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## SOLUTIONS 30 RESPONDS TO ANONYMOUS REPORT CONTAINING FALSE ACCUSATIONS

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Solutions 30 responds to an anonymous report circulated on 8 December 2020 (the "Report").

Solutions 30 categorically denies all statements in the Report. The evidence brought forward is unsubstantiated, several facts are grossly misinterpreted and many evident shortcuts lead to wrong conclusions.

Nevertheless, the Report makes serious accusations that can create unfounded suspicions around the group, its management and the value of Solutions 30's shares. Solutions 30 wants to emphasise the integrity of its management team and assures its shareholders that it is confident about the accuracy of its financial statements.

Solutions 30 regrets that the Report's anonymous author has not contacted the Company to understand the nature of its business and verify the accuracy of the Report's statements and interpretations.

Despite this attempt to weaken and destabilise the group, its management and its long-term shareholders, Solutions 30 remains concentrated on executing its business strategy and achieving sustainable growth, as expected by all of its stakeholders.

In this response, Solutions 30 will address key allegations mentioned in the Report and will further provide more details.

1. **The Report alleges that** *"Solutions 30 has multiple links to persons with criminal convictions related to money laundering"*

To support the above statement, the anonymous author refers to press articles, a book and results of a Google search concerning Mr Angelo Zito.

Mr Angelo Zito is a chartered professional accountant registered with the Order of Chartered Professional Accounts of Luxembourg since 18 March 2003, and the Managing Partner of Fiduciaire du Kiem, a certified accounting firm. Persons are allowed to bear the title of chartered professional accountant in Luxembourg only if they satisfy certain conditions, among other, a good reputation and professional qualification together with a clean criminal record.

Moreover, Mr Angelo Zito is a sworn expert for the Luxembourg Ministry of Justice as can be seen in the list of sworn experts for the Luxembourg Ministry of Justice: [https://mj.gouvernement.lu/content/dam/gouv\\_mj/professions-du-droit/experts-asserment%C3%A9s/experts/Liste-des-experts-comptabilite.pdf](https://mj.gouvernement.lu/content/dam/gouv_mj/professions-du-droit/experts-asserment%C3%A9s/experts/Liste-des-experts-comptabilite.pdf)

Upon arrival in Luxembourg mid-2013, Solutions 30 began a working relationship with Fiduciaire du Kiem which lasted until the beginning of 2016. While Mr Zito, as general partner of this firm, was often a signatory of the documents provided, the working relationship was initiated and always maintained directly with a manager of the Fiduciaire.

Given the importance of the accusations against Mr Zito, sources must be thoroughly verified.

In [the pdf version of the Press Release](#), the conclusion of a research carried out by an external independent expert is available in Italian. It reads:

*“As part of the research carried out and the results obtained, it emerged that Mr Zito appears to have been involved in judicial issues, which were subsequently resolved.*

*It is learned that these events occurred in Palermo in the years 1998/1999/2000, attributable to mafia-type association (under art. 416 bis of the C.P.) and from what is evident it is highly plausible that they could have resulted in charge of the same order of imprisonment, a condition favourably and **definitively resolved in 2000 with an early acquittal sentence.***

*Several sources surveyed, further consultations and **other research carried out do NOT highlight recent significant news; therefore, nothing else significant has emerged on Mr Zito’s account.*** (free translation)

2. **The Report alleges that** *“Solutions 30 has been party to numerous transactions consistent with money laundering.”*

- For the establishment of new legal entities, including Brand 30 and WW Brand, and for the sake of efficiency, Solutions 30 acquired, for a small fee, empty shell companies provided by Fiduciaire du Kiem, which is a normal market practice. For the avoidance of doubt, Solutions 30 had no previous links to such acquired shell companies. The anonymous author implies that the above-mentioned practice is fraudulent because it was carried out by Mr Angelo Zito. However, as already explained, Mr Angelo Zito was never convicted of any criminal wrongdoing.
- In contradiction with the Report arguing that Solutions 30 has fictitious activities in French Guiana and Martinique, Solutions 30 confirms that in 2018, it won a contract covering several French regions, including French Guiana and Martinique. Solutions 30 Guyane and Solutions 30 Martinique were incorporated in 2018 and operate mainly in the telecom business, providing maintenance and installation services for a very large account.

At the end of 2019, Solutions 30 Guyane and Solutions 30 Martinique had respectively 28 and 47 employees, several local subcontractors and generated revenue of €9.8 million.

The Report questions the domiciliation of both companies. Solutions 30 is a field services business and almost all employees work in the field. Therefore, there is no correlation between office space and number of employees.

3. **The Report alleges that** *“Solutions 30 and related subsidiary accounts contain numerous mistakes and are impossible to reconcile”*

The anonymous author makes numerous errors when analysing the group subsidiaries and their activity. Here are some of the most gross mistakes:

- The Report alleges that *“Solutions 30 needs to explain why they do not list their Ukraine entity as a consolidated entity”*

Because it is not a company controlled by the group, Solutions 30 Ukraine has never been consolidated.

Solutions 30 Ukraine was created by a business partner in anticipation of Solutions 30’s entrance into the Polish market, which occurred at the end of 2019, with the objective of providing call centre/scheduling/back office activities for the group’s Polish operations. Contrary to what is stated in the Report, a number of Ukrainians in the region bordering Poland speak Polish.

- The Report alleges that *“Also, in the past Gianbeppi Fortis has taken loans from this entity [DBS, Digital Business Solutions, GmbH] and was the sole director. No mention of this is made in the Solutions 30 SE accounts.”*

The author of the Report makes a gross error by mistranslating the legal documentation.

Digital Business Solutions GmbH (DBS) financials are available on the German Trade Register: <https://www.unternehmensregister.de/>

The 2016 financials are available in German. The bottom of the document summarises the intragroup loans of DBS with its parent company. At the bottom of the page the document reads “gezeichnet Gianbeppi Fortis”, which means “signed by Gianbeppi Fortis”. The author of the Report has incorrectly translated the word “gezeichnet” with “drawn” instead of “signed”. As the English verb “drawn” can indicate a withdrawal of money, the author wrongly concludes that Mr Gianbeppi Fortis has withdrawn money from DBS which obviously was not the case.

- The Report alleges that *“Solutions 30 claims to have insourced operations in the Philippines but we can find no evidence of any legal entity they control in the Philippines”*

The Solutions 30 group has never had any legal entity in the Philippines and has never claimed to have had field services or back office operations there.

The group is only working with an external supplier based in Manilla, called EastVantage, which provides IT development services to the group. Solutions 30 has detached one of its managers locally to manage the liaison between the local development team and Solutions 30’s project managers.

4. **The Report alleges that** “Solutions 30’s profitability and cash flow do not match the purported nature of the business.”

The nature of the business of Solutions 30 is obviously misunderstood and the author makes several gross mistakes, here are the main ones:

- The Report alleges that *“Brand 30 Srl’s activities are not especially clear, based on the last accounts filed for the year until 31st of December 2019 Brand 30 Srl has built up a significant accounts receivable of approx Eur21mn (...) WW Brand Srl’s, also a 100% consolidated subsidiary of Solutions 30, (...) has also similarly built up a material receivable of approx. Eur17mn (...). Notably these receivables cannot be explained by consolidation given Brand 30 Srl and WW Brand Srl only appear to equity account given the 26% holdings in most sub entities.”*

The anonymous author refers to amounts of the statutory accounts of WW Brand and Brand 30 and claims that since such entities own only 26% of most entities, the receivables between WW Brand, Brand 30 and their subentities should not appear in the balance sheet. This is wrong: receivables should be booked in the statutory accounts regardless of the shareholding in the respective subsidiaries.

The second mistake is that since Brand 30 and WW Brand are 100% owned by Solutions 30 SE, their subsidiaries and themselves are correctly 100% consolidated in the group’s consolidated financial statements.

- The Report erroneously states that the financial statements of Telima Frepert are audited by Atriom. This is again a misstatement. Atriom is a chartered accountant providing services for the preparation of the financial statements and not the auditor of Telima Frepert.
- The Report alleges that *“Despite moving to IFRS Solutions 30 still book negative goodwill on the majority of acquisitions. This is very rare especially in 2019 where most companies struggle to be able to acquire companies at low valuations. In short this looks very aggressive especially as the negative goodwill is booked by writing up intangibles.”*

This is a topic that has been addressed many times and detailed during the 2019 Capital Markets Day (see the video of the replay starting at 55 minutes).

The anonymous author lacks the effort to analyse and understand standard accounting principles and more particularly the treatment of badwill therein. Solutions 30 fully complies with IFRS standard accounting principles. On top of this, the group’s main financial aggregates (Adjusted EBITDA and Adjusted EBIT) are adjusted to exclude the effect of the recognition of badwill and goodwill when asserting the group’s operational profitability.

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Since its creation in 2003, Solutions 30 has grown to become the European market leader through a combination of strong organic and external growth. In 2019, the group generated €682.2 million in revenue with an EBITDA margin of 13.5%. In 2020, despite an unprecedented situation, the group managed to maintain double-digit growth and profitability, while preparing for the future and positioning itself in new markets and geographies.

In parallel, the group strengthened its governance and moved to the regulated compartment of Euronext Paris, hence voluntarily increasing its duty of transparency towards the market and investors.

**These measures prove the determination of Solutions 30 to be transparent and to adopt the best market practices.**

#### **About Solutions 30 SE**

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The Solutions 30 group is the European leader in solutions for new technologies. Its mission is to make the technological developments that are transforming our daily lives accessible to everyone, individuals and businesses alike. Yesterday, it was computers and the Internet. Today, it's digital technology. Tomorrow, it will be technologies that make the world even more interconnected in real time. With more than 30 million call-outs carried out since it was founded and a network of more than 11,000 local technicians, Solutions 30 currently covers all of France, Italy, Germany, the Netherlands, Belgium, Luxembourg, the Iberian Peninsula, Poland, and the United Kingdom. The share capital of Solutions 30 SE consists of 107,127,984 shares, equal to the number of theoretical votes that can be exercised.

Solutions 30 SE is listed on the Euronext Paris exchange (ISIN FR0013379484- code S30). Indexes: MSCI Europe Small Cap | Tech40 | CAC PME | SBF120 | CAC Mid 60. Visit our website for more information: [www.solutions30.com](http://www.solutions30.com)

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