers generated cash flows during the fourth quarter of 2024 (+€28.0 million). The performance recorded in both DSO and DPO still reflected the events that had involved the energy sector in previous months, and the consequent measures put in place by the management, such as shortening the billing period and using the available lines of credit.

Financial indebtedness showed a decrease of €9.4 million in the quarter compared to the end of the previous quarter. From the cash flows generated from operating activities during the quarter (€36.3 million), the change in NWOC (€28.0 million), and net financial investments (€3.0 million) must be deducted the cash flow absorbed by uses of resources for net industrial investments (€12.0 million), as well as by uses of provisions for future

risks and charges and the provision for Employee Termination Indemnity (TFR) for the quarter (€12.6 million). Finally, the change was contributed to by the cash flows used in the changes in other operating assets and liabilities that were recorded during the quarter (€33.2 million), including, in addition to the normal seasonal trend in receivables from and payables to employees (showing a decrease of €2.1 million in the quarter), and payables for receipts to be passed on to the members of the Temporary Business Grouping (the debt balances of which showed a decrease of €1.2 million), there was the recognition of cash inflows against the performance of net VAT credit balances of the Group companies (+ €1.5 million),which during the quarter were subject to assignments carried out without recourse for a total amount of €7.1 million, and cash outflows mainly due to the payment of the installments of the Antitrust Authority's order for sanctions (-€1.4 million).

2. The Rekeep Group's consolidated performance of operations and financial position at 31 December 2024

2.1 Consolidated results of operations for FY 2024

The main income figures for 2024 compared to the figures of 2023 are reported below.

(in thousands of Euro)	For the year ended 31 December		For the quarter ended 31 December	
	2024	**2023**	**2024**	**2023**
Revenues	1,260,141	1,186,769	364,137	316,572
Costs of production	(1,110,393)	(1,068,039)	(300,090)	(287,871)
EBITDA	**149,748**	**118,730**	**64,047**	**28,701**
EBITDA %	***11.9%***	***10.0%***	***17.6%***	***9.1%***
Amortization, depreciation, write-downs and write-backs of assets	(52,512)	(47,721)	(19,318)	(16,955)
Accrual of provisions for risks and charges	(4,370)	(14,964)	(2,627)	(3,716)
Operating Income (EBIT)	**92,866**	**56,045**	**.42,102**	**8,030**
EBIT %	***7.4%***	***4.7%***	***11.6%***	***2.5%***
Share of net profit of associates	404	(24)	69	(126)
Net financial charges	(75,905)	(55,444)	(20,311)	(17,740)
Profit before taxes (EBT)	**17,365**	**577**	**21,860**	**(9,836)**
EBT %	***1.4%***	***N.A.***	***6.0%***	***N.A.***
Income taxes	(16,200)	(13,108)	(5,240)	(3,110)
CONSOLIDATED NET PROFIT (LOSS)	**1,165**	**(12,531)**	**16,620**	**(12,946)**
CONSOLIDATED NET PROFIT (LOSS) %	***0.1%***	***N.A.***	***4.6%***	***N.A.***
Minority interests	(864)	(690)	(156)	55
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**301**	**(13,221)**	**16,464**	**(12,891)**
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	***N.A.***	***N.A.***	***4.5%***	***N.A.***

Non-recurring events and transactions

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

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

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023
Costs from reorganization of company units	3,416	2,981
M&A and non-recurring transactions of Group companies	2,736	2,961
Legal advice fees and other charges for international arbitration	0	3,389
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBITDA	**6,152**	**9,331**
Provisions for legal advice fees and other charges for international arbitration	(720)	6,187
NON-RECURRING CHARGES (INCOME) IMPACTING ON EBITDA AND EBIT	**5,432**	**15,518**

In 2024, the Group incurred non-recurring charges impacting on EBITDA for a total amount of €6.2 million. An amount of €3.4 million of which related to the projects for the reorganization of company units and the Group’s structure while an amount of €2.7 million related to costs for M&A operations completed in previous years and recoded on an accruals basis in the period, in addition to the expenses incurred to amend the agreements with the minority shareholder of subsidiary Rekeep Polska. On the contrary, the Group’s EBIT was impacted by the release of the remaining provision for charges, for €0.7 million, which had been set aside in the previous year following the start of the international arbitration procedure by the subsidiary Rekeep Saudi.

In 2023, the Group incurred non-recurring charges impacting on EBITDA for a total amount of €9.3 million. An amount of €3.0 million of which related to the projects for the reorganization of company units of the parent company and certain subsidiaries and of the Group structure. An additional amount of €3.0 million related to costs for M&A operations, both present and completed in previous years, and recoded on an accruals basis in the period, and other minor non-recurring transactions. In addition, the start of the international arbitration procedure by the subsidiary in Saudi Arabia resulted in non-recurring charges being incurred in the period with an impact of €3.4 million on consolidated EBITDA, mainly relating to costs accrued in the period for the rationalization of the subsidiary's structure following the termination of the Metro Riyadh contract, and to legal

fees related to the pending litigation, in addition to setting aside a provision for charges with an impact of €6.2 million on EBIT.

Consolidated Adjusted EBITDA and EBIT are thus represented as follows:

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023
EBITDA	**149,748**	**118,730**
Non-recurring expenses (income) impacting on EBITDA	6,152	9,331
Adjusted EBITDA	**155,900**	**128,061**
Adjusted EBITDA % on Revenues	**12.4%**	**10.8%**
EBIT	**92,866**	**56,045**
Non-recurring expenses (income) impacting on EBITDA and EBIT	5,432	15,518
Adjusted EBIT	**98,298**	**71,563**
Adjusted EBIT % on Revenues	**7.8%**	**6.0%**

Revenues

During the year ended 31 December 2024 the Group recorded Revenues of €1,260.1 million against € 1,186.8 million in the same period of the previous year, recording a positive change of €73.4 million (+6.2%).

Revenues achieved in 2024 were marginally affected by the trend in prices, particularly of energy, which had an impact on the performance of revenues until the first quarter of the current financial year. In fact, inflation continued to remain at high levels until the first quarter of 2023, above all with regard to energy prices, although they began to show the downward trend that continued throughout 2023. Revenues for the year received a positive contribution from International Markets, which stood at €301.4 million, mainly thanks to the contribution given by the sub-group controlled by Rekeep Polska (€231.0 million), which recorded an overall increase of €51.6 million; this was due, in particular, to the catering business, and higher revenues achieved by subsidiary Rekeep Saudi CO Ltd under the agreement signed with the former customer OPS in final settlement of the dispute pending within the arbitration procedure, equal to €29.0 million. Finally, we must note the acquisition and start-up of facility management contracts in Saudi Arabia, mainly in the healthcare sector, following 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, an which had let to the start of the international arbitration procedure, which has now been concluded (for more details in this regard, please refer to note 9 – "*Update on Legal Proceedings*" below).

The breakdown of the consolidated Revenues in 2024 is provided below by target Market, compared to the previous year.

Revenues by segment

(in thousands of Euro)	For the year ended 31 December				For the quarter ended 31 December	
	2024	% on total Revenues	2023	% on total Revenues	2024	2023
Public Authorities	261,042	20.7%	221,306	18.6%	101,858	62,101
Healthcare	787,312	62.5%	752,140	63.4%	207,119	200,437
Private Customers	211,787	16.8%	213,323	18.0%	55,160	54,034
CONSOLIDATED REVENUES	**1,260,141**		**1,186,769**		**364,137**	**316,572**

Revenues in the Healthcare sector showed an increase of €35.2 million in the year compared to the previous year, from €752.1 million to €787.3 million, thus accounting for 62.5% of total consolidated Revenues. The increase in market volumes was mainly generated by the Facility Management SBU, thanks above all to the positive performance in the healthcare business segment of International Markets (+€49.9 million) while a negative trend prevailed in the domestic market, which was due to a different portfolio mix compared to the comparative year. The Laundering&Sterilization SBU, on the other hand, recorded a decrease of €0.7 million in the Healthcare market as a result of the postponement in the second half of the year concerning the start-up of some contracts for linen rental and industrial laundering, and sterilization of surgical instruments of the subsidiary Servizi Ospedalieri, which are not yet in full operation while Medical Device and Ujet contributed positively to the performance in the sector thanks to the expansion of the portfolio achieved in the sale of devices and procedural kits for the healthcare market.

On the other hand, the Public market closed 2024 by recording a turnover of €261.0 million, showing an increase of €39.7 million compared to €221.3 million at 31 December 2023. The total contribution of International Markets to the Public market amounted to €34.0 million, and included revenues recognized by the subsidiary Rekeep Saudi after signing the settlement agreement with the former customer OPS (€29.0 million). The Private market showed instead a decrease of €1.5 million in volumes, as a result of the termination of some contracts in the portfolio, which was only partially offset by the acquisition of new orders, partly mitigated by higher revenues earned by subsidiary H2H Cleaning as a result of contract renewal with a large network customer.

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 year ended 31 December				For the quarter ended 31 December	
	2024	% on total Revenues	2023	% on total Revenues	2024	2023
Facility Management	1,125,544	89.3%	1,051,179	88.6%	326,861	281,865
of which International markets	*301,424*	*23.9%*	*211,992*	*17.9%*	*96,774*	*57,000*
Laundering & Sterilization	151,544	12.0%	153,936	13.0%	41,794	40,170
Eliminations	(16,946)		(18,346)		(4,518)	(5,462)
CONSOLIDATED REVENUES	**1,260,141**	**100%**	**1,186,769**	**100%**	**364,137**	**316,572**

Revenues of the Facility Management SBU recorded an increase of €74.4 million (+7.0%) in 2024 compared to the previous year, from €1,051.2 million at 31 December 2023 to €1,125.5 million at 31 December 2024. Revenues in the sector benefited from the positive contribution given by International Markets, which mitigated the decline in volumes seen in the domestic market due to a different portfolio mix in 2024.
On the other hand, revenues of the Laundering&Sterilization SBU decreased from €153.9 million for the year ended 31 December 2023 to €151.5 million for the year ended 31 December 2024, thus recording a decline in volumes of €2.4 million, which occurred, in particular, in linen rental and industrial laundering services while benefiting from the entry of projects into full operation, in the second half of the year, under some contracts started in the business segment of sterilization and surgical kits at the end of 2023.

The Facility Management SBU recorded a relative weight of 89.3% (88.6% in 2023) on total consolidated revenues in the quarter.

EBITDA

The Group's EBITDA stood at €149.7 million in the year ended 31 December 2024, showing an increase of €31.0 million compared to the previous year (€118.7 million). However, it should be noted that EBITDA expensed non-recurring costs of €6.2 million and €9.3 million, respectively, during the two comparative periods.

Therefore, Adjusted EBITDA, excluding these non-recurring items, amounted to €155.9 million at 31 December 2024, against adjusted EBITDA of €128.1 million at 31 December 2023 (+€27.8 million).

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

EBITDA by segment

(in thousands of Euro)	For the year ended 31 December				For the quarter ended 31 December	
	2024	% on Revenues by segment	2023	% on Revenues by segment	2024	2023
Facility Management	119,901	10.7%	89,245	8.5%	54,256	20,901
of which International markets	*45,468*		*2,828*		*31,246*	*4,072*
Laundering&Sterilization	29,848	19.7%	29,486	19.2%	9,794	7,802
CONSOLIDATED EBITDA	**149,749**	**11.9%**	**118,731**	**10.0%**	**64,050**	**28,703**

The Facility Management sector showed EBITDA of €119.9 million at 31 December 2024, showing an increase of €30.7 million against €89.2 million in 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 €6.2 million and €8.9 million in 2024 and 2023, respectively, Adjusted EBITDA by segment stood at €126.1 million at 31 December 2024 compared to €98.2 million at 31 December 2023 (+€27.9 million).
The change in EBITDA recorded in the business segment during the year was still affected by the trends in prices, particularly those of energy, which had an impact on both revenues and costs, although to a more marginal extent as from the second quarter of the year. On the contrary, the growth trend continued in International Markets (+€39.4 million), which in 2024 benefitted from the positive contribution of the subsidiary Rekeep Saudi after signing the settlement agreement with the former customer OPS (€29.0 million at 31 December 2024) and the efficiency improvement of its structure after the final completion of the Metro Riyad contract in July 2023.
Finally, it should be noted that EBITDA for the comparative year benefited from 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 €16.6 million at 31 December 2023 in the sector, and not renewed for the 2024 financial year.

EBITDA in the Laundering&Sterilization business segment stood at €29.8 million in 2024 against €29.5 million in the previous year (-€0.4 million). After excluding non-recurring elements which affected the results in the business segment in 2023, and which had an impact of €0.4 million on this segment (no non-recurring charge

was reported in 2024), Adjusted EBITDA by segment stood at €29.8 million at 31 December 2024 against €29.9 million at 31 December 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 half of 2023, equal to €1.1 million, and not renewed for the 2024 financial year.

COSTS OF PRODUCTION

Costs of production, which amounted to €1,110.4 million at 31 December 2024, showed an increase of €42.4 million in absolute terms compared to €1,068.0 million posted at 31 December 2023 (+4.0%), in line with the trend recorded on revenues.

(in thousands of Euro)	For the year ended 31 December				For the quarter ended 31 December	
	2024	% of total	2023	% of total	2024	2023
Costs of raw materials and consumables	251,540	22.7%	253,764	23.8%	64,494	74,829
Change in inventories of finished and semi-finished products	(241)	N.A.	(207)	N.A.	50	(255)
Costs for services and use of third-party assets	340,383	30.7%	319,607	29.9%	102,233	85,813
Personnel costs	511,253	46.0%	485,972	45.5%	132,066	125,288
Other operating costs	8,514	0.8%	9,860	0.9%	989	2,700
Capitalization of lower internal construction costs	(1,056)	N.A.	(957)	N.A.	258	(504)
TOTAL COSTS OF PRODUCTION	**1,110,393**	**100.0%**	**1,068,039**	**100.0%**	**300,090**	**287,871**

Costs of raw materials and consumables amounted to €251.5 million in 2024, showing a decrease of €2.2 million (-0.9%) compared to the previous year. The impact on total Costs of Production was equal to 22.7% in the year ended 31 December 2024 (23.8% at 31 December 2023). The item showed two opposite effects, mainly linked to the costs for fuel consumption and other energy resources. At 31 December 2024 there was, in fact, a decline in the price of raw materials compared to the previous year, when inflationary pressure, although decreasing, was most pronounced, which was 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 previous year had benefitted for an amount of €17.7 million.

Costs for services and use of third-party assets stood at €340.4 million at 31 December 2024, up by €20.8 million compared to the value posted at 31 December 2023 (€319.6 million), with an impact equal to 30.7% on total Costs of production (29.9% in the comparative year). The trend in the related incidence of Costs for services and use of third-party assets on the total was directly linked 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. Specifically, in 2024, the domestic market showed a greater tendency to outsource certain activities while international markets, especially in Poland, showed the opposite trend.

Personnel costs showed an increase of €25.3 million in absolute terms (+5.2%) from €486.0 million at 31 December 2023 to €511.3 million at 31 December 2024, with an impact equal to 45.5% and 46.0%, respectively, on total Costs of production.
The average number of employees in service during 2024 was equal to 25,105 units while it was 25,723 at the end of the previous year (of which: 23,233 against 23,877 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 in France and Poland, were also significant in the year.

At 31 December 2024, there also was the recognition of Capitalization of lower internal construction costs for €1.1 million (€1.0 million at 31 December 2023), relating to service concessions concerning the initial implementation of long-term works for the integrated management of thermal and electrical energy supply and management services through some Group subsidiaries.

Finally, Other operating costs amounted to €8.5 million at 31 December 2024 against €9.9 million at 31 December 2023 (-€1.3 million). This item mainly included taxes, penalties, donations and other operating charges.

Operating income (EBIT)

In 2024 consolidated Operating Income (EBIT) stood at €92.9 million (equal to 7.4% of Revenues) against €56.1 million (equal to 4.7% of Revenues) in 2023.

EBIT for the year was affected by the above-mentioned consolidated performance in terms of EBITDA (+€31.0 million compared to the previous year), from which must be deducted higher amortization and depreciation for €2.1 million (€43.4 million at 31 December 2024, against €41.3 million in the previous year), and higher write-downs of trade receivables (net of releases) and other assets for €2.7 million while adding lower Accruals to provisions for risks and charges (net of reversals) for €10.6 million compared to 2023, when a non-recurring

provision was recognized for charges linked to the international arbitration involving the subsidiary Rekeep Saudi for €6.2 million (against a non-recurring release of €0.7 million in 2024).
Adjusted EBIT, excluding non-recurring items impacting for €5.4 million in 2024 and €15.5 million in the previous year, stood at €98.3 million and €71.6 million, respectively, with relative profit margins (Adjusted EBIT/Revenues), equal to 7.8% at 31 December 2024 and 6.0% at 31 December 2023.

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

EBIT by segment

(in thousands of Euro)	For the year ended 31 December				For the quarter ended 31 December	
	2024	% on Revenues by segment	2023	% on Revenues by segment	2024	2023
Facility Management	85,652	7.6%	48,333	4.6%	38,931	5,878
of which International Markets	*37,442*		*(16,138)*		*28,777*	*(731)*
Laundering&Sterilization	7,215	4.8%	7,712	5.0%	3,173	2,152
CONSOLIDATED EBIT	**92,866**	**7.4%**	**56,045**	**4.7%**	**42,104**	**8,030**

EBIT in the Facility Management business segment was equal to €85.7 million at 31 December 2024, showing an increase of €37.3 million compared to 2023 (€48.3 million) with operating profit margins coming to 7.6% of Revenues by segment (4.6% at 31 December 2023). On the other hand, Adjusted EBIT by segment increased from €63.5 million at 31 December 2023 to €91.1 million at 31 December 2024.

Adjusted EBIT by segment reflected the abovementioned performance in terms of Adjusted EBITDA (+€27.9 million) from which must be deducted higher amortization and depreciation for €2.1 million, and higher write-downs of trade receivables (net of releases) for €2.3 million, to which must be added lower accruals, net of releases on provisions for future risks and charges and non-recurring items for €4.1 million.

In the Laundering&Sterilization segment, EBIT by segment showed a decline of €0.5 million and profit margins by segment equal to 4.8% in terms of EBIT on related Revenues by segment (5.0% at 31 December 2023).

Adjusted EBIT by segment decreased from €8.1 million at 31 December 2023 to €7.2 million at 31 December 2024, reflecting the positive performance in terms of Adjusted EBITDA compared to the previous year (- €0.1

million), as well as higher write-downs of trade receivables (net of releases) for €0.4 million and higher accruals, net of releases on provisions for future risks and charges for €0.4 million.

Profit (loss) before tax from continuing operations

To consolidated EBIT must be added net income for the companies valued at equity for €0.4 million at 31 December 2024 (net charges or an amount less than €0.1 million in the previous year).

Furthermore, there was the recognition of net financial charges of €75.9 million (€55.4 million at 31 December 2023), thus obtaining a Profit before tax from continuing operations equal to €17.4 million (€0.6 million at 31 December 2023).

Below is the breakdown by nature of net financial charges in 2024 compared with the previous year:

(in thousands of Euro)	For the year ended 31 December		For the quarter ended 31 December	
	2024	2023	2023	2023
Dividends and income (loss) from sale of investments	6,117	312	5,862	0
Financial income	5,341	2,282	2,313	972
Financial charges	(87,198)	(56,509)	(27,995)	(16,879)
Profit (loss) on exchange rate	(165)	(1,529)	(491)	(1,833)
NET FINANCIAL CHARGES	**(75,905)**	**(55,444)**	**(20,311)**	**(17,740)**

In 2024 dividends were accounted for from non-consolidated companies for €0.3 million (€0.2 million in 2023). Furthermore, at 31 December 2024, the parent company Rekeep recognized a capital gain of €5.5 million following the sale, at a price of €7.5 million, concerning the 5% stake held in Starfire S.A., the parent company of Sicura S.p.A., which had already been disposed of in 2020. The Group also recognized net proceeds from the disposal of equity investments for €0.3 million (against net proceeds from the disposal of equity investments for €0.2 million in 2023).

Financial income of €5.3 million was recorded in 2024, showing an increase compared to €2.3 million recorded in the previous year. Specifically, at 31 December 2024, the item included financial income recognized against the reduction in the contingent liability for the PUT Option held by the minority shareholder of the subsidiary Rekeep France on 30% of the share capital, amounting to €1.5 million.

The impact of financial charges on the consolidated results of operations for the year was instead equal to €87.2 million compared to €56.5 million in the previous year, showing an increase of €30.7 million.

The increase in the item during the year was mainly attributable to the financial charges recognized against the increase in the value of the contingent liability for the Put&Call option on the acquisition of the additional 20% stake in the share capital of the subsidiary Rekeep Polska, following the adjustment of its fair value on the basis of the new business plan, which shows an improvement in the results expected by the sub-group. In addition, on 10 June 2024, an amendment to the agreements with the minority shareholder of the subsidiary Rekeep Polska was signed, which provides, among other things, for a postponement of the exercise date of the Put option, set between 31 December 2027 and 31 December 2028 (with a possible postponement by an additional period of 3 years), compared to the date initially scheduled (between 30 October 2024 and 30 October 2025). As at 31 December 2024, financial charges on the present value of the contingent liability for the Put option granted to the minority shareholder of Rekeep Polska, as well as to the minority shareholder of the Polish subsidiary Ster-med sp. z o.o. for its 10% stake of the share capital, amounted to €34.1 million compared to €3.5 million as at 31 December 2023 (+€30.7 million).

In 2024, the financial charges accrued on the coupons of the Senior Secured Notes amounted to €26.6 million (in line with the previous year). The upfront fees relating to the issue of the Senior Secured Notes accounted for according to the amortized cost method generated financial amortization charges of €1.8 million (€1.6 million at 31 December 2023).

At the same time as the bond issue, the Parent Company Rekeep S.p.A. entered into a Super Senior Revolving loan agreement for €75.0 million, costs of which (initially equal to €1.3 million) are also amortized on a straight-line basis throughout the term of the credit facility and entailed the payment of financial charges of €0.8 million in the year (including commitment fees charged by banks), compared to €0.9 thousand in the previous year. Furthermore, the use of the facility in 2024 entailed the charging of financial costs equal to €1.7 million (€1.4 million at 31 December 2023). During the year the facility was partially used to meet any possible temporary cash requirements, and was promptly repaid.

The Parent Company Rekeep S.p.A. also entered into a confirming credit line of €60 million with SACE Fct S.p.A., the factoring company of the SACE Group leading the transaction, and Banca Sistema S.p.A. on 20 April 2023, which was repaid in full with the last installment paid on 30 September 2024; to the abovementioned line must be added an additional line of credit of €12 million repayable in 18 quarterly installments as from 31 December 2024, which was entered into with Banca Sistema S.p.A. on 15 May 2024, both of them being guaranteed by SACE S.p.A.. The two lines entailed the payment of financial charges of €1.7 million at 31 December 2024 (€2.4 million at 31 December 2023).

In 2024 interest discount costs in relation to the assignments of trade receivables and VAT credits without recourse were recorded for €4.6 million (€4.7 million in the previous year, including costs for assignments of

tax credits to the parent company MSC). Furthermore, assignments with recourse and reverse factoring lines generated financial costs of € 2.6 million at 31 December 2024 against €3.0 million at 31 December 2023.

Additional financial charges mainly related to lease agreements (€1.9 million in 2024 against €2.2 million in 2023), and bank interest expense and financial charges on minor loans.

Finally, foreign exchange losses of €0.2 million were recorded in 2024, mainly linked to the fluctuations in Euro exchange rates during the period (against losses of €1.5 million at 31 December 2023).

Consolidated net Result

From the Profit (loss) before tax from continuing operations for the year (a profit of €17.4 million) must be deducted taxes of €16.2 million, thus obtaining a Net profit from continuing operations of €1.2 million (against a loss of €12.5 million at 31 December 2023).

Below is the breakdown of consolidated tax rate:

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023
Profit (loss) before tax from continuing operations	**17,365**	**577**
Current, prepaid and deferred IRES tax	(11,872)	(8,789)
Current, prepaid and deferred IRAP tax	(4,328)	(4,319)
Net profit (loss) from continuing operations	**1,165**	**(12,531)**
Overall tax rate	**93.3%**	**N.A.**

The consolidated tax rate for the year stood at 93.3%, showing an increase of €3.1 million in the tax burden against a higher Profit (loss) before tax for €16.8 million, due to the substantial invariance of some tax components on current taxes (particularly IRAP (Regional Production Activity Tax) tax).

2.2 Analysis of the statement of financial position at 31 December 2024

The statement of Sources and Uses is reported below:

(in thousands of Euro)	31 December 2024	31 December 2023
USES		
Trade receivables and advances to suppliers	517,579	513,771
Inventories	12,432	13,373
Trade payables and contract liabilities	(417,722)	(422,958)
Net working operating capital	**112,289**	**104,186**
Other working capital elements	(72,403)	(156,674)
Net working capital	**39,886**	**(52,488)**
Property, plant and equipment	127,468	117,543
Right-of-use assets	46,661	44,555
Goodwill and other intangible assets	421,728	424,431
Investments accounted for under the equity method	11,264	11,758
Other items of non-current assets	34,537	34,004
Fixed assets	641,658	632,291
Non-current liabilities	(91,772)	(56,815)
NET INVESTED CAPITAL	**589,772**	**522,988**
SOURCES		
Equity attributable to non-controlling interests	7,341	6,515
Equity attributable to equity holders of the Parent	55,261	55,486
Shareholders' equity	**62,602**	**62,001**
Financial indebtedness	527,170	460,987
of which fair value of call options on subsidiaries' non-controlling interests	*52,571*	*19,545*
FINANCING SOURCES	**589,772**	**522,988**

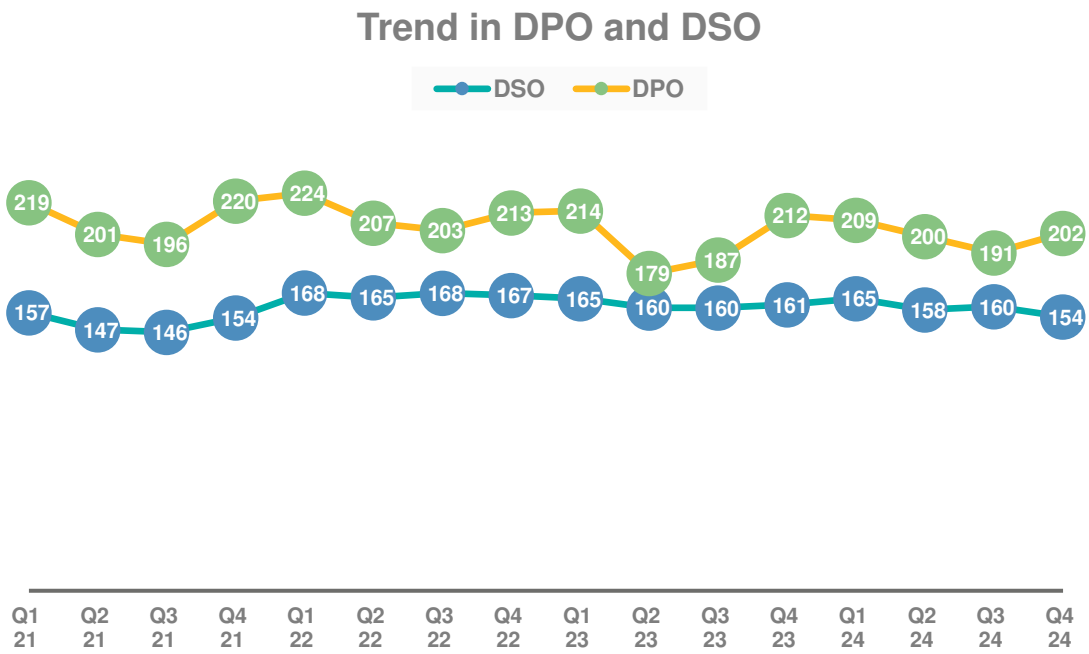
Net working capital

At 31 December 2024, Consolidated Net Working Capital (**NWC**) was positive and equal to €39.9 million against a negative NWC of €52.5 million at 31 December 2023.

At 31 December 2024 consolidated Net Working Operating Capital (NWOC), composed of trade receivables and advances to suppliers and inventories, net of trade payables and contract liabilities, was equal to €112.3 million against €104.2 million at 31 December 2023. Considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring agencies, equal to € 57.8 million at 31 December 2024 and €62.8 million at 31 December 2023, Adjusted NWOC stood at €170.1 million and €167.0 million, respectively.

The change in this latter indicator (+€3.1 million) was linked to a reduction in the balance of trade payables (+€5.2 million), as well as a decrease in trade receivables (-€1.2 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 (-€1.0 million). At 31 December 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.

As at 31 December 2024, average DSO was 154 days against 160 days at 30 September 2024 and 161 days at 31 December 2023 while average DPO stood at 202 days, showing an increase compared to the value posted at 30 September 2024 (191 days), but lower than average DPO recorded at 31 December 2023 (212 days). The trend in both DSO and DPO was also linked to events that had involved the energy sector and the consequent actions implemented by the management, such as the reduction of the invoicing period and the use of available lines of credit.



(in thousands of Euro)	31 December 2024	31 December 2023	Change
Current tax receivables	1,510	6,589	(5,079)
Other current assets	69,047	31,681	37,366
Provisions for risks and charges, current	(11,544)	(22,707)	11,163
Current tax payables	(448)	(142)	(306)
Other current liabilities	(130,968)	(172,095)	41,127
OTHER WORKING CAPITAL ELEMENTS	**(72,403)**	**(156,674)**	**84,271**

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” (+€2.4 million). These credit balances allowed, during 2024, the performance of assignments without recourse of the balances on account of refund required from the Tax Authorities, for a total amount of €27.1 million;
- the partial refund of guarantee deposits on new annual electricity and gas utility contracts for €0.8 million compared to the deposits outstanding at 31 December 2023;
- a reduction in the net debt for current tax, equal to €1.1 million at 31 December 2024, against a net receivable of €6.4 million at 31 December 2023.

As at 31 December 2024, “Other current liabilities” included the short-term exposure in relation to the liability recorded by the Parent Company Rekeep S.p.A. following the service of the Competition Authority’s updated order for sanctions concerning the Consip FM4 tender, and the subsequent entry of the requested amounts in the taxpayers’ list on the part of the Revenue Agency, subject to an instalment payment plan, which was finally updated on 19 April 2024. The new payment plan forwarded by the Revenue Agency consists of 62 monthly installments, and will expire in May 2029. For more details, reference should be made to the previous paragraph on “*Main events in 2024*.” As at 31 December 2024, the remaining debt for the Competition Authority’s FM4 fine (initially amounting to €82.2 million) totaled €41.4 million, of which an amount of €6.6 million is due within 1 year of the period end date and reclassified under this item based on the latest installment payment plan received. On the other hand, the remaining portion of the debt, maturing beyond 1 year from the reporting date of the year, is reclassified under “Other non-current liabilities”, which is described in the following paragraph. As at 31 December 2023, the entire amount of the remaining debt resulting from the previous installment payment plan of the fine, equal to €55.2 million, was instead entered under this item.

Other non-current liabilities

“Other non-current liabilities” include liabilities relating to:

- defined-contribution plans for employee benefits, mainly including the Employee Termination Indemnity (TFR), equal to €11.2 million at 31 December 2024 (€10.4 million at 31 December 2023);
- the long-term portion of Provisions for risks and charges (€30.4 million at 31 December 2024 against €31.7 million at 31 December 2023);
- deferred tax liabilities of €15.2 million (€14.5 million at 31 December 2023);
- other non-current liabilities, equal to €35.0 million at 31 December 2024, of which an amount of €34.9 million relating to the remaining debt for the Competition Authority’s FM4 fine due beyond 1 year resulting from the new installment payment plan served on 19 April 2024 and described above (€0.1 million at 31 December 2023).

Consolidated financial indebtedness

The breakdown of financial indebtedness at 31 December 2024 is shown 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 December 2024 is compared with the figures at 31 December 2023.

(in thousands of Euro)	31 December 2024	31 December 2023
A. Cash	216	166
B. Cash equivalents (c/a, bank deposits and consortia, non-proprietary accounts)	35,211	76,646
C. Other current financial assets	3,873	15,545
D. Liquidity (A) + (B) + (C)	**39,300**	**92,357**
E. Current financial liabilities	83,453	102,544
F. Current portion of non-current debt	19,104	52,583
G. Current financial indebtedness (E)+(F)	**102,558**	**155,126**
H. Current net financial indebtedness (G) - (D)	**63,258**	**62,769**
I. Non-current financial liabilities	95,964	32,039
J. Debt instruments	367,948	366,179
K. Trade payables and other non-current payables	0	0
L. Non-current financial indebtedness (I) + (J) + (K)	**463,912**	**398,218**
M. NET FINANCIAL INDEBTEDNESS (H) + (L)	**527,170**	**460,987**

Consolidated financial indebtedness increased from €461.0 million at 31 December 2023 to €527.2 million at 31 December 2024.

Work continued in 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 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 during 2024 totaled €272.4 million, in addition to assignments of VAT credits requested for refund for a total of €27.1 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 €57.8 million at

31 December 2024 against €62.8 million at 31 December 2023) amounted to €585.0 million at 31 December 2024 against €523.8 million at 31 December 2023.
Financial indebtedness also included the potential financial liability related to the fair value measurement of options on the minority interest of the subsidiaries Rekeep Polska S.A., Rekeep France S.a.S. and Ster-med sp. z o.o., which totaled €52.6 million at 31 December 2024 (€19.5 million at 31 December 2023), recording an increase of €33.0 million, following the adjustment to the fair value of Put options at 31 December 2024, which is closely related to the projected results expected for the companies.

At 31 December 2024 the balance of Cash and cash equivalents, net of short-term lines of credit ("Net Cash") consisted of a debt of €13.6 million (against a positive value of €31.1 million at 31 December 2023):

(in thousands of Euro)	31 December 2024	31 December 2023
Cash and cash equivalents	35,427	76,812
Current bank overdraft, advance payments and hot money	(34,009)	(27,549)
Obligations arising from assignments of trade receivables with recourse	(15,013)	(18,183)
NET CASH	**(13,595)**	**31,080**

Below is the breakdown of the net financial exposure for bank credit lines and lease agreements ("Net Debt") at 31 December 2024, compared to 31 December 2023:

(in thousands of Euro)	31 December 2024	31 December 2023
Senior Secured Notes (nominal value)	370,000	370,000
Bank debts (nominal value)	15,865	37,152
Financial lease liabilities	42,611	41,697
Current bank overdraft, advance payments and hot money	34,009	27,549
Obligations arising assignments of receivables with recourse	15,013	18,183
Payables for reverse factoring	3,949	16,633
GROSS DEBT	**481,447**	**511,214**
Receivables and other current financial assets	(3,873)	(15,545)
Cash and cash equivalents	(35,427)	(76,812)
NET DEBT	**442,147**	**418,857**

At 31 December 2024 there was the recognition of a lower exposure for bank debt for €21.3 million compared to 31 December 2023. As at 31 December 2024, the Parent Company repaid in full the remaining debt of the confirming 18-month loan, which had been entered into with SACE Factoring S.p.A. and guaranteed by SACE S.p.A. in April 2023 for payments to suppliers. On 15 May 2024, it entered into a new credit facility agreement

with Banca Sistema S.p.A., which was also guaranteed by SACE S.p.A. and aimed at payments to suppliers, with a nominal value of € 12 million and repayable in 18 quarterly installments as from 31 December 2024 (against a remaining balance of €11.3 million at 31 December 2024). In addition, the subsidiary Jol-Mark sp. z o.o., which belongs to the sub-group controlled by Rekeep Polska, recognized a mortgage loan that had a remaining value of €3.8 million as at the reporting date for the year.

During 2024 there also was the recognition of lower uses of credit lines for the assignment with recourse of trade receivables (-€3.2 million compared to 31 December 2023) and reverse factoring lines (-€12.7 million compared to 31 December 2023) against higher uses of Current bank overdraft, advance payments and hot money (+€6.5 million compared to 31 December 2023).

At 31 December 2024 current financial assets decreased by €11.7 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 under the aforementioned contracts for the non-recourse assignment of trade receivables (€2.1 million at 31 December 2024 against €0.8 million at 31 December 2023).

The change in the balance of “Cash and cash equivalents” is analyzed in the table below, showing the cash flows for 2024, compared with the figures for the previous year. A reconciliation between the items in the table below, and those in the statutory schedule shown in the 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	63,223	53,711
Uses of provisions for risks and charges and payments of the Employee Termination Indemnity (TFR)	(19,249)	(9,544)
Change in NWOC	(16,469)	(41,496)
Industrial capex, net of disposals	(44,305)	(44,478)
Financial capex, net of disposals	1,878	13,695
Change in net financial liabilities	24,797	3,780
Other changes	(51,260)	16,902
AT 31 DECEMBER	**35,427**	**76,812**

The overall cash flows mainly reflect:

- a flow generated from current operations for €63.2 million (a cash inflow of €53.7 million at 31 December 2023);
- outflows from the use of provisions for future risks and charges and of the provision for Employee Termination Indemnity (TFR) for €19.2 million (€9.5 million at 31 December 2023);
- a cash flow used for changes in NWOC for €16.5 million (€41.5 million at 31 December 2023), which emerged from an outflow correlated to an increase in trade receivables for €12.6 million (+€19.4 million at 31 December 2023), a reduction in inventories for €1.0 million (an outflow of €1.3 million at 31 December 2023) and a decrease in trade payables for €4.8 million (an outflow of €59.7 million at 31 December 2023);
- a cash absorption of €44.3 million used in industrial investments (€44.5 million in 2023), net of disposals for €4.7 million (€2.3 million in the previous year);
- a cash flow generated from financial investments and disinvestments of €1.9 million in 2024, as a result of the sale of the stake in Starfire S.A. worth €2 million, which were partly offset by the effects of the deconsolidation of a consortium company put into liquidation in the first months of the year, and an increase in financial receivables related to associated companies; at 31 December 2023, on the other hand, there was a generation of flows from financial investments and disinvestments, mainly linked to the amounts pledged as collateral for gas supply contracts (cash collateral), of which an amount of €4.5 million repaid during the period and €12.4 million reclassified among short-term financial receivables (repaid in the early months of 2024), partially offset by cash flows absorption for the acquisition of the “Major Customers” business unit (€0.8 thousand), the shares and quotas in Newco Duc SpA and Duc Gestione Sede Unica Scarl (€1.8 million) and in Ster-med (€1.4 million), and by the effects of deconsolidation of some consortia companies put into liquidation;
- an increase in net financial liabilities of €24.8 million, mainly due to (i) net changes relating to the use of short-term credit lines for hot money and advances on invoices (+€6.5 million), reverse factoring (-€12.7 million), and assignments with recourse of trade receivables (-€3.2 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 (+€9.3 million); (iii) a change in the balance of accrued interest (- €0.2 million); (iv) a decrease in the amount of the loans following the repayment of the confirming credit line signed with SACE Fct for €36.0 million, against entering into an additional credit facility agreement with a remaining balance of €11.3 million with Banca Sistema at the reporting date; (v) the increase in financial liabilities recognized on leases (+€1.0 million); (vi) the effects of the fair value adjustment of the contingent liability for put options on minority interests (+€33.0 million). During the previous year there had been an increase in net financial liabilities for €3.8 million, which was mainly due to (i) net changes relating to the use of short-term credit lines for hot money and advances on invoices (+€ 12.3 million), reverse factoring (-€17.2 million), and assignments with recourse of trade receivables (+€6.4 million); (ii) a lower liability recognized against factoring firms for amounts received on receivables that had been previously assigned without recourse and returned to them in the subsequent quarter (-€17.1 million); (iii) a change in the balance of accrued interest (+€0.6 million); (iv) an increase in the balance for loans

following the confirming credit line being signed with SACE Fct for €36.0 million); (v) a decrease in financial liabilities recognized on lease agreements (-€7.3 million); (vi) the effects of the fair value adjustment of the contingent liability for put options on minority interests (+€3.5 million);

- an outflow arising from other changes recorded in the year for €51.3 million, mainly due to the net effect of: (i) the cash flow absorbed by the performance of the net VAT credit balance for the Group companies, which increased by €2.4 million during the year, against non-recourse assignments totaling €27.1 million; (ii) the changes in debt balances for payments due to the members of the Temporary Business Grouping for (-€4.1 million); (iii) an increase in payables for personnel for €7.5 million; (iv) the payment of the fine imposed by the Competition Authority in relation to the Consip FM4 Tender (- €13.7 million); (v) the partial repayment of receivables for guarantee deposits paid on new annual electricity and gas utility contracts (+€0.8 million); (vi) the recognition by subsidiary Rekeep Saudi of the receivable claimed from the former customer OPS as a result of signing the settlement agreement, equal to €34.8 million and collected on 29 January 2025. Other changes during 2023 generated an inflow arising from other changes recorded in the period for €16.9 million, mainly due to the net effect of: (i) the cash flow generated by the performance of the net VAT credit balance for the Group companies, which decreased by €0.6 million during the period, against non-recourse assignments totaling €33.9 million; (ii) the changes in debt balances for payments due to the members of the Temporary Business Grouping (+€5.3 million); (iii) an increase in payables for personnel for €3.2 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 (-€11.4 million); (v) the use of tax credits, and specifically the tax credit on electricity and gas consumption (+€23.4 million); and (vi) the partial repayment of receivables for guarantee deposits paid on new annual electricity and gas utility contracts (+€3.8 million).

Industrial and financial capex

In 2024 the Group made gross capital expenditure totaled €49.0 million (€46.8 million in 2023) from which must be deducted disinvestments of €4.7 million (€2.3 million in the previous year):

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023
Acquisition of owned properties	47	1,810
Acquisition of owned plant and equipment	41,738	35,834
Acquisition of rights of use of properties (1)	438	958
Acquisition of rights of use of plant and equipment (1)	3,615	2,829
Other investments in intangible assets	3,165	5,369
INDUSTRIAL CAPEX	**49,003**	**46,800**

Acquisitions of company-owned plant and equipment related to investments of €10.0 million in the "centralized kitchens" project (based on Cook&Chill technology) to support the catering services provided by the Polish sub-group (€14.0 million at 31 December 2023, when the project also involved the acquisition of a plot of land for the implementation of an additional phase of the project for €1.7 million). The same sub-group is also engaged in the renovation of a sterilization facility near a hospital, which involved incurring investments of €2.3 million in 2024. In 2024, Servizi Ospedalieri S.p.A. also acquired linen for the linen rental and industrial laundering business, which requires periodic and frequent repairs, for €12.3 million (€13.6 million at 31 December 2023) and surgical instruments for €1.3 million (€1.8 million at 31 December 2023).
Part of the investments for the period in surgical instruments of Servizi Ospedalieri was already made under lease agreements (€0.6 million at 31 December 2024 and €2.4 million at 31 December 2023).

Rights of use of plant and machinery also included capitalizations amounting to €1.5 million for the lease purchase of two cogeneration modules by the parent company Rekeep S.p.A.. Finally, with regard to investments for rights of use on properties, we must note, in 2023, the lease agreement signed by subsidiary Medical Device involving a building previously held in property (sale & lease back lease agreement) and such works for related upgrading as are deemed necessary (€0.9 million).

Investments in intangible assets amounted to €3.2 million in the year (€5.4 million at 31 December 2023) and mainly related to ICT investments on the part of the Parent Company for the upgrading and enhancement of its SAP infrastructure and other similar investments.

Below is the breakdown of capital expenditures in terms of SBU:

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023
Facility Management	29,200	25,450
of which relating to International Markets	*17,565*	*16,728*
Laundering & Sterilization	19,802	21,350
INDUSTRIAL CAPEX	**49,003**	**46,800**

In 2024, financial investments, net of disinvestments, generated financial resources for €1.9 million. Specifically, the last months of 2024 saw the formalization of the sale of the entire 5% stake held in the share capital of Starfire S.A., the parent company of Sicura S.p.A., which had been sold in the first months of 2020, and recognized for €2.0 million in the financial statements.

Change in net financial liabilities

(1) Excluding the increase in rights of use for lease and long-term hire agreements

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

(in thousands of Euro)	31 December 2023	Business combinations	New loans	Repayments/ Payments	Buy-back/ Early termination	Other changes	31 December 2024
Senior Secured Notes	366,179					1,769	367,948
Revolving Credit Facility (RCF)	0		127,000	(127,000)			0
Bank loans	37,152		15,093	(36,379)			15,865
Current bank overdraft, advance payments and hot money	27,549		34,009	(27,549)			34,009
Accrued expenses and deferred income on loans	11,628			(26,825)		26,114	10,917
BANK DEBTS	**442,508**	**0**	**176,101**	**(217,753)**	**0**	**27,883**	**428,738**
Lease obligations	41,697		11,260	(5,294)	(1,939)	(3,113)	42,611
Payables for assignments of trade receivables with recourse	18,183		54,055	(57,225)			15,013
Payables for reverse factoring	16,633		3,949	(16,633)			3,949
Receipts on behalf of assignees of trade receivables without recourse	11,387		20,676	(11,387)			20,676
Fair value put option	19,545					33,027	52,571
Other liabilities	3,391		30	(510)			2,911
FINANCIAL LIABILITIES	**553,344**	**0**	**266,071**	**(308,803)**	**(1,939)**	**57,796**	**566,470**
Current financial assets	(15,545)		(2,443)	14,115			(3,873)
NET FINANCIAL LIABILITIES	**537,799**	**0**	**263,628**	**(294,688)**	**(1,939)**	**57,797**	**562,597**

The remaining debt on account of principal on the Senior Secured Notes was equal to €370.0 million at 31 December 2024, to which must be added the accounting adjustment on the premium and additional issue costs, accounted for according to the amortized cost method (€2.1 million). The financial amortization of this adjustment generated financial costs of €1.8 million in 2024. The facility also entailed the payment of six-monthly periodic interest, which impacted for €26.6 million in the year (in line with the previous year).

At the same time as the issue of Notes the Parent Company also signed a new revolving loan agreement for a maximum amount of €75 million. The facility was partially used during the year to meet temporary cash requirements, and was promptly repaid (at 31 December 2024 the RCF facility had not been drawn down); the

uses for the period entailed the charging of financial interest costs of €1.7 million during 2024 (€1.4 million at 31 December 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 observed on a quarterly basis on the basis of the consolidated data relating to the last 12 months, as resulting from the financial position, results of operations and cash flows approved during the quarter prior to the date of the application for use of the credit facility.

Compared to the balance at 31 December 2023, the balance of bank loans showed a reduction of €21.3 million at 31 December 2024. During 2024, the Parent Company repaid in full the remaining debt of the Confirming credit line made available by SACE Fct S.p.A. and Banca Sistema S.p.A. with counter-guarantee from SACE S.p.A. for an initial nominal amount of €60 million, repayable in 18 months as from 30 September 2023 (€36.0 million at 31 December 2023). On 15 May 2024, the Parent Company also entered into an additional credit line with a nominal value of €12.0 million with Banca Sistema S.p.A. and with counter-guarantee from SACE S.p.A., repayable in 18 quarterly instalments as from 31 December 2024 (a remaining balance of €11.3 million at 31 December 2024). The two lines had an impact of €1.7 million on financial costs for the year. At 31 December 2024 the available credit amount for the second credit line to repay debts to its suppliers and subcontractors had been used in full. Finally, the subsidiary Jol-Mark S.p. z o.o., which belongs to the sub-group controlled by Rekeep Polska, has an outstanding mortgage loan maturing on 31 December 2031 and repayable in quarterly installments with interest equal to 3-month WIBOR + spread, which had a remaining value of €3.8 million at the reporting date for the year.

Furthermore, at 31 December 2024 there was the recognition of accrued expenses on loans in a total amount of €11.3 million (almost entirely relating to the amount accrued on the bond coupon due 1 February 2025), and prepaid financial expenses of €0.3 million, of which an amount of €0.2 million relating to the remaining amount of costs to be amortized for obtaining the Revolving Credit Facility line, for an initial amount of €1.3 million and amortized on a straight-line basis throughout the entire term of the credit facility (with the recognition of financial charges of €0.3 million).

As at the reporting date for the year, short-term uncommitted credit lines had also been used for hot money and advance payments on invoices in order to meet peaks in temporary cash requirements linked to the normal performance of operations of €34.0 million, against a balance of €27.5 million at 31 December 2023. Furthermore, Rekeep S.p.A. and Servizi Ospedalieri S.p.A. used credit facilities for the assignment of trade receivables with recourse in place with Banca Sistema, concerning receivables from customers in the Public sector market. During 2024 assignments were made in an overall nominal amount of €54.1 million while the lines had been used for €15.0 million at the end of the year (€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 €3.9 million was also recognized at 31 December 2024 (€16.6 million at 31 December 2023).

As at 31 December 2024 the Group recorded receipts concerning receivables included in assignments without recourse for which the respective debtors have not made any payment to the bank accounts specified by the factor, for a value of €20.7 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, and, therefore, it proceeded with the payment of said amounts at the beginning 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 December 2024 (against €41.7 million at 31 December 2023). During the year new agreements were entered into and rentals were revalued for a present value of €11.3 million upon recognition while contracts were early terminated for a remaining value of €1.9 million.

Finally, contingent liabilities were recognized under financial liabilities for the acquisition of investments for a total amount of €52.6 million (€19.5 million at 31 December 2023), relating to the Put option on the 20% minority interest in the share capital of Rekeep Polska under the Investment Agreement which led to its acquisition and of the group it controls, in addition to the Put option granted in favor of the minority shareholder of Rekeep France on the remaining 30% of the share capital, both of which had been already recognized at 31 December 2023. As at 31 December 2024, following the acquisition of Ster-med by the subsidiary Rekeep Polska at the end of last year, the Group recognized an additional contingent liability for the Put option on the minority interest in the company, amounting to 10% of the share capital, as provided for in the investment agreements. As noted above, the increase in contingent liabilities was mainly attributable to the adjustment to the fair value of the contingent liability to the minority shareholder of subsidiary Rekeep Polska following the approval of a new business plan of the sub-group, which shows an improvement in expected results.

Finally, “Other financial liabilities” include loans taken out by the Group companies with non-banking counterparties. The balance of €2.9 million at 31 December 2024 showed a decrease during the year, mainly due to the repayment of the debt to the parent company MSC S.p.A., which had arisen 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 remaining value of €0.4 million at 31 December 2024).

The balance of short-term financial assets showed a decrease of €11.7 million in 2024, mainly as a result of the release on 9 February concerning the sums pledged as cash collateral for gas supply contracts, and not yet repaid for €12.4 million at the reporting date for the year. 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 (€2.1 million).

2.3 Financial ratios

The main financial ratios for 2024, calculated at consolidated level, compared with the same ratios recorded for 2023, are reported below.

The financial data used to calculate these ratios for the 2023 financial year are "normalized", i.e. net of the impact on the consolidated result arising from the international arbitration involving the subsidiary Rekeep Saudi CO Ltd, which are non-recurring and the significant amount of which is considered distorting for the assessment of the Company's ongoing results.

	2024	2023
ROE	0.5%	-5.3%
ROI	15.7%	12.5%
ROS	7.4%	5.5%

ROE (Return on Equity) provides a summary measurement of the return on capital invested by shareholders. The ratio reflects a Consolidated net profit in 2024, which was affected by other non-recurring charges described in previous paragraphs, compared to a decreasing Equity compared to the previous year, mainly due to the effect of the carry-forward of Consolidated net results for the previous year. The ratio reflects a normalized Consolidated net loss in 2023.

ROI (Return on Investments) provides a summary measurement of the operating return on capital invested in a business. The performance reflects a higher Group's gross Invested Capital compared to the previous year (+€66.8 million) and a higher normalized Consolidated EBIT for the year (€92.9 million and €65.6 million in 2024 and 2023, respectively).

ROS (Return on sales) provides a summary measurement of the Group's ability to convert turnover to EBIT and stood at 7.4% in 2024: in particular, there was in 2024 an increase in turnover, equal to 6.2% compared to 2023, and a parallel increase in Consolidated operating income for the year.

	2024	2023
Current ratio (Current liabilities / Current Assets)	0.98	0.88
Capital adequacy ratio (Equity / Total Payables)	5.4%	5.3%
Ratio of financial charges to turnover (Financial charges / Revenues)	7.1%	4.8%
Liquid return ratio of assets (Cash flow / Total Assets)	4.4%	4.0%
Social security and tax debt ratio (Social security debt / Revenues)	10.1%	12.8%

The general liquidity ratio (current ratio) represents the ratio of current assets to current liabilities and expresses the company's ability to cover current outflows (i.e. current liabilities) with current income (i.e. current assets). The ratio showed a slight increase compared to 2023.

The Capital adequacy ratio was in line with the previous year while the ratio of cash flow to assets showed an increase from 4.0% at 31 December 2023 to 4.4% at 31 December 2024. Finally, the ratio of financial charges to turnover showed a deterioration from 4.8% at 31 December 2023 to 3.1% at 31 December 2024, mainly due to the higher financial costs, both monetary and non-monetary, incurred during the period (+€30.7 million).

	2024	2023
Indebtedness ratio	0.91	0.89
Medium/Long-term indebtedness ratio	0.80	0.77

The indebtedness ratio, which is the ratio of net debt to the sum of net debt and own equity, stood at 0.9 at 31 December 2024, recording a slight increase compared to the previous year thanks to an increase in financial indebtedness recorded during the year.

The medium/long-term indebtedness ratio, expressed as the ratio of consolidated financial liabilities to total sources of funding, decreased from 0.77 in 2023 to 0.80 in 2024, recording a slight increase following an almost proportional increase in the balance of medium/long-term loans and of the total amount of the financing sources).

PRODUCTIVITY RATIOS

The growing diversification of services provided by the Group companies entails a mix of work carried out by employees ("internal" workers) and work carried out by third parties ("external" workers). It can also vary significantly depending on the organization/economic choices made in order to maximize overall productivity.

	2024	2023	2022
Turnover/internal and external personnel costs	1.59	1.63	1.77
Make ratio	66.0%	66.8%	64.2%

The ratio between Revenues from sales and services and the total amount of costs for internal and external personnel used in production (cost of employed workers, cost of external workers, services provided by consortia and professional services) came to 1.59 in 2024 (1.63 in 2023). The ratio reflects the increase in sales volumes (+6.2% compared to 2023) against a different mix of composition of operating costs (and in particular in the weight of costs for "internal" personnel", which vary in a way that is not entirely proportional compared to changes in turnover).

The "make ratio", i.e. the ratio between the cost of internal labor ("make") and the cost of services provided by third parties, services provided by consortia and professional services, showed a slight decrease in 2024, which showed greater purchasing services from third-party sources with respect to the recourse to in-house production factors, linked to the mix of contracts in the backlog.

3. Analysis of the performance of operations and of the financial position of the Parent Company Rekeep S.p.A.

The Group's head office functions are developed around its Parent Company, in which the main facility management activities were centralized in the past, which are now coupled with more specialist and industry-based activities carried out by investee companies.

3.1 Economic results in 2024

The main income data of the Parent Company Rekeep S.p.A. for the year ended 31 December 2024, as well as a comparison with the figures from the previous year.

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023	Change
Revenues	620,152	641,511	(21,359)
Costs of production	(555,072)	(562,855)	7,784
EBITDA	**65,080**	**78,656**	**(13,575)**
EBITDA %	***10.5%***	***12.3%***	
Amortization, depreciation, write-downs and write-backs of assets	(17,744)	(20,813)	3,069
Accrual of provisions for risks and charges	(3,310)	(3,937)	627
Operating Income (EBIT)	**44,026**	**53,905**	**(9,879)**
EBIT %	***7.1%***	***8.4%***	

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023	Change
Income (charges) from investments	8,885	908	7,977
Net financial charges	(36,252)	(38,264)	2,013
Profit before taxes	**16,660**	**16,549**	**111**
EBT %	***2.7%***	***2.6%***	
Income taxes	(8,741)	(9,877)	1,136
Profit (loss) from continuing operations	**7,919**	**6,672**	**1,247**
Profit (loss) from discontinued operations	0	0	0
NET RESULT	**7,919**	**6,672**	**1,247**
NET RESULT %	***1.3%***	***1.0%***	

In 2024, the Parent Company Rekeep S.p.A.'s revenues showed a decrease of €21.4 million compared to the value posted in the previous year.

The Parent Company Rekeep S.p.A. contributed a substantial portion of consolidated results to the Group (about 49.2% of consolidated Revenues), internally developing operational structures for the traditional business of facility management, as well as administrative and technical functions for most of other Group companies, as well as of the Parent Company itself.

More than 60% of the Company's activities consist of the provision of essential healthcare services, to which must be added customers as Public Entities (Schools, public offices, ministries etc.), and major private customers.

The performance in terms of revenues recorded by the Parent Company in 2024 was determined by a different mix of portfolio while it was affected, marginally, by falling prices, particularly of energy, which affected the performance on revenues until the first quarter of the current financial year.

The Company's EBITDA for 2024 amounted to €65.1 million against €78.7 million in 2023 and included non-recurring items for €3.1 million and €2.9 million, respectively. After excluding these non-recurring elements from the relevant values, Adjusted EBITDA came to €68.2 million at 31 December 2024 (equal to 11.0% of related Revenues), against Adjusted EBITDA of €81.6 million at 31 December 2023 (equal to 12.7% of related Revenues). As at 31 December 2024, there was a decline in the price of the raw material compared to the previous year, when, however, the Company had benefitted from 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-year of 2023, equal to €11.6 million at 31 December 2023. The Parent Company contributed to consolidated EBITDA for about 43.5% in 2023.

As regards operating costs, there were lower Costs of raw materials and consumables for €11.2 million following the drop in the prices of raw materials, in particular in fuel costs. Furthermore, there were higher Costs of services for €17.1 million and lower Personnel costs for €13.3 million. The trend recorded on revenues also reflects production costs, although with a different performance in the various cost items (due to a different mix of services rendered) and in a non- proportional manner, partly because of a well-established cost efficiency policy which was applied in support of profit margins as early as in previous years.

The average number of employees that worked for Rekeep S.p.A. during 2024 was equal to 8,216 units (blue collars: 7,632 units), showing a total decrease from 9,193 units at 31 December 2023 (blue collars: 8,594 units). As stated for costs for services and consumption of materials, the number of employees, and specifically of manual workers, is closely linked to the mix of services that are in the process of being performed.

Finally, Other operating costs amounted to €3.8 million at 31 December 2024 against €4.2 million in the previous year, thus showing a decrease of €0.4 million.

In 2024 EBIT stood at €44.0 million, against €53.9 million at 31 December 2023, including non-recurring elements for a charge of €3.1 million and €2.9 million, respectively. After excluding these non-recurring elements from the relevant values, Adjusted EBIT amounted to €47.1 million at 31 December 2024 (equal to 7.6% of related Revenues), against Adjusted EBIT of €56.8 million at 31 December 2023 (equal to 8.9% of related Revenues). EBIT at the end of 2024 was generated, starting from the EBITDA described above, by: (i) amortization and depreciation equal to €11.1 million against €10.9 million at 31 December 2023, of which an amount of €4.9 million relating to amortization of intangible assets (in line compared to 31 December 2023) and €6.2 million relating to depreciation of property, plant and equipment (€6.0 million at 31 December 2023); (ii) net write-downs of trade receivables amounted to €6.7 million (€2.7 million at 31 December 2023) and included some specific write-downs concerning pending disputes; (iii) provisions for future risks and charges (net of reversals) for €3.3 million compared to €3.9 million at 31 December 2023. In the previous year the Company had recognized write-downs of equity investments, equal to €7.2 million, mainly related for €6.8 million to the subsidiary Telepost S.r.l. (now H2H Document Solutions, following the sale to the subsidiary H2H Facility Solutions), in order to adjust the value of the investment recorded in the financial statements at the company's projected levels of operations, and for €0.4 million to the subsidiary Roma Multiservizi S.p.A. which was put into liquidation with effect from 18 January 2024 (a net release of €0.2 million in the previous year).

To EBIT must be added Dividends and net income from equity investments amounting to €8.8 million, compared to a balance of €0.9 million in the previous year. This item mainly includes dividends collected from investee companies, as detailed below:

(in thousands of Euro)	Financial Year ended 31 December 2024	Financial Year ended 31 December 2023
H2H Digital Solutions S.r.l.	1,985	0
H2H Facility Solutions S.p.A.	661	167
H2H Document Solutions S.r.l.	131	317
MFM Capital S.r.l.	50	26
Other minor dividends	214	121
DIVIDENDS	**3,041**	**631**

In 2024 net capital gains were accounted for in an amount of €5.8 million, of which €5.5 million were achieved following the sale of the 5% stake of the share capital, held in Starfire S.A., the parent company of Sicura S.p.A., which had been subject to disposal in 2020, at a price of €7.5 million (€0.3 million at 31 December 2023).

Net financial charges amounted to €36.3 million at the end of 2024 compared to €38.3 million at 31 December 2023. Specifically, financial income recorded an increase of €0.3 million, from €7.4 million at 31 December 2023 to €7.7 million at 31 December 2024. On the other hand, the impact of financial charges on the Company's results of operations was €44.0 million, recording a decrease of €1.7 million in 2024 compared to 2023 (€45.7 million).

Financial costs for the year included charges accrued on the coupons of the Senior Secured Notes, which amounted to €26.6 million in 2024 (in line compared to the previous year), as well as the upfront fees relating to the issue of the Senior Secured Notes in 2021, accounted for according to the amortized cost method, which entailed financial amortization charges of €1.8 million in the period (€1.6 million at 31 December 2023).

At the same time as the bond issue, the Company entered into a new Super Senior Revolving loan agreement for €75.0 million, costs of which (initially equal to €1.3 million) are also amortized on a straight-line basis throughout the term of the credit facility and entailed the payment of financial charges of €0.8 million in the period (including commitment fees charged by banks), compared to €0.9 million in the previous year. Furthermore, the use of the facility during the period entailed the charging of financial costs equal to €1.7 million (€1.4 million at 31 December 2023). The facility was partially used during the year to meet temporary cash requirements (if any), and was promptly repaid.

On 20 April 2023, the Parent Company Rekeep S.p.A. also entered into a confirming credit line of €60 million with SACE Fct S.p.A., the factoring company of the SACE Group leading the transaction, and Banca Sistema S.p.A., which was fully repaid with the last installment paid on 30 September 2024, and which was accompanied by an additional line of credit of €12 million entered into with Banca Sistema S.p.A. on 15 May

2024, both of them being guaranteed by SACE S.p.A.. The two lines have entailed the payment of financial charges of €1.7 million at 31 December 2024 (€2.4 million at 31 December 2023).

Finally, interest discount costs were recognized in relation to the assignments of trade and VAT receivables without recourse for €2.6 million in 2024 (€2.8 million in the previous year). Furthermore, assignments with recourse and reverse factoring lines generated financial costs of €2.3 million at 31 December 2024 against financial costs of €2.7 million at 31 December 2023.

From the profit before taxes must be deducted taxes of €8.7 million (€9.9 million at 31 December 2023), thus obtaining a Net result of €7.9 million (against €6.7 million at 31 December 2023). Below is the breakdown of the tax rate for the year:

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023
Profit before taxes	**16,660**	**16,549**
Current, prepaid and deferred IRES tax, including income and expenses from Tax consolidation	(5,450)	(6,742)
Current, prepaid and deferred IRAP tax	(2,945)	(3,094)
Tax adjustments for previous years	(347)	(42)
Income taxes	**(8,741)**	**(9,877)**
Net profit (loss) from continuing operations	**7,919**	**6,672**
Total Tax rate	***52.5%***	***59.7%***

Although Profit before Taxes was in line with the previous year (€16.7 million at 31 December 2024 compared to €16.5 million at 31 December 2023), there was a decrease of €1.1 million in the overall tax burden. The tax rate therefore stood at 52.5% at 31 December 2024 against 59.7% at 31 December 2023.

3.2 Statement of financial position

The table below reports the Sources and Uses:

(in thousands of Euro)	31 December 2024	31 December 2023
USES		
Trade receivables and advances to suppliers	288,342	293,775
Inventories	241	237
Trade payables and contract liabilities	(252,214)	(258,996)
Net working operating capital	**36,368**	**35,015**
Other working capital elements	(42,571)	(87,551)

(in thousands of Euro)	31 December 2024	31 December 2023
Net working capital	***(6,203)***	**(52,535)**
Property, plant and equipment and assets under finance leases	26,557	22,357
Rights of use for operating leases	13,664	15,218
Intangible assets	340,210	342,118
Investments	165,504	160,671
Other non-current assets	57,677	57,273
Fixed assets	***603,612***	**597,638**
Non-current liabilities	(75,515)	(40,453)
NET INVESTED CAPITAL	**521,894**	**504,649**
SOURCES		
Shareholders' equity	*135,230*	127,256
Net financial indebtedness	386,664	377,393
TOTAL FINANCING SOURCES	**521,894**	**504,649**

Net working capital

Net working capital (NWC) posted a loss of €6.2 million at 31 December 2024, with a decrease in absolute value equal to €46.3 million compared to the net liability posted at 31 December 2023 (a loss of €52.5 million).

Net working operating capital (NWOC), composed of trade receivables and advances to suppliers and inventories, net of trade payables and contract liabilities, stood at €36.4 million at 31 December 2024 while it was equal to €35.0 million at 31 December 2023. The balance of Trade Receivables and advances to suppliers decreased by €5.4 million while Trade payables and contract liabilities showed a decrease of €6.8 million. The Company made assignments of trade receivables without recourse to Factors for €176.8 million in the year while the balance of receivables assigned and not yet collected by the latter at the reporting date amounted to €33.4 million (€43.9 million at 31 December 2023). Adjusted NWOC stood at €69.8 million and €78.9 million, respectively, during the two years under comparison.

The balance of Other elements in working capital at 31 December 2024 consisted of a net liability of €42.6 million (€87.6 million at 31 December 2023):

(in thousands of Euro)	31 December 2024	31 December 2023	Change
Current tax receivables	961	4,405	(3,444)
Other current assets	23,031	23,658	(627)
Provisions for risks and charges, current	(7,803)	(7,280)	(524)
Current tax payables	(156)	0	(156)
Other current liabilities	(58,604)	(108,334)	49,730
OTHER ELEMENTS IN WORKING CAPITAL	**(42,571)**	**(87,551)**	**44,980**

The change in the net liability was attributable to a combination of various factors, mainly including:

- the remaining debt due within 12 months from the end of the financial year, amounting to €6.6 million (on a total of €41.4 million) based on the last installment payment plan received in April 2024. The remaining part of the debt, which is due beyond 12 months from the end of the financial year, is instead reclassified to "Other non-current liabilities." On the other hand, as at 31 December 2023, the entire amount of the remaining debt resulting from the previous sanction installment payment plan, amounting to €55.2 million, had been entered under this item;
- the recognition of lower net income tax receivables of €3.6 million compared to the previous year;
- an increase in the short-term portion of provisions for risks and charges of €0.5 million.
- the partial repayment of guarantee deposits on new annual electricity and gas utility contracts for €0.8 million (from €3.2 million at 31 December 2023 to €2.4 million at 31 December 2024).

Fixed assets

Fixed assets include the following main items:

(in thousands of Euro)	31 December 2024	31 December 2023	Change
Property, plant and equipment	24,752	22,053	2,699
Right-of-use assets	15,470	15,523	(53)
Goodwill	326,421	326,421	0
Other intangible assets	13,788	15,697	(1,908)
Equity investments in subsidiaries, associates and joint-ventures	165,504	160,671	4,833
Other investments	3,962	5,980	(2,019)
Non-current financial assets	38,504	37,476	1,028
Other non-current assets	2,160	2,584	(425)

(in thousands of Euro)	31 December 2024	31 December 2023	Change
Deferred tax assets	13,052	11,233	1,819
FIXED ASSETS	**603,612**	**597,638**	**5,974**

The most substantial changes concerned:

- an increase in the balance of "Equity investments in subsidiaries, associates and joint-ventures" of €4.8 million, mainly due to the increases for capital contributions of €7.0 million on behalf of the subsidiary Rekeep World S.r.l., and of the sale of H2H Digital Solutions (formerly Rekeep Digital) and H2H Document Solutions (formerly Telepost) to subsidiary H2H Facility Solutions at their net book value;
- a reduction in the balance of "Other investments", mainly following the sale of Starfire S.A. (€2.0 million), at a price of €7.5 million;
- the increase in the net book value of property, plant and equipment (+€2.7 million), generated by some investments made during the year, including redevelopment works carried out on the cogeneration plant in the Ivrea district.

Other non-current liabilities

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

- TFR (employee benefits), equal to €2.7 million and €3.2 million at 31 December 2024 and 31 December 2023, respectively;
- the long-term portion of provisions for future risks and charges equal to €26.7 million at 31 December 2024 and €26.0 million at 31 December 2023
- other non-current liabilities equal to €34.9 million at 31 December 2024, relating to the remaining debt for the Competition Authority's FM4 sanction expiring beyond 12 months resulting from the new installment payment plan provided on 19 April 2024 and described above (€0.1 million at 31 December 2023, when the remaining debt for the sanction had been recorded under Other current liabilities);
- deferred tax liabilities of €11.2 million (€11.3 million at 31 December 2023).

Financial indebtedness

The Parent Company's financial indebtedness at 31 December 2024 and at 31 December 2023 is reported below:

(in thousands of Euro)	31 December 2024	31 December 2023
Long-term financial liabilities	389,264	379,500
Bank borrowings and current portion of long-term debt	59,340	94,863
GROSS FINANCIAL INDEBTEDNESS	**448,604**	**474,363**
Cash and cash equivalents	(7,949)	(32,648)
Other current financial assets	(53,991)	(64,322)
FINANCIAL INDEBTEDNESS	**386,664**	**377,393**

Financial indebtedness amounted to €386.7 million at 31 December 2024 against €377.4 million at 31 December 2023. The figure relating to the adjusted financial debt, which includes the balance of trade receivables assigned to the factor without recourse and not yet collected at the reporting date (€33.4 million at 31 December 2024 and €43.9 million at 31 December 2023) decreased from €421.3 million at 31 December 2023 to €420.1 million at 31 December 2024.

The remaining debt on account of principal on the Senior Secured Notes was equal to €370.0 million at 31 December 2024, to which must be added the accounting adjustment on the premium and additional issue costs, accounted for according to the amortized cost method (€2.0 million). At the same time as the issue of Notes the Company also signed a new revolving loan agreement for a maximum amount of €75 million. The facility was partially used during the period to meet temporary cash requirements, and was promptly repaid (at 31 December 2024 the RCF facility had not been drawn down).

The Company's debt at 31 December 2024 included the remaining debt, amounting to €11.3 million (of which €8.7 million are medium- to long-term), on the new line of credit with Banca Sistema S.p.A., which was entered into on 15 May 2024, guaranteed by SACE S.p.A. and aimed at paying suppliers, with a nominal value of €12 million and repayable in 18 quarterly installments as from 31 December 2024.

In 2024 the short-term debt of Rekeep S.p.A. decreased due to a lower use of credit lines for bank overdraft, advance payments and hot money, and reverse factoring, as well as to the higher liability for the assignment of trade receivables with recourse and against factoring firms for amounts received on receivables that had been previously assigned without recourse and returned to them in the subsequent quarter, totaling €37.5 million (€34.4 million at 31 December 2023).

On the other hand, at 31 December 2023, short-term bank loans included the remaining debt of the confirming credit line, equal to €36.0 million, made available by SACE Fct S.p.A. and Banca Sistema with counter-guarantee of SACE S.p.A., with an initial nominal amount of €60 million, which was repaid in full during 2024.

At the end of 2024 there was the recognition of accrued expenses on loans in a total amount of €11.3 million, mainly relating to the amount accrued on the bond coupon due 1 February 2025 (€12.3 million at 31 December 2023).

In 2024, the balance of short-term financial assets decreased by €10.3 million, to be mainly attributed to the full release of the current accounts previously pledged as security for gas supply contracts (cash collateral), made available in the ordinary current accounts of Rekeep S.p.A. (€12.4 million). At the end of 2024, on the other hand, there was the recognition of higher financial receivables from Group Companies and current accounts pledged and used within the scope of the aforementioned agreements for the non-recourse assignment of trade receivables for €1.9 million.

Industrial Capex

In 2024 industrial capex incurred by the Company totaled €8.9 million (€6.2 million at 31 December 2023) against disinvestments of less than €0.1 million (in line with the previous year):

(in thousands of Euro)	For the year ended 31 December 2024	For the year ended 31 December 2023
Acquisition of owned properties	21	0
Acquisition of owned plant and equipment	4,310	1,112
Acquisition of rights of use of plant and equipment (1)	1,556	275
Other investments in intangible assets	2,976	4,848
INDUSTRIAL CAPEX	**8,862**	**6,235**

In 2024 industrial investments included redevelopment works carried out at the cogeneration plant in the Ivrea District, amounting to €3.9 million, and investments in intangible assets, amounting to €2.9 million (€4.8 million at 31 December 2023), mainly related to investments in ICT for the modernization and upgrading of its SAP infrastructure and other similar investments.

(1) Excluding the increase in rights of use for lease and long-term hire agreements

3.3 Reconciliation of shareholders' equity and profit (loss) for the year of the Parent Company with corresponding consolidated figures

(in thousands of Euro)	31 December 2024		31 December 2023	
	Profit (loss) for the year	Shareholders' equity	Profit (loss) for the year	Shareholders' equity
SHAREHOLDERS' EQUITY AND PROFIT (LOSS) FOR THE YEAR AS SHOWN IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY	**7,919**	**135,230**	**6,672**	**127,256**
- Elimination of consolidated equity investmentvalues	(2)	(238,670)	275	(205,400)
- Accounting of Shareholders' Equity toreplace the values eliminated		59,938		48,665
- Allocation to consolidation difference		50,850		74,285
- Recognition of financial costs on options	(32,774)	(32,774)	(4,506)	(4,506)
- Dividends distributed to Group companies	(2,930)		(4,028)	
- Profit generated by consolidated companies	33,629	33,629	(44,699)	(44,699)
- Associates and Joint ventures valued at equity	173	4,123	(11)	4,441
- Tax effects on consolidation adjustments	(27)	(36)	(6)	(22)
- Reversal of statutory write-downs	(5,621)	43,032	33,080	55,463
- Other consolidation adjustments	(67)	(62)	2	3
Total consolidation adjustments	**(7,618)**	**(79,969)**	**(19,893)**	**(71,770)**
Shareholders' equity and profit (loss) for the year pertaining to the Parent Company	**301**	**55,261**	**(13,221)**	**55,486**
Shareholders' equity and profit (loss) for the year pertaining to Minority Interests	864	7,340	690	6,515
SHAREHOLDERS' EQUITY AND PROFIT (LOSS) FOR THE YEAR AS SHOWN IN THE CONSOLIDATED FINANCIAL STATEMENTS	**1,165**	**62,602**	**(12,531)**	**62,001**

4. Internal control system and risk factors

As regards business risks, the main risks linked to the market in which the Group operates (market risks), to the unique activities performed by Group companies (operating risks) and financial risks, are shown below.

Risk factors

RISKS RELATED TO COMPETITION

The market in which the Group operates is characterized by increasing competitiveness due to the business combination processes underway between operators already equipped with significant organizations in the market of reference and able to develop models for the provision of the service mainly geared towards minimizing prices for the customer. Over recent years, this has led to an increasingly tight competitive context which will probably continue in the future too.

COMPLIANCE RISKS

The Rekeep Group operates in an environment that is subject to regulations that are monitored on an ongoing basis, especially with regard to occupational health and safety, competition regulations, corruption prevention, data protection in the area of privacy, and, in general, all relevant regulatory provisions.

CYBER RISKS

In 2024 the Rekeep Group confirmed and strengthened the focus on cyber risk. The digital transformation program in which the Group is engaged, finds in risk management a fundamental pillar of sustainability of the model, to protect the company and all stakeholders involved. The focus on personal, business and operational data protection, as well as the continuity of operations, is reflected in the three-year strategic program "Rekeep Cyber-resilience" aimed at the prevention and management of cyber risk for all Italian companies of the Group and the adoption of best practices for the others, which was renewed and strengthened.

Specifically, the program highlights the Group's commitment to preventing and countering cyber-attacks by taking appropriate measures to protect the data of key stakeholders such as customers, suppliers, employees and those who collaborate with the Group for various reasons. The risk-based program consists of activities distributed over three pillars: Technology, People, Processes and Governance. In 2024 new monitoring services were activated and protection perimeters expanded in order to identify and prevent more intrusion attempts. Security Awareness training plans were put in place to increase risk awareness and responsiveness of the entire company population.

Rekeep conducts annual penetration tests and uses network control agents to detect anomalous situations in servers and end points. These activities help identify and remove IT vulnerabilities and risk situations to which the company may be exposed. In particular, penetration tests are an important tool to become aware of vulnerabilities in the corporate network by simulating a real cyber-attack to identify any gaps in security systems and be able to correct them. The use of network control agents, on the other hand, is another measure to monitor IT operations on an ongoing basis and take action in a timely fashion.

FINANCIAL RISKS

With regard to financial risks (liquidity, credit, interest rate, exchange and price risks) the Group deals in the performance of its operations, reference should be made to note 35 of the explanatory Notes to the Consolidated Financial Statements.

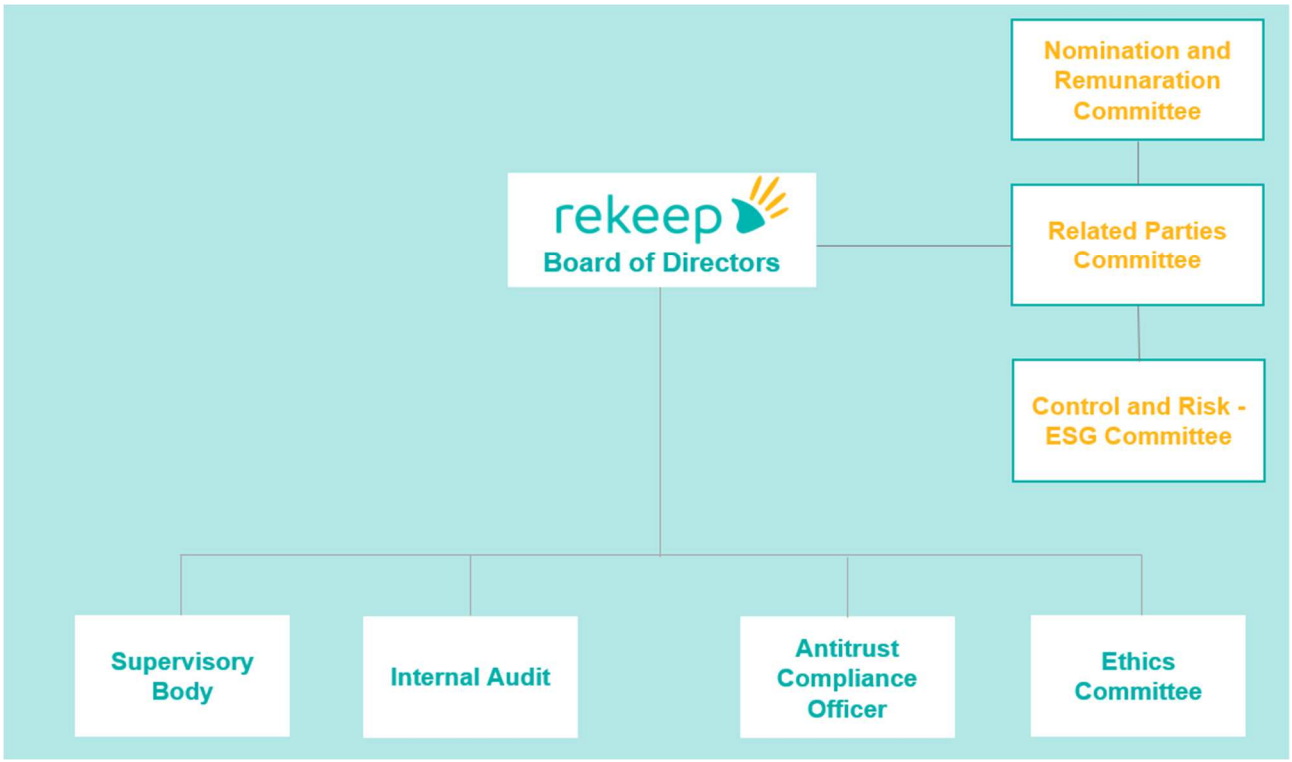
Internal control system

The Internal Control System is the set of rules, procedures and organizational units for the identification, measurement, management and monitoring of risks. The Internal Control System, which is set out according to national and international best practices, is structured into the following three levels of control:

- 1st level: the operating functions (process owners) identify and assess the risks within the processes under their competence and define specific corrective actions to manage them;
- 2nd level: the functions in charge of risk control (e.g. risk & compliance, etc.) set out methodologies and tools for risk management, carry out monitoring activities and provide support to the 1st level functions;
- 3rd level: the Internal Audit function provides independent assessments of the functioning of the entire system.

Rekeep S.p.A. has implemented a compliant and integrated Internal Control System in order to safeguard the company's assets, achieve the Company's objectives with appropriate strategies and create value for all the stakeholders of the Company and the Group as a whole.

Below is the structure of the risk governance of Rekeep S.p.A.:



The Board of Directors plays a role in guiding and evaluating the adequacy of the internal control and risk management system. The Executive Chairman and the Chief Executive Officer oversee, within their respective areas of responsibility, the functionality of the internal control and risk management system. On 14 March 2024, three committees were appointed within the Board of Directors as described below:

- the Control and Risk - ESG Committee, which performs support functions to the Board of Directors in order to enable the proper and effective determination of the Company's and Group's risk governance policies;
- the Related Parties Committee, whose main task is to prepare appropriate reasoned opinions regarding the existence of Rekeep's interest in the execution of Related-party Transactions by giving an opinion on the appropriateness and substantial fairness of the related terms and conditions. The Committee has drawn up a procedure, approved by the Board of Directors on 27 June 2024, the provisions of which apply to transactions concluded with related parties, except for those transactions concluded by Rekeep S.p.A. or by companies it directly or indirectly controls with Companies which are part of Rekeep S.p.A.'s scope of consolidation, and which are, consequently, excluded from the evaluations made by the Related Parties Committee;
- the Nomination and Remunaration Committee, which has advisory and propositional functions in support of the Board of Directors, which are expressed in the preparation of opinions, proposals and recommendations, with reference to appointments, determination of fees and personnel remuneration and retention policies, in line with corporate best practices.

The Internal Audit of Rekeep S.p.A., appointed by the Board of Directors on 14 March 2024, plays a key role in the review and evaluation of the Internal Control System and contributes to spreading the culture of internal control and corporate risk management. The latter is not responsible for any operational area and reports to the Board of Directors. More specifically, the function:

- verifies whether the Internal Control System is operational and functioning;
- has access to any and all information that is necessary to perform its duties;
- interfaces with the other players in the Internal Control System (e.g. Board of Directors, Risk & Compliance Officer, Board of Statutory Auditors, etc.).

The Rekeep Group Ethics Committee is the governance body that performs supervisory and control functions regarding the operation, effectiveness and compliance with the Code of Ethics. The Committee is a collective body composed of three external members, who are chosen and appointed unanimously by the Board of Directors.

The Antitrust Compliance Officer of Rekeep S.p.A was appointed by the Board of Directors to guarantee the Antitrust Compliance Program and the Antitrust Code of Conduct with the task of verifying the effectiveness of the actions implemented in terms of risk reduction, providing for the periodic updating of the Program, and preparing periodic ad hoc training sessions for corporate functions.

The Supervisory Body of Rekeep S.p.A. (“SB”) evaluates the concrete application and compliance with the principles of the Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001. On 14 March 2024, the Board of Directors renewed the composition of the “Supervisory Body” by appointing 3 members, chosen from among third-party professionals with specific skills and experience in the issues covered by the appointment.
The Supervisory Body meets at least quarterly and operates according to two reporting lines:

- the first one, on an ongoing basis, directly with the Chairman of the Board of Directors;
- the second one, on a six-monthly basis, through a written report on its work addressed to the Board of Directors and the Board of Statutory Auditors.

Moreover, the Supervisory Body meets periodically with the other Control Bodies, such as the Board of Statutory Auditors, and the Independent Auditors for the purposes of a mutual exchange of information, thus ensuring an integrated and synergic relationship between the players of the Internal Control System.

5. Organizational model pursuant to Legislative Decree 231/2001

The Organizational, Management and Control Model regarding the administrative liability of legal persons (Model 231) consists of a structured and organic system of control procedures and activities with the aim of preventing the crimes set forth in Legislative Decree no. 231/2001. On 29 August 2024, the Board of Directors of Rekeep S.p.A. approved the current version of the Organizational, Management and Control Model under Legislative Decree no. 231/2001, in accordance with the latest regulatory guidelines in the matter of the administrative liability of Entities.

Rekeep S.p.A. promotes the adoption and effective implementation by Group companies of their own Organizational, Management and Control Models. Group companies independently carry out the activity of preparing and adopting their own Organizational, Management and Control Model pursuant to Legislative Decree no. 231/2001, also taking into account the principles of conduct adopted by the Group.

6. Antitrust code of conduct

On 23 February 2017 the Board of Directors of Rekeep S.p.A. resolved to adopt the “Antitrust Compliance Program” and subsequently approved an “Antitrust Code of Conduct of the Rekeep Group”, aimed at spreading the antitrust culture, as well as identifying any possible instance of non-compliance with competition regulations, in order to raise awareness among employees and collaborators about non-compliant conduct that might give rise to potential antitrust violations.

In particular, the Antitrust Compliance Program provides for the following structure:

- an antitrust risk assessment summary that names the areas in which competition issues appear to be more important considering the Company’s structure and fields of operations;
- the Rekeep Group Antitrust Code of Conduct which sets out in detail how to behave when bidding in public tenders;
- sets of company procedures and operating instructions aimed at increasing prevention capacity and ensuring proper management of situations with possible antitrust implications;
- ad hoc training sessions focused on competition issues of greatest interest to Rekeep with the purpose of enhancing the ability of the Management and operational Functions to detect antitrust risk and prevent it in an adequate manner.

7. Code of ethics

The Code of Ethics sets forth the principles and values to which Rekeep and its wholly-owned subsidiaries base their activities and the conduct of their business, as well as the set of rights, duties, rules of conduct and responsibilities with respect to all parties with whom they enter into relations in pursuit of their corporate purpose. The new Code of Ethics of the Rekeep Group was revised and published by resolution of the Board of Directors of Rekeep S.p.A. passed on 18 May 2023.

8. Whistleblowing

On 14 July 2023, Rekeep S.p.A. complied with the provisions of Legislative Decree 24/2023 by establishing a reporting channel under the so-called Whistleblowing legislation, adopting the procedure for handling reports, and appointing a third-part officer as the person in charge of the channel.

9. Update on legal proceedings

The updates are reported below for the 2024 financial year on the disputes described in the explanatory notes to the Parent Company's Consolidated and Separate Financial Statements to which reference should be made for more details.

INTERNATIONAL ARBITRATION OF SUBSIDIARY REKEEP SAUDI CO LTD

On 16 December 2024, Saudi Arabia-based subsidiary Rekeep Saudi CO Ltd and the Parent Company Rekeep signed an out-of-court agreement with former customer OPS LCC as a final settlement of the disputes that originated between the parties. Specifically, the agreement signed provided for the subsidiary being paid compensation in the amount of €30 million, plus VAT, by the counterparty on 29 January 2025, and the waiver of the international arbitration procedure involving both the subsidiary Rekeep Saudi and the Parent Company Rekeep, which was formally concluded in January 2025. In the same month, the parent company Rekeep S.p.A. released the performance bond issued to guarantee the Metro Riyadh contract.

It should be noted that on 10 April 2023, Saudi Arabia-based subsidiary Rekeep Saudi CO Ltd received, from its customer OPS LLC, a formal notice of termination for serious breach ("Notice of Termination") of the contract concerning operation and maintenance services for four lines of the Riyadh Metro, which was promptly rejected. On 10 May 2023, before the International Chamber of Commerce ("ICC") in Paris, the subsidiary challenged the Notice of Termination by filing its request for arbitration in order to obtain a decision declaring the illegality of the challenged act and ordering OPS LLC to pay compensation for any damage, which was served on the counterparty on 30 May 2023. Thereafter, OPS filed its counter-arguments by submitting its own claim for damages and requested and obtained to summon the Parent Company Rekeep S.p.A. before court

while in October 2023 the establishment of the arbitration board was finalized with the appointment of the Chairman on the part of ICC.

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 December 2024 is included in the explanatory notes (notes 14 and 17), to which reference is made.

10. Human resources and organization

As at the reporting date of the 2024 financial year, the Rekeep Group employed 25,315 people (at 31 December 2023: 24,894 people). The Group's employees working outside Italy are equal to 12,225 people (at 31 December 2023: 11,440 people).

Below is the Group's staff broken down by different employee categories:

	31 December 2024	31 December 2023
Executives	81	74
White collars	1,819	1,770
Blue collars	23,415	23,050
EMPLOYEES	**25,315**	**24,894**

Prevention and protection

During 2024 the Prevention and Protection Service department of Rekeep did not undergo any changes. The system of delegated powers concerning safety at work was kept updated and consistent with the changes that took place at organizational level in the Company and in the Group during 2024.

Rekeep S.p.A. maintained the ISO 45001 certificate, which had been reissued by RINA Services (an accredited certification body) in 2024, following the recertification process. The purpose was adapted to the activities carried out by the company.

In 2024 the Company's Prevention and Protection Service department conducted 44 audits, distributed throughout all the areas. These audits were carried out to check for compliance with the regulations governing occupational safety. Audits are also carried out by other Group companies.

Rekeep S.p.A., as per the schedule, continued its work on health surveillance during 2024, which is carried out on the staff members employed based on their duties in compliance with the health protocol attached to

the Company's Risk Assessment Document. About 4,506 medical examinations were conducted, including periodic, long-term work absence, pre-employment and on-demand checks. Health surveillance is also active at other Group companies.

Rekeep S.p.A. monitors accidents on an ongoing basis, which are detailed in terms of their causes, dynamics and material agents that determined the event. In 2024, there was a reduction in the number of accidents (from 436 to 404) and their duration compared to 2023. The trend in accident rates showed a slight increase. During 2024, one work-related accident occurred with a fatal outcome.

Below are the rates calculated for Rekeep S.p.A. (data updated at 31 December 2024, net of events not recognized by INAIL (Italian Institute for Insurance against Accidents at Work) to date):

	2024	2023	2022	2021	2020
Impact (no. of accidents x 1,000/average number of workers)	50.01	48.21	44.65	53.67	55.93
Frequency (no. of accidents x 1,000,000/total worked hours)	40.11	38.55	33.45	43.42	50.90
Severity (days of accident + relapses x 1,000/total worked hours)	1.04	0.96	0.87	1.00	1.24

The trend in the Company's rate of accidents, as well as of the state of health of the staff under health surveillance, is updated and available for the areas through the company intranet, together with the data relating to other causes of absenteeism.

The Company continues to focus on prevention through increased surveillance and monitoring of compliance with safety requirements, in terms of behavior, use of means, infrastructure, etc., at work sites and operating locations in which Rekeep S.p.A. personnel operate in order to prevent situations which might result in harm to health and safety in the workplace.

The number of hours of specific training provided was also significant (more than 31,288) on HSE topics (safety officers, emergency management, specific risks, qualifications, etc.). On the other hand, the supervisors' work of reporting and monitoring must be still strengthened in relation to accidents and near misses.

There are currently 11 Workers' Safety Representatives at Rekeep S.p.A. distributed throughout the Areas. In 2024 they were involved in a training/education plan on occupational safety.

8 Health and Safety at Work inspections were also conducted at Rekeep S.p.A. during the year by control bodies (Local Health Authorities (ASL) and Provincial Labor Head Offices) on operating units located throughout the country. There was a decrease in supervisory activities compared with 2023.

Rekeep S.p.A. is enrolled in the Italian Register of Waste Management Companies under the following categories:

- Category 1F (mechanical sweeping) until 2027
- Category 8 (intermediation) until 2026
- Category 2bis (own-account transport) until 2027

Finally, with regard to waste management, no instances of non-compliance and related fines were reported by the control bodies during 2024, nor were any sanctions applied to Group companies.

Training

The Group involved 10,001 participants during 2024, for a total of 60,748 training hours, of which 39,133 relating to Rekeep S.p.A.. The table below shows the comprehensive results for the 2024 financial year, divided into subjects and compared to the 2023 data:

	FY 2024		FY 2023	
Subject	Participants	Hours	Participants	Hours
Safety, Quality and Environment	7,657	47,932	8,432	56,070
Technical-professional	1,450	6,756	1,641	10,674
IT	554	1,038	953	636
English language	106	2,015	111	2,520
Management	234	3,007	256	4,772
TOTAL	**10,001**	**60,748**	**11,393**	**74,672**

With regard to Safety, work was strengthened on training dedicated to the role of supervisor, with resulting in training for First Aid and Fire Prevention courses as well. In the areas of Safety, Quality and Environment, courses were also delivered for electrical risks, substations, work at height, confined environments and spaces, HACCP, courses with equipment and related updates.

Training related to the subject of Waste Management was also enhanced following the regulatory update of the National Electronic Register for Waste Traceability" (RENTRI).

In the Technical/Professional area the Company continued to invest in the qualification of its resources in 2024 too. In fact, new certifications were acquired for our staff and in the area of Project Management and Energy Management Expert (EGE), and those previously obtained were maintained in relation to Building Information Modeling, Contract Management, and Renewable Energy Sources (FER).

Furthermore, courses were held on the following topics: Uni Cei 11352 Standard and Energy Performance Contracts (EPCs), Public Contracts, Antitrust, Mobility Manager, Primus Program on public works accounting.

Training for health workers on operational methodologies was also continued, involving more than 450 people.

Training sessions continued for employees enrolled with the Council of Engineers and Architects, which were necessary in order for them to retain their registration (CFP), concerning issues of Mandatory Safety, Energy Management, Waste management, and Time and Project Management.

During the year, several Sustainability Orientation events were organized in collaboration with Confindustria Emilia Area Centro to raise staff awareness of the issue, involving more than 350 colleagues

In the area of information technology, work continued on the development of new customized training pills on the area of cybersecurity and company policies. The new “Digital Work Place” portal was also released, which allows direct access to courses to be delivered with Single Sign On methodology. Training was enhanced on emerging IT topics such as: Machine and Deep Learning, Open Innovation, Agile Management, Generative AI and Predictive Maintenance.

In the language area, work continued on English courses, conducting classrooms in online mode involving colleagues from different offices and companies together.

In the managerial area, work continued on training in 2024 too, for Operations Group Managers and second-line managers under contracts in the area of hygiene, in order to enhance and increase awareness of their role.

Finally, training courses were delivered on the development of employees' interpersonal and soft skills, with programs on the topics of negotiation and conflict, management of collaborators and communication techniques.

Finally, work continued in 2024 on programs for some colleagues for Executive MBA training at the Alma Mater Studiorum Bologna Business School.

11. Environment and quality

During 2024 the Parent Company Rekeep S.p.A. renewed, following the audits carried out by RINA Services (the accredited certification body), the following certifications:

- ISO 9001:2015 (Quality Management System);
- ISO 14001:2015 (Environmental Management System);
- ISO 45001:2018 (Occupational Health and Safety Management System);
- ISO 50001:2018 (Energy Management System).

During the year, the Company also certified with SGS the EPD for Professional cleaning service for high-speed passenger trains according to PCR 2017:02, professional cleaning services for passenger trains (2.0).

During the reporting period the following certificates were maintained:

- the Qualifying company certification with respect to the requirements of Regulation (EC) no. 842/2006 and Presidential Decree 43/2012;
- the SA8000:2014 system (Social Accountability System);
- UNI EN 14065:2016 (Laundry processed textiles - Bio-contamination control system);
- UNI CEI 11352:2014 (Delivery of energy services).

During the period under consideration the EPD (Environmental Product Declaration) Validation certification was maintained, following audits carried out by SGS (the accredited certification body), in compliance with general program instructions v. 3.01 (international EPD system), PCR 2011:03, professional cleaning services for buildings (version 2.11, IES) for the Hospital cleaning service.

Finally, as required by Article 51 of Legislative Decree no. 81/2008, as amended, the Company maintained a certificate for the proper adoption and effective implementation of the requirements of the Safety Organizational and Management Model referred to in Article 30 of Legislative Decree no. 81/2008, as amended and supplemented, and Ministerial Decree of 13 February 2014, under its Safety organizational and management plan for the services of:

- Planning, refurbishment, and maintenance of buildings;
- Planning, construction, redevelopment, and maintenance of plants for the production of electricity, technological hydro-thermo-sanitary, and air-conditioning and climate control systems, for the production of steam and superheated water, fire-fighting systems and systems aimed at air purification, including with global service contracts for the public and private sector;
- Planning and delivery of services and works for green maintenance and plant engineering;
- Planning and delivery of cleaning, hygiene, sanitization, disinfection and disinfestation, and rodent control services in public and private civil, industrial, commercial, and healthcare sectors;

- Planning and delivery of cleaning, hygiene, sanitization, disinfection and disinfestation, and rodent control services in the private rail transport sector and in other public and private sectors, and in the logistics and transport system;
- Planning and delivery of healthcare logistics services, and transport of laboratory biological materials;
- Pharmaceutical warehouse management;
- Delivery of basic personal care services;
- Delivery of support services for school activities;
- Delivery of waste brokerage service without storage;
- Planning and delivery of moving and concierge service.

Within the Group work continued to achieve certification or uphold requirements for the main following companies:

Servizi Ospedalieri S.p.A.	Renewal of certifications: • UNI EN ISO 9001:2015 (Quality Management System) • UNI EN ISO 13485:2016 (Quality Management System. Requirement for regulatory purposes) • UNI EN 14065:2016 (Laundry processed textiles. Bio-contamination control system) • UNI EN ISO 20471:2017 (High-visibility clothing – testing methods and requirements) • UNI EN ISO 45001: 2018 (Occupational Health and Safety Management System) • UNI EN ISO 14001:2015 (Environmental Management System) Maintenance of the following certifications: • EC certification in compliance with Directive 93/42/EEC for the production of sterile kits • EC certification in compliance with Regulation (EU) 2016/425 for the production of some Personal Protective Equipment • SA8000:2014 • UNI CEI EN ISO 50001:2018 (Energy Management System – Requirements and guidelines for use ") • "Made Green Italy" certification Achievement of the following new certifications: • UNI Pdr/125 Gender equality
Medical Device S.r.l.	Renewal of the following certifications: • Quality system according to UNI EN ISO 9001:2015 (Quality Management System) • UNI EN ISO 13485:2016 (Quality Management Systems. Requirements for regulatory purposes"). Maintenance of the following certifications: • Environmental Management System according to standard UNI EN ISO 14001:2015 (Environmental Management System) • EC certification in compliance with Directive 93/42/EEC for the production of sterile disposable kits, sterile disposable custom packs, sterile disposable clothing, sterile disposable drapes sterile disposable accessories and instruments • product registration (CVC kits) for sale in the United Kingdom and kits e custom packs for the sale in Switzerland. Finally, the following certification is in the process of being renewed: • EC certification for disposable gowns as 3rd-category personal protective equipment in accordance with Regulation (EU) 2016/425.
U.Jet S.r.l.	Maintenance of the following certifications: • the Quality System certification according to standards UNI EN ISO 9001:2015 (Quality Management System) • UNI EN ISO 13485:2021 (Quality Management Systems. Requirements for regulatory purposes") • EC certification according to the Directive 93/42/EEC Annex II for the production of sterile disposable kits, sterile disposable surgical procedure packs, sterile disposable equipment (Clothing, Covers, Drapes and Specialist surgical drapes), Bags and systems for collecting and conveying Liquids and Fluids, sterile disposable Ophthalmology devices.
H2H Digital Solutions S.r.l.	Maintenance of the following schemes: • ISO 9001:2015 (Quality management System) • ISO 18295-2: 2017 (Customer contact centres – Requirements for clients using the services of customer contract centres). The following scheme was recertified, according to accredited references: • ISO 18925-1:2017 (Customer contact centres – requirements for customer contact centres)

Teckal S.p.A. (formerly Rekeep Rail S.r.l.)	The Company maintained the following certifications, following the audits carried out by RINA Services, the accredited certification body: • ISO 9001:2015 – Quality Management System, • ISO 14001:2015 – Environmental Management System, • ISO 45001:2018 – Occupational Health and Safety Management System • SA8000:2014 – Social Accountability Management System. Achievement of the following new certifications: • UNI CEI 11352 (Delivery of energy services). • Qualifying company certification with respect to the requirements of Regulation (EC) no. 842/2006 and Presidential Decree 43/2012 • ISO 50001 (Energy Management Systems) • PdR 125 (Gender equality guidelines) • ISO 37001 (Anti-bribery Management System)
Consorzio Stabile CMF	Maintenance of the following certifications following the audits carried out by RINA Services (the accredited certification body: • ISO 9001:2015 (Quality Management System) • ISO 14001:2015 (Environmental Management System) • ISO 45001:2018 (Occupational Health and Safety Management System) • SA8000:2014 (Social Accountability System) • ISO 50001:2018 (Energy Management System) • UNI CEI 11352:2014 (Delivery of energy services) • UNI EN 16636:2015 (Pest management and control services) • ISO 27001/IEC 27001:2022 Security Information Management System • ISO/IEC 27017 Code of practice for information controls based on ISO/IEC 27001 for clouds services • ISO/IEC 27018 Code of practice for protection of personally identifiable information – PII – in public clouds acting as PII processors • UNI EN 14065:2016 Laundry processed textiles - Bio-contamination control system Finally, as required by Article 51 of Legislative Decree no. 81/2008, as amended, the Company maintained a certificate for the proper adoption and effective implementation of the requirements of the Safety Organizational and Management Model referred to in Article 30 of Legislative Decree no. 81/2008, as amended and supplemented, and Ministerial Decree of 13 February 2014, on its Safety organizational and management plan for the service of "Delivery of cleaning, hygiene, sanitization, disinfection and disinfestation services for all public and private civil, industrial, commercial, and healthcare sectors". There was the recertification of the system: • Qualifying company certification with respect to the requirements of Regulation (EC) no. 842/2006 and Presidential Decree 43/2012
H2H Facility Solutions S.p.A.	Maintenance of the qualifying company certification under Regulation (EC) 842/2006, Presidential Decree 43/2012 and Accredia Technical Regulation RT-29, for installation, leakage control, servicing or repair services for fixed refrigeration and air-conditioning equipment and heat pumps containing certain fluorinated greenhouse gases. Maintenance of the following certifications: • UNI EN ISO 9001:2015 (Quality Management System) • UNI EN ISO 14001:2015 (Environmental Management System).
H2H Cleaning S.r.l.	Maintenance of the following certifications: • UNI EN ISO 9001:2015 (Quality Management System) • UNI EN ISO 14001:2015 (Environmental Management System) • UNI ISO 45001:2018 (Occupational Safety Management System) • SA8000:2014 (Social Accountability Management System). The following certification was obtained: • UNI EN ISO 30415:2021 (Diversity and inclusion Management System)
H2H Document Solutions S.r.l.	Maintenance of the following certifications: • UNI EN ISO 9001:2015 (Quality Management System) • UNI EN ISO 14001:2015 (Environmental Management System).
Rekeep France sub-group	Maintenance of the following certification: • QUALIPROPRE (Quality of cleaning and related services)
Rekeep Polska sub-group	Maintenance of the following certifications, following the audits carried out by IQS CERT Sp. z o.o.: • ISO 9001:2015 - Quality Management System; • ISO 14001:2015 - Environmental Management System; • ISO 45001:2018 - Occupational Health and Safety Management System; • ISO 22000:2018 – Food Safety Management Systems; • HACCP system – according to the Polish food code CAC/RCP 1-1969, rev. 4(2003) • Gwarant Czystości i Higieny (cleaning and hygiene services).

Rekeep Saudi Co Ltd	Maintenance of the following certifications: • ISO 9001:2015 Quality Management System • ISO 45001:2018 Health and Safety Management System • ISO 27001:2022 Information Security Management System • ISO 2001:2018 Information Security – Service Management
EOS	Maintenance of the following certifications, following the audits carried out by BBS.: • TS EN ISO 13485:2024 Medical devices Quality management systems • TS EN ISO 9001:2024 Quality Management System • TS EN ISO 14001:2021 Environmental Management System • TS ISO 45001:2019 Occupational Health and Safety Management System Achievement of the following certifications: • TS EN ISO 5001:2024 Energy Management System • TS EN ISO 10002:2024 Sterilization, Disinfection and Laundry Services

During 2024, there were no reported environmental crimes for which Group companies were finally convicted.

12. Related-party transactions

With regard to disclosure requirements laid down in art. 2428 of the Italian Civil Code regarding transactions between Group companies and related parties, it should be noted that all transactions carried out, including those between the Parent Company and its subsidiaries, as well as between the subsidiaries themselves, fall within the scope of ordinary Group operations and are regulated at arm's length.

Equity and economic transactions as at 31 December 2024 are detailed thoroughly in the explanatory Notes to the Consolidated Financial Statements and the Financial Statements of the Parent Company Rekeep S.p.A. for 2024, to which reference should be made.

13. Corporate governance

The Articles of Association of Rekeep S.p.A provide for the adoption of the ordinary management and control system pursuant to Articles 2380 and ff. of the Italian Civil Code.

The "ordinary" model provides for a Board of Directors, which is responsible for management and the supervision of strategy, and a Board of Statutory Auditors with control functions. The current Board of Directors, which was appointed by the Shareholders' Meeting on 14 March 2024, will remain in office until the date of the Shareholders' Meeting called to approve the Financial Statements at 31 December 2024 while the current Board of Statutory Auditors, which was appointed by the Shareholders' Meeting on 28 April 2023, will remain in office until the date of the Shareholders' Meeting called to approve the Financial Statements at 31 December 2025.

14. Research and development

No R&D costs were incurred and no such costs were capitalized by Group companies in 2024.

15. Additional information required by Art. 2428 of the Italian Civil Code

The Company Rekeep S.p.A. does not hold own shares, or shares or interests in parent companies, neither through trusts nor intermediaries.

In 2024 the Company did not purchase or dispose of own shares, or shares or interests in parent companies, neither through trusts nor intermediaries.

16. Additional information required by Art. 2497 of the Italian Civil Code

Rekeep S.p.A. is subject to the management and coordination activities by MSC Società di Partecipazione tra Lavoratori S.p.A., a company established through the transformation of Manutencoop Società Cooperativa, which became effective on 1 February 2022.

For details on transactions with both the entity that exercises management and coordination activities and with other companies that are subject to these activities, please refer to the Explanatory Notes to the Consolidated Financial Statements and the Explanatory Notes to the Financial Statements of the Parent Company Rekeep S.p.A..

17. Other information

In 2024, the Group companies received certain financial benefits from public authorities or entities treated as such, as referred to in Law no. 124 of 4 August 2017 governing the "Annual market and competition act".

In particular, the Parent Company Rekeep S.p.A. and Medical Device S.r.l. entered into soft loan agreements, “Artigiancassa Loan”, “SACE Loan”, and “Banca Sistema Loan” for the first one, and “Sabatini Loan” for the second one. More details are given in notes to the Consolidated Financial Statements and the Financial Statements of the Parent Company Rekeep S.p.A.. Finally, additional financial benefits were obtained for a lower amount, for which reference should be made to any possible information provided by the "Register of

State Aids" that is published online at the website www.rna.gov.it, section “TRANSPARENCY - PERSONAL AID".

18. Secondary offices

Rekeep S.p.A. has no secondary offices in Italy.

19. Tax consolidation agreement

The MSC Group opted to apply the Group taxation system, pursuant to articles 117 et seq. of the T.U.I.R. (“*Testo Unico delle Imposte sui Redditi*”, the Italian consolidated Law on Income Tax), which involves MSC Società di Partecipazione tra Lavoratori S.p.A. as consolidating company and the following consolidated companies:

- Rekeep S.p.A.
- Servizi Ospedalieri S.p.A.
- Medical Device S.r.l.
- H2H Facility Solutions S.p.A.
- H2H Cleaning S.r.l.
- H2H Document Solutions S.r.l.
- H2H Digital Solutions S.r.l.
- Rekeep World S.r.l.
- Rekeep Rail S.r.l.
- Yougenio S.r.l. in liquidation
- S.AN.GE. Soc. Cons. a r.l.
- Bologna Strade Soc. Cons. a r.l.

Finally, the above-mentioned Companies participate in Tax Consolidation together with the following MSC Società di Partecipazione tra Lavoratori S.p.A. Subsidiaries but which are not part of the Rekeep Group:

- Segesta Servizi per l’ambiente S.r.l.
- Sacoa S.r.l.
- Nugareto S.r.l.

20. Subsequent events

REFINANCING OF THE PARENT COMPANY REKEEP

On 10 February 2025, Rekeep S.p.A. announced the launch of an offering of Senior Secured Notes with a total nominal value of €350 million. The transaction was successfully formalized on 20 February 2025, with a bond issue with a nominal value of €360 million due September 2029, at an issue price of 97.5%, a fixed annual coupon of 9.00% (payable semi-annually on 10 April and 10 October, beginning from 10 October 2025) and non-callable repayment until 15 September 2026. The agreement (the “Indenture”) was signed between the issuer, Law Debenture Trust Corporation p.l.c. as trustee, and Unicredit S.p.A. as Security Agent and Bank of New York Mellon as Paying and Transfer Agent. In addition, JP Morgan and UniCredit acted as Joint Global Coordinators and Joint Physical Bookrunners in the transaction, and Goldman Sachs International and Banca Akros S.p.A. (Banco BPM Group) as Joint Bookrunners. The bond was listed on the EURO MTF multilateral trading facility managed by the Luxembourg Stock Exchange. The bonds were offered for subscription and were placed (i) in the U.S., exclusively to qualified institutional buyers in accordance with Rule 144A of the U.S. Securities Act, and (ii) outside the U.S. in accordance with Regulation S of the U.S. Securities Act, and in particular in Europe and Italy exclusively as an exemption from the EU and Italian regulations on public offerings provided for by the Prospectus Directive, the Consolidated Act on Finance and the Issuers' Regulation.

At the same time, on 13 February 2025, Rekeep S.p.A. entered into a new loan agreement on a revolving basis, which will guarantee a senior secured credit facility (“RCF”) in the amount of up to €55.5 million, to be used for general purposes and working capital management of the Issuer and its subsidiaries. Specifically, the RCF loan was concluded between, among others, Rekeep S.p.A., on the one hand, and Goldman Sachs Bank Europe SE, JP Morgan SE, Unicredit S.p.A. and BANCO BPM S.p.A. (as Mandated Lead Arrangers), Unicredit S.p.A. as Agent and Security Agent, and the original lender banks (Original Lenders), on the other hand. The interest rate applicable to each drawdown of the RCF loan for each interest period will be equal to the percentage rate resulting from the sum of the preset margin (equal to 4.0) and the applicable EURIBOR parameter.

All proceeds from the offering of the Senior Secured Notes issued, together with the Cash and cash equivalents already on the Company's balance sheet, were used to extinguish the Senior Secured Notes issued in January 2021 with a coupon of 7.25% per annum and maturity in February 2026, and replenish the cash with which the previous RCF line was repaid.

21. Outlook

In the coming months, the Rekeep Group will continue to focus its efforts on putting the results it has achieved so far on a sound footing in a structured manner in in all business segments as far as the domestic perimeter is concerned, setting as its goal the further rationalization of costs and improvement of the operational management effectiveness of each line of business, also thanks to the internal reorganization within the Group; the transaction entailed, with effect from 1 January 2025, the transfer of the “Energy” business line to a dedicated sub-group controlled by Teckal S p.A. (formerly Rekeep Rail S.r.l.), which as from the same date will no longer perform specific services for railway infrastructure, the business line of which has been reallocated within the Group. These transactions will be carried out entirely within the Group's perimeter and therefore will have no impact on the consolidated financial statements of the Rekeep Group.

On the International Markets front, the Group will be engaged in supporting business development, thanks to new business opportunities in the Arabian region and the commissioning of an additional centralized kitchen with new Cook&Chill technology for meal production in Poland, expected in the coming months, after the first two kitchens are commissioned during 2024. Furthermore, minor M&A transactions are planned, particularly in France, in order to start maintenance activities in the country while enhancing the know-how available in the Group. The latter thus confirms the objectives set out in the Group Plan 2025-2028 approved by the Board of Directors of the Parent Company.

The Company’s management continues to monitor developments in the geo-political environment and the international economic scenario in order to catch in time any signs that might herald a change in the trend from that observed to date. The Directors are still engaged in implementing the best solutions to reduce the debt, and these activities were still in progress as at the date of preparation of this document.

SUSTAINABILITY REPORTING

The current regulatory framework on corporate sustainability reporting based on the provisions of Legislative Decree no. 125/2024 implementing Directive 2022/2464/EU (“CSRD”) provides, for companies that meet specific requirements (exceeding at least two of the following thresholds in the first financial period of operation or for two consecutive financial periods: (i) 250 employees, (ii) €50 million turnover, and (iii) €250 million in balance sheet assets), the obligation to prepare Consolidated Sustainability Reporting in accordance with ESRS standards to be subject to mandatory limited audit and to be included in the Report on Operations at 31 December 2025.

Rekeep is aware of the aforementioned obligation and, starting from the experience gained with the social report first and the sustainability report later, is working to make the Group compliant with the relevant legislation. Nonetheless, the European legislative process of the "*Omnibus I package*" and the "*Omnibus II package*" underway at the time of the publication of this document, as well as the resulting Italian state transposition provisions, will be observed with particular attention. On 3 April 2025, the European Parliament approved the first package to postpone the current reporting requirement by 2 years, from 2025 to 2027. This package will need to be transposed into national legal system over the next few months.

22. Allocation of the result for the year of Rekeep S.p.A.

In concluding the report on the 2024 financial year the Directors invite you to approve the separate Financial Statements of Rekeep S.p.A. at 31 December 2024 and, in view of the fact that the limits provided for by Article 2430 of the Italian Civil Code for the Legal Reserve have been reached, to fully use the profit for the year of € 7,918,769.01:

- To partially cover the accumulated losses of previous years which, as a result of this use, will be reduced to € 20,004,995.49.

Zola Predosa, 29 April 2025

The Chairman

Claudio Levorato



rekeep.com

