Solutions30
Solutions for New Technologies

FINANCIAL REPORT FOR THE HALF YEAR ENDED JUNE 30, 2023

Contents

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

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

Key figures

In millions of euros	**H1 2023**	H2 2022	H1 2022
Revenue	**519.1**	460.3	444.3
Adjusted EBITDA	**27.5**	17.1	29.6
As a % of revenue (EBITDA margin)	***5.3%***	*3.7%*	*6.7%*
Adjusted EBIT	**5.0**	(7.0)	6.7
As a % of revenue	***1.0%***	*(1.5)%*	*1.5%*
EBIT	**(6.4)**	(17.6)	(8.9)
As a % of revenue	***(1.2)%***	*(3.8)%*	*(2.0)%*
Net income, group share	**(14.4)**	(37.8)	(12.3)
As a % of revenue	***(2.8)%***	*(8.2)%*	*(2.8)%*
Free cash flow	**(32.4)**	54.1	(16.9)

Financial structure figures *In millions of euros*	**06.30.2023**	**12.31.2022**
Equity	**131.8**	**145.3**
Net debt	**95.3**	**38.9**
Net bank debt	**10.3**	**(54.0)**

Consolidated revenue

Solutions30's consolidated half-year revenue for 2023 amounted to €519.1 million, up 16.8% (reported and organic growth).

After a solid first quarter with organic growth of 14.5%, strong business momentum continued to build in the second quarter of 2023, with consolidated revenue of €263.9 million growing organically by 18.9% compared to the same period in 2022.

This excellent performance was driven by particularly robust growth in the Benelux, Poland, and the United Kingdom. This puts the group on target to exceed the milestone of €1 billion in revenue before the end of 2023.

Profitability

Figures by geographical area are detailed below:

	H1 2023	H2 2022	H1 2022
France			
Revenue	199.4	204.0	221.9
Adjusted EBITDA	15.8	2.0	18.8
EBITDA margin %	7.9%	1.0%	8.5%
Benelux			
Revenue	180.0	123.5	98.4
Adjusted EBITDA	17.5	14.7	13.7
EBITDA margin %	9.7%	11.8%	13.9%
Other countries			
Revenue	139.7	132.8	124.0
Adjusted EBITDA	(0.8)	4.7	2.4
EBITDA margin %	(0.5)%	3.5%	2.0%

In France, revenue reached €199.4 million in the first half of 2023. Business continued to be negatively impacted by the transformation of the telecom sector and the transition into new activities in the energy sector. The telecom market, however, is showing signs of stabilizing in the second quarter, and the group has been very successful in the energy sector, as illustrated by the recent solar-power contract signed with Q Energy. Growth opportunities are gradually falling into place, while Amaury Boilot, recently named CEO of the group's French entities, is transforming its organization. Adapting the business model and readjusting the corporate structure to new market conditions have led to a significant recovery of the EBITDA margin compared to the second half of 2022. It rose to 7.9%, a level close to the first half of 2022 and a clear recovery from the 1.0% in the second half of 2022.

In the Benelux, revenue for the first half of 2023 grew +82.9% compared to the first half of 2022 to reach €180.0 million driven by fiber-optic roll-outs across the country and the group's ability to keep up with faster than anticipated installation schedules and consolidate its position as a market leader. This phase of hyper-growth and the fast pace of large-scale ramp-ups required to fulfill orders are temporarily impacting the EBITDA margin, which stood at 9.7% compared to 13.9% in the first half of 2022 and 11.8% in the second half of 2022.

In other countries, revenue is up +12.7% compared to the first half of 2022.It reached to €139.7 million, whereas it was €124.0 million a year earlier. In Italy, the conditions under which ultra-fast broadband infrastructure is being deployed have deteriorated in recent months due to the national service provider's recurring operational difficulties. The entire sector has been affected, and Solutions30 decided to slow down the pace of call-outs until the situation returns to normal and a more efficient way of operating has been found, in agreement with our various partners. This situation is negatively impacting the segment's EBITDA margin.

Elsewhere, margins are relatively stable but still below the group's normative levels. In the United Kingdom and Germany, Solutions30 is preparing to absorb the expected growth in the fiber sector, whereas it is focusing on the business activities that are the most profitable in the mature Spanish market. Meanwhile, business in Poland remains dynamic, driven by market share gains. The EBITDA margin for the "Other countries" segment was -0.5% compared with 2.0% for the first half of 2022 and 3.5% for the second half of 2022.

As a result, **adjusted EBITDA** for the entire group amounted to €27.5 million at the end of June 2023 (5.3% of revenue) compared to €29.6 million a year earlier (6.7% of revenue) and €17.1 million in the second half of 2022 (3.7% of revenue).

Operating costs increased by +18.9% compared with the first half of 2022 and by +10.9% compared with the second half of 2022. They amounted to €444.4 million, representing 85.6% of revenue. Structural costs increased by 15.6% compared with the first half of 2022 and by 10.5% compared with the second half of 2022. They amounted to €47.2 million, representing 9.1% of revenue.

After accounting for €8.9 million in impairments and operational provisions and after amortizing €13.6 million in usage rights for leased assets (IFRS 16), **adjusted EBIT** stood at €5.0 million at June 30, 2023, compared to €6.7 million a year earlier. This figure is clearly recovering compared to the second half of 2022.

The first half of 2023 includes €4.3 million in non-current operating expenses, which mainly consist of restructuring costs, compared to €10.3 million a year earlier.

Customer relationship amortization amounted to €7.1 million at June 30, 2023 stable compared to the same period of the previous fiscal year.

Net **financial income** represented an expense of €2.9 million in the first half of 2023 compared to an expense of €5.3 million a year earlier. This change is due to an increase in financial income, resulting from foreign exchange gains and a fair value adjustment, while expenses remained stable.

After including a tax expense of €1.3 million compared to €3.0 million a year earlier and accounting for €3.7 million in minority interests, the **group share of net income** amounted to -€14.4 million compared to -€12.3 million for the same period in 2022, and -€37.8 million for the second half of 2022.

Financial structure

At June 30, 2023, the group had €131.8 million in equity compared to €145.3 million at December 31, 2022. The group's gross cash amounted to €73.4 million, compared to €124.4 million at the end of December 2022 and €85.0 million at June 30, 2022, reflecting the usual seasonality of the working capital requirements.

Gross bank debt stood at €83.6 million compared to €70.4 million six months earlier. This increase is due to additional drawdowns on the "acquisitions" envelope of the financing secured on November 29, 2022. These drawdowns were made to pay earnouts to minority shareholders of group subsidiaries in the first half of the year. The group had €10.3 million in net bank debt at the end of June 2023 compared to €54.0 million in cash net of debt at the end of December 2022. Including €72.8 million in leasing liabilities (IFRS 16) and €12.2 million in potential financial debt on future call options and earnouts, the total net debt amounts to €95.3 million.

The group maintains a solid financial structure, with a net debt/EBITDA ratio of 1.7 and a net debt-to-equity ratio of 72.3%.

Outstanding receivables under the group's non-recourse factoring program amounted to €85.9 million at the end of June 2023, compared with €77.3 million at December 31, 2022, reflecting the increase in activity. The increase in mobilized receivables is due to ramp-ups in new contracts for which the factoring program is being implemented. Factoring can finance working capital from recurring activities that have fully developed, at a cost of less than 1% of the amount of assigned receivables. This program, combined with a solid financial structure, provides Solutions30 with the resources it needs to finance its growth strategy.

Operating cash flow amounted to €22.9 million for the first half of 2023, compared to €19.6 million in the first half of 2022.

Though working capital increased by €39.1 million, it remained negative at -€25.6 million. This increase reflects strong growth over the half-year, particularly in the Benelux during the second quarter, and preparation for a new phase of growth in Other Countries. Measures have been put in place to optimize working capital by the end of the year. Cash flow from operating activities for the first half of 2023 was a negative €22.0 million, compared with negative cash flow of €6.5 million a year earlier. Net investments amounted to €10.5 million, at a normative level of 2.0% of revenue, compared with 2.4% a year earlier. Overall, this means there was -€32.4 million in free cash flow, compared to -€16.9 million at the end of June 2022.

Outlook

At the end of this first half-year, the group remains confident in achieving its goal of double-digit growth in 2023, putting it on track to exceed €1 billion in revenue this year. Over the last six months, the group has experienced growth paired with a steady increase in margins. This improvement is due to ongoing adaptations in France and rapid expansion throughout the rest of Europe.

In France, operational and organizational efforts to restore margins and improve conditions for telecom contracts are bearing fruit. With the replacement of smart meter deployment activities accelerating and the return to normal in the telecoms market, revenue should begin to stabilize. The photovoltaic business is experiencing significant growth, fueled by Europe's shift towards greener energy solutions and the goal of achieving energy independence. Notably, the backlog of orders has doubled compared to the same period last year. Through its subsidiaries, Solutions30 Sud-Ouest and Elec-EnR, the group is consolidating its position as one of the top 5 leaders in the renewable energy installation market in France. Solutions30 is now involved in major projects, including the construction of Europe's largest floating solar park. Leveraging its wide-ranging expertise and advanced electrical know-how acquired from years of experience with fiber and smart meter deployments, Solutions30 is well positioned to undertake this significant initiative.

In the Benelux, the group should continue to experience sustained growth, and profitability should be back above 10% in the second half of the year since most of the ramp-ups had already occurred in the first six months.

In other countries, growth is expected to continue, carried by encouraging trends in the United Kingdom, while efforts to restore profitability in Italy should start to pay off soon. Giovanni Ragusa, Chief Operations Officer of Solutions30 Italy since 2008, has been appointed Chief Executive Officer for this country.

The group aims to maintain its leadership in its existing markets and to scale to a critical size everywhere it operates, all while working to improve profitability. The group will leverage the structural trends that are carrying its markets, returning to dynamic and profitable growth over the long term.

Financial indicators not defined by IFRS

The group uses financial indicators not defined by IFRS:

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

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

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

Organic growth includes the organic growth of acquired companies after they had been acquired, which Solutions30 assumes they would not have experienced had they remained independent. In 2023, the group's organic growth includes only the internal growth of its long-standing subsidiaries.

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

EBITDA margin corresponds to "adjusted EBITDA" divided by revenue.

Free cash flow corresponds to the net cash flows from operating activities minus the acquisitions of fixed assets net of disposals.

Calculation of free cash flow

In thousands of euros	H1 2023	H2 2022	H1 2022
Net cash flows from operating activities	**(21,959)**	**64,642**	**(6,459)**
Acquisition of fixed assets	(10,901)	(10,643)	(10,503)
Disposal of non-current assets after tax	436	115	55
Free cash flow	**(32,425)**	**54,114**	**(16,907)**

Cash net of debt corresponds to "Cash and cash equivalents" as it appears in the group's financial statements from which is deducted "Loans from credit institutions, long-term" and "Short-term loans from credit institutions, lines of credit, and bank overdrafts" as they appear in note 10.2 of the group's annual financial statements.

EBIT corresponds to earnings before interest and taxes as reported in the group's financial statements.

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

Reconciliation between operating income and adjusted EBIT

In thousands of euros	H1 2023	H2 2022	H1 2022
Operating income	**(6,385)**	**(17,590)**	**(8,880)**
Customer relationship amortization	7,076	7,291	7,134
Other non-current operating income	—	—	(1,850)
Other non-current operating expenses	4,259	3,347	10,266
Adjusted EBIT	**4,950**	**(6,953)**	**6,670**
As a % of revenue	*1.0 %*	*(1.5)%*	*1.5 %*

Non-current transactions include other income and expenses that are significant in their amount, unusual, and infrequent.

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

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

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

Net debt

In thousands of euros	06.30.2023	12.31.2022
Bank debt	83,628	70,368
Lease liabilities	72,844	67,370
Liabilities from earnouts and put options	12,230	25,516
Cash and cash equivalents	(73,373)	(124,387)
Net debt	**95,330**	**38,868**
Equity	**131,807**	**145,345**
% of net debt	*72.3 %*	*26.7 %*

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

Net bank debt

In thousands of euros	06.30.2023	12.31.2022
Loans from credit institutions, long-term	65,401	56,769
Short-term loans from credit institutions, lines of credit, and bank overdrafts	18,227	13,599
Cash and cash equivalents	(73,373)	(124,387)
Net bank debt	**10,256**	**(54,019)**

Gross bank debt corresponds to "Loans from credit institutions, long-term" and "Short-term loans from credit institutions, lines of credit, and bank overdrafts" as they appear in note 10.2 of the group's annual financial statements.

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

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

Net investments:

In thousands of euros	**06.30.2023**	06.30.2022
Acquisition of fixed assets	(10,901)	(10,503)
Disposal of fixed assets after tax	436	55
Net investments	**(10,465)**	**(10,448)**

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

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

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

Working capital:

In thousands of euros	**06.30.2023**	12.31.2022
Inventory and work in progress	26,908	25,427
Trade receivables and related accounts	196,265	192,966
Current contract assets	980	970
Other receivables	68,815	58,465
Prepaid expenses	4,454	1,466
Trade payables	(191,358)	(210,846)
Tax and social security liabilities	(110,937)	(112,287)
Other current liabilities	(13,242)	(13,384)
Deferred income	(7,444)	(7,480)
Working capital	**(25,559)**	**(64,703)**
Change in working capital	39,144	(39,707)
Non-monetary items	5,669	12,581
Change in working capital adjusted for non-monetary items.	**44,813**	**(27,126)**

Disclaimer

This document may contain certain forecasts, projections and forward-looking statements, i.e. statements relating to future and not past events in connection with or with respect to the financial position, operations or activities of Solutions30 SE. Such statements imply risks and uncertainties because they relate to future events and circumstances. Many factors could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements, including, but not limited to, political, economic, commercial, competitive or reputational factors. Nothing in this document should be construed as a profit estimate or forecast. Solutions30 SE makes no commitment to update or revise any forward-looking statement to reflect any change in circumstances or expectations.

2. CERTIFICATION OF THE HALF-YEARLY FINANCIAL REPORT

2. Certification of the half-yearly financial report

“I confirm that, to the best of my knowledge, the condensed interim consolidated financial statements for six-month period ended 30 June 2023 have been prepared in accordance with applicable accounting standards and provide a faithful and honest representation of the assets and liabilities, the financial situation, and the results of the company and of all companies within its scope of consolidation, and that the management report gives a faithful representation of the business trends, results, and financial position of the company and of all companies within its scope of consolidation, as well as a description of the principal risks and uncertainties that they face.”

Luxembourg, September 21, 2023
Gianbeppi Fortis, Chief Executive Officer

3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1.1. Interim consolidated statement of comprehensive income

Earnings for the 6 month period ending June 30th

(in thousands of euros)	*Notes*	2023	2022
Revenue	4.1	519,146	444,288
Other current operating income		12,573	7,175
Raw materials, goods and consumables		(63,796)	(52,248)
Employee costs		(126,769)	(111,741)
Taxes, duties, and similar payments		(33,121)	(32,636)
Other current operating expenses		(280,558)	(225,233)
Operating margin	**5.1**	**27,476**	**29,605**
Depreciation, amortization and impairment of fixed assets		(29,162)	(28,269)
Charges to and reversals of provisions		(440)	(1,800)
Other non-current operating income	5.2	—	1,850
Other non-current operating expenses	5.2	(4,259)	(10,266)
Operating income		**(6,385)**	**(8,880)**
Financial income	8.2	2,920	576
Finance costs		(5,831)	(5,925)
Net financial income		**(2,911)**	**(5,349)**
Income taxes	12	(1,322)	2,968
Consolidated net income		**(10,618)**	**(11,261)**
Group share		(14,351)	(12,262)
Minority interests		3,733	1,001
Basic earnings per share, group share (in euros)		(0.134)	(0.114)
Diluted earnings per share, group share (in euros)		(0.134)	(0.114)

(in thousands of euros)	2023	2022
CONSOLIDATED NET INCOME	**(10,618)**	**(11,261)**
Items recyclable or recycled to profit or loss:		
Translation differences recognized in equity	(80)	(22)
Items not recyclable to profit or loss:		
Changes in actuarial gains and losses	463	2,237
Deferred taxed on changes in actuarial gains and losses	(116)	(559)
COMPREHENSIVE INCOME RECOGNIZED IN EQUITY	**267**	**1,656**
COMPREHENSIVE INCOME	**(10,351)**	**(9,605)**
Group share	(14,084)	(10,606)
Minority interests	3,733	1,001

3.1.2. Interim consolidated statement of financial position

Assets

(in thousands of euros)	*Notes*	06.30.2023	12.31.2022
Uncalled share capital		1	1
Goodwill	*10.1*	56,062	56,057
Other intangible assets	*10.2*	112,883	118,287
Property, plant and equipment		27,204	25,418
Right-of-use assets		73,369	67,852
Non-current lease receivables	*6.2*	1,067	1,066
Non-current financial assets		2,962	2,864
Deferred tax assets		17,662	17,746
NON-CURRENT ASSETS		**291,210**	**289,291**
Inventories		26,908	25,427
Trade receivables and related accounts	*6.1*	196,265	192,966
Current lease receivables	*6.2*	980	970
Other receivables		68,815	58,465
Prepaid expenses		4,454	1,466
Derivative assets		981	655
Cash and cash equivalents	*7*	73,373	124,387
CURRENT ASSETS		**371,775**	**404,335**
TOTAL ASSETS		**662,984**	**693,626**

Equity & Liabilities

(in thousands of euros)	06.30.2023	12.31.2022
Subscribed capital	13,659	13,659
Share premiums	17,376	17,376
Legal reserve	1,401	1,401
Consolidated reserves	99,657	148,776
Net income for the period	(14,351)	(50,068)
EQUITY, GROUP SHARE	**117,742**	**131,144**
Minority interests	14,065	14,200
EQUITY	**131,807**	**145,345**
Debt, long-term	67,651	62,585
Lease liabilities	46,718	42,611
Non-current provisions	18,047	18,219
Deferred tax liabilities	19,845	21,685
NON-CURRENT LIABILITIES	**152,261**	**145,099**
Debt, short-term	28,208	33,300
Derivative liabilities	290	—
Current provisions	1,312	1,125
Lease liabilities	26,127	24,760
Trade payables	191,358	210,846
Tax and social security liabilities	110,937	112,287
Other current liabilities	13,242	13,384
Deferred income	7,444	7,480
CURRENT LIABILITIES	**378,917**	**403,181**
TOTAL EQUITY & LIABILITIES	**662,984**	**693,626**

3.1.3. Interim consolidated statement of changes in equity

(in thousands of euros)	Capital	Share premium	Legal reserve	Group reserves	Cumulative translation adjustments	Equity, group share	Minority interests	Total equity
POSITION AT 01.01.2022	**13,659**	**17,376**	**1,401**	**146,307**	**(459)**	**178,284**	**13,269**	**191,553**
Income at June 30, 2022	—	—	—	(12,262)	—	(12,262)	1,001	(11,261)
Income recognized in equity	—	—	—	1,675	(22)	1,653	3	1,656
Comprehensive income at June 30, 2022	**—**	**—**	**—**	**(10,587)**	**(22)**	**(10,609)**	**1,004**	**(9,605)**
IFRS 2 Share-based payment	—	—	—	1,205	—	1,205	—	1,205
Other changes	—	—	—	8	—	8	—	8
POSITION AT 06.30.2022	**13,659**	**17,376**	**1,401**	**136,932**	**(481)**	**168,887**	**14,273**	**183,161**

(in thousands of euros)	Capital	Share premium	Legal reserve	Group reserves	Cumulative translation adjustments	Equity, group share	Minority interests	Total equity
POSITION AT 01.01.2023	**13,659**	**17,376**	**1,401**	**99,138**	**(430)**	**131,144**	**14,200**	**145,345**
Income at June 30, 2023	—	—	—	(14,351)	—	(14,351)	3,733	(10,618)
Income recognized in equity	—	—	—	347	(80)	267	—	267
Comprehensive income at June 30, 2023	**—**	**—**	**—**	**(14,004)**	**(80)**	**(14,084)**	**3,733**	**(10,351)**
Distributions	—	—	—	—	—	—	(3,843)	(3,843)
IFRS 2 Share-based payment	—	—	—	657	—	657	—	**657**
Other changes	—	—	—	25	—	25	(25)	—
POSITION AT 06.30.2023	**13,659**	**17,376**	**1,401**	**85,816**	**(510)**	**117,742**	**14,065**	**131,807**

3.1.4. Interim consolidated statement of cash flows

For the 6 month period ending June 30th

(in thousands of euros)	*Notes*	**2023**	**2022**
CONSOLIDATED NET INCOME		**(10,618)**	**(11,261)**
Net income, group share		(14,351)	(12,262)
Net income, minority interests		3,733	1,001
Non-monetary items:			
Depreciation, amortization and impairment		29,162	28,269
Allocations to provisions		440	1,800
Change in deferred taxes	12	(1,971)	(6,860)
Change in current taxes	12	3,293	3,892
Share-based payment	5.2	657	1,205
Change in non-current lease receivables		(1)	(100)
Change in fair value of derivatives		(36)	(381)
Elimination of income from goodwill	5.2	—	(1,850)
Change in fair value of options and earnouts	8.2	(1,176)	3,697
Elimination of interest expense		3,103	1,206
Operating cash flow from consolidated companies		**22,853**	**19,617**
Change in working capital requirements for operations		**(44,813)**	**(26,076)**
Decrease (increase) in inventory		(1,495)	(2,190)
Decrease (increase) in trade receivables and related accounts and other		(3,430)	(17,001)
Increase (decrease) in trade & other payables		(19,417)	17,226
Increase (decrease) in other receivables and debts		(16,587)	(24,271)
Corporate tax paid (reimbursed)		(3,883)	160
Net cash flows from operating activities		**(21,959)**	**(6,459)**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of current assets		(10,803)	(9,441)
Acquisitions of subsidiaries, net of cash received		—	42
Acquisitions of minority interests and earnouts paid	8.2	(12,110)	(786)
Sale (acquisition) of non-current financial assets		(98)	(1,062)
Disposal of non-current assets after tax		436	55
Net cash flow from investing activities		**(22,575)**	**(11,193)**
CASH FLOW FROM FINANCING ACTIVITIES			
Distributions paid to minority interests		(1,532)	—
Loan issuance		19,379	52
Repayment of borrowings		(6,264)	(12,905)
Interest paid on borrowings		(2,244)	(823)
Other non-current financial liabilities		—	440
Repayment of lease liabilities		(14,262)	(14,028)
Interest paid on lease liabilities		(649)	(359)
Net cash flow from financing activities		**(5,572)**	**(27,623)**
Impact of changes in foreign exchange rates		(906)	464
NET INCREASE (/DECREASE) IN CASH AND CASH EQUIVALENTS		**(51,013)**	**(44,811)**
Opening cash balance January 1st		124,387	129,839
Closing cash balance June 30th		73,373	85,027

Note 1: Information on the company and the group

The condensed interim consolidated financial statements of Solutions30SE and its subsidiaries (collectively, the "group") for the half-year ended June 30, 2023, were prepared by the Management Board and approved by the Supervisory Board on September 21, 2023. Solutions30 (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

21 rue du Puits Romain
L-8070 Bertrange, Grand Duchy of Luxembourg

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

Note 2: Basis of preparation

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended June 30, 2023, have been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the European Union. The financial statements have been prepared on the principle of going concern assumption and historical cost basis, with the exception of certain assets and liabilities measured at fair value.

They do not include all the information and notes required in the annual financial statements and should be read in conjunction with the group's consolidated financial statements at December 31, 2022.

- Critical accounting judgments and key sources of estimation uncertainty.

Critical accounting judgments and key sources of uncertainty regarding estimates have not changed significantly since December 31, 2022.

2.2 New IFRS, amendments, and interpretations

The accounting methods adopted in the preparation of these interim consolidated financial statements are consistent with those used to prepare the group's annual consolidated financial statements for the year ended December 31, 2022 (except for newly adopted standards, effective as of January 1, 2023). As of June 30, 2023, the group has not early adopted any standard, interpretation, or amendment that has been published by the IASB and adopted by the European Union but has not yet come into effect.

Several standards, amendments, and interpretations apply for the first time as of January 1, 2023 to the group's consolidated financial statements as of June 30, 2023:

- Amendments to IAS 8 "Definition of Accounting Estimates."
- Amendments to IAS 1 "Disclosure of Accounting Policies."
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction." This standard does not have a material impact on the group's accounts.
- IFRS 17 "Insurance Contracts" and its amendments: Given the nature of its activities, the group does not apply this standard.

Standards, amendments to standards, and interpretations of standards published by the IASB but not adopted by the European Union. The impacts on the financial statements of the texts published by the IASB as of June 30, 2023, and not yet in force in the European Union are currently being analyzed. These texts are as follows :

- Amendments to IAS 1 "Presentation of Financial Statements — Classification of Liabilities as Current or Non-current" and "Presentation of Financial Statements — Classification of Liabilities as Current or Non-current — Deferral of Effective Date," published on January 23 and July 15, 2020, respectively, applicable for fiscal years beginning on or after January 1, 2024.
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback," published on September 22, 2022, applicable for fiscal years beginning on or after January 1, 2024.
- Amendments to IAS 12 "Income Taxes": "International Tax Reform – Pillar Two Model Rules" (published May 23, 2023).
- Amendments to IAS 7 "Statement of Cash Flows" and to IFRS 7 "Financial Instruments: Disclosures": "Supplier Finance Arrangements" (published May 25, 2023).
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": "Lack of Exchangeability" (published on August 15, 2023).

Note 3: Scope of consolidation

The group subsidiaries contributing to the financial information presented in these consolidated financial statements are listed in note 21.3 of the annual consolidated financial statements for the year ended December 31, 2022.

At the end of June 2023, the following changes had occurred:

- Given its put and call options with regard to CFC ITALIA SRL, the group acquired 30% of that company's shares on February 28, 2023, increasing its stake to 100% ownership.
- The group acquired 49% of the Italian company Contact 30's shares on June 29, 2023, and thereby increased its stake to 100% ownership.

The following companies were created:

- Solutions30 TP was created in March 2023 to be home to part of the group's operational activities in the southeastern region of France.
- Solutions30 Power was created in March 2023 for new energy solutions activities in France.
- Solutions30 GSE and Solutions30 GSO, which were created in December 2022, launched their respective business activities.
- The Belgian company TM BRABAMIJ-UNIT-T was created to incorporate some of the group's operational activities in Belgium.

The following companies changed names:

- In February 2023, Sirtel was renamed Solutions30 Mobile.
- In February 2023, Smartfix France was renamed mySupplace France.

Note 4: Revenue

4.1 Breakdown of revenue

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

(in thousands of euros)	France	Benelux	Other	2023
On-site services	**197,443**	**180,021**	**139,732**	**517,196**
Connectivity	*141,753*	*141,360*	*126,087*	*409,200*
Energy	*21,661*	*29,166*	*3,934*	*54,761*
Technology	*34,029*	*9,495*	*9,711*	*53,235*
Leasing of payment terminals	**1,950**	**—**	**—**	**1,950**
Technology	*1,950*	*—*	*—*	*1,950*
Total revenue from contracts with customers	**199,393**	**180,021**	**139,732**	**519,146**

(in thousands of euros)	France	Benelux	Other	2022
On-site services	**219,906**	**98,355**	**124,011**	**442,272**
Connectivity	*159,211*	*70,241*	*109,808*	*339,260*
Energy	*28,844*	*19,795*	*3,389*	*52,028*
Technology	*31,851*	*8,319*	*10,814*	*50,984*
Leasing of payment terminals	**2,016**	**—**	**—**	**2,016**
Technology	*2,016*	*—*	*—*	*2,016*
Total revenue from contracts with customers	**221,922**	**98,355**	**124,011**	**444,288**

As of June 30, 2023, the group's revenue is up +16.8% compared to June 30, 2022.

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.

Solutions30'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)	2023	France	Benelux	Other countries	HQ*
Revenue	519,146	199,393	180,021	139,732	—
Operating margin	27,476	15,844	17,462	(782)	(5,048)
Operating margin as %	5.3 %	7.9 %	9.7 %	(0.6)%	—

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

**Group's main operating costs*

5.2 Other non-current operating income and expenses

Non-current operating expenses in 2023 mainly consist of restructuring costs (€2.9 million) and expenses related to share-based payments pursuant to IFRS 2 (€0.7 million).

For 2022, non-current operating income stood at €1.8 million and included income from goodwill from Sirtel, Adedis, and Digitilab.

Non-current operating expenses in 2022 mainly consist of restructuring costs and exceptional transition costs incurred in connection with new contracts won in France following calls for tenders (€6.7 million), exceptional costs incurred by the group in order to respond to an aggressive smear campaign (€1.9 million), and expenses related to share-based payments pursuant to IFRS 2 (€1.2 million).

Note 6 : Trade and other receivables

6.1 Trade receivables and related accounts

Total receivables sold and deconsolidated under its non-recourse factoring program amounted to €85.9 million at June 30, 2022 (€77.3 million at December 31, 2022).

(in thousands of euros)	06.30.2023	12.31.2022
Trade receivables	81,051	71,986
Invoices to be issued	90,762	95,471
Contract assets	20,085	13,388
Trade payables - advances and down payments	4,367	12,121
TOTAL	**196,265**	**192,966**

During the first half of 2023, the group recognized an impairment of €0.05 million (€0.24 million during the first half of 2022) on its trade receivables. All trade receivables and related accounts are due in less than one year.

6.2 Lease receivables

Lease receivables relate to the lease contracts for payment terminals marketed by the group. At June 30, 2023, lease receivables stood at €2.0 million (2022: €2.0 million).

Note 7 : Cash

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

(in thousands of euros)	06.30.2023	12.31.2022
Cash and cash equivalents	73,373	124,387
TOTAL	**73,373**	**124,387**

Note 8 : Loans and related debts

8.1 Debt

The Solutions30 group has short-, medium- and long-term bank loans, with €83.6 million in remaining principle as of June 30, 2023, compared with €70.4 million at the end of 2022.

The increase in the level of debt is mainly due to additional drawdowns on the "acquisitions" envelope of the financing agreement signed on November 29, 2022, for the settlement of earnouts and put options during the half-year.

8.2 Earnouts, call and put options

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

(in thousands of euros)	01.01.2023	Earnout payment	Fair value adjustment	06.30.2023
Earnouts	18,655	(11,820)	(66)	6,769
Put and call options	6,861	(290)	(1,110)	5,461
TOTAL	**25,516**	**(12,110)**	**(1,176)**	**12,230**

The fair value of earnouts, put options, and call options is based on the present value of probable future cash flows taking into account the group's contractual commitments (level 3). Changes in fair value have been recognized in the consolidated statement of comprehensive income under the items "Financial income" and "Financial expenses."

The group undertook an analysis of whether the fair value of earnouts, put options, and call options was reasonable given the modifications that had been made to the main assumptions used to determine this fair value. The calculations determined that they were reasonable and that a variation of 5% in assumptions about future cash flows would have had the following impact on the resulting fair values and, therefore, the group's consolidated financial statements at June 30, 2023.

	Sensitivity to future cash flow	
(in millions of euros)	- 5 %	+ 5 %
Earnouts	—	—
Put and call options	32	(32)
TOTAL	**32**	**(32)**

Note 9 : Financial risk management

9.1 Nature and management of financial risks

The group's activities are exposed to certain risk factors described in note 13 to the consolidated financial statements at December 31, 2022. These risks have not changed significantly at June 30, 2023.

9.2 Information on the evaluation, classification, and fair value of financial assets and liabilities

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

(in thousands of euros)			06.30.2023		12.31.2022	
	Annual Financial Statements Note	**IFRS 9* Category**	**book value**	**fair value**	**book value**	**fair value**
Non-current financial assets	15.1	AC	2,962	2,962	2,864	2,864
Trade receivables and related accounts	6.1	AC	196,265	196,265	192,966	192,966
Net lease investments	6.3	AC	2,047	2,047	2,036	2,036
Other receivables**	6.2	AC	17,675	17,675	13,800	13,800
Current derivative assets	13.1	FVTPL***	981	981	655	655
Cash and cash equivalents	9	FVTPL	73,372	73,372	124,387	124,387
Financial assets			**293,302**	**293,302**	**336,707**	**336,707**
Debt (Borrowing, lines of credit, bank overdrafts)	10.2	AC	83,628	83,628	70,368	70,368
Debt (Earnouts, call and put options)	10.2; 10.4	FVTPL****	12,230	12,230	25,517	25,517
Lease liabilities	11	AC	72,844	72,844	67,370	67,370
Derivative liabilities		FVTPL***	290	290	—	—
Trade payables		AC	191,358	191,358	210,846	210,846
Other current liabilities		AC	13,242	13,242	13,384	13,384
Financial liabilities			**373,592**	**373,592**	**387,485**	**387,485**

** "AC" stands for "amortized cost"; "FVTPL" stands for "fair value through profit or loss."*
*** Excludes tax claims, tax receivables, and social security receivables*
****Level 2 in the fair value hierarchy*
***** Level 3 in the fair value hierarchy*

The group classifies its financial assets into the following categories: assets measured at fair value through profit or loss ("FVTPL") and assets measured at amortized cost ("AC").

The group defines its financial liabilities according to the following categories: liabilities measured at fair value through profit or loss ("FVTPL") and liabilities measured at amortized cost ("AC").

Financial assets and liabilities measured at their fair value are ranked in 3 levels. Levels 1 to 3 in the fair value hierarchy each represent a level of fair value observability:

- Level 1 fair value evaluations are based on quoted prices in active markets for identical assets or liabilities.

- Level 2 fair value evaluations are those based on entry data other than the quoted prices used at Level 1 which are observable for the asset or liability in question, either directly (namely the price) or indirectly (namely data derived from the price).

- Level 3 fair value evaluations are those determined using valuation techniques that include inputs for the asset or liability that are not based on observable market data.

Note 10 : Intangible assets

10.1 Breakdown of major assets by sector

Solutions30'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)	06.30.2023	France	Benelux	Other
Goodwill	56,062	25,954	28,345	1,763

(in thousands of euros)	12.31.2022	France	Benelux	Other
Goodwill	56,057	25,954	28,345	1,758

10.2 Impairment tests of intangible assets

The group performed its annual impairment test in December 2022 and will need to update it when circumstances may lead to a risk of impairment. The group's impairment test for goodwill and intangible assets is based on value-in-use calculations. The main assumptions used to determine the recoverable amounts at the level of the various cash-generating units are explained in the consolidated financial statements for fiscal year 2022.

The change in operating margin observed in the first half of 2023 does not call into question the tests performed at December 31, 2022. No impairment is required as of June 30, 2023.

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

Based on the sensitivity analysis disclosed in the consolidated financial statements for December 31, 2022, these sensitivity calculations show that changes that are reasonably possible in France and in the Benelux region such as a change of 100 basis points in the assumed discount rate, a change of 50 basis points in the long-term growth rates, or a change of 100 basis points in the normal EBITDA margin would not have a significant impact on the results of the impairment tests and, therefore, on the group's consolidated financial statements.

Note 11 : Off-balance sheet commitments related to operating activities

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

Country	Principal	Type of guarantee	Guaranteed obligations	Term	Amount in thousands of euros
Belgium	S30 group's Belgian companies	Demand guarantee	Obligations arising under the guarantee to the bank	Applicable during the entire contractual relationship	15,000
Belgium	S30 group's Belgian companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom and energy businesses	Applicable during the entire contractual relationship	8,574
France	S30 group's companies	Subcontracting guarantee	Obligations arising from a surety and guarantee contract for the group's subcontractors	Applicable during the entire contractual relationship	8,497
Spain	S30 group's Spanish companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom business	Applicable during the entire contractual relationship	2,550
Spain	S30 group's Spanish companies	Guarantee	Obligations arising from the letter of intent sent to the bank	Applicable during the entire contractual relationship	1,200
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
Belgium	S30 group's Belgian companies	Customer guarantee	Obligations arising from the performance of services under contract, in particular those relating to the telecom and energy businesses	Applicable during the entire contractual relationship	311
Belgium	Unit-T	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	220
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	165
France	S30 group's French companies	Demand guarantee	Payment of any amount charged by the beneficiary in connection with its activity and of any product or service provided via its fuel cards	Applicable during the entire contractual relationship	150
Spain	S30 group's Spanish companies	Demand guarantee	Payment of any amount charged by the beneficiary in connection with its activity and of any product or service provided via its fuel cards	Applicable during the entire contractual relationship	80
Luxembourg	Solutions30 SE	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	33
Netherlands	Solutions30 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 12 : Income tax

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

(in thousands of euros)	2023	2022
Deferred taxes	1,971	6,860
Current taxes	(3,293)	(3,892)
Corporate income tax	**(1,322)**	**2,968**

Note 13 : Related party disclosures

During the first half of 2023, there was no significant change in transactions with related parties compared to those at December 31, 2022 (see note 10 in the Notes to the Consolidated Financial Statements).

Note 14 : Important events after the end of the reporting period

On July 6, 2023, the group acquired 100% of ELEC ENR's share capital. This French company specializes in the installation and maintenance of technologies related to renewable energy production (wind power, solar power, etc.).

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

PKF Audit & Conseil

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Solutions30 SE
21, rue du Puits Romain
L-8070 Bertrange, Grand Duchy of Luxembourg

Report on Review of Condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Solutions30 SE (the "Group") for the period from January 1 to June 30, 2023, which comprise the condensed interim consolidated statements of financial position, of comprehensive income, changes in consolidated equity, statement of cash flows, and the notes, including a summary of significant accounting policies and other explanatory notes. The Management Board is responsible for the preparation and fair presentation of the condensed interim consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

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PKF Audit & Conseil

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements do not present fairly, in all material respects, the financial position of the entity at June 30, 2023, and its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 as issued by the International Accounting Standards Board and as adopted by the European Union.

Luxembourg, September 21, 2023

PKF Audit & Conseil Sàrl
Licensed audit firm

Jean Medernach

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

Solutions30

Solutions for New Technologies

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