

Zola Predosa, April 29, 2022

The following discussion updates certain of the operational risk factors (and related legal proceedings) described in the Offering Memorandum dated January 20, 2021 and subsequent disclosure made to bondholders.

We confirm that the other risk factors described in the above mentioned Offering Memorandum and not updated hereafter, remain applicable to the group, mutatis mutandis, with no material changes, unless otherwise indicated.

All defined terms used herein have the same meaning as ascribed to such terms in the above mentioned Offering Memorandum.

Risk factors update

Risks related to our business

The following risk factor replaces the risk factor “Our business is exposed to fluctuations in costs related to fuel and other transportation inputs and other commodity prices” from the Offering Memorandum.

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

The costs for fuel, crude oil, energy, gas, certain fabrics and other transportation inputs are strongly influenced by the overall economic conditions in the United States, Europe, Russia and other international markets. Despite an improvement in global economic conditions in 2021, the global economy has recently experienced one of its sharpest downturns in history as a result of the COVID-19 pandemic, and potential global turmoil that may occur in connection with the ongoing conflict between Russia and Ukraine, which is causing severe social and economic consequences for the countries directly involved as well as the European continent, as tension between Russia, the European Union, the United States and other countries continues to increase. In particular, the conflict has caused, among other things, a material surge in oil, natural gas and other energy prices. 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. While certain of 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, both in our Laundering and Sterilization and Facility Management Segments. 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, crude oil, energy, gas, certain fabrics and other transportation inputs can adversely affect our margins, as 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. In addition, an increase of costs for fuel, crude oil, energy, gas, certain fabrics and other transportation inputs, even if successfully passed on to our customers, could require immediate higher working capital needs (and higher sureties) that can be charged to customers only at a later stage, which could affect our business, financial condition and results of operations.

The following risk factor is added to the risk factors indicated in the Offering Memorandum.

The ongoing military action between Russia and Ukraine could adversely affect our business, particularly in bordering countries such as Poland and Romania.

On February 24, 2022, Russian military forces commenced a military operation in Ukraine, and sustained conflict and disruption in the region is likely. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage. We do not currently have any contracts with the entities or businesses on the sanctions lists and we currently do not have operations in Ukraine, Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People's Republic or the so-called Luhansk People's Republic. However, the situation is rapidly evolving and we have no way to predict the progress or outcome of the conflict, including any involvement of bordering countries such as Poland and Romania, where we operate. Should any such event occurs, it could affect our business, financial condition and results of operations.

The following risk factors are updated to reflect the discussion below (and related legal proceedings).

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

As discussed in the Offering Memorandum, 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 carried out two investigations with respect to certain contracts entered into by the Servizi Ospedalieri, which we understand were concluded in March and August 2021, respectively, and concluded that the relevant renewal of the contracts in favor of Servizi Ospedalieri were not grounded on valid legal basis. As a result, Servizi Ospedalieri may be requested to refund profits arising from the above mentioned contract renewals by the relevant contracting authorities.

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

As an update to what referred in the Offering Memorandum, on January 25, 2022 the Council of State upheld Rekeep's appeal therefore confirming the ANAC Santobono-Pausilipon TAR Lazio Decision. However, on April 8, 2022, one of our competitors appealed such decision from the Council of State before the Italian Supreme Court; such appeal does not have any suspensive effects of the Council of State 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.

As described in the Offering Memorandum, on June 2, 2019, the European Court of Justice ruled on the 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. The hearing on the merits of the appeal brought by the Issuer before the Council of State (*Consiglio di Stato*) was held 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 appealed such decision of the Council of State before the Italian Supreme Court (*Corte di Cassazione*) on jurisdictional grounds, which, however, declared such appeal inadmissible.

In addition, as an update to the information we had received at the time of the Offering Memorandum that a tendering authority was considering whether to exclude us in light of the CONSIP School ICA Decision, we were informed that such tendering authority finally excluded us, which decision we appealed before the competent administrative court.

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.

As described in the Offering Memorandum, the Issuer has been excluded from a public tender procedure upon decision of the relevant 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 resulted in such tendering authority still excluding us even if grounded on different basis than the ICA FM4 Decision.

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

As a result of an investigation concluded in November 2021, in April 2022, the Public Prosecutor before the Court of Bari notified the Chairperson of Servizi Ospedalieri of the scheduling of a preliminary hearing to be held on May 20, 2022, appending a request for indictment for three hypotheses of crime, namely speculative practices in primary commodities (*manovre speculative su merci*), attempted fraud against the State, a public entity, or the European Union (*tentata truffa aggravata*) and public procurement fraud (*frode nelle pubbliche forniture*), in connection with the alleged sale of personal protective equipment at out-of-market prices. As of the date hereof, Servizi Ospedalieri has not been notified of any involvement pursuant to LD 231 but we cannot exclude that any such involvement will occur due to certain of the alleged charges being included in the scope of application of LD 231.

Rekeep S.p.A.
By: _____
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Title: Chairman and CEO