Consolidated financial statements

31/12/2017

SOLUTIONS 30 GROUP

6 RUE DICKS
L1417 - LUXEMBOURG

Contents

Introductory note: All data given in these summary consolidated financial statements are in thousands of euro (K€), unless otherwise stated.

STATUTORY AUDITOR'S REPORT

GrantThornton

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- We gain an understanding of the pertinent elements from the internal audit for our audit procedure to draw up appropriate audits from the procedures and not to express an opinion on the effectiveness of the Group's internal audit.
- We assess the suitability of the retained accounting methods and the suitability of the accounting estimations made by Executive Management, as well as the information contained therein by the latter:
- We draw up a conclusion as regards the suitability of use by Executive Management, of the accounting method of continuing operations and based on the obtained evidence, as regards the existence (or the lack of) of significant uncertainty related to events and situations that risk casting significant doubt on the Group's capacity to continue its operations. If we conclude that there exists significant doubt, we are responsible for drawing our readers' attention to our report on the information provided in the consolidated financial statements regarding this uncertainty and, if this information is not suitable, to express an altered opinion. Our conclusions are based on evidence until the date of our report. However, events and future situations could lead the Group to cease its operations:
- We assess the presentation of the entire form and content of the consolidated financial statements, including information provided in the notes, and we assess whether or not the consolidated financial statements account for the operations and underlying events accurately to provide a faithful image:
- We obtain sufficient and reasonable evidence regarding the financial information of Group entities and business activities to express an opinion on the consolidated financial statements. We are responsible for the management, supervision and completion of the Group audit and assume full responsibility for our audit opinion.

We communicate with those in charge of company governance, particularly the scope and schedule forecast for auditing and our salient observations, including any significant discrepancy in the internal audit that we might have detected during our audit.

Report on other legal and regulatory obligations

The management report is consonant with the consolidated financial statements and was established in compliance with the applicable legal requirements.

Luxembourg, le 25 avril 2018

Christophe CRYNS
Statutory Auditor
Grant Thornton Audit & Assurance

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Other information

The Executive Board is responsible for other information. Other information is broken down into information contained in the management report but does not include the consolidated financial statements and our Statutory Auditor report on the consolidated financial statements.

Our opinion on the consolidated financial statements does not extend to other information and we do not express any form of insurance regarding such information.

As far as our audit of the consolidated financial statements is concerned, our responsibility lies in reading the other information and, in doing so, assessing whether or not there is a significant discrepancy between such and the consolidated financial statements and the knowledge that we acquired during the audit, and even whether or not the other information seems to contain some other significant anomaly. If, in light of the work we have completed, we draw up a conclusion in the presence of a significant anomaly in the other information, we are accountable for reporting this. We have nothing to report in this respect.

Executive Management responsibility for consolidated financial statements

Executive Management is responsible for establishing and faithfully presenting the consolidated financial statements in line with the legal and regulatory obligations related to the establishment and presentation of consolidated financial statements in force in Luxembourg, as well as internal audit that it considers necessary to allow for the establishment of consolidated financial statements that do not include significant anomalies, be it from fraudulent dealings or from errors.

Upon establishing the consolidated financial statements, it is the Executive Management's responsibility to assess the Group's capacity to continue its operations, and communicate, where necessary, the questions relating to its continued operations and apply accounting methods to continue operations, except if Executive Management seeks to liquidate the Group and cease its operations or if no other realistic solutions presents itself to the company.

Statutory Auditor's responsibilities auditing the consolidated financial statements

Our objectives are to obtain reasonable assurances that the consolidated financial statements taken as a whole do not include any significant anomalies, be it from fraudulent dealings or from errors, and deliver a Statutory Auditor's report that contains our opinion. Reasonable assurances relate to a level of insurance, which does not, however, guarantee that an audit conducted in line with Luxembourgish law of 23 July 2016 and in compliance with the ISA, as adopted for Luxembourg by the CSSF will always mean that all existing significant anomalies may be detected. Anomalies may result from fraudulent business or errors and they are considered significant when it is deemed reasonable to expect that – individually or as a Group – they might influence the business decisions made by users of the consolidated financial statements based on such.

As part of an audit conducted in compliance with Luxembourgish law of 23 July 2016 and in compliance with the ISA as adopted for Luxembourg by the CSSF, we are exercising our professional judgement and demonstrate a critical viewpoint throughout this audit. In addition:

- We are identifying and assessing the risks involved in significant anomalies in the consolidated financial statements, be it from fraudulent dealings or from errors, we draw up and implement audit procedures to respond to these risks and gather the required evidence that is sufficient and reasonable on which to base our opinion. The risk of not detecting a significant anomaly resulting from fraud is higher than that of a significant anomaly resulting from error, since fraud may suggest collusion, forgery, deliberate omission, false declarations and circumvention of the internal audit.

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Luxembourg, le 25 avril 2018

Christophe CRYNS
Statutory Auditor
Grant Thornton Audit & Assurance

1 SOLUTIONS 30 SE management report

A European company with executive and supervisory boards,

with share capital of €12,155,219.64.

Registered office: 6 rue Dicks L 1417 Luxembourg

Registered in the Luxembourg Trade and Companies Register under entry B 179097

Report on the consolidated financial statements

Financial year ended on 31 December 2017

1.1 Revenue

Solutions 30 S.E.'s consolidated revenue for 2017 rose 43.1% year-on-year to €274.5 million.

Growth in France was essentially organic across all business segments, fuelled by the roll-out of fibre optic and the Energie segment (installation of Linky smart meters) and signature of a strategic partnership deal with Fujitsu Field Service covering local IT support.

International revenue was up 65.7% on 2016 (22% growth like-for-like) to €96.6 million and accounts for 35.2% of total sales (from 30.4% in 2016. Germany, where SOLUTIONS 30 signed three major contracts in the second half of the year and acquired VKDFS, was the main contributor to this strong showing. Germany has grown to be the Group's second largest region, followed by the Benelux countries, Italy and Spain.

1.1.1 Revenue by quarter and region

in millions of euro	2017	2016	Change €M	% change
Q1	56.1	36.0	20.1	*+55.8%*
Q2	61.1	50.3	10.8	*+21.5%*
Q3	71.8	48.5	23.3	*+48%*
Q4	85.5	57.0	28.4	*+49.8%*
Year	**274.5**	**191.8**	**82.6**	***+43.1%***
O/w France	177.9	133.5	44.3	*+33.2%*
o/w International	96.6	58.3	38.3	*+65.7%*

1.1.2 The French market

Revenue in France grew 33.3% year-on-year to €177.9 million, accounting for 64.8% of total revenue.

Growth in France was essentially organic across all business segments, fuelled by the roll-out of fibre optic and the Energie segment (installation of Linky smart meters) and signature of a strategic partnership deal with Fujitsu Field Service covering local IT support.

SOLUTIONS 30 is also strategically positioned in the connected objects market and has established partnerships with manufacturers and integrators, with good prospects going forward.

1.1.3 The international market

2017 saw robust growth in the Group's international activities with €96.6 million in revenue. New acquisitions during the year, particularly in the Benelux countries and in Germany, added to the strength of this performance.

The Group consolidated its presence in the EU:

- the acquisition of an additional 40% of the capital of REXION Computer (Spain) bringing our stake to 100%;
- the full takeover of Vodafone Kabel Deutschand Field Services GmbH (VKDFS) to anchor our positioning in Germany.
- The consolidation of the German firm, ABM Communication, specialising in high-speed internet. Solutions 30 acquired 51% of the capital at the end of 2016.

1.2 Performance and operations management

1.2.1 Operating profitability

Adjusted EBITDA (see note 8.15 to the consolidated financial statements) came out at €25.5 million, up 47.4% on 2016 and representing 9.3% of revenue.

After a first half which saw the rapid growth in Linky smart meter installations and fibre optic weigh on margins, activity in the second half returned to cruising speed and margins improved.

Net amortisation expense and recurring provisions amounted to €(4.7) million (see note 8.15 to the consolidated financial statements).

Adjusted EBIT (before amortisation of intangible assets and non-recurring items) came out at €20.7 million, up 46.8%.

Amortisation of customer relations had an impact of €(3.9) million in 2017, compared with €(2.3) million in 2016.

Non-recurring profit/(loss) (see note 8.15) was €0.7 million at year-end 2017, from €0.3 million in 2016.

Net finance costs were €(1.6) million, in line with the company's medium-/long-term debt level, overdrafts and factoring.

Impairment of goodwill totalled €(1.7) million in 2017, from €(1.5) million in 2016.

Profit/(loss) for the consolidated entity totalled €12.1 million. Net income, Group share was €12.5 million, up 50.5% from €8.3 million in 2016.

(in thousands of euro)	**2017**	**2016**	**Change**
Revenue	274.5	191.8	43%
Adjusted EBITDA (1)	25.5	17.4	47%
As a % of revenue	9.3%	9.0%	
Operating income - adjusted EBIT (2)	20.7	14.6	47%
As a % of revenue	7.6%	7.6%	
Net profit/(loss) before taxes (3)	16	11.2	43%
As a % of revenue	5.8%	5.8%	
Net profit/(loss) from consolidated companies (3)	14.1	9.6	47%
As a % of revenue	5.1%	5.0%	
Net income (Group share)	12.5	8.4	49%
As a % of revenue	4.6%	4.4%	
Structural financial data			
Equity	59.8	35.8	
Net debt (4)	20.8	20.6	
Interest Coverage Ratio (5)	8 x	12 x	

(1) Operating profit/(loss) on recurring operations (*) before depreciation, amortisation and provisions, net of reversals

(2) Operating profit/(loss) on recurring operations (*) before amortisation of intangible assets, including customer relations

(3) Before amortization of goodwill

(4) Long-term structured loan

(5) EBIT/net financial expense – Interest coverage ratio x EBIT

(*) Income and expenditure that are significant in terms of their amount, unusual in nature or infrequent are considered as non-recurring operations (see note 8.15).

1.2.2 Financial structure

At 31 December 2017, the Group had €59.7 million in total equity (€35.8 million at end 2016).

The Group's gross cash position was €28.3 million at the end of 2017 (€22.0 million at the end of 2016) for €49.3 million in gross financial debt, including €12.3 million in cash credit, compared with €42.6 million at 31 December 2016.
Net debt stood at €20.8 million at the end of 2017, from €20.6 million at the end of 2016, reflecting the pace of acquisitions during the period.

The interest coverage ratio was 8 x at 31 December 2017, highlighting the leeway available to SOLUTIONS 30 to pursue its external growth strategy in France and in Europe, in a sustained low interest rate environment.

1.2.3 Risk factors

1.2.3.1 *Risks arising from business activities*

1.2.3.1.1 Customer risk

The bulk of our revenue is generated from key accounts that enjoy strong brand recognition in the European market.

Losing one of these customers could have an impact on SOLUTIONS 30's revenue, profit/(loss) and outlook. Nonetheless, the company considers that this risk is managed through the quality of its customer service and the close attention to customer satisfaction.

1.2.3.1.2 Supplier risk

As a provider of services, SOLUTIONS 30 contracts out to external service providers. In our opinion, there are no material supplier risks.

The main suppliers are call centre service providers, logistics service providers, long-term company car rental companies and external IT maintenance service providers.

The risk of economic dependence is low to zero, since alternatives are available to SOLUTIONS 30 for each purchasing segment.

With respect to providers directly related to the Group's business, such as call centre and external service providers (local subcontractors), the contracts between these providers and the company include quality indicators and performance measurement rules, and thus provide the company with solid control of execution risk.

1.2.3.1.3 Risk associated with acquisitions policy

The company completed acquisitions during the 2017 financial year to consolidate its service offering and accelerate growth.

Acquisitions involve certain risks, in areas such as consolidation difficulties, losing key personnel in the target company, losing customers and uncovering disputes, amongst others.

We are extremely vigilant and perform comprehensive due diligence on each potential acquisition.

1.2.3.1.4 Competition risk

We have many competitors in our business in Europe, relatively speaking. However they tend to be small or medium enterprises, reflecting the fragmented nature of the digital assistance market.

The French market is a good example of the situation in Europe. Our European markets are fairly similar to the market in France in terms of the competitive landscape, made up of small firms and a few service providers with organised networks. Our small competitors are not well placed to handle large corporate accounts.

1.2.3.1.5 Recruitment risk

Recruiting, managing and training technical staff is essential to our and our subsidiaries' business. SOLUTIONS 30's reputation and share of mind is an advantage when it comes to hiring. The Group had no difficulties in recruiting staff in 2017.

1.2.3.2 *Financial risk*

1.2.3.2.1 Liquidity risk - funding working capital requirements

The SOLUTIONS 30 group has short-, medium- and long-term debt with total capital outstanding on 31 December 2017 of €49.3 million, from €42.5 million at the end of 2016.

During the period, the Group negotiated €76 million in structured finance and employed €45.6 million of these funds to close out legacy loans and finance new acquisitions.

We will continue to benefit from good bank financing conditions, backed by our sound financial health.
The Group was in compliance with all bank convenants at 31 December 2017.

Working capital requirements and capacity to access credit

Our working capital requirements improved considerably in 2017 benefiting from careful management of the customer cycle in France in 2017 and the introduction of deconsolidating factoring in all subsidiaries in all our locations.

In the Group's opinion, it is not exposed to liquidity risk, either in the 2018 financial year or in subsequent years.

1.2.3.2.2 Rate risk

The SOLUTIONS 30 Group owned no financial assets as at 31 December 2017, other than money market mutual funds for cash investments. Thus, the Group implements a prudent management model by short-term investments (approximately three months and according to projected liquidity needs) in money market mutual funds and term accounts with leading financial institutions. It takes no financial risks in its policy for investing its cash.

1.2.3.2.3 Currency risk

All of our and subsidiaries' business is in the euro zone. The vast majority of our services are invoiced and paid in euro. Payments for call centre services based in Morocco, Tunisia and Poland are transacted in dirhams, dinars or zloty. The currency risk is not material as the amounts involved are insignificant.

1.2.3.2.4 Risk related to off-balance sheet commitments

The company's off-balance sheet commitments consist of sureties and guarantees for a total of €900 K. This amount is detailed in note 8.12.1. of the consolidated financial statements

Pursuing its acquisitions program, Solutions 30 committed to purchasing, if requested, the remaining capital held by the long-standing shareholders in ABM, Janssens Group and CPCP Telecom. This buyback has been agreed on the basis of a valuation calculated as a multiple of EBITDA or sales. Balancing this commitment, the minority shareholders have agreed to dispose of their holdings, according to the same time frame and on the same measurement basis.

We acquired the remaining 40% of REXION's capital in April 2017 for €130 K, in addition to our 60% share purchased on 31 December 2016.

1.2.3.3 *Legal, regulatory and tax risks*

1.2.3.3.1 Dependence with regard to patents and licences

The SOLUTIONS 30 Group is not dependent on any patent or licence whose loss or withdrawal could be damaging to our business.

Besides the standard office software licenses, the company has full ownership of brands and licences used in the normal course of our business. More specifically, we invest in our own tools and software on a recurring basis to optimise the operation and management of our activities.

1.2.3.4 *Government, economic, budget, monetary or political risks*

Entities within the Group are approved under the measures introduced by the "BORLOO" law for in-home IT assistance (including assistance, maintenance, installation and training). This accreditation means individuals can claim a tax deduction on all personalised services offered by SOLUTIONS 30, which brings down the total cost of the services.

A challenge to these tax incentives could increase the cost of our services for individuals, which in turn would have a negative impact on the appeal of our offer. However, in view of the size of this aspect of our business, this risk is extremely limited.

No other government, economic, budgetary, monetary or political factor, either pending or threatened, has been identified to date by the company that could influence the company's or the Group's financial position or profitability.

SOLUTIONS 30 received a competitiveness and employment tax credit (CICE by the French acronym) in the amount of €2.7 million in 2017 (€1.8 million in 2016).

1.2.3.5 *Tax risk*

Our tax risk is considered to be low.

To the company's knowledge, there are no factors likely to have a negative impact on its financial position in the event of an inspection of Group entities to verify fulfilment of their tax obligations.

1.2.3.6 *Review of risk: list of material risks*

SOLUTIONS 30 conducted a review of its risks and is of the opinion that there are no other material risks.

The following is a list of the most significant risks and their description:

- Customer risk
- Risk associated with acquisitions policy

1.2.4 Treasury shares

The company holds no treasury shares as at 31 December 2017.

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 consistently invests in improvements to its IT tools.

Investment expenditure in 2017 centred on our Smartfix digital assistance and services platform.

1.2.7 Branches

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

1.2.8 Significant events since 31 December 2017

The Board of Directors decided on 31 January 2018 to increase the share capital by €176,484.48, raising it from €12,155,219.64 to €12,331,704.12, through the issue of 346,048 new shares at a par value of €0.51, with a total share premium of €1,893,577.82.

In March 2018, we signed a major contract with DXC Technology for the outsourcing of all DXC's local IT support activities in Italy to Solutions 30.

1.2.9 Outlook

Our outlook for 2018 is:

- continued growth in the second half, maintaining our forecast for sustained double-digit profitable growth;
- continued and controlled external growth;
- continued expansion in the international market, giving priority to Belgium, Germany and Italy.

Progress towards reaching these targets will be centred around three growth drivers, namely:

- roll-out of digital technologies and strong growth in connected objects;
- international expansion;
- consolidation of our market through external growth.

2 Consolidated balance sheet

ASSETS	Notes	31/12/2017	31/12/2016
A. Capital assets		**70,260**	**43,420**
1. Intangible assets	**8.1**		
1. Concessions, patents, licenses and trademarks acquired for valuable consideration		34,877	20,317
2. Business assets, insofar as acquired for valuable consideration		4,032	202
3. Down payments made and intangible assets under construction		4,205	685
4. Goodwill		17,910	15,953
II. Tangible assets	**8.2**		
1. Land and buildings		75	85
2. Technical facilities and machines		2,357	3,625
3. Other facilities, tooling and furniture		4,107	1,608
III. Non-current assets	**8.3**		
2. Non-current loans and receivables		1,210	945
Equity-method investments		1,487	-
B. Circulating assets		**253,052**	**112,754**
I. Inventories	**8.4**		
1. Finished products and goods		5,859	5,819
2. Down payments made		1,384	102
II. Receivables	**8.5**		
1. Receivables from sale and provision of services			
a) with a remaining term of one year or less		103,385	46,716
2. Other receivables			
a) with a remaining term of one year or less		111,960	36,382
3. Deferred tax assets		2,145	1,757
III. Securities	**8.7**		
1. Other securities		1,637	8,743
IV. Credits in banks, in checking accounts, cheques and cash	**8.7**	26,682	13,235
E. Accruals	**8.6**	1,821	1,274
TOTAL		**325,133**	**157,448**

The notes form an integral part of the consolidated financial statements.

LIABILITIES	Notes	31/12/2017	31/12/2016
A. Equity	**8.8**	**66,467**	**37,510**
I. Subscribed capital		12,155	10,425
II. Issue and similar premiums		13,966	3,848
IV. Reserves			
1. Legal reserve		767	767
2. Consolidated reserves		20,413	12,352
VI. Profit/(loss) for the period		12,458	8,379
X. Minority interests		6,708	1,739
B. Provisions	**8.9**	**10,597**	**5,327**
1. Other provisions		2,338	2,284
2. Deferred tax credits		8,259	3,043
C. Liabilities		**244,438**	**113,891**
1. Bank borrowings and other liabilities to banks	**8.10**		
a) with a remaining term of more than one year		31,663	22,553
b) with a remaining term of one year or less		17,503	19,996
2. Down payments received on orders	**8.11**		
a) with a remaining term of one year or less		70	278
3. Debts on purchases and provision of services	**8.11**		
a) with a remaining term of one year or less		35,311	21,666
4. Other financial liabilities, incl.	**8.11**		
a) Tax liabilities		89,732	34,328
b) Social security liabilities		21,597	14,266
c) Other liabilities with a remaining term of one year or less		48,562	804
D. Accruals		**3,632**	**720**
TOTAL		**325,133**	**157,448**

The notes form an integral part of the consolidated financial statements.

3 Consolidated income statement

	Notes	2017	2016
1. Net revenue	**9.1**	274,531	191,802
3. Works carried out by the company for its own account and capitalised		3,853	462
4. Other operating income	**8.13**	18,636	1,406
5. Purchases and external charges		(163,565)	(109,077)
a) Raw materials and consumables		(10,049)	(6,881)
b) Goods		(9,857)	(4,093)
c) Other external expense		(143,929)	(98,103)
6. Payroll expense		(104,229)	(66,580)
a) Wages and salaries		(78,064)	(49,043)
b) Social charges, with pensions listed on a separate line		(26,165)	(17,537)
7. Valuation allowances		(10,303)	(9,568)
a) on preliminary expense, tangible and intangible assets		*(9,640)*	*(8,478)*
b) on circulating asset items, insofar as they exceed the company's normal allowance for impairment		*(663)*	*(1,090)*
8. Other operating expenses		(5,720)	(1,405)
9. Income from equity interests, detailing income from associates on a separate line	**8.14**	3,744	3,967
13. Interest and similar expense, detailing the amounts due to associates on a separate line		(1,906)	(1,284)
14. Income tax	**8.16**	(1,927)	(1,617)
15. Share of net profit/(loss) from equity-accounted entities		(792)	
16. Profit/(loss) for the period		**12,051**	**8,107**
Of which group share		12,458	8,379
of which minority interests share		(407)	(271)

The notes form an integral part of the consolidated financial statements.

4 Statement of changes in shareholders' equity

	Share capital	Premiums	Legal reserve	Consolidated Group reserves	Profit/(loss) for the period	Currency translation reserves (1)	Total equity capital Group	Total Minority interests	Total equity
31/12/2016	10,425	3,848	767	12,352	8,379	-	35,771	1,739	37,510
Appropriation of profit/(loss)	-	-	-	8,379	(8,379)		-	(0)	0
Profit/(loss) for the period	-	-	-	-	12,458		12,458	(407)	12,051
Change in scope	-	-	-	-	-		-	(1,050)	(1,050)
Appropriation of client relations	-	-	-	-	-		-	(6,426)	6,426
Distribution made by the consolidated company	-	-	-	-	-		-	-	-
Capital increase	1,731	10,118	-	-	-		11,849	-	11,849
Change in currency translation differences	-	-	0	-	0	(261)	(261)	-	(261)
Other	-	-	-	(58)	-		(58)	-	(58)
31/12/2017	12,155	13,966	767	20,674	12,458	(261)	59,759	6,708	66,467

5 Financial reporting framework, consolidation methods, measurement basis and significant accounting policies

5.1 Financial reporting framework and consolidation methods

5.1.1 Financial reporting framework

The company is structured as a European Company as of 19 February 2013.

The Solutions 30 parent company's registered office was established in the Grand Duchy of Luxembourg on 1 August 2013. Accordingly, since that date, the consolidated financial statements of the SOLUTIONS 30 Group have been prepared in accordance with the legal and regulatory provisions relating to the preparation and presentation of consolidated financial statements applicable in Luxembourg.

The consolidated financial statements have been prepared in accordance with the rules of the Luxembourg law of 10 August 1915, as amended.

5.1.2 Method for the translation of transactions denominated in foreign currencies

All transactions denominated in a currency other than the euro are recorded in euro at the exchange rate prevailing on the transaction date.

Bank balances are translated at the exchange rate on the balance sheet date. The resulting foreign exchange gains and losses are recognised in the income statement for the period.

Other assets and liabilities are valued individually at the lower or higher of their converted value at the historical exchange rate or their value determined on the basis of the exchange rates at the balance sheet date. Only unrealised gains and losses are recognised in profit or loss. Foreign exchange gains are recognised in profit or loss when they are realised.

5.2 Consolidation methods

5.2.1 Consolidation methods

Note 7.2 describes the entities consolidated by the SOLUTIONS 30 SE parent company (6 rue Dicks, L-1417 Luxembourg) and the relevant consolidation methods.

Exclusively controlled entities are fully consolidated.

Jointly controlled entities are consolidated according to the proportional consolidated method.

Entities over which the company has significant influence are consolidated according to the equity method.

5.2.2 Goodwill

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

- o The acquisition cost of the equity interests,
- o The share of the acquirer in the total valuation of assets and liabilities identified on the acquisition date.

This line records goodwill that arises on an acquisition that could not be allocated to a capital asset item. It may be positive or negative. If negative, it is presented in other income for the period of the acquisition.

Positive goodwill is recognised in capital assets and is amortised over a period of time that reflects, as reasonably as possible, the assumptions used and the objectives set at the time of the acquisitions. This term is five years.

By way of exception, some specific and/or core acquisitions (acquisition of new business activities) have led to amortisation over a longer period of up to 12 years.

The occurrence of negative events, notably a decline in revenues and a long-term erosion of the margin rate, could lead to additional amortization if the recoverable amount of goodwill is less than its net book value.

Impairment of goodwill is shown on the impairment allowance on preliminary assets line, and under tangible assets and intangible assets in the consolidated income statement.

5.2.3 Reporting dates for consolidated companies

Consolidation is based on the individual financial statements of the companies in the Group, for the 12-month period ended on 31 December 2017.

5.3 Measurement basis

Assets and liabilities included in the consolidated financial statements are measured according to the same standard methods.

The SOLUTIONS 30 Group applies the following principles and policies:

5.3.1 Intangible assets

Intangible assets are measured at their acquisition or production cost.

5.3.1.1 *Concessions, patents, licenses and trademarks*

The main intangible assets included in this category are patents, computer software, the brand and customer relations.

Amortisation methods and periods for all intangible assets are as follows:

Intangible assets	Period
Concessions, patents and licenses	5 to 10 years
Computer software	3 years
Websites	1 to 3 years
Customer relations	3 to 11 years

Customer relations relate to the following acquisitions:

- Form@home;

- Telima Deutschland (DBS);
- CONNECTING CABLE;
- ATLANTECH;
- REXION;
- ABM Communication;
- VKDFS.

These customer relations are measured based on discounted cash flows generated by the main contracts acquired. The amortisation period of 3 to 13 years is the estimated time for the consumption of the majority of the economic benefits flowing to the company.

Customers relations recognised in 2017 are as follows:

Entity	Recognition year	Customer relations amount, in €K	Deferred tax liability in €K	Amortisation period	Discount rate	Customer attrition rate
ABM	2017	18,681	5,567	13 years	8%	12.9% then 23.1% on the first contract anniversary

5.3.1.2 *Business assets*

Business assets are initially recognised at their acquisition cost and depreciated over their estimated life.

5.3.1.3 *Advances and down payments on intangible assets*

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

5.3.1.4 *Impairment of assets*

All cash-generating units (CGU), including goodwill and assets with indefinite and definite useful lives, are reviewed by management. They are impairment tested whenever there is an indication of impairment.

An impairment loss is recognised whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount is the higher of the asset’s net disposal price and its value in use.

The value in use is calculated based on the discounted value of future cash flows.

5.3.1.4.1 Impairment losses

An impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of goodwill allocated to that CGU, and then to reduce the carrying amount of the unit's other assets pro rata to the carrying amount of each asset in the unit.

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

The carrying amount of an asset plus a reversal of an impairment loss never exceeds the carrying amount that would have been determined (net of amortisation or depreciation) if no impairment loss had been recognised for that asset in prior years.

Where there is an indication of impairment, the recoverable value of the cash-generating units is estimated using the discounted future cash flows (DCF) method, according to the following principles:

- Use of discount rates specific to each country: 7.6% for Germany, 8.9% for Spain, 8% for France, 7.8% for Benelux and 9.3% for Italy.
- Revenue projections are based on 2018-2024 business plans. As of 2021, organic growth is expected to taper off to a normative 1%.

The results of the impairment tests are:

CGUs	France	Benelux	Spain	Italy	Germany	Conso
Assets base to be tested (1)	33,758	11,346	5,728	2,091	22,119	75,043
2018 EBIT	21,941	3,326	875	2,161	6,538	34,841
Implicit EBIT multiple	*1.5x*	*3.4x*	*6.6x*	*1.0x*	*3.4x*	*2.2x*
Value in use (2)	283,122	53,233	11,998	25,871	*77,193*	451,417
Implicit EBIT multiple	*12.9x*	*16.0x*	*13.7x*	*12.0x*	*11.8x*	*13.0x*
Depreciations?	No **X**	No **X**	No **X**	No **X**	No **X**	No **X**
Headroom (2)- (1)	249,364	41,888	6,269	23,779	55,074	376,375

On this basis, no impairment losses were recognised at 31 December 2017.

5.3.2 Tangible assets

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

The acquisition cost of the asset is the purchase price plus all costs directly necessary to bring the asset to working condition for its intended use and financing costs prior to commissioning.

Amortisation is calculated according to the linear method and decreasing charge method over the planned useful life.

The main useful lives used are:

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

5.3.3 Leases

Transactions carried out under an operating lease are recognised in expenses for the period in which they are incurred.

5.3.4 Non-current assets

Non-current assets are represent deposits and guarantees required for operating requirements and non-consolidated equity interests.

5.3.5 Inventories

Inventories are measured according to the first in, first out (FIFO) or the weighted average unit cost method. Inventories are valued at the gross value of goods and supplies including purchase price and incidental costs.

Allowances for losses may have been made to provide for a number of expenses or risks incurred at the end of the period.

5.3.6 Receivables and debts

Receivables are recognised at face value.

An allowance for losses on receivables is calculated according to standard methods when repayment is compromised. This allowance is reversed when the reasons for its recognition no longer exist. Liabilities recognised at the redemption value.

5.3.7 Cash and current investments

Investments are measured at acquisition or subscription cost including ancillary expenses.

In the event of a sale involving a group of securities of the same nature conferring the same rights, the value of the securities is estimated using the FIFO method (first in, first out).

A provision for impairment is recognised when the stock market price or probable realizable value is lower than the purchase price. It is reversed when the reasons for the impairment no longer exist.

5.3.8 Accruals (assets)

This item includes expenses recognised during the period but attributable to a subsequent financial year.

5.3.9 Income tax

The Group recognises deferred taxes in the case of:

- temporary differences between the tax and carrying amounts of assets and liabilities on the consolidated balance sheet,
- tax credits and deficits carried forward.

Deferred taxes are calculated according to the asset and liability method at the tax rate applicable to each company.

Deferred tax assets and liabilities are netted for the same tax entity and when their reversal deadlines are similar.

The SOLUTIONS 30 Group, a stable establishment in France, has elected to form a tax consolidation group. SOLUTIONS 30 is the head of a group that includes some 30 French companies.

Only newly created entities are outside of this tax consolidation group in their first year.

Deferred tax assets are only taken into account if:

- their recovery does not depend on future earnings (if there are deferred tax liabilities),
- or that taxable profit will be available against which the difference will be utilised during the probable utilisation period.

5.3.10 Contingent liabilities

Provisions for contingent liabilities are set aside to cover losses or liabilities that are clearly limited in nature but, at the balance sheet date, are either probable or certain but whose timing or amount is uncertain.

They primarily include provisions for ongoing disputes and litigation. They are recognised based on estimates of the expenditure required to settle the obligation.

5.3.11 Retirement and post-employment obligations

Generally speaking, the entitlements earned by employees for the calculation of termination benefits are determined based on seniority and the percent probability of their continued employment in the company until retirement age. Principles for this calculation:

- initiation of retirement: voluntary when the employee is entitled to full retirement benefit.
- Discount rate: 1.29% (iBoxx € Corporates AA10+ at 31/12/2017)
- Future salary increase rate: 2%
- Turnover rate: 4.76%
- Mortality table: updated 2010-2012 INSEE (French National Institute of Statistics and Economic Studies) table
- Social Security rate: 43.7%

These commitments are not recognised in the consolidated financial statements and are listed as off-balance sheet commitments in the amount of €2.1 million as at 31 December 2017 (2016: €1.6 million).

5.3.12 Translation of the financial statements of companies outside the euro zone

Balance sheet items, excluding equity, denominated in foreign currencies are translated at the rate in force on the balance sheet date. Subsidiary income and expenses denominated in foreign currencies are translated at the average rate during the period. Equity is remeasured at historic cost.

5.3.13 Accruals (liabilities)

This item includes income recognised during the period but attributable to a subsequent period.

5.3.14 Net revenue

Net revenue comprises the 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 sales.

5.4 Accounting changes

No changes in accounting policies or estimates have been applied in the 2017 financial statements.

Nevertheless, to ensure comparability between financial statements, please note that the item posted in 2016 under "Other taxes not posted in income tax" has been reclassified to social charges.

The line "Valuation allowances on contingent liabilities" has been reclassified to "Other operating expenses".

6 Significant events

6.1 Highlights of the period

6.1.1 Changes in share capital

The Board of Directors decided on 12 June 2017 to increase the share capital by €63,244.08, raising it from €10,424,663.16 to €10,487,907.24, through the issue of 124,008 new shares at a par value of €0.51, with a total share premium of €2,436,757.20.

The Board of Directors decided on 27 September 2017 to increase the share capital by €25,321.50, raising it from €10,487,907.24 to €10,513,228.74, through the issue of 49,650 new shares at a par value of €0.51, with a total share premium of €454,351.68.

The Board of Directors decided on 6 October 2017 to increase the share capital by €1,635,870.90, raising it from €10,513,228.74 to €12,149,099.64, through the issue of 3,207,590 new shares at a par value of €0.51, with a total share premium of €7,183,053.64.

The Board of Directors decided on 12 October 2017 to increase the share capital by €6,120, raising it from €12,149,099.64 to €12,155,219.64, through the issue of 12,000 new shares at a par value of €0.51, with a total share premium of €44,040.

6.1.2 New company formations and acquisitions

New company formations:

To meet its growing needs across a range of segments, SOLUTIONS 30 formed the following companies:

- TELIMA Relève IDF, on 24 January 2017,
- TELIMA Network Services, on 24 January 2017,
- TELIMA Distributed Services, on 31 August 2017,
- TELIMA RELEVE GRAND EST on 2 October 2017.

Acquisitions

The Group made acquisitions to deepen its footprint in its various markets. During the 2017 financial year, Solutions 30 completed:

- the acquisition of 47% of CPCP Télécom in France to boost market share in fibre optic and telecoms;
- the acquisition of an additional 40% of the capital of REXION Computer (Spain) bringing our stake to 100%;
- the acquisition of 100% of Vodafone Kabel Deutschland Field Services, a former Vodafone subsidiary, to strengthen its positioning in Germany;
- the consolidation of Fujitsu field services for IT support in France.

These acquisitions during the 2017 financial year amounted to a total of €10 million.

6.2 Significant events since 31 December 2017

The Board of Directors decided on 31 January 2018 to increase the share capital by €176,484.48, raising it from €12,155,219.64 to €12,331,704.12, through the issue of 346,048 new shares at a par value of €0.51, with a total share premium of €1,893,577.82.

In March 2018, we signed a major contract with DXC Technology for the outsourcing of all DXC's local IT support activities in Italy to Solutions 30.

7 Scope of consolidation

7.1 Activity

In view of our activities, tracking performance by geographical region is the most relevant approach. The information is broken down into the following:

- France region,
- International expansion.

The segment information presented in section 9 is also presented according to this breakdown.

7.2 Scope of consolidation at 31 December 2017

The following companies are not included in this scope of consolidation:

Companies	Reasons for exclusion
Telima Poland	Business is not material for the Group (as was the case in 2016)
Connectica	Business is not material for the Group (as was the case in 2016)
GNS	No significant influence
Rimiflu	No significant influence
VoCo Single Member PC	Non-material business (created in April 2017)
Solutions 30 Eastern Europe	Business is not material for the Group (as was the case in 2016)

The list of consolidated companies, percent control, interest and consolidation methods are given in the table below:

Company and legal form	Registered office	Method 31/12/2017	% holding 31/12/2017	% stake 31/12/2017
Janssens group	Tervueren 34 BE-1040 Brussels (Etterbeek) Belgium	Proportionate consolidation	50.00%	50.00%
JANSSENS FIELD SERVICES	Slachthuisiaan 78 BE - 2060 Antwerpen Belgium	Proportionate consolidation	50.00%	50.00%
JANSSENS BUSINESS SOLUTIONS	Slachthuisiaan 78 BE - 2060 Antwerpen Belgium	Proportionate consolidation	50.00%	50.00%
JANSSENS INVESTMENT SERVICES	Slachthuisiaan 78 BE - 2060 Antwerpen Belgium	Proportionate consolidation	50.00%	50.00%
WILD CATS CONSULTING	Slachthuisiaan 78 BE - 2060 Antwerpen Belgique	Proportionate consolidation	50.00%	50.00%
TELIMA Belgique SPRL	Ave Louise 486-15 1050 Bruxelles - Belgium	Full consolidation	100.00%	100.00%
SOLUTIONS 30 HOLDING GmbH	Bachstrasse 109 - 50171 Kerpen (Germany)	Full consolidation	100.00%	100.00%
SOLUTIONS 30 FIELD SERVICES GMBH (Connecting Cable GMBH)	Berliner Strasse 21a 31860 Emmerthal	Full consolidation	100.00%	100.00%
DBS Digital Business Solutions Gmbh (ex TELIMA DEUTSCHLAND)	Robert-Bosch-Str.33. 73431 Aalen - Germany	Full consolidation	100.00%	100.00%
Solutions 30 Gmbh	Teinacher StraBe 49. 71634 Ludwigsburg Germany	Full consolidation	100.00%	100.00%
ABM Communication Gmbh	Schriesheim. Gernackerweg 1 69198 Schriesheim Germany	Full consolidation	51.00%	51.00%
SOLUTIONS 30 FIELD SERVICES SUD GMBH (VKDFS)	Südwestpark 15 in 90449 Nürnberg. Germany	Full consolidation	100.00%	100.00%

Solutions 30 Iberia 2017 (REXION)	Calle Innovacion 7 - Madrid	Full consolidation	100.00%	100.00%
AUTRONIC	Parque Techologico y Logistico de Valladares Calle C. Nave C4 36315 de Vigo. Spain	Equity method	49.00%	49.00%
SOLUTIONS 30 SE	6. rue Dicks L 1417 Luxembourg	Parent company	100.00%	100.00%
TELIMA MONEY SAS	61. Rue de l'Arcade 75008 Paris - France	Full consolidation	100.00%	100.00%
TELIMA INFOSERVICES (EX TELIMA RETAIL)	5. Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
TELIMA BUSINESS SOLUTIONS SAS	321. Bureaux de la Colline 92210 St Cloud - France	Full consolidation	100.00%	100.00%
FORM@HOME	Tour Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
PC30 FAMILY SARL	5. Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
FREPART (EX TELIMA ROUEN SARL)	48. Quai de Paris 76000 Rouen - France	Full consolidation	100.00%	100.00%

Company and legal form	Registered office	Method 31/12/2017	% holding	%
TELIMA SERVICE REGION	5. Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
LOGISTIQUE (EX TELIMA IDF NORD SARL)	200. Chaussée Jules César 95250 Beauchamp - France	Full consolidation	100.00%	100.00%
TELIMA NORD (EX TELIMA C2A SARL)	4. Ave de Laon 51100 Reims - France	Full consolidation	100.00%	100.00%
TELIMA COMPTAGE SARL	5. Place du Corbeau 67000 Strasbourg - France	Full consolidation	100.00%	100.00%
TELIMA DIGITAL WORLD SARL (EX TELIMA LYON FAMILY)	5. Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
CPCP Télécom	ZAC N° 1 Les Bouillides -15 TRA Des Brucs 06560 Valbonne	Equity method	48.00%	47.00%
TELIMA NANCY SARL	112. Ave du général Leclerc 54000 Nancy -France	Full consolidation	100.00%	100.00%
TELIMA ONSITE SARL	5. Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%

TELIMA SGA	La Vigne de Guiguet 84270 Vedene - France	Full consolidation	100.00%	100.00%
TELIMA IDF SARL	34. Rue de la Forêt 91860 Epinay ss Sénart - France	Full consolidation	100.00%	100.00%
TELIMA SUD (EX TELIMA SUD OUEST SARL)	4. Rue de Caulet 31300 Toulouse - France	Full consolidation	100.00%	100.00%
TELIMA Breizh	5. Rue Chantecoq 92800 Puteaux - France	Full consolidation	100.00%	100.00%
SFM30	5 rue Chante Coq 92800 Puteaux	Full consolidation	100.00%	100.00%
TELIMA TELCO	12. rue Robert Moinon - Goussainville	Full consolidation	100.00%	100.00%
TELIMA ENERGY NORD	21 avenue Le Corbusier 59800 Lille	Full consolidation	100.00%	100.00%
TELIMA ENERGY SUD	33 quai Arloing 69009 Lyon	Full consolidation	100.00%	100.00%
TELIMA ENERGY OUEST	8 Rue Honoré de Balzac 37000 Tours	Full consolidation	100.00%	100.00%
TELIMA ENERGY EST	9 rue André Pingat BP 441 51065 Reims	Full consolidation	100.00%	100.00%
TELIMA ENERGY ATLANTIQUE	Rue Robert Caumont - Immeuble P 33049 Bordeaux Cedex	Full consolidation	100.00%	100.00%
TELIMA ENERGY IDF	10 rue Gudin 75016 Paris	Full consolidation	100.00%	100.00%
Atlan[1] tech	115 rue Roland Garros Aéropole zone de Prat Pip - Bâtiment A 29490 Guipavas	Full consolidation	100.00%	100.00%
TELIMA RELEVE NORD	Bâtiment B -1/3 Route de le Révolte 93200 Saint Denis	Full consolidation	100.00%	100.00%
TELIMA RELEVE EST	Parc d'Ariane I. 290 rue Ferdinand Perrier 69800 Saint Priest	Full consolidation	100.00%	100.00%
TELIMA RELEVE CENTRE	5 rue Chante Coq 92800 Puteaux	Full consolidation	100.00%	100.00%
TELIMA MANAGED SERVICES	5 rue Chante Coq 92800 Puteaux	Full consolidation	100.00%	100.00%
TELIMA RELEVE IDF	5 rue Chante Coq 92800 Puteaux	Full consolidation	100.00%	100.00%
TELIMA NETWORKS SERVICES	6 rue Chante Coq 92800 Puteaux	Full consolidation	100.00%	100.00%
TELIMA PROFESSIONNAL SERVICES	5 rue Chante Coq 92800 Puteaux	Full consolidation	100.00%	100.00%
TELIMA DISTRIBUTED SERVICES	5 rue Chante Coq 92800 Puteaux	Full consolidation	100.00%	100.00%
TELIMA RELEVE GRAND EST	11-13 Rue des Hautes Pâtures - 92000 Nanterre	Full consolidation	100.00%	100.00%

TELIMA ITALIA SRL	Corso Magenta 32 20100 Milano - Italy	Full consolidation	100.00%	100.00%
IMATEL SERVICE	Corso Magenta 32 20100 Milano - Italy	Full consolidation	100.00%	100.00%
Solutions 30 Services (MIXNET Roma)	Via dei Martinitt. 3 20146 Milan	Full consolidation	100.00%	100.00%
PIEMONTE	Corso Magenta 32 20100 Milano - Italy	Full consolidation	100.00%	100.00%
TELIMA CALABRIA SRL	Corso Magenta 32 20100 Milano - Italy	Full consolidation	60.00%	60.00%
TELIMA FRUILI SRL	Corso Magenta 32 20100 Milano - Italy	Full consolidation	60.00%	60.00%
TELIMA PALERMO SRL	Corso Magenta 32 20100 Milano - Italy	Full consolidation	51.00%	51.00%
TELIMA SUD SRL	Corso Magenta 32 20100 Milano - Italy	Full consolidation	60.00%	60.00%
TELIMA ROMA	Via dei Martinitt. 3 20146 Milan	Full consolidation	51.00%	51.00%
Solutions 30 Consortile	Via Fabrizio Clerici n°10 Milan	Full consolidation	85.00%	86.00%
Justone Solutions (CONTACT 30°)	Via George Marshall 10 95045 Misterbianco Italy	Full consolidation	51.00%	51.00%
SMARTFIX30 (Lux)	6. rue Dicks L 1417 Luxembourg	Full consolidation	85.00%	85.00%
WW Brand	6 Rue Dicks L-1417 Luxembourg	Full consolidation	100.00%	100.00%
BRAND30	24 Rue des Genêts L-1621 Luxembourg	Full consolidation	100.00%	100.00%
SOL30MAROC	7. Résidence Rami Rue Sebta 2ème étage Bureau 8 - Maarif- Casablanca	Full consolidation	100.00%	100.00%
BUSINESS SOLUTIONS 30 HOLLAND BV	Hambakenwetering 18 C - 5231 DC 's-HERTOGENBOSCH (Netherlands)	Full consolidation	100.00%	100.00%
TELIMA HOLLAND BV	Hambakenwetering 10 - 5231 DC Den Bosch - Pastbus 2186 - 5202 CD's-	Full consolidation	100.00%	100.00%
TELIMA TUNISIE	71. avenue Alain Savary Tunis	Full consolidation	100.00%	100.00%

8 Explanation of balance sheet and income statement and changes

8.1 Intangible assets

The breakdown of movements in goodwill by consolidated company is as follows:

	31/12/2016	Increase.	Decrease	Other changes	Currency translation adjustments	31/12/2017
Gross book value						
AUTRONIC	2,728	-	-	-		2,728
BELGIUM	463	-	-	-		463
BUSINESS	2,749	-	-	-		2,749
CONNECTING CABLE	-	-	-	-		-
DIGITAL WORLD	280	-	-	-		280
HOLLAND	114	-	-	-		114
IDF	285	-	-	-		285
JANSSENS GROUP	4,484	-	-	-		4,484
PC30 Italy	384	-	-	-		384
MONEY	2,044	-	-	-		2,044
MIXCONS	-	-	-	-		-
MIXNET	-	-	-	-		-
ALFAWARE	-	-	-	-		-
S30 SERVICE	30	-	-	-		30
MIXNET	-	-	-	30		30
ONSITE	221	-	-	-		221
INFOSERVICES	3,420	-	-	-		3,420
PC30 Family	151	-	-	-		151
REXION	-	-	-	-		-
ABM	4,444	-	(4,444)	-		-
CPCP	-	8,174	-	-		8,174
OTHERS	406	-	-	(67)		339
Others						
Total	22,201	8,174	(4,444)	(37)		25,896
Amortisation						
AUTRONIC	(189)	(227)				(417)
BELGIUM	(463)	-	-	-		(463)
BUSINESS	(1,572)	(229)	-	-		(1,801)
CONNECTING CABLE	-	-	-	-		-
DIGITAL WORLD	(280)	-	-	-		(280)
HOLLAND	(114)	-	-	-		(114)
IDF	(282)	-	-	-		(282)
JANSSENS GROUP	(249)	(374)	-	-		(623)
PC30 Italy	(154)	(77)	-	-		(231)
MONEY	(1,017)	(239)	-	-		(1,256)

MIXCONS	-	-	-	-		-
MIXNET	-	-	-	-		-
ALFAWARE	-	-	-	-		-
S30 SERVICE	-	(6)	-	(21)		(27)
MIXNET	(21)	(6)	-	-		(27)
ONSITE	(221)	-	-	-		(221)
INFOSERVICES	(1,069)	(285)	-	-		(1,354)
PC30 Family	(151)	-	-	-		(151)
REXION	-	-	-	-		-
ABM	(62)	62	-	-		-
CPCP	-	(369)	-	-		(369)
OTHERS	(406)	-	-	35		(371)
Total	(6,247)	(1,750)	-	14		(7,986)
Net book value						
AUTRONIC	2,538	(227)	-	-		2,311
BELGIUM	(0)	-	-	-		(0)
BUSINESS	1,176	(229)	-	-		948
CONNECTING CABLE	-	-	-	-		-
DIGITAL WORLD	-	-	-	-		-
HOLLAND	-	-	-	-		-
IDF	2	-	-	-		2
JANSSENS GROUP	4,235	(374)	-	-		3,862
PC30 Italy	231	(77)	-	-		154
MONEY	1,028	(239)	-	-		788
MIXCONS	-	-	-	-		-
MIXNET	-	-	-	-		-
ALFAWARE	-	-	-	-		-
S30 SERVICE	30	(6)	-	(21)		3
MIXNET	(21)	(6)	-	30		3
ONSITE	-	-	-	-		-
INFOSERVICES	2,351	(285)	-	-		2,066
PC30 Family	-	-	-	-		-
REXION	-	-	-	-		-
ABM	4,382	62	(4,444)	-		-
CPCP	-	7,805	-	-		7,805
OTHERS	0	-	-	(32)		(32)
Total	15,953	6,424	(4,444)	(23)		17,910

Goodwill recognised in the period arises from (see point 6.1.3) the acquisitions of Solutions 30 Field Services Süd (100%), CPCP Télécom (47%) and of the additional 40% stake in Rexion Computer.

Goodwill is impaired over five years, with the exception of goodwill from the acquisition of the Business Solutions and POS terminals activities, and the takeover of the assets of Infoservices (retail activity), which is impaired over a period of 12 years, in accordance with the accounting principles and policies set out in 5.2.2. herein.

Other intangible assets relate to the following items:

	31/12/2016	Increase	Decrease	Reclassification	Change in scope	Currency translation adjustments	31/12/2017
Gross book value							
Concessions, patents and licenses	9,895	1,946	(428)		-		11,412
Customer relations	19,298	18,642			-		37,940
Business assets	363	4,251	(386)	88	-		4,316
Intangible assets under construction	685	3,520	-	-	-		4,205
Total	30,241	28,358	(814)	88	-		57,873
Amortisation							
Concessions, patents and licenses	(4,127)	(2,044)	291		68		(5,811)
Customer relations	(4,749)	(3,915)					(8,664)
Business assets	(161)	(211)	176	(88)	-		(284)
Intangible assets under construction	-	-	-	-	-		-
Total	(9,036)	(6,170)	467	(88)	68		(14,759)
Net book value							
Concessions, patents and licenses	5,768	(98)	(138)	-	68		5,601
Customer relations	14,549	14,727	-	-	-		29,276
Business assets	202	4,040	(210)	0	-		4,032
Intangible assets under construction	685	3,520	-	-	-		4,205
Total	21,204	22,188	(347)	0	68		43,114

The customer relations line essentially includes (given as gross values) €7,003 K for CONNECTING CABLE, €2,401 K for DBS Germany, €915 K for Form@home, €574 K for Telima Business Solutions, €4,800 K for REXION, €3,605 K for ATLANTECH and €18,681 K for ABM.

Business assets for a gross total of €4,316 K represent intangible items listed under acquirees' assets and is amortised on the amount of €361 K at 31 December 2017.

Assets under construction amounted to €4,205 K at 31 December 2017.

8.2 Tangible assets

Tangible assets break down as follows:

	31/12/2016	Increase	Decrease	Reclassification	Change in scope	Currency translation adjustments	31/12/2017
Gross book value							
Buildings	197	3	-	-	-		200
Technical facilities, mast & tooling	4,714	1,439	(159)	(36)	(375)	-	5,582
Other tangible assets	5,493	2,489	(844)	62	356	(214)	7,342
Transport & IT equipment	-	3	-	19	-	(0)	22
Tangible assets under construction	-	-	-	-	-	-	-
Total	10,404	3,934	(1,003)	45	(19)	(214)	13,146
Amortisation							
Buildings	(112)	(13)	-	-	-	-	(125)
Technical facilities, mast & tooling	(1,088)	(1,180)	105	(1,242)	173	-	(3,232)
Other tangible assets	(3,885)	(1,042)	195	1,391	106	0	(3,235)
Transport & IT equipment	-	(3)	-	(13)	-	0	(15)
Tangible assets under construction	—	—	—	—	—	—	—
Total	(5,085)	(2,238)	300	136	279	*0*	(6,607)
Net book value							
Buildings	85	(10)					75
Technical facilities, mast & tooling	3,625	259	(53)	(1,278)	(203)	-	2,350
Other tangible assets	1,608	1,447	(649)	1,454	462	(214)	4,107
Transport & IT equipment	-	1	-	6	-	(0)	7
Tangible assets under construction	-	-	-	-	-	-	-
Total	5,318	1,696	(703)	181	260	(214)	6,539

8.3 Non-current assets

Other non-current assets mainly comprise deposits and sureties and the securities of equity-accounted non-consolidated subsidiaries.

(in thousands of euro)	31/12/2016	31/12/2017
Gross value		
Other long-term assets	971	1,236
Total	**971**	**1,236**
Provisions for amort/depreciation		
Other long-term assets	(26)	(26)
Total	**(26)**	**(26)**
Net values		
Other long-term assets	945	1,210
Total	**945**	**1,210**

8.4 Inventories

Inventories break down as follows:

(in thousands of euro)	31/12/2016	31/12/2017
Gross value		
Finished products and goods	7,108	6,805
Advances and down-payments	102	1,384
Total	**7,210**	**8,189**
Provisions for amort/depreciation		
Finished products and goods	(1,289)	(946)
Total	**(1,289)**	**(946)**
Net values		
Finished products and goods	5,819	5,859
Advances and down-payments	102	1,384
Total	**5,921**	**7,243**

Inventories are mainly made up of spare parts used for maintenance operations.

Defective parts are fully depreciated unless a repair estimate has been obtained, in which case, the defective part is depreciated in the amount of the repair cost.

8.5 Receivables

Gross receivables, by due date, break down as follows:

Gross amounts (in thousands of euro)	31/12/2016	31/12/2017	< 1 year	> 1 year
Trade and other receivables	47,671	103,385	103,385	0
Other receivables	36,382	111,960	111,960	0
Total	**84,053**	**215,345**	**215,345**	**0**

Impairments are as follows:

(in thousands of euro)	31/12/2016	31/12/2017
Trade and other receivables	955	1,294
Total	**955**	**1,294**

8.6 Accruals (assets)

Accruals, by maturity date, break down as follows:

Gross amounts (in thousands of euro)	31/12/2016	31/12/2017	< 1 year	> 1 year
Prepaid expenses	1,269	1,821	1,821	0
Deferred expenses	2	0	0	0
Total	**1,271**	**1,821**	**1,821**	**0**

8.7 Cash and cash equivalents

Group's net cash:

(in thousands of euro)	31/12/2016	31/12/2017
Current investments	8,743	1,637
Cash	13,235	26,682
Current bank credit (see note 8.10.1)	(10,302)	(12,349)
Total	**11,676**	**15,970**

8.8 Equity

At 31 December 2017, the share capital comprised 23.833.764 shares at par value of €0.51 per share.

Dilutive instruments in circulation consist of 128.695 equity warrants, likely to grand entitlement to 346.048 shares.

8.8.1 Legal reserve

At least 5% of the net profits of the consolidated company must be set aside every year to constitute legal reserve required under Luxembourg law. This requirement ceases when the reserve amounts to 10% of the subscribed capital. The legal reserve may not be distributed.

8.8.2 Authorised capital

The authorised capital amounts to €8,694,106.68, represented by 17,047,268 shares at a par value of €0.51 each. The authorisation will expire after five years from 19 July 2016.

8.9 Provisions

Contingent liabilities break down as follows:

(in thousands of euro)	31/12/2016	31/12/2017
Provisions for deferred tax liabilities	3,043	8,259
Provisions pour termination benefits	0	239
Other provisions	2,284	2,099
Total	**5,327**	**10,597**

Other provisions concern the following in particular:

- o Provisions for maintenance of vehicle and repair costs in the amount of €1,082 K;
- o Commercial and labour relations disputes, in the amount of €425 K;
- o Contingent liabilities on operations for €136 K;
- o Tax risks for €342 K.

8.10 Bank borrowings and other liabilities to banks

8.10.1 Type and maturity of bank borrowings

Bank borrowings and other liabilities to banks, according to maturity date, break down as follows:

(in thousands of euro)	31/12/2016	31/12/2017	< 1 year	1 to 5 years	> 5 years
Bank borrowings and other liabilities to banks	31,773	36,762	5,099	27,960	3,703
Cash credit	10,274	12,349	12,349	0	0
Miscellaneous financial liabilities	501	55	55	0	0
Total	**42,549**	**49,166**	**17,503**	**27,960**	**3,703**

The maturity of borrowings and other liabilities to banks ranges from 2018 to 2023. For the most part, the interest rates are fixed at 1.3 to 2%. Credit consists of cash facilities.

During the period, the Group negotiated €76 million in structured finance and employed €45.6 million of these funds to close out legacy loans and finance new acquisitions.

8.10.2 Breakdown by main currencies

All financial liabilities and are denominated in euro.

8.11 Other current liabilities

Other current liabilities include:

(in thousands of euro)	31/12/2016	31/12/2017
Trade and other payables	21,666	35,311
Advances and down payments received on orders	278	70
Staff and social security payables	14,266	21,597
Tax liabilities	34,328	89,732
Creditor current accounts	24	0
Other payables	780	48,562
Other current liabilities	**71,342**	**195,272**

8.12 Off-balance sheet commitments

8.12.1 Security interests granted and off-balance sheet commitments:

The Group has commitments to its joint shareholders in the following companies: AUTRONIC, JANSSENS, ABM and CPCP TELECOM. If its joint shareholders so request, SOLUTIONS 30 has committed to buying back, according to a specific schedule, the remaining share of the capital held by the long-standing shareholders. This buyback has been agreed on the basis of a valuation calculated as a multiple of EBITDA or sales. Balancing this commitment, the minority shareholders have agreed to dispose of their holdings, according to the same time frame and measurement basis. These commitments total €30 million spread over the next three years.

The undertaking of the minority shareholder in REXION, in which the Group held a 60% stake at 31 December 2016, to sell its shares was implemented in advance, in April 2017. This development increased the Group's share to 100% against payment of €130 K.

- Various sureties/guarantees granted in the amount of €900 K, relating to:

Guarantor	Company Guarantee	Sureties	Guarantee obligation	Maturity	Amount (in K€)
SOLUTIONS 30	S30 Group companies	Letter of credit	Payment of the amounts requested by the beneficiary in the course of its business for all products or services provided using fuel cards	01/08/2017 - Cancellation in six months	150
SOLUTIONS 30	Telima Money	Bond of indemnity	Obligations arising from the performance of services under contract, including the supply of payment terminals	Applicable throughout the entire contractual relationship	750

- Early redemption clauses for borrowings, in the event of failure to comply with covenants: the SOLUTIONS 30 Group complied with these conditions as at 31 December 2017.

- Amounts due to personnel: amounts committed for termination benefits amounted to €2.1 million at 31 December 2017.

8.12.2 Security interests granted and off-balance sheet assets

There are no off-balance sheet assets at the period end date, other than those binding the SOLUTIONS 30 Group and its joint shareholders in the following companies: AUTRONIC, JANSSENS, ABM and CPCP TELECOM (see note 8.12.1).

8.13 Other operating income

Other operating income is made up primarily of operating subsidies and income from the sale of equipment to the Group's subcontractors.

8.14 Net finance costs/income - Income from equity interests

This note addresses and details the income statement lines as follows:

Income from equity interests and similar; net finance costs	2017	2016
Income from equity interests, detailing income from associates on a separate line	**3,744**	**3,967**
of which negative goodwill (see note 8.15)	3,654	3,886
of which other income (see below)	90	81
Interest and similar expense, detailing the amounts due to associates on a separate line (see below)	**(1,906)**	**(1,284)**

8.15 Recurring and non-recurring profit/(loss)

The table below shows the switch from Net Income to adjusted EBIT and adjusted EBITDA. The Group considers that these latter measures more closely reflect its operating performance during the period.

Switch from Accounting profit/(loss) to key management indicators		2017	2016	
Net income	**A**	**12,393**	**8,107**	
Income tax	B	- 1,927	- 1,617	Note 8.16
Net finance costs	C	- 1,557	- 1,202	Note 8.14
Non-recurring finance costs/income:	D	- 282	0	Note 8.15
EBIT (earnings before interest and taxes)	**E=A-B-C-D**	**16,159**	**10,926**	
Goodwill impairment expense	F	- 1,685	- 1,477	Note 8.1
Customer relations amortisation	G	- 3,857	- 2,349	Note 8.15
Non-recurring profit/(loss) excluding financial and tax items (*)	H	965	187	Note 8.15
Adjusted EBIT	**H=D+E+F+G**	**20,736**	**14,565**	
Net amortisation and depreciation expense and provisions	I	- 4,730	- 2,830	
Adjusted EBITDA	**J=H+I**	**25,466**	**17,395**	

Non-recurring profit/(loss):

Non-recurring profit/(loss) includes income and expenditure that are significant in terms of their amount, unusual in nature or infrequent.

The Group considers that the classification of these expenses and income in non-recurring profit/(loss) facilitates understanding of the intrinsic economic performance of its operations. For SOLUTIONS 30, these items include three categories of income and expense:

- negative goodwill recognised as a result of allocating acquisition costs inherent to the merger or business combination process. This negative goodwill arises from identifying and measuring assets and liabilities;
- restructuring costs when they are material;
- the impact of disposals of subsidiaries, equity interests, and capital assets generally. Where relevant, the costs incurred are deducted from proposed disposals (legal, intermediary or distribution fees, notably).
- expenses relating to the prior profit/(loss) of group companies consolidated for the first time in 2070, differences stemming from the opening balance sheet and the amortisation and depreciation of the acquirees' assets.

Non-recurring profit/(loss)		**2017**	**2016**
Non-recurring income			
	Negative goodwill on customer relations	3,542	3,886
Non-recurring expenses			
	Restructuring costs	1,696	2,975
	Other expenses	1,164	723
Non-recurring profit/(loss)		**683**	**188**

The customer relations badwill line in 2017 covers customer relations recognised for REXION, VKDFS and ABM.

8.16 Income tax

Income tax breaks down as follows:

(in thousands of euro)	2017	2016
Tax liability	(2,667)	(3,150)
Deferred tax assets	739	1,533
Total	**(1,927)**	**(1,617)**

8.17 Workforce on the reporting date

The total workforce employed by fully consolidated companies on the closing date of the period breaks down as follows:

	2017
Office workers	309
Technicians	2,374
Executives	80
Total	**2,763**

9 Other disclosures

9.1 Sales by region

The following table shows the revenue by region:

(in thousands of euro)	2017	2016
France	177,935	133,509
International	96,596	58,293
Total	**274,531**	**191,802**

9.2 Sales by activity

The following table shows the revenue by activity:

(in thousands of euro)	2017	2016
Sales of services	267,620	167,231
Sales of goods	6,911	24,571
Total	**274,531**	**191,802**

9.3 Companies and associates

All transactions with associates were concluded on an arm's length basis.

9.4 Compensation paid to directors and members of the executive bodies

Compensation paid in respect of 2017 to directors and members of governance bodies for their duties as corporate officers and under their employment contracts amounted to €937 K.

There are no pension commitments to directors and members of governance bodies. No loans or advances were granted to management or supervisory bodies.

9.5 Statutory auditor's fees

Fees paid to the statutory auditor and its network in respect of the period amounted to €529 K.

No other non-audit services were provided by the statutory auditors or other auditors in 2017.