Solutions30

Solutions for New Technologies

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019

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Preliminary Note: All data cited in the consolidated summary documents is expressed in thousands of euros except where there is a stipulation to the contrary specifying data in millions of euros.

1 Management report

1.1 Revenue

For the first six months of 2019, Solutions 30 posted revenue of €317.9 million, up 80% (37% organic growth).

Revenue from France increased by 74% (20% organic) and represented 64% of the group's total revenue at June 30, 2019 (66% in June 2018). In addition to solid organic growth from fiber-optic cabling and smart electricity and gas meters, CPCP has been fully consolidated since August 2018 and Sotranasa since this past December.

In the other countries (Benelux, Germany, Italy and Spain), revenue for the first half of the year was up by 90% (70% organic) to €115.0 million. This performance is based on the ramp-up of the outsourcing contract signed with Telenet in Belgium, but also on the stellar momentum coming out of Spain and in connection with the acquisition of Salto in October 2018.

Revenue by region for HY1 2019:

In millions of euros	H1 2019	H1 2018	Change €M	Change %
France	202.9	116.3	86.6	+74%
International	115.0	60.4	54.6	+90%
Total	**317.9**	**176.7**	**141.2**	**+80%**

1.2 Performance and operations management

1.2.1 Operating profitability

Adjusted EBITDA came in at €29.1 million, up by 79% compared to the first half of 2018. Like last year, it represented 9.2% of revenue, reflecting good cost control against a backdrop of sustained growth.

Adjusted EBIT was €23.9 million, up 67%. It includes €5.2 million in operating depreciation, compared with €2 million one year earlier. Depreciation and amortization increased as a result of investments made in the IT platform for consolidated companies in 2018, while remaining consistent with the group's standard levels.

Amortization of customer relationships amounted to €3.1 million, compared with €1.9 million for the same period in 2018, as a result of the group's accelerating rate of acquisitions. Financial expenses remained stable at €0.5 million, compared with €0.4 million for the same period in 2018. Corporate income tax rose

by €2.6 million year-on-year to €3 million, bringing the tax rate (excluding corporate value-added levy) to 10%, in line with group standards.

After these items were factored in, net income from consolidated companies reached €17.4 million, compared to the €10.1 million recorded the previous year. Consolidated net income, including €2.6 million in goodwill amortization, amounted to €14.7 million, an increase of 64%. The group share of net income reached €14.6 million, up 70% compared to the same period in 2018. The group share of net income after adjustments for €3.1 million in customer relationship amortization and €2.6 million in goodwill amortization amounted to €20.4 million, or 6.4% of revenue.

	06/30/2019 €M	06/30/2018 €M	Change %
Revenue	317.9	176.7	80%
Adjusted EBITDA (1)	29.1	16.3	79%
As a % of revenue	9.2%	9.2%	
Current pretax income - Adjusted EBIT (2)	23.9	14.3	67%
As a % of revenue	7.5%	8.1%	
Net income from consolidated companies	17.4	10.1	72%
As a % of revenue	5.5%	5.7%	
Consolidated net income	14.7	9	64%
As a % of revenue	4.6%	5.1%	
Adjusted net income – group share (3)	20.4	13.1	56%
As a % of revenue	6.4%	7.4%	
Net income – group share	14.6	8.6	70%
As a % of revenue	4.6%	4.9%	
FINANCIAL STRUCTURE FIGURES	06/30/2019	12/31/2018	
Equity (4)	106.4	91.6	
Net debt	-17.9	12.4	
Interest coverage ratio (5)	51.6x	19.6x	

(1) Operating income from recurring operations(*) before depreciation, amortization, and provisions, net of reversals.
(2) Operating income from recurring operations(*) before amortization of intangible assets, including customer relationships.
(3) Before amortization of goodwill and customer relationships.
(4) Including minority interests.
(5) Interest coverage ratio by EBIT: EBIT/net financial expense
(*) Income and expenses that are infrequent, unusual in nature, and significant in amount—including restructuring costs that result from acquiring and consolidating companies—are considered non-recurring transactions (cf. note 7.15).

1.2.2 Financial structure

As of June 30, 2019, the group's equity amounted to €106.4 million, compared with €91.6 million on December 31, 2018. The group's gross cash position, which includes €10 million received from outsourcing operations carried out in 2018, reached €96.5 million, an increase of €26.6 million compared to the end of December 2018. Gross financial liabilities decreased by €3.7 million—compared with December 31, 2018—to €78.6 million. The group posted a net cash position of €17.9 million at the end of June 2019, compared to a net debt of €12.4 million at the end of December 2018. Outstanding receivables transferred at June 30, 2019 under the group's deconsolidating factoring program amounted to €46 million, compared with €51 million at the end of 2018. The advantageous rate offered by this financing method allows the group to direct its resources to executing its growth strategy: consolidate our position as a European-wide player and seize growth opportunities in new and particularly promising markets.

The group has shown its capacity to absorb sustained growth, while generating an increase in cash corresponding to approximately 6.7% of revenue, excluding exceptional items. With a negative gearing ratio (net debt to equity) of -16.8% and an interest coverage ratio (adjusted EBIT to net financial expenses) of 51.6, Solutions 30 is in a stronger position to pursue its growth strategy.

1.2.3 Risk factors

Business risks

CUSTOMER RISK

The majority of revenue comes from major corporations that all have strong reputations in the European market.
Losing one of these customers could impact the revenue, income, and outlook for the Solutions 30 group. Nevertheless, the group believes that it is managing this risk through the quality of its services and control of its customer satisfaction rate.

SUPPLIER RISK

The service activities of the Solutions 30 group require the use of external service providers. The group believes there are no significant risks related to suppliers.
The main suppliers are call center service providers, logistics service providers, long-term rental companies for service vehicles, and external IT-maintenance service providers.
The risk of economic dependence is low, even nonexistent, because the Solutions 30 group has alternatives for each purchasing segment.
As far as service providers directly connected to the group's business—such as call centers and local subcontractors—are concerned, the contracts binding these service providers and the group include operating performance indicators which guarantee the group a certain level of security.

Acquisition risk

Over the course of the last accounting periods, the group made acquisitions in order to strengthen its service offering and continue its expansion.
Acquisitions present potential risks: difficulties with consolidation, the departure of key individuals from the acquired entity, loss of customers, discovery of legal disputes, etc.
The group remains extremely vigilant and performs comprehensive due diligence for each potential acquisition.

Competition risk

As the digital support market remains highly fragmented, the European players in the group's line of work are relatively numerous but small.
In all the European markets that the Solutions 30 Group operates in, the competition mainly consists of small structures and a few service providers with structured networks. These organizations struggle to meet the needs of major corporations.

Recruitment risk

A certain number of technicians need to be recruited and subsequently managed for the group's business lines. These technicians also need to be trained in the operations of the group and its subsidiaries. To this end, the Solutions 30 group benefits from proven recruitment processes and its reputation. Consequently, the group has not encountered any particular difficulties recruiting in 2019.

Financial risks

Liquidity risk – Financing working capital requirements

The Solutions 30 group has short, medium and long-term loans whose outstanding amount of capital at June 30, 2019 is €78.6 million compared with €82.3 million at the end of 2018.
At the end of June 2019, the group used 29.6% of its €75 million external growth credit line to finance new acquisitions and complies with all its banking covenants. In light of the group's sound financial health, it is highly unlikely that the group will default on its loans or be required to repay them before they are due.

Working capital requirements and ability to access credit

During the first half of 2019, the Solutions 30 group reduced its working capital requirements by €16.1 million.
With a net cash position of €17.9 million at the end of June 2019 compared to €12.4 million in net debt at the end of December 2018, the group does not consider itself to be exposed to liquidity risk in 2019 or in future years.

Interest rate risk

During the first half of 2019, the Solutions 30 group entered into an interest rate swap to hedge against the risk of a change in interest rates relating to the repayment of its loan. In addition, the group invests cash in money market funds. The group pursues a conservative management strategy: making short-term investments (approximately 3 months and depending on its future liquidity needs) in money market funds and term deposits with top-tier financial institutions. It is not taking any financial risks with its cash investment strategy.

Currency risk

The group and its subsidiaries all do business in the eurozone, notably with services billed in euros and suppliers largely paid in euros. As far as dealings with call centers based in Morocco, Tunisia, and Poland

are concerned, payments are made in dirhams, dinars, or zloties. Nevertheless, in view of the amounts at stake, the currency risk is insignificant.

EQUITY RISK

As of June 30, 2019, the group does not own any shares.

OFF-BALANCE SHEET COMMITMENTS RISK

The group made a few off-balance sheet commitments in the form of sureties and guarantees totaling €6,633K. This figure is detailed in note 7.12.
As part of its acquisition program, and in accordance with the conditions agreed to when acquiring its initial stake, the Solutions 30 group has call options to buy the remaining shares held by the long-time shareholders of CPCP Telecom, ABM, and Vitgo Comunicaciones. In accordance with the group's practices, it was agreed that the valuation of these purchases were to be based on a multiple of EBITDA or on revenue. Solutions 30 received a reciprocal promise from minority shareholders to sell their shares according to the same valuation method.
There are provisions in the accounts for future earnouts relating to the acquisition of Janssens Group.

Legal, regulatory, and tax risks

DEPENDENCE WITH REGARD TO PATENTS AND LICENSES

The Solutions 30 group is not dependent on any patent or any license whose withdrawal or loss would be detrimental to its operations.
Apart from standard software licenses, the group fully owns the trademarks and licenses it uses in the ordinary course of its operations. Consequently and more particularly, the group continually invests in its own tools and software in order to optimize how it manages and administers its business activities.

Governmental, economic, fiscal, monetary, or political risks

The group has no business with the United Kingdom and will not be affected by England's possible exit from the European Union.
In France, the group has entities that are approved under the Borloo law for in-home IT support (including support, maintenance, installation, and training). This accreditation allows individuals to claim a tax deduction for all in-home services that the Solutions 30 group offers, effectively reducing the overall cost of these services.
If these tax provisions are eliminated, the cost of services provided by the Solutions 30 group for individuals could increase, which would ultimately lessen the attractiveness of the group's offer. Nevertheless, the risk is extremely limited considering the size of these activities.
Apart from these aspects, the group has not identified any governmental, economic, fiscal, monetary, or political factors (that are unresolved or threatening the group) able to influence the group's financial position or profitability.

Tax risk

The group believes that the tax risk is low.
Moreover, to the Solutions 30 group's knowledge, there is nothing that is likely to have a significant negative impact on its financial position in the event of an audit to verify that the group's entities have fulfilled their tax obligations.

Review of risks – List of significant risks

After reviewing its risks, the Solutions 30 group believes that there are no other significant risks.
The list of the most significant risks described above is as follows:

- Customer risk
- Acquisition risk

1.2.4 Treasury shares

As of June 30, 2019, the group does not hold treasury shares.

1.2.5 Use of financial instruments

Apart from the interest rate swap entered into in 2019 to hedge against the risk of a change in interest rates relating to the repayment of its loan, the group does not use complex financial instruments.

1.2.6 Research and development

The group continuously invests in improving its IT tools in order to enhance its service offering for its customers.

During the first six months of the year, these investments represented 1.6% of revenue.

1.2.7 Branches

Solutions 30 has three established branches in France, Italy, and Morocco.

1.2.8 Significant events since June 30, 2019

- In July 2019, the group acquired the Spanish company Provisiona, which specializes in managing deployment programs for mobile networks, particularly 5G networks.
- In July 2019, Solutions 30 decided to exercise its call option on CPCP Telecom in order to increase its stake from 76% to 100%.
- In August 2019, the group acquired i-Projects group, a company based in the Netherlands, which, like Solutions 30, offers a wide range of local services in a variety of sectors: telecommunications, IT assistance, energy, electronic banking, and security.
- In September 2019, the group entered into agreements to acquire CFC in Italy and Sprint in Poland.

1.2.9 Outlook

As seen during the first half of the year, Solutions 30 is on a path of virtuous, promising growth. During the second half of 2019, the basis of comparison will include the outsourcing contract signed with Telenet in Belgium which began in July 2018, but growth is expected to remain strong thanks to the good sales momentum of recent months.

Solutions 30 intends to pursue its strategy of geographical and sector diversification.

Geographically, the group is actively working to establish itself in new territories and to increase the density of its geographic network. The group has just strengthened its presence in the Netherlands with the acquisition of i-Projects and its network of 130 technicians performing call-outs in various sectors.

At the same time, Solutions 30 continues to duplicate its French model by deploying its operations in new markets. In Germany, the group is now firmly positioned in the energy market, where it has signed a contract with the main electricity and gas supplier which is in the pilot phase of installing smart meters. In Italy, Solutions 30 will maintain charging stations for electric vehicles on behalf of a major operator. In Spain, the group obtained its first references for the installation of 5G antennas. Solutions 30 intends to pursue growth everywhere it operates by leveraging its dense network of multidisciplinary technicians, its proven operating model and its solid references. Its sights are set on growth opportunities in high-potential markets.

2 Consolidated balance sheet

ASSETS[1]	Notes	06/30/2019 €k	12/31/2018 €k
A. Uncalled share capital		**1**	**2**
C. Non-current assets		**150,866**	**154,359**
I. Intangible assets	**7.1**		
2. Concessions, patents, licenses, trademarks, and similar rights and assets		67,383	69,497
3. Business assets acquired for valuable consideration		8,974	9,166
4. Down payments and pending intangible assets		5,527	4,406
5. Goodwill		52,031	53,682
II. Tangible assets	**7.2**		
1. Land and buildings		2,253	2,053
2. Technical facilities and machinery		7,855	7,714
3. Other facilities, tools, and equipment		4,387	4,146
4. Down payments and construction in progress		135	132
III. Financial assets	**7.3**		
2. Nonperforming debts and loans		2,072	3,276
3. Investments in associates		249	287
D. Current assets		**386,574**	**374,223**
I. Inventory	**7.4**		
3. Finished products and goods		11,307	9,841
4. Work in progress		4,857	4,749
II. Receivables	**7.5**		
1. Receivables from sales and services provided			
a) due in one year or less		123,341	123,280
4. Other receivables			
a) due in one year or less		149,242	162,863
5. Deferred tax assets		1,310	3,592
III. Securities	**7.7**		
3. Other securities		1,187	751
IV. Cash and cash equivalents	**7.7**	95,330	69,147
E. Accruals	**7.6**	1,523	1,052
Total assets		**538,963**	**529,636**

The notes in the appendix are an integral part of the consolidated financial statements.

[1] Financial statements reviewed according to the international standard ISRE 2410

EQUITY & LIABILITIES[1]	Notes	06/30/2019 €k	12/31/2018 €k
A. Equity	**7.8**	**106,354**	**91,583**
I. Subscribed capital		13,267	13,267
II. Share premium		15,859	15,859
III. Reserves			
1. Legal reserve		1,269	1,269
2. Consolidated reserves		52,817	32,823
IV. Net income for the period – group share		14,645	19,966
V. Minority interests		8,497	8,399
B. Provisions	**7.9**	**14,434**	**18,498**
3. Other provisions		1,829	3,081
4. Deferred tax liabilities		12,605	15,417
C. Debts		**416,347**	**417,092**
2. Loans from credit institutions	**7.10**		
a) due in one year or less		18,108	16,817
b) due in more than one year		60,489	65,451
3. Deposits received on orders	**7.11**		
a) due in one year or less		2,986	1,523
4. Debts on purchases and provision of services	**7.11**		
a) due in one year or less		91,862	73,307
5. Other liabilities including:	**7.11**		
a) Tax liabilities		150,255	153,881
b) Social security liabilities		49,123	42,646
c) Other liabilities due in one year or less		43,524	63,467
D. Accruals		**1,829**	**2,463**
Total equity and liabilities		**538,963**	**529,636**

The notes in the appendix are an integral part of the consolidated financial statements.

[1] Financial statements reviewed according to the international standard ISRE 2410

3 Consolidated income statement

CONSOLIDATED INCOME STATEMENT[1]	Notes	06/30/2019 €k	06/30/2018 €k
1. Net revenue	**9.1**	**317,868**	**176,699**
2. Change in inventory of finished goods and work in progress		**108**	**0**
3. Work performed by the company for its own account and capitalized		**2,272**	**1,219**
4. Other operating income	**7.13**	**11,455**	**3,253**
5. Purchases and external expenses		**-183,481**	**-99,613**
a) Raw materials and consumables		*-20,318*	*-6,676*
b) Goods		*-3,649*	*-5,506*
c) Other external expenses		*-159,514*	*-87,431*
6. Personnel costs		**-117,382**	**-66,696**
a) Wages and salaries		*-89,714*	*-51,073*
b) Payroll taxes, with a separate disclosure for pension-related taxes		*-27,668*	*-15,623*
7. Fair value adjustments		**-10,948**	**-5,892**
a) of establishment costs and of non-current tangible and intangible assets		*-10,810*	*-6,010*
b) of current assets, insofar as they exceed normal adjustments within the company		*-138*	*118*
8. Other operating expenses		**-1,700**	**818**
9. Income from investments, with separate disclosure of income from related companies	**7.14**	**113**	**1,353**
13. Interest and similar expenses, with separate disclosure of amounts due to related companies	**7.14**	**-577**	**-1,776**
14. Income tax	**7.16**	**-2,980**	**-347**
15. Income from associates		**-39**	**-1,181**
17. Net income for the period		**14,710**	**7,837**
Group share		14,645	8,604
Minority interests share		66	-767

The notes in the appendix are an integral part of the consolidated financial statements.

[1] Financial statements reviewed according to the international standard ISRE 2410

4 Accounting standards, consolidation terms, and valuation methods and rules

4.1 Accounting principles

4.1.1 Accounting standards

As of February 19, 2013, Solutions 30 S.E. has been structured as a European company (SE).

The head office of the consolidating entity, Solutions 30 S.E., has been based in the Grand Duchy of Luxembourg since August 1, 2013. As a result, the consolidated financial statements of the Solutions 30 group have been prepared since this date in accordance with legal and regulatory provisions regarding the preparation and presentation of consolidated financial statements applicable in Luxembourg.

The consolidated financial statements are prepared according to the rules established by the Luxembourg law of August 10, 1915 as amended and the law of December 19, 2002.

The consolidated financial statements presented concern the period from January 1, 2019 to June 30, 2019.

The consolidated financial statements are prepared on the basis of the accounts as of June 30, 2019 of the companies included in the group's scope of consolidation (the "group").

4.1.2 Translation of foreign currency transactions

All transactions in a currency other than the euro are recorded in euros at the exchange rate in effect on the date of the transaction.

Assets in the bank are converted at the exchange rate in effect at the end of the reporting period. Gains and losses resulting from foreign currency transactions during the accounting period are recognized in the income statement.

Other assets and liabilities are individually valued at their lowest value and at their highest value, respectively, converted at the historical exchange rate or determined on the basis of the exchange rate in effect on the balance sheet date. Only unrealized foreign exchange losses are recorded in the income statement. Foreign exchange gains are recognized in the income statement when the transaction is complete.

4.2 Consolidation terms

4.2.1 Consolidation methods

Note 6.2 specifically presents all entities consolidated by the parent company, Solutions 30 SE (registered office: 3 rue de la Reine – L-2418 Luxembourg), and the related consolidation methods.

Companies consolidated using the full consolidation method

Subsidiaries are, in principle, all entities (including special purpose entities) over which the group has the power to decide on financial and operating policies, and generally has more than half of the voting rights. Subsidiaries are consolidated using the full consolidation method. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated on the date on which control ceases.
Transactions, balances, and unrealized gains on transactions between group companies are eliminated. The accounting methods of subsidiaries have been adapted where necessary to ensure consistency with the policies adopted by the group.
Minority interests represent the share of a subsidiary's profit or loss and net assets attributable to interests that are not owned solely by the parent company, directly or indirectly through subsidiaries. The share of equity attributable to minority shareholders in subsidiaries is presented separately in the consolidated financial statements.

Companies consolidated using the proportional consolidation method

Joint ventures are entities over which the group exercises joint control, established by a contractual agreement. Joint ventures and jointly controlled entities are proportionately consolidated.
Unrealized gains on transactions between the group and its joint ventures and jointly controlled entities are eliminated to the extent of the group's proportionate interest in these entities.
Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of joint ventures and jointly controlled entities have been adapted where necessary to ensure consistency with the policies adopted by the group.

Companies consolidated using the equity method

Associates are all entities over which the group exercises significant influence but does not control, generally holding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at their acquisition cost.
The share of post-acquisition income from the group's associates is recognized in the income statement under the item income from investments in associates. Post-acquisition movements are adjusted to the carrying amount of the investment.
Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's proportionate interest in these associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.
The accounting methods of associates have been adapted where necessary to ensure consistency with the policies adopted by the group.

4.2.2 Goodwill

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

- the acquisition cost of equity interests and
- the acquiring company's share in the total valuation of assets and liabilities identified on the date of acquisition.

This item therefore records goodwill resulting from an acquisition that could not be allocated to a non-current asset. It can be positive or negative. In the latter case, it is then presented as income from investments.
Positive goodwill is posted to non-current assets and is amortized over a period reflecting, as reasonably as possible, the assumptions used and the targets set during the acquisitions. This period is amortized over the estimated useful life of 5 to 12 years.
The occurrence of unfavorable events, including a decline in revenue and the sustained deterioration of margins, could result in additional amortization if the recoverable amount of goodwill would be less than its net carrying amount.
Goodwill amortization expenses appear on the line for fair value adjustments of establishment costs and of non-current tangible and intangible assets in the consolidated income statement.

4.2.3 Balance sheet dates of consolidated companies

Consolidation is carried out using individual financial statements from the group's companies closed on June 30, 2019, a period of 6 months.

4.3 Valuation methods and rules

Assets and liabilities included in the consolidation are valued using the same methods.
Solutions 30 applies the following methods and principles:

4.3.1 Intangible assets

Intangible assets are valued at their acquisition value or their production value.

CONCESSIONS, PATENTS, LICENSES, TRADEMARKS
These intangible assets primarily consist of patents, software, the trademark, and customer relationships.

Amortization methods and terms used for all intangible assets are as follows:

Intangible assets	Term
Concessions, patents, and licenses	5 to 10 years
Software	3 years
Websites	1 to 3 years
Customer relationships	3 to 13 years

Following acquisitions, the group recognizes customer relationships in certain cases. The value of these customer relationships is based on discounted cash flows generated by fulfilling the main contracts

acquired. The amortization period is the estimated time for the consumption of the majority of the economic benefits flowing to the company and varies from 3 to 13 years.
The group did not recognize any customer relationships in the first half of 2019.

BUSINESS ASSETS

Business assets are initially recognized at their cost of acquisition and are amortized over their estimated useful life of 4 to 10 years.

ADVANCES AND DOWN PAYMENTS ON INTANGIBLE ASSETS

Advances and down payments on intangible assets are recognized at their acquisition cost.

IMPAIRMENT OF ASSETS

All cash-generating units—including goodwill and assets with definite and indefinite useful lives—are subject to review by management and, if necessary, an impairment test in the event there is an indication of impairment.
An impairment loss is recognized as soon as the carrying amount of a cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.
The recoverable amount is the highest value between the asset's net selling price and its value in use.
The value in use is determined by discounting future cash flows.

Impairment losses

An impairment loss recognized for a cash-generating unit is allocated first to the reduction of the carrying amount of goodwill in the cash-generating unit, then to the reduction of the carrying amount of the other assets in the unit in proportion to the carrying amount of each asset in the unit.

Except for goodwill, impairment losses recorded in previous years are reversed when the estimates used to determine them change.

The carrying amount of an asset that has increased due to the reversal of an impairment loss never exceeds the carrying amount that would have been determined (net of amortization or impairment) had no impairment loss been recognized for this asset in previous years.

If there is an indication of impairment and on an annual basis, the recoverable amount of cash-generating units is estimated based on discounting future cash flows.

The group relies on an annual analysis to justify the value of its assets.
Based on these estimates, as of June 30, 2019, no impairment loss has been recognized.

4.3.2 Tangible assets

Tangible assets are valued at their acquisition cost (purchase price plus related fees) or their production cost.
The asset's acquisition cost is the purchase price including costs that are directly attributable and necessary for the use of the asset as expected by management as well as financing costs before operational launch.
They are depreciated on a straight-line or declining basis depending on the probable useful life of the assets in question.
The main useful lives used are as follows:

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

4.3.3 Lease contracts

Operating lease transactions are recognized as expenses during the accounting period in which they are incurred.

4.3.4 Financial assets

Financial assets essentially represent the deposits and guarantees required for operations and non-consolidated holdings.

4.3.5 Inventory

Inventory is maintained according to the weighted average cost method. Inventory is valued at the gross value of the merchandise and supplies including the purchase price and related costs.
Fair value adjustments were eventually made to anticipate certain expenses or risks incurred at the end of the fiscal year.

4.3.6 Receivables and debts

Receivables are recognized at face value.
Fair value adjustments to receivables are recognized on a case-by-case basis when repayment is compromised. This fair value adjustment is reversed when the reasons for it have ceased to exist. Debts are valued at their redemption value.

4.3.7 Cash and marketable securities

Marketable securities are valued at their subscription or purchase price, including related costs.
If securities of the same type and conferring the same rights are sold, the value of the securities has been estimated using the FIFO method (first in, first out).
An impairment is recognized when the market share price or the probable realizable value is lower than the purchase price. This impairment is reversed when the reasons for it cease to exist.

4.3.8 Accruals

This item includes expenses recorded during the accounting period that are attributable to a subsequent accounting period.

4.3.9 Taxes

The group recognizes deferred taxes in the event of:

- temporary differences between the tax value and carrying amounts of assets and liabilities in the consolidated balance sheet, or
- tax credits and loss carryforwards.

Deferred taxes are calculated using the liability method of tax allocation by applying the last tax rate in effect for each company.
Deferred tax assets and liabilities are offset for the same tax entity and when their reversal deadlines are similar.

Two tax consolidation regimes are in effect within the group. In France, the permanent establishment Solutions 30 heads the group that consolidates nearly twenty French companies. In Germany, Solutions 30 Holding heads a tax group composed of four companies.
Only newly created entities fall outside of this tax consolidation the first year of their existence.

Deferred tax assets are only taken into account:

- if their recovery does not depend on future results (if there are deferred tax liabilities), or
- if their recovery is likely due to the existence of a taxable profit expected during the period they are likely to be used.

4.3.10 Provisions for risks and charges

The purpose of provisions is to cover losses or debts that are clearly limited in nature and which, at the balance sheet date, are either probable or certain, but whose amount and date of occurrence are unknown.

Provisions may also be made to cover expenses which originate in the financial year or a previous financial year and which are clearly limited in nature and which, at the balance sheet date, are either probable or certain but their amount or date of occurrence is unknown.

These items primarily include provisions for ongoing litigation and disputes. They are recognized based on estimates of the expenditure required to settle the liability.

4.3.11 Pensions and related benefits

The group continues to evaluate them once a year, at the end of the fiscal year.
The calculation of retirement benefits for employees at the end of their career is based on their seniority and a percentage of the probability that they will still be working for the company at the age of retirement.

These commitments are not entered in the consolidated financial statements and are mentioned as off-balance sheet commitments totaling €3.4 million as of June 30, 2019 (2018: €2.5 million).

4.3.12 Currency translation for companies outside the eurozone

Balance sheet items, with the exception of equity, that are expressed in foreign currencies are converted at the exchange rate in effect on the closing date. Expenses and income from subsidiaries that are expressed in foreign currencies are converted at the average exchange rate during the accounting period. Equity is revaluated at the historical exchange rate. The impact of these conversions is recognized in reserves.

4.3.13 Deferrals

This item includes income received during the accounting period that is attributable to a subsequent accounting period.

4.3.14 Net revenue

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

4.4 Accounting changes

No changes in accounting methods or estimates have been applied in the financial statements for the first half of 2019.

Certain items in the income statement were reclassified as of June 30, 2018 to remain consistent with the new presentation of the financial statements and to facilitate the comparability between the 2019 and 2018 accounting periods :

- Reclassification of purchases of equipments from « other external expenses » to « raw materials and consumables » ; with no impact on the amount of « purchases and external expenses » ;
- Reallocation of financial expenses and revenues (note 7.14), with no impact on the financial result.

5 Significant events

5.1 Highlights of the year

5.1.1 Creation and acquisition of new companies

To meet the growth of its activities in various business segments, Solutions 30 has created the following companies:

- Telima TVX, January 18, 2019 (France)
- Balkans Shared Services, June 19, 2019 (Romania)

5.1.2 Corporate name changes

On March 26, 2019, Telecom Saltó S.L.'s corporate name changed to Solutions 30 Noreste, S.L.

On May 27, 2019, Telima Holland's corporate name changed to Solutions 30 Netherlands B.V.

5.2 Significant events since June 30, 2019

- In July 2019, the group acquired the Spanish company Provisiona, which specializes in managing deployment programs for mobile networks, particularly 5G networks.
- In July 2019, Solutions 30 decided to exercise its call option on CPCP Telecom in order to increase its stake from 76% to 100%.
- In August 2019, the group acquired i-Projects group, a company based in the Netherlands, which, like Solutions 30, offers a wide range of local services in a variety of sectors: telecommunications, IT assistance, energy, electronic banking, and security.
- In September 2019, the group entered into agreements to acquire CFC in Italy and Sprint in Poland.

6 Scope of consolidation

6.1 Business activities

In view of the group's activities, monitoring performance geographically is the most relevant criterion. To this end, information is communicated along the following lines:

- France
- Growth in other countries

This analysis was used for the segment data presented in part 9.

6.2 Scope of consolidation as of June 30, 2019

The following subsidiaries were not included in the scope of consolidation:

Companies	Reasons for exclusion
Telima Poland	Insignificant activity (also in 2018)
Connectica	Insignificant activity (also in 2018)
VoCo Single Member PC	Insignificant activity (also in 2018)
Solutions 30 Eastern Europe	Insignificant activity (also in 2018)

The list of consolidated companies with control and equity percentages and consolidation methods appears in the table below:

Country	Company and legal form	Registered office	Integration method	% of control 06/30/2019	% stake 06/30/2019
Germany	Solutions 30 HOLDING GmbH	Wankelstraße 33 – 50998 Cologne	Full consolidation	100%	100%
Germany	SOLUTIONS 30 FIELD SERVICES GMBH (formerly Connecting Cable GMBH)	Wankelstraße 33 – 50998 Cologne	Full consolidation	100%	100%
Germany	DBS Digital Business Solutions Gmbh (formerly TELIMA DEUTSCHLAND)	Gögginger Straße 6 – 73575 Leinzell	Full consolidation	100%	100%
Germany	Solutions 30 Gmbh	Teinacher Straße 49 – 71634 Ludwigsburg	Full consolidation	100%	100%
Germany	Solutions 30 Operations GmbH (formerly ABM Communication)	Bergstr. 67 – 69469 Weinheim	Full consolidation	99.80%	99.8%
Germany	SOLUTIONS 30 FIELD SERVICES SUD GMBH (formerly VKDFS)	Nimrodstraße 10-18 (Gebäude 5A) – 90441 Nuremberg	Full consolidation	100%	100%
Belgium	Unit-T (formerly Janssens Group)	Tervueren 34 BE-1040 Brussels (Etterbeek)	Full consolidation	100%	70%
Belgium	Solutions 30 Field Services BVBA	Slachthuisiaan 78 BE - 2060 Antwerp	Full consolidation	100%	100%
Belgium	JANSSENS FIELD SERVICES	Slachthuisiaan 78 BE - 2060 Antwerp	Full consolidation	100%	100%
Belgium	JANSSENS BUSINESS SOLUTIONS	Slachthuisiaan 78 BE - 2060 Antwerp	Full consolidation	100%	100%
Belgium	TELIMA Belgique	Ave Louise 486-15 1050 Brussels	Full consolidation	100%	100%
Belgium	UNIT-T FIELD SERVICES BVBA	Schaliënhoevedreef 20T 2800 Mechelen	Full consolidation	100%	70%
Belgium	ICT FIELD SERVICES BVBA	Schaliënhoevedreef 20T 2800 Mechelen	Full consolidation	100%	70%
Spain	Solutions 30 Iberia 2017 (formerly REXION)	C/ Innovacion, 7 - P.I. Los Olivos - 28906 Getafe	Full consolidation	100%	100%
Spain	SALTO Telecomunicaciones	Poligono Industrial, Cami Del Frares. Caille 1, Parcela n°12, Nave 1, 25190 Lleida (Lleida)	Full consolidation	100%	100%
Spain	VITGO Comunicaciones (formerly AUTRONIC)	Parque Techologico y Logistico de Valladares Calle C, Nave C4 36315 de Vigo	Equity method	49%	49%
France	TELIMA MONEY SAS	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA INFOSERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA BUSINESS SOLUTIONS SAS	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	FORM@HOME	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	PC30 FAMILY SARL	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	FREPART	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA SERVICE REGION	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA LOGISTIQUE	12 Rue Robert Moinon - 95190 Goussainville	Full consolidation	100%	100%
France	TELIMA NORD	16 Rue Albert Einstein - 93160 Noisy-le-Grand	Full consolidation	100%	100%
France	TELIMA COMPTAGE	5 Rue de Broglie Espace de Broglie Bât. C - 22300 Lannion	Full consolidation	100%	100%

Country	Company and legal form	Registered office	Integration method	% of control 06/30/2019	% stake 06/30/2019
France	TELIMA DIGITAL WORLD	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	CPCP Télécom	ZAC N° 1 Les Bouillides - 15 Traverse des Brucs 06560 Valbonne	Full consolidation	100%	76%
France	TELIMA NANCY	16 Rue Albert Einstein - 93160 Noisy-le-Grand	Full consolidation	100%	100%
France	TELIMA ONSITE	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA SGA	10 Rue Gudin - 75016 Paris 16	Full consolidation	100%	100%
France	TELIMA IDF SARL	16 Rue Albert Einstein - 93160 Noisy-le-Grand	Full consolidation	100%	100%
France	TELIMA SUD	1 Avenue Arthur Rimbaud - 13470 Carnoux-en-Provence	Full consolidation	100%	100%
France	TELIMA Breizh	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	SFM30	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA TELCO	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA ENERGY NORD	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA ENERGY SUD	33 quai Arloing 69009 Lyon	Full consolidation	100%	100%
France	TELIMA ENERGY OUEST	8 Rue Honoré de Balzac 37000 Tours	Full consolidation	100%	100%
France	TELIMA ENERGY EST	9 rue André Pingat BP 441 51065 Reims	Full consolidation	100%	100%
France	TELIMA ENERGY ATLANTIQUE	Rue Robert Caumont - Immeuble P 33049 Bordeaux Cedex	Full consolidation	100%	100%
France	TELIMA ENERGY IDF	10 rue Gudin 75016 Paris	Full consolidation	100%	100%
France	Atlan' tech	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA RELEVE NORD	Bâtiment B - 1/3 Route de le Révolte 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA RELEVE EST	Parc d'Ariane I, 290 rue Ferdinand Perrier 69800 Saint Priest	Full consolidation	100%	100%
France	TELIMA RELEVE CENTRE	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA MANAGED SERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA RELEVE IDF	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA NETWORKS SERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA PROFESSIONNAL SERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA DISTRIBUTED SERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA RELEVE GRAND EST	11-13 Rue des Hautes Pâtures - 92000 Nanterre	Full consolidation	100%	100%
France	TELIMA EURO ENERGY	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	SOTRANASA	35 Bd. Saint Assiscle - 66000 Perpignan	Full consolidation	100%	100%
France	FREDEV ENERGY CENTRE	1-3 Route de la Révolte Bât. B – 93200 Saint Denis	Full consolidation	51%	51%

Country	Company and legal form	Registered office	Integration method	% of control 06/30/2019	% stake 06/30/2019
France	SOLUTIONS 30 MARTINIQUE	11 Rue des Arts & Métiers - 97200 Fort-de-France	Full consolidation	100%	100%
France	SOLUTIONS 30 GUYANE	1 Avenue Gustave Charlery - 97300 Cayenne	Full consolidation	100%	100%
France	TELIMA TVX	35 Boulevard Saint Assiscle – 66000 Perpignan	Full consolidation	100%	100%
Italy	TELIMA ITALIA SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	100%	100%
Italy	IMATEL SERVICE	Via dei Martinitt, 3 20146 Milano	Full consolidation	100%	100%
Italy	Solutions 30 Services	Via dei Martinitt, 3 20146 Milano	Full consolidation	100%	100%
Italy	PIEMONTE	Via dei Martinitt, 3 20146 Milano	Full consolidation	100%	100%
Italy	TELIMA CALABRIA SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	60%	60%
Italy	TELIMA FRUILI SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	60%	60%
Italy	TELIMA PALERMO SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	51%	51%
Italy	TELIMA SUD SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	60%	60%
Italy	TELIMA ROMA	Via dei Martinitt, 3 20146 Milano	Full consolidation	51%	51%
Italy	Solutions 30 Consortile	Via dei Martinitt, 3 20146 Milano	Full consolidation	84%	82%
Italy	JustOne Solutions (CONTACT 30)	Via dei Martinitt, 3 20146 Milano	Full consolidation	51%	51%
Italy	BUSINESS SOLUTIONS ITALIA SRL	Viale Angelo Filippetti 26 - 20122 Milano	Full consolidation	100%	90%
Italy	BUSINESS REMOTE SOLUTIONS ITALIA SRL	Viale Angelo Filippetti 26 - 20122 Milano	Full consolidation	100%	90%
Luxembourg	SOLUTIONS 30 SE	3, rue de la Reine – L2418 Luxembourg	Full consolidation	100%	100%
Luxembourg	SMARTFIX30 (Lux)	3, rue de la Reine – L2418 Luxembourg	Full consolidation	85%	85%
Luxembourg	WW Brand	3, rue de la Reine – L2418 Luxembourg	Full consolidation	100%	100%
Luxembourg	BRAND30	3, rue de la Reine – L2418 Luxembourg	Full consolidation	100%	100%
Luxembourg	SOFT SOLUTIONS	3, rue de la Reine – L2418 Luxembourg	Full consolidation	100%	100%
Morocco	SOL30MAROC	7, Résidence Rami Rue Sebta 2ème étage Bureau 8 - Maarif - Casablanca	Full consolidation	100%	100%
the Netherlands	BUSINESS SOLUTIONS 30 HOLLAND BV	Hambakenwetering 18 C - 5231 DC 's - Hertogenbosch	Full consolidation	100%	100%
the Netherlands	TELIMA HOLLAND BV	Hambakenwetering 10 - 5231 DC Den Bosch - Pastbus 2186 - 5202 CD's-Hertogenbosch	Full consolidation	100%	100%
Morocco	SOL30MAROC	7, Résidence Rami Rue Sebta 2ème étage Bureau 8 - Maarif - Casablanca	Full consolidation	100%	100%
Portugal	SOLUTIONS 30 Portugal	Zona Industrial de Neiva, 2ª Fase - Lote Eq1 4935-232 Viana do Castelo	Full consolidation	100%	100%
Romania	Balkans Shared Services	Sector 1, Str Hrisovuiui, nr 2-4, Bucharest	Full consolidation	100%	100%
Tunisia	TELIMA TUNISIE	71, avenue Alain Savary Tunis	Full consolidation	100%	100%

7 Explanation of balance sheets, income statement, and changes

7.1 Intangible assets

Details of changes in goodwill by consolidated company are as follows:

	12/31/2018	Increase / Provisions	Decrease / Reversals	Other changes	06/30/2019
Gross values					
VITGO COMMUNICACIONES	2,728	0	0	0	2,728
TELIMA BELGIQUE	463	0	0	0	463
TELIMA BUSINESS SOLUTIONS	2,749	0	0	0	2,749
TELIMA DIGITAL WORLD	280	0	0	0	280
SOLUTIONS 30 NETHERLANDS B.V.	114	0	0	0	114
TELIMA ILE DE FRANCE	285	0	0	0	285
UNIT-T	30,391	0	0	0	30,391
TELIMA ITALIA	384	0	0	0	384
TELIMA MONEY	2,044	0	0	0	2,044
SOLUTIONS30 SERVICES	30	0	0	0	30
MIXNET	30	0	0	0	30
TELIMA ONSITE	221	0	0	0	221
TELIMA INFOSERVICES	3,420	0	0	0	3,420
PC30 FAMILY	151	0	0	0	151
CPCP TELECOM	0	0	0	994	994
SOTRANASA	16,498	0	0	0	16,498
SOLUTIONS 30 NORESTE	3,996	0	0	0	3,996
OTHER	340	0	0	0	340
Total	**64,123**	**0**	**0**	**994**	**65,117**
Amortization					
VITGO COMMUNICACIONES	-644	-114	0	0	-758
TELIMA BELGIQUE	-463	0	0	0	-463
TELIMA BUSINESS SOLUTIONS	-2,029	-114	0	0	-2,144
TELIMA DIGITAL WORLD	-280	0	0	0	-280
SOLUTIONS 30 NETHERLANDS B.V.	-114	0	0	0	-114
TELIMA ILE DE FRANCE	-282	0	0	0	-282
UNIT-T	-2,256	-1,276	0	0	-3,532
TELIMA ITALIA	-307	-38	0	0	-346
TELIMA MONEY	-1,456	-65	0	0	-1,521
SOLUTIONS30 SERVICES	-30	0	0	0	-30
MIXNET	-30	0	0	0	-30
TELIMA ONSITE	-221	0	0	0	-221
TELIMA INFOSERVICES	-1,639	-143	0	0	-1,781
PC30 FAMILY	-151	0	0	0	-151
CPCP TELECOM	0	-41	0	0	-41
SOTRANASA	-115	-687	0	0	-802
SOLUTIONS 30 NORESTE	-83	-166	0	0	-250
OTHER	-340	0	0	0	-340
Total	**-10,441**	**-2,645**	**0**	**0**	**-13,086**
Net values					
VITGO COMMUNICACIONES	2,084	-114	0	0	1,970
TELIMA BELGIQUE	0	0	0	0	0
TELIMA BUSINESS SOLUTIONS	719	-114	0	0	605
TELIMA DIGITAL WORLD	0	0	0	0	0
SOLUTIONS 30 NETHERLANDS B.V.	0	0	0	0	0
TELIMA ILE DE FRANCE	2	0	0	0	2
UNIT-T	28,135	-1,276	0	0	26,860
TELIMA ITALIA	77	-38	0	0	38
TELIMA MONEY	588	-65	0	0	523
SOLUTIONS30 SERVICES	0	0	0	0	0
MIXNET	0	0	0	0	0
TELIMA ONSITE	0	0	0	0	0
TELIMA INFOSERVICES	1,781	-143	0	0	1,639
PC30 FAMILY	0	0	0	0	0
CPCP TELECOM	0	-41	0	994	953
SOTRANASA	16,383	-687	0	0	15,696
SOLUTIONS 30 NORESTE	3,913	-166	0	0	3,746
OTHER	0	0	0	0	0
Total	**53,682**	**-2,645**	**0**	**994**	**52,031**

The only goodwill recognized over the period corresponds to an earnout paid in the first half of 2019, in connection with the acquisition of the CPCP Telecom shares.

Other intangible assets consist of the following:

	12/31/2018	Increase/Allocation	Decrease/ Reversal	Reclassifications	Change in scope	Cumulative translation adjustments	06/30/2019
Gross values							
Concessions, patents, licenses	22.000	3,386	0	-823	0	0	24,562
Customer relationships	69,944	0	0	40	0	0	69,984
Business assets	10.618	508	-32	-11	0	0	11.083
Pending intangible assets	4,406	1.122	0	0	0	0	5,527
TOTAL	**106,967**	**5,015**	**-32**	**-795**	**0**	**0**	**111,156**
Amortization							
Concessions, patents, licenses	-8,979	-2,102	0	476	0	0	-10,605
Customer relationships	-13,467	-3,091	0	0	0	0	-16,558
Business assets	-1,452	-657	0	0	0	0	-2,109
Pending intangible assets	0	0	0	0	0	0	0
TOTAL	**-23,898**	**-5,850**	**0**	**476**	**0**	**0**	**-29,272**
Net values							
Concessions, patents, licenses	13,020	1,284	0	-347	0	0	13,956
Customer relationships	56,477	-3,091	0	40	0	0	53,426
Business assets	9,166	-149	-32	-11	0	0	8,974
Pending intangible assets	4,406	1.122	0	0	0	0	5,528
TOTAL	**83,069**	**-835**	**-32**	**-319**	**0**	**0**	**81,884**

In gross value, the item “Customer relationships” consists of €7,003K for Connecting Cable, €2,401K for DBS Allemagne, €915K for Form@home, €574K for Telima Business Solutions, €4,800K for Rexion, €3,605K for Atlantech, €18,681K for ABM, and €32,004K for CPCP.

Business assets amounting to €11,083K in gross value correspond to intangible assets from acquired companies; they were written down by €2,109K on June 30, 2019.

7.2 Tangible assets

Tangible assets consist of the items shown in the table below:

	12/31/2018	Increase / Provision	Decrease / Reversal	Reclassifications	Change in scope	Cumulative translation adjustments	06/30/2019
Gross values							
Buildings	2,746	317	0	34	0	0	3,097
Technical facilities, equip., tools	12,052	1,472	-22	185	0	0	13,687
Other tangible assets	6,823	511	0	-390	0	30	6,974
IT and transport equipment	6,391	574	-121	716	0	0	7,560
Construction in progress	132	5	0	-2	0	0	135
TOTAL	**28,143**	**2,879**	**-143**	**543**	**0**	**30**	**31,452**
Amortization							
Buildings	-692	-132	0	-20	0	0	-844
Technical facilities, equip., tools	-6,843	-1,269	20	-330	0	0	-8,422
Other tangible assets	-2,677	-348	0	439	0	0	-2,587
IT and transport equipment	-3,886	-565	113	-631	0	0	-4,969
Construction in progress	0	0	0	0	0	0	0
TOTAL	**-14,098**	**-2,315**	**133**	**-542**	**0**	**0**	**-16,822**
Net values							
Buildings	2,053	185	0	15	0	0	2,253
Technical facilities, equip., tools	5,209	202	-2	-145	0	0	5,264
Other tangible assets	4,146	163	0	49	0	30	4,387
IT and transport equipment	2,505	9	-9	85	0	0	2,591
Construction in progress	132	5	0	-2	0	0	135
TOTAL	**14,045**	**564**	**-11**	**2**	**0**	**30**	**14,630**

7.3 Financial assets

Financial assets predominantly consist of deposits and guarantees and the securities of subsidiaries that have not been consolidated.

	12/31/2018	06/30/2019
Gross values		
Financial assets	3,590	2,348
Total	**3,590**	**2,348**
Provisions for impairment		
Financial assets	-26	-26
Total	**-26**	**-26**
Net values		
Financial assets	3,563	2,321
Total	**3,563**	**2,321**

7.4 Inventory

Inventory is as follows:

	12/31/2018	06/30/2019
Gross values		
Finished products and goods	15,440	17,288
Total	**15,440**	**17,288**
Provisions for impairment		
Finished products and goods	-849	-1,124
Total	**-849**	**-1,124**
Net values		
Finished products and goods	14,590	16,164
Total	**14,590**	**16,164**

Inventory primarily corresponds to telecommunication cables, spare parts used for maintenance operations, or consumables used for deployments.
Defective parts are written off at 100% of their value, except in the case where a repair estimate was obtained. In this case, depreciation is limited to the amount of the repair cost.

7.5 Receivables

Gross receivables are broken down by maturity as follows:

Gross values	12/31/2018	06/30/2019	< 1 year	> 1 year
Trade receivables and related accounts	126,289	126,864	126,864	0
Other receivables	162,863	149,242	149,242	0
Total	**289,152**	**276,105**	**276,105**	**0**

Change in impairment is as follows:

(in thousands of euros)	12/31/2018	06/30/2019
Trade receivables and related accounts	3,009	3,522
Total	**3,009**	**3,522**

7.6 Accruals

Accruals are broken down by maturity as follows:

Gross values (in thousands of euros)	12/31/2018	06/30/2019	< 1 year	> 1 year
Prepaid expenses	1,052	1,523	1,523	0
Total	**1,052**	**1,523**	**1,523**	**0**

7.7 Cash and cash equivalents

The cash position of the group is as follows:

(in thousands of euros)	12/31/2018	06/30/2019
Marketable securities	751	1,187
Cash and cash equivalents	69,147	95,330
Total	**69,898**	**96,517**

7.8 Equity

As of June 30, 2019, capital is composed of 104,057,392 shares at a nominal value of €0.1275. Outstanding dilutive instruments consist of 3,070,592 share subscription warrants, which could confer the rights to 3,070,592 shares.

7.8.1 Legal reserve

A minimum of 5% must be taken from the net earnings of the consolidating company every year to constitute the reserve funds prescribed by Luxembourg law. This deduction ceases to be compulsory when the reserve reaches one tenth of the subscribed capital. The legal reserve cannot be distributed.

7.8.2 Authorized capital

Authorized capital amounted to €7,582,008.84, represented by 59,466,736 shares with a nominal value of €0.1275 each. The authorization will expire 5 years from July 19, 2016.

7.8.3 Change in equity

	Capital	Premiums	Legal reserve	Group consolidated reserves	Net income for the period	Accumulated translation adjustments	Equity – Group share	Total minority interests	Consolidated total
12/31/2018	**13,267**	**15,859**	**1,269**	**33,249**	**19,966**	**-426**	**83,184**	**8,399**	**91,583**
Allocation of 2018 earnings				19,966	-19,966		0		0
Net income for the period					14,645		14,645	66	14,710
Change in scope							0		0
Change in foreign currency translation adjustments						36	36		36
Other				98		-107	-9	33	24
06/30/2019	**13,267**	**15,859**	**1,269**	**53,313**	**14,645**	**-496**	**97,857**	**8,497**	**106,354**

7.9 Provisions

Provisions for risks and charges are broken down as follows:

(in thousands of euros)	12/31/2018	06/30/2019
Provisions for deferred tax liabilities	15,417	12,605
Provisions for retirement benefits	239	239
Other provisions	2,842	1,590
Total	**18,498**	**14,434**

Other provisions concern:

- Provisions for maintenance related to vehicle use and repair costs: €462K
- Provisions for maintenance of payment terminals: €293K
- Commercial and labor court litigation: €310K
- Provisions for operational risks: €426K
- Other provisions for risks and charges: €99K

7.10 Loans from credit institutions

7.10.1 Loan type and maturity

Loans from credit institutions can be broken down by maturity as follows:

(in thousands of euros)	12/31/2018	06/30/2019	< 1 year	1–5 years	> 5 years
Loans and long-term debt from credit institutions	79,202	75,300	14,861	53,913	6,526
Bank overdrafts	3,048	3,247	3,247	0	0
Other financial liabilities	18	50	50	0	0
Total	**82,268**	**78,597**	**18,158**	**53,913**	**6,526**

In 2018, the group negotiated €130 million in structured financing, including a €75-million line of credit to finance external growth, of which it has used up to 29.6% as of June 30, 2019. For fiscal year 2019, the interest rate is set at 1%.

Loans and long-term debt from credit institutions are due between 2019 and 2024. The bank overdrafts item consists of overdraft facilities.

7.10.2 Breakdown by main currencies

All financial liabilities are denominated in euros.

7.11 Other short-term liabilities

Other short-term liabilities include the following items:

(in thousands of euros)	12/31/2018	06/30/2019
Accounts payable	73,307	91,862
Advances and deposits received on orders	1,523	2,986
Social security liabilities	*42,646*	*49,123*
Tax liabilities	*153,881*	*150,255*
Tax and social security liabilities	196,527	199,377
Other liabilities	63,467	43,524
Deferred income	2,463	1,829
Total other short-term liabilities	**337,287**	**339,578**

Tax liabilities mainly consist of deductible VAT on internal transactions between group companies (€107.2 million at June 30, 2019). There are a significant number of transactions between the companies that contract with customers and the group's regional operating entities to which services are outsourced. These transactions generate VAT receivables on internal transactions for an equivalent amount, classified as other receivables (see note 7.5). These VAT payables and receivables related to internal transactions are not offset in the group's consolidated balance sheet.

Other liabilities mainly include future earnouts related to acquisitions due over the 2019-2021 period for a total of €18.5 million.

7.12 Off-balance sheet commitments

7.12.1 Collateral granted and commitments given

In connection with its acquisition program, and in accordance with the conditions set forth at the time of the initial acquisition, Solutions 30 paid an earnout of €1 million to CMC, the former owner of CPCP Telecom.

Likewise, Solutions 30 has call options to buy the remaining shares held by the long-time shareholders of CPCP Telecom and Vitgo Comunicaciones (formerly Autronic). In accordance with the group's practices, it was agreed that the valuation of these purchases were to be based on a multiple of EBITDA or on revenue. Solutions 30 received a reciprocal promise from minority shareholders to sell their shares according to the same valuation method.
Furthermore, as part of the service agreement signed with Telenet, the Group granted the Telecom operator an option to purchase an additional 10% of the capital of the group's subsidiary, Unit-T, allowing Telenet to

increase its stake in Unit-T to 40%. This option will be exercisable by the operator between the third and fifth year of the agreement dated 04/26/2018.

The group made some off-balance sheet commitments in the form of sureties and guarantees totaling €6,633K.

Guarantor	Principal	Sureties	Guaranteed Obligations	Maturity	Amount in thousands of €
Solutions 30	**S30 group's companies**	Demand guarantee	Payment of any amount charged by the beneficiary in connection with its activity of any products or services provided via its fuel cards	08/01/2017 – Cancellation in 6 months	**150**
Solutions 30	**Telima Money**	Indemnity bond	Obligations arising from the performance of services under contract, including the provision of payment terminals	Applicable during the entire contractual relationship	**750**
Vitgo Comunicacioes, S.L.	**Magaez Telecomunicaciones S.L.**	Demand guarantee	Obligations arising in connection with the performance of contractual services for the customer R Cable	Applicable during the entire contractual relationship	**300**
UNIT-T	**Solutions 30 Field Services (JFS)**	Demand guarantee	Obligations related to rent payments	09/30/2027	**193**
Janssens Business Solutions	**Janssens Field Services BVBA**	Demand guarantee	Obligations arising in connection with the performance of contractual services	Applicable during the entire contractual relationship	**240**
Solutions 30	**S30 group's companies**	Indemnity bond	Obligations arising from guarantee contracts with subcontractors (setting up sureties for certain group subsidiaries)	Applicable during the entire contractual relationship	**5,000**

The group's other commitments are as follows:

- Pledge of Telima Frepart shares: As a guarantee for the structured credit facility of €130 million concluded in 2018, the Group signed an agreement to pledge shares.
- Acceleration clauses for failure to comply with loan repayment terms: as of June 30, 2019, Solutions 30 is in compliance with all of its covenants.
- Employee benefit obligations: commitments for retirement compensation amounted to €3.4 million as of June 30, 2019.

7.12.2 Collateral and commitments received

No commitments were received at the end of the reporting period apart from those binding Solutions 30 and its co-shareholders in the following companies: CPCP Telecom and Vitgo Comunicaciones (see note 7.12.1).

7.13 Other operating income

Other operating income primarily consists of operating subsidies and income from the sale of equipment to the group's subcontractors.

As of June 30, 2019, total operating subsidies amounted to €10.8 million. They mainly cover transition costs, included in results of operating activities, resulting from the contribution of business lines by Fujitsu Field Services in France, by Telenet in Belgium, and by DXC in Italy.

7.14 Financial income - Income from investments

This note breaks down the income statement items below:

Income from investments and equity instruments; net financial income	06/30/2019	06/30/2018
Financial income		
Income from investments with separate disclosure of income from related companies	113	1,353
Financial expenses		
Interest and similar expenses with separate disclosure of amounts due to related companies	-577	-1,776
Net financial income	**-464**	**-423**

7.15 Recurring and non-recurring income

The table below presents the changeover from net income to adjusted EBIT and adjusted EBITDA, measures that the company believes best represent the operational performance of its activities during the accounting period.

Changeover from accounting income to key management balances		06/30/2019	06/30/2018	
Net income	**A**	**14,710**	**7,837**	
Income from associates	B	-39	-1,185	
Taxes	C	-2,980	-347	**Note 7.16**
Net financial income	D	-464	-422	**Note 7.14**
EBIT (Earnings Before Interest & Tax)	**E=A-B-C-D**	**18,193**	**9,791**	
Goodwill amortization	F	-2,645	-1,103	**Note 7.1**
Customer relationship amortization	G	-3,091	-1,889	**Note 7.1**
Non-recurring income	H	0	-1,497	**Note 7.15**
Adjusted EBIT	**I=E-F-G-H**	**23,929**	**14,280**	
Net depreciation, amortization, and provisions	J	-5,212	-1,977	
Adjusted EBITDA	**K=I-J**	**29,141**	**16,257**	
Net income before taxes	**L=A-B-C-F**	**20,374**	**10,472**	
Net income from consolidated companies	**M=L+C**	**17,394**	**10,125**	

Non-recurring income:

Non-recurring income includes income and expenses that the group considers as having a significant, one-time impact on operational performance during the accounting period.

The group believes that classifying these non-recurring expenses and income improves the readability of its operations' intrinsic economic performance.

No non-recurring income or expenses were recognized at June 30, 2019.

Non-recurring income	06/30/2019	06/30/2018
Non-recurring income	0	0
Non-recurring expenses		
Restructuring costs	0	-1,497
Non-recurring income	**0**	**-1,497**

7.16 Income tax

Income tax is broken down as follows:

(in thousands of euros)	06/30/2019	06/30/2018
Tax payable	-3,509	-890
Deferred tax income	530	544
Total	**-2,980**	**-347**

7.17 Personnel at the end of the period

The number of salaried employees working for fully consolidated companies is broken down as follows:

	06/30/2019
Employees	2,775
Technicians	2,375
Managers	249
Total	**5,399**

8 Cash flow statement

	06/30/2019
CONSOLIDATED NET INCOME	**14,710**
Net income – group share	14,645
Net income – minority interests share	66
Elimination of non-cash or non-operating income and expenses:	
Depreciation, amortization, and provisions	10 948
Change in deferred tax liabilities	-2,812
Capital gains after tax	-16
Elimination of income from associates	39
Other non-cash items	330
GROSS CASH FLOW FROM CONSOLIDATED COMPANIES	**23,199**
CHANGE IN WORKING CAPITAL REQUIREMENTS (WCR) FOR OPERATIONS	**16,089**
Impact of changes in inventory and work-in-progress	-1,574
Impact of changes in customers and other accounts receivable	-61
Impact of changes in suppliers and other accounts payable	20,018
Impact of changes in other receivables and debts	-2,294
IMPACT OF CHANGES IN CONSOLIDATION SCOPE ON WCR	**0**
NET CASH FLOW FROM OPERATING ACTIVITIES	**39,288**
CASH FLOW FROM INVESTING ACTIVITIES	
Acquisition of non-current assets	-8,112
Acquisitions	-1,000
Disposal of non-current assets after tax	114
Net cash flow from investing activities	**-8,998**
CASH FLOW FROM FINANCING ACTIVITIES	
Capital increases (reductions)	0
Loan issuance	856
Repayment of borrowings	-4,527
Net cash flow from financing activities	**-3,671**
CHANGE IN CASH BALANCES	**26,620**
Opening cash balance	**69,898**
Closing cash balance	**96,517**
Impact of changes in foreign exchange rates	**4**

9 Other disclosures

9.1 Revenue by region

Revenue broken down by geographic region is presented in the table below:

(in thousands of euros)	06/30/2019	06/30/2018
France	202,861	116,301
International	115,007	60,398
Total	**317,868**	**176,699**

9.2 Revenue by activity

Revenue by activity is presented in the table below:

(in thousands of euros)	06/30/2019	06/30/2018
Sales of services	317,294	173,959
Sales of goods	575	2,739
Total	**317,868**	**176,699**

9.3 Companies and related parties

All transactions with related companies are performed under normal market conditions.

9.4 Remuneration allocated to management and supervisory board members

Remuneration paid in 2019 to members of the management and supervisory bodies for their role as directors and officers in accordance with their employment contracts amounted to €770K.
There are no pension obligations for management and supervisory bodies.

9.5 Auditor's fees

The auditing team's fees for this half-year accounting period are as follows:

(in euros)	06/30/2019		06/30/2018	
Total	**Audit fees**	**Other fees**	**Audit fees**	**Other fees**
Ernst & Young Luxembourg	66,000	0	0	0
Ernst & Young International	124,000	0	0	0
Other auditors	5,200	0	0	0
Total	**195,200**	**0**	**0**	**0**