SOLUTIONS 30

Solutions pour les Nouvelles Technologies

Interim report

H1 2017

1- Overview of results for the first half of 2017 and period highlights

2- Interim consolidated financial statements at 30 June 2017

II - Adjusted EBITDA up 38% and adjusted EBIT up 35%

Adjusted EBITDA grew 38% to €10.6 million, giving a relative value of 9.0% of revenue, which is a slight increase on 8.9% in first half 2016. This growth was achieved despite the 1.1 point increase in direct operating costs as a result of accelerating operations in France, offset by tight control of committed fixed costs.

Taking into account €1.5 million in operating depreciation and amortisation on S30.Net business software and equipment used by the Group's technicians, adjusted EBIT came out at €9.1 million, up 35%.

Net finance costs were €(0.8) million (€(0.4) million one year earlier). This includes €0.2 million in non-recurring expenses for the structured finance arranged early in the year to underpin the Group's acquisition strategy (€35 million credit line over six years, renegotiation of the medium-/long-term debt in the amount of €30 million over six years, and €10 million in confirmed short-term debt over five years).

Net profit/(loss) from consolidated companies rose to €6.2 million from €4.3 million in the same period last year. Net income, Group share was up 39% to €4.9 million.

III – Sound financial structure

At 30 June 2017, Group equity was €41.6 million, up from €37.5 million at 31 December 2016, for net debt of €28.1 million, compared with €20.6 million one year earlier.
With gearing (net debt/equity) at 67% and an interest coverage ratio (adjusted EBIT/net financial expense) of 11.8x, the Group has the flexibility and agility required to pursue its growth strategy.

IV - Outlook for growth confirmed

This strong performance in the first half supports our target of double-digit profitable growth in full-year 2017.

In the second half of the year, Solutions 30 will continue to control increases in direct costs arising from the consolidation of recent German acquisitions, from the start-up of Energie business activities in Italy and from investments in France to roll out high-speed internet access and install Linky smart meters.

Consolidated financial statements

30/06/2017

SOLUTIONS 30 GROUP

6 RUE DICKS
L1417 - LUXEMBOURG

ATRIOM
Audit & Consolidation

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Introductory note: All data given in these summary consolidated financial statements are in thousands of euro (K€), unless otherwise specifically stated as millions of euro (M€).

1 Half-year summary

1.1 Revenue

Solutions 30 S.E.'s consolidated revenue for first-half 2017 totalled €117.2 million, an increase of 35.8% over 2016.

Growth in the Group's international business (Benelux, Germany, Italy and Spain) was a strong 69.2%, and now accounts for 36.1% of the total, up from 29.8% in 2016.

Growth in France was organic for the most part in France, fuelled by growth in Energie business (including the installation of Linky smart meters and the roll-out of fibre optic, (high-speed internet infrastructure).

Growth in the international market was primarily due to the acquisition of ABM Communication and VKDFS in Germany during the first half, and continued expansion of JANSSENS Group in Belgium.

1.1.1 Breakdown of revenue for the half-year and geographical breakdown

in millions of euro	H1 2017	H1 2016	Change M€	% change
Total	**117.2**	**86.3**	**30.9**	***35.8%***
O/w France	74.9	61.3	13.6	*22.2%*
o/w international	42.3	25.0	17.3	*69.2%*

1.1.2 The French market

Revenue in France grew 22.2% year-on-year to €74.9 million, accounting for 63.9% of total revenue.

Growth in France was essentially organic across all business segments, fuelled by the roll-out of fibre optic and the Energie business (notably the installation of Linky smart meters).

SOLUTIONS 30 is also strategically positioned in the connected objects market and has established partnerships with manufacturers and integrators, with good prospects going forward.

1.1.3 The international market

The Group recorded strong momentum in the international market in the first half of 2017 with robust 69.2% year-on-year growth in revenue to €42.3 million. This growth was down to acquisitions during the period and the development of 2016 acquisitions.

Performance in Germany and the Benelux countries was particularly strong.

The Group strengthened its presence in the EU through:

- acquisition of an additional 40% of the capital of REXION Computer (Spain) bringing our stake to 100%;
- acquisition of 51% of German firm ABM Communication, specialising in high-speed internet,
- acquisition of 100% of VKDFS, a former Vodafone subsidiary, to strengthen its positioning in Germany.

1.2 Performance and operations management

1.2.1 Operating profitability

Adjusted EBITDA (see note 8.15 to the consolidated financial statements) came out at €10.6 million, up 37.7% on 2016.

Net amortisation expense and recurring provisions amounted to €(1.5) million (see note 8.15), a 62.2% increase year-on-year. Growth was driven in the main by investments in information systems in 2016 and the increase in capital assets on the acquisition of new companies.

Adjusted EBIT (before amortisation of intangible assets and non-recurring items) came out at €9.1 million, up 34.5%.

Amortisation of customer relations had an impact of €(1.1) million in 2017, compared with €(0.6) million in 2016. The increase was down to the capitalisation of Atlantech and ABM customer relations in the second half of 2016.

Non-recurring profit/(loss) (see note 8.15 to the consolidated financial statements) was €(1.0) million at 30 June 2017, from €(1.1) million in 2015. It breaks down into two parts:

- A total of €(2.3) million in non-recurring provisions and charges for restructuring and transformation programs following acquisitions.
- €1.3 million in non-recurring income for the period, due to negative goodwill recognised following the acquisition of new subsidiaries.

Net finance costs were €(0.8) million, of which €0.2 million related to a structured financing deal. This is in line with the company's medium-/long-term debt level, overdrafts and factoring.

Impairment of goodwill totalled €(0.8) million in 2017, unchanged from 2016.

Consolidated profit/(loss) for the consolidated entity totalled €6.2 million. Net income, Group share was €4.9 million, up 39.3% from €3.5 million at the end of June 2016.

(in thousands of euro)	30/06/2017	30/06/2016	Change
Revenue	117.2	86.3	35.8%
Adjusted EBITDA (1) *As a % of revenue*	10.6 9.0%	7.7 8.9%	37.7%
Operating income - adjusted EBIT (2) *As a % of revenue*	9.1 7.8%	6.8 7.9%	37.2%
Net profit/(loss) before taxes (3) *As a % of revenue*	6.3 5.4%	4.7 5.5%	34.6%
Net profit/(loss) from consolidated companies (3) *As a % of revenue*	6.2 5.3%	4.3 5.0%	43.9%
Net income (Group share) *As a % of revenue*	4.9 4.2%	3.5 4.1%	39.3%
Structural financial data			
Equity	41.6	31.1	
Net debt	28.1	11.2	
Interest Coverage Ratio (4)	11.8 x	28 x	

(1) Operating profit/(loss) on recurring operations (*) before depreciation, amortisation and provisions, net of reversals

(2) operating profit/(loss) on recurring operations (*) before amortisation of intangible assets, including customer relations

(3) Before amortization of goodwill

(4) EBIT/net financial expense — Interest coverage ratio

(*) Income and expenditure that are significant in terms of their amount, unusual in nature or infrequent are considered as non-recurring operations (see note 8.15).

1.2.2 Financial structure

At 30 June 2017, the Group had €41.6 million in total equity (€37.5 million at end 2016).

The Group's gross cash position was €17.9 million at the end of H1 2017 (€22.0 million at the end of 2016) for €46.0 million in gross financial debt, including €1.4 million in cash credit, compared with €42.5 million at 31 December 2016. Net debt stood at €28.1 million at 30 June 2017, from €20.6 million at end-2016, reflecting the pace of acquisitions during the period.

The interest coverage ratio was11.8 X at 30 June 2017, highlighting the leeway available to SOLUTIONS 30 to pursue its external growth strategy in France and in Europe, in a sustained low interest rate environment.

1.2.3 Risk factors

1.2.3.1 *Risks arising from business activities*

1.2.3.1.1 Customer risk

The bulk of our revenue is generated from key accounts that enjoy strong brand recognition in the European market.

Losing one of these customers could have an impact on SOLUTIONS 30's revenue, profit/(loss) and outlook. Nonetheless, the company considers that this risk is managed through the quality of its customer service and its customer satisfaction rate.

1.2.3.1.2 Supplier risk

As a provider of services, SOLUTIONS 30 contracts out to external service providers. In our opinion, there are no significant supplier risks.

The main suppliers are call centre service providers, logistics service providers, long-term company car rental companies and external IT maintenance service providers.

The risk of economic dependence is low to zero, since alternatives are available to SOLUTIONS 30 for each purchasing segment.

With respect to providers directly related to the Group's business, such as call centre, and external service providers (local subcontractors), the contracts between these providers and the company include SLAs and performance measurement rules, and thus provide the company with a degree of security.

1.2.3.1.3 Risk associated with acquisitions policy

The company completed acquisitions during the 2017 financial year to consolidate its service offering and accelerate growth.

Acquisitions involve certain risks, in areas such as consolidation difficulties, losing key personnel in the target company, losing customers and uncovering disputes, amongst others.

We are extremely vigilant and perform comprehensive due diligence on each potential acquisition.

1.2.3.1.4 Competition risk

We have many competitors in our business in Europe, relatively speaking. However they tend to be small or medium enterprises, reflecting the fragmented nature of the digital assistance market.

The French market is a good example of the situation in Europe. Our European markets are fairly similar to the market in France in terms of the competitive landscape, made up of small firms and a few service providers with organised networks. Our small competitors are not well placed to handle large corporate accounts.

1.2.3.1.5 Recruitment risk

Recruiting, managing and training technical staff is essential to our and our subsidiaries' business. SOLUTIONS 30's reputation and share of mind is an advantage when it comes to hiring. We had no difficulties in recruiting staff in 2017.

1.2.3.2 *Financial risk*

1.2.3.2.1 Liquidity risk - funding working capital requirements

The SOLUTIONS 30 group has short-, medium- and long-term debt with total capital outstanding on 30 June 2017 of €46.1 million from €42.5 million at the end of 2016.

During the period, the Group negotiated €76 million in structured finance and employed 60% of these funds to close out legacy loans and finance new acquisitions.

At 30 June, SOLUTIONS 30 complied with all early redemption clauses. In view of the Group's good financial health, the probability of occurrence of events giving rise to default and early redemption clauses is very low.

<u>Working capital requirements and capacity to access credit</u>

Working capital requirements remained stable, despite the increase in revenue due to careful customer cycle management in 2017 in France and the positive impact of new acquisitions in Germany.

In the Group's opinion, it is not exposed to liquidity risk, either in the 2017 financial year or in subsequent years, due to a deconsolidating factor.

1.2.3.2.2 Rate risk

The SOLUTIONS 30 Group owned no financial assets as at 30 June 2017, other than money market mutual funds for cash investments. Thus, the Group implements a prudent management model by short-term investments (approximately three months and according to projected liquidity needs) in money market mutual funds and term accounts with leading financial institutions. It takes no financial risks in its policy for investing its cash.

1.2.3.2.3 Currency risk

All of our and subsidiaries' business is in the euro one. The vast majority of our services are invoiced and paid in euro. Payments for call centre services based in Morocco, Tunisia and Poland are transacted in dirhams, dinars or zloty. The currency risk is not material as the amounts involved are insignificant.

1.2.3.2.4 Equity risk

The company had no shares at 30 June 2017. We have no dealings on the market.

1.2.3.2.5 Risk related to off-balance sheet commitments

The company's off-balance sheet commitments consist of sureties and guarantees for a total of €1,050 K. This amount is detailed in note 8.12.1.

Pursuing its acquisitions program, Solutions 30 committed to purchasing, if requested, the remaining capital held by the long-standing shareholders in ABM, Janssens Group and Autronic. This buyback has been agreed on the basis of a valuation calculated as a multiple of EBITDA. Balancing this commitment, the minority shareholders have agreed to dispose of their holdings, according to the same time frame and on the same measurement basis.

On 23 May 2017, we disposed of five shares in Autronic reducing our stake to a minority shareholding. We acquired the remaining 40% of REXION's capital in April 2017. With our existing 60% share as at 31 December 2016 SOLUTIONS 30 now has full ownership of the company.

1.2.3.3 *Legal, regulatory and tax risks*

1.2.3.3.1 Dependence with regard to patents and licences

The company is not dependent on any patent or licence whose loss or withdrawal could be damaging to our business.

Besides the standard office software licenses, the company has full ownership of brands and licences used in the normal course of our business. More specifically, we invest in our own tools and software on a recurring basis to optimise the operation and management of our activities.

1.2.3.4 *Government, economic, budget, monetary or political risks*

Entities within the Group are approved under the measures introduced by the "BORLOO" law for in-home IT assistance (including assistance, maintenance, installation and training). This accreditation means individuals can claim a tax deduction on all personalised services offered by SOLUTIONS 30, which brings down the total cost of the services

A challenge to these tax incentives could increase the cost of our services for individuals, which in turn would have a negative impact on the appeal of our offer. However, in view of the weighting of this aspect of our business, this risk is extremely limited.

No other government, economic, budgetary, monetary or political pending or threatened factor has been identified to date by the company that could influence the company's or the Group's financial position or profitability.

At 30 June 2017, SOLUTIONS 30 received a competitiveness and employment tax credit (CICE by the French acronym) in the amount of €1.3 million (€0.7 million in June 2016).

1.2.3.5 *Tax risk*

No tax audits were notified to the Group during 2017.

To the company's knowledge, there are no factors likely to have a negative impact on its financial position in the event of an inspection of Group entities to verify fulfilment of their tax obligations.

1.2.3.6 *Review of risk: list of material risks*

SOLUTIONS 30 conducted a review of its risks and is of the opinion that there are no other material risks.

The following is a list of the most significant risks and their description:

- Customer risk
- Risk associated with acquisitions policy

1.2.3.7 *Treasury shares*

The company holds no treasury shares as at 30 June 2017.

1.2.3.8 *Use of financial instruments*

The Group does not use complex financial instruments, such as derivatives or structured products.

1.2.3.9 *Significant events since 30 June 2017*

- SOLUTIONS 30 signed a partnership agreement with Fujitsu in July 2017 covering local IT support for users in France;
- We closed one of our Spanish subsidiaries, Telima Espana, on 31 July 2017 to simplify our legal organisation chart.

1.2.3.10 *Outlook*

Our outlook for the second half of 2017 is:

- continued growth in the second half, maintaining our forecast for sustained double-digit profitable growth;
- continued and controlled external growth;
- continued expansion in the international market, giving priority to German and Italy.

Progress towards reaching these targets will be centred around three growth drivers, namely:

- roll-out of digital technologies and strong growth in connected objects;
- international expansion;
- consolidation of our market through external growth.

2 Consolidated balance sheet

ASSETS	Notes	30/06/2017	31/12/2016
A. Capital assets		**51,667**	**43,420**
1. Intangible assets	**8.1**		
1. Concessions, patents, licenses and trademarks acquired for valuable consideration		19,514	20,317
2. Business assets, insofar as acquired for valuable consideration		186	202
3. Down payments made and intangible assets under construction		3,493	685
4. Goodwill		15,130	15,953
II. Tangible assets	**8.2**		
1. Land and buildings		13	85
2. Technical facilities and machines		4,162	3,625
3. Other facilities, tooling and furniture		1,772	1,608
4. Down payments made and tangible assets under construction		0	0
III. Non-current assets	**8.3**		
1. Shares in associates		909	0
2. Non-current loans and receivables		6,488	945
B. Circulating assets		**120,549**	**114,026**
I. Inventories	**8.4**		
1. Finished products and goods		5,875	5,819
2. Down payments made		284	102
II. Receivables	**8.5**		
1. Receivables from sale and provision of services			
a) with a remaining term of one year or less		55,209	46,716
2. Other receivables			
a) with a remaining term of one year or less		35,521	36,382
3. Deferred tax assets		1,763	1,757
III. Securities	**8.7**		
1. Other investments and other financial instruments		1,065	8,743
IV. Credits in banks, in checking accounts cheques and cash	**8.7**	16,859	13,235
V. Accruals	**8.6**	3,973	1,271
TOTAL ASSETS		**172,216**	**157,446**

The notes form an integral part of the consolidated financial statements.

LIABILITIES	Notes	30/06/2017	31/12/2016
A. Equity	**8.8**	**41,559**	**37,509**
I. Subscribed capital		10,488	10,425
II. Discount		6,285	3,848
III. Reserves			
1. Legal reserve		1,081	767
2. Consolidated reserves		17,632	12,352
IV. Profit or loss for the period, Group share		4,877	8,379
V. Minority interests		1,196	1,739
B. Provisions	**8.9**	**4,464**	**5,327**
1. Other provisions		4,464	5,327
C. Unsubordinated debt		**125,622**	**113,891**
1. Bank borrowings and other liabilities to banks	**8.10**		
a) with a remaining term of one year or less		10,258	19,996
b) with a remaining term of more than one year		35,800	22,553
2. Down payments received on orders	**8.11**		
a) with a remaining term of one year or less		943	278
3. Debts on purchases and provision of services	**8.11**		
a) with a remaining term of one year or less		29,451	21,666
4. Other financial liabilities, incl.	**8.11**		
a) Tax liabilities		27,328	34,328
b) Social security liabilities		14,942	14,266
c) Other liabilities with a remaining term of one year or less		6,899	804
D. Accruals		**571**	**720**
Total liabilities		**172,216**	**157,446**

The notes form an integral part of the consolidated financial statements.

3 Consolidated income statement

	Notes	30/06/2017	30/06/2016
1. Net revenue	**9.1**	117,200	86,507
2. Change in inventory of finished products and work in progress		0	0
3. Works carried out by the company for its own account and capitalised		3,082	516
4. Other operating income		2,256	2,253
5. Purchases and external charges		(68,695)	(52,641)
a) Raw materials and consumables		*(4,562)*	*(2,433)*
b) Goods		*(3,505)*	*(4,041)*
c) Other external expense		*(60,050)*	*(45,662)*
d) Other taxes not posted in income tax		*(577)*	*(505)*
6. Payroll expense		(43,267)	(27,560)
a) Wages and salaries		*(32,370)*	*(20,406)*
b) Social charges, with pensions listed on a separate line		*(10,897)*	*(7,154)*
7. Allowances for loss/impairment	**8.13**	(3,338)	(2,269)
a) on preliminary expense, tangible and intangible assets		*(3,879)*	*(2,386)*
b) on circulating asset items, insofar as they exceed the company's normal allowance for impairment		*179*	*(165)*
c) on provisions for contingent liabilities		*362*	*282*
8. Other operating expenses		(2,273)	(2,400)
9. Income from equity interests, detailing income from associates on a separate line	**8.14**	1,787	38
10. Income from other investments and long-term receivables, detailing income from associates on a separate line		0	0
11. Other interest and similar income, detailing income from associates on a separate line	**8.14**	116	336

12. Allowances for loss/impairment on non-current assets and investments included in assets		0	0
13. Interest and similar expense, detailing the amounts due to associates on a separate line	**8.14**	(1,379)	(810)
14. Income tax	**8.16**	(135)	(474)
15. Profit/(loss) for the period		**5,355**	**3,496**
Of which group share		4,877	3,487
of which minority interests share		478	9

The notes form an integral part of the consolidated financial statements.

4 Changes in total equity - Group share

(in thousands of euro)	Share capital	Premiums	Legal reserve	Consolidated reserves	Profit/(loss) for the period	Total Group equity	Total minority interests	Total equity
Position at the closing date on 31/12/2015	7,585	2,883	754	9,142	6,119	26,483	182	26,665
Appropriation of 2015 profit/(loss)			13	6,106	(6,119)	0		0
Profit/(loss) for the period					8,379	8,379	(271)	8,108
Capital increase	2,840	965		(2,759)		1,046		1,046
Other changes				(137)		(137)		(137)
Changes in scope						0	1,828	1,828
Position at the closing date on 31/12/2016	10,425	3,848	767	12,352	8,379	35,771	1,739	37,510
Appropriation of 2016 profit/(loss)				8,379	-8,379)	0		0
Profit/(loss) for the period					4,877	4,877	478	5,355
Capital increase						0		0
Other changes	63	2,437	314	(3,099)		(285)		(285)
Changes in scope						0	(1,021)	(1,021)
Position at the closing date on 30/06/2017	10,488	6,285	1,081	17,632	4,877	40,363	1,196	41,559

The company decided on 12 June 2017 to increase the share capital by €62,244.08, raising it from €10,424,663.16 to €10,487,907.24, through the issue of 124,008 new shares at a par value of €0.51, with a total share premium of €2,436,757.20;

5 Financial reporting framework, consolidation methods, measurement basis and significant accounting policies

5.1 Financial reporting framework and consolidation methods

5.1.1 Financial reporting framework

The company is structured as a European Company as of 19 February 2013.

The Solutions 30 parent company's registered office was established in the Grand Duchy of Luxembourg on 1 August 2013. Accordingly, the consolidated financial statements of the SOLUTIONS 30 Group have been prepared since that date, in accordance with the legal and regulatory provisions relating to the preparation and presentation of consolidated financial statements applicable in Luxembourg.

With the exception of the presentation of the balance sheet and income statement and, notably the presentation of impairment of goodwill under operating expenses, in accordance with Luxembourg GAAP, the accounting policies and methods do not differ significantly from the French accounting policies applied by the Group until end-2012.

The consolidated financial statements have been prepared in accordance with the rules of the Luxembourg law of 10 August 1915, as amended.

5.1.2 Method for the translation of transactions denominated in foreign currencies

All transactions denominated in a currency other than the euro are recorded in euro at the exchange rate prevailing on the transaction date.

Bank balances are translated at the exchange rate on the balance sheet date. The resulting foreign exchange gains and losses are recognised in the income statement for the period.

Other assets and liabilities are valued individually at the lower or higher of their converted value at the historical exchange rate or their value determined on the basis of the exchange rates at the balance sheet date. Only unrealised gains and losses are recognised in profit or loss. Foreign exchange gains are recognised in profit or loss when they are realised.

5.2 Consolidation methods

5.2.1 Consolidation methods

Note 7.2 describes the entities consolidated by the SOLUTIONS 30 SE parent company (6 rue Dicks, L-1417 Luxembourg) and the relevant consolidation methods.

Exclusively controlled entities are fully consolidated.

Jointly controlled entities are consolidated according to the proportional consolidated method.

Entities over which the company has significant influence are consolidated according to the equity method.

5.2.2 Goodwill

In accordance with regulatory requirements, goodwill represents the difference between:

- The acquisition cost of the equity interests,
- The share of the acquirer in the total valuation of assets and liabilities identified on the acquisition date.

This line records goodwill that arises on an acquisition that could not be allocated to a capital asset item. It may be positive or negative. If negative, it is presented in other income for the period of the acquisition.

Positive goodwill is recognised in capital assets and is amortised over a period of time that reflects, as reasonably as possible, the assumptions used and the objectives set at the time of the acquisitions. This term is five years.

By way of exception, some specific and/or core acquisitions (acquisition of new business activities) have led to amortisation over a longer period of up to 12 years.

The occurrence of negative events, notably a decline in revenues and a long-term erosion of the margin rate, could lead to additional amortization if the recoverable amount of goodwill is less than its net book value.

Impairment of goodwill is shown on the impairment allowance on preliminary assets line, and under tangible assets and intangible assets in the consolidated income statement.

5.2.3 Reporting dates for consolidated companies

Consolidation is based on the individual financial statements of the companies in the Group, for the six-month period ended on 30 June 2017.

5.3 Measurement basis

Assets and liabilities included in the consolidated financial statements are measured according to the same standard methods.

The SOLUTIONS 30 Group applies the following principles and policies:

5.3.1 Intangible assets

Intangible assets are measured at their acquisition or production cost.

5.3.1.1 Concessions, patents, licenses and trademarks

The main intangible assets included in this category are patents, computer software, the brand and customer relations.

Amortisation methods and periods for all intangible assets are as follows:

Intangible assets	Period
Concessions, patents and licenses	5 to 10 years
Computer software	3 years
Websites	1 to 3 years

Customer relations	3 to 11 years

Customer relations arise from the following acquisitions: Form@home in 2013, Telima Deutschland (DBS) in 2014, CONNECTING CABLE in 2014 and 2015, REXION in 2015, and ATLANTECH in 2016.

No customer relations are recognised under balance sheet assets at 30 June 2017.

These customer relations are measured based on discounted cash flows generated by the main contracts acquired. The amortisation period of 3 to 11 years is the estimated time for the consumption of the majority of the economic benefits flowing to the company.

In accordance with the accounting rules stipulating that goodwill must be allocated no later than 31 December of the year following the acquisition date, SOLUTIONS 30 estimates that, at 30 June 2017, for certain companies acquired in 2016, customer relations had not yet been identified in sufficient detail and would therefore be recognised at the end of the 2017 financial year.

5.3.1.2 *Business assets*

Business assets are initially recognised at their acquisition cost and depreciated over their estimated life.

5.3.1.1 *Advances and down payments on intangible assets*

Advances and down payments on intangible assets are initially recognised at their acquisition costs and are not amortised.

5.3.1.2 *Impairment of assets*

All cash-generating units (CGU), including goodwill and assets with indefinite and definite useful lives, are reviewed by management. They are impairment tested whenever there is an indication of impairment.

An impairment loss is recognised whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount is the higher of the asset's net disposal price and its value in use.

The value in use is calculated based on the discounted value of future cash flows.

5.3.1.2.1 Impairment losses

An impairment test was conducted at 30 June 2017.

An impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of goodwill allocated to that CGU, and then to reduce the carrying amount of the unit's other assets pro rata to the carrying amount of each asset in the unit.

Except for goodwill, impairment losses recognised in prior years are reversed when there is a change in the estimates used.

The carrying amount of an asset plus a reversal of an impairment loss never exceeds the carrying amount that would have been determined (net of amortisation or depreciation) if no impairment loss had been recognised for that asset in prior years.

Where there is an indication of impairment, the recoverable value of the cash-generating units is estimated using the discounted future cash flows (DCF) method, according to the following principles:

- Use of discount rates specific to each country: 8.2% for Germany, 9.9% for Spain, 8.6% for France, 8.5% for Benelux and 9.7% for Italy.
- Revenue projections are based on 2018-2024 business plans. As of 2020, organic growth is expected to taper off to a normative 1%.

The results of the impairment tests conducted by SOLUTIONS 30 at 30 June 2017, excluding Germany, are:

CGU	France	Benelux	Spain	Italy
Asset base to test (1)	33,172	7,708	6,594	2,152
Value in use (2)	197,071	30,625	8,267	17,761
Depreciation?	No	No	No	No
Headroom (2) – (1)	163,900	22,916	1,673	16,609

<u>Assumptions forming the basis of our assessments</u>

The values in use given above were calculated from:
(i) the business plans provided by management
(ii) WACC by country given in the table below
(iii) a long-term growth rate of 1.5% (2021 inflation rate for France estimated by EIU and used for the entire Eurozone in the interests of consistency)

All of the business plans provided were extrapolated over a three-year horizon to smooth the revenue growth curve. Therefore the growth calculated according to management's 2021 business plan is progressively reduced to 1.5% in 2024 (the final year of the plan).

On this basis, no impairment losses were recognised at 30 June 2017.
As the difference is minor in Spain, below is a simulation of value in use using the criteria of discount rate and growth in revenue.

5.3.2 Tangible assets

Tangible assets are measured at acquisition cost (purchase price and directly attributable related costs) or their production costs.

The cost of the asset is the purchase price plus all costs directly necessary to bring the asset to working condition for its intended use and financing costs prior to commissioning.

Amortisation is calculated according to the linear method and decreasing charge method over the planned useful life.

The main useful lives used are:

Tangible assets	Period
Facilities	3 to 5 years
Office and computer equipment	3 years
Transport equipment	3 or 5 years
Office furniture	3 years

5.3.3 Leases

Transactions carried out under an operating lease are recognised in expenses for the period in which they are incurred.

5.3.4 Non-current assets

Non-current assets mainly represent deposits and guarantees required for operating requirements and non-consolidated equity interests.

5.3.5 Inventories

Inventories are measured according to the first in, first out (FIFO) or the weighted average unit cost method. Inventories are valued at the gross value of goods and supplies including purchase price and incidental costs.

Allowances for losses may have been made to provide for a number of expenses or risks incurred at the end of the period.

5.3.6 Receivables and debts

Receivables are recognised at face value.

An allowance for losses on receivables is calculated according to standard methods when repayment is compromised. This allowance is reversed when the reasons for its recognition no longer exist. Liabilities recognised at the redemption value.

5.3.7 Cash and current investments

Investments are measured at acquisition or subscription cost including ancillary expenses.

In the event of a sale involving a group of securities of the same nature conferring the same rights, the value of the securities is estimated using the FIFO method (first in, first out).

A provision for impairment is recognised when the stock market price or probable realizable value is lower than the purchase price. It is reversed when the reasons for the impairment no longer exist.

5.3.8 Accruals (assets)

This item includes expenses recognised during the period but attributable to a subsequent financial year.

5.3.9 Income tax

The Group recognises deferred taxes in the case of:

- temporary differences between the tax and carrying amounts of assets and liabilities on the consolidated balance sheet,
- tax credits and deficits carried forward.

Deferred taxes are calculated according to the asset and liability method at the tax rate applicable to each company.

Deferred tax assets and liabilities are netted for the same tax entity and when their reversal deadlines are similar.

The group has elected to form a tax consolidation group. SOLUTIONS 30, established in France, is the head company of the fiscal consolidation unit that includes some 20 French companies.

Only newly created entities are outside of this tax consolidation group in their first year.

Deferred tax assets are only taken into account if:

- their recovery does not depend on future earnings (if there are deferred tax liabilities),
- or that taxable profit will be available against which the difference will be utilised during the probable utilisation period.

5.3.10 Contingent liabilities

Contingent liabilities relate to liabilities of uncertain timing or amount.

They primarily include provisions for ongoing disputes and litigation. They are recognised based on estimates of the expenditure required to settle the obligation.

5.3.11 Retirement and post-employment obligations

The provision for retirement benefits is only estimated at each balance sheet date. The estimated amount of the commitment at 30 June 2017 is based on the calculation inputs at 31 December 2016.

Generally speaking, the entitlements earned by employees for the calculation of termination benefits are determined based on seniority and the percent probability of their continued employment in the company until retirement age. Principles for this calculation:

- initiation of retirement: voluntary when the employee is entitled to full retirement benefit.
- Discount rate: 1.31% (iBoxx € Corporates AA10+ at 31/12/2016)
- Future salary increase rate: 2%
- Turnover rate: 4.76%
- Mortality table: updated 2010-2012 INSEE (French National Institute of Statistics and Economic Studies) table
- Social Security rate: 43.7%

These commitments are not recognised in the consolidated financial statements and are listed as off-balance sheet commitments in the amount of €1.6 million as at 31 December 2016 (2015: €1.1 million).

5.3.12 Difference between recurring and non-recurring profit/(loss)

In accordance with Luxembourg GAAP, the concept of extraordinary profit/(loss) is no longer presented in the income statement. Section 8.15 gives a comparison between recurring and non-recurring profit/(loss).

5.3.13 Translation of the financial statements of companies outside the euro zone

Balance sheet items, excluding equity, denominated in foreign currencies are translated at the rate in force on the balance sheet date. Subsidiary income and expenses denominated in foreign currencies are translated at the average rate during the period. Equity is remeasured at historic cost.

5.3.14 Accruals (liabilities)

This item includes income recognised during the period but attributable to a subsequent period.

5.3.15 Net revenue

Net revenue comprises the amounts generated from the sale of products and services in the course of the company's ordinary operations, net of sales reductions, value added tax and other taxes directly related to sales.

5.4 Accounting changes

In 2017, in accordance with Luxembourg accounting principles and policies, extraordinary income and expenses are no longer presented as such in the income statement. Instead they are recognised under the relevant income and expenses.

The following table shows the switch from recognising extraordinary profit/(loss) to non-recurring profit/(loss) to permit comparisons with the 2016 financial year:

Income statement headings	2016 financial statements	Reclassifications	2016 Proforma	Note
Extraordinary expenses	(1,967)	1,967	0	a
Payroll expenses	(27,560)	0	(27,560)	b
Loss/impairment allowances	(2,269)	0	(2,269)	c
Other expenses	(433)	1,967	(2,400)	d
Extraordinary income	427	427	0	e
Income from subsidiaries and affiliates	38	0	38	f
Other operating income	2,000	253	2,253	h
Reversals of loss/impairment allowances	0	174	174	i

2016 extraordinary expenses restated under the following headings:

Reclassification of restructuring expenses to operating expenses - Payroll expense
Reclassification of restructuring provisions and inventory provisions to Impairment/loss allowances
Reclassification of extraordinary expenses to other expenses

2016 extraordinary income restated under the following headings:

Reclassification of negative goodwill - extraordinary profit - to Income from equity interes
Reclassification of restructuring provisions to Impairment/loss allowances
Reclassification of extraordinary management income to Other operating income
Reclassification of net extraordinary reversals to Reversals of impairment/loss allowance
Reclassification of other extraordinary income to Other operating income

There were no other changes to accounting policies or methods or to accounting estimates during the period that affect comparison.

6 Significant events

6.1 Highlights of the period

The highlights of the period in terms of business and performance are outlined in the half-year summary (note 1).

Note the following with respect to legal aspects and changes in scope:

- Acquisition of 47% of CPCP Télécom in France to boost market share in fibre optic and telecoms;
- Acquisition of an additional 40% of the capital of REXION Computer (Spain) bringing our stake to 100%;
- Acquisition of 51% of the German ABM Communication;
- Acquisition of 100% of VKDFS, a former Vodafone subsidiary, to strengthen our positioning in Germany;
- Reduction in the Group's share of Autronic (Spain) to 49%;
- Negotiation of €76 million in structured finance to provide a solid basis for our external growth policy;
- Agreeing a deconsolidating factoring contract for Europe.

6.1.1 Changes in share capital

On 12 June 2017, the company increased the share capital by €62,244,08, raising it from €10,424,63.16 to €10,487,907.24, through the issue of 124,008 new shares at a par value of €0.51, with a total share premium of €2,436,757.20.

6.1.2 Business combinations

A business combination is planned for the second half of 2017 by way of the transfer of all assets and liabilities between the following entities:

- TELIMA Paris, the acquirer;
- Telima Ile De France, acquired.

6.1.3 New company formations and acquisitions

New company formations:

To meet its growing needs across a range of segments,
SOLUTIONS 30 formed the following companies:

- TELIMA Managed Services, on 27 December 2016 (France),
- TELIMA Relève IDF, on 24 January 2017 (France),
- TELIMA Network Services, on 24 January 2017 (France),
- TELIMA Distributed Services, on 31 August 2017 (France).

Acquisitions

The Group beefed up its presence in the EU through:

- acquisition of 47% of CPCP Télécom in France to boost market share in fibre optic and telecoms;
- acquisition of an additional 40% of the capital of REXION Computer (Spain) bringing our stake to 100%;
- acquisition of 51% of the German ABM Communication;
- acquisition of 100% of VKDFS, a former Vodafone subsidiary, to strengthen its positioning in Germany.

These acquisitions during the 2017 financial year amounted to a total of €6 million.

6.2 Significant events since 30 June 2017

- SOLUTIONS 30 signed a partnership agreement with Fujitsu in July 2017 covering local IT support for users in France;
- On 31 July 2017, we closed one of our Spanish subsidiaries, Telima Espana;
- TELIMA Distributed Services was formed on 31 August 2017 to meet our growing needs in IT Field Services in France.

7 Scope of consolidation

7.1 Activity

In view of our activities, tracking performance by geographical region is the most relevant approach. The information is broken down into the following:

- France region,
- International expansion.

The segment information presented in section 9 is also presented according to this breakdown.

7.2 Scope of consolidation at 30 June 2017

The following companies are not included in this scope of consolidation:

Companies	Reasons for exclusion
S30 Services	Business is not material for the Group (as was the case in 2016)
Telima Poland	Business is not material for the Group (as was the case in 2016)
Connectica	Business is not material for the Group (as was the case in 2016)
GNS	No significant influence
Solutions 30 Eastern Europe	Business is not material for the Group (as was the case in 2016)
Smartfix 30	Business is not material for the Group (as was the case in 2016)
Rimiflu	Business is not material for the Group (as was the case in 2016)
CPCP Télécom	Acquisition of minority stake (on 12/06/2017)

The list of consolidated companies, percent control, interest and consolidation methods are given in the table below:

Company and legal form	Siret no.	Headquarters	Consolidation method 30/6/2017	% control 30/6/2017	% holding 30/6/2017
SOLUTIONS 30 SE	795245927	6, rue Dicks L 1417 Luxembourg	Parent	100%	100%
French subsidiaries					
FREPART (EX TELIMA ROUEN SARL)	48834516600026	48, Quai de Paris 76000 Rouen - France	Full consolidation	100%	100%
FORM@HOME	488747825	Tour Chantecoq 92800 Puteaux - France	Full consolidation	100%	100%
LOGISTIQUE (EX TELIMA IDF NORD SARL)	50086930000011	200, Chaussée Jules César 95250 Beauchamp - France	Full consolidation	100%	100%
PC30 FAMILY SARL	48892263400016	5 Rue Chantecoq 92800Puteaux – France	Full consolidation	100%	100%
Altan'tech	488694241	115 rue Roland Garros Aéropole zone de Prat Pip – Batiment A 29490 Guipavas	Full consolidation	100%	100%
TELIMA Breizh	797566213	5 Rue Chantecoq 92800Puteaux – France	Full consolidation	100%	100%
TELIMA BUSINESS SOLUTIONS SAS	51345361300020	321, Bureaux de la Colline 92210 St Cloud – France	Full consolidation	100%	100%
TELIMA NORD (EX TELIMA C2A SARL)	50520300000011	4, Ave de Laon 51100 Reims - France	Full consolidation	100%	100%
TELIMA COMPTAGE SARL	52759155600016	5, Place du Corbeau 67000 Strasbourg – France	Full consolidation	100%	100%
TELIMA DIGITAL WORLD SARL (EX TELIMA LYON FAMILY)	50492859900019	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	100%	100%
TELIMA IDF SARL	49477830100023	34, Rue de la Foret 91860 Epinay ss Sénart - France	Full consolidation	100%	100%
TELIMA MONEY SAS	52023258800019	61, Rue de l'Arcade 75008 Paris - France	Full consolidation	100%	100%
TELIMA NANCY SARL	47918891400010	112, Ave du général Leclerc 54000 Nancy - France	Full consolidation	100%	100%
TELIMA ONSITE SARL	51292977900035	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	100%	100%
TELIMA PARIS SARL	49157072700033	128 bis, Ave Jean Jaurès 94200 Ivry sur Seine France	Full consolidation	100%	100%
TELIMA INFOSERVICES (EX TELIMA RETAIL)	75131972400017	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	100%	100%
TELIMA SERVICE REGION	53116007500010	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	100%	100%
TELIMA SGA	49113674300011	La Vigne de Guiget 84270 Vedene – France	Full consolidation	100%	100%
TELIMA SUD (EX TELIMA SUD OUEST SARL)	49322949600010	4 Rue de Caulet 31300 Toulouse – France	Full consolidation	100%	100%
TELIMA TELCO	81096787700012	12, rue Robert Moinon – Goussainville	Full consolidation	100%	100%
SFM30	807519715	5, Rue Chantecoq 92800 Puteaux	Full consolidation	100%	100%
TELIMA ENERGY NORD	813682374	21 avenue Le Corbusier 59800 Lille	Full consolidation	100%	100%
TELIMA ENERGY SUD	813627916	33 quai Arloing 69009 Lyon	Full consolidation	100%	100%
TELIMA ENERGY IDF	813598257	10 rue Gudin 75016 Paris	Full consolidation	100%	100%
TELIMA ENERGY ATLANTIQUE	813755923	Rue Robert Caumont – Immeuble P 33049 Bordeaux Cedex	Full consolidation	100%	100%
TELIMA ENERGY OUEST	813622644	6 Rue Honoré de Balzac 37000 Tours	Full consolidation	100%	100%
TELIMA ENERGY EST	813561263	9 rue André Pingat BP 441 51065 Reims	Full consolidation	100%	100%
TELIMA RELEVE NORD	820613586	Batiment B – 1/3 Route de la Révolte 93200 Saint Denis	Full consolidation	100%	100%
TELIMA RELEVE EST	820591972	Parc d'Ariane I, 290 rue Ferdinand Perrier 69800 Saint Priest	Full consolidation	100%	100%

TELIMA RELEVE CENTRE	824580872	5, Rue Chantecoq 92800 Puteaux	Full consolidation	100%	100%
TELIMA MANAGED SERVICES	824609739	5, Rue Chantecoq 92800 Puteaux	Full consolidation	100%	100%
TELIMA RELEVE IDF	827504754	5, Rue Chantecoq 92800 Puteaux	Full consolidation	100%	100%
TELIMA NETWORKS SERVICES	827613902	6, Rue Chantecoq 92800 Puteaux	Full consolidation	100%	100%
TELIMA PROFESSIONAL SERVICES	817501471	5, Rue Chantecoq 92800 Puteaux	Full consolidation	100%	100%
CPCP Télécom	433891728	ZAC No. 1 Les Boullides – 15 TRA Des Brucs 06560 Varibonne	Full consolidation	47.00%	47.00%

Company and legal form	Siret no.	Headquarters	Consolidation method 30/6/2017	% control 30/6/2017	% holding 30/6/2017
Foreign subsidiaries					
BRAND30	B178591	24 Rue des Genets L-1621 Luxembourg	Full consolidation	100%	100%
WW Brand	B178702	6 Rue Dicks L-1417 Luxembourg	Full consolidation	100%	100%
CONNECTING CABLE GMBH	HRB 2002989	Berliner Strasse 21a 31860 Emmerthal	Full consolidation	100%	100%
IMATEL SERVICE	07626050962	Corso Magenta 32 20100 Milano – Italie	Full consolidation	100%	100%
Solutions 30 Services (MIXNET Roma)	6370360965	Via del Martinitt.3 20146 Milano	Full consolidation	100%	100%
PIEMONTE	07912700965	Corso Magenta 32 20100 Milano – Italie	Full consolidation	60.00%	60.00%
TELIMA Belgique SRPL	811303644	Ave Louise 486-15 1050 Bruxelles – Belgique	Full consolidation	100%	100%
Telima CALABRIA SRL	06620190964	Corso Magenta 32 20100 Milano – Italie	Full consolidation	60.00%	60.00%
DBS Digital Business Solutions Gmbh (ex TELIMA DEUTSCHLAND)	HRB 732982	Robert-Bosch-Str. 33 73431 Aalen – Allemagne	Full consolidation	100%	100%
TELIMA ESPANA	B86197399	Avenue Paseo de recoletos 16 – 28001 Madrid – Espagne	Full consolidation	100%	100%
TELIMA FRUILI SRL	06620340965	Corso Magenta 32 20100 Milano – Italie	Full consolidation	60.00%	60.00%
TELIMA HOLLAND BV	17245978	Hambakenwetering 10- 5231 DC Den Bosch – Pastbus 2186 – 5202 CD's Hertogenbosch – Pays Bas	Full consolidation	100%	100%
TELIMA ITALIA SRL	0614270964	Corso Magenta 32 20100 Milano – Italie	Full consolidation	100%	100%
TELIMA PALERMO SRL	06619930966	Corso Magenta 32 20100 Milano – Italie	Full consolidation	51.00%	51.00%
TELIMA SUD SRL	06571140968	Corso Magenta 32 20100 Milano – Italie	Full consolidation	60.00%	60.00%
TELIMA TUNISIE	12511068	71, avenue Alain Savary Tunis	Full consolidation	100%	100%
TELIMA ROMA	9053750965	Via dei Martinitt, 3 20146 Milano	Full consolidation	51.00%	51.00%
Solutions 30 Consortie	9321390966	Via Fabrizio Clerici n° 10 Milano	Full consolidation	100%	100%
REXION COMPUTER	B78593092	Calle Innovacion 7 – Madrid	Full consolidation	60.00%	60.00%
AUTRONIC	B36829208	Parque Technologico y Logistico de Valladares Calle C, Nave C4 36315 de Vigo, Espagne	Consolidated using the equity method	49.00%	49.00%
Janssens group	827.605.186	Terbueren 34 BE-1040 Brussels (Etterbeek) Belgique	Proportional consolidation	50.00%	50.00%
JANSSESNS FIELD SERVICES	0880.979.437	Slachthuisiaan 78 BE – 2060 Antwerpen Belgique	Proportional consolidation	50.00%	50.00%
JANSSENS NETWORK PRODUCTIONS	0898.876.630	Slachthuisiaan 78 BE – 2060 Antwerpen Belgique	Proportional consolidation	50.00%	50.00%
JANSSENS BUSINESS SOLUTIONS	0898.874.749	Slachthuisiaan 78 BE – 2060 Antwerpen Belgique	Proportional consolidation	50.00%	50.00%

JANSSENS INVESTMENT SERVICES	0633.532.833	Slachthuisiaan 78 BE – 2060 Antwerpen Belgique	Proportional consolidation	50.00%	50.00%
WILD CATS CONSULTING	0475.356.715	Slachthuisiaan 78 BE – 2060 Antwerpen Belgique	Proportional consolidation	50.00%	50.00%
TELECONTRACTING	0806.555.493	Marsveldplein 5 BE – 1060 Brussels Belgique	Proportional consolidation	50.00%	50.00%
Justone Solutions	CT - 358766	Via George Marshall 10 95045 Misterbianco Italie	Full consolidation	51.00%	51.00%
Solutions 30 Gmbh	HRB 88880	Teinacher Strausse 49, 71634 Ludwigsburg Allemagne	Full consolidation	100%	100%
ABM Communication	HRB 710789	Schrieshelm, Gemackerweg 1 69198 Schrieshelm Allemagne	Full consolidation	51.00%	51.00%
SOL30MAROC	15302870	7, ésidence Rami Rue Sebta 2ème étage Bureau 8 – Maarif – Casablanca	Full consolidation	100%	0%
SOLUTIONS 30 COMMUNICATION GMBH	HRB 92042	Kerpen Geschäftsanschrift: Bachstrasse 109, 50171 Kerpen	Full consolidation	100%	0%
SOLUTIONS 30 FIELD SERVICES SUD GMBH (VKDFS)	HRB 26811	Südwestpark 15 in 90449 Nürnberg, Germany	Full consolidation	100%	0%

8 Explanation of balance sheet and income statement and changes

8.1 Intangible assets

The breakdown of movements in goodwill by consolidated company is as follows:

(in thousands of euro)	31/12/2016	Increase	Decrease	Changes in scope	Other changes	30/06/2017
Gross value						
AUTRONIC	2,728					2,728
Belgium	463					463
BUSINESS	2,749					2,749
DIGITAL WORLD	280					280
HOLLAND	114					114
IDF	285					285
JANSSENS GROUP	4,484					4,484
PC30 Italy	384					384
MONEY	2,045					2,045
MIXROMA	30					30
ONSITE	221					221
INFOSERVICES	3,420					3,420
PC30 Family	151					151
REXION	0					0
ABM	4,444					4,444
OTHER	403				3	405
S30COMGmbh		3				3
Total	**22,201**	**3**	**0**	**0**	**3**	**22,206**
Amortisation						
AUTRONIC	189	95				284
Belgium	464					464
BUSINESS	1,573	114				1,687
DIGITAL WORLD	280					280
HOLLAND	114					114
IDF	282					282
JANSSENS GROUP	249	125				374
PC30 Italy	154	38				192
MONEY	1,016	120				1,136
MIXROMA	21	3				23

ONSITE	221					221
INFOSERVICES	1,069	143				1,211
PC 30 Family	151					151
REXION	(0)					(0)
ABM	62	185				247
OTHER	403				3	406
S30COMGmbh		3				3
Total	**6,247**	**825**	**0**	**0**	**3**	**7,075**
Net values						
AUTRONIC	2,538	(95)				2,444
Belgium	(0)	0				(0)
BUSINESS	1,176	(114)				1,062
DIGITAL WORLD	0	0				0
HOLLAND	(0)	0				(0)
IDF	2	0				2
JANSSENS GROUP	4,235	(125)				4,111
PC30 Italy	231	(38)				192
MONEY	1,029	(120)				909
MIXROMA	9	(3)	0			6
ONSITE	0	0				0
INFOSERVICES	2,351	(143)				2,209
PC30 Family	0	0				0
REXION	0	0			0	0
ABM	4,382	(185)				4,197
OTHER	(0)	0				(0)
S30COMGmbh	0	0				0
Total	**15,954**	**- 822**	**-**	**-**	**-**	**15,131**

No goodwill was recognised in the period.

Goodwill is impaired over five years, with the exception of goodwill from the acquisition of the Business Solutions and POS terminals activities, and the takeover of the assets of Infoservices (retail activity), which is impaired over a period of 12 years, in accordance with the accounting principles and policies set out in 5.2.2. herein.

Other intangible assets relate to the following items:

In thousands of euro	31/12/2016	Increase	Decrease	Reclassification	Change in scope	Change in consolidation method	Translation adjustment	30/06/2017
Gross amounts								
Concessions, patents,	9,895	1,249	(1)	39	67	(68)	-	11,180
licences						-	-	19,268
Customer relations	19,298		-	0	0	0	-	2
Leasehold rights	2	0	(0)	-	-	-	-	361
Goodwill	361	-	-	(144)	-	-	-	3,493
Ongoing intangible assets	685	2.952						
Total	**30,241**	**4,201**	**(1)**	**(105)**	**67**	**(68)**	**-**	**34,334**
Amort/depreciation								
Concessions, patents,	(4,127)	202	1	(79)	-	68	-	(3,866)
licences	(4,749)	(2,349)	-	-	-	-	-	(7,098)
Customer relations	-	-	-	-	-	-	-	-
Leasehold rights	(161)	(16)	-	0	-	-	-	(177)
Goodwill	0	-	-	-	-	-	-	-
Ongoing intangible assets								
Total	**(9,036)**	**(2,163)**	**1**	**(79)**	**-**	**68**	**-**	**(11,141)**
Net amounts								
Concessions, patents,	5,768	1,450	-	(40)	67	-	-	7,314
licences	14,549	(2,349)	-	-	-	-	-	12,200
Customer relations	2	0	-	0	0	0	-	2
Leasehold rights	199	(16)	(0)	0	-	-	-	184
Goodwill	685	(2,952)	-	(144)	-	-	-	3,493
Ongoing intangible assets								
Total	**21,203**	**2,037**	**(0)**	**(184)**	**67**	**-**	**-**	**23,193**

The customer relations line includes (given as gross values) €7,007 K for CONNECTING CABLE, €2,403 K for DBS Germany, €1,044 K for Form@home, €4,800 K for REXION and €3,605 K for ATLANTECH.

Business assets for a gross total of €361 K represent intangible items listed under acquirees' assets. An impairment of €(177) K was posted for business assets are at 30 June 2017.

Assets under construction amounted to €3,493 K at 30 June 2017.

8.2 Tangible assets

Tangible assets break down as follows:

In thousands of euro	31/12/2016	Increase	Decrease	Reclassification	Change in scope	Change in consolidation method	Translation adjustment	30/06/2017
Gross amounts								
Land	14	-	-	-	-	-	-	14
Buildings	183	-	-	-	-	-	-	183
Technical facilities and	4,714	953	(6)	16	-	(377)	-	5,299
machines				87	499	(163)	(159)	6,027
Other facilities, tooling and	5,493	491	(221)	-	-	-	-	-
furniture	-							
Down payments made								
Tangible assets under construction								
Total	**10,404**	**1,443**	**(227)**	**102**	**499**	**(540)**	**(159)**	**11,522**
Amort/depreciation								
Land	-	1		-	-	-	-	(1)
Buildings	(112)	(7)	0	-	-	-	-	(119)
Technical facilities and	(1,088)	(290)	5	-	-	173	-	(1,201)
machines		(598)	167	(55)	-	117	0	(4,255)
Other facilities, tooling and	(3,885)			-	-	-	-	
furniture	-				-			
Down payments made								
Tangible assets under construction								
Total	**(5,085)**	**(896)**	**172**	**(55)**	**-**	**290**	**0**	**(5,575)**
Net amounts								
Land	14	(1)	-	-				
Buildings	71	(7)	-	-	-	-	-	13
Technical facilities and	3,625	663	(1)	16	-	-	-	64
machines					-	(204)	-	4,098
Other facilities, tooling and	1,608	(108)	(54)	31	499	(45)	(159)	1,772
furniture	-	-	-	-	-	-	-	-
Down payments made								
Tangible assets under construction								
Total	**5,318**	**547**	**(55)**	**47**	**499**	**(250)**	**(159)**	**5,947**

8.3 Non-current assets

Other non-current assets mainly comprise deposits and sureties and /he securities of non-consolidated subsidiaries.

In thousands of euro	31/12/2016	Increase	Decrease	Change in scope	Other changes	Change in consolidation method	30/06/2017
Gross amounts							
Other non-current assets	971	6,615	(52)	-	(831)	(188)	6,515
Total	**971**	**6,615**	**(52)**	**0**	**(831)**	**(188)**	**6,515**
Provisions for amort/depreciation							
Other non-current assets	(26)	-	0	0	-	-	(26)
Total	**(26)**	**0**	**0**	**0**	**0**	**0**	
Net amounts			-				
Other non-current assets	945	6,615	(52)	-	(831)	(188)	6,488
Total	**945**	**6,615**	**(52)**	**-**	**(831)**	**(188)**	**6,488**

The increase in non-current assess is due primarily to the acquisition value of the securities of CPCP on 12 June 2017, which was not consolidated as of 30 June 2017.

8.4 Inventories

Inventories break down as follows:

In thousands of euro	31/12/2016	30/06/2017
Gross amounts		
Raw materials	(0)	-
Goods	7,108	6,688
Advances and down payments	102	284
Total	7,209	6,972
Provisions for depreciation		
Goods	(1,289)	(813)
Advances and down payments	-	0
Total	(1,289)	(813)
Net amounts		
Raw materials	(0)	-
Goods	5,819	5,875
Advances and down payments	102	284
Total	5,921	6,159

Inventories are mainly made up of spare parts used for maintenance operations.

Defective parts are fully depreciated unless a repair estimate has been obtained, in which case, the defective part is depreciated in the amount of the repair cost.

If a contract is not renewed, specific parts not sold on to the maintenance contract holder or to a broker one year after the end of the said contract are depreciated in full.

8.5 Receivables

Gross receivables, by due date, break down as follows:

Gross amounts (in thousands of euro)	31/12/2016	30/06/2017	< 1 year	> 1 year
Trade and other receivables	47,672	56,373	55,296	1,077
Other receivables	36,382	35,522	35,522	0
Total	84,054	91,895	90,818	1,077

Impairments are as follows:

(in thousands of euro)	31/12/2016	30/06/2017
Trade and other receivables	955	1,163
Other receivables	1	1
Total	956	1,165

8.6 Accruals (assets)

Accruals, by maturity date, break down as follows:

Gross amounts (in thousands of euro)	31/12/2016	30/06/2017	< 1 year	> 1 year
Prepaid expenses	1,269	3,965	3,965	0
Deferred expenses	2	9	9	0
Total	1,271	3,973	3,973	-

8.7 Cash and cash equivalents

Group's net cash:

(in thousands of euro)	31/12/2016	30/06/2017
Current investments	8,743	1,065
Cash	13,235	16,859
Current bank credit (see note 8.10.3)	(10,302)	(1,380)
Total	11,675	16,543

8.8 Equity

At 30 June 2017, the share capital comprised 20,316,508 shares at par value of €0.51 per share.

Dilutive instruments in circulation consist of 823,437 equity warrants, likely to grand entitlement to 3,799,398 shares.

8.8.1 Legal reserve

At least 5% of the net profits of the consolidated company must be set aside every year to constitute legal reserve required under Luxembourg law. This requirement ceases when the reserve amounts to 10% of the subscribed capital. The legal reserve may not be distributed.

8.8.2 Authorised capital

The authorised capital amounts to €10,361 K, represented by 20,316,508 shares at a par value of €0.51 each. The authorisation will expire after five years from 19 July 2016.

8.9 Provisions

Contingent liabilities break down as follows:

(in thousands of euro)	31/12/2016	30/06/2017
Provisions for deferred tax liabilities	3,043	2,753
Other provisions	2,284	1,712
Total	5,327	4,464

Other provisions concern the following in particular:

- Commercial and labour relations disputes, in the amount of €1,286 K;
- Provisions for operating maintenance, including the POS terminals business for €193 K and the vehicle fleet for €243 K;
- Contingent liabilities on operations for €84 K;
- Other risks for €478 K.

8.10 Bank borrowings and other liabilities to banks

8.10.1 Type and maturity of bank borrowings

Bank borrowings and other liabilities to banks, according to maturity date, break down as follows:

(in thousands of euro)	31/12/2016	30/06/2017	< 1 year	1 to 5 years	> 5 years
Bank borrowings and other liabilities to banks	31,773	44,530	8,730	20,800	15,000
Cash credit	10,274	1,353	1,353	0	0
Miscellaneous financial liabilities	501	175	175	0	0
Total	42,549	46,058	10,258	20,800	15,000

The maturity of borrowings and other liabilities to banks ranges from 2017 to 2023. For the most part, the interest rates are fixed at 1.3 to 2%. Credit consists of cash facilities.

During the period, the Group negotiated €76 million in structured finance and employed 60% of these funds to close out legacy loans and finance new acquisitions.

8.10.2 Breakdown by main currencies

All financial liabilities and are denominated in euro.

8.10.3 Breakdown by type of rate

The breakdown between fixed and variable rate is as follows:

(in thousands of euro)	30/06/2017	Fixed rate	Floating rate
Bank borrowings and other liabilities to banks	44,530	125	44,405
Accrued interest not due	(28)	(28)	0
Cash credit	1,381	1,381	0
Miscellaneous financial liabilities	175	175	0
Total	46,058	1,653	44,405

8.11 Other current liabilities

Other current liabilities include:

(in thousands of euro)	31/12/2016	30/06/2017	< 1 year
Trade and other payables	21,667	29,451	29,451
Advances and down payments received on orders	278	943	943
Staff and social security payables	*14,266*	*14,942*	*14,942*
Tax liabilities	*32,931*	*26,733*	*26,733*
Tax liabilities (corporation tax)	*1,397*	*596*	*596*
Liabilities in respect of taxes and wages and salaries	48,595	42,271	42,271
Creditor current accounts	24	3,517	3,517
Other payables	780	3,382	3,382
Deferred income	720	571	571
Other current liabilities	72,060	80,135	80,135

8.12 Off-balance sheet commitments

8.12.1 Security interests granted and off-balance sheet commitments:

There are not off-balance sheet liabilities on the period end date, other than those binding the SOLUTIONS 30 Group and its shareholders in the following companies: Autronic, Janssens Group, ABM Communication and CPCP Télécom.

If its joint shareholders so request, SOLUTIONS 30 has committed to buying back, according to a specific schedule, the remaining share of the capital held by the long-standing shareholders. This buyback has been agreed on the basis of a valuation calculated as a multiple of EBITDA. Balancing this commitment, the minority shareholders have agreed to dispose of their holdings, according to the same time frame and measurement basis.

The undertaking of the minority shareholder in REXION, in which the Group held a 60% stake at 31 December 2016, to sell its shares was implemented in advance, in April 2017. This development increased the Group's share to 100%.

- Various sureties/guarantees granted in the amount of €1,050 K, relating to:

<table>
<tr><th>Guarantor</th><th>Company Guarantee</th><th>Sureties</th><th>Guarantee obligation</th><th>Maturity</th><th>Amount (in K€)</th></tr>
<tr><td rowspan="2">SOLUTIONS 30</td><td rowspan="2">S30 Group companies</td><td rowspan="2">Letter of credit</td><td rowspan="2">Payment of the amounts requested by the beneficiary in the course of its business for all products or services provided using fuel cards</td><td>21/05/2013 - Cancellation in six months</td><td>150</td></tr>
<tr><td>17/06/2013 - Cancellation in six months</td><td>150</td></tr>
<tr><td>SOLUTIONS 30</td><td>Telima Money</td><td>Bond of indemnity</td><td>Obligations arising from the performance of services under contract, including the supply of payment terminals</td><td>Applicable throughout the entire contractual relationship</td><td>750</td></tr>
</table>

- Early redemption clauses for borrowings, in the event of failure to comply with covenants: the SOLUTIONS 30 Group complied with these conditions as at 30 June 2017.

- Amounts due to personnel: these are calculated once a year. Amounts committed for termination benefits amounted to €1.6 million at 31 December 2016. These commitments are not recognised in the financial statements. The assumptions used for the calculations are given in 5.3.11. The 2017 commitment will be calculated on the year-end date.

8.12.2 Security interests granted and off-balance sheet assets

There are no off-balance sheet assets at the period end date, other than those binding the SOLUTIONS 30 Group and its shareholders in the following companies: Autronic, Janssens Group, ABM Communication and CPCP Télécom (see note 8.12.1).

8.13 Amortisation and provisions

The total amortisation expense and reversals of impairment and provisions break down as follows:

In thousands of euro	30/06/2017	30/06/2017
Reversals of asset impairments		-
Reversals of impairment of circulating assets	301	
Reversals of provisions	974	282
Total reversals of amortisation expense and provisions	**1,275**	**282**
Amortisation/depreciation expense, excluding goodwill	(3,059)	(1,594)
Impairment allowance for circulating assets	(730)	(164)
Goodwill impairment expense	(825)	(792)
Total amortisation expense and provisions	**(4,614)**	**(2,550)**

8.14 Net finance costs - Income from equity interests

This note addresses and details the income statement lines as follows:

Income statement headings	Income from equity interests and similar; net finance costs	30/06/2017	31/06/2016
9	Income from equity interests, detailing income from associates on a separate line	**1,298**	**38**
	of which negative goodwill (see note 8.15)	1,298	0
	of which other income (see below)	0	38
11	Other interest and similar income, detailing income from associates on a separate line	605	335
13	Interest and similar expense, detailing the amounts due to associates on a separate line (see below)	**(774)**	**(437)**

The recurring net finance costs break down as follows:

(in thousands of euro)	30/06/2017	30/06/2016
Finance income		
Total dividends	0	38
Other investment income		2
Revenue from other receivables and current investments	15	0
Transfer of finance costs	7	0
Reversals of provisions and amort.	88	0
Other financial income	495	334
Total	**605**	**373**
Finance costs		

Interest and finance costs	(1,368)	(596)
Foreign exchange losses	(3)	(7)
Provisions and amort.	0	(116)
Other finance costs	(8)	(92)
Total	(1,379)	(810)
Net finance costs	(774)	(437)

8.15 Recurring and non-recurring profit/(loss)

The table below shows the switch from Net Income to adjusted EBIT and adjusted EBITDA. The company considers that these latter measures more closely reflect its operating performance during the period.

Switch from Accounting profit/(loss) to key management indicators		30/06/2017	31/06/2016	
Net income	A	5,355	3,500	
Income tax	B	-135	-400	Note 8.17
Net finance costs	C	-774	-400	Note 8.14
EBIT (earnings before interest and taxes)	D=A+B+C	6,264	4,300	
Goodwill impairment expense	E	-834	-800	Note 8.14
Customer relations amortisation	F	-1,054	-600	Note 8.14
Non-recurring profit/(loss)	G	-993	-1100	Note 8.16
Adjusted EBIT	H=D+E+F+G	9,144	6,800	
Net amortisation and depreciation expense and provisions	I	-1,460	-900	Note 8.14
Adjusted EBITDA	J=H+I	10,604	7,700	
Net profit/(loss) before taxes	**K=A+B+E**	**6,324**	**4,700**	
Net profit/(loss) from consolidated companies	**L=K+B**	**6,189**	**4,300**	

Non-recurring profit/(loss):

Non-recurring profit/(loss) includes income and expenses that are considered by the company to have an exceptional, one-off and material impact on the performance of operations for the period.
The company considers that the classification of these expenses and income in non-recurring profit/(loss) facilitates understanding of the intrinsic economic performance of its operations. For SOLUTIONS 30, these items include three categories of income and expense for the first half of 2017:

- negative goodwill recognised as a result of allocating acquisition costs inherent to the merger or business combination process. This negative goodwill arises from identifying and measuring assets and liabilities;
- restructuring costs when they are material;

- the impact of disposals of subsidiaries, equity interests, and capital assets generally. Where relevant, the costs incurred are deducted from proposed disposals (legal, intermediary or distribution fees, notably).

For 2016, the company opted to present all items classified under extraordinary income/(loss) in 2016 under non-recurring profit/(loss), in the interests of reporting consistency.

Non-recurring profit/(loss)		30/06/2017	30/06/2016
Non-recurring income			
	Negative goodwill on customer relations	1,298	0
Non-recurring expenses			
	Restructuring costs	1,496	766
	Other expenses (1)	795	334
Non-recurring profit/(loss)		-993	-1,100

In the first half of 2017, the goodwill on customer relations item covers the difference between the value of securities and the enterprise value recognised after the acquisition of VKDFS and Rexion for the additional interest acquired (40%) during 2017.

(1) For 2017, other expenses essentially relate to the prior profit/(loss) of group companies consolidated in 2016.

8.16 Income tax

Income tax breaks down as follows:

(in thousands of euro)	30/06/2017	30/06/2016
Tax liability	(426)	(505)
Deferred tax assets	291	69
Total	(135)	(436)

8.17 Workforce on the reporting date

The total workforce employed by fully consolidated companies on the closing date of the period breaks down as follows:

	30/06/2017	30/06/2016
Permanent contracts	3,157	2,028
Temporary contracts	97	38
Total	3,254	2,066

9 Other disclosures

9.1 Revenue by region

The following table shows the revenue by region:

(in thousands of euro)	30/06/2017	30/06/2016
France	74,926	61,275
International	42,274	25,032
Total	117,200	86,307

9.2 Revenue by activity

The following table shows the revenue by activity:

(in thousands of euro)	30/06/2017	30/06/2016
Sales of services	115,070	85,841
Sales of goods	2,130	466
Total	117,200	86,307

9.3 Companies and associates

All transactions with associates were concluded on an arm's length basis.

9.4 Compensation paid to directors and members of the executive bodies

Compensation paid in respect of 2017 to directors and members of governance bodies for their duties as corporate officers and under their employment contracts amounted to €379 K.

There are no pension commitments to directors and members of governance bodies.

Advances and loans to directors and members of governance bodies: The company granted an €80 K loan to a board member.

9.5 Statutory Auditors' fees and other auditors' fees

Fees paid to the statutory auditor and its network in respect of the period amounted to €217 K.

No other non-audit services were provided by the statutory auditors or other auditors.