
Consolidated financial statements

31/12/2016

SOLUTIONS 30 GROUP

6 RUE DICKS
L1417 - LUXEMBOURG

SUMMARY

Preliminary note: All of the data in the consolidated financial statements is expressed in €k unless provided otherwise that the data is expressed in M€

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REPORT OF THE APPROVED COMPANY AUDITOR

For the Auditor's report, please refer to the consolidated financial statements In French.

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1 SOLUTIONS 30 SE Management report

European company with a board of directors and a
supervisory board with a capital of €7,665,193.5

Headquarters: 6 rue Dicks L 1417

Luxembourg RCS Luxembourg B 179097

Management report on the consolidated accounts

Year ended 31 December 2016

1.1 *Turnover*

The consolidated turnover of SOLUTIONS 30 S.E. for 2016 amounts to €191.8 million, up 53.1 percent from 2015.

International business (Benelux, Germany, Italy and Spain) increased by 69.0% and represents 30.4 percent of all business (29.3% in 2015).

In France business growth was essentially organic, aided by the increase in the energy sector (including the deployment of Linky smart meters, and "Fibre optic" (deployment of high-speed broadband).

Internationally, growth was mainly related to entry into the scope of consolidation of JANSSENS Group (in Belgium), AUTRONIC (Spain) and ABM (Germany).

1.1.1 Quarterly and geographical breakdown of turnover

In Millions of euros	2016	2015	Change €m	Change %
1st quarter	36.0	29.5	6.5	+22.0%
2nd quarter	50.3	30.8	19.5	+63.3%
Third quarter	48.5	30.8	17.7	+57.5%
4th quarter	57.0	34	22.8	+66.7%
Year	191.8	125.3	66.5	+53.1%
France	133.5	90.8	42.7	+47.0%
International	58.3	34.5	23.8	+69.0%

1.1.2 Business in France

Turnover in France stands at €133.5 M, up 47.0 percent from 2015. It represents about 69.6% of total turnover.

In France, growth is essentially organic in all business sectors, driven primarily by the deployment of fibre optic, and by the Energy sector (including the deployment of Linky smart meters).

SOLUTIONS 30 is also present on the connected objects market where it has established partnerships with manufacturers and integrators. This market presence is strategic and provides attractive prospects for the group.

1.1.3 International business

2016 was marked by the strong momentum in the Group's international business, with sales of €58.3 million. This growth is mainly related to the acquisitions completed in 2016. In that respect, business in Germany and Benelux performed particularly well. The Group strengthened its presence within the EU through:

- the acquisition of 51% of the capital of ABM GmbH in October 31, 2016, to strengthen its position as the leading partner for Telecom operators in Germany,
- the acquisition of 50% of the JANSSENS group in the Benelux on April 30, 2016, allowing the Solutions 30 group to become the market leader in Belgium,
- the acquisition of 50% of the AUTRONIC company on March 1, 2016, in Spain, thus completing its 1st quarter business, after the acquisition of REXION (subsidiary acquired in 2015)

1.2 Performance and management of operations

1.2.1 Operating profits

Adjusted EBITDA (see note 8.15 of the appendix to the consolidated accounts) stands at €17.4 M, an increase of 57.3% from 2015.

It is divided into €7.7 M in the first half of the year and €9.7 M in the second half of the year, which is respectively 8.9% and 9.1% of the turnover.

After a first half of the year during which the strong growth in the Linky and fibre optic business had a negative impact on margins, in the second half operations returned to normal and margins improved.

Net depreciation and recurrent provisions amounted to €2.8M (see note 8.15 of the appendix to the consolidated accounts) which represents strong growth taking into account the increase in business, large investments carried out in 2015 in information systems and provisions for depreciation of stocks (impact (0.9) M€).

Adjusted EBIT (before amortisation of intangible assets and non-recurring items) amounts to €14.6M, up by 58.7%.

The impact of depreciation of client relationships is €(2.3) M in 2016 compared to €(1.2) M in 2015.

Non-recurring income (see note 8.15 of the appendix to the consolidated accounts) amounted to €+0.2 M in 2016 against €(0.6) M in 2015; It is divided into two parts:

- o Provisions and recurrent expenses amounted to €(3.7) M. They correspond to restructuring and changes carried out as a result of the acquisitions.
- o Non-recurring income amounted to €3.9 M and corresponds to the goodwill recorded after the recognition of client relationships.

The financial result is €(1,2) M, in correlation with the level of medium and long-term debt, deficits and factoring.

Amortisation of goodwill amounted to €(1.5) M in 2016 against €(1.2) M in 2015.

Total consolidated income is €8.1M; the group share of net income amounts to €8.4 M as against €6.1 M in 2015, which represents an increase of 37.7%.

(in thousands of euros)	31/12/2016	31/12/2015	Change
Turnover	191.8	125.3	53.1%
Adjusted EBITDA (1)	17.4	11.0	57.3%
In % of turnover	9.0%	8.8%	
Current income – Adjusted EBIT (2)	14.6	9.2	58.7%
In % of turnover	7.6%	7.3%	
Net income before tax (3)	11.2	7.2	55.6%
In % of turnover	5.8%	5.7%	
Net income of consolidated companies (3)	9.6	7.3	31.5%
In % of turnover	5.0%	5.8%	
Net income (group share)	8.4	6.1	37.7%
In % of turnover	4.4%	4.9%	
Financial structure data			
Shareholders' equity	37.5	26.7	
Net debt	20.6	11.2	
Interest Coverage Ratio (4)	12 x	28 x	

(1) Recurring operating income before depreciation, amortisation and provisions

(2) Operating income from recurring operations before amortisation of intangible assets, including client relations.

(3) Before amortisation of goodwill

(4) EBIT/net financial expenses - coverage rate of net financial expenses by EBIT.

(*) Non-recurring operations (see note 8.15): income and expenses which are significant because of their size, or because they are unusual in nature and infrequent, including restructuring costs resulting from acquisitions and company consolidations.

1.2.2 Financial structure

On 31 December 2016, shareholders' equity amounted to €37.5M (€26.7M at the end of 2015).

At the end of 2016, the gross cash position amounted to €22.0M (€11.3M at the end of 2015), for a gross financial debt of €42.6M, including €10.3M of bank loans, compared to €22.5M at the end of 2015. Net debt of the group amounted to €20.6M at the end of 2016 versus €11.2M at the end of 2015, reflecting the dynamic acquisition policy for the year.

The coverage ratio of net financial expenses by EBIT (Interest Coverage Ratio) was 12X at the end of 2016. It highlights, in a context of continuing low interest rates, the existence of leeway in pursuing the external growth strategy in France and Europe.

1.2.3 Risk factors

1.2.3.1 Business risks

1.2.3.1.1 Client risks

Most of the turnover is from "key accounts" clients, who all have a strong position on the European market.

The loss of one of these clients could have an impact on turnover, income and the outlook of SOLUTIONS 30. Nevertheless, the Company believes it manages this risk through the quality of its services and client satisfaction.

1.2.3.1.2 Supplier risks

SOLUTIONS 30's services business gives the company the opportunity to use external providers. The Company believes that there are no significant supplier risks.

The main suppliers are call centre companies, logistics service providers, long-term service vehicle rental companies and external service providers for computer maintenance.

The economic dependence risk is small or even non-existent, because SOLUTIONS 30 has alternatives for each purchase segment.

Regarding service providers directly connected to the business activities of SOLUTIONS 30, such as call centre companies and external service providers (local subcontractors), the contracts between these providers and the company include SLAs and performance assessment rules and therefore provide some security.

1.2.3.1.3 Risks of the external growth policy

During the 2016 financial year, the company carried out external growth operations to consolidate its service offering and to accelerate its development.

Carrying out external growth operations involves certain risks: difficulty of integration, departure of key personnel within the acquired company, loss of clients, discovery of disputes etc.

The company is still on the lookout for external growth operations that it could be involved in, and carries out a rigorous preliminary study of each case.

1.2.3.1.4 Risks related to competition

There are a relatively large number of players in Europe in our business sector but they are of a modest size, the digital market being very fragmented.

The French market is a good example of what can be seen on a European level. Therefore, as regards competitiveness, the European markets on which SOLUTIONS 30 operates are quite similar to the French market and are formed of small structures and a few providers with structured networks. These organisations are struggling to address the problem of large accounts.

1.2.3.1.5 Recruitment risks

The Group's business involves the recruitment and management of a number of technicians, who need to be trained in the activities of the company and its subsidiaries. In this respect, SOLUTIONS 30 benefits from its reputation. Therefore, in 2016 the group had no problems with recruiting.

1.2.3.2 Financial risks

1.2.3.2.1 Liquidity risks - Financing of the working capital requirement

The SOLUTIONS 30 group has medium and long term debt with an outstanding amount as of 31 December 2016 of €32.3M against €15.9 M at the end of 2015. During the period, the group took out new loans for an amount of €21.6M

As of 31 December, 2016, SOLUTIONS 30 met all of the early repayment clauses. In the light of the good financial health of the group, the probability of the occurrence of events relating to the default and early repayment clauses is very low.

Working capital requirement and ability to access credit

The group's working capital requirement has remained stable despite the increase in business volume due to good management of the client cycle in 2016 in France, combined with the positive impact of new acquisitions in Germany and Belgium.

The group does not think that it is exposed to liquidity risk during the 2017 financial year, nor during future financial years.

1 2.3.2.2 Rate risk

As of 31 December 2016, the SOLUTIONS 30 group does not own any financial assets, apart from money market funds relating to cash investment. In this respect, the group follows a policy of prudent management through short-term investment (about 3 months and according to the anticipation of its future liquidity needs) in money markets and time deposit accounts with leading financial institutions. It is not taking any financial risk in its cash investment policy.

1.2.3.2.3 Foreign exchange risk

The Group and its subsidiaries carry out all their business in the Euro zone, including services invoiced in euros and suppliers who are largely paid in euros. Regarding the business relationship with call centres based in Morocco, Tunisia and Poland, payments by the company are made in cash in dirhams, dinars or zloty. However, given the amounts at stake, the exchange rate risk is not significant.

1.2.3.2.4 Equity risk

As of 31 December, 2016, the group has no shares. The group is not active on the market

1.2.3.2.5 Risks related to commitments made by the group - Off-balance sheet

The Company made off-balance sheet commitments in the form of security and guarantees for a total amount of €1,050 K. This amount is detailed in note 8.12.1.

As part of its acquisition programme, Solutions 30 has made the commitment, if they so request, to purchase the residual capital held by long-standing shareholders of the companies ABM, JANSSENS and AUTRONIC, according to a specific timetable. This purchase is agreed on the basis of a valuation on a multiple of EBITDA. SOLUTIONS 30 has the same commitment to minority shareholders to sell their shares according to the same timetable and the same assessment method.

Regarding REXION, a company in which the Group had a 60% share as of 31 December, 2016, in April 2017 it acquired the remaining 40% for the sum of €130 K.

1.2.3.3 Legal, regulatory and tax risks

1.2.3.3.1 Dependence on patents and licenses

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

Outside of standard bureaucratic licenses, the company is the full owner of the trademarks and licenses it uses in the normal course of its business. In this respect, more specifically, the company invests regularly in its own tools and software in order to optimise the management and administration of its business

1.2.3.4

1.2.3.4 Governmental, economic, budgetary, monetary or political risks

The group has companies that benefit from the "BORLOO" law for its home computer assistance services (including support, maintenance, installation and training). This law provides individuals with a tax reduction on all custom services offered by SOLUTIONS 30, thus reducing the overall cost of services for individuals.

A review of these tax provisions would be likely to raise the cost of the services offered by SOLUTIONS 30 to individuals, and therefore reduce the attractiveness of the company's offer. However, considering the volume of business the risk is extremely limited.

Apart from this situation, to this date the company has not identified any governmental, economic, tax, monetary or political factor, which is pending or which it is threatened by, which might affect the financial position or profitability of the company or the group.

In 2016 the SOLUTIONS 30 group benefited in France from a tax credit for competitiveness and employment (CICE) of €1.8M (€0.9M in 2015).

1.2.3.5 Tax risk

TELIMA Paris and SOLUTIONS 30 (a permanent establishment) were subject, in 2016, to an audit by the tax authority for 2013 and 2014. This audit resulted in a total recovery of €117K.

Also, there is nothing, to the knowledge of SOLUTIONS 30, that would have a significant negative impact on its financial situation in the event of verification of the execution of tax commitments by group companies.

1.2.3.6 Review of significant risks *list of*

SOLUTIONS 30 has performed a risk review and considers that there are no other significant risks.

The list of the most significant risks, a description of which is given above, is as follows,

- o Client risks
- o risks related to the external growth policy

1.2.3.7 Own shares

As of 31 December 2016 the company has no shares.

1.2.3.8 Use of financial instruments

The group does not use financial instruments of a complex nature such as derivatives or structured products.

1.2.3.9 Important events that have occurred since 31 December, 2016

In April 2017, the Group strengthened its presence in Spain with the acquisition of 40% of the Spanish company REXION, of which it already held 60% of the capital.

1.2.3.10 Outlook:

The Outlook for 2017 is as follows

- o continued growth and maintenance of the forecast for double-digit profitable growth;
- o Continuation of managed external growth;
- o continued growth internationally, prioritising Germany and Italy.

Achievement of these objectives is based on three growth drivers, namely:

- o the deployment of digital technologies and multiplication of the number of connected objects;
- o international development;
- o consolidation of the market through external growth.

2 Consolidated balance sheet

ASSETS	Notes	31/12/2016	31/12/2015
A. - Fixed assets		43,420	23,659
1. Intangible fixed assets	8.1		
1. Concessions, patents, licenses, trademarks acquired for consideration		20,317	9,471
2. Business assets, insofar as they were acquired for consideration		202	316
3. Deposits paid and intangible fixed assets in progress		685	3,532
4. Goodwill		15,953	6,287
II. Tangible fixed assets	8.2		
1. Land and buildings		85	14
2. Technical facilities and machinery		3,625	1,800
3. Other facilities, tools and equipment.		1,608	612
4. Deposits paid and tangible fixed assets in progress		0	599
III. Financial fixed assets	8.3		
1. Shares in affiliated companies		0	345
2. Loans and long-term receivables		945	683
B. Current assets		114,026	73,286
I. Stocks	8.4		
1. Finished goods and commodities		5,819	4,696
2. Deposits paid		102	167
II. Receivables	8.5		
1. Receivables from sales and services provided			
a) with a residual maturity of less than (or equal to) one year		46,716	34,274
2. Other receivables			
a) with a residual maturity of less than (or equal to) one year		36,382	21,983
3. Deferred tax assets		1,757	310
III. Securities	8.7		
1. Other securities and financial instruments		8,743	5,206
IV. Bank assets, post office account balances, cheques and cash	8.7	13,235	6,045
V. Accrual accounts	8.6	1,271	605
Total assets		157,446	96,945

The accompanying notes are an integral part of the consolidated accounts.

LIABILITIES

	Notes	31/12/2016	31/12/2015
A. Equities	8.8	37,509	26,665
I. Subscribed capital		10,425	7,585
II. Share premium		3,848	2,883
III. Reserves			
1. Statutory reserve		767	754
2. Consolidated reserves		12,352	9,142
IV. Financial year result attributable to the Group		8,379	6,119
V. Minority interests		1,739	182
B. Provisions	8.9	5,327	2,884
1. Other provisions		5,327	2,884
C. Unsubordinated debts		113,891	66,886
1. Debts owed to credit institutions	8.10		
a) with a residual maturity of less than (or equal to) one year		19,996	13,022
b) with a residual maturity of more than one year		22,553	9,441
2. Deposits received on orders	8.11		
a) with a residual maturity of less than (or equal to) one year		278	0
3. Amounts owed for purchases and the provision of services	8.11		
a) with a residual maturity of less than (or equal to) one year		21,666	15,500
4. Other debts including	8.11		
a) Tax debts		34,328	17,159
b) Social security debts		14,266	3,768
c) with a residual maturity of less than (or equal to) one year		804	7,996
D. Accrual accounts		720	509
Total liabilities		157,446	96,945

The accompanying notes are an integral part of the consolidated accounts

3 Consolidated profit and loss account

	Notes	31/12/2016	31/12/2015
1. Net turnover	9.1	191,802	125,283
2. Change in stocks of finished goods and work in progress.		-	-
3. Work performed by the company for its own purposes and capitalised		462	2,232
4. Other operating revenue		1,406	2,112
5. Purchases and external expenses		(109,834)	(77,801)
a) Raw materials and consumables		(6,881)	(2,123)
b) Goods		(4,093)	(1,157)
c) Other external expenses		(98,103)	(67,366)
d) Other tax not recorded under income tax		(157)	(1,155)
6. Personnel costs		(65,823)	(39,836)
a) Wages and salaries		(49,043)	(30,235)
(b) social security contributions, with separate notes covering pensions		(16,780)	(9,601)
7 Value adjustments	8.13	(8,658)	(3,405)
a) on establishment costs and on tangible and intangible fixed assets		(8,478)	(3,712)
b) on current assets, insofar as they exceed normal value adjustments within the company		(1,090)	(343)
c) on provisions for risks and expenses		909	651
8. Other operating expenses		(2,314)	(4,700)
9. Income from participating interests, with a separate indication of that derived from affiliated companies.	8.14	3,967	2,565
10. Income from other investments and long-term receivables, with a separate indication of that derived from affiliated companies.		-	0
11. Other interests and similar income, with a separate indication of that derived from affiliated companies.	8.14	-	7

12. Value adjustments in respect of financial fixed assets and of investments held as assets			
13. Interest payable and similar expenses, with a separate indication of amounts payable to affiliated companies.	8.14	(1,284)	(443)
14. Income tax	8.16	(1,617)	121
15. Financial year result		8,107	6,136
<i>Group share</i>		8,379	6,119
<i>Minority interests</i>		(271)	17

The accompanying notes are an integral part of the consolidated accounts.

4 Change in shareholders' equity - group share

(in thousands of euros)	Capital	Premiums	Statutory reserve	Consolidated reserves	Financial year result	Shareholders' equity of the Group	Total minority interests	Total Shareholders' equity
Situation at year end	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
Earnings for the period					6,119	6,119	17	6,136
Capital increase	2,613	1,391		(2,486)		1,518		1,518
Other changes				28		28	(39)	(11)
Situation at year end 31/12/2015	7,585	2,883	754	9,142	6,119	26,483	182	26,665
Allocation of 2015 earnings			13	6,106	(6,119)	0		0
Earnings for the period					8,379	8,379	(271)	8,108
Increase of capital	2,840	965		(2,759)		1,046		1,046
Other changes				(137)		(137)		(137)
Changes in scope							1,828	1,828
Situation at year end 31/12/2016	10,425	3,848	767	12,352	8,379	35,771	1,739	37,510

On January 28, 2016, the company decided to increase its share capital by €60,000, from €7,585,467 to €7,645,467: creation and issue of 80,000 new shares with a nominal value of €0.75, with a share premium of a total amount of €484,800;

On May 9, 2016, the company decided to increase share capital by €19,726.50, from €7,645,467 to €7,665,193.50: creation and issue of 26,302 new shares with a nominal value of €0.75, with a share premium of a total amount of €480,274.52.

On July 19, 2016, the extraordinary general meeting decided to set the nominal value of all the shares issued by the company at €0.375 each and to increase the number of shares representative of share capital from 10,220,258 shares to 20,440,516 shares.

On the same date, the company increased its subscribed share capital by €2,759,469.66, from €7,665,193.50 to €10,424,663.16 without issuing new shares but by increasing the nominal value of the 20,440,516 shares by €0.375 each, at €0.51 released by incorporation of reserves. As a result of this increase, the share capital of the company amounts to €10,424,663.16 divided into 20,440,516 shares with a nominal value of €0.51.

5 Accounting standards, consolidation methods, valuation method and rules

5.1 Accounting standards and consolidation methods

5.1.1 Accounting standards

Since February 19, 2013 the Company has been structured as a European company.

The headquarters of the consolidating entity Solutions 30 has been based at Grand-Duché du Luxembourg since 1 August 2013. Therefore, the consolidated financial statements of the SOLUTIONS 30 Group have been established since that date, in accordance with the legal provisions and regulations relating to the establishment and presentation of consolidated accounts applicable in Luxembourg.

With the exception of the presentation of the balance sheet and the income statement and in particular the presentation of the amortisation of goodwill in operating expenses according to the Luxembourg accounting standards, the accounting rules and methods are not significantly different to the French rules applied by the group until the end of 2012.

The consolidated accounts are prepared according to the rules imposed by the amended Luxembourg law of August 10, 1915.

5.1.2 Conversion method for foreign currency transactions

All transactions expressed in a currency other than Euros are recorded in Euros on the basis of the exchange rate in force on the transaction's date.

Bank assets are converted on the basis of the exchange rate in force on the date of the closing of accounts. The resulting exchange losses and profits are recorded under the profits and losses of the financial year.

Other assets and liabilities are calculated individually on the basis of their lowest historical exchange rate (with regard to their highest value) and the value determined on the basis of the exchange rate in force on the closing date of the balance sheet. Only unrealised exchange losses are accounted for in the profit and loss account. Currency gains are recorded in the profit and loss account when they are realised.

5.2 Consolidation methods

5.2.1 Consolidation methods

Note 7.2 includes all entities consolidated by the parent company SOLUTIONS 30 SE (6 rue Dicks - L-1417 Luxembourg) and the related methods.

Entities controlled exclusively are consolidated using the full consolidation method.

Jointly controlled entities are consolidated using the full consolidation method.
 Companies under significant influence are consolidated according to the equity method.

5.2.2 Goodwill

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

- o The acquisition cost of securities,
- o The share of the acquiring company in the total valuation of assets and liabilities identified on the date of acquisition.

This item therefore records differences resulting from an acquisition that could not be recorded under fixed assets. It can be positive or negative. In the latter case, it is then presented as other income over the period of acquisition.

Positive goodwill is recorded in fixed assets and are amortised over a period reflecting, as far as possible, the assumptions used and the targets set for acquisitions. This period is 5 years.

Certain specific and/or structural acquisitions for the group (acquisition of new business) might have lead, by way of exception, to taking into account amortisation over a longer period of up to 12 years.

The occurrence of adverse events including a decline in turnover or a sustainable erosion of the profit margin, could lead to a further amortisation in the event that the recoverable amount of the goodwill is less than its net book value.

The amortisation of goodwill is recorded as a value adjustment on preliminary expenses and tangible and intangible fixed assets of the consolidated profit and loss account.

5.2.3 Financial year closing dates for consolidated companies

The consolidation is carried out from the corporate accounts of the group companies closed on 31 December, 2016, for a period of 12 months.

5.3 Valuation methods and rules

The assets and liabilities included in the consolidation are valued according to uniform methods.

The principles and methods applied by the SOLUTIONS 30 Group are as follows:

5.3.1 Intangible fixed assets

Intangible fixed assets are measured at their acquisition or production value.

5.3.1.1 Concessions, patents, licences, trade marks

These intangible fixed assets mainly include patents, computer software, the brand and client relationships.

The methods and depreciation periods chosen for all of the intangible fixed assets are as follows:

Intangible fixed assets	Duration
Concessions, patents and licenses	5 to 10 years
Computer software	3 years
Websites	1 to 3 years
Client relations	3 to 11 years

Client relationships are from the acquisition of companies including Form@home in 2013, Telima Deutschland (DBS) in 2014, CONNECTING CABLE in 2014 and 2015, REXION in 2015 and ATLANTECH in 2016.

Client relationships in 2016 are as follows:

Company	Financial year	Amount of the client relationship in €K	Deferred tax liabilities	Amortisation period	Discount rate	Client attrition rate
REXION	2016	4,800	1,200	6 years	11.1%	15% on the first anniversary of the contract then 40% 10% per year.
ATLANTECH	2016	3,605	1,009	7 years	9.1%	

The values of these client relationships were determined based on discounted cash flows to be generated through the execution of the main contracts acquired. The depreciation period corresponds to the shelf-life of the majority of the economic benefits and is between 3 and 11 years.

Regarding REXION, the customer base was clearly identifiable but could not be estimated precisely on the date of acquisition in 2015. This value was determined during the 2016 financial year at €4.8M

For ATLANTECH the amount recorded is €3.6M.

In terms of the other acquisitions during the 2016 financial year, and, in accordance with the accounting provisions which stipulate that the allocation of goodwill must be made no later than 31 December of the year following the acquisition, SOLUTIONS 30 estimated that as of 31 December, 2016, client relationships had not yet been identified in a clear enough manner.

5.3.1.2 Business capital

Business capital is initially recorded at its acquisition value and is amortised over its estimated useful life.

5.3.1.3 *Advances and deposits on intangible fixed assets*

Advances and deposits on intangible fixed assets are recorded at their acquisition value and are not amortised.

5.3.1.4 *Impairment of assets*

All cash generating units, including in particular, goodwill, finite and infinite fixed assets, are subject to review by management and, where appropriate, an amortisation test in the event of impairment.

An impairment loss is recognised when the carrying amount of the cash generating unit exceeds its recoverable amount. Changes in value are recorded in the profit and loss account.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined based on the discounted future cash flow.

5.3.1.4.1 Impairment

An impairment recognised with respect to a cash generating unit is allocated first to reduce the carrying amount of the goodwill allocated to the cash generating unit, then reducing the carrying amount of other assets of the entity in proportion to the book value of each asset in the unit.

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

The increased carrying amount of an asset due to a reversal of an impairment loss should not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

In the event of impairment, the recoverable value of cash generating units has been estimated on the basis of a discounted future cash flow method "DCF" based on the following principles

The selected discount rate is specific to each country: 8.9% in Germany, 11.1% in Spain, 9.1% in France, 9% for the Benelux and 10.7% for Italy.

The projections for turnover are based on 2017- 2023 business plans; From 2020, organic growth decreases towards a normal level of 1%.

SOLUTIONS 30 carried out this analysis, the results of which are as follows.

Groups of CGU France	France	Benelux	Spain	Italy	Germany
Asset bases to be tested (1)	29,148	6,670	6,984	2,207	12,380
Values in use (2)	161,400	25,855	7,701	13,508	67,316
Depreciation	no	no	no	no	no
Headroom (2)-(1)	132,252	19,185	717	11,301	54,936

Based on these calculations, as of 31 December, 2016 no impairment loss was recognised. As the gap is reduced in relation to Spain, below is a simulation of the value in use under the criteria of the discount rate and change in turnover.

Scenarios for CGU in Spain in €M		WACC (discount rate)					
		9.1%	10.1%	11.1%	12.1%	33.1%	14%
Turnover growth rate	0.50%	9.3	8.3	7.4	6.7	6.1	5.6
	1.10%	9.8	8.6	7.7	6.9*	6.3	5.7
	1.60%	10.2	8.9	7.9	7.1	6.4	5.9
	2.10%	10.7	9.3	8.2	7.3	6.6	6.0

*Value of own capital used to test as of 31.12.2016 (target value)
Value in use as of 31.12.2016 with the assumptions used

5.3.2 Tangible fixed assets

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

The cost of the asset is the purchase price plus any costs that are directly attributable and necessary for the use of the asset as intended by management and financing costs before commissioning.

Amortisation is calculated on a straight line or declining-balance method based on the estimated useful life of the assets concerned.

The main periods of use chosen are the following:

Intangible fixed assets	Duration
Installations	3 to 5 years
Office and I.T. equipment	3 years
Transport equipment	3 or 5 years
Office furniture	3 years

5.3.3 Lease contracts

Operations performed using an operating lease contract are recorded for the year in which they are incurred.

5.3.4 Financial fixed assets

Financial fixed assets represent mainly deposits and surety bonds required for operations and non-consolidated holdings.

5.3.5 Stocks

Stocks are valued using the "first in, first out" or the "weighted average cost per unit" method. Stocks are valued at the gross value of goods and supplies including the purchase price and incidental expenses.

Any value adjustments were made to provide for certain costs or risks incurred at the financial year end.

5.3.6 Receivables and debts

Receivables are recorded at their nominal value.

A value adjustment of receivables is carried out by name when repayment is in doubt. This value adjustment is reversed if the reasons for performing it no longer apply. Debts are recorded at their repayment value.

5.3.7 Cash and investment securities

The marketable securities are stated at their cost of purchase or subscription, including incidental expenses.

In the event of assignment of a set of securities of the same type conferring the same rights, the value of the securities was estimated according to the FIFO method (first in, first out).

A provision for depreciation is made if the share price or the likely realisable value is less than the purchase value. It is reversed if the reasons for making it no longer apply.

5.3.8 Asset adjustment accounts

This item includes expenses recognised during the financial year but which are relating to a subsequent year.

5.3.9 Income tax

The group records deferred tax in the event of:

- o temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet,
- o tax credits and tax loss carry forwards.

Deferred taxes are calculated according to the variable deferral method, applying the last tax rate in force for each company.

The amounts of deferred tax assets and liabilities are offset for the same tax entity and when their maturity reversals are similar.

A consolidated tax regime is in force within the group. SOLUTIONS 30, a permanent establishment in France, is the head of a Group including around 20 French companies.

Only newly created entities are outside this consolidated tax regime in their first year of existence.

Deferred tax assets are only taken into account

- o If their recovery does not depend on future results (in the event of the existence of deferred tax liabilities).
- o or if their recovery is likely as a result of the existence of a taxable profit expected during their settlement.

5.3.10 Provisions for risks and expenses

Provisions for liabilities and expenses correspond to liabilities of which the maturity or amount are not determined accurately.

These entries include mainly provisions for litigation and ongoing litigation. They are recorded on the basis of a risk estimate for outflow of resources

5.3.11 Pension commitments and related benefits

The amount of rights which are acquired by employees for the calculation of severance pay upon retirement, is generally determined according to their seniority and taking into account the probability (as a percentage) of being within the company at retirement age. The principles used are

- o Retirement initiative: voluntary if the employee is eligible for a full pension.
- o Discount Rate: 1.31% (iBoxx €Corporates AA10 + as of 12/31/2016)
- o Rate of future change in wages: 2%
- o Staff turnover rate: 4.76%
- o Mortality table: the updated INSEE 2010 - 2012 table
- o Rate of social security contributions 43.7%

These commitments are not recorded in the consolidated accounts, and are mentioned in off balance sheet commitments for an amount of €1.6 M as of 31 December, 2016 (2015: €1.1M).

5.3.12 Distinction between recurring and non-recurring income.

In accordance with Luxembourg accounting provisions, the concept of extraordinary income is no longer presented in the income statement. An analysis between recurring and non-recurring income is now presented in paragraph 8.15.

5.3.13 Translation of financial statements of foreign companies

Balance sheet items, except for equity, expressed in foreign currencies, are converted at the exchange rates in effect on the closing date. Expenses and income from subsidiaries expressed in foreign currencies are converted at the average exchange rate for the year. Shareholders' equity is revalued at the historic exchange rate.

5.3.14 Accruals - Liabilities

This includes income during the financial year and which relates to a future financial year.

5.3.15 Net turnover

Net turnover includes amounts from sales income from the provision of services falling within the company's ordinary activities, after deduction of sales rebates and of value added tax and other taxes directly linked to turnover.

5.4 Accounting changes

In 2016, under the provisions of Luxembourg accounting regulations, expenses and exceptional income are no longer presented unaltered in the income statement, but recorded as expenses and income.

In order to provide a comparison with the 2015 financial year, please see below the table for reconciliation of extraordinary income to non-recurring income:

Income statement headings	2015 Financial Statements	Reclassifications	Proforma 2015	Note
Exceptional expenses	(4,152)	(4,152)	-	A
Personnel expenses	(38,882)	954	(39,836)	B
Value adjustment	(1,321)	71	(1,392)	C
Other expenses	(1,573)	3,127	(4,700)	D
Exceptional income	3,583	(3,583)	0	E
Income from holdings	185	2,380	2,565	F
Other income	829	226	1,055	H
Reversals of value adjustments	-	870	870	I
Other operating income	1,779	107	1,886	j

Exceptional expenses for 2015 reallocated in the following headings

- Operational restructuring expenses, personnel expenses
- Reclassification of the restructuring provision as value adjustment of stock provisions
- Reclassification of exceptional expenses that cannot be recorded as other expenses

Exceptional income 2015 reallocated in the following headings

- Reclassification of goodwill – exceptional profit- as income from holdings
- Reclassification of restructuring provisions as value adjustments
- Reclassification of exceptional management profits as other income
- Reclassification of net exceptional reversals as value adjustment reversals
- Reclassification of other exceptional income as other operating income

Apart from this point, no change in method or accounting estimate over the period has affected the comparability of accounts.

6 Significant events

6.1 Highlights of the year

Concerning the activity and performance of the financial year, the main highlights are included in the management report.

From a legal perspective and in terms of scope of consolidation, the following events are recalled:

6.1.1 Changes in share capital

January 28, 2016, the extraordinary General Assembly of shareholders decided to increase the share capital by €60.000, from €7,585,467 to €7,645,467: creation and issue of 80,000 new shares with a nominal value of €0.75, with a premium for a total amount of €484.800.

On 9 May 2016, the extraordinary general meeting of shareholders decided to increase the share capital by €19,726.50, from €7,645,467 to €7,665,193.50: creation and issuance of 26,302 new shares with a nominal value of €0.75, with a share premium of a total amount of €480,274.52;

On 19th July 2016, the extraordinary general meeting of shareholders decided firstly to set the company's nominal share value at €0.375 per share and correspondingly increase the number of shares from 10,220,258 shares to 20,440,516 shares, all allocated to current shareholders in proportion to their participation in the share capital, then, secondly, increase the capital by €2,759,469.66, from €7,665,193.50 to €10,424,663.16, not through the issuance of new shares but by increasing the nominal value of shares from €0.375 to €0.51, released by incorporation of reserves.

6.1.2 Business combination

In February 2016, the group completed asset transfer operations between the following entities:

- o TELIMA SUD-OUEST which became TELIMA SUD took over TELIMA MEDITERRANEE
- o TELIMA C2A which became TELIMA NORD took over TELIMA PAS DE CALAIS.

6.1.3 Creation and acquisition of new companies

Creation of companies

In order to respond to the growth in its activity in different business sectors, SOLUTIONS 30 created the following companies:

- o TELIMA Relève Nord on 30 May 2016,
- o TELIMA Relève Est on 27 May 2016.

External growth operations

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

In April 2016, in France took over the company ATLANTECH which was in receivership.

In May 2016, the group strengthened its position in the Benelux through the acquisition of 50% of the capital of the Belgium company Janssens Group BVBA and its subsidiaries.

At the end of October 2016, the group acquired 51% of the Germany company ABM, through an entity that until then had been inactive, SOLUTIONS 30 GmbH which is fully owned.

The total amount of these acquisitions over the 2016 financial year amounted to €15.5 M.

6.2 Important events that have occurred since 31 December 2016

The only significant event that occurred at the financial year end is an additional 40% stake acquired in REXION, resulting in full ownership by the SOLUTIONS 30 Group, for €130K.

7 Scope of consolidation

7.1 Business

Considering the business of the group, monitoring performance by geographic area is the key criteria. In this respect, information is communicated along the following lines:

- o France,
- o International development.

This method for analysis was chosen as part of the sectorial information presented in section 9.

7.2 Scope of consolidation as of 31 December 2016

The following companies are not included in this scope:

Company	Reason for exclusion
S30 Services	Insignificant activity (also in 2015)
Telima Poland	Insignificant activity (also in 2015)
Connectica	Insignificant activity (also in 2015)
Business Solutions 30 BV	Insignificant activity (also in 2015)
GNS	No significant influence
Solutions 30 Eastern Europe	Insignificant activity (created on 14/01/2016)
Telima Releve Centre	Insignificant activity (created on 20/12/2016)
Telima Managed Services	Insignificant activity (created on 20/12/2016)

A list of consolidated companies with control and interest percentages and consolidation methods are in the table below

Company and legal status	SIRET NO.	Headquarters	31/12/2016 Method	% of control 31/12/2016	% of interest 31/12/2016
SOLUTIONS 30 SE	795245927	6. rue Dicks L1417Luxembourg	Mère	100.00%	100.00%
French subsidiaries					
FREPART (EX TELIMA ROUEN SARL)	48834516600025	48, Quai de Paris 76000 Rouen - France	Full consolidation	100.00%	100.00%
FORM@HOME	488747825	Tour Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
LOGISTIQUE (EX TELIMA IDF NORD SARL)	60086930000011	200. Chaussée Jules César 95250 Beauchamp - France	Full consolidation	100.00%	100.00%
PC30 FAMILY SARL	48892263400016	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
ATLANTECH	468694241	115 rue Roland Garros Aéroport zone de Prat Pip -Bâtiment A 29490 GuDavas	Full consolidation	100.00%	100.00%
TELIMA Breizh	797666213	5. Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
TEUMA BUSINESS SOLUTIONS SAS	61345361300020	321, Bureaux de la Colline 92210 St Cloud - France	Full consolidation	100.00%	100.00%
TELIMA NORD (EX TELIMA C2A SARL)	50520300000011	4, Ave de laon 51100 Reims - France	Full consolidation	100.00%	100.00%
TEUMA COMPTAGE SARL	5275915561X1016	5, Place du Corbeau 67000 Strasbourg - France	Full consolidation	100.00%	100.00%
TELIMA DIGITAL WORLD SARL (EX TELIMA LYON FAMILY)	50492859900019	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
TEUMA IDF SARL	49477830100023	34. Rue de la Forêt 91860 Eoinav ss Sénart - France	Full consolidation	100.00%	100.00%
TELIMA MEDITERRANEE SARL	50793853800018	4, Rue edouard Marsal 34000 Montoellier- France	Tuée au 26 03 16		
TELIMA MONEY SAS	52023258800019	61, Rue de l'Arcade 75008 Paris - France	Full consolidation	100.00%	100.00%
TEUMA NANCY SARL	47918891400010	112, Ave du général leclerc 64000 Nanrv -France	Full consolidation	100.00%	100.00%
TELIMA ON SITE SARL	51292977900035	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
TELIMA PARIS SARL	49157072700033	128 bis, Ave Jean Jaurès 94200 Ivry sur Seine - France	Full consolidation	100.00%	100.00%
TELIMA PAS DE CALAIS SARL	48962617600015	31, Route d'Arias 62300 Lens - France	Tupée au 26 03 16		
TELIMA INFOSERVICES (EX TEUMA RETAIL)	75131972400017	5, Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
TEUMA SERVICE REGION	53116007500010	6. Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
TELIMA SGA	49113674300011	La Vigne de Guiguet 84270 Vedene - France	Full consolidation	100.00%	100.00%
TEUMA SUD (EX TELIMA SUD OUEST SARL I)	49322949600010	4, Rue de Caulet 31300 Toulouse - France	Full consolidation	100.00%	100.00%
TELIMA TELCO	81096787700012	12, rue Robert Moignon -	Full consolidation	100.00%	100.00%
SFM30	807519715	5 rue Chante Coq 92800 Puteaux	Full consolidation	100.00%	100.00%
TEUMA ENERGY NORD	813682374	21 avenue Le Covbusier 59800 Lille	Full consolidation	100.00%	100.00%
TELIMA ENERGY SUD	813627916	33 quai Arloing 69009 Lyon	Full consolidation	100.00%	100.00%
TELIMA ENERGY IDF	813598257	10 rue Gudin 75016 Paris	Full consolidation	100.00%	100.00%
TEUMA ENERGY ATLANTIQUE	813755923	Rue Robert Caumont - Immeuble P 33049 Bordeaux Cedex	Full consolidation	100.00%	100.00%
TEUMA ENERGY OUEST	813622844	8 Rue Honoré de Balzac 37000 Tours	Full consolidation	100.00%	100.00%
TELIMA ENERGY EST	813561263	9 rue André Pingat BP 441 51065 Reims	Full consolidation	100.00%	100.00%
TELIMA RELEVÉ NORD	820613586	Bâtiment B -1/3 Route de le Révolte 93200 Saint Denis	Full consolidation	100.00%	100.00%
TELIMA RELEVÉ EST	820591972	Parc d'Ariane I, 290 rue Ferdinand Perrier 69800 Saint Priest	Full consolidation	100.00%	100.00%

Company and legal status	SIRET NO.	Headquarters	31/12/2016 Method	% of control 31/12/2016	% of interest 31/12/2016
French subsidiaries					
BRAND30	B178591	24 Rue des Genêts L-1621 Luxembourg	Full consolidation	100.00%	100.00%
WW Brand	8178702	6 Rue Dicks L-1417 Luxembourg	Full consolidation	100.00%	100.00%
CONNECTING CABLE GMBH	HRB 2002989	Berliner Strasse 21a 31860 Emmerthal	Full consolidation	100.00%	100.00%
IMATEL SERVICE	07626050962	Corso Magenta 32 20100 Milano-Italie	Full consolidation	100.00%	100.00%
Solutions 30 Services (MIXNET Roma)	6370360965	Via dei Martinitt, 3 20146 Milano	Full consolidation	100.00%	100.00%
PIEMONTE	07912700965	Corso Magenta 32 20100 Milano-Italie	Full consolidation	60.00%	60.00%
TELIMA Belgique SPRL	811303644	Ave Louise 486-15 1050 Bruxelles - Beloitue	Full consolidation	100.00%	100.00%
TEUMA CALABRIA SRL	06620190964	Corso Magenta 32 20100 Milano-Italie	Full consolidation	60.00%	60.00%
DBS Digital Business Solutions GmbH (ex TEUMA OEUTSCHLAND)	HRB 732982	Robert-Bosch-Str.33, 73431 Aalen - Allema	Full consolidation	100.00%	100.00%
TEUMA ESPANA	B86197399	Avenue Paseo de recoletos 16 - 28001 Madrid - Espagne	Full consolidation	100.00%	100.00%
TEUMA FRUILLI SRL	06620340965	Corso Magenta 32 20100 Milano - Italie	Full consolidation	60.00%	60.00%
TEUMA HOILAND BV	17245978	Hambakenwelering 10 - 6231 DC Den Bosch - Pastbus 2186 - 5202 CÜs- Hertooenboseh - Pavs Bas	Full consolidation	100.00%	100.00%
TELIMA ITALIA SRL	06141270964	Corso Magenta 32 20100 Milano-Italie	Full consolidation	100.00%	100.00%
TELIMA PALERMO SRL	06619930966	Corso Magenta 32 20100 Milano - Italie	Full consolidation	51.00%	51.00%
TEUMA SUD SRL	06571140968	Corso Magenta 32 20100 Milano - Italie	Full consolidation	60.00%	60.00%
TELIMA TUNISIE	12511068	71, avenue Alain Savary Tunis	Full consolidation	100.00%	100.00%
TEUMA ROMA	9053750965	Via dei Martinitt, 3 20146 Milano-Italie	Full consolidation	51.00%	51.00%
Solutions 30 Consodile	9321390966	Via Fabrúio Oerici n°10 Milano - Italie	Full consolidation	86.00%	84.31%
REXION COMPUTER	B78593092	Calle Innovacion 7 - Madrid - Espagne	Full consolidation	60.00%	60.00%
AUTRONIC	B36829208	Parque Tecnológico y Logístico de Valladolid Calle C, Nave C4 36315 de Vigo Espagne	Proportional consolidation	50.00%	50.00%
Jsnssens group	0827.605.186	Tervueren 34 BE-1040 Brussels (Etterbeek) Beloitue	Proportional consolidation	50,00%	50.00%
JANSSSENS FIELD SERVICES	0830.979.437	Slachthuislaan 78 BE-2060 Antwerpen Beloitue	Proportional consolidation	50,00%	50,00%
JANSSSENS NETWORK PRODUCTIONS	0898.876.630	Slachthuislaan 78 BE-2060 Antwerpen Belnitue	Proportional consolidation	50,00%	50,00%
JANSSSENS BUSINESS SOLUTIONS	0898.874.749	Slachthuislaan 78 BE-2060 Antwerpen Beloitue	Proportional consolidation	50,00%	50,00%
JANSSSENS INVESTMENT SERVICES	0633.532.833	Slachthuislaan 78 BE-2060 Antwerpen Beloitue	Proportional consolidation	50,00%	50.00%
WILD CATS CONSULTING	0475.356.715	Moerhoflaan 33A BE-2970 Schilde Beloitue	Proportional consolidation	50,00%	50,00%
TELECONTRACTING	0806.555.493	Marsveldplein 5 BE-1050 Brussels Belnitue	Proportional consolidation	50,00%	50,00%
Justone Solutions	CT - 358766	Via George Marshall 10 95045 Misterbianco Italie	Full consolidation	51,00%	51,00%
Solutions 30 GmbH	HRB 88880	Teinacher StraGe 49, 71634 Ludwiasbura Allemaane	Full consolidation	100.00%	100.00%
ABM	HRB 710789	Schriesheim, Gemackeiweg 1 69198 Schriesheim Allemaane	Full consolidation	51,00%	51,00%

8 Explanation of the balance sheet accounts and of the income statement and their changes

8.1 Intangible

The detail of the movement of goodwill per consolidated company is as follows:

(in thousands of euros)	31/12/2015	Increase/ Allocation	Reduction/Reversal	Movement of scope	Other change	31/12/2016
<i>Gross values</i>						
AUTRONIC		2,728				2,728
BELGIQUE	463					463
BUSINESS SOLUTIONS	2,749					2 749
DIGITAL WORLD	280					280
HOLLAND	114					114
IDF	285					285
JANSSENS GROUP		4,484				4,484
PC30 Italie	384					384
MONEY	2,045					2 045
MIXNET	315		(285)			30
ONSITE	221					221
INFOSERVICES	3,420					3,420
	151					151
PC30 Family REXION	402				(402)	0
ABM		4,444				4,444
OTHERS	392	11				403
Total	11,221	11,667	(285)	0	(402)	22,201
<i>Amortisation</i>						
AUTRONIC		189				189
BELGIQUE	396	68				463
BUSINESS SOLUTIONS	1, 344	229				1, 573
DIGITAL WORLD	257	23				280
HOLLAND	114					114
IDF	263	19				282
JANSSENS GROUP		249				249
PC30 Italie	77	77				154
MONEY	777	239				1, 016
MIXNET	156	6	(141)			21
ONSITE	221					221
INFOSERVICES	784	285				1 069
PC 30 Family	151					151
REXION	27				(27)	0
ABM		62				62
OTHERS	367	36				403
Total	4, 934	1,482	(141)	0	(27)	6 247
<i>Net values</i>						
AUTRONIC	0	2,538				2,538
BELGIUM	67	(67)				0
BUSINESS SOLUTIONS	1,405	(229)				1,176
DIGITAL WORLD	23	(23)				0
IDF	22	(19)				3
JANSSENS GROUP	0	4, 235				4,235
PC30 Italie	307	(77)				230
MONEY	1,268	(239)	(144)			1,029
MIXNET	159	(6)				9
ONSITE	0	0				0
INFOSERVICES	2,636	(285)				2,351
REXION	375	0			(375)	0
ABM	0	4,382				4,382
OTHERS	24	(24)				(0)
Total	6,287	10,184	-144	0	-375	15,953

Goodwill is amortised over 5 years except for the goodwill relating to the purchase of Business Solutions, electronic banking business and the takeover of the assets of Infoservices (retail business) which are amortised over a period of 12 years in accordance with the accounting rules and methods described in paragraph 5.2.2.

The intangible fixed assets apply to the following balance sheet items:

<i>(in thousands of euros)</i>	31/12/2015	Increase	Decrease	Reclassifications	Change in scope	Translation adjustment	31/12/2016
Gross values							
Concessions, patents, licences	3,050				631		9,895
Client relations	10,893	3,005	(114)	3,323	8,405	-	19,298
Business capital	376	14	(27)	(1)	1	-	363
Intangible fixed assets in progress	3,532	*		(2,760)	-	(87)	685
Total	17,851	3,019	(141)	561	9,037	(87)	30,241
Amortisation							
Concessions, patents, licences	(2,072)	(1,162)	42	(475)	(459)		(4,127)
Client relations	(2,400)	(2,349)	-	-	-		(4,749)
Business capital	(60)	(101)	-	0	(0)		(161)
Intangible fixed assets in progress	-		-			-	
Total	(4,532)	(3,611)	42	(475)	(459)	-	(9,036)
Net values							
Concessions, patents, licences	978	1 844	(72)	2,847	172	.	5,768
Client relations	8,493	(2,349)	-	-	8,405	-	14,549
Business capital	316			(1)			202
Intangible fixed assets in progress	3,532	(87)	(27)	(2,760)	1	(87)	685
Total	13,319	(539)	(99)	86	8,578	(87)	21,204

The client relations heading includes as a gross value €7,007 K for CONNECTING CABLE, €2,403 K for DBS Allemagne, €1,044 K pour Form@home, €4,800 K for REXION and €3,605 K for ATLANTECH.

The business capital of a gross amount of €376 K corresponds to the intangible elements in the assets of the acquired companies. It depreciated by €(161) K as of 31 December 2016.

As of 31 December 2016, fixed assets in progress were €685 K

8.2 Tangible fixed assets

Tangible fixed assets are as follows:

<i>(in thousands of euros)</i>	31/12/2015	Increase/ Allocation	Decrease / Reversal	Reclassifications	Change in scope	Goodwill	31/12/2016
Gross values							
Constructions	37	2	(139)	(139)	296		197
Technical installations, equipment, tools.	2,153	1, 925	(93)	27	704		4 714
Other tangible fixed assets	3,573	1, 943	(324)	46	281	(27)	5 493
Tangible fixed assets in progress	599	256	0	1 (920)	66		
Total	6 362	4,125 :	(417)	(995)	1 357	(27)	10,403
Amortisation							
Constructions	(23)		0	128	(104)		(112)
Technical installations, equipment, tools	(353)	(315) ;	62		(485)		(1,088)
Other tangible fixed assets	(2 961)	(1,062) ;	227	(4)	(86)	0	(3,885)
Tangible fixed assets in progress							
Total	(3,337)	(1,389)	289	25	(675)	0	(5,085)
Net values							
Constructions	14	(9) j	0	(111)	191	0	85
Technical installations, equipment, tools	1,800	1,610	(31)	27	219		3 625
Other tangible fixed assets	612	881	(97,4)	44	195	(27)	1 608
Tangible fixed assets in progress	599	256	0	(920)	65,6		.
Total	3,025	2,738	(126)	(971)	682	(27)	5,318

8.3 Financial fixed assets

The other financial fixed assets are formed mainly of deposits and security bonds and the securities of non-consolidated subsidiaries

<i>(in thousands of euros)</i>	31/12/2015	31/12/2016
Gross values		
Other financial fixed assets	1,042	971
Total	1,042	971
Provisions for depreciation		
Other financial fixed assets	(14)	(26)
Total	(14)	(26)
Net values		
Other financial fixed assets	1,028	945
Total	1,028	945

8.4 Stocks

Stocks are as follows :

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(in thousands of euros)	31/12/2015	31/12/2016
Gross values		
Goods	5,156	7,108
Advances and deposits	167	102
Total	5,323	7,210
Provisions for depreciation		
Goods	(460)	(1,289)
Advances and deposits	-	0
Total	(460)	(1,289)
Net values		
Goods	4,696	5,819
Advances and deposits	167	102
Total	4,863	5,921

Stocks correspond mainly to spare parts used for maintenance operations.

The value of defective parts is fully depreciated except in the event of a repair quotation. In this case, depreciation is limited to the total repair cost.

In the event of non-renewal of a contract, specific parts that have not been resold to the maintenance contract holder or a broker, are fully depreciated one year after the end of the contract.

8.5 Receivables

Gross receivables can be broken down as follows in terms of maturity:

Gross receivables (in thousands of euros)	31/12/2015	31/12/2016	<1 year	>1 year
Clients and connected accounts	35,595	47,671	47,671	0
Other receivables	22,167	36,382	36,382	0
Total	57,762	84,053	84,053	-

The change in depreciation is as follows:

<i>(in thousands of euros)</i>	31/12/2015	31/12/2016
Clients and connected accounts	1,321	955
Other receivables	184	0
Total	1,505	955

8.6 Asset adjustment accounts

The asset adjustment accounts can be broken down as follows:

Gross values (in thousands of euros)	31/12/2015	31/12/2016	< 1 year	>1 year
Prepaid expenses	603	1,269	1,269	0
Deferred expenses	2	2	2	0
Total	605	1,271	1,271	

8.7 Net cash and cash equivalents

Net cash of the group is as follows :

<i>(in thousands of euros)</i>	31/12/2016	31/12/2015
Marketable securities	8,743	5,206
Cash and cash equivalents	13,235	6,045
Current bank credit facilities (see note 8.10.3)	(10,302)	(6,620)
Total	11,676	4,631

8.8 Shareholders' equity

As of 31 December 2016, the capital is formed of 20,440,516 shares of €0.51 in terms of nominal value.

The dilutive instruments in circulation are formed of 544,749 share purchase warrants, providing 3,520,710 shares.

In accordance with article 13.5 of the Articles of Association of the Company, on 6 July 2016, the board of directors decided to issue 3 sets of share purchase warrants representing 82,631 new shares with a nominal value of 0.5 EUR for a subscription price of 15.18 EUR per share. These share purchase warrants can be used over a period of 10 years.

8.8.1 Statutory reserve

15% of the net profit of the consolidating company must be taken annually in order to form the reserve fund as provided by Luxembourg law. This is no longer required if the reserve reaches ten times the amount of the subscribed capital. The statutory reserve may not be distributed.

8.8.2 Authorised capital

Authorised capital amounts to €10,425 K represented by 20,440,516 shares with a nominal value of €0.51 each. The authorisation will expire after 5 years on 19 July 2016.

<i>(in thousands of euros)</i>	31/12/2015	31/12/2016	<1 year	1-5 years	> 5 years
Loans and debts with credit institutions	15,697	30,994	8,402	22,092	500
Bank credit facilities	6,610	11,053	11,053	0	0
Various financial debts	157	501	223	0	278
Total	22,463	42,549	19,679	22,092	778

8.9 Provisions

Provisions for risks and expenses can be broken down as follows:

<i>(In thousands of euros)</i>	31/12/2015	31/12/2016
Provisions for deferred tax liabilities	1,671	3,043
Other provisions	1,213	2,284
Total	2,884	5,327

The other provisions particularly concern:

- o Commercial and employment tribunal disputes for €1,024 K;
- o Provisions for maintenance relating to operations including electronic banking for €232 K, vehicle fleet for €439 K;
- o Provisions for risks relating to operational activities for €268 K;
- o Tax risks for €321 K

8.10 Debts owed to credit establishments

8.10.1 Nature and maturity of the debts owed to credit establishments

Debts owed to credit establishments can be broken down as follows:

<i>(in thousands of euros)</i>	31/12/2015	31/12/2016		1-5 years	>5 years
Loans and debts with credit establishments	15,697	31,773	8,914	22,359	500
Current bank credit facilities	6,610	10,274	10,274	0	0
Sundry financial debt	156	501	223	0	278
Total	22,462	42,549	19,412	22,359	778

Loans and debts with credit establishments have a current maturity from 2017 to 2023. The interest rate is set for the vast majority in a range from 1.3 to 2 %. Current bank credit facilities are overdrafts.

During the period, the Group took out new loans for a total amount of €21.6M.

8.10.2 Currency breakdown

All debts are in euros.

8.10.3 Breakdown by type of rate

The breakdown of fixed/variable rates is as follows:

<i>(in thousands of euros)</i>	31/12/2016	Fixed Rate	Variable Rate
Loans and debts with credit establishments	31,773	125	31,648
Accrued interest not yet due	(28)	(28)	0
Current bank credit facilities	10,302	10,302	0
Sundry financial debt	501	501	0
Total	42,549	10,901	31,648

8.11 Other short-term liabilities

<i>(in thousands of euros)</i>	31/12/2015	31/12/2016	<1 year
Suppliers and connected accounts	15,500	21,666	21,666
Advances and deposits received on orders	0	276	278
Social security debts	3,768	14,266	14,266
Tax debts	17,519	34,328	34,328
IS tax debts	981	1,397	1,397
Creditor current accounts	370	2424	24
Sundry debts	7,626	780780	780
All other short-term liabilities	44,784	72,739	72,739

8.12 Off balance sheet commitments

8.12.1 Security interests granted and commitments given :

No commitments were given on the closing date apart from those linking the SOLUTIONS 30 Group and its joint shareholders and the following companies: AUTRONIC, JANSSENS and ABM.

As part of its acquisition programme, Solutions 30 has made the commitment, if the joint shareholders so request, to purchase the residual capital held by long-standing shareholders, according to a specific timetable. This purchase is agreed on the basis of a valuation on a multiple of EBITDA. SOLUTIONS 30 has the same commitment to minority shareholders to sell their shares according to the same timetable and the same assessment method.

Regarding REXION, a company in which the group holds a 60% share as of 31 December 2016, the minority shareholder made the commitment to sell its shares earlier than expected in April 2017, the SOLUTIONS 30 Group increasing its holding to 100% through the payment of €130 K.

• Various securities/guarantees given for €1,050 K and which concern :

Guarantor	Company receiving the guarantee	Securities	Guaranteed obligation	Maturity	Amount in €K
SOLUTIONS 30	S30 Group companies	Guarantee on first demand	Payment on any sum requested by the beneficiary as part of its business relating to all products or services provided through fuel cards)	21/05/2013- Termination within 6 months	150
				17/06/2013- Termination within 6 months	150
SOLUTIONS 30	Telima Money	Surety bond	Obligations as part of the execution of contractual services, in particular relating to the supply of payment terminals	Applicable during any contractual relationship	750

- Early repayment clauses concerning loans in the event of non-compliance with agreed commitments: as of 31 December 2016, the SOLUTIONS 30 Group respects these conditions.
- Commitments to personnel: the commitment in terms of retirement benefits amounted to €1.6 M as of 31 December 2016. These commitments are not recorded in the accounts. The calculation methods are mentioned in paragraph 5.3.11.

8.12.2 Security interests granted and commitments received

No commitments were received on the closing date apart from those linking the SOLUTIONS 30 Group and its joint shareholders to the following companies: AUTRONIC, JANSSENS and ABM (see note 8.12.1).

8.13 Amortisation and provisions

The amount of allocation to and writebacks of depreciation, amortisation and provisions is detailed below:

<i>(in millions of euros)</i>	31/12/2016	31/12/2015
Reversals of amortisation of fixed assets	-	19
Reversals of amortisation of current assets	469	1,048
Reversals of provisions	909	651
Total reversals of amortisation of provisions	1,378	1,718
Allocations to amortisation of fixed assets excluding goodwill	(7,001)	(2,535)
Allocations to amortisation of current assets	(1,558)	(1,392)
Allocations to amortisation of goodwill	(1,477)	(1,196)
Total allocations to amortisation and provisions	(10,036)	(5,123)
Value adjustments (heading 7 of the profit and loss account)	(8,658)	(3,405)

8.14 Financial result - Income from holdings

This note outlines and details the income statement items below:

Income statement item	Income from holdings and related interests: financial result	31/12/2016	31/12/2015
9	Income from holdings with a separate mention of those from affiliated companies	3,967	2,565
	Badwill (see note 8.15)	3,886	2,381
	Other income (see below)	81	184
11	Other interests and similar income, with a separate mention of those from affiliated companies	-	0
13	Interests and similar expenses with a separate mention of amounts due to affiliated companies (see below)	(1,284)	(443)

Recurring financial income can be broken down as follows :

<i>(in thousands of euros)</i>	31/12/2016	31/12/2015
Financial income		
Other income from holdings	81	185
Other financial income	•	7
Total	81	192
Financial expense		
Financial interests and expense	(790)	(340)
Foreign exchange losses	(1)	-
Allocation to Provisions and amortisation	146	(1)
Other financial expense	(639)	(103)
Total	(1 284)	(443)
Financial result	(1,202)	(251)

8.15 Recurring and non-recurring income

The table below shows the reconciliation of Net Income to EBIT and adjusted EBITDA, which is a measure that the company believes best represents its operational performance during the financial year.

Reconciliation of accounting income to key management balances		31/12/2016	31/12/2015	
Net income	A	8,107	6,136	
Taxes	B	1,617	121	Note 8.17
Financial income	C	1,202	251	Note 8.14
	D=A+B+C	10,925	6,266	
Allocations to amortisation of goodwill	E	1,477	1,196	Note 8.14
Allocations to amortisation of client relationships	F	2,349	1,163	Note 8.14
Non-recurring income	G	187	570	Note 8.16
Adjusted EBIT	H=D+E+F+G	14,565	9,195	
Net allocations to amortisation and provisions	I	2,830	1,864	Note 8.14
Adjusted EBITDA	J=H+I	17,395	11,059	
Net income before tax	K=A+B+E	11, 201	7211	
Net income of the consolidated companies	L=K+B	9 584	7 332	

Non-recurring income includes income and expenses which are considered by the Company to impact, in an exceptional, non-recurring and significant manner, the assessment of the performance of operations in the financial year.

The Company believes that the classification of these expenses and income as non-recurring provides greater clarity concerning the intrinsic economic performance of its operations. For the Solutions 30 group, for 2016, this information covers 3 categories of expenses and income:

- o Negative goodwill recognised following allocations of acquisition costs inherent to the company consolidation process. This negative goodwill is a result of the identification and valuation of assets and liabilities;
- o restructuring costs if they are significant;

o disposals of subsidiaries, holdings and/or more generally of fixed assets. The disposal projects are, when applicable, less the costs necessary for obtaining them (legal, agent or distribution costs in particular...).

For 2015, the company decided to present as non-recurring income all the information classed in 2015 as exceptional income, in line with the published information.

Non-recurring income		31/12/2016	
Non-recurring income	Badwill on Client relationships	3,886	2,381
Non-recurring expense			
	Restructuring costs	2,975	954
	Other expense(1)	723	1,997
Non-recurring income		188	570

The Badwill concerning clients relations in 2015 covers client relationships recognised for the Company CONNECTING CABLE and in 2016 that concerning REXION and ATLANTECH.

(1) For 2016 other expenses corresponds mainly to previous results of companies that were consolidated for the first time in 2016.

8.16 Income tax

Income tax can be broken down as follows:

(in thousands of euros)	31/12/2016	31/12/2015
Tax due	(3,150)	(556)
Deferred tax income	1,533	677
Total	(1,617)	121

8.17 Personnel at end of year

Personnel at end of year in consolidated companies can be broken down as follows:

	31/12/2016	31/12/2015
Tax due	(3,150)	(556)
Deferred tax income	1,533	677
Total	(1,617)	121

9 Other information

9.1 Turnover by region

Turnover broken down by geographic areas is presented in the table below :

<i>(in thousands of euros)</i>	31/12/2016	31/12/2015
France	133,509	90,757
International	58,293	34,526
Total	191,802	125,283

9.2 Turnover by business

Turnover by activity is presented in the table below:

<i>(in thousands of euros)</i>	31/12/2016	31/12/2015
Sales of services	167,231	122,366
Sales of goods	24,571	2,917
Total	191,802	125,283

9.3 Affiliated companies and parties

All transactions with affiliated companies have been carried out under normal market conditions.

9.4 Remuneration allocated to members of the management and supervisory boards

Remuneration paid during 2016 to members of the management and supervisory bodies for their role as board members and their employment contracts amounted to €967 K.

There is no retirement benefit obligation towards management and supervisory bodies.

Advances and credit extended members of management and supervisory bodies: A loan of €80 K was granted by the company to a member of the board.

9.5 Fees of the Approved Company Auditor and other statutory auditors

The total amount of fees paid to the Approved Company Auditor and his team during the financial year amounted to €413 K.

The Approved Company Auditor and statutory auditor did not provide any non-audit services.