FINANCIAL REPORT
FOR THE HALF-YEAR ENDED

JUNE 30, 2022

Solutions30

Solutions for New Technologies

Contents

1. HALF-YEARLY ACTIVITY REPORT AND SIGNIFICANT EVENTS DURING THE PERIOD

1. Half-yearly activity report and significant events during the period

Key figures

En millions d'euros	06.30.2022	06.30.2021	Change
Revenue	**444.3**	441.3	+0.7%
Operating margin (Adjusted EBITDA)	**29.6**	49.5	(40.2)%
As a % of revenue	***6.7%***	*11.2%*	
Adjusted EBIT	**6.7**	29.6	(77.5)%
As a % of revenue	***1.5%***	*6.7%*	
Consolidated net income	**(11.3)**	14.6	(177.0)%
As a % of revenue	**(2.5)%**	3.3%	
Net income, group share	**(12.3)**	14.1	(186.8)%
As a % of revenue	***(2.8)%***	*3.2%*	
Financial structure figures	**06.30.2022**	**12.31.2021**	**Variation**
Equity	**183.2**	**191.6**	(8.4)
Net debt	**76.6**	**33.1**	+43.5
Net bank debt	**(20.4)**	**(52.3)**	+31.9

Consolidated revenue

Solutions 30's consolidated half-year revenue for 2022 amounted to €444.3 million, up +0.7% (-1.5% on an organic basis). After a limited decline in the first quarter, the group returned to modest growth in the second quarter. Solutions 30 posted the highest second quarter in its history despite an unfavorable base effect linked to record activity in the first half of 2021 caused by the boom in ultra-fast internet roll-outs in France during the COVID crisis.

In France, performance continues to be penalized by a maturing fiber-optic market and the scheduled halt to smart meter roll-outs, while new activities are starting up more slowly than expected. Although sales activity is encouraging, revenue generation has slowed due to the supply disruptions affecting the photovoltaic and electric vehicle charging station markets, with historically long delivery times for vehicles.

Elsewhere in Europe, business is buoyant with growth rates of around 30%. Solutions 30 has succeeded in capturing significant market share where fiber-optic deployments are booming.

A virtuous business model based on 3 pillars

Solutions 30's business model is based on 3 fundamental pillars:

1. Scalability. Solutions 30 prefers markets where its call-outs and operating methods can be standardized to maximize economies of scale.
2. Density. With its dense territorial coverage, Solutions 30 can reduce its response times and optimize the travel time of its technicians.
3. Automation. The group's IT platform automates repetitive and time-consuming tasks and optimizes technicians' schedules and routes in real time.

These three pillars underpin the group's profitability and explain its historically profitable growth trajectory, which has enabled it to finance all its organic growth from equity since its creation in 2003.

Transition of the business model in France:

- In the telecoms segment, which accounts for 72% of Solutions 30's revenue in France, the group is pursuing its operational transition in a now mature market after five years of exponential growth. As explained at the end of July, the geographical redeployment of one of the group's major contracts following a call for tender that redistributed activities among the service provider's partners is weighing on the operational efficiency of the French subsidiaries, especially in the southern half of France. To meet the new parameters of this contract, Solutions 30, like its competitors, has to review all its processes and methods, recruit and train staff to obtain new authorizations, and readjust its structures locally to prepare for the future. This has a significant impact on the group's operating profitability, as it has to bear the costs of personnel who are not yet productive, while the processes, which are still being adjusted, are not yet standardized. In addition, and pending the definitive stabilization of the geographic distribution of the contract, Solutions 30 has chosen to keep in place structures that are not operating at full capacity.

- In the energy segment, Solutions 30 is positioned thanks to its historical know-how in the markets for installing and maintaining electric charging stations, photovoltaic panels, and intelligent sensors aimed at optimizing energy consumption. These new businesses are currently experiencing supply chain disruptions and are ramping up more slowly than anticipated, preventing them from compensating for the end of smart electricity meter roll-outs. During this phase, Solutions 30 is adjusting its processes and adapting its operational organization.

Overall, in France, the group has implemented an action plan aimed at returning to growth and a more normal level of profitability. This plan is based on 3 pillars:

1. Gain market share in the mature telecoms sector, where a second wave of consolidation is expected to take place as the market remains relatively fragmented.
2. The development of new, fast-growing activities, particularly in the buoyant energy sector where demand remains strong, driven by the major challenges of energy independence, the transition to new energies, and the electrification of vehicles.
3. The strengthening of synergies between various activities, accompanied by a reassignment of technicians to activities with greater potential.

In the Benelux, the group is rolling out its business model and, thanks to the critical size achieved in this region, Solutions 30 is slightly improving margins despite the fact that major fiber contracts are just getting underway.

In the other countries, the group needs to reach critical size, i.e. about €100 million in revenue per country, to start optimizing its profitability. The growth of fiber throughout Europe and the group's proven ability to capture market share should enable it to achieve this objective in 2 to 5 years depending on the country. In these countries, the focus is on revenue growth and the signing of major contracts, as is the case in Italy and the United Kingdom, where the start-up and ramp-up phases, which are currently weighing on profitability, are underway. These start-up phases require the creation of new organizational structures and more robust processes, the adoption of new IT tools, and new trainings for on-site teams.

Profitability

Figures by geographical area are detailed below:

	06.30.2022	06.30.2021	Change
France			
Revenue	221.9	270.3	(17.9)%
EBITDA	18.8	41.9	(55.1)%
EBITDA margin (%)	8.5%	15.5%	
Benelux			
Revenue	98.4	74.9	+31.4%
EBITDA	13.7	10.4	+31.7%
EBITDA margin (%)	13.9%	13.8%	
Other countries			
Revenue	124.0	96.1	+29.0%
EBITDA	2.4	1.7	+41.2%
EBITDA margin (%)	2.0%	1.8%	

For the group as a whole, **adjusted EBITDA** is down 40% to €29.6 million at the end of June 2022, compared with €49.5 million a year earlier, attributable exclusively to the activity in France as explained above.

Operating costs have increased by +5.9% compared to the first half of 2021 and represent 84.1% of revenue, compared to 79.9% a year earlier, while structural costs increased by 4.9% to €40.9 million, compared to €39.0 million a year earlier.

After accounting for €9.1 million in impairments and operational provisions, and after amortizing the usage rights for leased assets (IFRS 16), worth €13.8 million, **adjusted EBIT** stood at €6.7 million at June 30, 2022, compared to €29.6 million a year earlier.

There were €10.3 million in non-current operating expenses during the first half of 2022, mainly related to restructuring costs and exceptional transition costs incurred in connection with new contracts won in France following the above-mentioned tender (€6.7 million), to exceptional costs incurred by the group to respond to an aggressive defamation campaign (€1.9 million), and to expenses related to share-based payments pursuant to IFRS 2 (€1.2 million).

Customer relationship amortization amounted to €7.1 million at June 30, 2022, compared to €7.3 million a year earlier.

Financial income represents an expense of €5.3 million from the adjustment of contingent consideration (earnout) values for €3.8 million. In the first half of 2021, financial income amounted to +€0.7 million.

After including tax income of €3.0 million due to loss carryforwards, compared to an expense of €3.6 million a year earlier, **the group share of net income** amounted to -€12.3 million, compared to €14.1 million for the same period in 2021.

Financial structure

At June 30, 2022, the group had €183.2 million in equity, compared to €191.6 million at December 31, 2021. The group had €85.0 million in gross cash, compared to €129.8 million at the end of December 2021. Gross bank debt stood at €64.6 million, compared to €77.5 million six months earlier, due to scheduled debt repayments. The group had €20.4 million in cash net of debt at the end of June 2022, compared to €52.3 million in cash net of debt at the end of December 2021.

Including €75.3 million in leasing liabilities (IFRS 16) and €21.7 million in potential financial debt on future call options and earnouts, the total net debt amounts to €76.6 million.

The group maintains a solid financial structure, with a net debt/EBITDA ratio of 1.3 and a net debt-to-equity ratio of 41.8%.

Outstanding receivables under the group's non-recourse factoring program amounted to €62.0 million at the end of June 2022, compared with €92.3 million at December 31, 2021. The decrease in the amount of receivables assigned is explained by the time required to ramp up new contracts. Despite the rising interest rate environment, factoring remains the most competitive short-term financing tool. Its cost remains largely under control thanks to the quality of the credit ratings of Solutions 30's customers.

Operating cash flow amounted to €15.7 million for the first half of 2022, compared to €37.9 million in the first half of 2021. The ramp-up of contracts and the reduced use of factoring generated an increase of €22.2 million in working capital requirements, which amounted to -€2.8 million. Adjusted for the change related to factoring, working capital decreased by €8.1 million.

Cash flow from business activities during the first half of 2022 stood at -€6.5 million, compared to €7.2 million a year earlier, and net investments reached €9.4 million.

This results in an overall free cash flow of -€15.8 million, compared to breakeven free cash flow in the first half of 2021.

Outlook

In the second half of 2022, growth should accelerate and continue to be driven by activities outside France. Full-year revenue is expected to be about €900 million, compared with €874 million in 2021. In terms of profitability, the group should return to a more normal, double-digit EBITDA at the end of the year, but this will remain below 10% over the entire year. This objective is based on the rate renegotiations undertaken with the group's customers, which began to take effect during the second quarter, as well as on the acceleration of the deployment and start-up of new contracts in Belgium, the Netherlands, Poland and the United Kingdom.

From the end of this year and into 2023, Solutions 30 should return to more dynamic growth. The group has solid growth drivers and an effective model to self-finance its development, both of which will help it consolidate its position at the crossroads of the digital transformation and the energy transition.

In each of these business segments, Solutions 30 has excellent references and a solid order book. With €770 million in orders taken since the beginning of the year, Solutions 30 is gaining market share in Europe, particularly in the deployment of fiber and the connection of homes to the ultra-fast network. In this segment alone, the group has won deals worth a total of €2.6 billion, to be delivered over the next 3 to 5 years. This figure includes new contracts and optical fiber renewals (deployment and connections). In the energy sector, Solutions 30 is pursuing it efforts, despite the shortages that are impacting supply chains. With 48 active customers for charging stations (charging service providers, energy companies, car manufacturers, and even manufacturers of charging stations), more than 20,000 charging points installed by 2022, nearly 1,000 solar panel installations already completed, and prestigious customer references, Solutions 30 is ideally positioned to become a major player in the European energy transition.

Financial indicators not defined by IFRS

The group uses financial indicators not defined by IFRS:

– Profitability indicators and their components are key operational performance indicators used by the group to monitor and evaluate its overall operating results and results by country.

– Cash flow indicators are used by the group to implement its investment and resource allocation strategy.

The non-IFRS financial indicators used are calculated as follows:

Organic growth includes the organic growth of acquired companies after they are acquired, which Solutions 30 assumes they would not have experienced had they remained independent. In 2022, the group's organic growth includes only internal growth from historical subsidiaries.

Adjusted EBITDA is the "operating margin" as reported in the group's financial statements.

Free cash flow corresponds to the net cash flow from operating activities minus the acquisitions of intangible assets and property, plant and equipment net of disposals.

Calculation of free cash flow

In thousands of euros	**06.30.2022**	06.30.2021
Net cash flow from operating activities	**(6,460)**	**7,169**
Acquisition of non-current assets	(9,441)	(7,020)
Disposal of non-current assets after tax	55	763
Free cash flow	**(15,847)**	**912**

Cash net of debt corresponds to "Cash and cash equivalents" as it appears in the group's financial statements from which is deducted "Long-term loans from credit institutions" and "Short-term loans from credit institutions, lines of credit, and bank overdrafts" as they appear in note 8.2 of the group's annual financial statements.

Adjusted EBIT corresponds to operating income as shown in the group's financial statements, to which are added "Customer relationship amortization," "Income from the sale of holdings," "Other non-current operating expenses" and from which are deducted "Other non-current operating income."

Reconciliation between operating income and adjusted EBIT

In thousands of euros	**06.30.2022**	**06.30.2021**
Operating income	**(8,880)**	**17,532**
Customer relationship amortization	7,134	7,276
Other non-current operating income	(1,850)	—
Other non-current operating expenses	10,266	4,789
Adjusted EBIT	**6,670**	**29,598**
% of revenue	*1.5 %*	*6.7 %*

Non-recurring transactions are expenses that are significant in their amount, unusual, and infrequent.

Net debt corresponds to "Debt, long-term," "Debt, short-term," and long and short-term "Lease liabilities" as they appear in the group's financial statements from which "Cash and cash equivalents" as they appear in the group's financial statements are deducted.

Net debt/EBITDA ratio corresponds to "net debt" divided by annualized EBITDA.

Net debt-to-equity ratio corresponds to "net debt" divided by equity.

Net debt

In thousands of euros	**06.30.2022**	12.31.2021
Bank debt	64,642	77,534
Lease liabilities	75,268	66,587
Future liabilities from earnouts and put options	21,694	18,785
Cash and cash equivalents	(85,027)	(129,839)
Net debt	**76,576**	**33,067**
Equity	**183,161**	**191,553**
% of net debt	*41.8 %*	*17.3 %*

Net bank debt corresponds to "Long-term loans from credit institutions" and "Short-term loans from credit institutions, lines of credit, and bank overdrafts" as they appear in note 8.2 of the group's annual financial statements from which are deducted "Cash and cash equivalents" as they appear in the group's financial statements.

Net bank debt

In thousands of euros	**06.30.2022**	12.31.2021
Loans from credit institutions, long-term	38,187	50,512
Loans from credit institutions, short-term and lines of credit	26,455	27,022
Cash and cash equivalents	(85,027)	(129,839)
Net bank debt	**(20,386)**	**(52,305)**

Operating margin corresponds to the "operating margin" as reported in the group's financial statements.

Working capital corresponds to "current assets" as reported in the group's financial statements (excluding "Cash and cash equivalents" and "Current asset derivatives") less "current liabilities" (excluding "Debt, short-term," "Current provisions," and "Lease liabilities" adjusted for non-cash items).

Working capital:

In thousands of euros	**06.30.2022**	12.31.2021
Inventory and work in progress	44,817	39,011
Trade receivables and related accounts	181,016	166,439
Current contract assets	923	858
Other receivables	63,404	63,644
Prepaid expenses	2,025	873
Trade payables	(167,815)	(149,613)
Tax and social security liabilities	(116,320)	(129,804)
Other current liabilities	(7,632)	(10,705)
Deferred income	(3,865)	(5,698)
Adjustments to non-cash items	637	(1,395)
Working capital	**(2,810)**	**(26,390)**

Net investments correspond to the sum of the lines "Acquisition of current assets," "Acquisition of non-current financial assets," and "Disposal of non-current assets after tax" as they appear in the consolidated statement of cash flows.

Net investments:

In thousands of euros	**06.30.2022**	06.30.2021
Acquisition of current assets	(9,441)	(7,020)
Disposal of non-current assets after tax	55	763
Operational investments	**(9,386)**	**(6,257)**

Operational costs correspond to costs incurred for the group's operations, included in the "operating margin" (Excluding structural costs).

Structural costs correspond to costs incurred by the group's head office functions in various countries, included in the "operating margin" (Excluding operating costs).

2. CERTIFICATION OF THE HALF-YEARLY FINANCIAL REPORT

2. Certification of the half-yearly financial report

"I hereby attest that, to the best of my knowledge, the consolidated financial statements for the recent six-month period of 2022 have been prepared in accordance with all applicable accounting standards and present fairly the assets, financial condition and results of the company and of all the companies included in the consolidation, and that the six-month business review above presents a true picture of events that occurred during the first six months of the year, their impact on the financial statements, the main transactions between related parties and a description of the principal risks and uncertainties for the remaining six months of the year."

Luxembourg, September 28, 2022
Gianbeppi Fortis, Chief Executive Officer

3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1.1. Interim consolidated statement of financial position

Assets

(in thousands of euros)	*Notes*	06.30.2022	12.31.2021
Uncalled share capital		1	1
Goodwill	*7.1*	56,061	56,009
Other intangible assets	*7.1*	126,814	132,625
Property, plant and equipment	*7.1*	21,810	18,613
Right-of-use assets		75,696	66,964
Non-current contract assets	*4.2*	1,125	1,025
Non-current financial assets		3,942	2,880
Deferred tax assets		23,320	18,273
NON-CURRENT ASSETS		**308,770**	**296,392**
Inventory and work in progress		44,817	39,011
Trade receivables and related accounts	*4.2*	181,016	166,439
Current contract assets	*4.2*	923	858
Other receivables		63,404	63,644
Prepaid expenses		2,025	873
Current asset derivatives		340	—
Cash and cash equivalents	*9*	85,027	129,839
CURRENT ASSETS		**377,553**	**400,664**
TOTAL ASSETS		**686,323**	**697,056**

Equity & Liabilities

(in thousands of euros)	06.30.2022	12.31.2021
Subscribed capital	13,659	13,659
Share premiums	17,376	17,376
Legal reserve	1,401	1,401
Consolidated reserves	148,713	124,363
Net income for the period	(12,262)	21,485
EQUITY, GROUP SHARE	**168,887**	**178,284**
Minority interests	14,273	13,269
EQUITY	**183,161**	**191,553**
Debt, long-term	51,891	66,759
Lease liabilities	49,469	43,745
Non-current provisions	20,464	21,188
Deferred tax liabilities	23,523	24,258
Other non-current financial liabilities	688	249
NON-CURRENT LIABILITIES	**146,036**	**156,199**
Debt, short-term	34,444	29,560
Current provisions	1,249	1,080
Lease liabilities	25,800	22,842
Trade payables	167,815	149,613
Tax and social security liabilities	116,320	129,804
Other current liabilities	7,632	10,705
Deferred income	3,865	5,698
CURRENT LIABILITIES	**357,126**	**349,304**
TOTAL EQUITY & LIABILITIES	**686,323**	**697,056**

3.1.2. Interim consolidated statement of comprehensive income

Earnings for the 6-month period ending June 30th

(in thousands of euros)	*Notes*	**2022**	**2021**
Revenue	4.1	444,288	441,340
Other current operating income		7,175	7,356
Net change in inventory and raw materials and consumables used		(52,248)	(44,244)
Employee costs		(111,741)	(108,087)
Taxes, duties, and similar payments		(32,636)	(33,613)
Other current operating expenses		(225,233)	(213,227)
Operating margin		**29,605**	**49,525**
Depreciation, amortization and impairment of fixed assets		(28,269)	(27,330)
Charges to and reversals of provisions		(1,800)	126
Other non-current operating income	5.2	1,850	—
Other non-current operating expenses	5.2	(10,266)	(4,789)
Operating income		**(8,880)**	**17,532**
Financial income		576	2,840
Finance costs	8.2	(5,925)	(2,176)
Net financial income		**(5,349)**	**664**
Income taxes	6	2,968	(3,570)
Consolidated net income		**(11,261)**	**14,627**
Group share		(12,262)	14,127
Minority interests		1,001	500
Basic earnings per share, group share (in euros)		(0.114)	0.132
Diluted earnings per share, group share (in euros)		(0.114)	0.132

(in thousands of euros)	**2022**	**2021**
CONSOLIDATED NET INCOME	**(11,261)**	**14,627**
Items recyclable or recycled to profit or loss:		
Translation differences recognized in equity	(22)	83
Items not recyclable to profit or loss:		
Changes in actuarial gains and losses	2,237	6
Deferred taxed on changes in actuarial gains and losses	(559)	(1)
COMPREHENSIVE INCOME RECOGNIZED IN EQUITY	**1,656**	**87**
COMPREHENSIVE INCOME	**(9,605)**	**14,714**
Group share	(10,606)	14,214
Minority interests	1,001	500

3.1.3. Interim changes in consolidated equity

(in thousands of euros)	Capital	Share premium	Legal reserve	Group reserves	Cumulative translation adjustments	Equity, group share	Minority interests	Total equity
POSITION AT 01/01/2021	**13,659**	**17,376**	**1,362**	**123,797**	**(576)**	**155,618**	**14,390**	**170,008**
Income at June 30, 2021	—	—	—	14,127	—	14,127	500	14,627
Income recognized in equity	—	—	—	5	83	87	—	87
Comprehensive income at June 30, 2021	**—**	**—**	**—**	**14,131**	**83**	**14,214**	**500**	**14,714**
Other changes	—	—	4	(4)	—	—	—	—
POSITION AT 06/30/2021	**13,659**	**17,376**	**1,366**	**137,925**	**(493)**	**169,833**	**14,890**	**184,723**

(in thousands of euros)	Capital	Share premium	Legal reserve	Group reserves	Cumulative translation adjustments	Equity, group share	Minority interests	Total equity
POSITION AT 01/01/2022	**13,659**	**17,376**	**1,401**	**146,307**	**(459)**	**178,284**	**13,269**	**191,553**
Income at June 30, 2022	—	—	—	(12,262)	—	(12,262)	1,001	(11,261)
Income recognized in equity (1)	—	—	—	1,675	(22)	1,653	3	1,656
Comprehensive income at June 30, 2022	**—**	**—**	**—**	**(10,587)**	**(22)**	**(10,609)**	**1,004**	**(9,605)**
IFRS 2 Share-based payment	—	—	—	1,205	—	1,205	—	**1,205**
Other changes	—	—	—	8	—	8	—	8
POSITION AT 06/30/2022	**13,659**	**17,376**	**1,401**	**136,932**	**(481)**	**168,887**	**14,273**	**183,161**

(1) The increase in group reserves of €1,675k is related to the impact of changes in the parameters used to calculate the provision for pensions as defined by IAS 19.

3.1.4. Interim consolidated statement of cash flows

For the 6-month period ending June 30th

(in thousands of euros)	*Notes*	**2022**	**2021**
CONSOLIDATED NET INCOME		**(11,261)**	**14,627**
Net income, group share		(12,262)	14,127
Net income, minority interests		1,001	500
Non-monetary items:			
Depreciation, amortization and impairment		28,269	27,330
Allocations to provisions		1,800	(126)
Deferred taxes	6	(6,860)	(3,912)
Share-based payment	5.2	1,205	—
Change in fair value of non-current contract assets		(100)	85
Change in fair value of financial instruments		(381)	(44)
Elimination of income from goodwill	5.2	(1,850)	—
Change in fair value of options and earnouts	8.2	3,697	(1,696)
Elimination of interest expense		1,206	1,610
Operating cash flow from consolidated companies		**15,725**	**37,873**
Change in working capital requirements for operations		**(22,185)**	**(30,704)**
Decrease/(increase) in inventory and work in progress		(5,427)	(9,516)
Decrease/(increase) in trade & other receivables		(13,764)	(18,198)
Increase/(decrease) in trade & other payables		17,226	(2,487)
Increase/(decrease) in other receivables and debts		(20,219)	(502)
Net cash flow from operating activities (1)		**(6,460)**	**7,169**
CASH FROM/(USED IN) INVESTING ACTIVITIES			
Acquisition of current assets		(9,441)	(7,020)
Acquisitions of subsidiaries, net of cash received	3.1	42	—
Contingent consideration on acquisitions of subsidiaries and businesses	8.2	(786)	(572)
Acquisition of non-current financial assets		(1,062)	(937)
Disposal of non-current assets after tax		55	763
Net cash from/(used in) investing activities		**(11,193)**	**(7,766)**
CASH FROM/(USED IN) FINANCING ACTIVITIES			
Loan issuance		52	2,194
Repayment of loans and borrowings and related financial expenses (2)		(13,728)	(16,452)
Other non-current financial liabilities		440	(24)
Repayment of lease liabilities and related financial expenses (3)		(14,387)	(13,275)
Net cash from/(used in) financing activities		**(27,623)**	**(27,558)**
Impact of changes in foreign exchange rates		464	(318)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(44,812)**	**(28,472)**
Opening cash balance		129,839	159,279
Closing cash balance		85,027	130,807

(1) In 2022, cash flows related to the payment of corporate income tax, net of refunds received, correspond to an inflow of €0.16 million (-€11.1 million disbursed for the 6 months ending June 30, 2021).
(2) Including -€0.8 million in interest paid on debt in 2022 (-€0.9 million for the six months ending on June 30, 2021).
(3) Including -€0.4 million in lease liabilities in 2022 (-€0.6 million for the six months ending on June 30, 2021).

Note 1: Information on the company and group

The condensed interim consolidated financial statements of Solutions 30 SE and its subsidiaries (collectively, the "group") for the half-year ended June 30, 2022, were prepared by the Management Board and approved by the Supervisory Board on September 28, 2022. Solutions 30 (the "Company" or the "parent company") is a European company incorporated and domiciled in the Grand-Duchy of Luxembourg with shares listed in Compartment A on the Euronext Paris market. Its registered office is located at:

3 rue de la Reine
L-2418 Luxembourg

The group mainly provides support services for new digital technologies and helps its customers implement these new technologies throughout Europe: telecom service providers, energy suppliers, manufacturers and distributors of IT hardware and digital devices, IT management companies, and digital equipment integrators.

Note 2: Basis of preparation

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended June 30, 2022, have been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the European Union. The financial statements have been prepared on the principles of going concern assumption and historical cost basis, with the exception of certain assets and liabilities measured at fair value.

They do not include all the information and notes required in the annual financial statements and should be read in conjunction with the group's consolidated financial statements at December 31, 2021.

- Critical accounting judgments and key sources of estimation uncertainty.

Critical accounting judgments and key sources of uncertainty regarding estimates have not changed significantly since December 31, 2021.

2.2 New IFRS, amendments, and interpretations

The accounting methods adopted in the preparation of these interim consolidated financial statements are consistent with those used to prepare the group's annual consolidated financial statements for the year ended December 31, 2021 (except for newly adopted standards, effective as of January 1, 2022). The group has not early adopted as of June 30, 2022 any standard, interpretation, or amendment that has been published by the IASB and adopted by the European Union, but has not yet come into effect.

Several standards, amendments, and interpretations apply for the first time as of January 1, 2022, but have no impact on the group's consolidated financial statements as of June 30, 2022:

- Amendments to IFRS 16 "COVID-19-Related Rent Concessions": Published by IASB on March 31, 2021, and approved by the European Union on August 30, 2021. Applicable for fiscal years beginning on or after April 1, 2021, this standard does not have a material impact on the group's financial statements.

- The amendments to IFRS 3 "Business Combinations," IAS 16 "Property, Plant and Equipment," IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," and the Annual Improvements to IFRS (2018-2020 cycle), published on May 14, 2020, and approved by the European Union on June 28, 2020. Applicable for fiscal years beginning on or after January 1, 2022, this standard does not have a material impact on the group's financial statements.

Standards, amendments, and interpretations of standards published by the IASB, adopted by the European Union and without early application as of June 30, 2022:

- IFRS 17 "Insurance Contracts" and its amendments: IFRS 17 is replacing IFRS 4 "Insurance Contracts," published in 2004 as a temporary standard. Amendments were published by the IASB on May 18, 2017 and June 25, 2020, and approved by the European Union on November 19, 2021, to be applicable on January 1, 2023. Given the nature of its activities, this standard does not apply to the group.

- The amendments to IAS 8 "Definition of Accounting Estimates," published on February 12, 2021 and approved by the European Union on March 2, 2022. Applicable for fiscal years beginning on or after January 1, 2023. This standard does not have a material impact on the group's accounts.

- Amendments to IAS 1 "Disclosure of Accounting Policies." Published on February 12, 2021 and approved by the European Union on March 2, 2022, they are applicable for fiscal years beginning on or after January 1, 2023. This standard does not have a material impact on the group's accounts.

- Amendments to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction," published on May 7, 2021 and approved by the European Union on August 12, 2022. Applicable for fiscal years beginning on or after January 1, 2023, this standard does not have a material impact on the group's financial statements.

- The amendments to IFRS 17 "Insurance Contracts": Initial Application of IFRS 17 and IFRS 9 "Comparative Information," published on December 9, 2021 and approved by the European Union on September 9, 2022. Applicable for fiscal years beginning on or after January 1, 2023. Given the nature of its activities, these standards do not apply to the group.

Standards, amendments to standards, and interpretations of standards published by the IASB and not adopted by the European Union. The impacts on the financial statements of texts published by the IASB at June 30, 2022, and not in force in the European Union are currently being analyzed. These texts are as follows:

- Amendments to IAS 1 "Presentation of Financial Statements — Classification of Liabilities as Current or Non-current" and "Presentation of Financial Statements — Classification of Liabilities as Current or Non-current — Deferral of Effective Date," published on January 23 and July 15, 2020, respectively, applicable for fiscal years beginning on or after January 1, 2023.

Note 3: Scope of consolidation

The group subsidiaries contributing to the financial information presented in these consolidated financial statements are listed in note 3.2 of the annual consolidated financial statements for the year ended December 31, 2021.

At the end of June 2022, the following changes had occurred:

- Solutions 30 Luxembourg S.A. was created on January 17, 2022 to incorporate the group's operational activities in Luxembourg.

- On June 30, 2022, the company Sotranasa was merged into Solutions 30 Sud-Ouest (formerly Telima TVX), with an effective date of January 1, 2022.

- On June 30, 2022, the company CPCP Telecom was merged into Solutions 30 Sud-Est (formerly Telima Networks Services), with an effective date of January 1, 2022.

3.1 Subsidiary acquisitions

3.1.1 Acquisitions for the 6-month period ending June 30, 2022

In the first half of 2022, the group made the acquisitions presented below. Allocations to cover the price of these acquisitions were finalized on June 30, 2022, except for Sirtel:

- Sirtel Sp. Z.o.o

On January 31, 2022, the group acquired 100% of the share capital of Sirtel Sp. Z.o.o. This Polish company installs and maintains mobile telecommunications equipment. The total consideration transferred by the group to acquire shares in these companies was €1,320k, of which €55k was contingent consideration ("future earnouts"). The total amount of this consideration will be determined based on when contractual conditions are expected to be met. Acquisition-related costs, included under "other current operating expenses" in the statement of comprehensive income, amount to €13k.

The fair value of the acquired financial assets takes into account receivables (mainly commercial or tax related) whose fair value is €662k. It is expected that the full contractual amounts will be recovered.

This transaction resulted in €1,671k in recognized negative goodwill.

Sirtel Sp. Z.o.o contributed €923k to group revenue and a negligible amount to group profits between the acquisition date and the end of the reporting period. If this company had been acquired on the first day of the year, the subsidiary would have contributed €1,107k to group revenue and its contribution to group profits would have been negligible.

- Digitlab

On March 1, 2022, the group acquired 100% of the share capital of Algor SRL. This French company specializes in developing software. The group paid €38k for this acquisition. Acquisition-related costs, included under "other current operating expenses" in the statement of comprehensive income, amount to €8k.

The fair value of the acquired financial assets takes into account receivables (mainly commercial or tax related) whose fair value is €127k. It is expected that the full contractual amounts will be recovered.

This transaction resulted in €2k in recognized negative goodwill.

Digitilab's contributions to group revenue and profits between the date of acquisition and the end of the reporting period were negligible. If this company had been acquired on the first day of the year, the subsidiary's contributions to group revenue and group profits would have been negligible.

- Itineo Academy

On March 1, 2022, the group acquired 100% of the share capital of Itineo Academy. This French company specializes in training programs. The group paid €94k for this acquisition. Acquisition-related costs, included under "other current operating expenses" in the statement of comprehensive income, amount to €8k.

The fair value of the acquired financial assets takes into account receivables (mainly commercial or tax related) whose fair value is €62k. It is expected that the full contractual amounts will be recovered.

This transaction resulted in €55k in recognized goodwill.

Itineo Academy's contributions to group revenue and profits between the date of acquisition and the end of the reporting period were negligible. If this company had been acquired on the first day of the year, the subsidiary's contributions to group revenue and group profits would have been negligible.

- Alphane Dépannage Distribution ("Adedis")

On March 1, 2022, the group acquired 100% of the share capital of Adedis. This French company builds and maintains telecommunication and energy networks. The group paid €398k for this acquisition. Acquisition-related costs, included under "other current operating expenses" in the statement of comprehensive income, amount to €8k.

The fair value of the acquired financial assets takes into account receivables (mainly commercial or tax related) whose fair value is €118k. It is expected that the full contractual amounts will be recovered.

This transaction resulted in €177k in recognized negative goodwill.

Adedis' contributions to group revenue and profits between the date of acquisition and the end of the reporting period were negligible. If this company had been acquired on the first day of the year, the subsidiary's contributions to group revenue and group profits would have been negligible.

- Acquired assets and liabilities

The fair value of the assets and liabilities acquired in connection with the acquisition of this subsidiary by the group in the first half of 2022 is shown in the table below:

(in thousands of euros)	Sirtel Sp. Z o.o	Digitlab	Itineo Academy	Adedis	TOTAL
Assets					
Intangible assets	2,987	—	—	—	2,987
Property, plant and equipment	8	8	11	5	32
Right-of-use assets	2	—	—	—	2
Cash and cash equivalents	252	250	510	880	1,892
Trade receivables	662	127	62	118	969
Other current assets	57	25	18	115	215
Other non-current assets	—	—	—	5	5
Inventories	41	—	—	—	41
	4,009	**410**	**601**	**1,123**	**6,143**
Equity & Liabilities					
Trade debts	345	33	109	489	976
Other current liabilities	106	337	453	59	955
Impôt différé passif	567	—	—	—	567
	1,018	**370**	**562**	**548**	**2,498**
Total net assets at fair value	**2,991**	**40**	**39**	**575**	**3,645**
Positive or negative goodwill	(1,671)	(2)	55	(177)	(1,795)
Transferred purchase contribution	**1,320**	**38**	**94**	**398**	**1,850**
Acquisitions of subsidiaries, net of cash received	**1,068**	**(212)**	**(416)**	**(482)**	**(42)**

Negative goodwill resulted in a profit of €1,850 thousands in 2022 (€0 in 2021) recorded under "other non-current operating income" in the statement of comprehensive income. This amount is mainly related to the acquisition of Sirtel Sp. Z.o.o. This company has a portfolio of customer contracts with great potential given the significant current and future investments in the development of mobile telecommunication networks in Poland, especially for the deployment of 5G technology. This market context combined with the seller's willingness to transfer the business to a new management team and to a group capable of investing in this new growth phase were favorable conditions for the purchase of Sirtel.

Positive goodwill recognized in connection with the acquisition of Itineo Academy corresponds to the value of the synergies the group intends to realize once the company has been integrated.

Note 4: Revenue and customers

4.1 Breakdown of revenue

The breakdown of the group's revenue from contracts with customers by activity type is as follows:

(in thousands of euros)	France	Benelux	Other	2022
Types of activities				
On-site call-outs	221,960	97,309	120,747	440,016
Leasing of payment terminals	2,016	—	—	2,016
Projects - Change in work in progress	(2,054)	1,046	3,264	2,256
Total revenue from contracts with customers	**221,922**	**98,355**	**124,011**	**444,288**

(in thousands of euros)	France	Benelux	Other	2021
Types of activities				
On-site call-outs	265,358	74,330	95,184	434,872
Leasing of payment terminals	1,694	—	—	1,694
Projects - Change in work in progress	3,234	588	952	4,774
Total revenue from contracts with customers	**270,286**	**74,918**	**96,136**	**441,340**

As of June 30, 2022, the group's revenue is up +0,7% compared to June 30, 2021.

4.2 Trade receivables and related accounts

Total receivables sold and deconsolidated under its non-recourse factoring program, amounted to €62.0 million at June 30, 2022 (€92.3 million at December 31, 2021).

(in thousands of euros)	06.30.2022	12.31.2021
Trade receivables	73,999	70,876
Invoices to be issued	104,610	91,650
Trade payables - advances and down payments	2,408	3,913
TOTAL	**181,016**	**166,439**

During the first half of 2022, the group recognized an impairment of €0.24 million (€0.05 million during the first half of 2021) on its trade receivables. All trade receivables and related accounts are due in less than one year.

- Contract assets

Contract assets relate to the lease contracts for payment terminals marketed by the group. At June 30, 2022, contract assets amounted to €2.0 million (2021: €1.9 million).

Note 5: Operating income

5.1 Operating margin

The main indicator of group operating profitability is the operating margin. It corresponds to operating income before depreciation, amortization, reversals, and provisions, income from the sale of holdings, the cost of services provided by the group's holding company and other non-current operating income and expenses.

Solutions 30's segment reporting is based on geographical segments, in accordance with the internal management data used by the group management board, and in accordance with the principles of IFRS 8.

(in thousands of euros)	2022	France	Benelux	Other countries	HQ
Revenue	444,288	221,922	98,355	124,011	—
Operating margin	29,605	18,806	13,652	2,419	(5,272)
Operating margin as %	6.7 %	8.5 %	13.9 %	2.0 %	—

(in thousands of euros)	2021	France	Benelux	Other countries	HQ
Revenue	441,340	270,286	74,918	96,136	—
Operating margin	49,525	41,890	10,369	1,684	(4,418)
Operating margin as %	11.2 %	15.5 %	13.8 %	1.8 %	—

5.2 Other non-current operating income and expenses

Non-current operating income in 2022 stood at €1.8 million and included income from goodwill from Sirtel, Adedis, and Digitlab (See Note 3.1).

Non-current operating expenses in 2022 mainly consist of restructuring costs and exceptional transition costs incurred in connection with new contracts won in France (€6.7 million), to exceptional costs incurred by the group to respond to an aggressive defamation campaign (€1.9 million), and to expenses related to share-based payments pursuant to IFRS 2 (€1.2 million). The latter is linked to the management incentive plan, which consists of 3,561,688 stock options with an exercise price of €8.99, which can only be exercised on the following four dates: January 31, 2023, April 30, 2023, July 31, 2023 or November 30, 2023.

In 2021, non-current operating expenses included exceptional spending to respond to a defamation campaign against the group (€3.5 million) and to restructuring costs (€0.8 million).

5.3 Off-balance sheet commitments related to operating activities

Guarantees granted (pledges, mortgages, guarantees, etc.) are listed below. Guarantees received from group companies are excluded.

Country	Principal	Type of guarantee	Guaranteed obligations	Term	Amount in thousands of euros
France	S30 group's companies	Subcontracting guarantee	Obligations arising from a surety and guarantee contract for the group's subcontractors	Applicable during the entire contractual relationship	8,984
Belgium	S30 group's Belgian companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom and energy businesses	Applicable during the entire contractual relationship	8,854
Spain	S30 group's Spanish companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom business	Applicable during the entire contractual relationship	2,620
Spain	S30 group's Spanish companies	Guaranty	Payment of any amount requested by the tax authorities	Applicable during the entire contractual relationship	800
France	Telima Money	Indemnity bond	Obligations arising from the performance of services under contract, including the provision of payment terminals	Applicable during the entire contractual relationship	750
France	Solutions 30 Martinique	Letter of intent	Obligations arising in the course of commercial relations.	Applicable during the entire contractual relationship	350
Belgium	S30 group's Belgian companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom and energy businesses	Applicable during the entire contractual relationship	311
Poland	S30 group's Polish companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom business	Applicable during the entire contractual relationship	223
Belgium	Unit-T	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	220
France	S30 group's French companies	Demand guarantee	Payment of any amount charged by the beneficiary in connection with its activity and of any product or service provided via its fuel cards	Applicable during the entire contractual relationship	150
Spain	S30 group's Spanish companies	Demand guarantee	Payment of any amount charged by the beneficiary in connection with its activity and of any product or service provided via its fuel cards	Applicable during the entire contractual relationship	80
France	Telima Logistique	Letter of intent	Obligations that arise from letters of intent sent to customers.	7/12/2022	75
Luxembourg	Solutions 30 SE	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	33
Netherlands	Solutions 30 Netherlands	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	24
France	Telima Frepart / Telima Energie IDF	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	10

Note 6: Income tax

The group calculates the income tax expense for the period using the tax rate that would apply to the total expected annual income. The tax expense consists of:

(in thousands of euros)	2022	2021
Deferred taxes	6,860	3,912
Current taxes	(3,892)	(7,482)
Corporate income tax	**2,968**	**(3,570)**

Deferred tax income of €6.8 million in 2022 mainly consists of tax loss carryforwards that were applied for France, Germany, and Spain.

Note 7: Intangible assets and property, plant and equipment

7.1 Breakdown of major assets by sector

Solutions 30's segment reporting is based on geographical segments, in accordance with the internal management data used by the group management board, and in accordance with the principles of IFRS 8.

(in thousands of euros)	06.30.2022	France	Benelux	Other
Goodwill	56,061	25,954	28,345	1,762
Other intangible assets	126,814	26,115	52,531	48,168
Property, plant and equipment	21,810	7,694	3,736	10,380

(in thousands of euros)	12.31.2021	France	Benelux	Other
Goodwill	56,009	25,899	28,345	1,765
Other intangible assets	132,625	29,536	54,463	48,626
Property, plant and equipment	18,613	6,421	3,192	9,000

7.2 Impairment tests of intangible assets

The group performed its annual impairment test in December 2021 and will need to update it when circumstances may lead to a risk of impairment. The group's impairment test for goodwill and intangible assets is based on value-in-use calculations. The main assumptions used to determine the recoverable amounts at the level of the various cash-generating units are explained in the consolidated financial statements for the 2021 financial year.

The change in operating margin observed in the first half of 2022 does not call into question the tests performed at December 31st. No impairment is required as of June 30, 2022.

Sensitivity analysis of the value in use of cash-generating units (CGU) to the assumptions used

As part of the sensitivity analysis included in the consolidated financial statements at December 31, 2021, sensitivity calculations showed that a change of 50 basis points in the discount rate assumptions or a change of 50 basis points in the long-term growth rates would not have a material impact on the results of the impairment tests and therefore on the group's consolidated financial statements.

Note 8: Financial instruments

8.1 Classification of financial assets

The following table presents information about the carrying values of financial instruments and the fair values of financial instruments at June 30th.

(in thousands of euros)	06.30.2022		12.31.2021	
	book value	fair value	book value	fair value
Non-current financial assets	3,942	3,942	2,880	2,880
Trade receivables and related accounts	181,016	181,016	166,439	166,439
Contract assets	2,049	2,049	1,883	1,883
Other receivables	63,404	63,404	63,644	63,644
Current asset derivatives	340	340	—	—
Cash and cash equivalents	85,027	85,027	129,839	129,839
Financial assets	**335,778**	**335,778**	**364,685**	**364,685**
Debt	86,336	86,336	96,319	96,319
Lease liabilities	75,268	75,268	66,587	66,587
Other non-current financial liabilities	688	688	249	249
Trade payables	167,816	167,816	149,614	149,614
Tax and social security liabilities	116,320	116,320	129,804	129,804
Other current liabilities	7,632	7,632	10,705	10,705
Financial liabilities	**454,060**	**454,060**	**453,278**	**453,278**

The financial assets and liabilities are carried at amortized cost except for put options, contingent considerations, and the interest rate swap. The fair value of financial assets and liabilities carried is close to the carrying amount, except for put options, contingent considerations, and the interest rate swap. The fair value of put options and contingent considerations is based on the present value of probable future cash flows taking into account the group's contractual commitments (level 3).

The fair value of the interest rate swap is determined based on models commonly used by market participants to value these derivative financial instruments (models incorporating observable market data – level 2). Taking into account the risk of counterparty default and the entity's own credit risk has no significant impact on the fair value of the interest rate swap.

8.2 Contingent considerations and put options

Contingent considerations ("earnouts") and put options are assessed at fair value and recorded under "Debt, short-term" in the statement of financial position if they are due within 12 months of the end of the fiscal year, or under "Debt, long-term" if they are due beyond a 12-month period. The change in the fair value of debts related to future earnouts and call options is presented in the table below:

(in thousands of euros)	01.01.2022	Payment	Earnout payment	Cumulative translation	Fair value adjustment	06.30.2022
Earnouts	9,761	55	(841)	(1)	49	9,022
Put and call options	9,024	—	—	—	3,647	12,672
TOTAL	**18,785**	**55**	**(841)**	**(1)**	**3,696**	**21,694**

The fair value of put options and contingent considerations is based on the present value of probable future cash flows taking into account the group's contractual commitments (level 3). Changes in fair value have been recognized in the consolidated statement of comprehensive income under “Financial expenses.” The group undertook an analysis of whether the fair value of put options and contingent considerations was reasonable given the modifications that had been made to the main assumptions used to determine this fair value. The calculations determined that they were reasonable and that a variation of 5% in assumptions about future cash flows would not have a significant impact on the resulting fair values, and therefore would not affect the group’s consolidated financial statements at June 30, 2022.

	Sensitivity to future cash flow	
(in millions of euros)	**- 5 %**	**+ 5 %**
Earnouts	(806)	606
Put options	(650)	554
TOTAL	**(1,457)**	**1,161**

8.3 Debt and liquidity risk

The Solutions 30 group has short, medium and long-term bank loans, with €64.6 million in remaining principle as of June 30, 2022, compared with €77.5 million at the end of 2021.

Note 9 : Cash

The group’s cash and cash equivalents are as follows :

(in thousands of euros)	06.30.2022	12.31.2021
Marketable securities	697	1,697
Cash and cash equivalents	84,331	128,143
TOTAL	**85,027**	**129,839**

The change in the cash position is mainly due to financing ramp-up costs and the reduced use of factoring for new contracts (see Note 4.2).

Note 10 : Related party disclosures

The following table shows the amounts of transactions with related parties in the first half of 2022 and 2021, as well as the balance of receivables and payables at June 30, 2022, and December 31, 2021:

		Telenet co-shareholder		Associates and joint ventures		Other related parties		Group Total	
(in thousands of euros)		2022	2021	2022	2021	2022	2021	**2022**	**2021**
Income	Services provided by the group	38,120	40,370	—	—	158	129	**38,278**	**40,499**
Expenses	Services received by the group	386	385	—	—	2,419	4,992	**2,805**	**5,377**
Loan	Amounts loaned / to be received by the group	4,376	1,314	—	—	175	816	**4,551**	**2,130**
Debt	Amounts due from the group	—	557	—	—	538	475	**538**	**1,032**

All transactions with related parties are carried out under normal market conditions.

Note 11 : Important events after the end of the reporting period

On July 27, 2022, the group exercised its call option on 25% of the share capital of I-Holding B.V.

4. AUDITOR’S REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PKF Audit & Conseil

To the Shareholders of
Solutions 30 SE
3, rue de la Reine
L-2418 Luxembourg

Report on Review of Condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Solutions 30 SE (the "Group") for the period from 1 January to 30 June 2022, which comprise the condensed interim consolidated statements of financial position, of comprehensive income, changes in consolidated equity, statement of cash flows, and the notes, including a summary of significant accounting policies and other explanatory notes. The Management Board is responsible for the preparation and fair presentation of the condensed interim consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410), Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements do not present fairly, in all material respects, the financial position of the entity as at June 30, 2022, and its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 as issued by the International Accounting Standards Board and as adopted by the European Union.

Luxembourg, le 28 September 2022

PKF Audit & Conseil Sàrl
Cabinet de révision agréé

Jean Medernach

This is a translation into English of the review report of condensed interim consolidated financial statements issued in French.

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