

Zola Predosa, April 30, 2021

*An investment in the Notes is subject to a number of risks. Prospective investors should consider carefully the risks described below and the other information contained in this Offering Memorandum prior to making any investment decision with respect to the Notes. Each of the risks discussed below could have a material adverse effect on our business, financial condition, results of operations or prospects which, in turn, could have a material adverse effect on the principal amount and interest which investors will receive in respect of the Notes. In addition, each of the risks discussed below could adversely affect the trading or the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.*

*Prospective investors should note that the risks described below may not be the only risks we face. We have described only those risks that we currently consider to be material and there may be additional risks and uncertainties not presently known to us, or that we currently consider immaterial, that might also have a material adverse effect on our business, financial condition or results of operations.*

*This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum.*

## Risk factors update

### Risks related to our business

*The COVID-19 pandemic has impacted our operations, and this or other future pandemics could impact our business, financial condition and results of operations.*

A new strain of the coronavirus (COVID-19) reportedly emerged in China in December 2019 and has subsequently spread across the world, including Europe. On March 11, 2020, the World Health Organization designated the outbreak as a pandemic. To combat the COVID-19 pandemic, governments around the world imposed restrictive measures including travel restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces. On March 9, 2020, the Italian government imposed a nationwide quarantine together with several other measures, which have had a material adverse impact on the overall Italian economy. Although this nationwide quarantine in Italy was lifted on May 4, 2020, significant restrictions and social distancing measures remain in place, which continue to adversely affect the overall Italian economy and, in turn, pose challenges for our operations and our customers' operations. In particular, as the number of infections in Italy significantly increased in the fall of 2020, new restrictive measures were taken by the Italian government, including a nationwide evening curfew and more stringent local measures for regions with higher infection rates

were mandated, which has resulted in, among other things, large-scale protests and further economic impact. The economic effects of the COVID-19 pandemic have had a severe impact on the Italian, European and global economy generally and their effects will likely continue to be felt in the coming years.

The COVID-19 pandemic has had a significant impact on our operations, including an increased requirement to invest in protective and other safety equipment for our employees, transition to a remote work environment in the general operation of our headquarters and making certain other operational changes to the ways in which we work, seek out new business opportunities and manage our Group. While the shelter-in-place requirements imposed by the governments in the countries where we operate, including Italy, initially eased or began to ease, almost all such countries have at least in part re-introduced more onerous lockdown restrictions as a result of new cases continuing to be registered. There is no certainty that all such measures will be sufficient to mitigate the risks related to the continuing spread of the disease.

Although we perform services that are considered essential to the Italian economy and that are subject to less severe limitations, including those under our contracts with public authorities and healthcare customers, the COVID-19 pandemic may limit the ability of our customers to pay on time for work performed under our existing contracts or they may reduce additional work that is optional under the relevant contract. We expect that the economic dislocations of the COVID-19 pandemic may cause certain customers to curtail their outsourcing to us, be less likely to renew contracts as they expire, terminate their existing contracts or postpone or ultimately cancel future planned orders and contracts, seek discounts or longer payment terms or any combination of the foregoing. Additionally, while we expect that the COVID-19 pandemic will lead to many customers developing a renewed focus on the cleaning and sanitization of their premises in order to protect their employees, the need to reinforce cleaning with new protocols and equipment may strain our logistics and operational resources. Finally, customers may delay making payments contractually owed to us, resulting in an increase in bad debts and cancellations, as well as in a reduction or delay in revenue collection, which could impact our liquidity, cash flow, profitability, and attrition rate negatively. Both domestic and international travel may be further restricted to certain areas which may limit our ability to acquire new customers and enter new markets, to exercise our internal control functions over all of our operations and to provide services in the areas in which our customers are currently located or otherwise conduct our operations as we would do under normal circumstances.

While we continue to monitor our operations in the context of all government recommendations and have adopted several operational measures in respect thereto, including limiting employee travels, cancellation of physical participation in meetings, events and conferences and we may take further actions as required by government authorities or that we determine are in the best interests of our employees, customers, partners and suppliers, there is no certainty that all such measures will be sufficient to mitigate the risks related to the continuing spread of the disease and that we will not be subject to third-party claims arising from actual or alleged failures to implement any such measures adequately, or at all, thus resulting in a potential increase in legal, advisory and other costs in relation thereto.

The outlook for the world economy following the outbreak of COVID-19 remains subject to unprecedented uncertainty and such uncertainty may be prolonged in many of the markets in which we operate. The IMF predicts negative global growth in 2020 and many national governments have instituted rescue policies intended to prevent a financial recession. Furthermore, while the potential impact and duration of the COVID-19 pandemic on the global economy and our business in particular may be difficult to predict, the pandemic has resulted in, and may continue to result in, significant disruption to the global financial markets, which may in turn reduce our ability to access to capital or our customers' ability to pay us for past or future services, which could negatively affect our liquidity. In addition, an economic recession or further financial market corrections resulting from the ongoing spread of the COVID-19 pandemic makes any prediction on the final effects of the pandemic highly uncertain and subject to change. In fact, the extent of the impact of the COVID-19 pandemic on our operation and financial performance, will depend on future developments, including the duration of the state of emergency in Italy, the resurgence of the pandemic, any additional periods of lockdown, as well as the timing and success of the measures to be taken in order to reactivate the Italian economy and the spending capacity of our customers, all of which are uncertain and cannot be predicted at the time of this Offering Memorandum. A

renewed or future financial recession could lead to an adverse impact on demand for our products and on our results of operations. In addition, political repercussions of responses to the COVID-19 outbreak by European Union institutions as well as by other countries in the European Union could have complex and hard-to-predict consequences for the future, including a destabilization of the European Union or its institutions or a slow-down or reversal of European integration, already impacted by the exit of the United Kingdom from the European Union effective January 1, 2021. It is unclear whether measures taken by European Union institutions, the Italian government and other governments of the countries in which we operate to contain the COVID-19 pandemic are adequate and effective to achieve containment. We cannot guarantee that COVID-19 or any future outbreak of another virus or other contagious disease will not have a material adverse effect on our business and results of operations.

To the extent the COVID-19 pandemic adversely affects our business, results of operation, financial condition and prospects, as well as our ability to perform our obligations under the Notes, it may also have the effect of heightening many of the other risks described in this *"Risk Factors"* section. See also *"Management's discussion and analysis of financial condition and results of operations—Factors affecting comparability of future results—Impact of COVID-19"* and *"Industry—The healthcare end-market of the facility management market—Impact of COVID-19 on facility management for the healthcare market."*

**We face risks related to the services we provide to government and other public entities.**

In the twelve months ended September 30, 2020, we generated 79.7% of our revenue from PSEs and healthcare customers. Projects involving governments or governmental agencies carry various risks inherent in the government contracting process, including the following:

- government entities typically fund contract payments through appropriated monies—while these contracts are often planned and executed over the course of various years, PSEs usually reserve the right to change the scope of, or terminate, these contracts for lack of approved funding and/or at their convenience;
- changes in government or political developments, including budget deficits, shortfalls or uncertainties, government spending reductions or other debt constraints could result in our contracts being reduced in price or scope or terminated altogether, which also could limit our recovery of incurred costs, reimbursable expenses and profits on work completed prior to the termination;
- terms and conditions of contracts with PSEs tend to be more onerous than other contracts and may include, among other things, extensive rights of audit, more punitive service-level penalties and other restrictive covenants;
- contractual non-compliance (including improper billing), failure to comply with procurement, public tender and government contracts regulations and regulation regarding the protection of classified information, and other improper or illegal activities, may result in various civil and criminal penalties and administrative sanctions, fines and suspensions or debarment from doing business with the government, in addition to other typical remedies for breach of contract, which may include termination of the relevant contracts, forfeiture of profits and suspension of payments. In addition, as a result of any of the abovementioned events, we may be subject to our TJA partners, consortium partners and subcontractors terminating the relevant relationships with us and/or claiming damages arising from such events;
- we may be required, pursuant to an extension regime, to continue to perform certain expired contracts with PSEs for which the relevant PSEs have not yet launched new tenders for contract renewal. The authorities may investigate these extensions in order to assess whether (i) the necessary extension formalities have been completed and/or (ii) the circumstance under which we performed under the extension regime is permitted by law. We may be required to forfeit amounts that prove not to be due and to stop performing under the relevant contracts; in addition, we may be subject to sanctions and fines. For example, ANAC recently informed us of an investigation with respect to certain contracts

entered into by the Issuer in 2015. The status of the investigation is preliminary and its outcome cannot be predicted as of the date of This Offering Memorandum. However, if the renewal of the contract between the health agency of Avezzano-Sulmona-L'Aquila and Servizi Ospedalieri is declared null and void by ANAC as a result of the above investigation, Servizi Ospedalieri could be required to refund profits arising from the contract renewal amounting to approximately €4.5 million;

- government contracts are often subject to more extensive scrutiny and publicity than other contracts meaning any negative publicity related to such contracts, regardless of the accuracy of such publicity, may adversely affect our business and reputation;
- participation in government contracts could subject us to stricter regulatory requirements, which may increase our cost of compliance;
- political and economic factors, such as pending elections, the outcome of recent elections, changes in leadership among key executive or legislative decision-makers, revisions to governmental tax or other policies and reduced tax revenues, changes in case law and scholarly guidance with respect to the laws and regulations applicable to our business, can affect the number and terms of new government contracts signed or the speed at which new contracts are signed, decrease future levels of spending and authorizations for programs that we bid for, shift spending priorities to programs in areas for which we do not provide services and/or lead to changes in enforcement or how compliance with relevant rules or laws is assessed;
- government contracts may involve multiple parties in the delivery of services and require greater project management efforts on our part, and any failure in this regard may adversely impact our performance and reputation;
- litigation or disputes with government and public entities (as the law may be applied in light of relevant case law and commentaries) may lead to us being banned from contracting with other government and public entities or participating in public tenders, which would have both an economic and a reputational impact on us; and
- public sector-related customers sometimes follow payment management processes that are subject to review by other government authorities or other entities, which may cause delays or adjustments to their own payment schedule.

If one or more of the foregoing risks were to materialize, they could have, individually or in the aggregate, a material adverse effect on our business, results of operation and financial condition.

***The majority of our revenue is derived from contracts with PSEs and healthcare customers, and we are exposed to risks connected with delayed payments from PSEs and healthcare customers.***

The majority of our customers are Italian PSEs or healthcare customers (which for our classification purposes mainly belong to the public sector) which collectively accounted for 79.7% of our total revenue for the twelve months ended September 30, 2020. Our work with PSEs and healthcare customers exposes the Group to credit risks and delays in trade receivables. Obtaining timely payments from our customers, particularly from our PSE and healthcare customers, may be difficult. The COVID-19 pandemic, which is expected to lead to a deterioration of government finances, may determine an increase in payment delays. While we closely monitor timely payment of our trade receivables, a customer may become unable or unwilling to pay its balance on time due to, among other reasons, an economic weakness in its industry or the financial insolvency of its business or a general deterioration of the global economy, including as a result of the COVID-19 pandemic. Our DSOs as of December 31, 2017, 2018 and 2019 and as of September 30, 2020 were equal to: (i) 164 days, 169 days, 161 days and 163 days, respectively, including trade receivables sold pursuant to our factoring facilities and (ii) 157 days, 147 days, 135 days and 139 days, respectively, net of trade receivables sold pursuant to such factoring facilities. Total trade receivables (including trade receivables sold pursuant to our factoring facilities and advances to suppliers) at such dates were equal to €429.2 million, €417.9 million, €412.6 million and €435.3 million, respectively. Although we review the credit risk related to our customers regularly, we cannot

guarantee that our credit risk reviews and other internal controls will be sufficient to prevent an increase in bad debts and impairment of receivables. Our allowance for doubtful accounts was €30.2 million as of September 30, 2020, representing 6.9% of our total trade receivables for the same period, but we may incur other expenses in connection with our outstanding trade receivables that could render our provisions insufficient. The amount of our allowance for doubtful accounts is based on our assessment of historical collection trends, business and economic conditions and other collection indicators. However, we can give no assurance that doubtful accounts associated with delinquent payments or non-payment by our customers will not increase, also due to the effects of the COVID-19 pandemic, which could have a material adverse effect on our business, financial condition and results of operations.

In connection with our contractual obligations to our healthcare customers, PSE, and other clients, we must make payments to our employees, sub-contractors and suppliers for labor, supplies and equipment; we must make such payments even if our PSEs and healthcare customers have not yet paid us for services already rendered, which adversely affects our working capital. This together with increases in average payment delays may make it necessary for us to resort to additional financing on more onerous terms, which could have a material adverse effect on our business, financial condition and results of operations. More generally, delays in payments by our largest customers, requests for modifications to their contractual payment arrangements or defaults on their payment obligations to us could adversely impact our business, financial condition and results of operations. See "*The COVID-19 pandemic has impacted our operations and this or other future pandemics could impact our business, financial condition and results of operations*," "*Business—Customers and contracts—PSEs and healthcare customers*" and "*Management's discussion and analysis of financial condition and results of operations—Principal factors affecting our results of operations—Trade receivables*."

***An increase in DSOs and other factors may negatively affect our working capital and lead us to experience liquidity constraints.***

In order to limit difficulties in promptly collecting payments contractually due to us, we have historically financed our working capital partially through bank loans, the issuance of debt securities, cash from operations and partially by selling trade receivables on both a recourse and non-recourse basis through factoring transactions. We use recourse and non-recourse factoring to manage our working capital. However, our factoring facilities normally provide that the factor may cancel its commitments in case of, among others, certain events of default. In addition, under our recourse factoring facility, the factor may cancel or reduce its commitments, or terminate the agreement, at any time by written notice to the Issuer. See "*Description of certain financing arrangements—Factoring facilities*."

More generally, a number of developments outside of our control may make it difficult for us to finance our working capital requirements. Our DSOs as of December 31, 2017, 2018 and 2019 and as of September 30, 2020 were equal to: (i) 164 days, 169 days, 161 days and 163 days, respectively, including trade receivables sold pursuant to our factoring facilities and (ii) 157 days, 147 days, 135 days and 139 days, respectively, net of trade receivables sold pursuant to such factoring facilities. Notwithstanding a generally stable trend in our DSOs, if a reduction or delay in our revenue collection occurs, including as a consequence of the COVID-19 pandemic, or if we incur significant unexpected costs in relation to new business and/or we hire additional employees, or if we are required to pay sanctions or fines in connection with legal proceedings or if our performance or bid bonds are enforced following a breach of our undertakings under our contractual arrangements or the applicable public tender rules (including in connection with or as a consequence of certain of our pending legal proceedings), we may experience liquidity constraints. There can be no assurance that our existing or future factoring facilities would be available and, even if available, would be sufficient, together with any amounts available under our Revolving Credit Facility, to satisfy our working capital requirements or that we will be able to generate sufficient cash from operations, or secure new factoring facilities or other sources of financing on financial terms acceptable to us or at all, which could have a material adverse effect on our business, financial condition and results of operations.

***We may be adversely affected by unfavorable economic conditions and political uncertainty in Italy.***

In the twelve months ended September 30, 2020, 88.7% of our total revenue was generated in Italy. As a result, macroeconomic conditions, market trends and customer demand in Italy impact our results of operations. Since 2017, economic growth in Italy has been slow and, following the outbreak of the COVID-19 pandemic, the Italian economy contracted sharply during the first half of 2020, recording a contraction in GDP of 5.4% in the first quarter of 2020, followed by a 12.8% decrease in the second quarter of 2020, in each case as compared to the previous quarter. Notwithstanding a rebound in the third quarter of the year with the GDP growing by 16.1% as compared to the previous quarter, the year-on-year contraction amounted to 4.7% (source: ISTAT).

COVID-19 has had, and is expected to continue to have, a significant impact on Italy's economy and its public finances, as lower tourist arrivals, weaker consumer spending and lower industrial production take their toll. In April 2020, Fitch Ratings downgraded Italy's sovereign credit rating to BBB- from BBB while indicating a stable outlook, and lastly affirmed such rating and outlook in December 2020. Since the beginning of the COVID-19 pandemic, Moody's Investors Service has not changed Italy's sovereign credit rating which remains at Baa3 with a stable outlook. In October 2020, S&P Global Ratings confirmed Italy's sovereign credit rating at BBB/A-2 while revising the outlook from negative to stable. Further downgrades of the Italian sovereign debt could create additional economic uncertainty and could have an adverse effect on our credit ratings.

In addition, business confidence in Italy may be negatively affected by continued political uncertainty. In September 2019, a coalition government composed of the center-left Democratic Party and the anti-establishment Five Star Movement was sworn in. This coalition government was formed on the back of the 2018 general election, in which no party won an outright majority, resulting in a hung parliament and leading to protracted negotiations to form a new government. These negotiations were concluded with the formation of a coalition government, composed of the anti-establishment League and Five Star Movement parties, which then collapsed in August 2019. It is unclear how long the current government will remain in office and whether it will be able to adequately address impediments to the country's growth, including as a result of the COVID-19 pandemic, such as the ratio of sovereign debt to GDP, the write-down of non-performing loans and the reduction of unemployment in Italy. In addition, the government may take positions that further exacerbate economic uncertainty in Italy which, in turn, may contribute to recessionary conditions and uncertainty in the macroeconomic environment which could adversely impact the decision of our customers (the majority of which are Italian PSEs or healthcare customers) to contract for facility management services. In addition, our customers have reduced the volume of additional services they may order as supplements to and above their existing contracts, as they scale back supplementary services in a difficult economic environment, and in some cases have re-insourced services previously assigned to our Group. We may not be able to sustain our current revenue or profit levels if adverse economic events or circumstances occur or continue to occur in Italy.

The continued impact of the adverse global, European and Italian economic and market conditions, including, among others, the effects of the COVID-19 pandemic and the final terms of Brexit, could have a material adverse effect on our business, financial condition and results of operations. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity, restrict our access to capital or increase the cost of financing, which could have a material adverse effect on our business, results of operation and financial condition with a consequent adverse effect on our ability to meet our financial obligations, including under the Notes, and reduce the price of the Notes itself. See "*The COVID-19 pandemic has impacted our operations, and this or other future pandemics could impact our business, financial condition and results of operations.*"

***We may face significant consequences as a result of the ANAC Santobono-Pausilipon Decision.***

A false statement registration proceeding against the Issuer was initiated by ANAC in 2014 following a notice filed by the Santobono-Pausilipon Public Health Agency of Napoli to ANAC (the "**Santobono-Pausilipon False Statement Registration Proceeding**"). The false statement was committed by the Issuer while submitting the administrative documentation required in the context of a public tender process launched in 2013 by the

Santobono-Pausilipon Public Health Agency of Napoli (the "**Santobono-Pausilipon Tender**"). In particular, in the submitted statement relating to the Santobono- Pausilipon Tender, the Issuer omitted an affidavit regarding whether an attorney (*procuratore*) for the Issuer had a criminal record. The Issuer has always vigorously defended its position in connection with this proceeding, stating, *inter alia*, that the Issuer never provided any false information and it had no interest in providing any false declaration in relation to such attorney (*procuratore*) since the latter never had any relevant criminal record.

On November 10, 2017, ANAC concluded the Santobono-Pausilipon False Statement Registration Proceeding by issuing a decision excluding the Issuer from participating in public tender procedures and from subcontracting in relation to public contracts for a period of six months (the "**ANAC Santobono-Pausilipon Decision**"). However, following a timely appeal brought by the Issuer before the TAR Lazio, the ANAC Santobono-Pausilipon Decision was overturned and annulled by the TAR Lazio in December 2017 (the "**ANAC Santobono-Pausilipon TAR Lazio Decision**").

ANAC brought an appeal before the Council of State (*Consiglio di Stato*) against the ANAC Santobono-Pausilipon TAR Lazio Decision. With a decision published on December 2018, the Council of State accepted the petition brought by ANAC against the ANAC Santobono-Pausilipon TAR Lazio Decision (the "**2018 Council of State Decision**").

The Issuer subsequently appealed the 2018 Council of State Decision seeking its reversal (i) in January 2019 before the Italian Supreme Court (*Corte di Cassazione*—the "**Supreme Court Appeal**"); and (ii) in February 2019 before the Council of State. In addition, the 2018 Council of State Decision has also been appealed before the competent bodies of the Council of State seeking the suspension of its enforcement as a precautionary measure pending a final decision on the merits of the various appeals; in January 2019 the appeal brought by the Issuer was granted and therefore the enforcement of the 2018 Council of State Decision and, consequently, of the ANAC Santobono-Pausilipon Decision, was suspended pending the Supreme Court Appeal. In October 2020, the Council of State rejected the appeal brought by the Issuer in February 2019.

The merit of the Supreme Court Appeal was heard on October 20, 2020 and the ruling of the Supreme Court was published on December 4, 2020, which rejected our appeal and lifted the suspension of the exclusion provided for by the ANAC Santobono-Pausilipon Decision (the "**Italian Supreme Court Ruling**"). ANAC entered the ANAC Santobono-Pausilipon Decision in the relevant electronic register on December 25, 2020 and thereafter all public contracting authorities can learn of the ANAC Santobono-Pausilipon Decision. The exclusionary effects of the ANAC Santobono-Pausilipon Decision end on June 17, 2021.

On October 20, 2020, we formally addressed to ANAC an out-of-court request to amend the ANAC Santobono-Pausilipon Decision (the "**Request of Revision of the ANAC Santobono-Pausilipon Decision**"), arguing, *inter alia*, that such decision is groundless and based on erroneous legal reasoning and, in any case, it imposes a disproportionate sanction *vis-à-vis* the alleged infringement, for which the Current Code on Public Procurement imposes a mere duty to produce the missing document. On January 5, 2021, we received a notice from an ANAC officer stating that the Request of Revision of the ANAC Santobono-Pausilipon Decision was rejected. On January 25, 2021 we challenged before the TAR Lazio the ANAC notice through which our out-of-court request was rejected together with the entering of the ANAC Santobono-Pausilipon Decision in the relevant electronic register occurred on December 25, 2020. With decision no. 3754/2021 of March 29, 2021, the TAR Lazio rejected our appeal. We challenged such TAR Lazio decision before the Council of State asking for the suspension of its effects on a precautionary basis; such a request was granted by the Council of State with an order dated April 23, 2021. The hearing for the discussion of the merit of the case was scheduled on November 25, 2021.

We believe, based on our interpretation of the law, that the exclusion provided by the ANAC Santobono-Pausilipon Decision will not affect other Group companies (including those operating in our Laundering and Sterilization Segment) and should not trigger any significant termination risk with respect to existing contracts already in the portfolio and included in the Group's backlog (as these contracts have been signed). However, our interpretation may prove to be incomplete or inaccurate and we cannot provide any assurance that tender

authorities or courts, including as a result of claims from our competitors, will adopt the same interpretation of the applicable laws and regulations.

The ANAC Santobono-Pausilipon Decision could potentially result in our disqualification from (i) public tenders in relation to which the Issuer has submitted an offer and the relevant awarding decision is still pending (which constitute our pipeline) for an amount of approximately €341 million as of November 30, 2020 (or approximately 10% of the Group pipeline as of the same date), and (ii) public tenders already awarded to the Issuer for which the relevant contract has not yet been signed (which are not included in our pipeline or registered in our backlog) for an amount of approximately €253 million as of November 30, 2020. These potential negative impacts on our pipeline and awarded contracts pending signature could arise where the relevant contracting authority in respect of each tender procedure, by adopting a specific decision, or a competent administrative court requested to rule on the matter (including as a consequence of motions filed by competitors) were to determine that the effectiveness of the exclusion of the ANAC Santobono-Pausilipon Decision should not be limited to such tender procedures with (i) pending deadlines for submission of offers or (ii) pending dates of the application for qualification, in each case at the time the ANAC Santobono-Pausilipon Decision became effective (despite a recent ANAC regulation which we believe supports our view, but ANAC has asserted does not apply to our situation). In addition, we can provide no assurance that tender authorities or other entities will not seek to disqualify other Group companies (or consortia to which the Issuer is a party, including Consorzio Stabile CMF) from future public tenders or prevent them from entering into contracts based on public tenders already adjudicated (and this may have related effects on the bid bonds posted in relation thereto) or challenge contracts forming part of our backlog (including with respect to performance bonds posted in relation thereto). The outcome of any such potential regulatory action or litigation is inherently unpredictable. Following the entering of the ANAC Santobono-Pausilipon Decision in the relevant electronic register, several public contracting authorities have initiated certain procedures, and our competitors have brought claims, that may result in the exclusion of the Issuer from certain public tenders not yet awarded and/or public tenders awarded for which the relevant contract has not yet been signed, which may also result in the enforcement of the related bid bonds. No such procedures have been initiated or claims brought against any other member of the Group. As of the date hereof, the overall financial impact of losing the public tenders in relation to which such procedures have been initiated, or claims brought, is consistent with the preliminary analysis performed as of the date of the Italian Supreme Court Ruling further described below.

The ANAC Santobono-Pausilipon Decision does not prohibit the Issuer or any other Group company from participating in any tender procedure launched by private entities. However, the ensuing reputational impacts coupled with the reduction in the scope of the Group's public tenders, might adversely affect its private sector contracts.

Based on our preliminary analysis performed as of the date of the Italian Supreme Court Ruling and on information available at such date, we estimate a potential impact of the ANAC Santobono-Pausilipon Decision on our revenues of between approximately €13 million and approximately €55 million per annum over an approximately five-year period, calculated on the basis on an average five-year duration of public tenders and based on the Issuer's pipeline of €341 million and €253 million of tenders already awarded to the Issuer for which the relevant contract has not yet been signed, and certain other assumptions, including (i) assumed percentages of 25% to 75% of pending tenders being awarded during the six month exclusionary period, of which only approximately 28% impacts renewals of the current portfolio (as compared to new business opportunities), (ii) the likelihood that the award of the public tenders in which the Issuer has participated will fall within the interdiction period and (iii) the Issuer's historic win rate. We expect that these potential effects on our revenues would occur starting in 2022, as a result of the typical delay between the awarding of a tender and the effective entering into, and performance of the relevant contracts (which historically ranges between 12 and 18 months with respect to our Group). Historically, the Group's pipeline (which includes the value of tenders for which we have submitted a proposal and the outcome is pending) corresponds to tenders submitted by various Group companies, with the Issuer accounting for less than 10% on a consolidated basis as of November 30, 2020.

The occurrence of the potential adverse consequences described above or their indirect effects, including the enforcement of any bid bond or performance bond, could have a material adverse effect on our business, reputation, financial condition and results of operation and could adversely affect our ability to pay interest on the Notes or to repay the Notes at maturity or otherwise refinance the Notes. In addition, the Issuer has approximately €37.7 million of bid bonds as of September 30, 2020 relating to its commercial pipeline, including bid bonds which are currently under litigation for their potential enforcement, with respect to tenders for which we have submitted a proposal and the outcome is pending (i.e. pipeline) and tenders already awarded to the Issuer for which the relevant contract has not yet been signed. Unlike bid bonds, performance bonds relate to existing contracts already in the portfolio and included in the Group's backlog, which we believe should not be affected by the ANAC Santobono-Pausilipon Decision; however, our position is potentially subject to different interpretations of the applicable laws and regulations by competent authorities or courts. See "*We may be unable to obtain the insurance bonds, securities or guarantees that are required for certain public tenders or contracts with our private customers, and due to our failure to comply with the applicable rules or to perform our obligations, counterparties may enforce the bonds we have posted and we currently are in litigation regarding enforcement actions in respect of certain performance and bid bonds.*" The estimates provided above may not fully quantify or account for the potential impact on our business or reputation of any adverse consequences related to the Santobono-Pausilipon False Statement Registration Decision, including the possibility of adverse decisions by parties such as private clients or hospitals choosing not to do business with us or other factors that may adversely impact our competitive, financial or market position. See "*Business—Legal Proceedings—False Statement Registration litigation between the Issuer and ANAC following a proceeding started by ANAC upon notice by the Santobono-Pausilipon Public Health Agency of Napoli*" and "*Forward-Looking Statements*."

***We are involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools, and our business and results of operations may face further significant adverse consequences deriving therefrom.***

The Issuer is involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools (the "**CONSIP School Contracts Litigation**").

The Issuer provided cleaning services to over 550 public schools in Italy pursuant to individual contracts with such schools (the "**CONSIP School Contracts**"), each governed by framework agreements awarded in November 2013 pursuant to a public tender process (the "**CONSIP School Framework Agreement**"). The Italian Competition Authority (the "**ICA**") issued a decision on December 22, 2015 (the "**CONSIP School ICA Decision**") finding that the Issuer and three other competitors violated antitrust rules in the public tender process, issuing fines against the Issuer and such other competitors. The original fine against the Issuer was €48.5 million.

As a result of the CONSIP School ICA Decision, CONSIP also terminated the CONSIP School Framework Agreement in November 2016 (the "**CONSIP School Framework Termination**") and reserved its power to enforce the performance bonds provided in connection with the CONSIP School Contracts (the "**CONSIP School Performance Bonds**"). Despite the termination of the CONSIP School Framework Agreement, the CONSIP School Contracts remained in force until February 29, 2020 pursuant to Art. 1, paragraph 7609, of Law 145/2018 which required the re-insourcing of cleaning services by the Public Administration. The Issuer appealed such decision in 2017 before the Civil Court of Rome. The appeal is still pending. To date, CONSIP has not enforced the CONSIP School Performance Bonds, but CONSIP will likely proceed with the enforcement if the Issuer loses the appeal brought before the Civil Court of Rome. As of September 30, 2020, the Issuer has recorded provisions for future charges of €17.5 million taking into account, *inter alia*, the risk of the possible enforcement of the CONSIP School Performance Bonds.

In addition, a competitor of the Issuer and the subsidiary of such competitor filed an out-of-court claim for damages amounting to approximately €18 million alleging that the antitrust breach established by the CONSIP School ICA Decision indirectly resulted in a reduction in the competitor's expected turnover related to the CONSIP School Contracts. The Issuer and its legal advisors promptly refuted such claims through formal letters sent to the competitor. Furthermore, on July 7, 2020, two of our competitors—Romeo Gestioni S.p.A. and

Blackstone FD Consorzio Stabile (jointly, “**Romeo**”—brought a claim against us jointly and severally with the CNS—Consorzio Nazionale Servizi Società Cooperativa (the “**CNS**”) and Roma Multiservizi S.p.A. (“**RM**”), before the Civil Court of Rome, claiming damages allegedly suffered in connection with both the alleged antitrust breaches established in the CONSIP School ICA Decision and other alleged anti-competitive behavior. Romeo’s claim for compensation amounts to approximately €73 million for a loss of opportunities, profit and reputational damages and refers to the alleged non-award of certain lots of the CONSIP School Tender as a result of the alleged antitrust breaches established by the CONSIP School ICA Decision. The Issuer has responded to the claim and appeared before the Court of Rome November 26, 2020; the next hearing is scheduled on May 20, 2021.

In connection with the CONSIP School ICA Decision, in June 2017, CONSIP notified the Issuer of its decision to (i) exclude the Issuer from new tenders for “barracks cleaning” and “public hospital cleaning” (the “**Excluded Tenders**”) relating to the CONSIP School Contracts Litigation; and (ii) proceed with the enforcement of the Issuer’s bid bond provided in connection with the tender for “public hospital cleaning” (up to €10.4 million).

The Issuer promptly challenged CONSIP’s decision in relation to the Excluded Tenders before the TAR Lazio, contesting the exclusion and the enforcement of the bid bond. The TAR Lazio, on March 2, 2018 rejected the Issuer’s appeal (the “**TAR Lazio Decision on the Excluded Tenders**”). Moreover, on March 30, 2018 CONSIP informed us of its request, addressed to the competent insurance company, to enforce the Issuer’s bid bond provided in connection with the tender for the “barracks cleaning.” The insurance company did not execute such request following the Council of State decision dated April 5, 2018 described below.

Following a further appeal brought by the Issuer before the Council of State, the latter, on April 5, 2018 suspended the TAR Lazio Decision on the Excluded Tenders. Both the execution of the TAR Lazio Decision on the Excluded Tenders and its effects (including with respect to the enforcement of the performance bonds) were suspended by the Council of State with a decision dated June 19, 2018, pending the decision of the European Court of Justice on a case brought before it by the TAR Piemonte seeking to qualify the antitrust infringement as gross negligence (*errore grave commesso nell'esercizio dell'attività professionale*) pursuant to the Former Code on Public Procurement.

On June 2, 2019, the European Court of Justice ruled on the abovementioned case brought by the TAR Piemonte, stating that an antitrust breach duly ascertained can be considered by a contracting authority as a basis to exclude a bidder from a public tender procedure, provided that such authority justifies its decision to proceed with the exclusion. Accordingly, the hearing on the merits of the appeal brought by the Issuer before the Council of State (*Consiglio di Stato*) was rescheduled on January 16, 2020 and, following the hearing, the Issuer’s appeal was partially rejected. The lawyers of the Issuer in charge of the case are currently drafting an appeal of such decision of the Council of State before the Italian Supreme Court (*Corte di Cassazione*) on jurisdictional grounds.

Following the decision of the Council of State on January 16, 2020, CONSIP asked the guarantors to enforce the guarantees (bid bonds) provided on behalf of the Issuer in relation to the Excluded Tenders (“public hospital cleaning” tender—equal to €10.4 million—and “barracks cleaning” tender—equal to €3.4 million). The Issuer, with independent appeals and further defense briefs, challenged the bid bonds enforcement request made by CONSIP before the TAR Lazio. The President of the TAR Lazio suspended the effect of CONSIP’s request via a precautionary order until a precautionary hearing was held on March 4, 2020. Following such hearing, the TAR Lazio confirmed, on a precautionary basis, the suspension of the effects of CONSIP’s request until a decision on the merits of the case was issued. Following the last hearing to discuss the merit of the case held on July 1, 2020, the TAR Lazio rejected the appeals brought by the Issuer, which challenged such decisions before the Council of State seeking the suspension of its effects pending a decision on the merit of the appeals, including in relation to the potential enforcement of the bid bonds. On March 22, 2021 the Council of State granted such a precautionary request; the next hearing for the discussion of the merit of the case was scheduled on October 7, 2021. The Issuer has recorded provisions for future charges of €17.5 million as of September 30, 2020, taking into account, *inter alia*, the risk of the possible enforcement of the bid bonds provided in connection with the Excluded Tenders.

Moreover, on July 28, 2020 the insurance company that granted to the Issuer the bid bond guarantee provided to CONSIP in connection with the "public hospital cleaning" Excluded Tender brought a lawsuit against us before the competent civil court requesting a payment equal to €10.4 million as a provision in case of enforcement by CONSIP of the relevant bid bond guarantee, along with the interest accrued on such amount. Following the first hearing for the discussion of this case the court determined that the proceedings must follow the ordinary non-expedited procedure and scheduled the next hearing on December 16, 2021.

Neither of the Excluded Tenders generate revenue for the Group nor are they included in the Issuer's backlog. Moreover, the Issuer has never operated in the barracks cleaning market segment and, with respect to services in the hospital services sector, the Issuer currently works with various counterparts and pursuant to various existing contractual relationships, including the CONSIP Mies conventions, conventions with regional authorities or pursuant to contracts awarded directly by clients. CONSIP's decision on the Excluded Tenders does not prohibit the Issuer from participating in and winning future tenders arranged by CONSIP or, more generally, tenders arranged by public authorities (by way of example, on September 20, 2017, the Issuer entered into two contracts with CONSIP for integrated multi-services technology supply, including the supply of electricity for buildings used by the public health authorities (the individual contracts have a duration of 5 to 7 years, at the discretion of the individual authorities, from the commencement of performance, subject to a maximum performance by the Issuer for the relevant period equal to €251 million).

As a result of both the CONSIP School ICA Decision and the CONSIP School Framework Termination, certain of our competitors have challenged the Issuer's eligibility to participate in individual public tenders, alleging that the Issuer should be excluded since the alleged antitrust infringement constitutes gross negligence or bad faith. Similarly, certain of our competitors have already challenged the eligibility of other companies to participate in certain public tenders due to their alleged involvement in the alleged antitrust infringement by the Issuer, claiming that these companies should also be excluded since the alleged infringement constituted serious professional unlawful conduct under applicable law. As of the date of this Offering Memorandum, the competent courts have in certain cases rejected the requests brought by our competitors to exclude the Issuer from public tenders in light of the CONSIP School ICA Decision, while in other cases they have yet to come to a decision or have accepted the requests of our competitors by stating that the CONSIP School ICA Decision can in principle form the basis of a decision to exclude the Issuer from the relevant tender. However, in those specific cases, the tendering authorities did not provide detailed reasoning as to why, even in light of the CONSIP School ICA Decision, they did not exclude the Issuer and, therefore, ordered the tendering authorities to carry out their assessment again. As of the date of this Offering Memorandum, this new assessment has never led to any such exclusion of the Issuer. In addition, as of the date of this Offering Memorandum, except for the abovementioned Council of State decision on the Excluded Tenders, the Issuer has been excluded from only one public tender procedure upon decision of the tendering authority, and has promptly challenged such exclusion before the competent court. The relevant court stated that the CONSIP School ICA Decision can in principle justify the decision of a tendering authority, on a case by case basis and in its discretion, to exclude the Issuer from a tender, but in that specific case, the tendering authority did not carry out a sufficiently in-depth analysis of the arguments presented by the Issuer in opposing the exclusion as well as of the self-cleaning measures implemented by the Issuer following the CONSIP School ICA Decision. Therefore, the court has ordered the tendering authority to carry out a new analysis, which is currently pending. Finally, we have been informed that another tendering authority is currently considering whether to exclude us in light of the CONSIP School ICA Decision, but has not yet taken a final decision in relation thereto; we are presenting arguments to the relevant tendering authority and we will consider challenging any potential exclusion. See "*Business—Legal Proceedings—Pending Legal Proceedings arising from the CONSIP School Contracts Litigation.*"

The occurrence of one or more of the adverse consequences described above, as well as any potential new claim started by other competitors of the Issuer for damages supposedly suffered in connection with the alleged antitrust breaches pursuant to the CONSIP School ICA Decision, would likely have a material adverse effect on our business, reputation, financial condition and results of operation and could adversely affect our ability to pay interest on the Notes or to repay the Notes at maturity or otherwise refinance the Notes.

***If major customers terminate their service contracts with us prior to the end of the relevant contractual term, or select another provider following expiration of such contracts or otherwise renew such contracts on less favorable terms, and/or if we are unable to establish new customer relationships, our business, financial condition and results of operations could be adversely affected.***

We perform the majority of our work for customers under contracts with a fixed term and, in some cases, with termination clauses permitting the customer to terminate the contract at the customer's discretion upon an agreed notice period. While we strive to maintain long-standing ties with our customers, usually backed by long term contracts (having an average duration of three to five years), there can be no assurance that our customers will not exercise their rights to terminate their contracts prior to expiration or reduce the scope of our services under these contracts, also due to the effects of the COVID-19 pandemic on their business, or that we will be successful in seeking compensation under applicable laws for terminated contracts, if applicable, or we will be able to negotiate new contracts with customers to replace terminated contracts. In case of termination of contracts at the discretion of a PSE and healthcare customers, applicable law may limit the damages for which we are eligible. Contract terminations or dissatisfaction with our services may damage our reputation and make it more difficult for us to obtain similar contracts with other customers.

For the year ended December 31, 2019, our top ten customers (which may include affiliates of the same groups) accounted for 21% of our total revenue. The termination of a contract by a single key client of ours or the failure to fully renew existing arrangements with key clients could adversely affect our results of operations or harm our reputation.

The termination of contracts or failure to renew (including through a dedicated new tender procedure, if applicable) or the renewal on less favorable terms of contracts with key customers of the Group could result in the loss of some or all our business with key customers and we may not be able to quickly and efficiently redeploy personnel, facilities or equipment that are currently dedicated to servicing such customers' assets.

Moreover, certain contracts entered into by us with some of our customers may be terminated in the event of breach by us of any of the provisions of our organizational model adopted pursuant to LD 231 and/or our Ethic Code (*Codice Etico*), as well as in the event of loss of requirements set forth by applicable laws and regulations or by awarding rules and in case of criminal proceedings involving one or more members of our corporate bodies or key employees.

If such contracts are either terminated or not renewed in the future or renewed on less favorable terms, such termination, non-renewal or renewal on less favorable terms could materially and adversely affect our Group's business, financial condition and results of operations. See "*—The COVID-19 pandemic has impacted our operations and this or other future pandemics could impact our business, financial condition and results of operations.*"

***We operate in highly competitive industries, and if we do not compete effectively, we may lose market share or be unable to maintain or increase prices for our services.***

We operate primarily in the facility management and laundering and sterilization markets. We believe these markets are highly competitive and dynamic due to a limited number of large organizations with a significant market presence. With respect to services with low barriers to entry, such as traditional cleaning services, we also face competition from smaller competitors operating at local levels, many of whom have a strong local market presence and local customer relationships.

We believe we are the largest facility management services provider in a highly fragmented Italian market. Extrapolating from the market figures provided by Interconnection Consulting, we were the leading player with a market share of 2.8% in 2019, by far the most consolidated player as the second largest facility management group had a market share of slightly more than half of ours at 1.3%. Moreover, in the healthcare sector of the Italian laundering and sterilization market, we are one of the only two players with national scale and we were the second largest player in 2019 with a market share of 17.7%. However, an intensification in the level of competition in the facility management sector and in the other sectors in which our Group is active could, in the future, affect our performance and cause an erosion in our market share and therefore, our financial condition

and results of operations. For further information, see "Summary—Our Strengths—Leading integrated facility manager operating in a fragmented industry," "Business—Our services" and "Industry—Competition and market position."

Finally, as an outsourced services provider, we face significant competition with the in-house capabilities of certain of our customers, especially large private sector customers. The decision to opt for an outsourced provider of facility management or other outsourced services that we provide (e.g., personnel and assets) is often based on the circumstances and strategic plans of that particular customer/potential customer which we cannot necessarily influence with our value propositions. In addition, certain customers may decide to create a captive facility management operator. If large private sector customers were to "re-insource" the services that they have heretofore contracted to us, our business, financial condition and results of operations could suffer.

***Our business could be adversely affected by the central role of centralized purchasing agencies in public procurement with regards to setting economic terms for our services or by ongoing initiatives to reform decentralization in Italy.***

In the past few years, the Italian market of tenders for facilities management services has shifted from a fragmented approach, with local public administrations, municipalities and other local healthcare services providers launching local tenders to satisfy their individual facilities management requirements, to a more integrated approach, whereby centralized purchasing agencies consolidate the purchasing function of the individual public administrations through the execution of framework agreements. This trend has led to fewer but larger public tenders. In connection with these larger tenders, we may spend significant time and incur significant costs in order to prepare bids or proposals or participate in the relevant bidding process, at the end of which we may not be retained. Consequently, the risk of not winning public tenders, including as a result of a ban triggered by past ascertained and/or alleged infringements impairing the fiduciary relationship with the relevant purchasing agency, is generally more material in connection with large tenders launched by centralized purchasing agencies and the impact on our business related to the negative outcome of centralized tenders would generally be more significant compared to the negative outcome of smaller or local tenders.

Centralized purchasing agencies act on behalf of many PSEs/healthcare customers and manage these public tenders for certain services provided to PSEs and healthcare customers (including facility management). Upon signing a framework contract with any such centralized purchasing agencies, the provider agrees to accept orders from PSEs and healthcare customers in a certain geographic region of up to the maximum amount established by such agreement and at the prices and terms and conditions thereof. To set up tender rules and launch a tender for framework contracts, centralized purchasing agencies utilize reference prices established by the ANAC to set the criteria for pricing public tenders for certain goods and services between PSEs/healthcare customers and service providers such as our Group, which most PSEs are required to follow. In connection with the spending review discussed under "*PSE and healthcare customers may curtail their reliance on our services due to political and administrative decisions or budgetary constraints, or they may otherwise revise their outsourcing and/or procurement policy in a manner adverse to our interests,*" CONSIP prices for particular service offerings (including frequency of maintenance or intervention) serve as market benchmarks, in that PSEs and healthcare customers may consider to terminate non-CONSIP contracts that are more expensive than the CONSIP ones. CONSIP and ANAC therefore exert significant influence in setting the economic terms, and centralized contracting activity may further increase price pressure and adversely impact our ability to grow or maintain our margins, and the increasing centralization of funds and increase in size and corresponding reduction in number of tenders means that the loss of individual tenders and the limited number, if any, of alternatives may limit our ability to secure additional sources of business and revenue, which could have a material adverse effect on our business, financial condition and results of operations. See "*We may face significant consequences as a result of the ANAC Santobono-Pausilipon Decision,*" "*We are involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools, and our business and results of operations may face further significant adverse consequences deriving therefrom,*" "*We are susceptible to claims of anti-competitive practices and we are currently involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender for contracts to clean offices used by Italian public entities (FM4 Tender), and our business and results of operations may face further*

*significant adverse consequences deriving therefrom" and "Business—Regulation—Public Tenders—Centralized Purchasing Agencies—Spending Review and Public Procurement Policies."*

***PSE and healthcare customers may curtail their reliance on our services due to political and administrative decisions or budgetary constraints, or they may otherwise revise their outsourcing and/or procurement policy in a manner adverse to our interests.***

PSEs and healthcare customers are important customer segments for us. In particular, PSEs and healthcare customers represented 79.7% of our total revenue in the twelve months ended September 30, 2020. Our business arrangements with PSEs and healthcare customers may be affected by a number of political and administrative decisions concerning reductions in levels of public spending that may occur in connection with the current focus in Italy and other European countries on reducing national and local government budget deficits.

In addition, public tender laws may be revised or PSEs and healthcare customers may change their outsourcing and/or procurement policies in a manner that is adverse to our interests, for example by adopting new public tender or contracting laws or regulations, such as cost accounting standards, or by substantially increasing the performance bond or other security required to be deposited during the course of the contract. Tenders we win subject to new policies, rules or regulations could be less profitable. If we must post larger performance bonds or securities with PSEs and healthcare customers in order to compete in public tenders, our working capital may be adversely affected, causing us to increase our indebtedness and divert our financial resources away from other pursuits, including debt service. Lawmakers could also adopt new contracting methods intended to achieve certain social or other policy objectives, for example through restricting participation in public tenders to small and medium-sized businesses or requiring us to form temporary joint associations with cooperative organizations or other third parties which may reduce the tenders in which we are eligible to participate or choose to participate.

PSEs and healthcare customers may also face restrictions from new legislation or regulations, as well as pressure from employees and their unions, on the nature and amount of services that the relevant PSE and healthcare customers may obtain from private contractors such as our Group. These changes could impair our ability to obtain new contracts or contracts under which we currently perform when those contracts are up for renewal bids. Any new contracting methods could be costly or administratively difficult for us to implement, and as a result, could harm our operating results. A realignment of funds with changed priorities of certain PSEs or healthcare customers, including "re-insourcing" of previously contracted support services, and the realignment of funds to other discretionary programs may reduce the amount of funds available for facility management-related contracts. The occurrence of any such changes could have a material adverse effect on our business, financial condition and results of operations.

***Most PSE and healthcare customer contracts may be terminated by the contracting entity either at its discretion or upon the default of the contractor.***

In the case of the termination of a contract by a PSE or healthcare customer at its discretion, we would be able to recover costs incurred or committed, settlement expenses, and profit on work completed prior to termination. In most cases, we would also be able to recover lost profit pursuant to Article 1671 of the Italian Civil Code, except when such principle is derogated under the applicable contracts provisions, as for example, in our contracts entered into with CONSIP, which could prevent us from recognizing all of our potential revenue and profits from such contracts. See also "*Our business could be adversely affected by the central role of centralized purchasing agencies in public procurement with regards to setting economic terms for our services or by ongoing initiatives to reform decentralization in Italy*" and "*PSE and healthcare customers may curtail their reliance on our services due to political and administrative decisions or budgetary constraints, or they may otherwise revise their outsourcing and/or procurement policy in a manner adverse to our interests.*" In the case of the termination of a contract by a PSE or healthcare customer as a result of a breach by us, we could be liable for excess costs incurred by the PSE or healthcare customer in obtaining services from another source and the PSE or healthcare customer could decide to enforce the guarantees and/or insurance bonds we are normally required to post in order to participate in competitive tenders, enter into contracts with customers or

receive advances or payments from them during the outsourced service arrangement. In addition, termination of a contract by a PSE or healthcare customer as a result of a breach by us may form the basis of the decision of the same or a different a tendering authority—on a case by case basis and in its discretion—to exclude the Issuer from such tender. See “—*We may face significant consequences as a result of the ANAC Santobono-Pausilipon Decision*,” “—*We are involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools, and our business and results of operations may face further significant adverse consequences deriving therefrom*” and “—*We are susceptible to claims of anti-competitive practices and we are currently involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender for contracts to clean offices used by Italian public entities (FM4 Tender), and our business and results of operations may face further significant adverse consequences deriving therefrom*.” The occurrence of any such event might lead to a significant cash outflow, which could have a material adverse effect on our business, financial condition and results of operations.

***We subcontract a portion of our customer services to third parties, and we are subject to various risks and liabilities if such subcontractors do not provide the subcontracted services or provide them in a manner that does not meet required service levels.***

We currently, and may in the future, subcontract certain business services to one or more third parties or partner with third parties in TJAs to jointly deliver services. Under the terms of our contracts with our customers we are required to provide such subcontracted services and may be liable for the actions and omissions of such subcontractors. In the event our subcontractor fails to provide the subcontracted services in compliance with required services levels, or otherwise breaches its obligations (including those set forth under applicable laws and regulations), or discontinues its business, whether as the result of bankruptcy, insolvency or otherwise, we are jointly and severally liable pursuant to Italian law with our subcontractors, and we may be required to provide such services at a higher cost to us, due to, among others, any costs of replacement of the original subcontractor and may otherwise be liable for various costs, expenses and damages related to such event. For example, one of our clients has recently maintained that certain maintenance activities carried out by one of our subcontractors allegedly caused certain oil leakages on the ground. In addition, should any of our subcontractors make a false statement in the context of a tender, pursuant public procurement general principles which are no longer into force, we face the risk of being excluded from such tender in case that tender procedure is regulated under such former principles. Any of these events may damage our reputation and otherwise result in a material adverse effect upon our business and financial condition. Any failure of TJA partners/subcontractors to meet their contractual obligations could harm our ability to deliver solutions under our integrated facility management contracts or our reputation, result in customer losses and financial liabilities, and trigger our joint and several liability in case of enforcement of the relevant performance bonds that we provided to our customers, any of which could have a material adverse effect on our business, results of operations and financial condition. See also “—*We may be deemed liable for damages caused by our TJA partners, consortium partners and subcontractors and have responsibilities towards their employees*.”

***Our success depends in part on our ability to provide responsive customer service and quality of service delivery.***

We are an outsourced service provider and our success, whether it may be maintaining long-term customer relationships, winning contracts with existing customers or beginning new customer relationships, depends in part on our ability to provide responsive customer service and quality of service delivery. In addition, the business associated with long-term relationships is generally more profitable than that associated with short-term relationships because we generally incur start-up costs under new contracts. Once these costs are expensed or fully depreciated over the appropriate periods, the underlying contracts become more profitable. Our loss of long-term customers could have an adverse impact on our profitability even if we generate equivalent revenue from new customers. We cannot assure you that we will be successful in our customer care and quality of service delivery, and if either deteriorates, our business, financial condition and results of operations may be adversely affected.

***Certain of our competitors have significantly greater financial resources and broader geographic coverage than we do.***

We compete with a variety of national and international facility management and laundering and sterilization players. Certain of our competitors have significantly greater financial resources and broader geographic coverage than we do, because they are part of publicly traded or other international groups, such as Engie Italia S.p.A. and Siram S.p.A. (controlled by Veolia Environnement) with substantial cash flows from other business lines and deep access to the debt and equity capital markets as well as with a wider range of operations in many countries, including in Poland and Turkey where we compete with subsidiaries or branches of the same or other multinational groups and local incumbents. As we currently count among our customers many Italian subsidiaries or branches of multinational groups, there is a risk that such customers elect to outsource all their facility management needs to one provider with pan-European and/or international capabilities, and in such circumstance, our competitive position could be affected which could adversely impact our business, financial condition and results of operations. In addition, certain of our large competitors have sophisticated management, are in a position to purchase supplies at the lowest prices and have the ability to advertise in a wide variety of media. These advantages may allow our competitors to offer products and services (such as pan-European integrated facility management contracts to multinational groups) that we do not and cannot offer or offer lower prices to such customers. There can be no assurances these players will not leverage their financial resources and international platforms to capture more market share in Italy or the countries in which we operate which could have a material adverse effect on our business, financial condition and results of operations. See "Business—Competition and Market Position."

***We may be unable to obtain the insurance bonds, securities or guarantees that are required for certain public tenders or contracts with our private customers, and due to our failure to comply with the applicable rules or to perform our obligations, counterparties may enforce the bonds we have posted and we currently are in litigation regarding enforcement actions in respect of certain performance and bid bonds.***

In the ordinary course of our business, we are required to provide customers with bank guarantees and/or insurance bonds (including bid, advance payment, performance or guarantee bonds), in particular, to be able to participate in competitive tenders, enter into contracts with customers or receive advances or payments from them during the outsourced service arrangement. Our ability to obtain such performance bonds, bid bonds and guarantees from banks and/or insurance companies depends on such institutions' assessment of our Group's overall financial condition, and in particular of the financial condition of the individual Group company concerned, of the risks of the service to be provided, and of the experience and competitive positioning of any of the companies in our Group in the sector in which it operates, as well as such company's financial and reputational track record, also in terms of previous enforcement of performance bonds and guarantees. If we are unable to obtain new bonds and guarantees, if we renegotiate existing bonds and guarantees on less favorable economic terms or if we are required to pay penalties in the event that we default on our obligations, our ability to obtain new orders or enter into new contracts could be impaired or become significantly more costly, which could have a material adverse effect on our business, financial condition and results of operations.

Our PSE and healthcare customer contracts and certain of our private sector contracts often require performance bonds, primarily to guarantee our performance thereunder. Performance bonds may be enforced in case of termination of the relevant contracts by our counterparties, including as a result of us failing to perform our obligations and/or to meet or maintain the requirements set forth by the applicable laws and regulations. As of September 30, 2020, the Group (including associates and investments in project companies) had performance bonds or other guarantees outstanding in the aggregate amount of €317.3 million. Bid bonds may be enforced as a result of us being excluded from participating in a tender procedure, including as a result of false statement declarations and/or us failing to enter into contracts awarded to us for any reasons attributable to us. These are off-balance sheet items. Performance bonds, bid bonds and penalties present an ongoing potential for substantial cash outflows.

In addition, some of these bonds and guarantees include cross-default provisions which could be triggered if we are in default under other bonds and guarantees, which could significantly intensify the negative effect of a default under these instruments. If our customers were to enforce the bonds we were required to post at the time of the relevant contract or tender, we could be subject to material payment obligations which could individually or in the aggregate have a material adverse effect on our business, results of operations and financial condition. As of the date of this Offering Memorandum, we are engaged in proceedings regarding the enforcement of our bid bonds pursuant to the Excluded Tenders, and the museums cleaning proceeding for an amount equal to €16.6 million and bid bonds provided in connection with the CONSIP FM4 Tender Exclusion for an amount to €3.9 million. Moreover, CONSIP will likely proceed with the enforcement of the CONSIP School Performance Bonds if our appeal brought against the CONSIP School Framework Termination is rejected by the Civil Court of Rome. In addition, we may face risks regarding the enforcement of our bid and performance bonds as a result of the Santobono-Pausilipon False Statement Registration Decision. See "Summary—Recent developments—Exclusion of Rekeep S.p.A. from public tender procedures through June 17, 2021," "—We may face significant consequences as a result of the ANAC Santobono-Pausilipon Decision," "—We are involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools, and our business and results of operations may face further significant adverse consequences deriving therefrom," "—We are susceptible to claims of anti-competitive practices and we are currently involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender for contracts to clean offices used by Italian public entities (FM4 Tender), and our business and results of operations may face further significant adverse consequences deriving therefrom," "—We may face significant consequences as a result of the ANAC Santobono-Pausilipon Decision," "Business—Legal proceedings—FM4 Tender Litigation and other proceedings arising therefrom" and "Business—Legal Proceedings—Pending Legal Proceedings arising from the CONSIP School Contracts Litigation."

***We may not be able to win new contracts, including competitively awarded contracts, and the contracts we win may not yield the expected results.***

Public tender laws require that PSE and healthcare customer contracts for services such as those provided by our Group be put to competitive tender upon expiration, and automatic renewal clauses are prohibited. As a result, we must constantly win new contracts to defend our market share, sustain growth and such new contracts may be subject to competitive bidding. In addition, for private sector customers, the decision by an existing or potential customer to outsource services is dependent upon, among other things, its perception regarding the price and quality of such outsourced services and performance by us or other operators of services that have been outsourced in the past.

We may be unable to continue to win competitively awarded and other new contracts. In addition, we may spend significant time and incur costs in order to prepare a bid or proposal, or participate in a bidding process, at the end of which we may not be retained. This risk is generally more material in connection with large tenders launched by centralized purchasing agencies (such as CONSIP), in view of the fact that the time and costs associated with preparing our bids and participating in the related bidding processes are normally greater compared to smaller or local tenders. Accordingly, the impact on our business related to the negative outcome of centralized tenders would generally be more significant given the lost opportunities with limited alternatives compared to the negative outcome of smaller or local tenders. Even if we are awarded a contract, it may not yield the expected results, in particular if we are unable to successfully calculate prices, control costs and manage day-to-day operations. For example, the timetable and/or cost structure may differ from prior estimates as both depend on a wide range of parameters, some of which are difficult to forecast, such as increased payroll costs resulting from unfavorable changes in labor and employment laws or regulations, which can lead to execution difficulties and cost overruns that we may not be able to pass on to our customers. Our inability to accurately predict the actual cost of providing our services could result in a decrease in our margins or even losses under these contracts, which would have a material adverse effect on our business, results of operations and financial condition.

Moreover, PSE and healthcare customer contracts are awarded through a regulated procurement process. Italian national, regional and municipal-level governments have increasingly relied upon multi-year contracts

with pre-established terms and conditions. The increased competition, in turn, may require us to make sustained efforts to reduce costs in order to realize revenue and profits under such PSE and healthcare customer contracts. If we are not successful in reducing the amount of costs we incur, our profitability on PSE and healthcare customer contracts will be negatively impacted. Our inability to win PSE and healthcare customer contracts during regulated procurement processes or as a result of the policies pursuant to which these processes are implemented could have a material adverse effect on our business, financial condition and results of operations. See also “—PSE and healthcare customers may curtail their reliance on our services due to political and administrative decisions or budgetary constraints, or they may otherwise revise their outsourcing and/or procurement policy in a manner adverse to our interests.”

***We may not accurately estimate the costs of, or execute within budget, our fixed-price contracts.***

More than half of our total revenue has been derived from multi-year contracts where the contract price is fixed on the date a bid is either tendered or awarded and cannot be subsequently altered, or our ability to adjust the price is severely restricted due to the applicable detailed regulatory framework, which provides only for certain limited cases of automatic adjustments or adjustments in case of variations to the underlying contract. See also “Business—Regulation.”

Therefore, where the cost estimates made at the time of a bid prove to be inaccurate, our business, financial position and results of operations could be materially adversely affected.

***To obtain the new contracts on which our future business performance depends, we must dedicate time and financial resources to complex competitive tender procedures with uncertain outcomes.***

A substantial portion of our revenue is directly or indirectly derived from contracts for large-scale outsourced service arrangements. To secure these contracts, we must make a significant commitment of resources, in terms of both man-hours and financial resources, to bidding in a complex and competitive tender process with lengthy award procedures. It is generally very difficult to predict whether and when we will be awarded such contracts because of the complexity of the bidding and selection process. This process is affected by a number of factors, such as market conditions, financing arrangements and governmental approvals. If, after the competitive tender process, we do not succeed in being awarded the contracts for new outsourced service arrangements, we could fail to increase, or even maintain, our market share, revenue and net income, which may have a material adverse effect on our business, financial condition and results of operations.

***The sterilization of laundry and surgical instruments and certain other services we provide carry liability risks.***

Our Laundering and Sterilization Segment exposes us to risks relating to the sterilization of laundry and surgical instruments, which involve the preparation of sterile instrument sets for use in surgery rooms. In the event of any accidents or defects in the sterilization process, we could be liable to our customers or to third parties (including the patients) and could face subsequent claims for damages. In addition, we provide a variety of services such as providing, installing and maintaining fire safety and prevention equipment and systems and maintaining and refueling boilers powered by heating fuel which if performed negligently could lead to injury or property damage. If we fail to meet applicable regulatory or safety standards causing harm to individuals or entities, including, for example, through contamination of food products produced at the facilities that we clean, the outbreak of illness within the hospitals that we service, or fire accidents due to failure to comply with applicable regulatory standards, we could face substantial civil liabilities. In addition, as the health emergency resulting from the ongoing COVID-19 pandemic required the setting up of new triage areas and intensive care units, the Group's exposure to risks relating to its operation in the healthcare sector further increased, for instance, as the Group was requested to provide cleaning services in such intensive care units and in hospital that were converted to receive COVID-19 patients only. We have civil liability insurance policies to cover, among other things, the risks associated with the sterilization of linen and instruments. However, we could be liable for damages not covered by these policies or could be required to pay amounts exceeding the amount of such insurance cover, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, our reputation could be harmed by any actual or alleged failure to meet applicable cleanliness or safety standards. Any publicity relating to incidents of this kind could have a material adverse effect on our reputation and therefore, our business, results of operations and financial condition. See "*The COVID-19 pandemic has impacted our operations and this or other future pandemics could impact our business, financial condition and results of operations.*"

***We are exposed to risks associated with our environmental responsibilities.***

The environmental and energy requirements applicable to the facility services industry, including those mandated by law, by customers and by unions, are becoming increasingly stringent. To the extent that we are unable to pass the costs of compliance with stricter environmental requirements and taxes on to our customers, our margins may decline, which could have a material adverse effect on our business, results of operations and financial condition.

In particular, Servizi Ospedalieri operates within a sector which is particularly exposed to environmental risks raised by the possible water pollution stemming from wastewater discarded from laundering and sterilization processes. Servizi Ospedalieri has civil liability insurance policies to cover, among other things, the environmental risks relating to this sector. However, we could be liable for damages not covered by these policies or be required to pay amounts exceeding the level of such insurance cover in relation to environmental damages, which could have a material adverse effect on our business, financial condition and results of operations.

We also operate a number of properties at which industrial activities or activities involving the daily handling of hazardous materials take place. In the past, we operated additional laundry facilities and facilities at which cleaning equipment and materials were utilized, each of which involved the daily use and handling of hazardous materials. The possible presence of pollution on properties currently or formerly rented or operated by us, as well as the possible polluting or dangerous emissions arising from the systems and plants that we currently or formerly operated, may also result in claims for remediation or other claims related to such pollution, including claims of property damage or personal injury, which could have a material adverse impact on our results of operations. Failure to comply with applicable laws and regulations, and in particular, environmental offenses under LD 231 may also affect us. See "*Business—Regulation*," "*We may incur liabilities or be excluded from contracting with public authorities for the actions of our employees, managers or agents*" and "*We are subject to extensive regulatory requirements*."

In addition, our Facility Management Segment is subject to energy efficiency laws, especially Law 10/91 of January 9, 1991, LD 192/2005 and subsequent implementing legislation, which require the reduction of energy consumption in buildings and energy audits. If efforts to address climate change or further reduce energy consumption result in increasingly stringent laws and requirements, and to the extent that we are unable to pass the costs of compliance on to our customers, our margins may decline, which could have a material adverse effect on our business, financial condition and results of operations. Moreover, our Facility Management Segment is subject to strict operational requirements, including obligations to perform the related activities in compliance with applicable protocols and technical provisions. Failure to comply with these obligations may ultimately result in regulatory sanctions, including operational bans. For example, we have recently been informed that the Municipality of Bari has alleged certain omissions in the performance of certain of our facility management services. The foregoing claim is at the initial stage and even though its outcome, as well as any potential liability arising therefrom, cannot be predicted as of the date of this Offering Memorandum, we intend to defend vigorously.

***We are susceptible to claims of anti-competitive practices and we are currently involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender for contracts to clean offices used by Italian public entities (FM4 Tender), and our business and results of operations may face further significant adverse consequences deriving therefrom.***

We may be accused of anti-competitive practices. Any such claims could adversely affect our reputation and potentially result in fines, which pursuant to the applicable regulations, are calculated as a percentage of the

tender value, with the percentage being determined by the type of offence. In addition, anticompetitive practices may, under certain interpretations of applicable law or public tenders, be deemed a cause for temporary exclusion from future tenders by the public contracting authorities, whether at the initiative of the public authority or as a consequence of lawsuits brought by our competitors. Moreover, anti-competitive practices allegedly committed by us in the context of public tender procedures and established by the competent authorities may trigger court and/or out-of-court actions by our competitors in these tender procedures claiming damages allegedly suffered in connection with the alleged breaches. See “—*We are involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools, and our business and results of operations may face further significant adverse consequences deriving therefrom*” and “*Business—Legal Proceedings—Pending Legal Proceedings arising from the CONSIP School Contracts Litigation.*” Any such fines or exclusions together with any legal proceedings could have an impact on our business, financial condition and results of operations. As of September 30, 2020, our provisions for litigation risks (including tax litigation) amounted to €105.9 million.

The ICA issued a sanction against us in connection with alleged anti-competitive practices relating to the CONSIP School Framework Agreement. See “—*We are involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools, and our business and results of operations may face further significant adverse consequences deriving therefrom*.” In addition, in June 2014, the Issuer tendered to CONSIP for contracts to clean offices used by Italian public entities (the “**FM4 Tender**”). In March 2017, we were informed that the ICA had launched an investigation against the Issuer and six other competitors to determine if antitrust violations were committed in connection with the FM4 Tender (on November 2017 and on April 2018, eleven additional companies were included in the scope of the ICA in the investigation). The allegations in the FM4 Tender investigations are similar to those in the CONSIP School Contracts Litigation. On April 17, 2019, after the completion of the ICA Investigation, the ICA issued a decision stating that the Issuer and other companies involved in the investigation violated antitrust rules in the FM4 Tender process and issuing a fine against the Issuer and such competitors (the “**ICA FM4 Decision**”). The fine against the Issuer amounted to €91.6 million.

On July 3, 2019, the Issuer challenged the ICA FM4 Decision before the TAR Lazio seeking the suspension of its effects (including the payment of the fine) pending the TAR Lazio review (the “**ICA FM4 Decision Appeal**”). On July 18, 2019 the TAR Lazio granted the suspension request relating to the payment of the fine issued with the ICA FM4 Decision pending the TAR Lazio decision on the merits, subject to the Issuer granting a guarantee in favor of the ICA (including through an insurance policy) within 60 days from July 18, 2019.

The Issuer challenged the TAR Lazio decision issued on July 18, 2019 before the Council of State on August 1, 2019 which was denied on September 12, 2019. On September 17, 2019, the Issuer informed the market that it had not provided any guarantee in favor of the ICA after which on October 29, 2019 the ICA formally requested the guarantee be provided by the Issuer within 15 days in accordance with the court decision. The ICA also informed the Issuer that failure to provide such guarantee by the relevant deadline would have resulted in the relevant amount being registered as a tax debt of the Issuer in the tax register of the Italian Revenue Agency (*Agenzia delle Entrate*). The Issuer did not provide the requested guarantee and the fine imposed by the ICA was registered as tax debt of the Issuer and made enforceable by the Italian Revenue Agency following the issuance of a notice of payment on December 18, 2019 for an amount equal to €94.6 million (including collection charges for €2.8 million). On December 23, 2019, the Issuer submitted a request for payment of these sums in installments, which was formally granted on January 10, 2020 by the Italian Revenue Agency. The decision of the Italian Revenue Agency provided the Issuer with the option to pay the amount due in 72 monthly installments at an interest rate of 4.5% as from January 24, 2020. The Issuer started to pay these installments on a regular basis, pending the outcome of the legal action brought against the ICA FM4 Decision. The Issuer paid the third monthly installments (for an aggregate amount of approximately €3 million) before the enactment of a specific law provision granting Italian companies the right to temporarily suspend such payments to the Italian Revenue Agency, which entered into force as a special remedy to address the economic and financial impacts of the COVID-19 outbreak.

On July 27, 2020, the TAR Lazio ruled on the ICA FM4 Decision Appeal confirming the ICA FM4 Decision on the merits but partially accepting the appeal with respect to the criteria used in calculating the relevant fine (the **"TAR Lazio Ruling on the ICA FM4 Decision"**). The TAR Lazio consequently set the parameters for the recalculation and returned the case to the ICA to recalculate the fine on the basis of such parameters. The Issuer, maintaining that there has not been any wrongdoing in connection with its participation in the FM4 Tender and that the TAR Lazio Ruling on the ICA FM4 Decision is unjustified and disproportionate, appealed the TAR Lazio Ruling on the ICA FM4 Decision before the Council of State (*Consiglio di Stato*) on November 25, 2020. On October 29, 2020, the ICA notified the Issuer its recalculation decision stating that the revised fine is equal to €79.8 million. We expect that the Italian Revenue Agency will allow payment of the recalculated fine using an installment plan similar to that granted to us on January 10, 2020 and that the installments already paid by us will be deducted from the outstanding amount under such payment plan. However, on December 24, 2020, we challenged the foregoing ICA decision on the revised fine dated October 29, 2020 before the TAR Lazio.

On December 22, 2020, the ICA notified the Issuer of its appeal against the TAR Lazio Ruling on the ICA FM4 Decision, requesting the confirmation of the ICA FM4 Decision, including the original fine amounting to €91.6 million. Both such ICA appeal and our appeal against the TAR Lazio Ruling on the ICA FM4 Decision have been discussed before the Council of State on March 31, 2021; during such hearing the Court ordered the collection of additional documentation and scheduled the next hearing on September 23, 2021. We intend to defend our position vigorously before the relevant courts.

Furthermore, on June 28, 2019 we were also notified by CONSIP of its decision to exclude the Issuer from the FM4 Tender alleging the Issuer's gross negligence (*errore grave commesso nell'esercizio dell'attività professionale*) in allegedly breaching antitrust rules and allegedly failing to provide reliable information to CONSIP during the tender procedure (again in connection with the alleged antitrust infringement). Moreover, CONSIP decided to proceed with the enforcement of the Issuer's bid bond (amounting to €3.9 million) provided in connection with such tender (the **"CONSIP FM4 Tender Exclusion"**). On July 3, 2019, the Issuer challenged the CONSIP FM4 Tender Exclusion before the TAR Lazio seeking its annulment as well as the suspension of its enforcement (including in relation to the enforcement of the bid bond) as a precautionary measure, pending the court's review on the merits of the case. On July 10, 2019 the TAR Lazio granted the Issuer's request of suspension of the enforcement of the bid bond as a first precautionary measure, pending its decision on the ICA FM4 Decision Appeal. A second preliminary hearing was scheduled by the TAR Lazio on September 11, 2019. Following such hearing the TAR Lazio granted the suspension of the enforcement of the Issuer's bid bonds provided in connection with the FM4 Tender, but not the request for the suspension of the CONSIP FM4 Tender Exclusion *per se*, and scheduled a hearing to discuss the merits of the case on July 15, 2020, which was subsequently postponed to July 23, 2021. The Issuer challenged such precautionary decision before the Council of State alleging it was erroneous, but the Council of State rejected the appeal on November 28, 2019.

In terms of business consequences, we believe that the Issuer could be excluded, on a case by case basis and upon a discretionary assessment, by public contracting authorities arranging the relevant tender or upon a decision of an administrative court following a claim by competitors seeking to block the Issuer participation in a tender over a period not exceeding three years.

In addition, as a result of the CONSIP FM4 Tender Exclusion, ANAC also notified us its decision to start a proceeding against us alleging that we provided false statements in the context of the FM4 Tender. On November 4, 2019 the Issuer challenged the ANAC decision before the TAR Lazio. A hearing for the discussion of the case has not yet been scheduled and ANAC has temporarily put its proceeding on hold pending the appeals brought by us against the ICA FM4 Decision and the CONSIP FM4 Tender Exclusion). The theoretical impacts of an adverse result could be similar to those described in connection with the Santobono-Pausilipon False Statement Registration Proceeding, with the duration of a potential exclusion which cannot exceed one year starting from its registration by ANAC, due to the application of the Former Code on Public Procurement to this proceeding. See *"Summary—Recent developments—Exclusion of Rekeep S.p.A. from public tender procedures through June 17, 2021,"* *"Risk factors—Risks related to our business—We may face significant consequences as a result of the ANAC Santobono-Pausilipon Decision"* and *"Business—Legal Proceedings—*

*False Statement Registration litigation between the Issuer and ANAC following a proceeding started by ANAC upon notice by the Santobono-Pausilipon Public Health Agency of Napoli.”*

To date, since the FM4 Tender was not awarded, the latter did not generate any revenue for the Issuer's portfolio, nor was it included in the Issuer's backlog. Moreover, while as of the date of this Offering Memorandum, such instance did not occur, one or more of our competitors that participated in the FM4 Tender may bring court and/or out-of-court actions against us claiming damages supposedly suffered in connection with the alleged breaches established by the ICA FM4 Decision. See “*We are involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools, and our business and results of operations may face further significant adverse consequences deriving therefrom*” and “*Business—Legal Proceedings—Pending Legal Proceedings arising from the CONSIP School Contracts Litigation.*”

On March 6, 2020 the Issuer was also notified by CONSIP of its decision to (i) exclude the Issuer from a CONSIP tender for museums cleaning; and (ii) proceed with the enforcement of the Issuer's bid bond provided in connection with such tender (the request was notified on March 13, 2020). The Issuer challenged the CONSIP decision before the TAR Lazio seeking the suspension of its effects pending the TAR Lazio's review. On April 22, 2020 the TAR Lazio suspended the enforcement of the Issuer's bid bonds provided in connection with the tender and scheduled a hearing for the discussion of the merits of the case, which was held on October 21, 2020. On December 7, 2020, the TAR Lazio rejected the Issuer's appeal. The Issuer believes that this decision is erroneous and therefore on January 5, 2021, challenged it before the Council of State (*Consiglio di Stato*) seeking the suspension of its effects pending a decision on the merits of the appeal, including in relation to the potential enforcement of the bid bond. The Council of State (*Consiglio di Stato*) granted such a precautionary request.

The Issuer has recorded provisions for future charges of €17.5 million as of September 30, 2020, taking into account, *inter alia*, the risk of the possible enforcement of the bid bonds mentioned above provided in connection with the FM4 Tender as well as with CONSIP tender for museums cleaning.

As a result of both the ICA FM4 Decision and the CONSIP FM4 Tender Exclusion, certain of our competitors have challenged the Issuer's eligibility to participate in individual public tenders, alleging that the Issuer should be excluded since the alleged antitrust infringement constitutes gross negligence or bad faith. Similarly, certain of our competitors have already challenged the eligibility of other companies to participate in certain public tenders due to their alleged involvement in the alleged antitrust infringement by the Issuer, alleging that these companies should also be excluded since the alleged infringement constituted serious professional unlawful conduct under applicable law. As of the date of this Offering Memorandum, the competent courts have in certain cases rejected the requests brought by our competitors to exclude the Issuer from public tenders in light of the ICA FM4 Decision, while in other cases they have yet to come to a decision or have accepted the requests of our competitors by stating that the ICA FM4 Decision can in principle form the basis of a decision to exclude the Issuer from a tender. However, in those specific cases, even in the light of the ICA FM4 Decision, the tendering authorities did not provide detailed reasons as to why they did not exclude the Issuer and, therefore, ordered the tendering authorities to carry out their assessment again. As of the date of this Offering Memorandum, this new assessment has never led to the exclusion of the Issuer from any such tenders. In addition, as of the date of this Offering Memorandum—except for the abovementioned decision of CONSIP to exclude us from the relevant tender for museums cleaning—the Issuer has been excluded from only one public tender procedure upon decision of the tendering authority, and has promptly challenged such exclusion before the competent court. Such court stated that the ICA FM4 Decision can in principle form the basis of the decision of a tendering authority, on a case by case basis and in its discretion, to exclude the Issuer from a tender, but in that specific case, the tendering authority did not carry out a sufficiently in-depth analysis of the arguments presented by the Issuer in opposing the exclusion. Therefore, the court ordered the tendering authority to carry out a new analysis, which is currently pending. See “*We are involved in ongoing litigation in respect of an antitrust matter related to the CONSIP public tender concerning the cleaning of public schools, and our business and results of*

*operations may face further significant adverse consequences deriving therefrom" and "Business—Legal Proceedings—FM4 Tender Litigation and other proceedings arising therefrom."*

***We are subject to extensive regulatory requirements.***

We operate in sectors characterized by specific and detailed laws and regulations which are constantly changing, including laws and regulations with respect to public tenders, employment and the environment, some of which have been explained in more detail under this "Risk factors" section. Several of our activities may also be subject to EU and Italian laws as well as specific regulatory or professional body stipulations or licensing requirements. For example, we furnish fire safety equipment and we must comply with new fire code legislation and best practices. Failure to comply with applicable regulations could result in substantial fines, claims relating to violations of social and working environment legislation or revocation or suspension of authorizations, concessions and/or licenses.

In addition, certain provisions of the Italian Public Tender Laws require compliance with certain morality requirements to participate in public tenders as discussed under "*—We may incur liabilities or be excluded from contracting with public authorities for the actions of our employees, managers or agents*" related to, *inter alia*, fraud, bribery and corruption, bid rigging (*turbativa d'asta*) environmental and labor law violations (including failure to pay applicable labor law taxes and social security contribution), antitrust infringements, false statements to a public contracting authority and crimes against the person or workplace safety violations. Similarly, the provisions of LD 231 may also affect us. Failure to comply with such rules as well as failure to comply with other requirements set forth in the public tender regulation (including, *inter alia*, conflict of interest with public contracting authorities or with our competitors, breach of PSE contractual obligations—which notably can trigger particularly high-value penalties—and failure to comply with certain of our obligations towards our subcontractors) may render us ineligible to participate in a public tender and/or may result in the termination of a public contract awarded or entered into, exclusion from current public tenders, sanctions and penalties, civil and administrative fines, operational bans (including on a precautionary basis (e.g., ordered by the competent authorities pending the investigation phase, thus before a first instance decision on the case has been issued). See "*We may incur liabilities or be excluded from contracting with public authorities for the actions of our employees, managers or agents*" and "*Business—Legal Proceedings—Naples Criminal Proceeding*." Other provisions of law, including criminal law provisions, prohibit various kind of fraud in relation to public contracting or willful failure to fulfill service obligations under a PSE or healthcare customer contract. Moreover, pursuant to several of our contracts with PSEs, such entities are entitled to terminate or withdraw from the contracts in the event of, *inter alia*, (i) a failure by us to comply with any moral and professional requirements or (ii) criminal proceedings involving one or more members of our corporate bodies or key employees, in connection with crimes against, among others, the public administration or the public order.

Future changes to the existing rules, reinterpretations of existing laws, case law and/or the enactment of new laws to cover the sectors in which we operate (including those resulting in the establishment of stricter morality requirements to participate in public tenders), could influence our productivity levels by limiting or restricting our services and by making it more burdensome or costly for us to carry out our activities, which could have a material adverse effect on our business, financial condition and results of operations. See also "*Business—Regulation*."

***Higher employment costs may have a material adverse effect on our business, financial condition and results of operations.***

Labor costs have been increasing steadily in our business over the past several years. Our labor costs may rise faster than expected in the future as a result of increased workforce activism, government measures and changes in social and pension contribution rules meant to reduce government budget deficits or to increase welfare benefits to employees. We may not manage to offset the increase in labor costs through productivity gains. If employment costs increase further, our operating costs will increase, which could, if we cannot recover these costs from other initiatives or offset them through productivity gains or other measures, have a material adverse effect on our business, financial condition and results of operations.

***Our backlog is subject to unexpected adjustments and service contract terminations and is, therefore, an uncertain indicator of future earnings.***

As of September 30, 2020, our backlog totaled €2,821 million. We cannot be certain that our backlog will generate the expected revenue or cash flows or generate them when we expect. Unforeseen events or circumstances, including, for example, termination or scaling down of service contracts, increased time requirements to complete the work, delays in commencing work, disruption of work, litigation associated with amounts included in our backlog, resulting in the termination of such contracts or exclusion of our ability to perform them, or other unforeseen events (such as those discussed in these "Risk Factors," including the effects of the COVID-19 pandemic) may affect projects in the backlog and could negatively impact our results of operation and financial position. Moreover, any administrative liability for the Issuer under LD 231 could give rise to the right of certain of our PSE counterparties (as well as private counterparties, if specifically provided for under the relevant contracts) to terminate existing contracts, which could reduce our backlog. See "Business—Legal Proceedings—Naples Criminal proceeding," "Business—Legal Proceedings—Varese 231 Investigation" and "Business—Legal Proceedings—Other Proceedings concerning health and safety legislation and other investigations or proceedings pending against certain of our employees or former employees which could potentially trigger our liability under LD 231."

Our customers may have the right under certain circumstances or with certain penalties or consequences, to cancel, reduce or defer firm orders that we include in our backlog, including, by way of example, if the competent administrative courts upheld claims brought by our competitors to challenge the award to us of a contract pursuant to a public tender in those specific cases in which we are allowed to begin performing under the contract (and therefore generate revenues) despite such claim remaining pending. If our customers cancel, reduce or defer firm orders, we may be protected from certain costs and losses, but our revenue will nevertheless be adversely affected. Although we strive to maintain ongoing relationships with our customers, there is an ongoing risk that orders may be canceled or rescheduled due to fluctuations in our customers' business needs or purchasing budgets, especially with respect to PSEs and healthcare customers which represented approximately 91% of our total backlog as of September 30, 2020. In addition, our realization of sales from new and existing programs is inherently subject to a number of important risks and uncertainties, including whether our customers execute the launch of new facilities or initiatives on time, or at all, the number of buildings that our customers actually commission or maintain and the timing of insourcing decisions made by our customers. Moreover, our backlog includes the percentage of revenue we estimate will accrue to the Group by virtue of our participation in TJAs which can be affected by defaults by our TJA partners or claims by subcontractors thereof as discussed under "—We may be deemed liable for damages caused by our TJA partners, consortium partners and subcontractors and have responsibilities towards their employees." There can be no assurances that the revenue projected in our backlog will be realized or, if realized, will result in profits. Because of contract terminations or suspensions and changes in contract scope and schedule, we cannot predict with certainty when, or if, our backlog will be actualized. We can provide no assurance that we will not receive additional terminations, and, even where a contract proceeds as scheduled, it is possible that the customer may default and fail to pay amounts owed to us. To the extent we are unable to realize the pipeline of revenue associated with contracts in our backlog due to material delays, terminations or payment defaults, our business, financial condition and results of operations could be adversely affected.

In addition, our definition of backlog may not necessarily be the same as that used by other companies engaged in activities similar to ours. As a result, the amount of our backlog may not be comparable to the backlog reported by such other companies.

Finally, while we believe that the ANAC Santobono-Pausilipon Decision should not trigger any significant termination risk with respect to existing contracts already in the portfolio and included in the Group's backlog, we cannot provide any assurance that authorities or courts will adopt the same interpretation of the applicable laws and regulations. See "We may face significant consequences as a result of the ANAC Santobono-Pausilipon Decision."

***We may be unable to execute our growth strategy or to integrate new, or divest existing, businesses successfully. As a result, future growth from acquisitions or start-up initiatives may be more limited than we would expect and may not prove successful in the long term.***

We intend to continue to develop and expand our business, including through (i) selective bolt-on acquisitions in Italy and in certain international markets, (ii) start-up initiatives in new sectors that are complementary to our core activities and (iii) discontinuation or divestment of non-performing units of our business. However, acquisitions, start-up initiatives and divestments, in addition to our organic growth, may strain our management and financial resources. Among the risks associated with our growth strategy, which could materially adversely affect our business, results of operations and financial condition, are the following:

- we may incur substantial costs, delays or other operational, cultural or financial problems in completing the acquisition, integrating and developing the new businesses;
- management's attention may be diverted from the operation of existing businesses;
- we may not be able to retain or provide key personnel or customer contacts for the new businesses;
- we may encounter unanticipated events, circumstances or legal liabilities related to the new businesses; and
- we may not achieve anticipated synergies or other expected benefits from the new businesses.

Any of these risks could significantly disrupt our ability to manage our business and materially and adversely affect our business, financial condition, results of operations and cash flow.

For example, in 2020, the Group discontinued operations of the start-up Yougenio which it incorporated in 2016 to expand in the "business to consumer" services market, due, among others, to the increased costs and investments required to develop the business. Any future discontinuation of operations or divestment of assets may not ultimately improve our financial condition or result in returns which were previously anticipated.

Even if we are successful in acquiring new businesses, the integration of such businesses may prove to be more difficult than we initially anticipated and could create unforeseen operating difficulties and expenditures. In addition, there can be no assurance that, following integration with our Group, an acquired operation will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows. Likewise, if we fail to control start-up costs, or do not accurately estimate their amount when pricing our services, we may experience significant losses or otherwise not generate the expected return from the investment made. The assessments of any potential acquisition targets and start-up initiatives are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations and there can be no assurance that our assessments of and assumptions regarding acquisition candidates and start-up initiatives will prove to be correct and actual developments may differ significantly from our expectations. Acquisitions also pose certain other risks, for example, difficulties or delays in consolidating operations and achieving anticipated synergies, cost savings, revenues and cash flow enhancements, growth, operational efficiencies and other benefits, diversion of managerial resources away from our day-to-day business operations, overpayment for the acquired business, potentially dilutive issuances of equity securities to the extent that we issue new shares to fund an acquisition and the assumption of unexpected liabilities and undisclosed risks.

We may also have to pay cash, incur further debt, or issue further securities to pay for an acquisition and for start-up costs, any of which could adversely affect our results of operations in the future. The incurrence of further indebtedness could result in increased obligations and include covenants or other restrictions that restrict our operational ability, which could also adversely affect our business, results of operations or financial condition.

Furthermore, acquisitions of companies and start-up initiatives expose the Group to the risk of unforeseen obligations with respect to employees, customers, suppliers and subcontractors of the new businesses, to public authorities or to other parties. Such obligations may have a material adverse effect on our business, results of operations or financial condition.

***Any expansion of our business outside of Italy may present risks.***

We have historically focused our business within the Italian markets and therefore have been only partially exposed to foreign opportunities. However, beginning in 2016, we commenced an internationalization program consisting of both organic growth, investments and acquisitions consisting of start-up of facility management activities in France and the establishment of Rekeep United in Turkey and more recently, the acquisitions of an 80% shareholding in the Naprzód Group, and of ISS HS Sp. Zoo. There can be no assurance that any of these acquisitions and future investments will prove successful.

Entering international markets, including other European markets or emerging markets, requires substantial amounts of management time and attention, either through acquisitions, joint ventures or other forms of association. The economies of some of these countries differ from the economies of Western Europe and in some cases present a greater risk profile due to, among others, the level of political instability, government involvement, development, growth rate and control of foreign exchange. Additionally, the manner and nature of public tenders in other markets may differ from that of Italy, which could limit the transferability and applicability of our know-how and accumulated expertise. For these and other reasons, our services may not be accepted in other markets to the extent which would be necessary to make our international expansion profitable.

Moreover, the additional demands on management from these activities may detract from our efforts in Italy and adversely affect our operating results. Any international expansion exposes us to the risks normally associated with conducting international business operations, including multiple national and regulatory compliance requirements, licensing requirements, unexpected changes in regulatory requirements, changes in foreign legislation (and public tender requirements), labor, data protection, anti-corruption, anti-money laundering and terrorist financing, possible foreign currency controls, currency exchange rate fluctuations or devaluations, tariffs, difficulties in staffing and managing foreign operations, difficulties in obtaining and managing information suppliers, potential negative tax consequences, difficulties collecting accounts receivable and inability to enforce any remedies that would be otherwise available. In addition, we may face additional risks, including incurring start-up losses for several years due to lower levels of business, initial costs for the setting up of the business, training costs, the lack of expertise and loss of key employees in such markets, differences in business cultures and practices, the lack of adequate and available management teams to monitor and integrate these operations, unfavorable commercial terms and difficulties in maintaining uniform standards, control procedures and policies. Moreover, joint ventures, associations or networks may involve additional risks related to disagreements regarding strategy, the need to provide further investments, general lack of control over the direction of the joint venture or association and/or reputational risks with respect to the quality of services rendered by network partners. Any negative impact caused by the foregoing risks could have a material adverse effect on our business, results of operations and financial condition. In addition, as we expand into new jurisdictions, our business will be subject to applicable laws, regulations and licensing requirements in those new jurisdictions, which may be different than the jurisdictions in which we currently operate.

***Our ability to manage our labor costs is primarily dependent upon provisions of the collective bargaining agreement applicable to cleaning and facility management that allow the transfer of employees to and from the Group upon the awarding or loss of a contract for cleaning and/or facility management, as applicable.***

As of September 30, 2020, 13,764 workers (approximately 50% of our total workers) are employed pursuant to CCNL Multiservizi. Such CCNL facilitates, under certain circumstances, the transfer of employees from one outsourced provider of cleaning and facility management to another upon the expiration or termination of a contract to provide such services to a healthcare customer, PSE or private sector customer, which has the effect of reducing liabilities for exiting providers and reducing startup costs for incoming providers. Any future labor law reforms, renegotiation of the CCNL with trade unions and other parties and/or new case law could hinder or significantly reduce our ability to manage our labor costs by increasing liabilities in cases where we are the exiting provider (i.e. employee severance indemnities) or by increasing startup costs where we are the incoming provider (i.e. cost of recruiting and training new personnel) which could also have a material adverse effect on

our business, financial condition and results of operations. For further information, see "*Business—Employees and labor arrangements—Transfer of employees.*"

***We rely on employee leasing arrangements for a number of our employees which could be re-characterized by employment tribunals or tax authorities, resulting in substantial liabilities.***

As of September 30, 2020, 348 individuals (approximately 1.3% of our total employees), from manual workers to senior managers, who work for our Group are actually employees of MSC and are leased to the Group under employee leasing arrangements (*rapporti di somministrazione*) under a permanent authorization granted by the Italian Ministry of Labor on June 13, 2007. This includes certain executive officers and managers of the Group. In addition, from time to time other individuals are leased to us from a number of staff-leasing providers. Termination of such contracts by MSC or these staff-leasing providers, any change in the relevant laws or re-characterization of these employment relationships by a court or tribunal could make us hire such employees directly or make other arrangements, which could have a material adverse effect on our business, financial condition and results of operations. In addition, tax, social security and other public authorities may consider these employee-leasing arrangements differently under new laws or new interpretations of existing laws, causing us to incur liabilities related to contributions to certain social security programs, which could also have a material adverse effect on our business, financial condition and results of operations. For further information, see "*Business—Employees and labor arrangements—Employee leasing.*"

***We may be subject to claims or penalties relating to the working conditions of our employees.***

Our operations are subject to environmental as well as occupational health and safety laws and regulations. Some of the services we undertake in our business put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles and hazardous chemicals. In most cases, we are responsible for the safety of our personnel and the general wellbeing of our customers' employees and patrons who may work or do business nearby. If we fail to implement safety procedures or if the procedures we implement are ineffective, our employees and others may become injured. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a service to our customers or the operation of a facility, and raise our operating costs. Any of the foregoing could result in financial losses, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, certain of our operations involve the handling of hazardous chemicals, which, if improperly handled or disposed of, could subject us to civil and criminal liabilities. We are also subject to regulations dealing with occupational health and safety. Our safety record is critical to our reputation. Many of our customers require that we meet certain safety criteria to be eligible to bid for contracts, and many contracts include termination or forfeiture of some, or all, of its contract fees or profit in the event that we fail to meet such requirements. New technology, the implementation of new work processes, services, tools and machinery may have unforeseen negative effects on the working conditions of our employees and may subject us to liabilities based on allegations of illness or disease resulting from exposure. Violations of, or liabilities under, applicable environmental or occupational health and safety laws and regulations could result in fines, penalties, legal claims as well as increased operating costs, which could have an adverse effect on our business, results of operations and financial condition.

Under applicable Italian law, when workers become injured in connection with their duties and as a result are absent from work for more than 40 days, the relevant public prosecutor must open an investigation into workplace safety and, depending on the circumstances, may bring criminal proceedings against our regional officer charged with workplace safety or against our management or chief executive officer. Any conviction for failures or omissions related to workplace safety may violate a morality clause in relevant public tenders (*moralità professionale*), expose us to liabilities under LD 231 and render us ineligible to compete for such contracts which could have an adverse effect on our business, results of operations and financial condition.

***We may be deemed liable for damages caused by our TJA partners, consortium partners and subcontractors and have responsibilities towards their employees.***

In carrying out our activities, we partner with third parties in TJAs and consortia such as through Consorzio Stabile CMF, a 99% owned subsidiary established to compete for public tenders, and we subcontract certain services to third-party companies. Reliance on TJA partners, consortium partners and/or subcontractors reduces our ability to directly control the workforce and the quality of the services provided. Accordingly, we are exposed to risks relating to managing TJA partners, consortium partners and subcontractors and the risk that they may fail to meet agreed quality benchmarks under the contract or to generally comply with applicable legislative or regulatory requirements. In case of default by a TJA partner, consortium partner or subcontractor, we may be deemed jointly liable for any damages suffered by the customer as a consequence of such default, especially when such TJA partner, consortium partner or subcontractor renders services as an input to services provided in conjunction with the Group. In particular, according to the Italian Public Tender Laws, a consortium organized as a permanent consortium (*consorzio stabile*) is jointly and severally liable for actions and omissions of one of its members. Consorzio Stabile CMF is a consortium formed by several Group companies, which own 99% of the consortium, and additionally by a third-party which owns the remaining 1% participation. Moreover, TJA partners are each liable to the customer and our subcontracts usually provide for an indemnity from the subcontractor to cover our costs in case of such a claim as well as the assignment of claims and other provisions regarding the enforcement of the contract; however, we cannot assure you that customers or courts will agree and will not impose sanctions on us or prevent us from participating in future public tenders.

Under Italian law, contractors (and concession holders) have responsibilities towards the contracting authorities (and concession-granting authority) with respect to the conduct and quality of work of such concession contractors (and holder's subcontractors) and the actions of the subcontractor's employees. Duties that the law recognizes include the following duties of the contractor (and concession holder) and imposes joint and several responsibility for any resultant breach thereof: to maintain a safe work environment, to supervise the quality of the subcontractors' work product and to monitor and cause the subcontractors pay salary, severance indemnity, social security and tax payments to the subcontractor's employees for the duration of the subcontract and for two years after its expiration. In particular, the contractor and the subcontractors must provide the contracting entity with a copy of the payment of tax, social security and pension deductions. If any of the required evidence is missing, the contracting entity shall suspend all payments to the contractor and subcontractor and inform the relevant tax authority of the breach. In addition, the contractor and all sub-contractors are required to provide the public authority with the social security clearance contribution certificate ("DURC") in order to be paid the fees for the services rendered under the relevant contract; if DURC is missing, the contracting entity is required to refrain from making the relevant payments.

If we are found liable for damages caused by our TJA partners, consortium partners and subcontractors, our business, results of operations and financial condition could be adversely affected.

On March 19, 2013, a fire in the former Olivetti area at Scarmagno (Turin) led to the destruction of the building and the goods contained therein. The Issuer was performing integrated facility services for Prelios SGR S.p.A. (owner of the building) in such area. Three of our employees, the owner and two employees of one of our subcontractors and the owner of the firm that stocked combustible material on site have been charged with arson and violations of safety regulations that allegedly caused the fire before the Criminal Court of Ivrea. The Issuer was sued by the plaintiffs (Prelios SGR S.p.A., Telecom Italia S.p.A., Olivetti S.p.A., Urmet S.p.A., Wirelab S.p.A. and Mr. De Lise), as a severally liable party in respect of all the financial and non-financial damages. The request for damages brought in the context of such criminal proceeding are equal to approximately €4.5 million (plus the greater damage that can be requested and demonstrated during the proceeding). On February 24, 2017, the Criminal Court of Ivrea fully acquitted all the defendants in light of, *inter alia*, the lack of malice on their part. The Office of the Public Prosecutor and the plaintiffs have appealed such decision before the Criminal Court of Appeal of Turin which has not yet scheduled a first hearing for the discussion of such appeal.

Moreover, various subjects allegedly damaged by the fire accident, and, in certain cases their related insurance companies (including AIG Europe Limited and Generali S.p.A.) brought civil suits as well as out of court requests

against the Issuer for damage reimbursement, in relation to damages allegedly caused by the Issuer's employees. As a result of such requests and claims, upon the execution of certain settlement agreements we paid to such claimants an overall amount of approximately €4 million, through amounts made available by the Issuer's insurance company. In such cases, the claimants, while retaining some specific rights of recourse, generally waived their rights to further litigate the relevant matter against the Issuer. As of the date of this Offering Memorandum, it is difficult to quantify the exact amount of additional damages, which could still be claimed by other subjects allegedly damaged by such fire. See "Business—Legal Proceedings—Prerios SGR S.p.A.—Scarmagno Fire—Criminal Proceeding."

***We may incur liabilities or be excluded from contracting with public authorities for the actions of our employees, managers or agents.***

Our employees deliver services within buildings, for specific fixed assets (i.e. telecommunications equipment) and at locations owned or operated by our customers. As a result, we may be subject to claims in connection with damage to property, business interruptions, unauthorized use of the customer's property, unauthorized entry or breach of security protocols, negligence or willful misconduct or other tortious acts by our employees or people who have gained unauthorized access to premises through us. Such claims may be substantial and may result in adverse publicity for our Group. Accordingly, these claims could have a material adverse effect on our business, financial condition and results of operations.

In addition, the tender process by, and contractual relationship with, PSEs and healthcare customers involves risks associated, among others, with fraud, bid rigging (*turbativa d'asta*), bribery and corruption and the procurement process by private sector customers involves risks associated with fraudulent activity (private bribery). Although we maintain internal monitoring systems, and we have never been convicted, fined or sanctioned in connection with fraud, bribery or corruption, we may be unable to detect or prevent every instance of fraud, bid rigging (*turbativa d'asta*), bribery and corruption involving our employees, managers or agents in the future. We may therefore be subject to civil, administrative and criminal penalties, also pursuant to the provisions of LD 231 and to reputational damage as a result of such occurrences and, in certain cases, lose the benefit of certain public subsidies, including, *inter alia*, in relation to social security matters. Investigations and convictions (including non-final and binding ones) with regards to certain crimes (*moralità professionale*) or their equivalent in other countries where we operate, including, *inter alia*, fraud, bid rigging (*turbativa d'asta*), bribery and corruption, environmental violations, antitrust infringements, false statements to a public contracting authority, certain tax and labor law violations, and crimes against the person or workplace, safety violations and 231 violations in general may expose us to sanctions and penalties, civil and administrative fines, prohibition from receiving additional fees or obligation to forfeit them, operational bans (including on a precautionary basis—e.g., ordered by the competent authorities pending the investigation phase, thus before a first instance decision on the case has been issued) and render us ineligible to maintain our existing PSE or healthcare customer contracts and/or participate in public tenders (either automatically or, in certain cases, on a case by case basis and upon a discretionary assessment); for example, in relation to an alleged tax violation, we have been recently informed that a former attorney in fact of the Issuer is currently under investigation for certain fraudulent tax returns related to tax periods from 2013 to 2017. However, we believe that cannot be held liable pursuant to LD 231 because the alleged charges occurred before they were included in the scope of application of LD 231. We are also exposed to the risk of claims brought by third parties, including competitors, alleging the occurrence of certain of the abovementioned breaches (for instance, we were informed that in 2018 a competitor asserted that we illegitimately renounced to a claim against a concessionaire in exchange for certain economic advantages). We maintain that such claim is totally groundless and as of the date of this Offering Memorandum, we have not been informed of any investigation being started by any public prosecutor in relation thereto. In addition, certain of our employees have been or still are, in certain cases, under criminal investigation or a proceeding was or is still pending against them in relation to the alleged occurrence of certain of the abovementioned breaches. However, as of the date of this Offering Memorandum, none of such claims, investigations and proceedings resulted in any final and binding decision to exclude us from any public tender or existing contract by any competent authority. We have adopted certain internal compliance policies and procedures (known as "**self-cleaning measures**") as part of strengthening our structure and risk management

policies, considering that statutes typically provide that public contracting entities and courts should take self-cleaning measures into account when determine whether to exclude the Issuer from public tenders. However, we cannot guarantee that such self-cleaning measures will be effective or that competitors will not object and raise disqualification claims. As a result, the involvement or association of our employees, managers or agents with fraud, bid rigging (*turbativa d'asta*), bribery or corruption, or other relevant violations, criminal convictions or allegations or rumors relating thereto, even in their past capacities at other companies, could therefore have a material adverse effect on our business, financial condition and results of operations. See "*Business—Regulation*," "*Business—Legal Proceedings*."

For example, on April 3, 2017, the Naples Public Prosecutor served a search warrant and a notice of a criminal investigation against three current employees and one former employee of the Issuer, and as a result, the Issuer in its capacity as employer was subject to investigation under LD 231, in relation to the alleged bribery by such employees of one or more public officials in the context of the tender for the awarding of certain cleaning services at the Santobono-Pausilipon Public Health Agency (*Azienda Ospedaliera di Rilievo Nazionale Santobono-Pausilipon*) of Napoli, which generated approximately €2.5 million in annual revenues in 2016 and had a negative contribution margin for the Issuer. Works under the project concluded in May 2017. The crime of corruption, can trigger administrative liability for the Issuer under LD 231, and at the beginning of May 2017, the Public Prosecutor requested a temporary injunction on the Issuer from contracting with public authorities pending the conclusion of the criminal investigation. Following a hearing on May 26, 2017, the judge rejected the temporary injunction, finding that the conditions for such injunction were not satisfied. On August 3, 2017, the Judge of the Preliminary Investigations (GIP) dismissed the investigation as to the position of two of the aforementioned employees, while, on December 28, 2017, the competent Judge for the Preliminary Hearing (GUP) proceeded with the indictment of the remaining employee and the former employee, as well as the Issuer. The next hearing is scheduled on January 29, 2021. The Santobono hospital has joined the proceeding seeking damages against the Issuer and its employee. See "*Business—Legal Proceedings—Naples criminal proceeding*."

Moreover, on September 23, 2020, in the context of a criminal investigation carried out by the Prosecutor of Varese in connection to certain listed crimes, including (*truffa aggravata*), fraud in public supplies (*frode in pubbliche forniture*) and false statement (*falso ideologico*) against, *inter alia*, the Chairman of the Issuer and the Issuer itself pursuant LD 231, the Issuer was notified of a preventive monetary seizure order issued by the competent Judge of the Preliminary Investigations (GIP) for approximately €58,549. However, on October 19, 2020, the Court of Review of Varese (*tribunale del riesame*), ordered the cancellation of the abovementioned seizure and ordered the restitution of the relevant sums. The investigation is still in a preliminary stage and, based on the present state of evidence, we are confident of a positive outcome of the investigation for us and our Chairman. We could be held liable pursuant to LD 231 because the alleged charges are included in the scope of application of LD 231 and therefore be exposed to the related administrative liability. See "*Business—Legal Proceedings—Varese 231 Investigation*."

Furthermore, in May 2019, a former employee of the Group was served with a formal notice concerning the conclusion of the preliminary investigation (*avviso di conclusione delle indagini preliminari*) which led to an indictment (*rinvio a giudizio*) for both the former employee and the Issuer in relation to an investigation opened by the Office of the Public Prosecutor before the Court of Alessandria in relation to two different work accidents involving two workers who suffered serious injuries. The competent Judge proceeded with the indictment for both the former employee and the Issuer pursuant to LD 231 and the next hearing is scheduled on May 27, 2021. We could be held liable pursuant to LD 231 because the alleged charges are included in the scope of application of LD 231 and therefore be exposed to the related administrative liability. See "*Business—Legal Proceedings—Other Proceedings concerning health and safety legislation and other investigations or proceedings pending against certain of our employees or former employees which could potentially trigger our liability under LD 231*."

Moreover, in December 2017 and January 2018, two current employees and a former employee of the Issuer were served with a formal notice concerning the conclusion of the preliminary investigation (*avviso di*

*conclusione delle indagini preliminari) which led to an indictment (rinvio a giudizio) for two of the employees and a request for dismissal of the charges against the other in relation to an investigation opened by the Office of the Public Prosecutor before the Court of Rome with reference to our participation in the FM4 Tender alleging bid rigging (turbativa d'asta). The competent Judge for the Preliminary Hearing (GUP) proceeded with the indictment only against of one of the employees (since the other was acquitted) and the next hearing is scheduled on November 30, 2020. However, we cannot be held liable pursuant to LD 231 because the alleged charges fall outside of the application of such legislation vis-à-vis the Issuer. See "Business—Legal Proceedings—ANAC proceeding and criminal charges against an employee of the Issuer."*

In addition, in April 2019 the Public Prosecutor before the Court of Locri notified current and former officers of Servizi Ospedalieri with preliminary notices to appear for questioning within a preliminary investigation proceeding for conspiracy to commit abuse of office in their capacity as private individuals (concorso esterno in abuso d'ufficio) in the delivery of laundering services to the health unit (ASL) of Locri. In April 2020 the Public Prosecutor of Reggio Calabria (who, based on our understanding was deemed competent for this proceeding) requested an extension of the investigation phase. According to our preliminary review of the matter, we understand that the Public Prosecutor is investigating in order to assess, *inter alia*, whether the foregoing current and former officers of Servizi Ospedalieri committed the abovementioned breaches by providing services to the ASL of Locri in the absence of any contracts or any valid reasons for a prorogation of the expired contract or for its renewal. We cannot be held liable pursuant to LD 231 because the alleged charges fall outside of the application of such legislation vis-à-vis the Issuer. See "Business—Legal Proceedings—Locri criminal investigation against former officers of Servizi Ospedalieri."

***A failure of our key information technology, inventory management and maintenance systems or processes, including the loss of capacity or the interruption of information technology hardware or infrastructure on which our systems rely, could have a material adverse effect on our ability to conduct our business.***

We rely extensively on information technology, customer relationship management, inventory management and maintenance systems to conduct our activities and to support our service delivery. These systems and processes include, but are not limited to, ordering and managing stock from suppliers, creating and updating models to inform public tenders estimates and bids, distributing products to various locations, processing transactions, summarizing and reporting results of operations, complying with regulatory, legal or tax requirements, and other processes necessary to manage the business. We also provide IT services to customers, assisting them in running and monitoring systems that are critical to their operations. Because we believe our systems represent a significant competitive advantage, if such systems are damaged or cease to function properly, or if we are unable to provide IT services to our customers, our business may suffer. In addition, we rely on external providers for information technology hardware and infrastructure which may be interrupted. These interruptions could be caused by any number of events, ranging from catastrophic events to incidents such as power outages, human error and security breaches, and if we or our external providers do not effectively compensate on a timely basis, or if our employees knowledgeable about such systems are unavailable or cease to work for us, our operations could be disrupted. In addition, while we have implemented disaster recovery solutions and procedures for certain specific systems and redundancy in our data storage, we do not currently have in place a disaster recovery plan or system covering all existing systems and infrastructures. Failures in our systems could therefore reduce our revenue, adversely affect our reputation among our customers, compromise our competitive position or otherwise have a material adverse effect on our business, financial condition and results of operations.

***Our reputation and business could be materially harmed as a result of, and we could be held liable, including criminally liable, for, data loss, data theft, unauthorized access or successful hacking.***

Our business involves the receipt and storage of information relating to our customers and employees. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and are often not recognized until launched against a target. In addition, the hardware, software or applications we use may contain defects in design or manufacture or other problems that could unexpectedly

compromise information security. We may be unable to anticipate these techniques or detect these defects, or to implement effective and efficient countermeasures in a timely manner. We operate in an environment increasingly prone to cybersecurity risks. Cybersecurity threats may include gaining unauthorized access to our systems or inserting computer viruses or malicious software in our systems to misappropriate consumer data and other sensitive information, corrupt our data or disrupt our operations. New and sophisticated malware is constantly being developed and it is possible that systems are not updated on time. Unauthorized access may also be gained through traditional means such as the theft of laptop computers, data devices and mobile phones and intelligence gathering by employees with access. Further, our employees or other persons may have unauthorized or authorized access to our systems or take actions that affect our networks in an inconsistent manner with our policies or otherwise adversely affect our ability to adequately process internal information. As a result, we need to continue to advance our capacity to identify and detect technical threats and vulnerabilities and improve our ability to react to incidents. This includes the need to strengthen security controls in the supply chain as well as to place increased focus on security measures adopted by our key partners and other third parties.

If unauthorized third parties manage to gain access to any of our information technology systems, or if such systems are brought down, unauthorized third parties may be able to misappropriate confidential information, cause interruptions in our operations, access our services without paying, damage our computers or otherwise damage our reputation and business.

The cost and operational consequences of responding to breaches and implementing remediation measures could be significant. We also experience and respond to cybersecurity threats from time to time. As our business and the cybersecurity landscape evolve, we may also find it necessary to make significant further investments to protect data and infrastructure. However, there can be no assurance that such investments will prevent future cyberattacks or other threats from occurring which may result in material adverse effects on our business, and operations. Furthermore, we may be held liable for the loss, release or inappropriate modification or storage conditions of customer or other data which are stored on our systems and database. In such circumstances, we could be held liable or be subject to litigation, penalties (including the payment of damages and interest) or adverse publicity that could have a material adverse impact on our reputation, business, financial condition and results of operations.

***Our business is exposed to fluctuations in costs related to fuel and other transportation inputs and other commodity prices.***

We operate our business on a national scale and many of the contracts we have concluded require us to deliver services or make interventions at sites scattered around Italy or the other countries in which we operate. Though our contracts for the delivery of heating fuel contain pass-through mechanisms, our business is still exposed to various fuel and other transportation inputs and other commodity prices, especially in our Laundering and Sterilization Segment. We rely on frequent restocking and maintenance of supplies (i.e. linens, fabrics and cleaning supplies), equipment and machines at a multitude of locations. As a result, fluctuations in costs related to fuel, certain fabrics and other transportation inputs can adversely affect our margins. There can be no assurance that we will be successful in passing on cost increases to customers without losses in revenue or gross margin or at all.

***Our business requires capital expenditures which may divert significant cash flow from other investments or uses, including debt servicing.***

Our activities require capital expenditures (defined as the "purchase of property, plant and equipment," "property, plant and equipment under lease" and "other intangible assets"). Our capital expenditures for the Facility Management Segment were €9.9 million, €13.8 million, €15.4 million and €14.4 million for the years ended December 31, 2017, 2018 and 2019 and for the twelve months ended September 30, 2020, respectively. For the years ended December 31, 2017, 2018 and 2019 and for the twelve months ended September 30, 2020, our capital expenditures for the Laundering and Sterilization Segment (related to maintenance, upgrade of existing equipment, purchases of new equipment and purchases of linen) were €21.6 million, €18.2 million, €18.7 million and €16.3 million, respectively. We may find it necessary or advisable to increase our capital

expenditures in the event we make acquisitions or further expand our operations, or as a result of factors beyond our control, such as changes in EU, national or local governmental requirements. We can provide no assurance that our capital expenditure will not increase, and such increases may divert significant cash flows from other investments or uses, including debt servicing, which could have a material adverse effect on our business, financial condition and results of operations.

***We have a significant amount of goodwill and if our goodwill becomes impaired, we may be required to record a significant charge to earnings.***

We have a significant amount of goodwill. As of September 30, 2020, we had goodwill of €390.0 million, which represented 33.0% of our total assets as of such date. Goodwill is subject to impairment testing at least annually, or more frequently if there are signs of potential impairment in the carrying amounts. Fair value is determined based on the discounted cash flows from our cash-generating units based on an estimate of expected cash flows from such cash-generating unit. See "*Management's discussion and analysis of financial condition and results of operations—Critical accounting policies—Impairment of goodwill and other assets.*" Changes in estimates of future cash flows caused by items such as unforeseen events or changes in market conditions could negatively affect our reporting unit's fair value and result in an impairment charge. Factors that could cause us to change our estimates of future cash flows include a prolonged economic crisis, successful efforts by our competitors to gain market share in our core markets, our inability to compete effectively with other operators or our inability to maintain price competitiveness. An impairment of a significant portion of our goodwill would require us to record a correspondingly significant charge in our income statement which could have a material adverse effect on our business, financial condition and results of operations.

***Our insurance is limited and subject to exclusions, and depends on the ongoing viability of our insurers; we may also incur liabilities or losses that are not covered by insurance.***

We undertake a significant amount of services and activities across multiple locations. We currently have in place a number of different insurance policies that cover property damage, environmental liabilities and losses due to the interruption of our business in accordance with market practice in the industry and subject to customary conditions. Our other fixed assets, such as machines used in our Laundering and Sterilization Segment and our office equipment used for Group administration, are protected by a bundled industrial insurance policy (damages from fire, catastrophes, theft, flood and severe weather) that includes a business interruption insurance when business interruption is caused by an insured property damage.

We believe that our insurance coverage is adequate to cover the risk of loss resulting from any damage to our property. However, the insurance policies are subject to limits and exclusions. Furthermore, we do not have insurance coverage for all interruptions as a result of operational risks because such risks cannot be insured or can only be insured on unreasonable terms. There can be no assurance that our insurance program would be sufficient to cover all potential losses, that we will be able to obtain sufficient levels of property insurance coverage in the future or that such coverage will be available on terms acceptable to us. In addition, recent turmoil and volatility in the global financial markets, as well as the ongoing effects of the COVID-19 outbreak, may adversely affect the insurance market. This may result in some of the insurers in our insurance portfolio failing and being unable to pay their share of claims as well as in an increase in the insurance costs.

Moreover, certain types of losses, such as those resulting from earthquakes, floods, hurricanes, environmental hazards or terrorist acts, may be uninsurable or not economically insurable. In addition, there is no protection against the risk that customers will fail to pay in full or on time. We will use our discretion in determining amounts, coverage limits, deductibility provisions and the appropriateness of self-insuring with a view to maintaining appropriate insurance coverage at a reasonable cost and on suitable terms. If we suffer an uninsured or underinsured loss, we could lose all or a portion of the capital we have invested in a business or property as well as the anticipated future revenue from such business or property. Such uninsured or underinsured losses could harm our business, financial condition and results of operations. See "*—The COVID-19 pandemic has impacted our operations and this or other future pandemics could impact our business, financial condition and results of operations.*"

***We may face labor disruptions that could interfere with our operations and have a material adverse effect on our business, financial condition and results of operations.***

As of December 31, 2019, we employed approximately 17,700 full-time equivalents in Italy, approximately 9,805 full-time equivalents in Poland via the Naprzód Group with the remainder in our international markets, including Turkey, and France. We are involved in certain labor disputes related to damages, dismissals (including collective dismissals) and wage disputes. Applicable law and sectoral collective bargaining arrangements, including the CCNL Multiservizi in Italy, regulate our relations with our employees and our ability to manage, and in certain cases, discontinue our employment relationships. See “—Our ability to manage our labor costs is primarily dependent upon provisions of the collective bargaining agreement applicable to cleaning and facility management that allow the transfer of employees to and from the Group upon the awarding or loss of a contract for cleaning and/or facility management, as applicable.”

In addition, we are required to consult and seek the advice of our employee works councils with respect to a broad range of matters, which could prevent or delay the completion of certain corporate transactions (such as the transfer of undertakings or lay-off procedures). Consultations with works councils, strikes, similar industrial actions or other disturbances by our workforce, particularly where there are union delegates, could disrupt our operations, result in a loss of reputation, increased wages and benefits or otherwise have a material adverse effect on our business, results of operations and financial condition.

Although management believes that its relationship with employees, work councils and trade unions is generally good, there can be no assurance that there will not be labor disputes and/or adverse employee relations in the future. Disruptions of business operations due to strikes or similar measures by our employees or the employees or any of our significant suppliers could have a material adverse effect on our business, financial condition and results of operations. See also “—We rely on employee leasing arrangements for a number of our employees which could be re-characterized by employment tribunals or tax authorities, resulting in substantial liabilities,” “—We are subject to extensive regulatory requirements” and “Business—Employees and labor arrangements.”

***Our operations could be adversely affected if we are unable to retain key employees and/or key members of our management.***

We depend on certain key executives and personnel for our success. Our performance and our ability to implement our strategy depend on the efforts and abilities of our executive officers and key employees. Our operations could be adversely affected if, for any reason, a number of these officers or key employees do not remain with us.

***We are subject to risks related to legal and arbitration proceedings in the normal course of our business and otherwise as well as risks related to public contracts litigation.***

We are subject to the risk of legal claims and proceedings (including labor disputes) and regulatory enforcement actions in the ordinary course of our business and otherwise. In addition, public tenders we win from PSEs and healthcare customers may be challenged by third-party competitors, and the resultant litigation in administrative courts could be protracted and cause delay to our projects. From time to time, we have been party as defendant or plaintiff in various claims and lawsuits incidental to the ordinary course of our business, such as those related to labor issues, restitution of retainers, and challenges to public tenders won or lost. As of September 30, 2020, our provisions for litigation risks (including tax litigation) amounted to €105.9 million.

The results of pending or future legal proceedings are inherently difficult to predict and we can provide no assurance that we will not incur losses in connection with current or future legal or regulatory proceedings (including tax audits) or actions that exceed any provision we may set aside in respect of such proceedings or actions or that exceed any insurance coverage available, which may have a material adverse effect on our business, financial condition and results of operations. See “Business—Legal Proceedings.”

***We are from time to time involved in various tax and social security audits and investigations and we may face tax and social security liabilities in the future.***

We are from time to time subject to tax and social security audits and investigations by tax, social security and other public authorities in countries where we operate, which may include, without limitation, investigations with

respect to the corporate and indirect tax regime of our transactions and value-added tax classification and social security contributions. For example, we were served a report of findings (*processo verbale di constatazione*) from the Italian Tax Police of Bologna in 2019, claiming €1.7 million of unpaid taxes, which at the date of this Offering Memorandum was resolved through payment of a fine and entry into a settlement agreement (*ravvedimento operoso e adesione*). Adverse developments in these laws or regulations, or any change in position by the relevant authorities regarding the application, administration or interpretation of these laws or regulations, could have a material adverse effect on our business, financial condition and results of operations or on our ability to service or otherwise make payments on the Notes and our other indebtedness. In addition, the relevant authorities may disagree with the positions we have taken or intend to take regarding the tax and social security treatment or characterization of any of our transactions. It may be necessary to defend our tax and social security filings in court if a reasonable settlement cannot be reached with the relevant authorities and such ensuing litigation could be costly and distract management from running our business. Audits and investigations by the competent authorities may generate negative publicity which could harm our reputation with customers, suppliers and counterparties. The financial impact of any tax or social security reassessment in connection with our business could have a material adverse effect on our business, financial condition and results of operations. In addition, investigations and convictions for certain of such breaches may render us ineligible to maintain our existing contracts and/or participate in current and future public tenders, which could have an adverse effect on our business, results of operations and financial condition.

***We rely on certifications by industry standards-setting bodies.***

We are required by the applicable Italian and other applicable regulatory framework to obtain certain mandatory certifications and comply with professional licensing requirements. In addition, some of our customers have required us to obtain one or more internationally recognized certifications, such as the UNI EN ISO 14001 and EMAS certifications for our activities, or we do on a voluntary basis because we believe these certifications provide advantages to our internal or quality controls and the terms of certain public tenders confer advantages on bidders who are so certified. We incur significant costs and expenses, including any necessary upgrades to our equipment and fixed assets, associated with maintaining these certifications. If we fail to maintain any of our certifications, our business may be harmed because our customers that require them may cease contracting our products or services which in turn could have a material adverse effect on our business, financial condition and results of operations.

***We provide transportation services to patients and storage, management and transportation of drugs services which may expose us to liabilities.***

We provide, among other services, transportation services to patients between medical facilities and outpatient centers and between other locations. Medical and health and safety risks are inherent in such services. A medical or health and safety incident could be particularly serious, as the patients are recovering from surgery, ill or otherwise vulnerable. Our activities are also exposed to significant medical risks relating to the storage, management and transport of drugs for residents and patients, or residents and patients being harmed by one or more of our employees and other patients, either intentionally, through negligence, or by accident. Other health and safety risks include road and weather hazards. If any of the above medical or health and safety risks were to materialize, we may be held liable, have to incur certain costs, including fines that are not covered by our insurance policies, which could have a material adverse effect on our business, financial condition and results of operations.

***We are exposed to risks associated with food safety and the food supply chain, which may subject us to liability claims, damage our reputation or affect our relationship with customers.***

One of Naprzód Group's activities is the preparation and service of food in connection with the provision of outsourced services (contract catering). As a result, we are exposed to damage resulting from actual or perceived issues regarding the safety or quality of the food prepared or provided by us. Claims of illness or injury relating to contaminated, spoiled, mislabeled or adulterated food can require costly measures to investigate and remediate to, such as withdrawing products from sale or destroying supplies and inventory that are unfit for consumption.

Naprzód Group's catering activity relies on strict adherence by employees to standards for food handling and restaurant operations. Claims related to food quality or food handling are common in the food service industry. If we are found negligent in food safety, we may be exposed to significant liability, which could have material adverse effect on our business, financial condition and results of operations.

Even if any such claims are without merit, any negative publicity as a result of allegations of unsafe food service can have a significant impact on our reputation and could negatively impact Naprzód Group's ability to maintain existing or win new catering contracts.

Furthermore, catering exposes us to risks related to the food industry in general, such as widespread contamination, nutritional and other health-related concerns. From time to time, food suppliers are forced to recall products and as a result we may have to remove certain products from our inventory and source inventory from other providers. Such events can be disruptive to our business.

If any of the above were to occur to a significant degree, it could have a material adverse effect on our business, financial condition and results of operations.

***If we are found to have violated laws protecting the privacy and confidentiality of patient health information, we could be subject to civil or criminal penalties, which could increase our liabilities and harm our reputation or our business.***

As part of our business, we process and come into possession of patient health information. EU and national laws including the EU General Data Protection Regulation 2016/679 (the "GDPR") and the Italian Privacy Code (Legislative Decree No. 196/2003, as amended by Legislative Decree No. 101/2018, which adapted applicable Italian rules to GDPR), regulate the use and handling of such information and if we or any outsourced third-party providers violate the privacy or confidentiality of patient health information, we could be subject to administrative, civil or criminal penalties. We have implemented safeguards to protect the integrity of our data systems, monitor the activities of any outsourced third-party providers and we have trained the relevant staff with respect to procedures we deem adequate. However, there can be no assurance that we will be successful in protecting the privacy and confidentiality of patient health information, including as a result of a breach of any applicable laws or regulation by third-party providers to which we outsource certain activities including processing, handling and storing patient health or other confidential information. If we breach our obligations under the relevant laws, including the GDPR, and any relevant implementing laws and regulations, the resultant liabilities or harm to our reputation may have a material adverse effect on our business, financial condition and results of operations.

***If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.***

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Any inability to provide reliable financial reports or prevent fraud could harm our business, including through harm to our reputation. This risk is increased as a result of our increased acquisition activity, as the entities that we acquire may not have internal control procedures of an effectiveness equivalent to ours. If we fail to maintain, or fail to cause the companies we acquire to adopt and maintain, adequate internal controls our financial statements may not accurately reflect our financial condition.

Rekeep S.p.A.

By: 

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