



Credit Investor Update

June 2017



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Today's presenters

Years with the company		
	A. Chiarini CEO of MFM	<p>~1 year</p> <ul style="list-style-type: none">✓ Mr. Chiarini has 30 years of experience in the oil & energy industry:<ul style="list-style-type: none">• Chairman of Engie Italia at the beginning of 2016• From 2012 to 2015 managed the Energy division of GdF Suez for Southern Europe• In 2010 - 2011 was a member of the Board of Directors of Acea• In 2009 became first General Manager of GDF Suez Energia Italia and then CEO• In 2000 appointed CEO of Elyo Italia (currently Cofely / Engie Servizi)
	L. Buglione Head of Business Development ¹	<p>8 years</p> <ul style="list-style-type: none">✓ Mr. Buglione joined Manutencoop Group in 2009, he is also board member in Gruppo Sicura and Manutencoop International✓ Previously he worked for 8 years in M&A advisory, with focus on cross border and financial sponsors transactions
	A. Fiorenzo Head of Administration & Control	<p>12 years</p> <ul style="list-style-type: none">✓ Mr. Fiorenzo joined MFM in 2005 after an experience as auditor at Ernst & Young and an experience as financial analyst at Saeco International Group. Before becoming in 2016 Head of Administration & Control, he has covered the following roles:<ul style="list-style-type: none">• 2005-2009: in charge of the consolidated financial statement and accounting compliance• 2009-2016: head of group accounting and tax✓ He is also board member of H2H, YouGenio, EDS, Sange and EOS JV

¹ MSC representative

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One-stop-shop and mission critical services

Market leading position with national presence

Contract-based business with multi-year backlog

Strong financial profile

Six core services

- ✓ Cleaning
- ✓ Technical services
- ✓ Landscaping
- ✓ Property management
- ✓ Logistics
- ✓ Laundering & Sterilization

#1 Player in the **Facility Management** industry

#1 Player in the **Sterilization** industry

#2 Player in the **Laundering** industry

3.0x Revenue backlog

Revenue from existing contracted customers each year

99% Renewal rate on top 30 customers¹

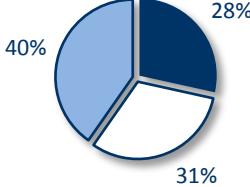
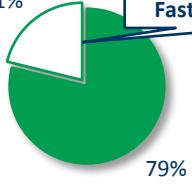
€926mm Revenues LTM

€108mm Normalized EBITDA LTM

63% Steady-state cash conversion²

Source: Company information

¹ Calculated by taking the average renewal rates of our top 30 customers in each of the last six years, 2010-2016, excluding Telecom Italia, FCA and Pirelli; ² See slide 25 for a reconciliation of steady-state cash conversion (calculated as Normalized OCF / 17LTM Normalized EBITDA)

	Facility Management	Laundering & Sterilization										
Main Activities	<ul style="list-style-type: none"> ✓ Maintenance, cleaning, energy services, fire prevention, safety of assets / people and property management ✓ 47 branches across Italy 	<ul style="list-style-type: none"> ✓ Linen rental and industrial laundering service ✓ Fabrics and surgical instruments sterilization ✓ 100+ healthcare entities served (24 sterilization centers, 4 laundering plants) 										
17LTM Revenues	€794mm (85.5% of total) ¹	€135mm (14.5% of total) ¹										
17LTM EBITDA	€67mm (64.5% of the total – 8.4% margin) ²	€37mm (35.5% of the total - 27.5% margin) ²										
17LTM EBITDA-Capex ³	€58mm (86.3% of EBITDA)	€22mm (58.9% of EBITDA)										
17LTM revenues breakdown	 <table border="1"> <tr> <td>■ Private</td> <td>28%</td> </tr> <tr> <td>□ Public</td> <td>40%</td> </tr> <tr> <td>■ Healthcare</td> <td>31%</td> </tr> </table>	■ Private	28%	□ Public	40%	■ Healthcare	31%	 <table border="1"> <tr> <td>■ Laundering</td> <td>79%</td> </tr> <tr> <td>□ Sterilization</td> <td>21%</td> </tr> </table>	■ Laundering	79%	□ Sterilization	21%
■ Private	28%											
□ Public	40%											
■ Healthcare	31%											
■ Laundering	79%											
□ Sterilization	21%											
Brands												
Positioning in Italy	# 1	# 1 in sterilization # 2 in laundering										

Source: Company information

¹ Gross of intra-group eliminations accounting for €3mm, (0.3%); ² Based on 17LTM EBITDA of €104mm; ³ Recurring capex excluding the acquisition of real estate assets for L&S

...with strong coverage and positioning in each customer segment



	Healthcare Customers	Public Customers	Private Customers
17LTM Revenues (% on total)	<p>Revenues - €447mm</p>	<p>Revenues - €248mm</p>	<p>Revenues - €230mm</p>
Clients	<ul style="list-style-type: none"> ✓ Public and private hospitals, nursing and retirement homes <p>Policlinico S.Orsola-Malpighi</p>	<ul style="list-style-type: none"> ✓ Regional, provincial and municipal governments, schools, universities and other public institutions 	<ul style="list-style-type: none"> ✓ Large / medium companies in TLC, financial services, retail, industrial, services and logistic industries
Contract Length	<ul style="list-style-type: none"> ✓ FM healthcare: c.4-5 yrs ✓ Laundering: c.5-6 yrs ✓ Sterilization: c.7-8 yrs <p>Backlog</p> <p>✓ €1,960mm</p>	<ul style="list-style-type: none"> ✓ c.3 – 4 yrs <p>Backlog</p> <p>✓ €589mm</p>	<ul style="list-style-type: none"> ✓ 1 to 3 yrs (often containing automatic renewal clauses) <p>Backlog</p> <p>✓ €217mm</p>
Market Coverage	<ul style="list-style-type: none"> ✓ 140+ hospitals served¹: <ul style="list-style-type: none"> ❑ c.24% of Italian hospitals ❑ c.90% of the largest hospitals in Italy 	<ul style="list-style-type: none"> ✓ The Group serves²: <ul style="list-style-type: none"> ❑ c.130 municipalities ❑ 17 provinces ❑ 5 regions ❑ 27 government entities 	<ul style="list-style-type: none"> ✓ Executed the largest outsourcings in Italy acquiring more than 1,500 people
Key Success Factors	<ul style="list-style-type: none"> ✓ Complex and bundled services ✓ Service quality guarantee ✓ Reduction of risk hazard ✓ Investments financing innovations (PFI) ✓ Complex tenders 	<ul style="list-style-type: none"> ✓ Large multi-service contracts ✓ Costs efficiencies ✓ Investments financing innovations (PFI) ✓ Complex projects 	<ul style="list-style-type: none"> ✓ Expertise in large FM outsourcing (personnel, assets) ✓ Costs efficiencies ✓ Guarantee service delivery ✓ Large customers / multi-site operations (banks, retail chains)

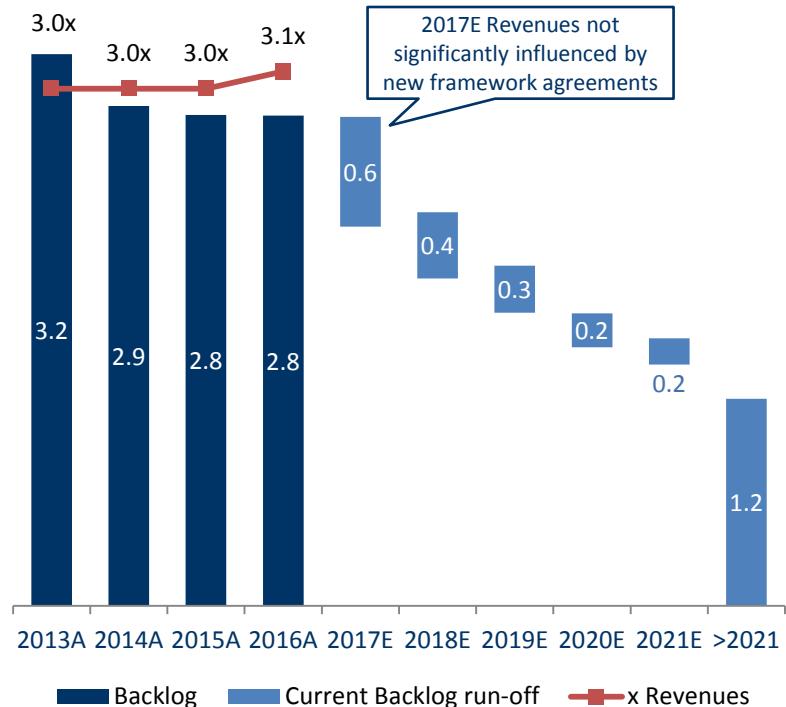
Source: Company information, Ministry of Health

¹ Management estimates based on FY14 figures; ² Management estimates

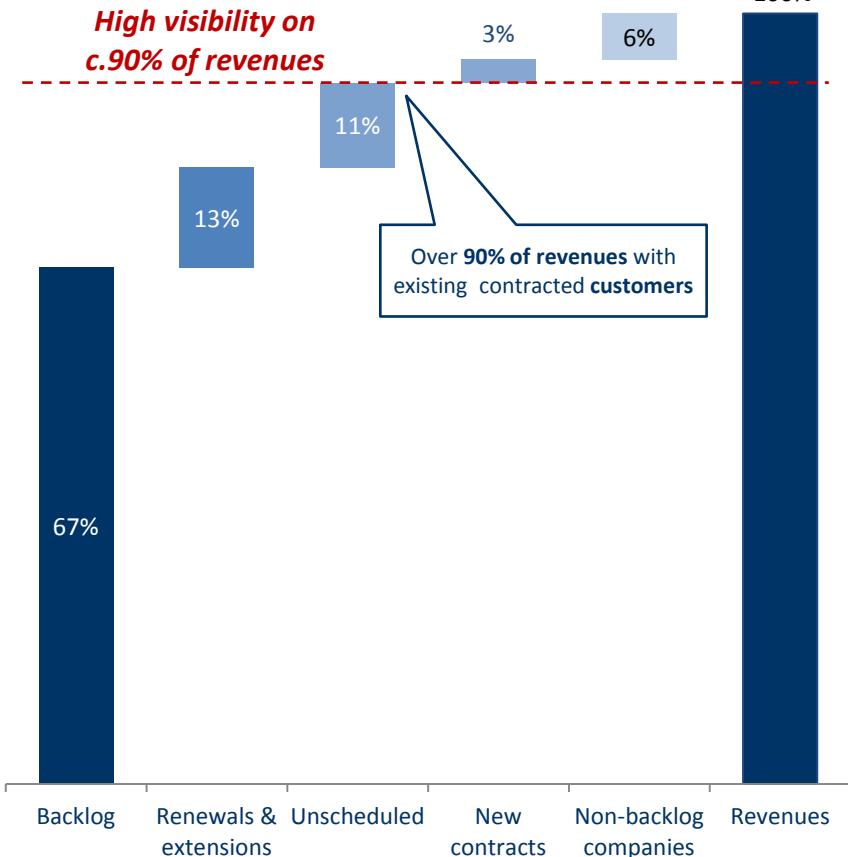
Highly visible, recurring and diversified revenue base

Backlog and framework agreements (€bn)

1 Backlog run-off (signed contracts)



Backlog contribution to annual revenues²



2 €1.2bn framework agreements to translate into backlog when orders are issued¹

High revenue visibility from backlog, contracts' renewals and extensions with further potential from framework agreements

Source: Company information

¹ Framework agreements amount estimated considering the entire actionable value as of today; ² % on total revenues, average 2013-2015

High customer retention rate, with strong focus on healthcare segment



Source: Company information

¹ Calculated by taking the average renewal rates of our top 30 customers in each of the last six years, 2010-2016, excluding Telecom Italia, FCA and Pirelli, each of which were among our top private sector customers in prior years but have had 9 decreasing impact over time (see slide 21 for a partial quantification of such impact)

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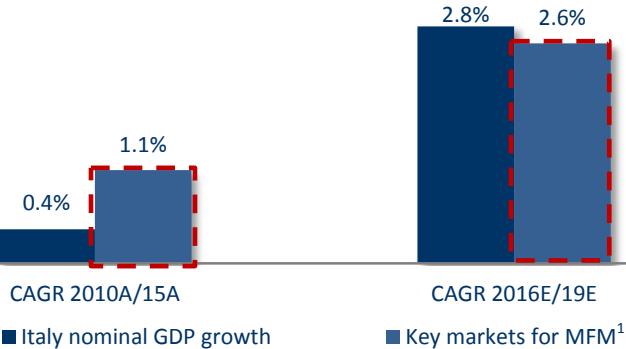
- I Overview of Manutencoop
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Key Credit Highlights

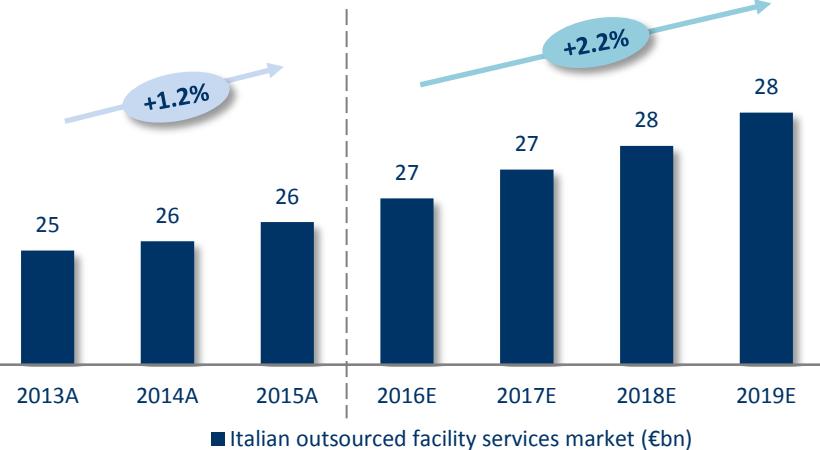
- 1  **Industry with consistent growth and positive secular outsourcing trend**
- 2  **Leading position in a highly fragmented industry**
- 3  **Broadest service offering with a focus on the highly profitable healthcare segment**
- 4  **Nationwide presence in growing reference market**
- 5  **Diversified and long-standing customer base**
- 6  **Highly visible, recurring and diversified revenue base**
- 7  **Highly variable cost structure and asset-light financial profile**

1 Industry with consistent growth and positive secular outsourcing trend

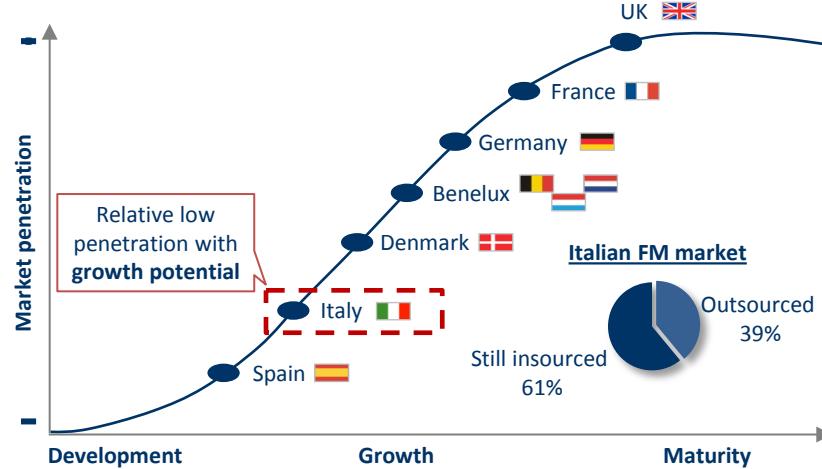
GDP growth and proven resilience



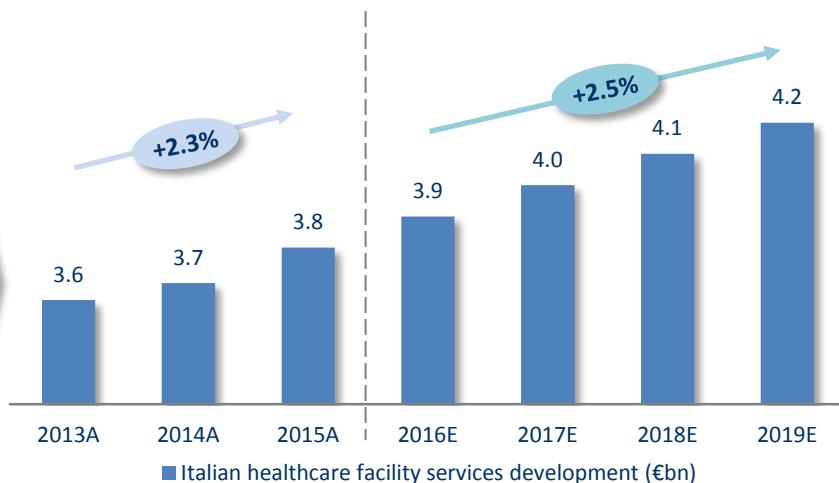
Steady growth in facility management



Upside potential thanks to positive outsourcing trend



Outsourcing trend in healthcare services



Source: IC Market Tracking 2016, International Monetary Fund, MEF Economic and Financial Document 2016, Treasury Ministry DEF 2015

¹ Includes: government & education, healthcare, retail, transport and business

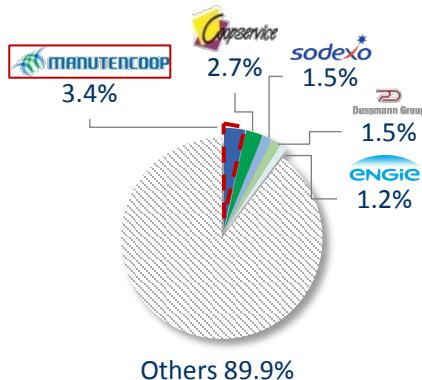
x.x%
FY13A-15A CAGR

x.x%
FY16E-19E CAGR

2 Leading position in a highly fragmented industry

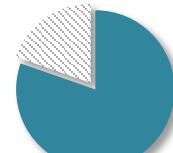
FACILITY MANAGEMENT

2015 Market share



Contribution to 17LTM Revenues¹

€794mm

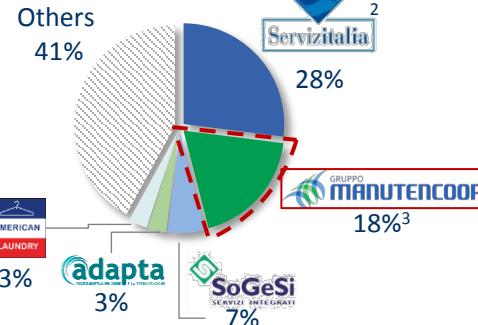


Highlights

#1 player in Italian FM market

Competitive Advantage

LAUNDERING & STERILIZATION



€135mm
Laundering & Sterilization
14.5%

#1 player in sterilization services
#2 player in laundering services

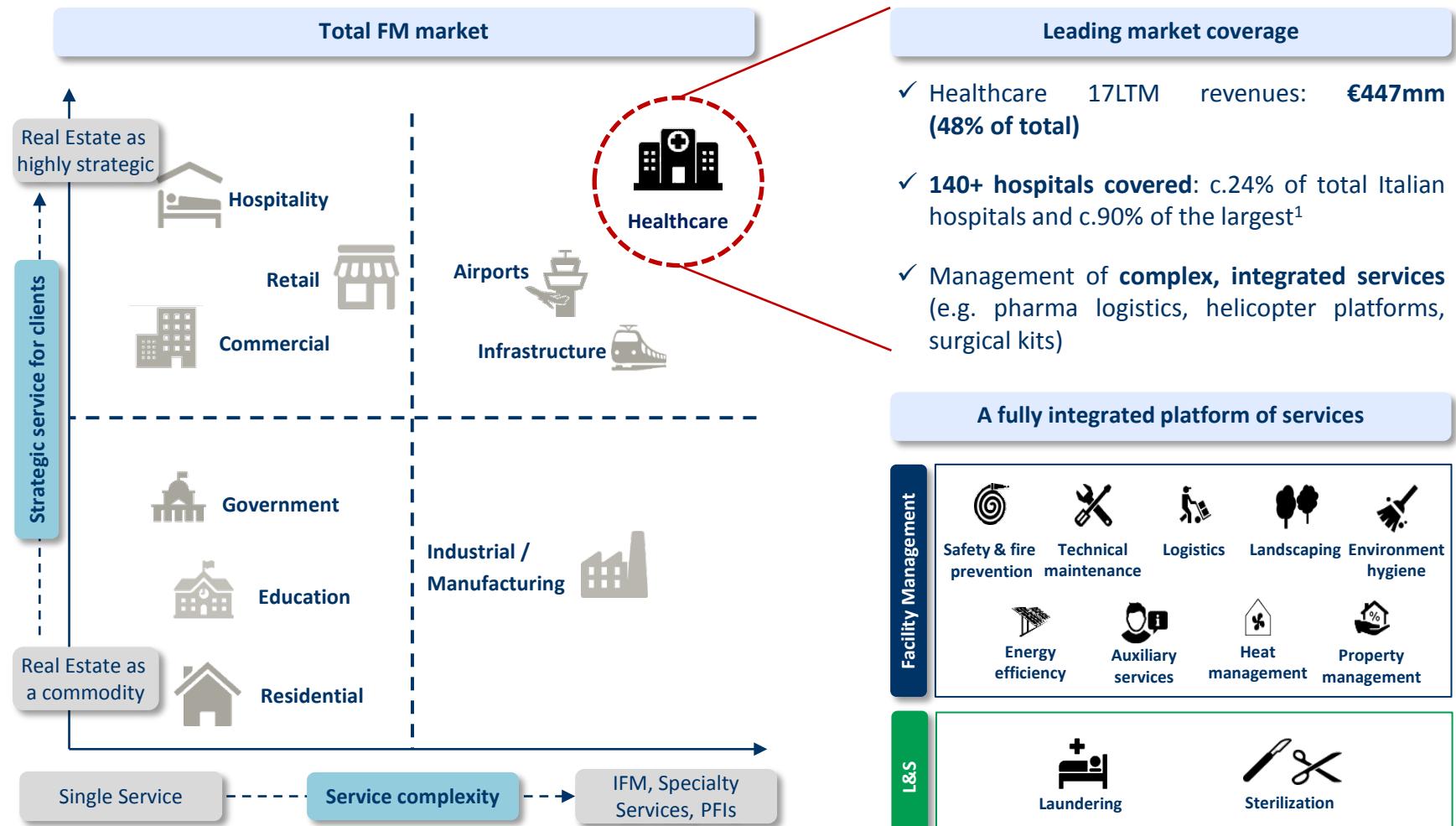
- ✓ Scale
- ✓ Multiple location management
- ✓ Multiservice capabilities
- ✓ Certifications, skills
- ✓ Track record
- ✓ Complex public tender rules

MFM Group is the clear leader with strong competitive advantages in a highly fragmented market

Source: IC Market Tracking 2016, Smart Lavanderie Industriali - Databank Cerved Group, Apri, company information

¹ Gross of intra-group eliminations accounting for €3mm, (0.3%); ² Listed company 59% controlled by Coopservice; ³ L&S revenues only

3 Broadest service offering with a focus on the highly profitable healthcare segment



MFM customer proposition targets strategic and mission critical services in the value chain

Source: Company information

¹ Management estimates based on FY14 figures

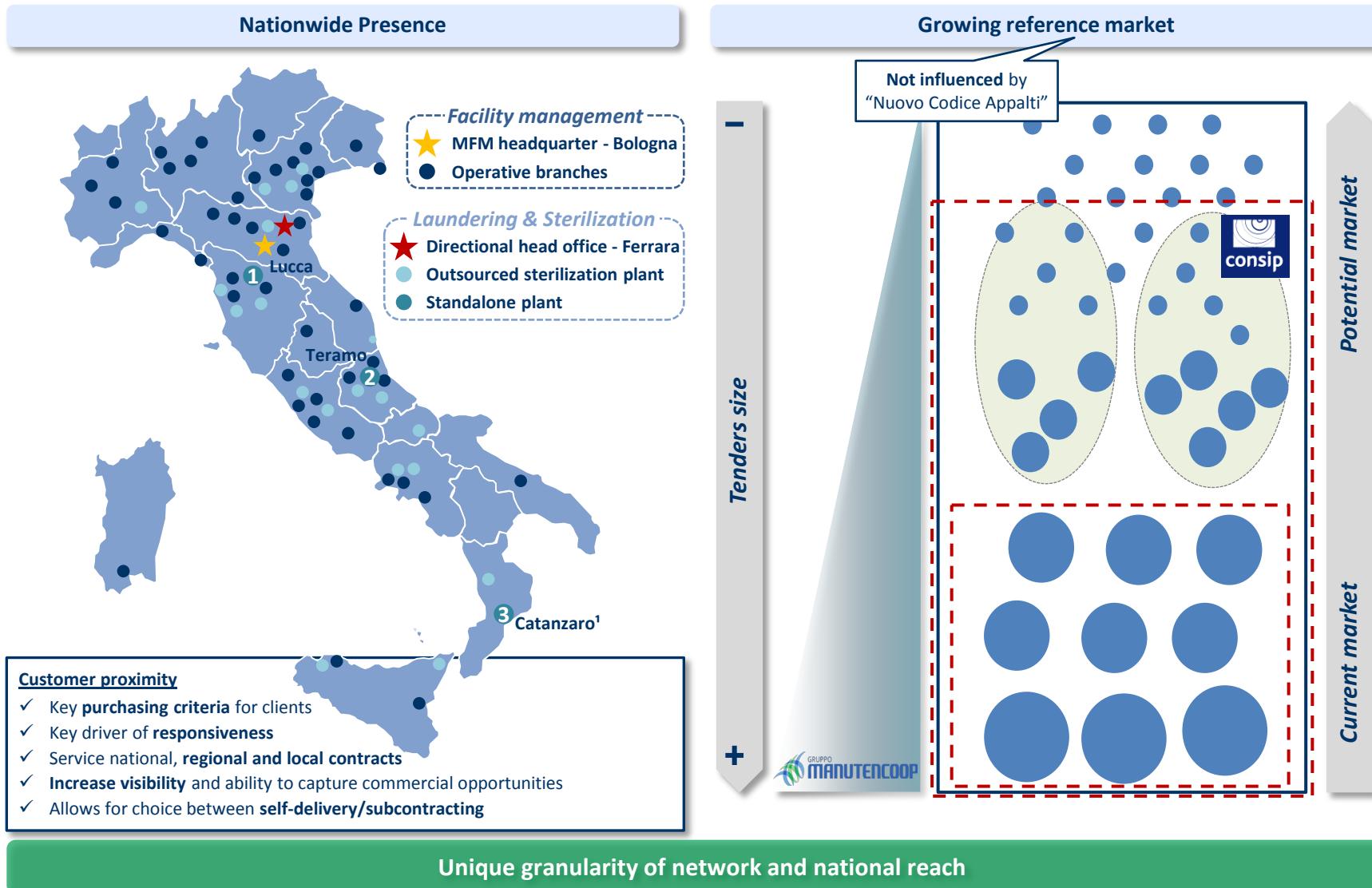
3 Fully integrated service provider with strong set of competitive advantages

Strong set of competitive advantages		Widest breed of services among peers					
Size	✓ Largest national player	Italian providers	Cleaning	Energy services	Landscaping	Tech. services	Logistics services
Portfolio	✓ Breadth of service offering ✓ Integrated, advanced IFM solutions	MANUTENCOOP	#1				#1/2
Track record	✓ 70+ years in operation ✓ Preferred counterparty of PAs	Coopservice					
Organizational excellence	✓ Unique responsiveness to client requests ✓ Best-in-class responses to tenders ✓ Continuous quality checks	engie					
Technical capabilities	✓ Advanced IT systems and digitalization ✓ Highly integrated with ability to scale-up	Siram by VECOLIA					
IT platform	✓ State-of-the art IT platform	manital olicar					
Certifications	✓ Health and Safety RINA, Quality IQNET	CPL CONCORDIA					
Value services add		Dussmann Group					

Diversified service offering focused on generating value for customers

Source: Company information, IC Market Tracking 2016

4 Nationwide presence in growing reference market



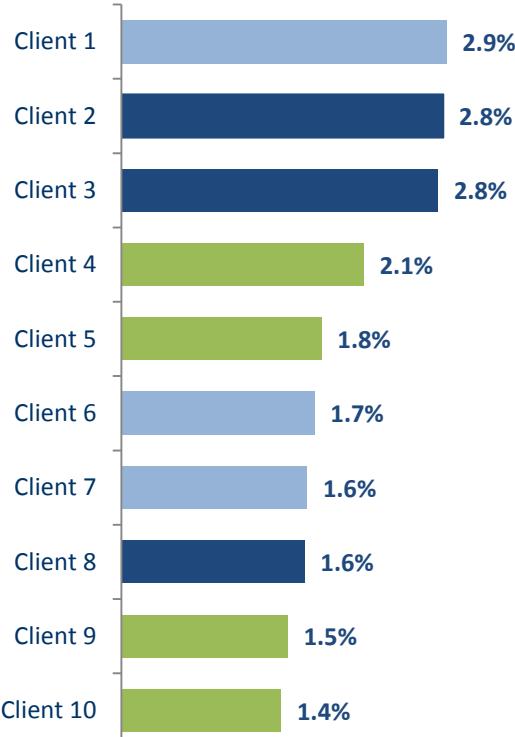
Source: Company information

¹ Rent of business unit

5 Diversified and long-standing customer base

Diversified client base

Top 10 clients (% on total revenues FY16A)



Diverse range of reputable and top-tier clients (<1% receivables write downs)

HEALTHCARE



PUBLIC

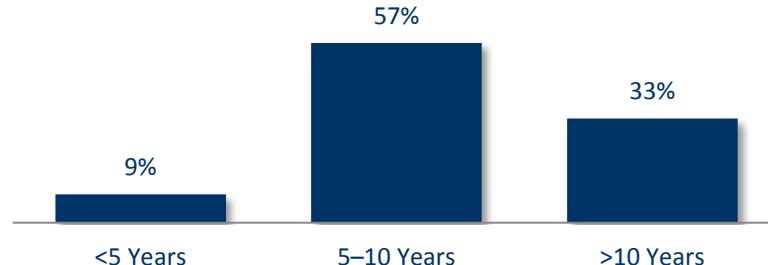


PRIVATE



Long-standing relationships

Split of revenues for top 40 clients (% on total top 40 clients revenues FY16A)



Long term relationships with a highly diversified and reputed customer base

Source: Company information

6 Highly visible, recurring and diversified revenue base

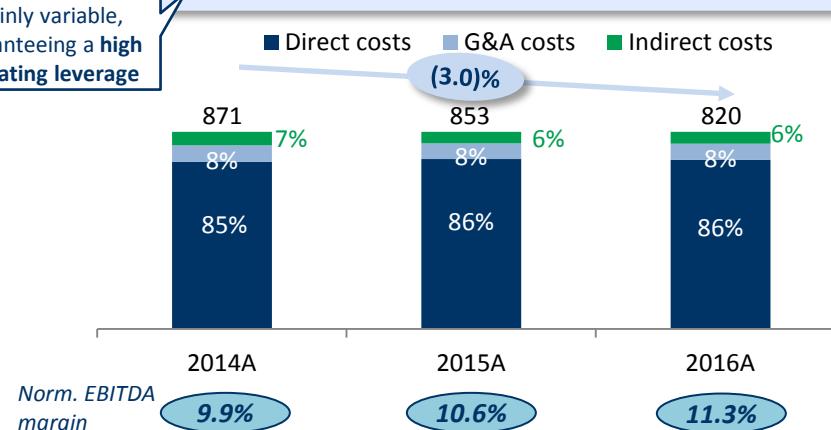
	Healthcare Customers	Public Customers	Private Customers
HIGHLY VISIBLE	<ul style="list-style-type: none">✓ Backlog: €1,960mm✓ Contract length:<ul style="list-style-type: none">▪ FM (healthcare): c.4-5 yrs▪ Laundering: c.5-6 yrs▪ Sterilization: c.7-8 yrs	<ul style="list-style-type: none">✓ Backlog: €589mm✓ Contract length:<ul style="list-style-type: none">▪ FM (public): c.3-4 yrs	<ul style="list-style-type: none">✓ Backlog: €217mm✓ Contract length:<ul style="list-style-type: none">▪ Private: 1 to 3 yrs (often with automatic renewal clauses)
DIVERSIFIED	<p>Revenues - €447mm</p> 	<p>Revenues - €248mm</p> 	<p>Revenues - €230mm</p> 
RECURRING	<p>90% Revenue from existing contracted customers each year</p> <p>99% Renewal rate on top 30 customers</p>		

Revenue base is highly visible through backlog and contracted nature of the business, recurring through high renewal rates and limited ramp-up of new business each year, diversified through a balanced split in the three key segments

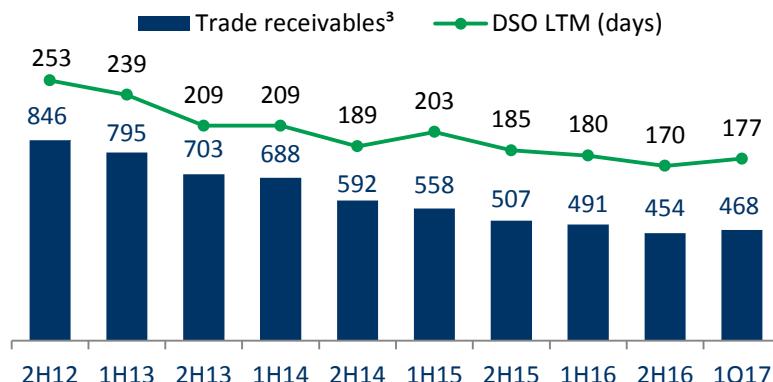
Source: Company information

7 Highly variable cost structure and asset-light financial profile

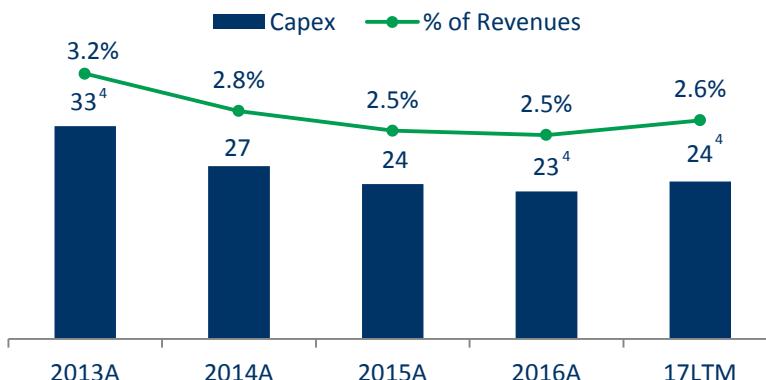
Cost structure composed mainly of direct costs (€mm)



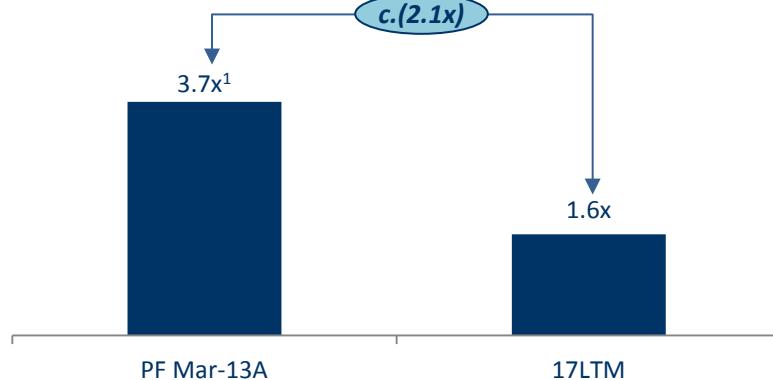
More efficient working capital management (€mm)



Disciplined and low capex requirements (€mm)



Deleveraging profile since bond debut (Net Debt² / Normalized EBITDA)



Consistent track record of resilient margins, flexible cost structure, low capex requirements and efficient NWC management

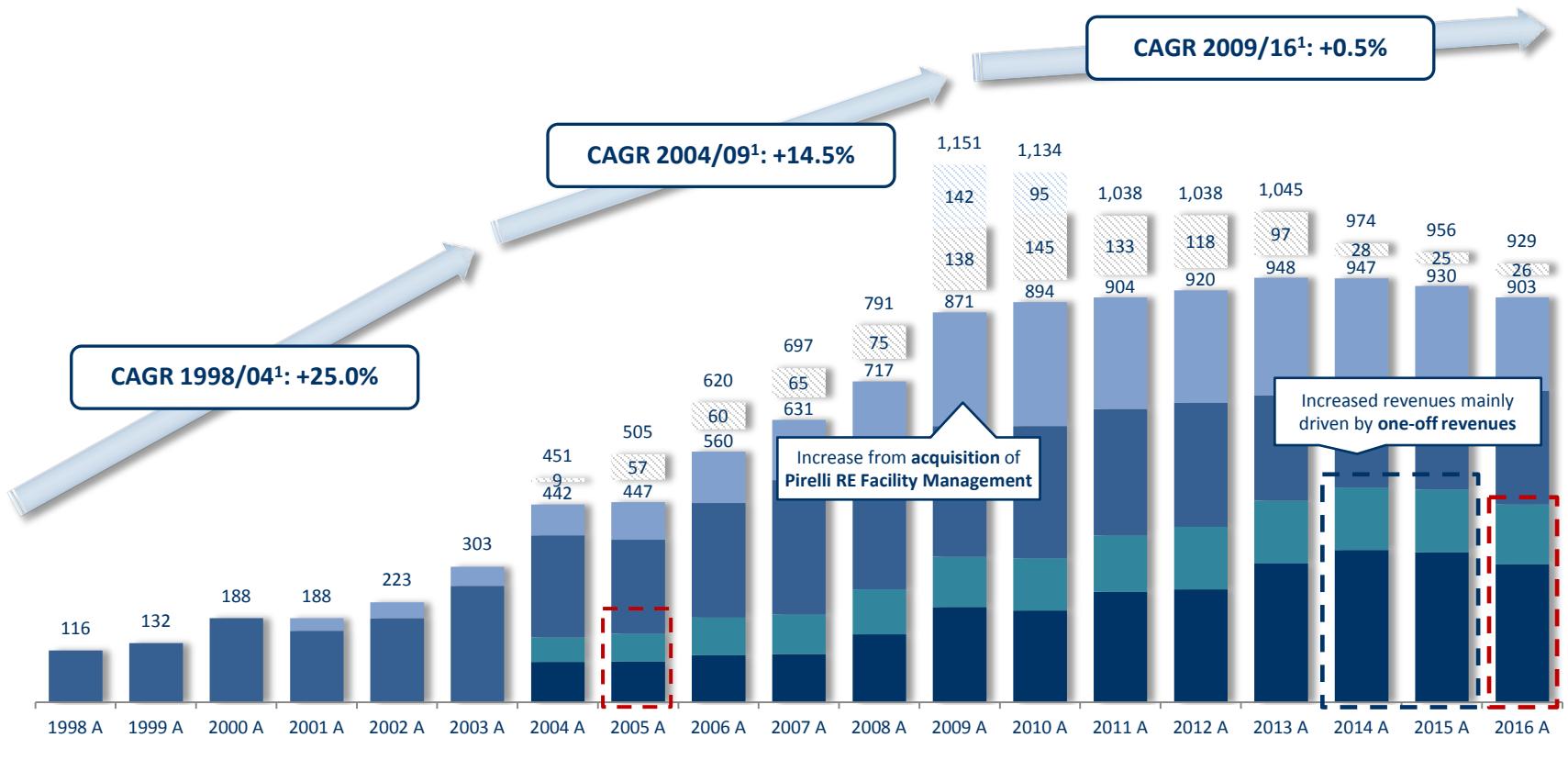
Source: Company information; ¹ Pro forma leverage for the issuance of €425mm SSNs 8.5% due in 2020. Computed as the ratio between net debt and normalised EBITDA recomputed according to the definitions applied in this Transaction; ² Includes outstanding nominal SSNs, bank debt, factoring with recourse and financial leasing net of cash and cash equivalents and current financial assets; ³ As per management accounts, differs from statutory for (i) inclusion of advances from customers and (ii) reversal of advances to suppliers; ⁴ Excludes €2.1mm in 2013A, €7.7mm in 2016A and €4.5mm in 1Q17 non-recurring capex

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Long term history of growing revenue base

€mm



% of revenues in the healthcare market

30%

48%

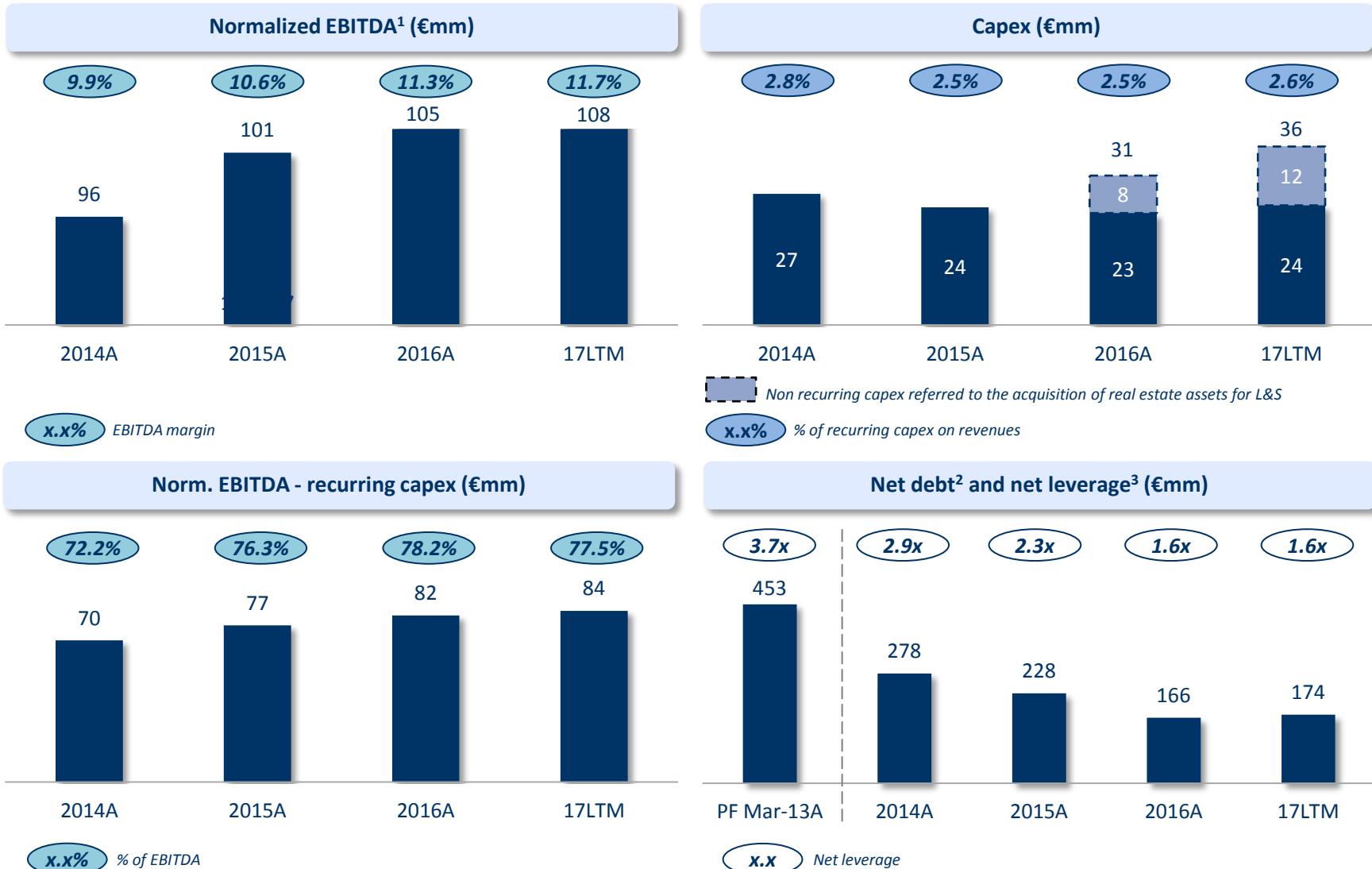
Long term growth trajectory thanks to a mix of organic and M&A expansion

Source: Company information, IMF

Note: Management account figures excluding certain discontinued business;

¹ CAGR total (excl. FIAT & TIM discontinued contracts)

Attractive cash flow generation over the years

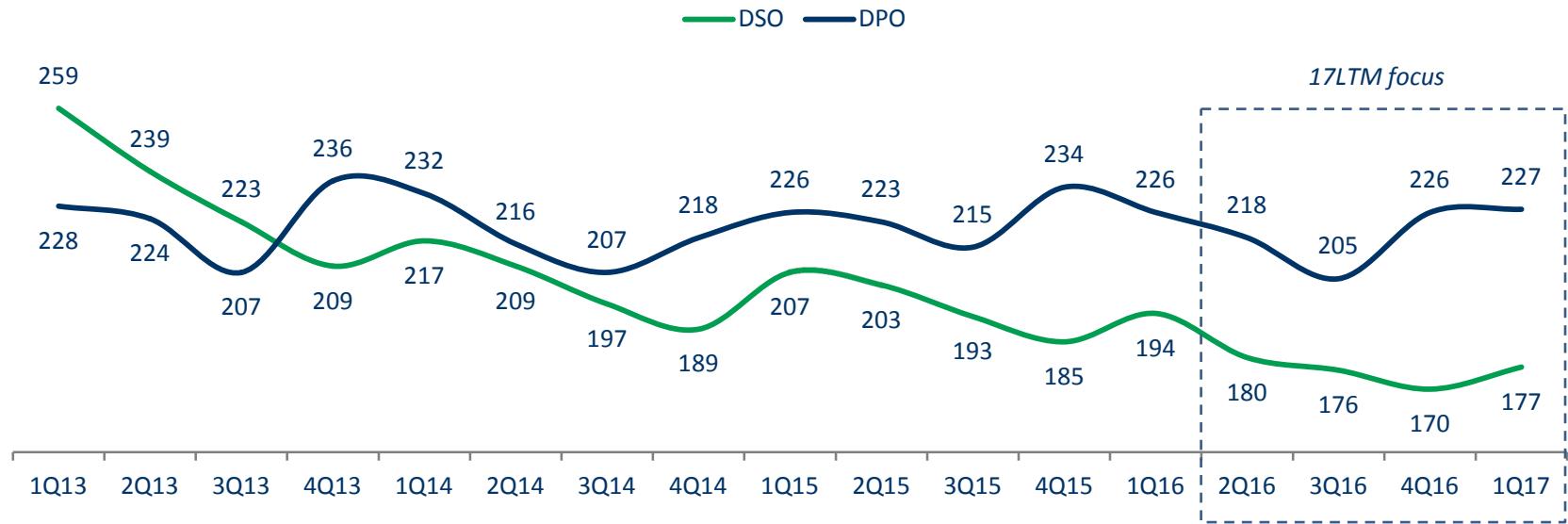


Source: Company information

¹ Figures adjusted for non-recurring expenses and one-off items and, for 2016 and 17LTM, start-up costs; ² Includes outstanding nominal SSNs, bank debt, factoring with recourse and financial leasing net of cash and cash equivalents and current financial assets. For FY13, net debt has been recomputed according to the definition applied in this Transaction; ³ Computed as the ratio between net debt and normalised EBITDA. For FY13, ²² net debt and normalised EBITDA have been recomputed according to the definition applied in this Transaction

Improving working capital management thanks to digitalisation of invoicing

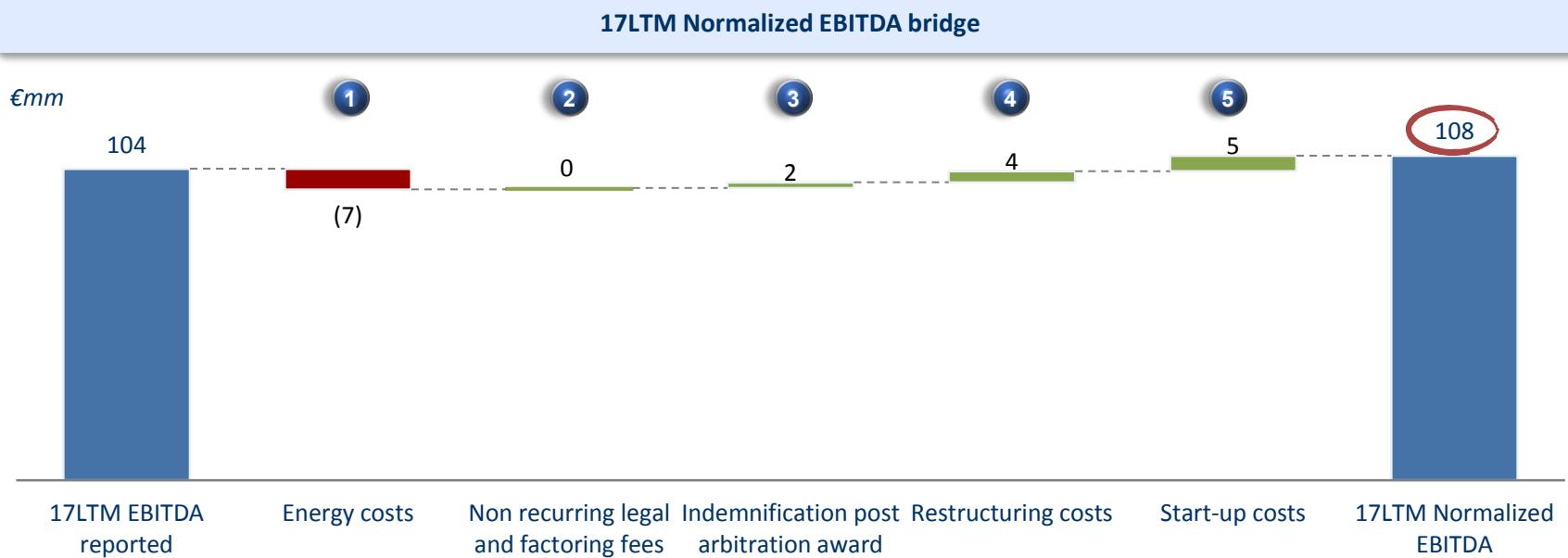
DSOs and DPOs evolution over the last four years



Commentary

- ✓ Sharp decrease in DSOs since the last 4 years (c.80 days), of which c.17 days in the last twelve months, resulting from:
 - Constant improvement in PA payment terms, reflecting shift towards European payment standards
 - Introduction of electronic invoicing from 2015
- ✓ Historically, seasonality negatively affects the ending balance of DSO and DPO in the first and third quarter of each year

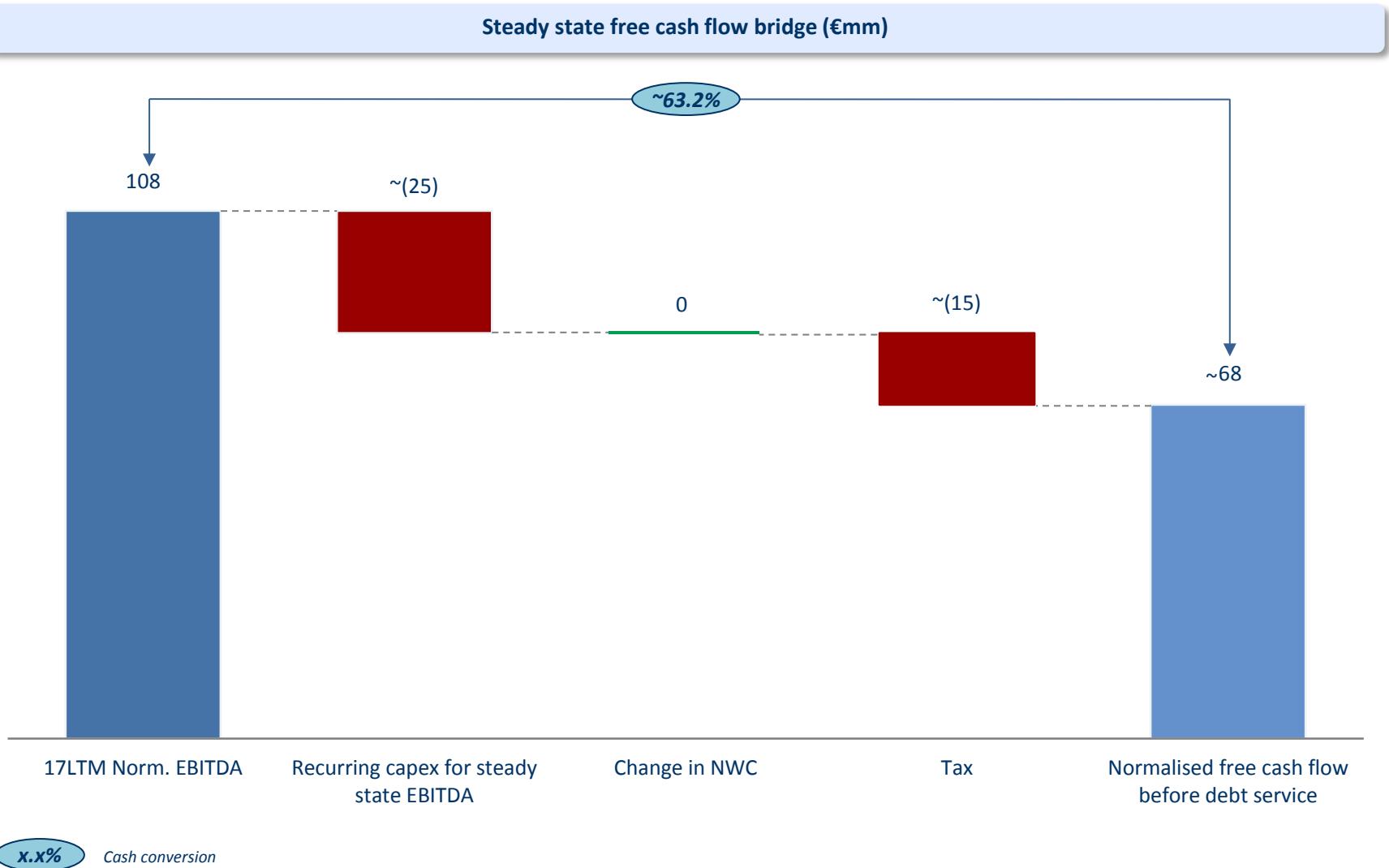
17LTM Normalized EBITDA bridge



Commentary

- ① **Energy costs:** one-off adjustment for the release of the provision related to '*oneri di sistema*' (initially accrued in 2015) following a new law in February 2017 which exempted MFM from those payment obligations
- ② **Non recurring legal and factoring fees** associated with the ongoing administrative case initiated by the Italian Antitrust Authority (ICA) and for factoring without recourse agreements with Banca Farmafactoring
- ③ Cash outflows following the issuance of an arbitration award in August 2016 in connection with a proceeding regarding the application of VAT to a customer (Enasarco). The adjustment include the **payment to the customer** and **incurred legal fees**
- ④ Commissions and fees paid to **financial and legal advisors** for reorganizational efforts, including the sale of SMAIL (public lighting subsidiary), hiring of new key managers and establishment of MINT, Manutencoop subsidiary for international tenders, and e-Digital Services
- ⑤ Negative EBITDA impact from new ventures still in **start-up phase**: YouGenio, a B2C platform, for €2.6mm and MINT for €2.5mm

Illustrative normalized free cash flow



Source: Company information

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Summary of current legal proceedings

- ✓ Our business is **largely exposed** to public administrations and we continuously participate in **complex and large public tenders** to be awarded with public contracts
- ✓ The market in which we operate is characterized by complex regulation and by intense competition, which results in a litigious market environment among competitors
- ✓ As a consequence, our industry and our Company are under **continuous scrutiny** and more so have been over **the last few years**
- ✓ We are currently involved in **3 main legal proceedings**; we describe herein what we believe to be the worst case scenario for illustrative purposes, however, we are not aware of recent cases in the market where consequences as severe as those described herein have been suffered by our competitors; on the contrary, in other cases, the operation of affected businesses has continued, even when injunctions or other sanctions have been imposed

- **Consip School**

- Anti-trust allegation where company has been **fined for €14.7mm**
- Company **appealed** this decision before **Italy's Supreme Court**
- Contract has **limited backlog remaining**

- **FM4**

- Anti-trust related investigation at an **early stage of the process**
- FM4 has not **generated** any **revenue or backlog**

- **Naples investigation**

- **Bribery-related investigation** for **3 employees** of the Company and **1 former employee**
- The investigation is at an **early stage**
- **Temporary injunction** from contracting with public entities for the Company has been **rejected**
- **Contract** has been performed with minimal remaining payments to be collected and **negative profitability**

Update on legal proceedings - Consip School Tender litigation

Facts

- ✓ Cleaning services for c.550 public schools in Italy
- ✓ ICA (“Italian Competition Authority”), issued a decision in December 2015 on alleged antitrust violations in the public tender process to MFM and 3 other competitors
 - Following a series of administrative/court decisions, MFM was assessed a **€14.7mm fine** (*reduced from the original €48.5mm fine as considered not as serious as originally assumed*) payable in 30 monthly installments
 - Consip terminated the **Consip School** Framework Agreement in November 2016 (which Company appealed at Civil Court in Rome)
- ✓ As this decision is against MFM only, other Group legal entities (e.g. Servizi Ospedalieri in the L&S Segment) are not subject to sanction
- ✓ **MFM appealed** the decision before the **Italian Supreme Court** on technical/jurisdictional grounds (a decision is expected in 18-24 months)
- ✓ In June 2017, we were informed that a criminal investigation against our former CEO and a current MFM employee was concluded in relation to the Consip School public tender process, however, to date no criminal charges have been filed

Results and Potential Losses

- ✓ All the Consip School Contracts will remain in force until August 31, 2017¹ and will be extended until new contracts / FAs are awarded:
 - If all the Consip School Contracts were to be **terminated** on **August 31, 2017**, the estimated **loss of revenue** and **EBITDA²** for 2017 would be **€14.2mm** and **€1.4mm**, respectively
 - If all the Consip School Contracts were to be **terminated** on **December 31, 2017**, the estimated **loss of backlog** and **EBITDA²** between 2018 and 2020 would be **€8.8m** and **€0.9mm**, respectively
- ✓ MFM could be **excluded**, on a case by case basis by public contracting entities arranging the applicable tender or upon a decision of an administrative court following a claim by competitors suing to block our participation in a tender, from public **school cleaning tenders** over a period not exceeding **3 years** (for illustrative purposes, such an exclusion could result in a potential loss in **annual revenues and EBITDA²** of c.**€43mm³** and c.**€4mm³**, respectively, **for a period of c.4-5 years** in respect of such school cleaning tenders in the event that MFM is made ineligible to participate)⁴
- ✓ MFM could be **excluded** from all **public tenders for up to 1 year**. In the last two years the contracts subject to potential exclusion (i.e. all contracts other than L&S and Private sector ones) accounted for **c.€74mm⁵** in **revenue** and **c.€7mm⁵** in **EBITDA²** p.a. for the typical contract duration of approximately 5 years
- ✓ Finally, Manutencoop might still be liable to pay-back **performance bonds** to Consip for an amount up to **c.€17mm**, if enforced⁶

¹ Pursuant to a law decree to be converted into law by June 23rd, 2017 to be confirmed; ² EBITDA estimated multiplying the annual revenue of contracts by the EBITDA margin for the relevant year, annual revenue calculated multiplying the backlog figure by average contract duration for the relevant year (loss estimates are net of unscheduled revenues);

³ Revenues / EBITDA generated from public school cleaning services estimated as 2015-16

⁴ Assuming value of new FA in line with the 2013 tender; ⁵ Average of 2015 and 2016; ⁶ A provision has been accrued

Update on legal proceedings - Consip School Tender litigation (cont.)

Mitigating Factors

- ✓ Following the termination of the Consip School Framework Agreement, **no schools have terminated** MFM's existing Consip School cleaning contracts
- ✓ MFM has **not** been **excluded** from **any public tenders** as a result of the Consip School Tender litigation and, in the event that this should occur, **we would vigorously defend our interests**, both on the merits and, on the advice of our legal counsel, on the basis of our adoption and implementation of Self-Cleaning Measures (described below)
- ✓ We believe that there is **no significant termination risk** for MFM's existing contracts as a result of the Consip School Tender litigation
- ✓ MFM has adopted / implemented **internal policies and procedures** to minimize the possibility of future antitrust violations ("Self-Cleaning Measures") and, from April 2016, MFM implemented a reorganization to achieve, among other things, changes to certain primary management functions, the nomination of a new board of directors, the separation of the powers and responsibilities of the President and the Chief Executive Officer, and a change of the corporate governance structure of MFM, replacing the so-called "dualistic" model with a traditional governance model
- ✓ Historically, exclusions from public tenders have been shorter than the maximum allowed
- ✓ **No performance bond** has ever been **enforced** by Consip

Update on legal proceedings - FM4 Tender

Facts

- ✓ Cleaning and maintenance services for offices used by Italian public entities that MFM tendered to Consip in June 2014
- ✓ In March 2017, ICA opened an investigation, expected to be concluded by May 2018, against MFM and six other competitors to determine if antitrust violations were committed in the FM4 Tender

Results, Potential Losses and Mitigating Factors

- ✓ The investigation is at a very preliminary stage and MFM believes that there has not been any wrongdoing, but if a violation were found and a fine were to be imposed, and if computed consistently with the fine for the Consip School Tender Litigation, it would be up to a maximum of 5% of the approximately €530mm base tender value. The final amount may be increased if the violation is deemed as a more serious offense than the Consip School Tender and / or a repeat offense
- ✓ While the theoretical impacts of an adverse result could be similar to those described in connection with the Consip School Tender, MFM believes that it is premature to speculate on potential losses or adverse effects on the business
- ✓ FM4 Tender has not generated revenue or backlog
- ✓ In connection with the FM4 Tender, we would have similar defences and arguments to be made in our favour, including with respect to the Self-Cleaning Measures and organizational changes adopted, described further ahead
- ✓ At this stage, no provisions have been set aside by MFM as the potential liability and the likelihood cannot be estimated

Update on legal proceedings - Naples Investigation

Facts	<ul style="list-style-type: none">✓ In April 2017, a search warrant and notice of a criminal investigation against three MFM employees and a former employee was served by the Naples Public Prosecutor alleging corruption for winning the tender for the cleaning services project at the Santobono-Pausilipon Public Health Agency in Naples in 2014. Under the scope of LD 231¹, MFM is under investigation as the employer✓ In 2016, the project generated c.€2.5mm in revenue and had a negative contribution margin; work under the project concluded on May 31, 2017
Results and Potential Losses	<ul style="list-style-type: none">✓ If convictions were to be obtained, they could trigger administrative liability for MFM under LD 231, following final, unappealable judgements through three levels of courts, resulting in monetary fines and/or temporary prohibitions from entering into contracts with public entities and/or give the right to certain private sector counterparties to terminate existing contracts.
Mitigating factors	<ul style="list-style-type: none">✓ MFM believes the claims against its employees are baseless. Initial restrictions and precautionary measures imposed on a employee were later revoked on the basis of the retraction of certain accusatory testimony✓ The Public Prosecutor requested a temporary injunction on MFM from contracting with public authorities pending the conclusion of the criminal investigation. Following the hearing in May 26, 2017, the judge rejected the temporary injunction, finding that the conditions for such injunction were not satisfied✓ On June 2, 2017, news reports described a recent proceeding involving a company operating in our market where the court, despite finding that the conditions for a temporary injunction were satisfied, at the same time suspended the temporary injunction and substituted such sentence with an order for the implementation of internal organizational policies and structures to prevent crimes under LD 231, which demonstrates that there are cases where injunctions have been mitigated with alternative sentences that allow the company to continue full operations in the market✓ To be held liable, LD 231 requires the conviction of top management while the employees in question are not among MFM's top management or, in case of conviction of an employee reporting to a top manager, it requires sufficient proof of the weakness of the Company's organization. In both cases, MFM must have derived a material benefit from the criminal behaviour of its employees✓ Since 2008, MFM has had in place the required internal organizational policies and structures to prevent crimes under LD 231✓ At this stage, no provisions have been set aside by MFM as the process is at a preliminary stage

¹ Italian LD 231 introduced administrative liability for companies for specific crimes (including, among others, corruption, bribery, money laundering and manslaughter) committed by directors, executives, their subordinates and those acting on behalf of the company, provided that the illegal conduct was carried out in the interest of, or for the benefit of, the company itself; this liability regime is generally acknowledged to correspond to criminal liability

Enhanced internal operating procedures - Self-Cleaning Measures

Regulatory Background

- ✓ **Statutory law** provides that Self-Cleaning Measures adopted and implemented by a company may be **taken into consideration** by public purchasing entities and courts **not to exclude the Company** from current and future public tenders announced in the same sector
- ✓ The adoption and implementation of **Self-Cleaning Measures** does **not automatically avoid the risk of exclusion** from the relevant public tender procedure. However, the public contracting entity is required to provide **adequate justifications** regarding the insufficiency of the Self-Cleaning Measures to prove the entity's reliability and integrity

Actions Undertaken and Potential Mitigating Factors

- ✓ As a general response to the Consip School Tender litigation and in relation to certain requests from the ICA, **the Company designed an Antitrust Compliance Program launched on February 23, 2017**
- ✓ In addition, the Company has implemented the following Self-Cleaning Measures:
 - Internal policy concerning **public tender procedures** (e.g. adoption of a self-limitation principle in relation to its participation through consortia and a procedure governing the exchange of correspondence between the Company and its subsidiaries)
 - Adoption of a **code of conduct**
 - Approval of **specific training activities**
 - Adoption of **certain procedural measures** (e.g. whistle-blowing in relation to potential antitrust infringements, a general encouragement of timely communication to the legal department and disciplinary measures)
 - Appointment of an Antitrust Compliance Officer, which shall supervise antitrust compliance
- ✓ In addition, from April 2016, MFM implemented a reorganization to achieve, among other things, changes to certain primary management functions, the nomination of a new Board of Directors, the separation of the powers and responsibilities of the President and of the Chief Executive Officer and a change of the corporate governance structure of MFM, replacing the so-called "dualistic" model with a traditional governance model

Update on legal proceedings

Timeline

Consip School Tender litigation

FM4 Tender

Naples Investigation

May-18

- ✓ Conclusion of the ICA investigation

Nov-18

- ✓ Decision of the Italian Supreme Court

May-19

Sep-19

- ✓ First instalment payment in case a final fine is issued by ICA (payment by instalments likely to occur)