Consolidated Financial Statements

31/12/2015

SOLUTIONS 30 GROUP

6 rue Dicks

L1417 - LUXEMBOURG

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Paris corporate & trade register B 448 525 303

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Preliminary note: All data cited in the consolidated summary documents is expressed in thousands of euros.

Management Report

SOLUTIONS 30 SE

European company with a management board and supervisory board

capitalized at €7,645,467

Registered office: 6 rue Dicks L-1417 Luxembourg

Luxembourg corporate and trade register B 179097

Management report on the consolidated financial statements
Year ended December 31, 2015

1. Revenue

Solutions 30 S.E.'s consolidated revenue for 2015 was €125.2 million, up 12.1% compared to 2014.

Business from international operations (Italy, Benelux, Germany, and Spain) increased by 18.9% and represents 29.3% of all business activity (28% in 2014).

Business growth is essentially organic. In France, the group benefited from an increase in its fiber optic business in connection with the deployment of high-speed Internet infrastructures and from the launch of the Linky smart meters deployment in December 2015. Internationally, activities in Germany and Benelux performed particularly well. At the end of the year, Spain benefited from the start of the contract with Hewlett Packard.

2. Revenue by quarter

In millions of euros	**2015**	**2014**	**Change €M**	**Change** %
Q1	29.5	27.5	2	***+8.7%***
Q2	30.8	26.7	4.1	***+15.4%***
Q3	30.8	27.2	3.6	***+13.2%***
Q4	34.1	30.3	3.8	***+15.5%***
Year	**125.2**	**111.7**	13.5	***+12.1%***
from France	90.7	81	9.7	***+11.97%***
from international operations	34.5	30.7	3.8	***+12.37%***

3. Breakdown by region and activities

For fiscal 2015, the group's consolidated revenue amounted to €125.2 million, up 12.1%.

Business from international operations (Italy, Benelux, Germany, and Spain) increased by nearly 12.37% and represents 34.5% of all business activity (28% in 2014).

In order to support its growth, the group has strengthened its teams by recruiting 400 new numerical analysts, including 300 in France.

The signature of new partnerships with major corporations in the main European markets in 2015 confirms the relevance of Solutions 30's business model based on the implementation of standardized processes and the timely and profitable optimization of call-out conditions as their volume has grown.

Operations in France

Revenue generated in France amounted to €90.7 million, up 11.97% compared with 2014. This represents approximately 72.44% of total revenue.

In France, growth in all business sectors has been essentially organic and driven by the deployment of fiber optic cabling and Linky operations.

Solutions 30 is also positioned in the e-health market, which involves the use of digital devices for home care (remote assistance, remote monitoring, and home hospitalization). This positioning remains strategic to this day, with insignificant revenue in 2015.

International operations

Strong momentum in 2015 drove the group's international operations to new heights, with revenue reaching €34.5 million. This growth was divided equally between organic and external growth.

Activities in Germany and Benelux performed particularly well.

In Germany, the group strengthened its presence by:

- acquiring an additional 50% stake in Connecting Cable GmbH, bringing its stake to 100%;
- listing Solutions 30 shares on Deutsche Börse's XETRA electronic trading system.

In Spain, Solutions 30 acquired a 60% stake in the Spanish company REXION to fulfill its obligations resulting from the acquisition of Hewlett Packard's IT and digital assistance business in Spain and Portugal.

4. Operating profitability

EBITDA was €11.0 million, up 10%. Earnings were slightly curbed in the second half of the year by the ramp-up of the fiber optic and Linky operations.

Earnings before amortization of intangible assets, including goodwill, were €9.3 million, up 6.9%.

The absence of any significant acquisitions during the financial year helped contain exceptional income to €(0.6) million in 2015 compared with €(1.7) million in 2014. Goodwill amortization amounted to (€1.2) million in 2015, the same as in 2014.

Net income before amortization of goodwill amounted to €7.3 million, up 37.7% compared to 2014.

The group share of net income amounted to €6.1 million, an increase of 52.5% compared to 2014.

5. Solid financial structure

As of December 31, 2015, the group's equity amounted to €26.7 million (€19.0 million at the end of 2014).

At the end of 2015, gross cash amounted to €11.3 million (€5.2 million at the end of 2014), with gross financial liabilities of €22.5 million, including €6.6 million in bank overdrafts, compared to €9.2 million at the end of 2014.

The interest coverage ratio (EBIT over net financial expenses) was 28x at the end of 2015. In a context of persistently low interest rates, it highlights the group's leeway for pursuing its external growth strategy in France and Europe.

6. Risk factors

a. Business risks

i. 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 Solutions 30's revenue, income, and outlook. Nevertheless, the company believes that it is managing this risk through the quality of its services and from its customer satisfaction rate.

A small part of the consolidated revenue is generated directly from individuals, small independently-owned businesses, or businesses that are part of a chain. With regard to these customers, the group believes that the loss of one of them would not be likely to jeopardize its financial position.

ii. Supplier risk

Solutions 30's service business gives the company the opportunity to use external service providers. The company believes there are no significant risks related to suppliers.

The main suppliers are call center service providers, logistics service providers, factoring service providers, and external IT-maintenance service providers. These can be replaced relatively easily by other external service providers because they only make a small contribution to the added value of Solutions 30.

As far as service providers directly connected to Solutions 30's business – such as call centers and local sub-contractors – are concerned, the contracts binding these service providers and the company include SLAs and performance rules which guarantee the company a certain level of security.

iii. Acquisition risk

In 2015, the company made acquisitions in order to strengthen its service offering and expedite 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 company remains extremely vigilant and performs comprehensive due diligence for each potential acquisition.

iv. Competition risk

As the digital support market remains highly fragmented, the European players in our group's line of work are relatively numerous but small.

The French market is a good example of the competitive landscape throughout Europe. The European markets that Solutions 30 operates in are rather similar to the French market, consisting of independent firms and a few larger service providers with organized networks. However, these organizations have a hard time addressing the needs of major corporations.

v. 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 company and its subsidiaries. Solutions 30 successfully leverages its reputation for recruitment purposes. Consequently, the group has not encountered any particular difficulties recruiting in 2015.

b. Financial risks

i. Liquidity risk - Financing working capital requirements

Banking covenants, default and early repayment clauses

Entities within the Solutions 30 group have loans whose outstanding principal at December 31, 2015 was €15,696K compared to €9,220K at the end of 2014.

During the period, the group took out €8,500K in new loans.

For its international operations, the group has support from financial partners in the form of factoring contracts for Italy (possible total amount of €1,500K) and overdraft facilities for the Netherlands (possible total amount of €700K).

As of December 31, 2015, Solutions 30 was in compliance with all of the acceleration clauses. 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

The group's working capital requirements are evolving as its volume of business is increasing.

The group does not consider itself to be exposed to liquidity risk in fiscal 2016 or in future years.

ii. Interest rate risk

As of December 31, 2015, the Solutions 30 group does not have any financial assets apart from money market funds where its cash is invested. Accordingly, 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.

iii. 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, the company's payments are made in dirhams, dinars, or zlotys. Nevertheless, in view of the amounts at stake, the currency risk is relatively low.

iv. Equity risk

As of December 31, 2015, the group does not own any shares. The group does not have any trading activity.

v. Off-balance sheet commitments risk

The company made a few off-balance sheet commitments in the form of sureties and guarantees totaling €250K.

c. Legal, regulatory, and tax risks

i. Dependence with regard to patents and licenses

Solutions 30 is not dependent on any patent or license whose withdrawal or loss would be detrimental to its activities.

Apart from standard software licenses, the company fully owns the trademarks and licenses it uses in the ordinary course of its operations. Consequently and more particularly, the company continually invests in its own tools and software in order to optimize the management and administration of its business activities. This recurring investment enabled the company to obtain the OSEO Innovative Enterprise label at the end of 2009, a label that was renewed at the beginning of 2013 for a period of three years.

d. Governmental, economic, fiscal, monetary, or political risks

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 Solutions 30 offers, effectively reducing the overall cost of these services.

If these tax provisions are eliminated, the cost of Solutions 30 services for individuals could increase, which would ultimately lessen the attractiveness of the company's offer. However, given the stakes in terms of the jobs involved and the government's stated desire to promote and provide France with high-quality digital infrastructure, the risk remains limited.

Apart from this aspect, the company has not identified any governmental, economic, fiscal, monetary, or political factors (that are unresolved or threatening the company) able to influence the financial position or profitability of the company or the group.

In 2015, the company benefited from an employment competitiveness tax credit (CICE) of €895K.

e. Tax risk

In 2015, TELIMA ILE DE FRANCE was audited by the tax authorities for the years 2013 and 2014. This audit resulted in a minor tax adjustment of €37K.

Moreover, to Solutions 30'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.

f. Review of risks - List of significant risks

After reviewing its risks, Solutions 30 believes that there are no other significant risks.

The list of the most significant risks described above is as follows:
- Customer risk
- Acquisition risk

7. Research and development activity

Over the past year, the company did not incur any additional research and development expenses.

8. Treasury shares

As of December 31, 2015, the “Treasury shares” item is zero. Solutions 30 transferred ownership of all 3,200 existing treasury shares at the end of the 2014 financial year.

9. Use of financial instruments

The company does not use financial instruments.

10. Use of financial instruments

The group operates in France through its branches in France and Morocco.

11. Significant events since December 31, 2015

In February 2016, the group carried out transactions to transfer all assets and liabilities between the following entities:

- TELIMA SUD-OUEST absorbed TELIMA MEDITERRANEE
- TELIMA C2A absorbed TELIMA PAS DE CALAIS
- In March 2016, the group strengthened its presence in Spain by acquiring a 50% stake in the Spanish company AUTRONIC.
- In May 2016, the group strengthened its Benelux presence by acquiring a 50% stake in the Belgian company Janssens Field Services (JFS).

12. Outlook

The outlook for 2016 is as follows:

- Accelerated growth and profit growth to remain in the double digits
- Continuation of acquisition policy
- Pursuit of international growth with Benelux and Germany as priorities

Achieving these objectives by 2018 will depend on three drivers of business growth, namely:

- The deployment of digital technologies in all major markets
- International expansion
- Consolidation of the market through acquisitions

1. Consolidated balance sheet

ASSETS	Notes	12/31/2015	12/31/2014
C. Non-current assets		**23,659**	**15,985**
1. **Intangible assets**	7.1		
2. Concessions, patents, licenses, trademarks acquired for valuable consideration		9,471	3,725
3. Business assets acquired for valuable consideration		316	332
4. Down payments and pending intangible assets		3,532	1,273
5 Goodwill		6,287	7,729
II. Tangible assets	7.2		
1. Land and buildings		14	6
2. Technical facilities and machinery		1,800	992
3. Other facilities, tools, and equipment		612	1,269
4. Down payments and construction in progress		599	201
III. Financial assets	7.3		
3. Shares in related companies		345	52
6. Nonperforming debts and loans		683	406
D. Current assets		**73,286**	**56,444**
I. Inventory	7.4		
3. Finished products and goods		4,696	2,664
4. Down payments		167	43
	7.5		
II. Receivables			
1. Receivables from sales and services provided a) due in one year or less			
4. Other receivables		34,274	36,328
a) due in one year or less		21,983	11,537
5 Deferred tax assets		310	360
III. Securities	7.7		
2. Treasury shares or equivalent			35
3. Other securities and financial instruments		5,206	19
IV. Cash and cash equivalents	7.7	6,045	5,122
E. Accruals	7.6	605	336
Total assets		**96,945**	**72,429**

The notes in the appendix are an integral part of the annual financial statements.
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EQUITY & LIABILITIES	Notes	12/31/2015	12/31/2014
A. Equity	**7.8**	**26,665**	**19,022**
I. Subscribed capital		7,585	4,972
II. Share premium and related premiums		2,883	1,492
IV. Reserves			
1. Legal reserve		754	497
4. Consolidated reserves		9,142	7,834
VI. Net income for the period		6,119	4,023
X. Minority interests		182	204
C. Provisions	**7.9**	**2,884**	**2,973**
3. Other provisions		2,884	2,973
D. Unsubordinated debt		**66,885**	**49,361**
2. Loans from credit institutions	**7.11**		
a) due in one year or less		13,022	3,748
b) due in more than one year		9,441	5,471
3. Deposits received on orders	**7.12**		
a) due in one year or less		0	37
4. Debts on purchases and provision of services	**7.12**		
a) due in one year or less		15,500	20,353
8. Tax liabilities and social security liabilities	**7.12**		
a) Tax liabilities		17,159	11,160
b) Social security liabilities		3,768	6,569
9. Other liabilities			
a) due in one year or less		7,996	2,023
E. Accruals		**509**	**1,073**
Total equity and liabilities		**96,945**	**72,429**

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

2. Consolidated income statement

A. EXPENSES	Notes	12/31/2015	12/31/2014
1. Consumption of goods and raw materials and consumables		9,279	6,566
2. Other external expenses		67,367	61,638
3. Personnel costs		38,882	35,996
a) Wages and salaries		*29,281*	*26,164*
b) Social security contributions for wages and salaries		*9,601*	*9,832*
4. Fair value adjustments			
a) of establishment costs and of non-current tangible and intangible assets	**7.14**	3,731	2,813
b) of current assets		1,321	604
5 Other operating expenses		1,573	726
8. Interest and other financial expenses	**7.15**	443	452
10. Non-recurring expenses	**7.16**	4,152	3,651
11. Income tax	**7.17**	(121)	925
12. Other taxes not included under the above item		1,155	1,242
13. Income for the year		6,136	4,082
Group share		6,119	4,023
Minority interests		17	59
14. Income from associates		-	2
TOTAL EXPENSES		**133,917**	**118,697**

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

B. INCOME	**Notes**	**12/31/2015**	**12/31/2014**
1. Net revenue	**8.1**	125,283	111,749
3. Capitalized production costs		2,232	1,562
4. Reversals of fair value adjustments			
a) of establishment costs and of non-current tangible and intangible assets		19	64
b) of current assets		829	148
5 Other operating income		1,779	3,074
8. Other interest and other financial income			
b) other interest and financial income	**7.15**	192	108
10. Non-recurring income	**7.16**	3,583	1,992
12. Loss for the year			
Group share			
Minority interests			
14. Income from associates			
TOTAL INCOME		**133,917**	**118,697**

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

3. Change in equity - group share

(in thousands of euros)	*Capital*	*Premiums*	*Legal reserve*	*Consolidated reserves*	*Net income for the period*	*Total group equity*	*Total minority interests*	*Total equity*
As at December 31, 2013	**4,972**	**1,492**	**373**	**5,816**	**2,137**	**14,790**	**231**	**15,021**
Allocation of 2013 earnings			124	2,013	(2,137)	0		0
Net income for the period					4,023	4,023	59	4,082
Capital increase				0		0	0	0
Dividends				21		21	(21)	0
Other changes				(16)		(16)	(65)	(81)
As at December 31, 2014	**4,972**	**1,492**	**497**	**7,834**	**4,023**	**18,818**	**204**	**19,022**
Allocation of 2014 earnings			257	3,766	(4,023)	0		0
Net income for the period					6119	6119	17	6,136
Capital increase	2,613	1,391		(2,486)		1,518		1,518
Other changes				28		28	(39)	(11)
Dividends						0		0
As at December 31, 2015	**7,585**	**2,883**	**754**	**9,142**	**6,119**	**26,483**	**182**	**26,665**

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

4.1 *Accounting standards and consolidation terms*

4.1.1 Accounting standards

As of February 19, 2013, the company has been structured as a European company (Societas Europaea).

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

With the exception of the balance sheet and income statement presentation and in particular the presentation of goodwill amortization in operating expenses in accordance with Luxembourg standards, the accounting rules and methods do not differ significantly from the French rules followed by the group until the end of 2012.

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

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.

When there is an economic link between an asset and a liability, they are valued globally using the method described above and only the net unrealized foreign exchange loss is recognized in the income statement and unrealized foreign exchange gains are not recognized.

4.2 *Consolidation terms*

4.2.1 Consolidation methods

The list provided in note 6 shows all entities consolidated by the parent company, Solutions 30 SE (6 rue Dicks - L-1417 Luxembourg), and the consolidation methods.

Exclusively controlled entities are fully consolidated.

Jointly controlled entities are proportionately consolidated.

Entities subject to significant influence are consolidated using the equity method.

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 appears as non-recurring income for the acquisition accounting period.

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 5 years.

Certain acquisitions that are unique and/or strategic for the group (acquisition of new operations) could, as an exception, lead to amortization being taken into account over a longer period (up to 12 years). The entities in question are mentioned in note 7.1.

The occurrence of unfavorable events (decline in revenue, the sustained deterioration of margins, etc.) could result in exceptional amortization if the recoverable amount of goodwill would be less than its net carrying amount (cf. § 4.3.1.3).

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.

The business combination method with determination of goodwill is used for business acquisitions in connection with divestiture plans decided by commercial courts.

4.2.3 Balance sheet dates of consolidated companies

Consolidation is carried out using individual financial statements from the group's companies closed on December 31, 2015, a period of 12 months.

4.3 *Valuation methods and rules*

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.

4.3.1.1 Research and development costs

Projects with a high probability of technical feasibility and commercial success are capitalized and amortized over 5 years.

Projects that do not have these characteristics are expensed.

Expenditures incurred could be capitalized if they relate to projects that are clearly singular and have a significant potential for commercial profitability.

4.3.1.2 Other intangible assets

Intangible assets primarily consist of patents, software, the trademark, and customer relationships. These customer relationships stem from the acquisition of Form@home in 2013, the acquisition of Télima Deutschland (DBS) in 2014, and the acquisition of Connecting Cable in 2014 and 2015.

During the first half of 2015, the group restructured its holdings in its German subsidiaries Digital Business Solutions GmbH and Connecting Cable GmbH, in particular by acquiring the remaining 50% of Connecting Cable, thus increasing its stake to 100%.

In accordance with Article 319 (5) of the law of August 10, 1915 as amended, as of January 1, 2014, the group recognized an intangible asset of €2,381K resulting from the contribution of customers after it acquired Connecting Cable.

The customers in question were clearly identifiable but could not be accurately estimated at the date of acquisition. This value was determined during the 2015 financial year on the basis of a recognized valuation model for this type of asset. Taking into account an initial gross goodwill of €1,130K, €2,380k net of deferred tax was recorded as non-recurring income.

The value of these customer relationships was based on discounted cash flows generated by fulfilling the main contracts acquired (corresponding to a discounted superprofit to be realized). The amortization period of 3.5 to 11 years is the estimated time for the consumption of the majority of the economic benefits flowing to the company.

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

Intangible assets	Term
Concessions, patents, and licenses	5 - 10 years
Software	3 years
Websites	1 - 3 years
Customer relationships	3.5 - 11 years

4.3.1.3 Business assets

In December 2014, the group created a joint venture with Connectica through its Dutch subsidiary. This holding is valued at its acquisition price of €300K.

4.3.1.4 Advances and down payments on fixed assets

Since fiscal 2014, the Solutions 30 group has incurred expenses to upgrade its call-out management and planning system in order to anticipate:

- Strong growth resulting from winning major contracts in the fiber business,
- Required upgrades to meet the needs of the German market.

The amounts capitalized at the end of 2014 represent €1,273K and concern Telima Tunisia.

In 2015, the amounts capitalized were €2,255K and concerned the development and update of PC 30 NET (integrated group software) in connection with new contracts signed during the year.

4.3.1.5 Impairment of assets

All cash-generating units (i.e. the subsidiary in the current organization of the Solutions 30 group)—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.

> Recoverable amount

The recoverable amount is the highest value between the asset's net selling price and its value in use.

The value in use can be estimated according to several criteria (discounting of future cash flows, multiples approach, net assets, etc.).

> Impairment losses

An impairment loss recognized for a cash-generating unit (i.e. the subsidiary) is allocated first to the reduction of the carrying amount of goodwill for 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, the recoverable amount of cash-generating units is estimated based on discounting future cash flows. The discount rate used in 2015 was 10.70% (compared to 12% in 2014). The infinite growth rates used are 1.5% (identical to 2014).

At December 31, 2015, no impairment loss was recorded.

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 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 - 5 years
Office and computer equipment	3 years
Transport equipment	3 or 5 years
Office furniture	3 years

4.3.3 Lease contracts

Leasing transactions (operating or finance leases) or 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.

Non-consolidated holdings

The following companies are outside the scope of consolidation as at December 31, 2015.

Companies	***Reasons for exclusion***
TELIMA ENERGY NORD	Insignificant activity
TELIMA ENERGY SUD	Insignificant activity
TELIMA ENERGY IDF	Insignificant activity
TELIMA ENERGY ATLANTIQUE	Insignificant activity
TELIMA ENERGY OUEST	Insignificant activity
TELIMA ENERGY EST	Insignificant activity
TELIMA PROFESSIONAL SERVICES	Insignificant activity
S30 SERVICES	Insignificant activity
TELIMA POLAND	Insignificant activity (also in 2014)
SFM30	Insignificant activity
CONNECTICA	Insignificant activity (also in 2014)
BUSINESS SOLUTIONS 30 HOLLAND BV	Insignificant activity

4.3.5 Inventories and work-in-progress

Inventory is maintained according to the first in, first out method or the weighted average cost method. Inventories are valued according to the same rules as those applied for preparing annual financial statements, i.e. the gross value of goods and supplies includes 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 and payables are recognized at face value.

The value of a receivable is impaired when its recoverable amount is less than the carrying amount.

4.3.7 Transactions, receivables and payables in foreign currencies

Transactions denominated in foreign currencies are recognized in the entity's functional currency at the exchange rate prevailing at the transaction date.

Monetary items in foreign currencies are translated at each balance sheet date using the closing rate. Translation adjustments resulting from or arising from the settlement of these monetary items are recognized as income or expenses for the period.

There are no hedges for trade receivables and payables on the balance sheet.

4.3.8 Cash and marketable securities

Marketable securities are valued at their subscription or purchase price, excluding 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.

4.3.9 Accruals

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

4.3.10 Income 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.

A consolidated tax regime is in effect within the group. Solutions 30, a permanent establishment in France, heads the group that consolidates nearly twenty French companies.

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 to be used.

4.3.11 Provisions for risks and charges

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

4.3.12 Pensions and related benefits

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.

- Retirement initiatives: voluntary when the employee can get retirement with full pension
- Discount rate: 2.03% (iBoxx€ Corporates AA10+ as of 12/31/2015)
- Future wage development rate: 2%

Employee turnover rate: 4%

Mortality table: the table TG05—which is a single table and not gender-specific—was used

Payroll tax rate: 43.7%

These commitments are not entered in the consolidated financial statements and are mentioned as off-balance sheet commitments totaling €1,116K as of December 31, 2015.

4.3.13 Distinction between non-recurring income and EBIT

EBIT includes income from activities in which the company is engaged in the course of its business as well as related activities that it carries out on an ancillary basis or as an extension of its normal activities.

Non-recurring income arises from unusual events or operations outside of normal activities and which are not expected to recur on a frequent and regular basis.

4.3.14 Currency translation for companies outside the eurozone

Any transactions expressed in foreign currencies are translated at the exchange rates prevailing at the time of the transaction.

When the accounts are closed, monetary balances in foreign currencies are translated at the closing rate. Translation adjustments arising on this occasion and those arising from transactions in foreign currencies are, where applicable, recognized as financial income or expenses.

4.3.15 Accruals and deferred income

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

4.3.16 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.

5. Significant events during the year

5.1 *Significant events*

On February 2, 2015, the commercial court accepted the going concern plan of Télima Digital World, which had been in bankruptcy proceedings since February 26, 2014.

In February 2015, Frepart sold its 40% stake in VEGA for €31K;

On March 19, 2015, the group restructured its holdings in its German subsidiaries DBS GmbH and Connecting Cable, resulting in:

- The sale by DBS GmbH of its 50% stake in Connecting Cable to Solutions 30 for €2,532K,
- The purchase of the additional 50% of Connecting Cable by Solutions 30 for €1,750K in cash and 69,414 shares of Solutions 30, bringing its stake to 100%
- The sale by Solutions 30 of 26% of Connecting Cable to Brand 30 for €1,361K and 26% of Connecting Cable to WW Brand for €2,402K
- A change in holding company, Connecting Cable now owns 100% of DBS GmbH

At the end of May 2015, the group carried out transactions to transfer all assets and liabilities for the following entities:

Money absorbed Vericheck

During the first half of 2015, Solutions 30 acquired the minority interests in PC 30 Italie in exchange for 40,926 shares in Solutions 30, increasing its stake to 100%.

In the second half of 2015, Frepart acquired the minority interests of Telima Paris for €17K and Telima Sud-Ouest for €4K.

At the end of August 2015, Solutions 30 acquired 60% of the share capital of the Spanish company REXION COMPUTER. This resulted in the recognition of goodwill amounting to €402K.

Solutions 30 SE shareholders voting at the extraordinary general meeting, held on May 15, 2015, decided to raise the capital twice: first raising it by €2,485,904, from €4,971,808 to €7,457,712, by increasing the par value of existing shares from €0.50 each to €0.75, paid up by capitalizing reserves; then, raising it by €82,755 via a contribution in kind, increasing the capital from €7,457,712 to €7,540,467, by creating and issuing 110,340 new shares worth €0.75 each, together with a share premium amounting to €1,188,921.

At its meeting on October 16, 2015, the management board, in accordance with the powers granted to it by article 7.1. of the company's bylaws, decided to increase the share capital, within the limits of the authorized capital, by €45,000, raising it from €7,540,467 to €7,585,467 by creating and issuing 60,000 new shares worth a par value of €0.75, with a share premium of €202,200.

5.2 *Significant events since December 31, 2015*

On January 27, 2016, the management board of Solutions 30 SE, in accordance with the powers granted to it by article 7.1. of the company's bylaws, decided to increase the share capital by €60,000, within the limits of the authorized capital, from €7,585,467 to €7,645,467.

In February 2016, the group carried out transactions to transfer all assets and liabilities between the following entities:

- TELIMA SUD-OUEST absorbed TELIMA MEDITERRANEE

- TELIMA C2A absorbed TELIMA PAS DE CALAIS

In March 2016, the group acquired 50% of the capital of the Spanish company AUTRONIC.

In May 2016, the group strengthened its Benelux presence by acquiring a 50% stake in the Belgian company Janssens Field Services (JFS).

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:

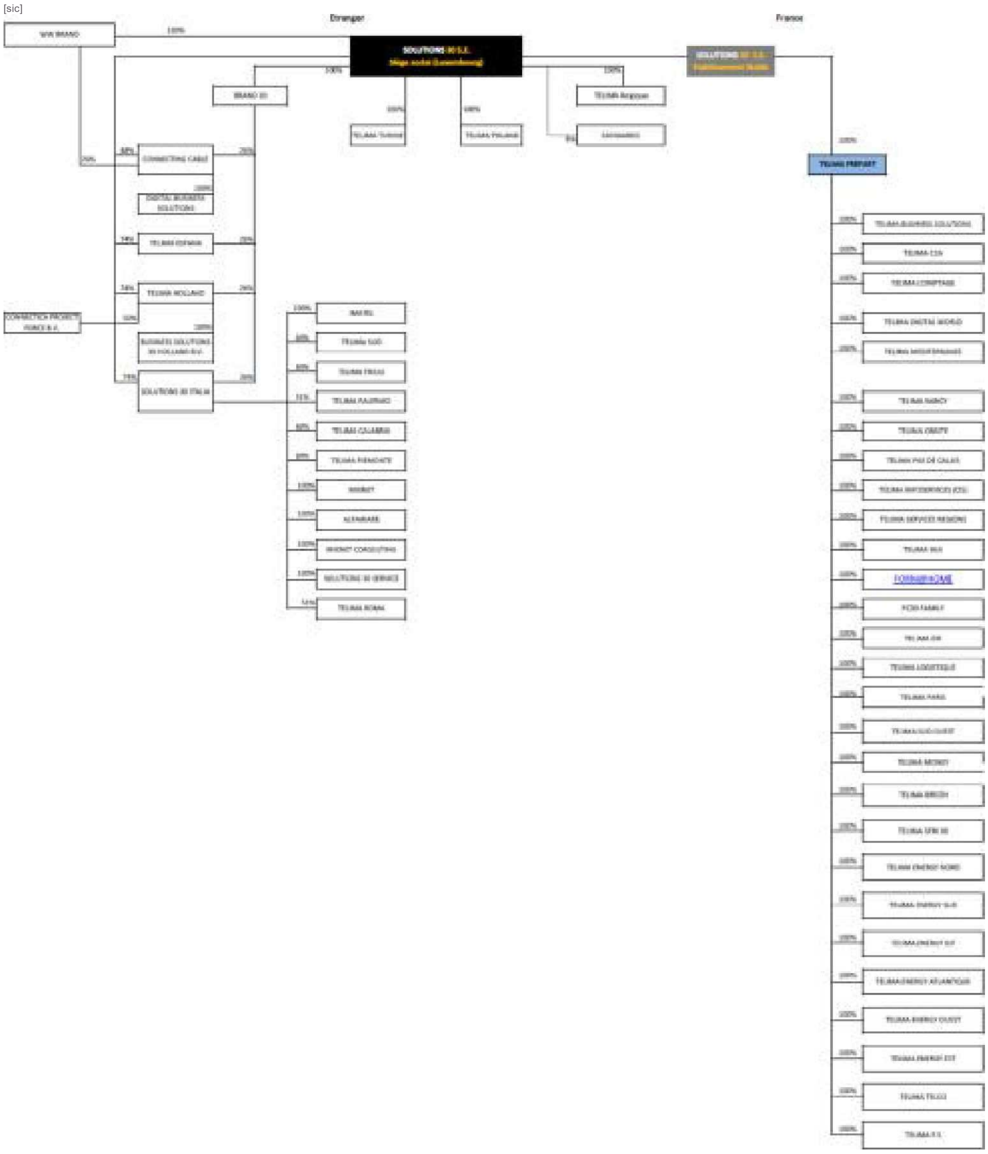
France

International operations

This analysis was used for the segment data presented in section 8.

6.2 *Organization chart as of December 31, 2015*

[sic]



The following companies are outside the scope of consolidation as at December 31, 2015.

Companies	***Reasons for exclusion***
TELIMA ENERGY NORD	Insignificant activity
TELIMA ENERGY SUD	Insignificant activity
TELIMA ENERGY IDF	Insignificant activity
TELIMA ENERGY ATLANTIQUE	Insignificant activity
TELIMA ENERGY OUEST	Insignificant activity
TELIMA ENERGY EST	Insignificant activity
TELIMA PROFESSIONAL SERVICES	Insignificant activity
S30 SERVICES	Insignificant activity
TELIMA POLAND	Insignificant activity (also in 2014)
SFM30	Insignificant activity
CONNECTICA	Insignificant activity (also in 2014)
BUSINESS SOLUTIONS 30 HOLLAND BV	Insignificant activity

6.3 *Lists of consolidated companies*

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

Company and legal form	SIRET No.	Registered office	Method 12/31/2015	Method 12/31/2014	% voting rights 12/31/2015	% voting rights 12/31/2014	% stake 12/31/2015	% stake 12/31/2014
SOLUTIONS 30 SE	795245927	6, rue Dicks L-1417 Luxembourg	Parent	Parent	100.00%	100.00%	100.00%	100.00%
French subsidiairies								
FREPART (EX TELIMA ROUEN SARL)	48834516600026	48, Quai de Paris 76000 Rouen - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
FORM@HOME	488747825	Tour Chantecoq 92800 Puteaux - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
LOGISTIQUE (EX TELIMA IDF NORD SARL)	50086930000011	200, Chaussée Jules César 95250 Beauchamp - France	Full consolidation	Full consolidation	98.67%	98.67%	98.67%	98.67%
PC30 FAMILY SARL	48892263400016	5 Rue Chantecoq 92800 Puteaux - France	Full consolidation	Full consolidation	99.73%	99.73%	99.73%	99.73%
TELIMABreizh	797566213	5 Rue Chantecoq 92800 Puteaux - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMABUSINESS SOLUTIONS SAS	51345361300020	321, Bureaux de la Colline 92210 St Cloud - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA C2A SARL	50520300000011	4, Ave de Laon 51100 Reims - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA COM PT AGE SARL	52759155600016	5 Place du Corbeau 67000 Strasbourg - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMADIGITAL WORLD SARL (EX TELIMALYON FAMILY)	50492859900019	5 Rue Chantecoq 92800 Puteaux - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMAIDF SARL	49477830100023	34, Route de la Forêt 91860 Epinay ss Sénart - France	Full consolidation	Full consolidation	99.33%	99.33%	99.33%	99.33%
TELIMA MEDITERRANEE SARL	50793853800018	4, Rue edouard Mars al 34000 Montpellier - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMAMONEY SAS	52023258800019	61, Rue de l'Arcade 75008 Paris - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA NANCY SARL	47918891400010	112, Ave du Général Leclerc 54000 Nancy - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMAONSITE SARL	51292977900035	5 Rue Chantecoq 92800 Puteaux - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA PARIS SARL	49157072700033	128 bis, Ave Jean Jaurés 94200 Ivry sur Seine - France	Full consolidation	Full consolidation	100.00%	98.67%	100.00%	98.67%
TELIMA PAS DE CALAIS SARL	48962617600015	31, Route d'Arras 62300 Lens - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA INFO SERVICES (EX TELIMA RETAIL)	75131972400017	5 Rue Chantecoq 92800 Puteaux - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMASERVICE REGION	53116007500010	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMASGA	49113674300011	La Vigne de Guiguet 84270 Vedene - France	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMASUD OUEST SARL (EX TELIMA TOULOUSE)	49322949600010	4, Rue de Caulet 31300 Toulouse - France	Full consolidation	Full consolidation	100.00%	99.00%	100.00%	99.00%
TELIMATELCO	81096787700012	12, Rue Robert Moinon - Goussainville	Full consolidation		100.00%		100.00%	
VEGAINFORMATIQUE SARL	41137552000052	4, Ave de Laon 51100 Reims - France	Sold	Equity method		40.00%		40.00%
VERICHECK	38346049000063	5 Rue Chantecoq 92800 Puteaux - France	Transferred at 06/30/15	Full consolidation		100.00%		100.00%

International subsidiaries								
BRAND30	B178591	24 Rue des Genêts L-1621 Luxembourg	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
WW BRAND	B178591	24 Rue des Genêts L-1621 Luxembourg	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
CONNECTING CABLE GMBH	HRB 2002989	Berliner Strasse 21a 31860 Emmerthal	Full consolidation	Proportional consolidation	100.00%	50.00%	100.00%	50.00%
IMATEL SERVICE	07626050962	Corso Magenta 32 20100 Milan - Italy	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	95.00%
MIXNET Sri	6314850964	Via dei Martinitt, 3 20146 Milan	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	95.00%
MIXNET Roma	6370360965	Via dei Martinitt, 3 20146 Milan	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	95.00%
MIXNET Consulting	7306140968	Via dei Martinitt, 3 20146 Milan	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	95.00%
MIXNET Alfaware	4267850966	Via dei Martinitt, 3 20146 Milan	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	95.00%
PIEMONTE	07912700965	Corso Magenta 32 20100 Milan - Italy	Full consolidation	Full consolidation	60.00%	60.00%	60.00%	57.00%
TELIMA Belgique SPRL	811303644	Ave Louise 486-15 1050 Brussels - Belgium	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA CALABRIA SRL	06620190964	Corso Magenta 32 20100 Milan - Italy	Full consolidation	Full consolidation	60.00%	60.00%	60.00%	57.00%
DBS Digital Business Solutions Gmbh (formerly TELIMA DEUTSCHLAND)	HRB 732982	Robert-Bosch-Str.33, 73431 Aalen - Germany	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA ESPANA	B86197399	Avenue Paseo de Recoletos 16 - 28001 Madrid - Spain	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA FRUILI SRL	06620340965	Corso Magenta 32 20100 Milan - Italy	Full consolidation	Full consolidation	60.00%	60.00%	60.00%	57.00%
TELIMA HOLLAND BV	17245978	Hambakenwetering 10 - 5231 DC Den Bosch - Pastbus 2186 - 5202 CD's-Hertogenbosch - Netherlands	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
Solutions 30 ITALIA SRL	06141270964	Corso Magenta 32 20100 Milan - Italy	Full consolidation	Full consolidation	100.00%	95.00%	100.00%	95.00%

TELIMA PALERMO SRL	06619930966	Corso Magenta 32 20100 Milan - Italy	Full consolidation	Full consolidation	51.00%	51.00%	51.00%	48.45%
TELIMA SUD SRL	06571140968	Corso Magenta 32 20100 Milan - Italy	Full consolidation	Full consolidation	60.00%	60.00%	60.00%	57.00%
TELIMA TUNISIE	12511068	71, avenue Alain Savary Tunis	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
TELIMA ROMA	09053750965	Via dei Martinitt, 3 20146 Milan	Full consolidation		51.00%		51.00%	
Solutions 30 Consortile	09321390966	Via Fabrizio Clerici n°10 Milan	Full consolidation		100.00%		100.00%	
REXION COMPUTER	B78593092	Calle Innovacion 7 - Madrid	Full consolidation		60.00%		60.00%	

6.4 *Accounting changes*

No changes in accounting methods or estimates during the period affected the comparability of the financial statements.

6.5 *Changes in scope and change in consolidation method*

Changes in the scope of consolidation during the period are explained in Note 5.1 - Significant events.

7. Explanation of balance sheets, income statement, and changes

The following tables are an integral part of the consolidated financial statements.

7.1 *Intangible assets*

Goodwill relates to the following companies:

(in thousands of euros)	12/31/2014	Increase	Decrease	Changes in the scope	12/31/2015
Gross values					
Belgique	463				463
BUSINESS	2,749				2,749
CONNECTING CABLE	1,130			(1,130)	0
DIGITAL WORLD	280				280
HOLLAND	114				114
IDF	285				285
PC30 Italie		384			384
MONEY	1,502			543	2,045
MIXNET	315				315
ONSITE	221				221
INFOSERVICES	3,420				3,420
PC30 Family	151				151
VERICHECK	543			(543)	0
REXON		402			402
OTHER	388	4			392
Total	11,561	790	0	(1,130)	11,221
Amortization					
Belgique	303	93			396
BUSINESS	1,115	229			1,344
CONNECTING CABLE	94			(94)	0
DIGITAL WORLD	201	56			257
HOLLAND	114				114
IDF	216	47			263
PC30 Italie		77			77
MONEY	391	239		147	777
MIXNET	54	102			156
ONSITE	221				221
INFOSERVICES	499	285			784
PC 30 Family	121	30			151
VERICHECK	147			(147)	0
REXON		27			27
OTHER	356	11			367
Total	3,832	1,196	0	(94)	4,934
Net values					
Belgique	160	(93)	0	0	67
BUSINESS	1,634	(229)	0	0	1,405
CONNECTING CABLE	1,036	0	0	(1,036)	0
DIGITAL WORLD	79	(56)	0	0	23
HOLLAND	0	0	0	0	0
IDF	69	(47)	0	0	22
PC30 Italie	0	307	0	0	307
MONEY	1,111	(239)	0	396	1,268
MIXNET	261	(102)	0	0	159
ONSITE	0	0	0	0	0
INFOSERVICES	2,921	(285)	0	0	2,636
PC30 Family	30	(30)	0	0	0
VERICHECK	396	0	0	(396)	0
REXON	0	375	0	0	375
OTHER	32	(7)	0	0	24
Total	7,729	406	0	-1,036	6,287

Goodwill recognized over the period mainly results from (see note 5.1):

The acquisition of 60% of Rexion Computer

The buyout of minority interests in PC 30 Italie.

Goodwill is subject to amortization over 5 years, with the exception of goodwill related to the purchase of Sogeti, e-money transactions, and the acquisition during the year of Infoservices assets (retail), which are amortized over a period of 12 years in accordance with the accounting rules and methods described in paragraph 4.2.2.

Other intangible assets relate to the following items:

(in thousands of euros)	12/31/2014	Increase	Decrease	Cumulative translation adjustments	Change in scope (*)	Change in consolidation method (*)	12/31/2015
Gross values							
Concessions, patents, licenses (1)	6,666	252	(54)	-	7,080	(1)	13,943
Leasehold rights	2	0	-	0	0	-	2
Business assets	365	19	(14)		0	4	374
Total	7,033	271	(68)	-	7,080	4	14,320
Amortization							
Concessions, patents, licenses	(2,941)	(1,577)	71	-	(25)	-	(4,472)
Business assets	(35)	(35)	14			(4)	(60)
Total	(2,976)	(1,612)	85	-	(25)	(4)	(8,972)
Net values							
Concessions, patents, licenses	3,725	(1,325)	17		7,055	(1)	9,471
Leasehold rights	2	0	-	0	0	-	2
Business assets	330	(16)	(0)	-	0	0	314
Other intangible assets	0		-	-	-	-	-
Total	4,057	(1,341)		17	7,055	(0)	9,787

(1) This item includes customer relationships (including €7,003K for Connecting Cable, €2,401K for DBS Germany and €1,044K for Form@home in gross value).

In addition, fixed assets in progress amount to €3,532K and are broken down as follows: The recognition

of Télima Tunisia's expenses amounting to €1,276K.

The recognition of IT system development costs amounting to €2,256K.

7.2 *Tangible assets*

Tangible assets are broken down as follows:

(in thousands of euros)	31/12/2014	Increase	Decrease	Translation adjustments	Change in scope	31/12/2015
Gross Values						
Buildings	15	0	-12	0	35	37
Technical Facilities, equip., tools	1 716	430	-18	3	20	2152
Other intangible assets	2 711	468	-67	-62	522	3573
Construction in progress	201	114	0	-1	286	599
Total	**4 644**	**1 012**	**-97**	**-60**	**863**	**6 361**
Amortization						
Buildings	-9	-1	0	8	-21	-23
Technical Facilities, equip., tools	-724	-92	0	473	-10	-353
Other intangible assets	-1 442	-827	59	-446	-305	-2961
Total	**-2175**	**-920**	**59**	**35**	**-336**	**-3337**
Valeurs nettes						
Buildings	6	-1	-12	8	14	14
Technical Facilities, equip., tools	992	338	-18	476	10	1800
Other intangible assets	1269	-359	-8	-508	217	612
Construction in progress	201	114	0	-1	286	599
Total	**2468**	**92**	**-38**	**-25**	**527**	**3025**

7.3 *Financial assets*

Other financial assets predominantly consist of deposits and guarantees.

(in thousands of euros)	12/31/2014	Increase	Decrease	Change in scope	12/31/2015
Gross values					
Investments in associates	52	0	-52	0	0
Shares in related companies and loans and long-term receivables	420	607	-31	46	1042
Total	**472**	**607**	**-83**	**46**	**1042**
Provisions for impairment					
Investments in associates	0	0	0	0	0
Equity investments	0	0	0	0	0
Shares in related companies and loans and long-term receivables	-14	0	0	0	-14
Total	**-14**	**0**	**0**	**0**	**-14**
Net values					
Investments in associates	52	0	-52	0	0
Shares in related companies and loans and long-term receivables	400	607	-31	46	1028
Total	**458**	**607**	**-83**	**46**	**1028**

7.4 *Inventory and work-in-progress*

Inventory and work-in-progress are as follows:

(in thousands of euros)	12/31/2014	12/31/2015
Gross values		
Goods	2,826	5,156
Advance and down payments	43	167
Total	**2,869**	**5,323**
Provisions for impairment		
Goods	(162)	(460)
Advance and down payments	0	0
Total	**(162)**	(460)
Net values		
Goods	2,664	4,696
Advance and down payments	43	167
Total	**2,707**	**4,863**

Inventory primarily corresponds to spare parts used for maintenance operations.

7.5 *Breakdown of receivables and impairments by maturity*

Receivables are broken down by maturity as follows:

Gross values (in thousands of euros)	12/31/2014	12/31/2015	< 1 year	> 1 year
Trade receivables and related accounts	37,328	35,595	35,595	0
Other receivables	11,537	22,167	22,167	0
Total	**48,865**	**57,562**	**57,562**	**0**

Change in impairment is as follows:

(in thousands of euros)	12/31/2014	Provisions	Reversals	Change in scope	Other changes	12/31/2015
Trade receivables & related accounts	1,000	254	(51)	44	74	1,321
Other receivables	-	184		-		184
Total	**1,000**	**438**	**(51)**	**44**	**74**	**1,505**

7.6 *Breakdown of accruals*

Accruals are broken down by maturity as follows:

Gross values (in thousands of euros)	12/31/2014	12/31/2015	< 1 year	> 1 year
Prepaid expenses	335	603	603	0
Deferred expenses	2	2	2	0
Total	336	605	605	

7.7 *Net cash and cash equivalents*

The group's net cash is as follows:

(in thousands of euros)	12/31/2015	12/31/2014
Marketable securities	5,206	19
Treasury shares	0	35
Cash and cash equivalents	6,045	5,122
Bank overdrafts	-6,620	-1,370
Total	**4,631**	**3,807**

At December 31, 2015 the "Treasury shares" item included zero Solutions 30 treasury shares (3,200 in 2014) specifically intended for employees under a stock option plan (€35K in 2014).

7.8 *Equity*

At December 31, 2015, the capital consists of 10,113,956 shares at a par value of €0.75.

Outstanding dilutive instruments consist of 502,118 share subscription warrants, which could confer the rights to 1,757,724 shares. The par value has decreased from €1 to €0.75.

Legal reserve

The consolidating company must deduct 5% of annual net earnings 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.

Authorized capital

Authorized capital amounted to €7,500K, represented by 10,000,000 shares at a par value of €0.75.

7.9 *Provisions*

Provisions for risks and charges are broken down as follows:

(in thousands of euros)	12/31/2014	Provisions	Reversals	Change in scope	Other changes	12/31/2015
Provisions for deferred tax liabilities	1,056				475	1,531
Other provisions	1,917	1010	-1,546	-28	0	1,353
Total	**2,973**	**1,010**	**-1,546**	**-28**	**475**	**2,884**

Other provisions concern:

Commercial and labor court litigation: (€393K)

Maintenance to be provided to customers of the electronic payment activity (€499K)

Customer insolvency risks for the electronic payment activity (€181K)

Tax amounting to €140K related to taxes in Germany.

Since 2011, the company has been a defendant in different jurisdictions and on various charges. The claims amount to €1,400K. Based on the elements of each case, the authority, the plaintiff's situation, and whether the group has prevailed in similar disputes, the company considers that the provision of €121K is sufficient.

In February 2014, TELIMA DIGITAL WORLD entered into bankruptcy proceedings. Some employees concerned by the economic redundancy decided to contest this redundancy before the labor court and filed a claim amounting to €979K. The company believes that provisions should not be set aside for these amounts because:

The redundancy plan was implemented by a court-appointed administrator.

The plan was monitorez by a specialized lawyer who validated all the steps of the procedure.

The economic situation of TELIMA DIGITAL WORLD required this procedure. The labor court referred this case to April 18, 2017.

In 2015, the company is a defendant before the commercial court. The claims amount to €436K. Given the nature of the claims and the lack of justification for them, the company believes that provisions should not be set aside for these amounts. The labor court referred this case to April 18, 2017.

(in thousands of euros)	31/12/2015	31/12/2014
Deferred tax assets	360	310
Deferred tax liabilities	1056	1671
Impact reserves	-720	-1341
Impact earnings	-324	677

7.10 *Deferred taxes*

The inclusion of deferred tax in the consolidated financial statements as at December 31, 2015 had the following effects, item by item:

Deferred tax assets and liabilities are broken down as follows:

Deferred tax assets	12/31/2014	Impact Reserve	Impact Earnings	12/31/2015
Recognition of tax loss carryforwards	94	0	-94	0
Organic	48	0	-26	22
Establishment costs	3	0	0	3
Employee profit-sharing	36	0	0	36
Elimination of unrealized capital gains	246	0	0	246
Social housing levy	28	0	2	30
Amortization of acquisition rights	5	0	-5	0
Asset reversals	0	0	0	0
Offsetting deferred tax assets and liabilities	-101	0	74	-27
Total	**360**	**0**	**-50**	**310**

Deferred tax liabilities	12/31/2014	Impact Reserve	Impact Earnings	12/31/2015
Fixed asset acquisition costs	7	0	0	7
Elim. Provision for risks and charges	0	0	1	1
Fair value of customer relationships	815	1,331	-474	1,672
Other	335	11	-323	18
Offsetting deferred tax assets and liabilities	-101	0	74	-27
Total	1,056	1,342	-727	1,671

7.11 *Borrowings and financial liabilities*

7.11.1 Nature and maturity of borrowings and financial liabilities

Financial liabilities can be broken down by maturity as follows:

(in thousands of euros)	12/31/2014	12/31/2015	< 1 year	1-5 years	> 5 years
Loans and long-term debt from credit institutions	7 827	15 697	6 256	9 441	0
Accrued interest not yet due	14	-10	-10	0	0
Bank overdrafts	1 369	6 620	6 620	0	0
Other financial liabilities	9	156	156	0	0
Total	**9 219**	**22 463**	**13 022**	**9 441**	**0**

Bank overdrafts consist of cash facilities, the main ones being (by legal entity):

- €4,858K SOLUTIONS 30
- €971K TELIMA HOLLANDE
- €325K REXION
- €166K MIXNET ALPHA
- €129K MIXNET SRL
- €83K PC30 FAMILY

During the period, the group took out €8,500K in new loans.

7.11.2 Breakdown by main currencies

All financial liabilities are denominated in euros.

7.11.3 Breakdown by type of rate

The breakdown of fixed rate vs. variable rate loans is as follows:

(in thousands of euros)	12/31/2015	Fixed rate	Variable rate
Loans and long-term debt from credit institutions	15,697	15,047	650
Accrued interest not due	(10)	(10)	0
Bank overdrafts	6,620	6,620	0
Other financial liabilities	156	156	0
Total	**22,463**	**21,813**	**650**

7.12 *Other short-term liabilities*

Other short-term liabilities include the following items:

(in thousands of euros)	12/31/2014	12/31/2015	< 1 year
Accounts payable	20,349	15,500	15,500
Fixed asset suppliers	5	-	-
Advances and deposits received on orders	37	-	-
Social security liabilities	8,285	3,768	3,768
Tax liabilities	10,981	16,178	16,178
Corporate income tax liabilities	180	981	981
Tax and social security liabilities	19,445	20,927	20,927
Current accounts payable	-	370	370
Other liabilities	307	7,626	7,626
Deferred income	1,073	509	509
Total other short-term liabilities	**41,174**	**44,932**	**44,932**

Deferred income consists of operating income.

7.13 *Off-balance sheet commitments*

7.13.1 Collateral granted and commitments given:

Various sureties/guarantees given for €250K.

Acceleration clauses for loans in the event of non-compliance with the following conditions:

		Ratios
HSBC	Ratio 1	Equity > 20% Balance Sheet Total
	Ratio 2	Total medium and long-term liabilities < 1 Equity
	Ratio 3	Total medium or long-term liabilities < 4 operating cash flows
	Ratio 4	Financial expenses < 30% EBITDA
	Ratio 5	Positive working capital
	Ratio 6	Financial expenses < 30% EBITDA

	Ratio 7	Gross financial liabilities due in more than 1 year / EBITDA< 3
	Ratio 8	Financial liabilities to credit institutions (excluding factoring and LT) / Equity <1
		Ratios
CIC	Ratio 1	Net financial debt / Earnings before tax < 2.25
	Ratio 2	Net financial liabilities / Equity < 0.75
		Ratios
Palatine	Ratio 1	Equity / Average debt > 1
	Ratio 2	Adjusted debt / Net assets <2
	Ratio 3	Net assets N > Position at 12/31/2014*90%
		Ratios
BGL BNP PARIBAS	Ratio 1	Equity > 20% Balance Sheet Total
	Ratio 2	Gross financial liabilities due in more than 1 year / EBITDA< 3
	Ratio 3	Financial expenses < 30% EBITDA
	Ratio 4	Financial liabilities to credit institutions (excluding factoring and LT) / Equity <1
	Ratio 5	Positive working capital

As at December 31, 2015, the Solutions 30 group was in compliance with these conditions.

Employee benefit obligations: commitments for retirement compensation amounted to €1,116K as of December 31, 2015. These commitments are not recognized in the accounts.

The assumptions used to calculate them are as follows:

- Payroll tax rate: actual rates for companies
- Voluntary retirement when the employee can get retirement with full pension

Assumptions used	2015
Mortality table	TG05
Salary increase rate	2%
Turnover rate	4%
Financial discount rate	2.03%

7.13.2 Commitments received

There were no commitments received at the closing date.

7.14 *Depreciation, amortization, and provisions*

The amount of depreciation, amortization, and provisions posted to earnings can be detailed as follows:

(in thousands of euros)	12/31/2015	12/31/2014
Reversals of fixed asset depreciation	19	64
Reversals of current asset depreciation and amortization		148
Reversals of provisions for risks and charges	829	357
Total reversals of depreciation, amort. and provisions	**847**	**569**
Depreciation of fixed assets excluding goodwill	(2,535)	(1,622)
Goodwill amortization	(1,196)	(1,191)
Depreciation and amortization of current assets	(1,321)	(604)
Provisions for risks and charges		(136)
Total depreciation, amortization, and provisions	**(5,052)**	**(3,553)**

7.15 *Net financial income*

Net financial income is broken down as follows:

(in thousands of euros)	12/31/2015	12/31/2014
Financial income		
Other investment income	0	-
Revenue from other receivables and investment securities	185	82
Expense reclassifications	0	26
Other financial income	7	-
Total	**192**	**108**
Financial expenses		
Interest and financial expenses	(340)	(299)
Foreign exchange losses	-	(84)
Depreciation allowance & Provisions	(1)	(56)
Other financial expenses	(103)	(13)
Total	**(443)**	**(452)**
Net financial income	**(251)**	**(344)**

7.16 *Non-recurring income*

Non-recurring income consists of:

(in thousands of euros)	12/31/2015	12/31/2014
Non-recurring income		
Non-recurring income on management transactions	107	237
Non-recurring income on capital transactions	210	11
Other non-recurring income	16	6
Recognition of customer relationships	2,380	1,415
Exceptional reversals on provisions for risks and charges	651	323
Exceptional reversals of current asset impairments	220	-
Total	**3,583**	**1,992**
Non-recurring expenses		
Non-recurring expenses on management transactions	(3,706)	(2,925)
Non-recurring expenses on capital transactions	(80)	(2)
Total other non-recurring expenses	(295)	(141)
Non-recurring provisions for risks and charges	(71)	(583)
Total	**(4,152)**	**(3,651)**
Non-recurring income	**(569)**	**(1,659)**

Non-recurring income mainly consists of:

Commercial disputes and fees of €100K

Restructuring costs of €965K, including:

-€954K corresponding to personnel departure costs

-€11K corresponding to customer disputes

Badwill following the recognition of the customer relationships for Connecting Cable of €2,381K;

€1,758K was recognized in 2015 as a non-recurring expenses in order to correct an earnings deviation in the 2014 financial statements.

7.17 *Income tax*

Income tax is broken down as follows:

(in thousands of euros)	12/31/2015	12/31/2014
Tax payable	-556	-601
Deferred tax income	677	-324
Total	**121**	**(925)**

7.18 *Personnel at the end of the period*

Personnel employed by the fully consolidated companies at the end of the period is broken down as follows:

	12/31/2015	12/31/2014
Permanent contracts	994	840
Temporary contracts	81	10
Total	**1,075**	**850**

This analysis excludes the personnel of REXION, which is 60% owned and consolidated at September 1, 2015.

8. Other disclosures

8.1 *Revenue by region*

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

(in thousands of euros)	12/31/2015	12/31/2014
France	90,757	80,989
International	34,526	30,760
Total	**125,283**	**111,749**

8.2 *Revenue by activity*

Revenue by activity is presented in the table below:

(in thousands of euros)	12/31/2015	12/31/2014
Sales of services	122,366	107,293
Sales of goods	2,917	4,456
Total	**125,283**	**111,749**

8.3 *Special purpose entities*

None.

8.4 *Companies and related parties*

There are no significant transactions with related parties.

No significant transactions with related parties were carried out outside normal market conditions.

8.5 *Executive management*

8.5.1 Remuneration allocated to members of corporate governance boards

Remuneration paid to members of the corporate governance boards for their role as directors and officers in accordance with their employment contracts amounted to €442K.

There are no pension commitments for the corporate governance boards.

8.5.2 Advances and loans granted to members of the corporate governance boards

There is a receivable of €77K from Mr. Fortis, member of the management board.

8.6 *Fees of the authorized auditor and other statutory auditors*

Total fees paid to the authorized auditor and other statutory auditors during the year amounted to €300K, broken down as follows (amounts in €K):

Firm	12/31/2015	12/31/2014
ACA Nexia	72	71
Grant Thornton	228	143
TOTAL	**300**	**214**

Neither the authorized company auditor nor the statutory auditor provided any non-audit services.