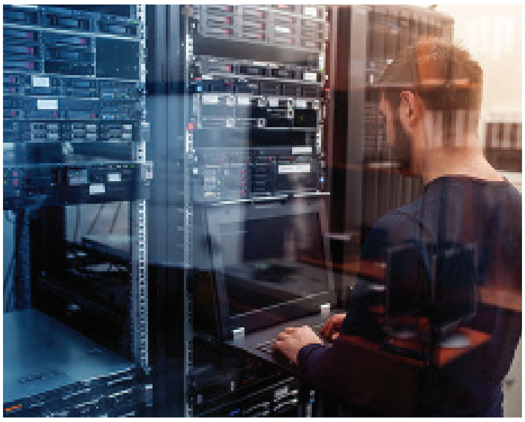
Solutions30

Solutions for New Technologies

INTERIM FINANCIAL REPORT
JUNE 30, 2020





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HALF-YEARLY ACTIVITY REPORT AND SIGNIFICANT EVENTS

1. Half-yearly activity report and significant events

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Key figures

In millions of euros	**06/30/2020**	06/30/2019	Change
Revenue	**363.7**	318.8	+14.1%
Adjusted EBITDA	**41.5**	40.6	+2.4%
As a % of revenue	***11.4%***	*12.7%*	
Adjusted EBIT	**21.8**	24.5	-11.0%
As a % of revenue	***6.0%***	*7.7%*	
Consolidated net income	**10.5**	15.3	-31.4%
As a % of revenue	***2.9%***	*4.8%*	
Net income, group share	**10.5**	15.5	-32.0%
As a % of revenue	***2.9%***	*4.9%*	
Financial structure data *In millions of euro*	**06/30/2020**	12/31/2019	Change
Equity	**148.8**	**138.3**	+10.5
Net debt	**26.7**	**91.8**	-65.1
Net bank debt	**-45.9**	**3.0**	-48.9

14% revenue growth

After a strong start to the year, lockdown measures, travel restrictions, and the closure of some businesses disrupted Solutions 30's activities from mid-March to mid-May. Over these two months, revenue was 35% lower than pre-Covid levels. As soon as the lockdown ended, most of the group's markets quickly bounced back to their pre-crisis levels and Solutions 30 returned to sustainable growth by June.

For the first six months of the year, revenue was up 14.1% (+6.9% organic growth) compared to the same period in 2019. Maintenance activities, which are recurrent by nature, acted as a buffer against the decline, or even temporary interruption, of installations and roll-outs.

In France, revenue grew by 10.4% (9.2% organic growth) in the first six months of 2020 to reach €224.3 million, compared with €203.3 million for the same period in 2019. This performance is a result of excellent momentum in the Telecom business, up 37% over the first six months, while the group's other business sectors suffered from the context. In the Benelux countries, revenue for the half-year was up 13.2% (2.0% organic growth) to €66.2 million, compared with €58.5 million for the same period in 2019, largely due to resilience in the Telecom business.

In other countries, revenue for the first half of 2020 was up by 28.2% (3.9% organic growth) to €73.1 million, compared with €57.0 million one year ago. The impact of pandemic-related restrictions has varied from country to country. Germany and Poland were relatively unscathed, while Italy and Spain were hit hard.

An agile and solid business model

Despite the sudden drop in activity followed by a sharp rebound, Solutions 30 has proven the effectiveness of its business model, as well as its ability to adapt quickly. From the outset of the lockdown, all measures were taken to protect the health of employees, while guaranteeing business continuity and adapting the group's cost structure to preserve its future capacity to capture structural growth in its markets.

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Reconciliation between operating income and EBITDA

In thousands of euros	**06/30/2020**	06/30/2019
Operating income	**16,382**	**19,774**
Depreciation of IFRS 16 rights of use	11,136	10,893
Increases in operational provisions	8,582	5,160
Customer relationship amortization	5,703	4,732
Other non-current operating income	(270)	-
Adjusted EBITDA	**41,533**	**40,559**
As a % of revenue	11.4%	12.7%

Thanks to a highly variable cost structure and the implementation of temporary furlough measures, adjusted EBITDA was €41.5 million at the end of June 2020, or 11.4% of revenue, compared to €40.6 million, or 12.7% of revenue one year earlier. Operating costs represented 78.2% of revenue, the same as a year earlier, while structural costs amounted to 10.4% of revenue (10.2% excluding costs related to the adoption of IFRS standards and transfer to Euronext), compared with 9.1% in the first half of 2019.

In step with the limited decline in the adjusted EBITDA margin, adjusted EBIT was €21.8 million, or 6.0% of revenue. It includes €8.6 million of depreciation and operating provisions tied to the increase in IT platform investments over the last two years, and €11.1 million of depreciation for right-of-use leased assets (IFRS 16).

Customer relationship amortization amounted to €5.7 million in 2020, compared to €4.7 million a year earlier. Net financial income, consisting mainly of financial expenses, represented an expense of €2.0 million, compared with €1.0 million for 2019. This variation is explained by the change in bank debt and by exchange losses of €0.7 million recorded on loans in local currency granted by the group to its Polish subsidiary (acquisition of Elmo assets and liabilities) and on transactions with its Tunisian subsidiary, while the euro appreciated. Taxes amounted to €3.8 million, compared to €3.5 million the previous year.

Taking these factors into account, the group share of net income reached €10.5 million, compared to €15.5 million in the first half of 2019.

Financial structure bolstered by diligently managing working capital requirements

At the end of June 2020, the group's equity amounted to €148.8 million, compared with €138.3 million at December 31, 2019. The group's gross cash position reached €151.8 million, compared to €84.2 million at the end of December 2019. Gross bank debt was €106.0 million compared with €87.1 million six months earlier. The group posted a net cash position (excluding IFRS 16) of €45.9 million at the end of June 2020, compared to a net debt of €3.0 million at the end of December 2019.

Net bank debt

In thousands of euros	**06/30/2020**	**12/31/2019**
Loans from credit institutions, long-term	77,126	65,827
Bank overdrafts	28,839	21,326
Cash and cash equivalents	(151,833)	(84,162)
Net bank debt	**(45,868)**	**2,991**

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Total net debt, including €57.8 million in leasing liabilities and €14.8 million of potential financial debt on future call options and earnouts, amounted to €26.7 million:

Net debt

In thousands of euros	06/30/2020	12/31/2019
Bank debt	105,965	87,153
Lease liabilities	57,771	61,594
Future liabilities from earnouts and put options	14,771	27,179
Cash and cash equivalents	(151,833)	(84,162)
Net debt	**26,674**	**91,764**

Operating cash flow amounted to €34.8 million for the first half of 2020. Throughout the crisis, Solutions 30 took care to protect its cash flow. In addition, and in the context of an unprecedented health crisis, the group's main customers have accelerated their invoice payment terms, resulting in a decrease in receivables of up to 2 months of revenue for some customers. As a result, working capital requirements decreased by €49.6 million. After taking into account a net investment of €6.0 million, free cash flow reached €78.4 million over the six-month period.

Calculation of free cash flow

In thousands of euros	06/30/2020	12/31/2019
Net cash flow from operating activities	**84,427**	**65,825**
Acquisition of non-current assets	(12,214)	(20,346)
Acquisition of Elmo assets	5,238	-
Disposal of non-current assets after tax	976	1,223
Free cash flow	**78,427**	**46,702**

Over the six-month period, working capital was negative at €40.9 million. Already on the path to especially high levels of growth since 2015, the group rolled out a non-recourse factoring program in 2018 for all subsidiaries to finance its working capital requirements. This program allowed it to trade receivables and to transfer to a factor (1) contractual rights to receive cash flows and (2) the near totality of any risks associated with the receivables. In the context of such an agreement, receivables for which nearly all of the risks and benefits have been transferred are not maintained under the "Customers" heading. A factoring program basically reduces the time it takes to collect on receivables, freeing up cash flow to finance the group's growth strategy, and on average costs less than 1% of the value of the traded receivables, given the quality of these receivables and the solvency of the group's customers.

Receivables that are transferred in this manner and are therefore deconsolidated, were worth €43 million at the end of June 2020, compared with €54 million at December 31, 2019.

Risks and uncertainties

The risk factors are of the same nature as those described in section 1.7 of the 2019 annual report, including the risks related to the Covid-19 health crisis described in section 3.2 of the 2019 annual report. The group's management team does not anticipate any significant change in these risks and uncertainties or any new elements of risk and uncertainty in the second half of 2020.

Outlook

On the back of strong performance during the first six months of the year, Solutions 30 confirms that organic growth will be sustained in the 3rd quarter. At this stage, as long as the situation does not worsen further, the group is confident in its ability to combine both double-digit growth and profitability.

Solutions 30 has a confident outlook for the coming months and years ahead. The group's business model has demonstrated its effectiveness during a crisis that was unprecedented in terms of its nature but also its speed and scale. The health crisis is acting as a catalyst for economic change. In this context, the group is stronger than ever, having asserted its competitive positioning and consolidated its relationships with its customers. The digital transformation and the energy transition are accelerating under the combined effect of necessity and economic stimulus plans being approved by the main European countries.
In markets driven by positive long-term trends, the group intends to pursue its strategy of balancing organic growth and acquisitions, while relying on its solid foundation of recurring activities to position itself in new markets and duplicate its French model throughout Europe.

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CERTIFICATION BY THE PERSON RESPONSIBLE OF THE HALF-YEAR FINANCIAL REPORT

2. Certification by the person responsible of the half-year financial report

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This is a free translation into English of the certification by the person responsible for the half-year financial report and is provided solely for the convenience of English-speaking users.

“I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the first half of 2020 have been prepared in accordance with applicable accounting principles and give a true and fair view of the assets and liabilities, financial situation and results of the Group. I further declare that the half year Management Report gives a true and fair view of the material events occurring during the first six months of the financial year and of their impact on the half year financial statements, of the principal related party transactions, and of the principal risks and uncertainties for the remaining six months of 2020.”

Luxembourg, September30th, 2020
Gianbeppi Fortis
Chief Executive Officer

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.1. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.1.1. Interim consolidated statement of financial position

Assets[1]

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(in thousands of euros)	*Notes*	06/30/2020	12/31/2019
Uncalled share capital		1	1
Goodwill	*7.1*	55,034	55,034
Other intangible assets	*7.1*	128,420	131,499
Property, plant and equipment	*7.1*	14,031	13,697
Right-of-use assets		57,889	61,884
Non-current contract assets	*4.2*	1,100	1,102
Investments in associates		259	197
Non-current financial assets		1,942	1,998
Deferred tax assets		6,445	5,240
NON-CURRENT ASSETS		**265,121**	**270,652**
Inventory and work in progress		21,168	15,050
Trade receivables and related accounts	*4.2*	135,280	173,138
Current contract assets	*4.2*	642	571
Other receivables		88,003	100,143
Prepaid expenses		700	143
Cash and cash equivalents	*9*	151,833	84,162
CURRENT ASSETS		**397,626**	**373,207**
TOTAL ASSETS		**662,747**	**643,859**

Liabilities[1]

(in thousands of euros)	*Notes*	06/30/2020	12/31/2019
Subscribed capital		13,659	13,659
Share premiums		17,376	17,376
Legal reserve		1,362	1,362
Consolidated reserves		92,744	53,616
Net income for the period		10,519	39,223
EQUITY, GROUP SHARE		**135,660**	**125,236**
Minority interests		13,152	13,111
EQUITY		**148,812**	**138,347**
Debt, long-term		91,897	80,664
Lease liabilities		38,018	40,987
Non-current provisions		19,640	18,856
Deferred tax liabilities		28,319	28,801
Other non-current financial liabilities		207	836
NON-CURRENT LIABILITIES		**178,081**	**170,144**
Debt, short-term		28,839	33,668
Current provisions		1,090	757
Lease liabilities		19,753	20,607
Trade payables		123,216	111,073
Tax and social security liabilities		149,032	152,271
Other current liabilities		9,921	14,013
Deferred income		4,003	2,979
CURRENT LIABILITIES		**335,854**	**335,368**
TOTAL EQUITY & LIABILITIES		**662,747**	**643,859**

[1] Financial statements reviewed according to the international standard ISRE 2410

3.1.2. Interim consolidated statement of comprehensive income[1]

Earnings for the 6-month period ending June 30, 2020

(in thousands of euros)	*Notes*	06/30/2020	06/30/2019
Revenue	4.1	363,678	318,760
Other current operating income		7,748	13,815
Net change in inventory and raw materials and consumables used		(39,544)	(23,380)
Staff costs		(91,490)	(89,714)
Taxes, duties, and similar payments		(28,845)	(27,668)
Other current operating expenses		(170,015)	(151,254)
Operating margin		**41,532**	**40,559**
Depreciation, amortization and impairment of fixed assets		(24,022)	(20,479)
Charges to and reversals of provisions		(1,398)	(306)
Other non-current operating income		270	-
Operating income		**16,382**	**19,774**
Financial income		79	113
Financial expenses		(2,117)	(1,133)
Net financial income		**(2,038)**	**(1,020)**
Income taxes	6	(3,846)	(3,452)
Income from associates		62	(51)
Consolidated net income		**10,560**	**15,251**
Group share		10,519	15,481
Minority interests		41	(230)
Basic earnings per share, group share (in euros)		0.098	0.145
Diluted earnings per share, group share (in euros)		0.098	0.145

(in thousands of euros)	06/30/2020	06/30/2019
CONSOLIDATED NET INCOME	**10,560**	**15,251**
Translation differences recognized in equity	(66)	37
Changes in actuarial gains and losses	(45)	(805)
Deferred taxed on changes in actuarial gains and losses	12	222
COMPREHENSIVE INCOME RECOGNIZED IN EQUITY	**(99)**	**(546)**
COMPREHENSIVE INCOME	**10,461**	**14,705**
Group share	10,420	14,935
Minority interests	41	(230)

[1] Financial statements reviewed according to the international standard ISRE 2410

3.1.3. Interim consolidated statement of changes in equity[1]

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(in thousands of euros)	Capital	Share premium	Legal reserve	Group reserves	Cumulative translation adjustments	Equity, group share	Minority interests	Total equity
POSITION AT 01/01/2019	13,267	15,860	1,269	58,325	(533)	88,188	10,687	98,875
Net income for 2019				15,481		15,481	(230)	15,251
Income recognized in equity				(583)	37	(546)		(546)
Comprehensive income for 2019	-	-	-	14,898	37	14,935	(230)	14,705
Other changes				(101)		(101)	33	(68)
POSITION AT 06/30/2019*	13,267	15,860	1,269	73,122	(496)	103,022	10,490	113,512

* See note 2.3 Reconciliation of financial position at the end of the last interim reporting period in accordance with Luxembourg standards

(in thousands of euros)	Capital	Share premium	Legal reserve	Group reserves	Cumulative translation adjustments	Equity, group share	Minority interests	Total equity
POSITION AT 01/01/2020	13,659	17,376	1,362	93,288	(449)	125,236	13,111	138,347
Net income for 2020				10,519		10,519	41	10,560
Income recognized in equity				(33)	(66)	(99)		(99)
Comprehensive income for 2020	-	-	-	10,486	(66)	10,420	41	10,461
Other changes				4		4		4
POSITION AT 06/30/2020	13,659	17,376	1,362	103,778	(515)	135,660	13,152	148,812

[1] Financial statements reviewed according to the international standard ISRE 2410

3.1.4. Interim consolidated cash flow statement[1]

For the 6-month period ending June 30, 2020 *(in thousands of euros)*	06/30/2020	06/30/2019
CONSOLIDATED NET INCOME	**10,560**	**15,251**
Net income, group share	10,519	15,481
Net income, minority interests	41	(230)
Elimination of non-cash or non-operating income and expenses:		
Depreciation, amortization and impairment	24,022	20,479
Allocations to provisions	1,398	306
Change in deferred taxes	(1,688)	(280)
Elimination of income from associates	(62)	51
Change in fair value of non-current contract assets	2	(61)
Change in fair value of financial instruments	5	188
Elimination non-current transactions	(270)	-
Change in fair value of earnouts and put options	(98)	(135)
Elimination of interest expense	930	349
Operating cash flow from consolidated companies	**34,799**	**36,148**
Change in working capital requirements for operations	**49,628**	**13,158**
Decrease/(increase) in inventory and work in progress	(6,117)	(1,574)
Decrease/(increase) in trade & other receivables	37,787	2,058
Increase/(decrease) in trade & other payables	12,683	22,125
Increase/(decrease) in other receivables and debts	5,275	(9,451)
Net cash flow from operating activities	**84,427**	**49,306**
CASH FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of non-current assets**	(12,214)	(8,112)
Contingent consideration on acquisitions of subsidiaries and businesses	(12,467)	(1,000)
Disposal of non-current assets after tax	976	1,463
Net cash from/(used in) investing activities	**(23,705)**	**(7,649)**
CASH FROM/(USED IN) FINANCING ACTIVITIES		
Loan issuance*	18,783	856
Repayment of loans and borrowings and related financial expenses	(940)	(4,680)
Repayment of lease liabilities and related financial expenses	(11,217)	(11,144)
Net cash from/(used in) financing activities	**6,626**	**(14,968)**
Impact of changes in foreign exchange rates	323	(69)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**67,671**	**26,620**
Opening cash balance	**84,162**	**69,898**
Closing cash balance	**151,833**	**96,517**

[1] Financial statements reviewed according to the international standard ISRE 2410
* See note 8.3
** Includes the acquisition of assets belonging to the Polish company ELMO

3.2. NOTES

Note 1 : Information on the company and group

The interim consolidated financial statements of Solutions 30 SE and its subsidiaries (collectively, the "group") for the year ended June 30, 2020, were closed by the Group Management Board on September 30, 2020. Solutions 30 (the "company" or the "parent company") is a European company incorporated and domiciled in the Grand-Duchy of Luxembourg with shares listed in compartment A on the Euronext Paris market. Its registered office is located at:

3 rue de la Reine
L-2418 Luxembourg

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

Note 2 : Basis of preparation and changes in group accounting principles

2.1. Basis of preparation

The interim consolidated financial statements for the six months ended June 30, 2020, have been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the European Union.

They do not include all the information and notes required in the annual financial statements and should be read in conjunction with the group's consolidated financial statements at December 31, 2019.

Notes 2.2 and 2.3 detail the main adjustments made by the group in order to restate the comparative data initially prepared in accordance with Luxembourg accounting standards, in relation to the statement of comprehensive income and the statement of changes in equity at June 30, 2019.

2.2. Restatements applied

Intangible assets

Under Luxembourg accounting standards, the group recognized business assets on certain acquisitions. Under IFRS, business assets are reclassified to goodwill. Goodwill is listed in intangible assets in the statement of financial position.

Moreover, under Luxembourg accounting standards, goodwill was amortized. Under IFRS, it is subject to an impairment test in accordance with IAS 36 as soon as there is an indication of impairment and at least once a year.

Leases

Lease liabilities were recorded on the basis of lease payments remaining due, capitalized based on the lessee's average incremental borrowing rate. Right-of-use assets were valued at the same amount as lease liabilities and adjusted for the amount of any advances or lease payments due with regard to lease contracts present in the statement of financial position. Lease expenses for contracts expiring within the 12 months following the IFRS transition date and for contracts whose underlying assets have a low value have been recognized as operating expenses.

Non-current provisions – Pension liabilities

Under IFRS, provisions related to retirement benefits must be measured using the projected unit credit method. The provisions are recorded in the statement of financial position in the full amount of the obligation with a contra entry in the group's reserves on the transition date.

In subsequent years, actuarial gains and losses are recorded in reserves while the cost of services rendered and financial cost are recorded in the statement of comprehensive income.

Joint operations

In the form of a consortium, the group has been partnering with other companies in Belgium since 2016 in order to contribute to the development of the telecom infrastructure in this country. Under Luxembourg accounting standards, the revenues invoiced to this consortium for operations carried out by the group were included in the group's revenue. Under IFRS, assets, liabilities, revenues, and costs must be reported separately up to the group's interest in the consortium.

Revenue

The group's offer includes the provision of electronic payment terminals and the related maintenance services. Under Luxembourg accounting standards, the group recognized the associated revenue based on the services provided. Under IFRS, these contracts have two separate performance obligations, each of which gives rise to a different revenue recognition process. Income from the provision of equipment is thus recognized in full when the equipment is delivered, while income from maintenance activities continues to be recognized over the term of the lease.

On certain contracts, the group has performance obligations that lead to the receipt of variable income during a production period exceeding 6 months. Revenue established according to Luxembourg standards included this variable income in revenue as soon as this income was certain. Under IFRS, this variable income must be included in revenue as soon as it is highly probable.

Deferred taxes

The various adjustments related to the transition to IFRS that are detailed above generated several temporary differences. The group recognizes the tax impact of these temporary differences through the recognition of deferred taxes with a contra entry in the group's equity in its statement of financial position.

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2.3 Reconciliation of financial position at the end of the last interim reporting period in accordance with Luxembourg standards (June 30, 2019).

Equity

	LUX GAAP	Business combinations (IFRS 3)	Income from ordinary activities (IFRS 15)	Accounting for acquisitions of interests in a joint operation (IFRS 11)	Leases (IFRS 16)	Recognition of pension liabilities (IAS 19)	Recognition of tax losses (IAS 12)	IFRS	
		(1)	(2)	(3)	(4)	(5)			
A. Equity									
I. Subscribed capital	13,267							13,267	Subscribed capital
II. Share premium and related premiums	15,859							15,859	Share premiums
III. Reserves									
1. Legal reserve	*1,269*							*1,269*	Legal reserve
2. Consolidated reserves	*52,817*	*5,808*	*1,149*	*78*	*(133)*	*(3,557)*	*984*	*57,146*	Consolidated reserves
IV. Net income for the period	14,645	1,631	376	26	(9)	(203)	(984)	15,481	Net income for the period
V. Minority interests	8,497	1,954		44	(6)		-	10,490	Minority interests
	106,354	**9,393**	**1,525**	**148**	**(147)**	**(3,760)**	**0**	**113,512**	**EQUITY**

(1) See note 2.2. – Business combinations
(2) See note 2.2. – Revenue
(3) See note 2.2. – Joint operations
(4) See note 2.2. – Leases
(5) See note 2.2. – Non-current provisions – pension liabilities

Earnings

	LUX GAAP	Business combinations (IFRS 3)	Income from ordinary activities (IFRS 15)	Accounting for acquisitions of interests in a joint operation (IFRS 11)	Leases (IFRS 16)	Recognition of pension liabilities (IAS 19)	Recognition of tax losses (IAS 12)	Reclassifications	IFRS	
		(1)	(2)	(3)	(4)	(5)		(6)		
1.Net revenue	**317 868**		**584**	**199**				**108**	**318 760**	**Revenue**
2. Change in inventory of finished goods and work in progress	**108**							**(108)**		
3. Work performed by the company for its own account and capitalized	**2 272**							**(2 272)**		
4. Other operating income	**11 455**							**2 360**	**13 815**	Other current operating income
5. Purchases and external expenses	**(183 481)**							**160 101**	**(23 380)**	Net change in inventory and raw materials and consumables used
a) Raw materials and consumables	*(20 318)*							-		
b) Goods	*(3 649)*							-		
c) Other external expenses	*(159 514)*							-		
6. Personnel costs	**(117 382)**							**27 668**	**(89 714)**	Staff costs
a) Wages and salaries	*(89 714)*							-		
b) Payroll taxes, with a separate disclosure for pension-related taxes	*(27 668)*							-		
								(27 668)	**(27 668)**	Taxes, duties, and similar payments
7. Fair value adjustments	**(10 948)**							**10 948**		
a) of establishment costs and of non-current tangible and intangible assets	*(10 810)*							-		
b) of current assets, insofar as they exceed nominal value adjustments within the company	*(138)*							-		
8. Other operating expenses	**(1 700)**		**(382)**	**(147)**	**11 164**			**(160 189)**	**(151 254)**	Other current operating expenses
								-	40 559	Operating margin
		976	320		(10 893)	(240)		(10 642)	(20 479)	Depreciation and amortization impairments and reversals
								(306)	(306)	Charges to and reversals of provisions
9. Income from investments, with separate disclosure of income owed to related companies	**113**							(113)	-	Earnings on sale of holdings
								-	-	Other non-current operating income
								-	-	Other non-current operating expenses
								-	19 774	Operating income
						(41)		154	113	Other financial income
13. Interest and similar expenses, with separate disclosure of amounts owed to related companies	**(577)**	**(232)**			**(283)**			(41)	(1 133)	Other financial expenses
								-	(1 020)	Net financial income
14. Income tax	**(2 980)**	**593**	**(146)**	**(15)**	**3**	**78**	**(986)**	-	(3 452)	Income taxes
15. Income from associates	**(39)**	**(13)**						-	(51)	Profit or loss of associates and joint ventures accounted for using the equity meth
17. Net income for the period	14 710	**1 325**	**376**	**37**	**(9)**	**(203)**	**(986)**	-	15 251	Consolidated net income
Group share	14 645	1 631	376	26	(9)	(203)	(985)	-	15 481	Group share
Minority interests share	66	(306)		11			(1)	-	(230)	Minority interests

(1) See note 2.2. – Business combinations
(2) See note 2.2. – Revenue
(3) See note 2.2. – Joint operations
(4) See note 2.2. – Leases
(5) See note 2.2. – Non-current provisions – pension liabilities
(6) presentation reclassifications

2.4 New standards, interpretations and amendments adopted by the group

The accounting methods adopted in the preparation of these interim consolidated financial statements are consistent with those used to prepare the group's annual consolidated financial statements for the year ended December 31, 2019 (except for newly adopted standards, effective as of January 1, 2020). The group has not early adopted any standard, interpretation, or amendment that has been published but has not yet come into effect.

Several amendments and interpretations apply for the first time as of January 1, 2020, but have no impact on the group's interim consolidated financial statements as of June 30, 2020.

- Amendment to IAS 1 and IAS 8 "Definition of Material," published on October 31, 2018;
- Amendment to the references to the conceptual framework for IFRS, published on March 29, 2018;
- Amendment to IFRS 3 "Definition of a Business," published on October 22, 2018.

The impacts on the interim financial statements of texts published by the IASB at June 30, 2020, and not in force in the European Union are currently being analyzed. These texts are as follows:

- Amendment to IAS 1 "Presentation of Financial Statements - classification of liabilities as current or non-current," published on January 23, 2020;
- Amendment to IFRS 3 "Business Combinations," IAS 16 "Property, Plant and Equipment," IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," and the Annual Improvements to IFRS (2018-2020 cycle), published on May 14, 2020;
- Amendment to IFRS 16 "Covid-19-Related Rent Concessions," published on May 28, 2020.

2.5. COVID, the impacts on the business and the measures taken by the group

Due to the lockdown measures adopted by various governments as a result of the Covid-19 pandemic, the group's activity slowed down between mid-March and mid-May, compared to pre-Covid levels.

During this period, the group first took care to protect its employees' health and the call-out processes were adapted in accordance with recommendations from health authorities to ensure the continuity of service required by customers.

Secondly, and in a context of declining activity, the group implemented all measures required to protect its financial position, especially financial margins and cash flow. In particular, the group has made use, when necessary, of partial furlough schemes available in various countries and has been able to defer certain tax payments or loan repayments.

The Solutions 30 teams also supported the group's customers throughout this period in order to prepare for the anticipated rebound in activity. Activity returned to normal levels at the end of May and to sustained growth rates in June. Some customers accelerated their invoice payment terms to help the group manage this sharp increase in volumes without penalizing the group's working capital requirements.

Note 3 : Scope of consolidation

The group subsidiaries contributing to the financial information presented in these consolidated financial statements are listed in note 3.2 of the annual consolidated financial statements for the year ended December 31, 2019.

At the end of June 2020, the only change involved the delisting on June 23, 2020, of the Balkans Shared Services subsidiary, whose activity had been dormant since 2019.

Note 4 : Revenue and customers

4.1 Breakdown of revenue

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

(in thousands of euros)	06/30/2020	France	Benelux	Other
Types of activities				
On-site call-outs	**358,174**	219,708	65,491	72,975
Leasing of payment terminals	**2,199**	2,199	-	-
Change in work in progress	**3,305**	2,438	700	167
Total revenue from contracts with customers	**363,678**	**224,346**	**66,191**	**73,142**

(in thousands of euros)	06/30/2019	France	Benelux	Other
Types of activities				
On-site call-outs	**316,421**	200,916	58,457	57,049
Leasing of payment terminals	**2,230**	2,230	-	-
Change in work in progress	**108**	108	-	-
Total revenue from contracts with customers	318,760	203,254	58,457	57,049

At June 30, 2020, the group's revenue is up 14% compared to June 30, 2019. Business grew in all geographical segments despite the impact of the COVID pandemic.

4.2 Trade receivables and related accounts

Total receivables sold and deconsolidated under its non-recourse factoring program, amounted to €43 million at June 30, 2020 (€54 million at December 31, 2019).

(in thousands of euros)	06/30/2020	12/31/2019
Trade receivables	51,173	95,028
Invoices to be issued	83,055	76,396
Trade payables - advances and down payments	1,052	1,713
TOTAL	**135,280**	**173,138**

During the first half of 2020, the group recognized an impairment of €0.1 million (€0.5 million at June 30, 2019) on its trade receivables. All trade receivables and related accounts are due in less than one year.

<u>Contract assets</u>

Contract assets relate to the lease contracts for payment terminals marketed by the group. At June 30, 2020, contract assets amounted to €1.7 million (December 31, 2019: €1.7 million).

Note 5 : Operating income

5.1 Operating margin

The main indicator of group operating profitability is the operating margin. It corresponds to operating income before depreciation, amortization, reversals, and provisions, income from the sale of holdings, the cost of services provided by the group's holding company and other non-current operating income and expenses. The Solutions 30 group's segment reporting is based on geographical segments, in accordance with the internal management data used by the group management board, and in accordance with the principles of IFRS 8.

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(in thousands of euros)	06/30/2020	France	Benelux	Other countries	HQ
Revenue	363,678	224,345	66,191	73,142	-
Operating margin	41,532	32,396	9,316	2,685	(2,865)
Operating margin in %	11.4%	14.4%	14.1%	3.7%	-

(in thousands of euros)	06/30/2019	France	Benelux	Other countries	HQ
Revenue	318,760	203,254	58,457	57,049	-
Operating margin	40,559	32,300	5,959	4,899	(2,599)
Operating margin in %	12.7%	15.9%	10.2%	8.6%	-

5.2 Off-balance sheet commitments related to operating activities

Country	Principal	Type of guarantee	Guaranteed obligations	Term	Amount in € thousands
France	S30 group's companies	Subcontracting guarantee	Obligations arising from a surety and guarantee contract for the group's subcontractors	Applicable during the entire contractual relationship	5,000
France	Telima Money	Indemnity bond	Obligations arising from the performance of services under contract, including the provision of payment terminals	Applicable during the entire contractual relationship	750
Poland	S30 group's Polish companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom business	Applicable during the entire contractual relationship	605
Belgium	S30 group's Belgian companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom and energy businesses	Applicable during the entire contractual relationship	865
Spain	S30 group's Spanish companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom business	Applicable during the entire contractual relationship	585
Belgium	Unit-T	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	193
France	S30 group's French companies	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	Applicable during the entire contractual relationship	150
Netherlands	Solutions 30 Netherlands	Lease guarantee	Vehicle lease obligations	Applicable during the entire contractual relationship	120
Poland	S30 group's Polish companies	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	11/25/2020	100
Luxembourg	Solutions 30 SE	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	79
Spain	S30 group's Spanish companies	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	Applicable during the entire contractual relationship	43
Netherlands	Solutions 30 Netherlands	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	24
France	Telima Frepart / Telima Energie IDF	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	10

Note 6 : Income tax

The group calculates the income tax expense for the period using the tax rate that would apply to the total expected annual income. The main components of the tax expense in the interim consolidated income statement range are:

(in thousands of euros)	06/30/2020	06/30/2019
Deferred taxes	1,702	57
Current taxes	(5,548)	(3,509)
Corporate income tax	**(3,846)**	**(3,452)**

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Note 7 : Intangible assets and property, plant and equipment

7.1 Breakdown of major assets by sector

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

(in thousands of euros)	06/30/2020	France	Benelux	Other
Goodwill	55,034	25,889	28,345	800
Other intangible assets	128,420	40,961	49,714	37,745
Property, plant and equipment	14,031	7,433	2,326	4,272

(in thousands of euros)	12/31/2019	France	Benelux	Other
Goodwill	55,034	25,889	28,345	800
Other intangible assets	131,499	43,747	50,371	37,381
Property, plant and equipment	13,697	7,188	2,609	3,900

7.2 Impairment tests of intangible assets

The group performed its annual impairment test in December 2019 and may update it when circumstances may lead to a risk of impairment. The group's impairment test for goodwill and intangible assets is based on value-in-use calculations. The main assumptions used to determine the recoverable amounts at the level of the various cash-generating units are explained in the consolidated financial statements for the 2019 financial year.

At June 30, 2020, the change in discount rates is approximately 30 basis points and has no effect on the results of the impairment tests performed by the group.

The group also takes into consideration, among other factors, the relationship between its market capitalization and the carrying amount of balance sheet assets to assess the risk of impairment. At June 30, 2020, the group's market capitalization exceeds the value of its assets, and the group has not identified any indicators in its business activity and business plans that could call into question the value of goodwill and intangible assets recorded on the balance sheet.

Sensitivity analysis of the value in use of CGUs to the assumptions used

Based on the sensitivity analysis disclosed in the consolidated financial statements for the year ended December 31, 2019, the update of discount rates and long-term growth rates has no material impact on the results of the impairment tests and therefore on the consolidated financial statements at June 30, 2020, for all cash-generating units.

7.3 Asset acquisitions

In January 2020, the group acquired the assets and liabilities of the Polish company ELMO, which specializes in the telecommunications sector in Poland, for €4.7 million in order to develop its activities and increase its geographical coverage in this country.

Note 8 : Financial instruments

8.1 Classification of financial assets

The following table presents information about the carrying values of financial instruments and the fair values of financial instruments at June 30, 2020.

(in thousands of euros)	06/30/2020		12/31/2019	
	book value	fair value	book value	fair value
Non-current financial assets	1,942	1,942	1,998	1,998
Investments in associates	259	259	197	197
Trade receivables and related accounts	135,280	135,280	173,138	173,138
Contract assets	1,742	1,742	1,673	1,673
Other receivables	88,003	88,003	100,143	100,143
Cash and cash equivalents	151,833	151,833	84,162	84,162
ASSETS	**379,059**	**379,059**	**361,311**	**361,311**
Debt	120,736	120,736	114,332	114,072
Lease liabilities	57,771	57,771	61,594	61,594
Other non-current financial liabilities	207	207	836	836
Trade payables	123,216	123,216	111,073	111,073
Tax and social security liabilities	149,032	149,032	152,271	152,271
Other current liabilities	9,921	9,921	14,013	14,013
LIABILITIES	**460,883**	**460,883**	**454,119**	**453,859**

8.2 Contingent considerations and put options

Contingent considerations ("earnouts") and put options are assessed at fair value and recorded under "Debt, short-term" in the statement of financial position if they are due within 12 months of the end of the fiscal year, or under "Debt, long-term" if they are due beyond a 12-month period.

In accordance with the terms of the acquisition agreement concluded with the former owners of Janssens Group, the group agreed to pay an earnout based on the performance of the acquired company during the first half of 2020. At December 31, 2019, Janssens Group's performance was already included in the earnout estimate recorded in the "Debt, short-term" item of the consolidated financial position.

The change in the fair value of the debt related to future earnouts and call options therefore includes the settlement of this amount and is presented in the table below:

(in thousands of euros)	12/31/2019	Payment of the price	Fair value adjustment	06/30/2020
Earnouts	18,946	-12,467	56	6,535
Call options	8,233	0	42	8,275
TOTAL	**27,179**	**-12,467**	**98**	**14,810**

The fair value of put options and contingent considerations was determined on the basis of the present value of probable future cash flows taking into account the group's contractual commitments (level 3). Changes in fair value have been recognized in the consolidated statement of comprehensive income. The fair value at the beginning of the year was presented in cash flow from investing activities, the balance of €98k was presented in cash flow from operating activities. This change in fair value is mainly due to the discounting effect.

8.3 Debt

The loan issue of €18.8 million was mainly used to finance the acquisition of the ELMO assets and the payment of the earnout.

Note 9 : Cash

The group's cash position is as follows:

(in thousands of euros)	06/30/2020	12/31/2019
Marketable securities	1,225	1,225
Cash and cash equivalents	150,608	82,937
TOTAL	151,833	84,162

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Note 10 : Related party disclosures

The following table shows the amounts of transactions with related parties in the first half of 2020 and 2019, as well as the balance of receivables and payables at June 30, 2020, and December 31, 2019:

(in thousands of euros)		Services provided by the group	Services received by the group	Amounts loaned by the group	Amounts owed to the group
Telenet	2020	38,902	-	-	-
	2019	38,443	-	-	-
Worldlink	2020	301	-	2,950	-
	2019	-	-	2,675	-

All transactions with related parties are carried out under normal market conditions. Loans to Worldlink are granted with an interest rate equivalent to euribor + 1.5%.

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

Transfer to the Euronext Paris regulated market

The group transferred its listing to compartment A of the regulated Euronext Paris market on July 23, 2020. It joined the SBF 120 and CAC Mid 60 indices on September 18th.

Simplification of the legal organization chart

The group is pursing its efforts to streamline its legal organization chart and taken steps which should lead, during the second half of the year, to a reduction in the number of legal entities, particularly in France and Italy.

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Solutions 30 SE as of June 30, 2020, which comprise the interim consolidated statement of financial position at June 30, 2020, and the related interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity, the interim consolidated cash flow statement for the six-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Gaël Denis

Luxembourg, September30th, 2020

This is a translation into English of the report on review of interim condensed consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This report includes information required by Luxembourg law, such as the verification of the management report. This report should be read in conjunction with, and construed in accordance with, Luxembourg law and professional auditing standards applicable in Luxembourg.

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