Solutions30

Solutions for New Technologies

CONSOLIDATED FINANCIAL STATEMENTS

2018

CONTENTS

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

1 Management report

1.1 Revenue

Solutions 30 S.E.'s consolidated revenue for 2018 was €441.8 million, up 60.9% compared to 2017 (+27.6% like-for-like).
Revenue from France increased by 56.9% compared with 2017 and represents 63.2% of total revenue (64.8% in 2017).
Revenue from other countries (Italy, Benelux, Germany, and Spain) increased by 68.4% compared with 2017 and represents 36.8% of total revenue (35.2% in 2017).

1.1.1 Revenue by quarter

In millions of euros	2018	2017	Change €M	Change %
Q1	85.2	56.1	29.1	+51.9%
Q2	91.4	61.1	30.3	+49.6%
Q3	114.5	71.8	42.7	+59.4%
Q4	150.7	85.5	65.2	+76.3%
Total	**441.8**	**274.5**	**167.3**	**+60.9%**
From France	279.1	177.9	101.2	+56.9%
From other countries	162.7	96.6	66.1	+68.4%

1.1.2 Operations in France

The group's revenue in France was €279.1 million, a 56.9% year-on-year increase (34.5% like-for-like).

Organic momentum is still being driven by the fiber-optic and smart meter sectors. The integration of CPCP as of August 1st and the acquisition of Sotranasa in December 2018 also helped the group strengthen its market share in these sectors.

1.1.3 Operations in other countries

Revenue in other countries is up by 68.4% (14.9% like-for-like) and reached €162.7 million, representing 37% of the group's consolidated revenue.

The creation of Unit-T—a company 70% owned by Solutions 30 and 30% owned by the Belgian cable operator Telenet—in July 2018 and the signing of an outsourcing contract worth approximately €500 million over 7 years with the latter notably bolstered performance in the 2nd half of the year. In addition to this strategic deal enabling the group to reach critical mass in Benelux, new markets were tapped, outsourcing transactions were completed in Italy, and an acquisition was made in Spain.

1.2 Performance and operations management

1.2.1 Operating profitability

Adjusted EBITDA (see note 8.15 in the notes to the consolidated financial statements) came in at €41.1 million, up 62% compared to 2017, or 9.3% of revenue, an increase of 10 basis points year-on-year due to reining in structural costs.

Adjusted EBIT was €33.2 million. It includes €7.9 million in operating amortization (compared to €4.7 million the previous year), an increase in line with revenue growth. Customer relationship amortization[1] amounted to (€4.8) million as of December 31, 2018, compared to (€3.9) million at the end of 2017.

Income tax expense was €5.6 million, compared to €1.9 million in 2017, revealing a tax rate (excluding corporate value-added levy) of 13%. This increase mainly came from the tax burden reported in Belgium during the creation of Unit-T and the consequent reorganization of the other legal entities in the country. Non-recurring items of €2.5 million compared to €0.7 million a year earlier resulted from the recognition of negative goodwill related to the increase in shareholdings in ABM and CPCP.

Net financial income at December 31, 2018 was (€1.7) million, compared with (€1.6) million in 2017. Net financial income was stable, thanks in particular to improved financing conditions under the group's new financing programs in 2017 and 2018.
After these items were factored in, net income from consolidated companies reached €23.7 million, compared to the €14.1 million recorded the previous year. Consolidated net income, including €3.3 million in goodwill amortization, amounted to €20.4 million, an increase of 65%.
The adjusted consolidated net income (see page 7) amounted to €28.5 million, or 6.4% of revenue.

[1] "Customer Relationships" are intangible assets related to merger-acquisition transactions. The amortization period of 3 to 13 years is the estimated time for the consumption of the majority of economic benefits flowing to the group.

	12.31.2018 €M	12.31.2017 €M	Change %
Revenue	441.8	274.5	61%
Adjusted EBITDA (1)	41.1	25.5	61%
As a % of revenue	9.3%	9.3%	
Current pretax income - Adjusted EBIT (2)	33.2	20.7	61%
As a % of revenue	7.5%	7.5%	
Net income before tax (3)	29.3	15.8	85%
As a % of revenue	6.6%	5.8%	
Adjusted consolidated net income (3)	28.5	18	58%
As a % of revenue	6.4%	6.6%	
Net income from consolidated companies	23.7	14.1	68%
As a % of revenue	5.4%	5.1%	
Net income – group share	20.0	12.5	60%
As a % of revenue	4.5%	4.6%	
FINANCIAL STRUCTURE FIGURES			
Equity (4)	91.6	66.5	
Net debt	12.4	20.8	
Interest coverage ratio (5)	19.6x	8x	

(1) Operating income from recurring operations(*) before depreciation, amortization, and provisions, net of reversals.
(2) Operating income from recurring operations(*) before amortization of intangible assets, including customer relationships.
(3) Before amortization of goodwill and customer relationships.
(4) Including minority interests.
(5) Interest coverage ratio by EBIT: EBIT/net financial expense.
(*) Income and expenses that are infrequent, unusual in nature, and significant in amount—including restructuring costs that result from acquiring and consolidating companies—are considered non-recurring transactions (cf. note 8.15).

1.2.2 Financial structure

As of December 31, 2018, the group's equity amounted to €91.6 million, compared with €66.5 million on December 31, 2017. Gross financial liabilities amounted to €82.2 million, compared with €49.1 million on December 31, 2017, while cash equivalents totaled €69.9 million, compared with €28.3 million at the end of December 2017. Net debt was €12.4 million compared with €20.8 million the previous year.

The deconsolidating factoring program that was implemented across all the group's subsidiaries reduced working capital requirements (WCR), which were a negative €31.9 million in 2018, compared to positive

WCR of €27.4 million in 2017. The total amount of transferred, and therefore deconsolidated, receivables amounted to €51 million as of December 31, 2018.

With a gearing ratio (net debt to equity) of 13.5%, an adjusted net debt-to-EBITDA ratio of 30%, and an interest coverage ratio (adjusted EBIT to net financial expenses) of 20, the group is in a stronger position to pursue its growth strategy.

1.2.3 Risk factors

Business risks

CUSTOMER RISK

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

SUPPLIER RISK

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

ACQUISITION RISK

In 2018, the group made acquisitions in order to strengthen its service offering and continue its expansion.
Acquisitions present potential risks: difficulties with consolidation, the departure of key individuals from the acquired entity, loss of customers, discovery of legal disputes, etc.
The group remains extremely vigilant and performs comprehensive due diligence for each potential acquisition.

COMPETITION RISK

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

RECRUITMENT RISK

A certain number of technicians need to be recruited and subsequently managed for the group's business lines. These technicians also need to be trained in the operations of the group and its subsidiaries. To this end, the Solutions 30 group benefits from proven recruitment processes and its reputation. Consequently, the group has not encountered any particular difficulties recruiting in 2018.

Financial risks

LIQUIDITY RISK – FINANCING WORKING CAPITAL REQUIREMENTS

The Solutions 30 group has short, medium, and long-term loans whose outstanding principal as of December 31, 2018 was €82.3 million compared to €49.2 million at the end of 2017.
In 2018, the group took out a new structured loan of €130 million, of which €76.5 million was used to close its historical positions and finance new acquisitions.
As of December 31, 2018, Solutions 30 has abided by all of its bank covenants. In light of the group's sound financial health, it is highly unlikely that the group will default on its loans or be required to repay them before they are due.

Working capital requirements and ability to access credit
During the year, the Solutions 30 group reduced its working capital requirements by €50.8 million by implementing its deconsolidating factoring programs in its subsidiaries throughout Europe.
With €69.9 million in cash and €12.4 million in net debt as of December 31, 2018, the group does not consider itself to be exposed to liquidity risk in 2019 or in future years.

INTEREST RATE RISK

As of December 31, 2018, the Solutions 30 group does not have any financial assets apart from money market funds where its cash is invested. Accordingly, the group pursues a conservative management strategy: making short-term investments (approximately 3 months and depending on its future liquidity needs) in money market funds and term deposits with top-tier financial institutions. It is not taking any financial risks with its cash investment strategy.

CURRENCY RISK

The group and its subsidiaries all do business in the eurozone, notably with services billed in euros and suppliers largely paid in euros. As far as dealings with call centers based in Morocco, Tunisia, and Poland are concerned, payments are made in dirhams, dinars, or zloties. Nevertheless, in view of the amounts at stake, the currency risk is insignificant.

EQUITY RISK

As of December 31, 2018, the group does not own any shares. The group does not have any trading activity.

Off-balance sheet commitments risk

The group made a few off-balance sheet commitments in the form of sureties and guarantees totaling €900,000. This figure is detailed in note 8.12.
As part of its acquisition program and in accordance with the conditions agreed to when acquiring its initial stake, the Solutions 30 group acted on its pledge to purchase all or some of the remaining shares of ABM, the Janssens Group, and CPCP Telecom, consequently raising its stake in ABM's capital from 51% to 99.8%, in Janssens's capital from 50% to 70%, and in CPCP Telecom's capital from 48% to 76%.
Likewise, the Solutions 30 group has call options to buy the remaining shares held by the long-time shareholders of CPCP Telecom and Vitgo Comunicaciones (formerly Autronic). In accordance with the group's practices, it was agreed that the valuation of these purchases were to be based on a multiple of EBITDA or on revenue. Solutions 30 received a reciprocal promise from minority shareholders to sell their shares according to the same valuation method.

Legal, regulatory, and tax risks

Dependence with regard to patents and licenses

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

Governmental, economic, fiscal, monetary, or political risks

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

Tax risk

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

Review of risks – List of significant risks

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

The list of the most significant risks described above is as follows:

- Customer risk
- Acquisition risk

1.2.4 Treasury shares

As of December 31, 2018, the group does not hold treasury shares.

1.2.5 Use of financial instruments

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

1.2.6 Research and development

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

In 2018, the group invested in its IT platform in order to offer innovative services to its new customers, such as Telenet in Belgium. It also improved the algorithm used to optimize technicians' schedules.

In 2018, these investments represented 2.2% of revenue.

1.2.7 Branches

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

1.2.8 Significant events since December 31, 2018

No significant events have occurred since December 31, 2018.

1.2.9 Outlook

In the short and medium term, the group will continue to prioritize growth in order to reach critical mass in all the geographical regions it operates in, while maintaining stringent cost management. The group's strategy is based on a virtuous, easily reproducible business model that allows it to pursue both sector-specific and geographical growth and to leverage a targeted acquisition strategy to reach its goals faster.

Solutions 30 expects growth to remain strong and profitable in 2019. In addition to growth resulting from recent transactions and signed agreements, the group should continue to expand its activities, especially in the energy sector where it has already begun signing contracts to deploy electric vehicle charging stations. At the same time, the group is considering plans to expand into new regions and is sizing up new acquisition opportunities.

After a strong showing in 2018, the group is heading into 2019 ideally positioned to harness growth in markets that are structurally buoyant because of their direct ties to the economy's digital transformation across Europe.

2 Consolidated balance sheet

ASSETS	Notes	12/31/2018 €k	12/31/2017 €k
A. Uncalled share capital		**2**	**0**
C. Non-current assets		**154,359**	**70,260**
I. Intangible assets	**8.1**		
2. Concessions, patents, licenses, trademarks, and similar rights and assets		69,497	34,877
3. Business assets acquired for valuable consideration		9,166	4,032
4. Down payments and pending intangible assets		4,406	4,205
5. Goodwill		53,682	17,910
II. Tangible assets	**8.2**		
1. Land and buildings		2,053	75
2. Technical facilities and machinery		7,714	2,357
3. Other facilities, tools, and equipment		4,146	4,107
4. Down payments and construction in progress		132	0
III. Financial assets			
2. Nonperforming debts and loans	8.3	3,276	1,210
3. Investments in associates		287	1,487
D. Current assets		**374,223**	**253,052**
I. Inventory	**8.4**		
3. Finished products and goods		9,841	5,859
4. Work in progress		4,749	0
II. Receivables	**8.5**		
1. Receivables from sales and services provided			
a) due in one year or less		123,280	103,385
4. Other receivables			
a) due in one year or less		162,863	113,344
5. Deferred tax assets		3,592	2,145
III. Securities	**8.7**		
3. Other securities		751	1,637
IV. Cash and cash equivalents	**8.7**	69,147	26,682
E. Accruals	**8.6**	1,052	1,821
Total assets		**529,636**	**325,133**

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

EQUITY & LIABILITIES	Notes	12/31/2018 €k	12/31/2017 €k
A. Equity	**8.8**	**91,583**	**66,467**
I. Subscribed capital		13,267	12,155
II. Share premium		15,859	13,966
III. Reserves			
1. Legal reserve		1,269	767
2. Consolidated reserves		32,823	20,413
IV. Net income for the period – group share		19,966	12,458
V. Minority interests		8,399	6,708
B. Provisions	**8.9**	**18,498**	**10,597**
3. Other provisions		3,081	2,338
4. Deferred tax liabilities		15,417	8,259
C. Debts		**417,092**	**244,438**
2. Loans from credit institutions	**8.10**		
a) due in one year or less		16,817	17,503
b) due in more than one year		65,451	31,663
3. Deposits received on orders	**8.11**		
a) due in one year or less		1,523	70
4. Debts on purchases and provision of services	**8.11**		
a) due in one year or less		73,307	35,311
5. Other liabilities including:	**8.11**		
a) Tax liabilities		153,881	89,732
b) Social security liabilities		42,646	21,597
c) Other liabilities due in one year or less		63,467	48,562
D. Accruals		**2,463**	**3,632**
Total equity and liabilities		**529,636**	**325,133**

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

3 Consolidated income statement

	Notes	2018 €k	2017 €k
1. Net revenue	**9.1**	**441,815**	**274,531**
2. Change in inventory of finished goods and work in progress		**-1,468**	**0**
3. Work performed by the company for its own account and capitalized		**4,947**	**3,853**
4. Other operating income	**8.13**	**28,954**	**18,636**
5. Purchases and external expenses		**-260,814**	**-163,835**
a) Raw materials and consumables		*-30,280*	*-19,906*
b) Other external expenses		*-230,534*	*-143,929*
6. Personnel costs		**-170,773**	**-104,229**
a) Wages and salaries		*-128,651*	*-78,064*
b) Payroll taxes, with a separate disclosure for pension-related taxes		*-42,122*	*-26,165*
7. Fair value adjustments		**-15,988**	**-10,303**
a) of establishment costs and of non-current tangible and intangible assets		*-14,729*	*-9,640*
b) of current assets, insofar as they exceed normal adjustments within the company		*-1,259*	*-663*
8. Other operating expenses		**-3,391**	**-5,720**
9. Income from investments, with separate disclosure of income from related companies	**8.14**	**5,449**	**3,744**
13. Interest and similar expenses, with separate disclosure of amounts due to related companies	**8.14**	**-2,775**	**-1,906**
14. Income tax	**8.16**	**-5,554**	**-1,927**
15. Income from associates		**-1,432**	**-792**
17. Net income for the period		**18,970**	**12,051**
Group share		19,966	12,458
Minority interests share		-995	-407

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

4 Change in equity

	Capital	Premiums	Reserve	Group consolidated reserves	Net income for the period	Accumulated translation adjustments	Equity – Group share	Total minority interests	Consolidated total
12/31/2017	**12,155**	**13,966**	**767**	**20,674**	**12,458**	**-261**	**59,759**	**6,708**	**66,467**
Allocation of 2017 earnings				12,458	-12,458		0		0
Net income for the period					19,966		19,966	-995	18,971
Change in scope							0	2,677	2,677
Capital increase	1,112	1,893					2,841	19	2,860
Other			502	117		-165	453	-10	443
12/31/2018	**13,267**	**15,859**	**1,269**	**33,249**	**19,966**	**-426**	**83,184**	**8,399**	**91,583**

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

5.1 Accounting principles

5.1.1 Accounting standards

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

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

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

The consolidated financial statements presented concern the period from January 1, 2018 to December 31, 2018. The comparative statements cover the period from January 1, 2017 to December 31, 2017.

The consolidated financial statements are prepared on the basis of the accounts as of December 31, 2018 of the companies included in the group's scope of consolidation (the "group").

5.1.2 Translation of foreign currency transactions

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

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

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

5.2 Consolidation terms

5.2.1 Consolidation methods

Note 7.2 specifically presents all entities consolidated by the parent company, Solutions 30 SE (registered office: 6 rue Dicks – L-1417 Luxembourg), and the related consolidation methods.

Companies consolidated using the full consolidation method

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

Companies consolidated using the proportional consolidation method

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

Companies consolidated using the equity method

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

5.2.2 Goodwill

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

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

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

5.2.3 Balance sheet dates of consolidated companies

Consolidation is carried out using individual financial statements from the group's companies closed on December 31, 2018, a period of 12 months.

5.3 Valuation methods and rules

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

5.3.1 Intangible assets

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

CONCESSIONS, PATENTS, LICENSES, TRADEMARKS

These intangible assets primarily consist of patents, software, the trademark, and customer relationships.

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

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

Customer relationships came from acquiring the following entities:

- Form@home

- Telima Deutschland (DBS)
- CONNECTING CABLE
- ATLANTECH
- REXION
- ABM Communication
- CPCP Telecom

The value of these customer relationships was based on discounted cash flows generated by fulfilling the main contracts acquired. The amortization period is the estimated time for the consumption of the majority of the economic benefits flowing to the company and varies from 3 to 13 years.
The customer relationships recognized in 2018 have the following characteristics:

Entity	Year of recognition	Amount of customer relationship (€k)	Deferred tax liabilities (€k)	Depreciation period	Discount rate
CPCP Telecom	2018	32,004	8,085	13 years	8.1%

Business assets

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

Advances and down payments on intangible assets

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

Impairment of assets

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

Impairment losses

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

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

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

If there is an indication of impairment, the recoverable amount of cash-generating units is estimated based on DCF, a method of discounting future cash flows following these principles:

- The discount rates used are specific to each country: 7.6% for Germany, 8.8% for Spain, 8.1% for France, 8% for Benelux, and 9.6% for Italy.
- Revenue projections are based on the 2019-2025 business plans. Starting in 2021, organic growth will fall to a normal level of 1.8%.

The group relies on an annual analysis to justify the value of its assets.
Based on these estimates, as of December 31, 2018, no impairment loss has been recognized.

5.3.2 Tangible assets

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

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

5.3.3 Lease contracts

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

5.3.4 Financial assets

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

5.3.5 Inventory

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

5.3.6 Receivables and debts

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

5.3.7 Cash and marketable securities

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

5.3.8 Accruals

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

5.3.9 Taxes

The group recognizes deferred taxes in the event of:

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

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

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

Deferred tax assets are only taken into account:

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

5.3.10 Provisions for risks and charges

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

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

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

5.3.11 Pensions and related benefits

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

The principles retained for this calculation are:

- Retirement initiatives: voluntary when the employee can get retirement with full pension
- Discount rate: 1.57% (iBoxx € Corporates AA10+ as of 12/31/2018)
- Future wage development rate: 1.57%
- Employee turnover rate: 4.76%
- Mortality tables: updated 2010–2012 INSEE table
- Payroll tax rate: 43.7%

These commitments are not entered in the consolidated financial statements and are mentioned as off-balance sheet commitments totaling €2.5 million as of December 31, 2018 (2017: €2.1 million).

5.3.12 Currency translation for companies outside the eurozone

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

5.3.13 Deferrals

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

5.3.14 Net revenue

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

5.4 Accounting changes

No changes in accounting methods or estimates have been applied in the 2018 financial statements.

6 Significant events

6.1 Highlights of the year

6.1.1 Changes in share capital

On January 31, 2018, the company decided to increase the share capital by €176,484.48—raising it from €12,155,219.64 to €12,331,704.12—by creating 346,048 new shares at a par value of €0.51 and a share premium of €1,893,577.82.
On November 9, 2018, the company decided to increase the share capital by €935,613.36—raising it from €12,331,704.12 to €13,267,317.48—by creating 7,338,144 new shares at a par value of €0.1275.

6.1.2 Division of the share's par value

Shareholders at the general meeting of October 31, 2018 decided to change the par value of the company's shares from €0.51 to €0.1275 each and to increase, in correlation, the number of shares from 24,179,812 to 96,719,248, all allocated to current and existing shareholders in proportion to their respective shareholdings.

6.1.3 Business combinations

In order to prepare the merger with Telenet, several restructuring operations were carried out in Belgium related to the legal organizational chart:

- Merger by absorption of Wild Cats Consulting BVBA by Janssens Group BVBA
- Merger by absorption of Janssens Investment Services BVBA by Janssens Group BVBA
- Partial spin-off of Janssens Field Services BVBA by absorption by Solutions 30 Field Services BVBA
- Contribution of a branch of activity by TELIMA Belgique to ICT Field Services
- Sale of shares in Janssens Business Solutions held by Janssens Group BVBA to Telima Belgique BVBA
- Sale of shares in ICT Field Services held by Telima Belgique BVBA to Janssens Group BVBA
- Sale of shares in Janssens Field Services by Janssens Group to Telima Belgique

6.1.4 Creation and acquisition of new companies

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

- Business Solutions Italia SRL, January 11, 2018 (Italy)
- Business Remote Italia SRL, January 11, 2018 (Italy)
- UNIT-T FIELD SERVICES BVBA, May 4, 2018 (Belgium)
- ICT FIELD SERVICES BVBA, May 4, 2018 (Belgium)
- JANSSENS FIELD SERVICES BVBA, May 4, 2018 (Belgium)
- TELIMA EURO ENERGY, June 18, 2018 (France)
- Solutions 30 Portugal SA, July 27, 2018 (Portugal)
- FREDEV ENERGY CENTRE, August 30, 2018 (France)
- Solutions 30 Martinique SARL, September 24, 2018 (France)
- Solutions 30 Guyane SARL, September 24, 2018 (France)

Acquisitions
In order to support the growth of its activities, the group carried out the following transactions during 2018 for a total amount of €47 million:

- Integrated DXC field service operations into the IT support sector in Italy on March 1, 2018
- Acquired an additional 48.8% of the share capital of the German company ABM Communication GmbH (now Solutions 30 Operations GmbH), enabling the group to increase its stake to 99.8% of the share capital on June 30, 2018
- Increased its stake in its Belgian subsidiary, the Janssens Group, from 50% to 70% on June 1, 2018
- Acquired a 20% minority stake in Worldlink GmbH in Germany on July 13, 2018
- Increased its stake in CPCP Telecom from 48% to 76% on August 1, 2018, making Solutions 30 the majority shareholder
- Acquired the business of Painhas France—a company specializing in the energy sector—on September 1, 2018
- Acquired two Spanish companies specializing in the telecom sector—Telecom Salto and Magaez Telecommunicaciones—on September 20, 2018
- Acquired Sotranasa—a company specializing in the installation of fiber optic cables and having solid expertise in the installation and maintenance of solar and wind power equipment—on December 6, 2018.

Reconciliation of companies
As part of a significant multi-year service agreement between the group and the Belgian telecom operator Telenet, Telenet BVBA contributed a branch of activity to Solutions 30's Belgian subsidiary, Janssens Group, and was remunerated by issuing new shares representing 30% of Janssens Group's share capital (see Note 8.1).

6.2 Significant events since December 31, 2018

No significant events have occurred since December 31, 2018.

7 Scope of consolidation

7.1 Business activities

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

- France
- Growth in other countries.

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

7.2 Scope of consolidation as of December 31, 2018

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

Companies	Reasons for exclusion
Telima Poland	Insignificant activity (also in 2017)
Connectica	Insignificant activity (also in 2017)
GNS	No significant influence
Rimiflu	No significant influence
VoCo Single Member PC	Insignificant activity (also in 2017)
Solutions 30 Eastern Europe	Insignificant activity (also in 2017)
Worldlink GmbH	No significant influence
Magaez Telecomunicaciones	No significant influence

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

Country	Company and legal form	Registered office	Integration method	% control 31/12/2018	% stake 12/31/2018
Germany	Solutions 30 HOLDING GmbH	Wankelstraße 33 – 50998 Cologne	Full consolidation	100%	100%
Germany	SOLUTIONS 30 FIELD SERVICES GMBH (formerly Connecting Cable GMBH)	Wankelstraße 33 – 50998 Cologne	Full consolidation	100%	100%
Germany	DBS Digital Business Solutions Gmbh (formerly TELIMA DEUTSCHLAND)	Gögginger Straße 6 – 73575 Leinzell	Full consolidation	100%	100%
Germany	Solutions 30 Gmbh	Teinacher Straße 49 – 71634 Ludwigsburg	Full consolidation	100%	100%
Germany	Solutions 30 Operations GmbH (formerly ABM Communication)	Bergstr. 67 – 69469 Weinheim	Full consolidation	99.80%	100%
Germany	SOLUTIONS 30 FIELD SERVICES SUD GMBH (formerly VKDFS)	Nimrodstraße 10-18 (Gebäude 5A) – 90441 Nuremberg	Full consolidation	100%	100%
Belgium	Unit-T (formerly Janssens Group)	Tervueren 34 BE-1040 Brussels (Etterbeek)	Full consolidation	100%	70%
Belgium	Solutions 30 Field Services BVBA	Slachthuisiaan 78 BE - 2060 Antwerp	Full consolidation	100%	100%
Belgium	JANSSENS FIELD SERVICES	Slachthuisiaan 78 BE - 2060 Antwerp	Full consolidation	100%	100%
Belgium	JANSSENS BUSINESS SOLUTIONS	Slachthuisiaan 78 BE - 2060 Antwerp	Full consolidation	100%	100%
Belgium	TELIMA Belgique	Ave Louise 486-15 1050 Brussels	Full consolidation	100%	100%
Belgium	UNIT-T FIELD SERVICES BVBA	Schaliënhoevedreef 20T 2800 Mechelen	Full consolidation	100%	70%
Belgium	ICT FIELD SERVICES BVBA	Schaliënhoevedreef 20T 2800 Mechelen	Full consolidation	100%	70%
Spain	Solutions 30 Iberia 2017 (formerly REXION)	C/ Innovacion, 7 - P.I. Los Olivos - 28906 Getafe	Full consolidation	100%	100%
Spain	SALTO Telecomunicaciones	Poligono Industrial, Cami Del Frares. Caille 1, Parcela n°12, Nave 1, 25190 Lleida (Lleida)	Full consolidation	100%	100%
Spain	VITGO Comunicaciones (formerly AUTRONIC)	Parque Techologico y Logistico de Valladares Calle C, Nave C4 36315 de Vigo	Equity method	49%	49%
France	TELIMA MONEY SAS	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA INFOSERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA BUSINESS SOLUTIONS SAS	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	FORM@HOME	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	PC30 FAMILY SARL	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	FREPART	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA SERVICE REGION	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA LOGISTIQUE	12 Rue Robert Moinon - 95190 Goussainville	Full consolidation	100%	100%
France	TELIMA NORD	16 Rue Albert Einstein - 93160 Noisy-le-Grand	Full consolidation	100%	100%
France	TELIMA COMPTAGE	5 Rue de Broglie Espace de Broglie Bât. C - 22300 Lannion	Full consolidation	100%	100%

Country	Company and legal form	Registered office	Integration method	% control 31/12/2018	% stake 12/31/2018
France	TELIMA DIGITAL WORLD	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	CPCP Télécom	ZAC N° 1 Les Bouillides - 15 Traverse des Brucs 06560 Valbonne	Full consolidation	100%	76%
France	TELIMA NANCY	16 Rue Albert Einstein - 93160 Noisy-le-Grand	Full consolidation	100%	100%
France	TELIMA ONSITE	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA SGA	10 Rue Gudin - 75016 Paris 16	Full consolidation	100%	100%
France	TELIMA IDF SARL	16 Rue Albert Einstein - 93160 Noisy-le-Grand	Full consolidation	100%	100%
France	TELIMA SUD	1 Avenue Arthur Rimbaud - 13470 Carnoux-en-Provence	Full consolidation	100%	100%
France	TELIMA Breizh	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	SFM30	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA TELCO	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA ENERGY NORD	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA ENERGY SUD	33 quai Arloing 69009 Lyon	Full consolidation	100%	100%
France	TELIMA ENERGY OUEST	8 Rue Honoré de Balzac 37000 Tours	Full consolidation	100%	100%
France	TELIMA ENERGY EST	9 rue André Pingat BP 441 51065 Reims	Full consolidation	100%	100%
France	TELIMA ENERGY ATLANTIQUE	Rue Robert Caumont - Immeuble P 33049 Bordeaux Cedex	Full consolidation	100%	100%
France	TELIMA ENERGY IDF	10 rue Gudin 75016 Paris	Full consolidation	100%	100%
France	Atlan’ tech	115 rue Roland Garros Aéropole zone de Prat Pip - Bâtiment A 29490 Guipavas	Full consolidation	100%	100%
France	TELIMA RELEVE NORD	Bâtiment B - 1/3 Route de le Révolte 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA RELEVE EST	Parc d’Ariane I, 290 rue Ferdinand Perrier 69800 Saint Priest	Full consolidation	100%	100%
France	TELIMA RELEVE CENTRE	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA MANAGED SERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA RELEVE IDF	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA NETWORKS SERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA PROFESSIONNAL SERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA DISTRIBUTED SERVICES	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	TELIMA RELEVE GRAND EST	11-13 Rue des Hautes Pâtures - 92000 Nanterre	Full consolidation	100%	100%
France	TELIMA EURO ENERGY	39-47 Bd. Ornano Pleyad 2 – 93200 Saint Denis	Full consolidation	100%	100%
France	SOTRANASA	35 Bd. Saint Assiscle - 66000 Perpignan	Full consolidation	100%	100%
France	FREDEV ENERGY CENTRE	1-3 Route de la Révolte Bât. B – 93200 Saint Denis	Full consolidation	51%	51%

Country	Company and legal form	Registered office	Integration method	% control 31/12/2018	% stake 12/31/2018
France	SOLUTIONS 30 MARTINIQUE	11 Rue des Arts & Métiers - 97200 Fort de France	Full consolidation	100%	100%
France	SOLUTIONS 30 GUYANE	1 Avenue Gustave Charlery - 97300 Cayenne	Full consolidation	100%	100%
Italy	TELIMA ITALIA SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	100%	100%
Italy	IMATEL SERVICE	Via dei Martinitt, 3 20146 Milano	Full consolidation	100%	100%
Italy	Solutions 30 Services	Via dei Martinitt, 3 20146 Milano	Full consolidation	100%	100%
Italy	PIEMONTE	Via dei Martinitt, 3 20146 Milano	Full consolidation	100%	100%
Italy	TELIMA CALABRIA SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	60%	60%
Italy	TELIMA FRUILI SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	60%	60%
Italy	TELIMA PALERMO SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	51%	51%
Italy	TELIMA SUD SRL	Via dei Martinitt, 3 20146 Milano	Full consolidation	60%	60%
Italy	TELIMA ROMA	Via dei Martinitt, 3 20146 Milano	Full consolidation	51%	51%
Italy	Solutions 30 Consortile	Via dei Martinitt, 3 20146 Milano	Full consolidation	84%	82%
Italy	JustOne Solutions (CONTACT 30)	Via dei Martinitt, 3 20146 Milano	Full consolidation	51%	51%
Italy	BUSINESS SOLUTIONS ITALIA SRL	Viale Angelo Filippetti 26 - 20122 Milano	Full consolidation	100%	90%
Italy	BUSINESS REMOTE SOLUTIONS ITALIA SRL	Viale Angelo Filippetti 26 - 20122 Milano	Full consolidation	100%	90%
Luxembourg	SOLUTIONS 30 SE	6, rue Dicks L 1417 Luxembourg	Full consolidation	100%	100%
Luxembourg	SMARTFIX30 (Lux)	6, rue Dicks L 1417 Luxembourg	Full consolidation	85%	85%
Luxembourg	WW Brand	6, rue Dicks L 1417 Luxembourg	Full consolidation	100%	100%
Luxembourg	BRAND30	24 Rue des Genêts L-1621 Luxembourg	Full consolidation	100%	100%
Luxembourg	SOFT SOLUTIONS	6, rue Dicks L 1417 Luxembourg	Full consolidation	100%	100%
Morocco	SOL30MAROC	7, Résidence Rami Rue Sebta 2ème étage Bureau 8 - Maarif - Casablanca	Full consolidation	100%	100%
the Netherlands	BUSINESS SOLUTIONS 30 HOLLAND BV	Hambakenwetering 18 C - 5231 DC 's - Hertogenbosch	Full consolidation	100%	100%
the Netherlands	TELIMA HOLLAND BV	Hambakenwetering 10 - 5231 DC Den Bosch - Pastbus 2186 - 5202 CD's-Hertogenbosch	Full consolidation	100%	100%
Tunisia	TELIMA TUNISIE	71, avenue Alain Savary Tunis	Full consolidation	100%	100%
Portugal	SOLUTIONS 30 Portugal	Zona Industrial de Neiva, 2ª Fase - Lote Eq1 4935-232 Viana do Castelo	Full consolidation	100%	100%

8 Explanation of balance sheets, income statement, and changes

8.1 Intangible assets

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

	12/31/2017	Increase / Provisions	Dec. / Reversals	Other changes	12/31/2018
Gross values					
AUTRONIC	2,728	0	0	0	2,728
BELGIQUE	463	0	0	0	463
BUSINESS	2,749	0	0	0	2,749
DIGITAL WORLD	280	0	0	0	280
HOLLAND	114	0	0	0	114
IDF	285	0	0	0	285
JANSSENS GROUP	4,484	25,907	0	0	30,391
PC30 Italie	384	0	0	0	384
MONEY	2,044	0	0	0	2,044
S30 SERVICE	30	0	0	0	30
MIXNET	30	0	0	0	30
ONSITE	221	0	0	0	221
INFOSERVICES	3,420	0	0	0	3,420
PC30 FAMILY	151	0	0	0	151
CPCP	8,174	0	0	-8,174	0
SOTRANASA	0	16,498	0	0	16,498
SALTO	0	3,996	0	0	3,996
OTHERS	339	0	0	0	339
Total	**25,896**	**46,400**	**0**	**-8,174**	**64,123**
Amortization					
AUTRONIC	-417	-227	0	0	-644
BELGIQUE	-463	0	0	0	-463
BUSINESS	-1,801	-229	0	0	-2,029
DIGITAL WORLD	-280	0	0	0	-280
HOLLAND	-114	0	0	0	-114
IDF	-282	0	0	0	-282
JANSSENS GROUP	-623	-1,633	0	0	-2,256
PC30 Italie	-231	-77	0	0	-308
MONEY	-1,256	-200	0	0	-1,456
S30 SERVICE	-27	-3	0	0	-30
MIXNET	-27	0	0	0	-27
ONSITE	-221	0	0	0	-221
INFOSERVICES	-1,354	-285	0	0	-1,639
PC30 FAMILY	-151	0	0	0	-151
CPCP	-397	-446	0	843	0
SOTRANASA	0	-115	0	0	-115
SALTO	0	-83	0	0	-83
OTHERS	-343	0	0	0	-343
Total	**-7,987**	**-3,298**	**0**	**843**	**-10,441**
Net values					
AUTRONIC	2,311	-227	0	0	2,084
BELGIQUE	0	0	0	0	0
BUSINESS	948	-229	0	0	720
DIGITAL WORLD	0	0	0	0	0
HOLLAND	0	0	0	0	0
IDF	3	0	0	0	3
JANSSENS GROUP	3,861	24,274	0	0	28,135
PC30 Italie	153	-77	0	0	76
MONEY	788	-200	0	0	588
S30 SERVICE	3	-3	0	0	0
MIXNET	3	0	0	0	3
ONSITE	0	0	0	0	0
INFOSERVICES	2,066	-285	0	0	1,781
PC30 FAMILY	0	0	0	0	0
CPCP	7,777	-446	0	-7,331	0
SOTRANASA	0	16,383	0	0	16,383
SALTO	0	3,913	0	0	3,913
OTHERS	-4	0	0	0	-4
Total	**17,909**	**43,102**	**0**	**-7,331**	**53,681**

Goodwill recognized during the period is due to the additional acquisition of 20% of Janssens Group, 100% of Sotranasa, and 100% of Salto.

Following the group's acquisition of a majority stake in CPCP on August 1, 2018, the goodwill calculated upon the group's entry into CPCP's initial capital was allocated to customer relationships recognized at the end of 2018 (see table on other intangible assets below).

As part of the service agreement signed with Telenet in 2018, the group carried out three operations aimed at setting up a new Unit-T subsidiary:

- Increased the group's stake in its Belgian subsidiary, the Janssens Group, from 50% to 100%
- Reorganized the activities of the group's Belgian subsidiaries
- Increased the capital of the Janssens Group by 30%; shares fully subscribed by Telenet.

This legal restructuring resulted in the revaluation of goodwill in the 2018 financial statements related to the Solutions 30 group's stake in Janssens Group. This revaluation amounted to €25.9 million to reflect the increase in its stake and to integrate all the earn-outs the group will have to pay in 2019 and 2020. From a methodological point of view, the group has considered all these operations as a single increase in its stake in Janssens Group from 50% to 70% and, in 2019, will determine the amount of customer relationships acquired through the €500 million agreement signed with Telenet.

Other intangible assets relate to the following items:

	12/31/2017	Increase / Provision	Decrease / Reversal	Reclassifications	Change in scope	Cumulative translation adjustments	12/31/2018
Gross values							
Concessions, patents, licenses	11,412	5,407	-9	3,733	1,456	0	22,000
Customer relationships	37,940	32,004	0	0	0	0	69,944
Business assets	4,316	6,157	-71	0	215	0	10,618
Pending intangible assets	4,205	4,381	0	-4,052	-129	0	4,406
TOTAL	**57,873**	**47,950**	**-80**	**-319**	**1,543**	**0**	**106,967**
Amortization							0
Concessions, patents, licenses	-5,811	-2,525	9	94	-746	0	-8,979
Customer relationships	-8,664	-4,803	0	0	0	0	-13,467
Business assets	-284	-1,101	0	0	193	-260	-1,452
Pending intangible assets	0	0		0			0
TOTAL	**-14,759**	**-8,429**	**9**	**94**	**-553**	**-260**	**-23,898**
Net values							0
Concessions, patents, licenses	5,601	2,882	0	3,827	710	0	13,020
Customer relationships	29,276	27,201	0	0	0	0	56,477
Business assets	4,032	5,056	-71	0	408	-260	9,166
Pending intangible assets	4,205	4,381	0	-4,052	-129	0	4,406
TOTAL	**43,114**	**39,521**	**-72**	**-224**	**990**	**-260**	**83,069**

In gross value, the item "Customer relationships" essentially consists of €7,003,000 for Connecting Cable, €2,401,000 for DBS Allemagne, €915,000 for Form@home, €574,000 for Telima Business Solutions, €4,800,000 for Rexion, €3,605,000 for Atlantech, €18,681,000 for ABM, and €32,004,000 for CPCP.

Business assets amounting to €10,616,000 in gross value correspond to intangible assets from acquired companies; they were written down by €1,452,000 on December 31, 2018.

8.2 Tangible assets

Tangible assets are broken down as follows:

	12/31/2017	Increase / Provision	Decrease / Reversal	Reclassifications	Change in scope	Cumulative translation adjustments	12/31/2018
Gross values							
Buildings	200	1,872	0	-196	870	0	**2,746**
Technical facilities, equip., tools	5,582	2,353	-268	-196	4,581	0	12,052
Other tangible assets	7,342	0	-249	-2,175	2,036	-131	6,823
IT and transport equipment	22	1,162	-439	3,097	2,549	0	6,391
Construction in progress	0	132	0	0	0	0	132
TOTAL	**13,146**	**5,519**	**-956**	**529**	**10,036**	**-131**	**28,143**
Amortization	0	0	0	0	0	0	0
Buildings	-125	0	0	-26	-541	0	-693
Technical facilities, equip., tools	-3,232	-1,453	41	-138	-2,060	0	-6,843
Other tangible assets	-3,235	-658	55	1,370	-209	0	-2,677
IT and transport equipment	-15	-807	439	-1,788	-1,715	0	-3,886
Construction in progress	0	0	0	0	0	0	0
TOTAL	**-6,607**	**-2,919**	**535**	**-583**	**-4,524**	**0**	**-14,098**
Net values	0	0	0	0	0	0	0
Buildings	75	1,872	0	-223	329	0	2,053
Technical facilities, equip., tools	2,350	899	-227	-334	2,521	0	5,209
Other tangible assets	4,107	-658	-194	-805	1,827	-131	4,146
IT and transport equipment	7	355	0	1,308	834	0	2,505
Construction in progress	0	132	0	0	0	0	132
TOTAL	**6,539**	**2,600**	**-421**	**-54**	**5,512**	**-131**	**14,045**

8.3 Nonperforming debts and loans

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

	12/31/2017	12/31/2018
Gross values		
Other financial assets	1,236	3,302
Total	**1,236**	**3,302**
Provisions for impairment		
Other financial assets	-26	-26
Total	**-26**	**-26**
Net values		
Other financial assets	1,210	3,276
Total	**1,210**	**3,276**

8.4 Inventory

Inventory is as follows:

	12/31/2017	12/31/2018
Gross values		
Finished products and goods	6,805	15,440
Total	**6,805**	**15,440**

Provisions for impairment		
Raw materials	0	0
In-progress	0	0
Semi-finished and finished products	0	0
Finished products and goods	-946	-849
Total	**-946**	**-849**
Net values		
Finished products and goods	5,859	14,590
Total	**5,859**	**14,590**

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

8.5 Receivables

Gross receivables are broken down by maturity as follows:

Gross values	12/31/2017	12/31/2018	< 1 year	> 1 year
Trade receivables and related accounts	103,385	123,280	123,280	0
Other receivables	113,344	162,863	162,863	0
Total	**216,729**	**286,143**	**286,143**	**0**

Change in impairment is as follows:

(in thousands of euros)	12/31/2017	12/31/2018
Trade receivables and related accounts	1,294	3,009
Total	**1,294**	**3,009**

8.6 Accruals

Accruals are broken down by maturity as follows:

Gross values (in thousands of euros)	12/31/2017	12/31/2018	< 1 year	> 1 year
Prepaid expenses	1,821	1,052	1,052	0
Total	**1,821**	**1,052**	**1,052**	**0**

8.7 Net cash and cash equivalents

The group's net cash is as follows:

(in thousands of euros)	12/31/2017	12/31/2018
Marketable securities	1,637	751
Cash and cash equivalents	26,682	69,147
Total	**28,319**	**69,898**

8.8 Equity

As of December 31, 2018, the capital consists of 104,057,392 shares at a par value of €0.1275. Outstanding dilutive instruments consist of 3,070,592 share subscription warrants, which could confer the rights to 3,070,592 shares.

8.8.1 Legal reserve

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

8.8.2 Authorized capital

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

8.9 Provisions

Provisions for risks and charges are broken down as follows:

(in thousands of euros)	12/31/2017	12/31/2018
Provisions for deferred tax liabilities	8,259	15,417
Provisions for retirement benefits	239	239
Other provisions	2,099	2,842
Total	**10,597**	**18,498**

Other provisions concern:

- Provisions for maintenance related to vehicle use and repair costs: €741,000
- Provisions for maintenance of payment terminals: €357,000
- Commercial and labor court litigation: €199,000
- Provisions for operational risks: €274,000
- Other provisions for risks and charges: €528,000

8.10 Loans from credit institutions

8.10.1 Loan type and maturity

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

(in thousands of euros)	12/31/2017	12/31/2018	< 1 year	1–5 years	> 5 years
Loans and long-term debt from credit institutions	36,762	79,202	13,751	52,378	13,073
Bank overdrafts	12,349	3,048	3,048	0	0
Other financial liabilities	55	18	18	0	0
Total	**49,166**	**82,268**	**16,817**	**52,378**	**13,073**

Loans and long-term debt from credit institutions have a maturity of 2019 to 2024. The interest rates are in a fixed range of 1.0% to 1.8%. The bank overdrafts item consists of overdraft facilities.

In 2018, the group negotiated €130 million in structured financing, including a €75-million line of credit to finance external growth, of which it has used up to 58.8% as of December 31, 2018.

8.10.2 Breakdown by main currencies

All financial liabilities are denominated in euros.

8.11 Other short-term liabilities

Other short-term liabilities include the following items:

(in thousands of euros)	12/31/2017	12/31/2018
Accounts payable	35,311	73,307
Advances and deposits received on orders	70	1,523
Social security liabilities	*21,597*	*42,646*
Tax liabilities	*89,732*	*153,881*
Tax and social security liabilities	**111,329**	**196,527**
Current accounts payable	0	735
Other liabilities	48,562	62,732
Deferred income	3,632	2,463
Total other short-term liabilities	**198,904**	**337,287**

VAT receivables and debts related to transactions between group companies cannot be offset in the group's consolidated balance sheet. Given the group's business model, which consists of numerous regional structures backed up by structures with national or multinational contracts with customers, the volume of intra-group transactions is significant (€85.7 million at December 31, 2018) and results in VAT liabilities. Any increase in VAT liabilities is offset by VAT receivables of an equivalent amount recorded under other receivables (see Note 8.5).

8.12 Off-balance sheet commitments

8.12.1 Collateral granted and commitments given

As part of its acquisition program and in accordance with the conditions agreed to when acquiring its initial stake, Solutions 30 acted on its pledge to purchase all or part of the remaining shares of ABM, Janssens Group, and CPCP Telecom.

Likewise, Solutions 30 has call options to buy the remaining shares held by the long-time shareholders of CPCP Telecom and Vitgo Comunicaciones (formerly Autronic). In accordance with the group's practices, it was agreed that the valuation of these purchases were to be based on a multiple of EBITDA or on revenue. Solutions 30 received a reciprocal promise from minority shareholders to sell their shares according to the same valuation method.
Furthermore, as part of the service agreement signed with Telenet, the Group granted the Telecom operator an option to purchase an additional 10% of the capital of the group's subsidiary, Unit-T, allowing Telenet to increase its stake in Unit-T to 40%. This option will be exercisable by the operator between the third and fifth year of the agreement dated 04/26/2018.

The group made some off-balance sheet commitments in the form of sureties and guarantees totaling €900,000.

Guarantor	Principal	Sureties	Guaranteed Obligations	Maturity	Amount in thousands of €
Solutions 30	**Companies of the S30 group**	**Demand guarantee**	Payment of any amount charged by the beneficiary in connection with its activity of any products or services provided via its fuel cards	08/01/2017 – Cancellation in 6 months	**150**
Solutions 30	**Telima Money**	**Indemnity bond**	Obligations arising from the performance of services under contract, including the provision of payment terminals	Applicable during the entire contractual relationship	**750**

The group's other commitments are as follows:

- Pledge of Telima Frepart shares: As a guarantee for the structured credit facility of €130 million concluded in 2018, the Group signed an agreement to pledge shares.
- Acceleration clauses for failure to comply with loan repayment terms: as of December 31, 2018, Solutions 30 is in compliance with all of its covenants.
- Employee benefit obligations: commitments for retirement compensation amounted to €2.5 million as of December 31, 2018.

8.12.2 Collateral and commitments received

No commitments were received at the end of the reporting period apart from those binding Solutions 30 and its co-shareholders in the following companies: CPCP Telecom and Vitgo Comunicaciones (see note 8.12.1).

8.13 Other operating income

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

In 2018, the total amount of operating subsidies amounted to €19.5 million. They cover transition costs, included in results of operating activities, resulting from the contribution of business lines by Telenet in Belgium and by DXC in Italy.

8.14 Net financial income - Income from investments

This note breaks down the income statement items below:

Income from investments and equity instruments; net financial income	2018	2017
Financial income		
Income from investments with separate disclosure of income from related companies	**5,449**	**3,744**
of which negative goodwill (see note 8.15)	*4,630*	*3,654*
of which other income	*819*	*90*
Total	**5,449**	**3,744**
Financial expenses		
Interest and similar expenses with separate disclosure of amounts due to related companies	**-2,775**	**-1,906**
Total	**-2,775**	**-1,906**
Net financial income	**2,674**	**1,838**

8.15 Recurring and non-recurring income

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

Changeover from accounting income to key management balances		2018	2017	
Net income	**A**	**20,402**	**12,393**	
Taxes	B	-5,554	-1,927	**Note 8.16**
Net financial income	C	-1,696	-1,557	**Note 8.14**
Non-recurring financial income	D	-260	-282	
EBIT (Earnings Before Interest & Tax)	**E=A-B-C-D**	**27,912**	**16,159**	
Goodwill amortization	F	-3,309	-1,685	**Note 9.1**
Customer relationship amortization	G	-4,773	-3,857	**Note 9.1**
Non-recurring income	H	2,764	965	
Adjusted EBIT	**I=E-F-G-H**	**33,230**	**20,736**	
Net depreciation, amortization, and provisions	J	-7,906	-4,730	
Adjusted EBITDA	**K=I-J**	**41,136**	**25,466**	
Net income before taxes	**L=A-B-F**	**29,265**	**16,005**	
Net income from consolidated companies	**M=L+B**	**23,711**	**14,078**	

Non-recurring income:

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

The group believes that classifying these non-recurring expenses and income improves the readability of its operations' intrinsic economic performance. For the Solutions 30 Group, these items mainly include—for 2018—the recognition of negative goodwill following the increase of its stake in ABM, for customer relationships for CPCP Telecom, and for restructuring costs.

Non-recurring income		2018	2017
Non-recurring income			
	Negative goodwill on customer relationships	4,630	3,542
Non-recurring expenses			
	Restructuring costs	1,866	1,696
	Other expenses (1)	260	1,164
Non-recurring income		**2,504**	**683**

(1) In 2018, other expenses corresponded to fees related to implementing the new structured financing.

8.16 Income tax

Income tax is broken down as follows:

(in thousands of euros)	2018	2017
Tax payable	-7,147	-2,667
Deferred tax income	1,593	739
Total	**-5,554**	**-1,927**

8.17 Personnel at the end of the period

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

	2018
Technicians / employees	4,813
Managers	248
Total	**5,061**

9 Cash flow statement

	12/31/2018
CONSOLIDATED NET INCOME	**19,966**
Net income – group share	18,971
Net income – minority interests share	995
Elimination of non-cash or non-operating income and expenses:	
Depreciation, amortization, and provisions	11,358
Change in deferred taxes	1,386
Capital gains after tax	50
Elimination of income from associates	1,432
GROSS CASH FLOW FROM CONSOLIDATED COMPANIES	**34,192**
CHANGE IN WORKING CAPITAL REQUIREMENTS (WCR) FOR OPERATIONS	**59,357**
Impact of changes in inventory and work-in-progress	-8,731
Impact of changes in customers and other accounts receivable	-19,620
Impact of changes in suppliers and other accounts payable	39,449
Impact of changes in other receivables and debts	48,259
IMPACT OF CHANGES IN CONSOLIDATION SCOPE ON WCR	**-20,953**
NET CASH FLOW FROM OPERATING ACTIVITIES	**72,596**
CASH FLOW FROM INVESTING ACTIVITIES	
Acquisition of non-current assets	-21,433
Acquisitions	-46,083
Disposal of non-current assets after tax	525
Net cash flow from investing activities	**-66,991**
CASH FLOW FROM FINANCING ACTIVITIES	
Capital increases (reductions)	3,006
Loan issuance	40,100
Repayment of borrowings	-7,000
Net cash flow from financing activities	**36,106**
CHANGE IN CASH BALANCES	**41,712**
Opening cash balance	**28,319**
Closing cash balance	**69,898**
Impact of changes in foreign exchange rates	**-133**

This statement is not a compulsory part of the financial statements according to the Luxembourg regulations applicable to the group. It was therefore not included in the work reviewed as part of the audit.

10 Other disclosures

10.1 Revenue by region

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

(in thousands of euros)	2018	2017
France	279,120	177,935
Other countries	162,695	96,596
Total	**441,815**	**274,531**

10.2 Revenue by activity

Revenue by activity is presented in the table below:

(in thousands of euros)	2018	2017
Sales of services	439,300	267,620
Sales of goods	2,515	6,911
Total	**441,815**	**274,531**

10.3 Related companies and parties

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

10.4 Remuneration allocated to management and supervisory board members

Remuneration paid in 2018 to members of the management and supervisory bodies for their role as directors and officers in accordance with their employment contracts amounted to €964,300.
There are no pension obligations for management and supervisory bodies.

10.5 Auditor's fees

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

(in euros)	2018		2017	
Total	**Audit fees**	**Other fees**	**Audit fees**	**Other fees**
Grant Thornton Luxembourg	151,000	0	112,000	0
Grant Thornton International	347,950	35,000	283,000	0
Other auditors	229,565	0	134,200	0
Total	**728,515**	**35,000**	**529,200**	**0**