

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED JUNE 30, 2021

Solutions30

Solutions for New Technologies



Contents

1. HALF-YEARLY ACTIVITY REPORT AND SIGNIFICANT EVENTS DURING THE PERIOD	4
2. CERTIFICATION OF THE HALF-YEARLY FINANCIAL REPORT	8
3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	10
3.1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS	11
3.1.1. Interim consolidated statement of financial position	11
3.1.2. Interim consolidated statement of comprehensive income	12
3.1.3. Interim changes in consolidated equity	13
3.1.4. Interim consolidated statement of cash flows	14
3.2 NOTES	15
Note 1: Information on the company and group	15
Note 2: Basis of preparation	15
Note 3: Scope of consolidation	17
Note 4: Revenue and customers	18
Note 5: Operating income	18
Note 6: Income tax	21
Note 7: Intangible assets and property, plant and equipment	21
Note 8: Financial instruments	22
Note 9: Cash	23
Note 10: Related party disclosures	23
Note 11: Important events after the end of the reporting period	24
4. AUDITOR'S REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	25

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



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

Key figures

<i>In millions of euros</i>	06.30.2021	06.30.2020	Variation
Revenue	441.3	365.1	+20.9%
Adjusted EBITDA	49.5	41.3	+19.8%
<i>As a % of revenue</i>	11.2%	11.3%	
Adjusted EBIT	29.6	21.5	+37.5%
<i>En As a % of revenue</i>	6.7%	5.9%	
Consolidated net income	14.6	10.5	+39.5%
<i>As a % of revenue</i>	3.3%	2.9%	
Net income, group share	14.1	10.4	+35.3%
<i>As a % of revenue</i>	3.2%	2.9%	
<i>Financial structure figures</i>			
<i>In millions of euros</i>	06.30.2021	12.31.2020	Variation
Equity	184.7	170.0	+14.7
Net debt	42.9	28.9	+14.0
Net bank debt	(44.0)	(59.2)	+15.3

+20.9% growth in revenue in the first half of 2021

Solutions 30's consolidated revenue for the first six months of 2021 amounted to €441.3 million, up +20.9% (+17.5% organic growth) compared to the same period in 2020. Maintenance activities, which are recurrent, represent 58% of revenue. The group is accelerating its expansion outside of France, illustrating the relevance of its strategy to duplicate its success in France.

In **France**, over the first six months of the year, revenue reached €270.3 million, a purely organic increase of +20.5%. This growth has been bolstered by:

- A +22.3% increase in revenue from the telecom business, which remains very dynamic. Momentum for the fiber business remains strong with roll-outs in lower-density areas, increasing subscriber connections, and maintenance Solutions 30's core business which accounts for 75% of its fiber business.
- An +18.1% increase in the energy business due to a favorable base effect since smart meter installations were interrupted during the first lockdown from March 17 to May 11, 2020. This activity generates half of the revenue for the energy business, i.e. 10% of revenue in France.
- The performance of the IT business, which is back on track for growth over the six-month period, posting a +24.1% increase in revenue.

In the **Benelux**, over the first half of 2021, revenue was up +13.1% (+9.8% organic growth) to €74.9 million. The roll-out of ultra high-speed networks is beginning to take shape and is driving the group's sales momentum, while the start of the smart meter roll-out program in Flanders, which has been contributing to the top line since March, has been driving growth for the first six months of the year.

In **other countries**, the group posted revenue of €96.1 million for the first half of 2021, up +28.8% (+15.5% organic growth) compared to the first half of 2020. In Italy, revenue was up +54% thanks to the rapid ramp-up of the contract signed at the beginning of the year with TIM. In Spain, revenue was up +44%, thanks to the telecoms portfolio. Half-yearly revenue was stable for Germany and Poland. In the United Kingdom, where the group has been operating since the end of 2020, revenue reached €7.4 million.

Stability of the EBITDA margin, considering the rapid ramp-up of new contracts

Reconciliation between operating income and adjusted EBITDA

In thousands of euros	06.30.2021	06.30.2020
Operating income	17,532	16,193
Depreciation of IFRS 16 rights of use	12,268	11,195
Increases in operational provisions	7,658	8,628
Customer relationship amortization	7,276	5,602
Other non-current operating income	—	(270)
Other non-current operating expenses	4,789	—
Adjusted EBITDA	49,525	41,348
<i>As a % of revenue</i>	<i>11.2 %</i>	<i>11.3 %</i>

Reconciliation between operating income and adjusted EBIT

In thousands of euros	06.30.2021	06.30.2020
Operating income	17,532	16,193
Customer relationship amortization	7,276	5,602
Other non-current operating income	—	(270)
Other non-current operating expenses	4,789	—
Adjusted EBIT	29,598	21,525
<i>As a % of revenue</i>	<i>6.8 %</i>	<i>6.0 %</i>

During the first half of 2021, the priority was to invest in recruiting and training teams to take on the significant increase in workload from contracts the group signed and to support the roll-out of new technologies in several European countries. The group is preparing to accelerate its growth in several countries, given the sales momentum and new contracts signed since the end of 2020.

Adjusted EBITDA was €49.5 million at the end of June 2021, up +19.8% compared to the first half of 2020. The operating margin was 11.2%, virtually unchanged compared to the first half of 2020 (11.3%). Because of the workload ramp-up, operating costs increased by + 1.7 points compared with the first half of 2020 and represented 79.9% of revenue, while the burden of structural costs fell to 8.8% of revenue compared with 10.4% in the first half of 2020.

In France, adjusted EBITDA amounted to €41.9 million, representing a margin of 15.5%, up +1.1 points compared to the first half of 2020. The sheer volume of the fiber business is driving margins, while the energy business is preparing to wind down smart electricity meter roll-outs, which will be offset by the need to install charging stations and activities related to the energy transition and renewable energies.

In the Benelux, adjusted EBITDA was €10.4 million, resulting in a margin of 13.8% compared to 14.1% a year

earlier due to ramp-ups in the energy and telecom businesses.

In other countries, EBITDA was €1.7 million, representing 1.8% of revenue, compared with 3.4% a year earlier. In Italy and Spain, the ramp-up of major contracts signed in the telecoms sector has had a temporary impact on profitability. In Germany, restructuring the organization to prepare for future growth is weighing on profitability.

After accounting for €7.7 million in impairments and operational provisions, and after amortizing the usage rights for leased assets (IFRS 16), worth €12.3 million, adjusted EBIT stood at €29.6 million, i.e. 6.7% of revenue compared with 5.9% for the first half of 2020.

The first half of the year includes €4.8 million of other current operating expenses, which mainly consist of exceptional expenses incurred by the group to put an end to the violent smear campaign against it.

Customer relationship amortization amounted to €7.3 million in 2021, compared to €5.6 million a year earlier. After taking into account a tax expense of €3.6 million compared to €3.7 million a year earlier, and financial income of €0.7 million compared to (€2.0) million a year earlier, the group's share of net income reached €14.1 million, compared to €10.4 million in the first half of 2020.

A continued solid financial structure, a foundation for sustainable growth

As of June 30, 2021, the group's equity amounted to €184.7 million, compared with €170.0 million at December 31, 2020. The group's gross cash position reached €130.8 million, compared to €159.3 million at the end of December 2020. Gross bank debt was €86.8 million

compared with €100.0 million six months earlier, due to scheduled debt repayments.

The group posted a net cash position of €44.0 million at the end of June 2021, compared to a net cash position of €59.2 million at the end of December 2020.

Net bank debt

In thousands of euros	06.30.2021	12.31.2020
Loans from credit institutions, long-term	62,204	71,977
Loans from credit institutions, short-term and lines of credit	24,638	28,068
Cash and cash equivalents	(130,807)	(159,279)
Net bank debt	(43,964)	(59,234)

After taking into account €64.4 million in leasing debt (IFRS 16) and €22.5 million in potential financial debt related to earnouts and future call options, total net debt amounts to €42.9 million.

Net debt

In thousands of euros	06.30.2021	12.31.2020
Bank debt	86,842	100,045
Lease liabilities	64,370	63,548
Future liabilities from earnouts and put options	22,535	24,618
Cash and cash equivalents	-130,807	-159,279
Net debt	42,940	28,933

Operating cash flow amounted to €37.9 million for the first half of 2021, compared to €34.6 million for the first half of 2020. The ramp-up of contracts and the return to more normal payment terms than in 2020 when some customers had accelerated their terms to help their partners cope with the health crisis generated a €30.7 million increase in working capital requirements, which

came to -€8.9 million. In the first half of 2020, WCR was down €50.0 million and negative at €42.9 million. Cash flow from operations in the first half of 2021 was €7.2 million, compared with €84.6 million a year earlier, and net investments amounted to €7.2 million.

This results in an overall balanced free cash flow, compared to a cash generation of €78.6 million in the first half of 2020.

Calculation of free cash flow

In thousands of euros	06.30.2021	06.30.2020
Net cash flow from operating activities	7,169	84,638
Acquisition of non-current assets	-7,957	-12,321
Acquisition of Elmo assets	—	5,238
Disposal of non-current assets after tax	763	1,020
Free cash flow	(25)	78,576

Outstanding receivables transferred under the group's non-recourse factoring program amounted to €73.2 million at the end of June 2021, compared to €93.5 million at December 31, 2020.

This program finances working capital requirements from recurring activities that are fully developed. The use of factoring frees up the cash generated by these receivables to finance the group's growth strategy, specifically the ramp-up of new contracts, at a cost of less than 1% of the amount of assigned receivables. This program, combined with a solid financial structure, provides Solutions 30 with the resources it needs to finance its ambitious growth strategy.

Continued transformation of the Group

Solutions 30 is committed to an improvement plan aimed at accelerating its transformation and strengthening its governance, shareholder structure, risk management processes, and compliance. This plan will reinforce the group so it can pursue a strategy of sustained and sustainable growth and continue to capture growth opportunities in booming European markets.

Growth forecast confirmed

For the current year as a whole, the group expects profitable double-digit growth, although the basis for comparison will be higher from the second half of 2020 due to the catch-up effect at the end of the first lockdown. The ramp-ups will continue thanks to the excellent sales momentum in the second and third quarters of 2021, during which the group signed more than €500 million in new contracts, particularly in the telecoms sector in Belgium, the Netherlands, and the United Kingdom. However, if sourcing some materials remains difficult, this could slow down some roll-outs.

Solutions 30 is tapping into excellent market momentum, thanks to solid structural and economic drivers: the acceleration of the digital transformation and the energy transition as well as recovery plans of an unprecedented scale throughout Europe. In addition, the group is returning to a more normative situation that should allow it to restart its targeted acquisition policy and strengthen its role as a market leader.

Solutions 30 can resume its proven strategy of balancing organic growth and acquisitions, capitalizing on its drivers in the telecoms business to reach a critical size everywhere it operates, then diversify into new activities, such as electric mobility and the energy transition.

Risks and uncertainties

The risk factors are of the same nature as those set out in sections 1.7 and 1.8 of the 2020 annual report.

Solutions 30 has a solid financial structure as well as a proven business model and financing policy. The group has demonstrated, and continues to demonstrate, its ability to finance its growth, while keeping its level of debt largely under control. The group's ability to continue as a going concern is therefore not called into question by the current economic situation nor the smear campaign against it. Following the previous auditor's decision to issue a disclaimer of opinion with regard to the 2020 financial statements, the group applied to the President of the Commercial Court of Bobigny and obtained the appointment of a conciliator to oversee discussions with financial partners and ensure their support. The group is therefore operating normally.

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 2021.

2. CERTIFICATION OF THE HALF-YEARLY FINANCIAL REPORT



2. Certification of the half-yearly financial report

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 attest that, to the best of my knowledge, the consolidated financial statements for the recent six-month period of 2021 have been prepared in accordance with all applicable accounting standards and present fairly the

assets, financial condition and results of the company and of all the companies included in the consolidation, and that the six-month business review above presents a true picture of events that occurred during the first six months of the year, their impact on the financial statements, the main transactions between related parties and a description of the principal risks and uncertainties for the remaining six months of the year.”

Luxembourg, September 28, 2021
Gianbeppe Fortis, Chief Executive Officer

3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	10
3.1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS	11
3.1.1. Interim consolidated statement of financial position	11
3.1.2. Interim consolidated statement of comprehensive income	12
3.1.3. Interim changes in consolidated equity	13
3.1.4. Interim consolidated statement of cash flows	14
3.2. NOTES	15
Note 1: Information on the company and group	15
Note 2: Basis of preparation	15
Note 3: Scope of consolidation	17
Note 4: Revenue and customers	18
Note 5: Operating income	18
Note 6: Income tax	21
Note 7: Intangible assets and property, plant and equipment	21
Note 8: Financial instruments	22
Note 9: Cash	23
Note 10: Related party disclosures	23
Note 11: Important events after the end of the reporting period	24



3.1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1.1. Interim consolidated statement of financial position

Assets

<i>(in thousands of euros)</i>	Notes	06.30.2021	12.31.2020
Uncalled share capital		1	1
Goodwill	7.1	55,539	55,533
Other intangible assets	7.1	138,081	146,875
Property, plant and equipment	7.1	16,724	15,509
Right-of-use assets		64,835	64,026
Non-current contract assets	4.2	1,120	1,205
Non-current financial assets		3,342	2,405
Deferred tax assets		10,468	8,530
NON-CURRENT ASSETS		290,111	294,083
Inventory and work in progress		31,837	21,952
Trade receivables and related accounts	4.2	175,722	157,821
Current contract assets	4.2	804	751
Other receivables		61,829	83,482
Prepaid expenses		1,150	361
Cash and cash equivalents	9	130,807	159,279
CURRENT ASSETS		402,150	423,645
TOTAL ASSETS		692,260	717,729
Equity & Liabilities			
<i>(in thousands of euros)</i>		06.30.2021	12.31.2020
Subscribed capital		13,659	13,659
Share premiums		17,376	17,376
Legal reserve		1,366	1,362
Consolidated reserves		123,305	88,721
Net income for the period		14,127	34,500
EQUITY, GROUP SHARE		169,833	155,618
Minority interests		14,890	14,390
EQUITY		184,723	170,008
Debt, long-term		80,139	96,024
Lease liabilities		42,695	41,836
Non-current provisions		24,926	24,936
Deferred tax liabilities		26,797	28,635
Other non-current financial liabilities		198	223
NON-CURRENT LIABILITIES		174,756	191,654
Debt, short-term		29,238	28,640
Current provisions		1,162	1,700
Lease liabilities		21,675	21,712
Trade payables		144,981	147,483
Tax and social security liabilities		128,556	147,956
Other current liabilities		4,931	5,382
Deferred income		2,238	3,196
CURRENT LIABILITIES		332,781	356,067
TOTAL EQUITY & LIABILITIES		692,260	717,729

3.1.2. Interim consolidated statement of comprehensive income

Earnings for the 6-month period ending June 30th

<i>(in thousands of euros)</i>	<i>Notes</i>	2021	2020 ⁽¹⁾
Revenue	4.1	441,340	365,146
Other current operating income		7,356	7,752
Net change in inventory and raw materials and consumables used		(44,244)	(39,655)
Employee costs		(108,087)	(92,098)
Taxes, duties, and similar payments		(33,613)	(28,991)
Other current operating expenses		(213,227)	(170,805)
Operating margin		49,525	41,349
Depreciation, amortization and impairment of fixed assets		(27,330)	(24,028)
Charges to and reversals of provisions		126	(1,398)
Other non-current operating income		—	270
Other non-current operating expenses	5.2	(4,789)	—
Operating income		17,532	16,193
Financial income		2,840	79
Finance costs		(2,176)	(2,128)
Net financial income		664	(2,049)
Income taxes	6	(3,570)	(3,722)
Income from associates		—	62
Consolidated net income		14,627	10,484
Group share		14,127	10,443
Minority interests		500	41
Basic earnings per share, group share (in euros)		0.132	0.097
Diluted earnings per share, group share (in euros)		0.132	0.097

<i>(in thousands of euros)</i>	2021	2020 ⁽¹⁾
CONSOLIDATED NET INCOME	14,627	10,484
<i>Items recyclable or recycled to profit or loss:</i>		
Translation differences recognized in equity	83	(66)
<i>Items not recyclable to profit or loss:</i>		
Changes in actuarial gains and losses	6	(45)
Deferred taxed on changes in actuarial gains and losses	(1)	12
COMPREHENSIVE INCOME RECOGNIZED IN EQUITY	87	(99)
COMPREHENSIVE INCOME	14,714	10,385
Group share	14,214	10,344
Minority interests	500	41

1) Data for the first half of 2020 have been restated for corrections made to the 2020 annual financial statements (see note 2.2)

3.1.3. Interim changes in consolidated equity

	Capital	Share premium	Legal reserve	Group reserves	Cumulative translation adjustments	Equity, group share	Minority interests	Total equity
<i>(in thousands of euros)</i>								
POSITION AT 01.01.2020	13,659	17,376	1,362	89,399	(449)	121,348	13,111	134,458
Income at June 30, 2020 ⁽¹⁾	—	—	—	10,443	—	10,443	41	10,484
Income recognized in equity	—	—	—	(33)	(66)	(99)	—	(99)
Comprehensive income at June 30, 2020⁽¹⁾	—	—	—	10,410	(66)	10,344	41	10,385
Other changes	—	—	—	4	—	4	—	4
POSITION AT 06.30.2020⁽¹⁾	13,659	17,376	1,362	99,813	(515)	131,696	13,152	144,847

	Capital	Share premium	Legal reserve	Group reserves	Cumulative translation adjustments	Equity, group share	Minority interests	Total equity
<i>(in thousands of euros)</i>								
POSITION AT 01.01.2021	13,659	17,376	1,362	123,797	(576)	155,618	14,390	170,008
Income at June 30, 2021	—	—	—	14,127	—	14,127	500	14,627
Income recognized in equity	—	—	—	5	83	87	—	88
Comprehensive income at June 30, 2021	—	—	—	14,131	83	14,214	500	14,714
Other changes	—	—	4	(4)	—	—	—	—
POSITION AT 06.30.2021	13,659	17,376	1,366	137,925	(493)	169,833	14,890	184,723

(1) Data for the first half of 2020 have been restated for corrections made to the 2020 annual financial statements (see Note 2.2).

3.1.4. Interim consolidated statement of cash flows

For the 6-month period ending June 30th

<i>(in thousands of euros)</i>	<i>Notes</i>	2021	2020⁽¹⁾
CONSOLIDATED NET INCOME		14,627	10,484
Net income, group share		14,127	10,443
Net income, minority interests		500	41
Non-monetary items:			
Depreciation, amortization and impairment		27,330	24,028
Allocations to provisions		(126)	1,398
Change in deferred taxes	6	(3,912)	(1,811)
Elimination of income from associates		—	(62)
Change in fair value of non-current contract assets		85	2
Change in fair value of financial instruments		(44)	5
Elimination of non-current transactions		—	(270)
Change in fair value of put options and earnouts	8.2	(1,696)	(98)
Elimination of interest expense		1,610	941
Operating cash flow from consolidated companies		37,873	34,617
Change in working capital requirements for operations		(30,704)	50,021
Decrease/(increase) in inventory and work in progress		(9,516)	(6,306)
Decrease/(increase) in trade & other receivables		(18,198)	38,893
Increase/(decrease) in trade & other payables		(2,487)	12,451
Increase/(decrease) in other receivables and debts		(502)	4,982
Net cash flow from operating activities		7,169	84,638
CASH FROM/(USED IN) INVESTING ACTIVITIES			
Acquisition of non-current assets		(7,020)	(12,321)
Contingent consideration on acquisitions of subsidiaries and businesses	8.2	(572)	(12,467)
Acquisition of non-current financial assets		(937)	—
Disposal of non-current assets after tax		763	1,020
Net cash from/(used in) investing activities		(7,766)	(23,768)
CASH FROM/(USED IN) FINANCING ACTIVITIES			
Loan issuance		2,194	18,783
Repayment of loans and borrowings and related financial expenses		(16,452)	(961)
Other non-current financial liabilities		(24)	—
Repayment of lease liabilities and related financial expenses		(13,275)	(11,217)
Net cash from/(used in) financing activities		(27,558)	6,605
Impact of changes in foreign exchange rates		(318)	322
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(28,472)	67,798
Opening cash balance		159,279	84,194
Closing cash balance		130,807	151,992

(1) Data for the first half of 2020 have been restated for corrections made to the 2020 annual financial statements (see Note 2.2).

3.2 NOTES

Note 1: Information on the company and group

The condensed interim consolidated financial statements of Solutions 30 SE and its subsidiaries (collectively, the “group”) for the half-year ended June 30, 2021, were closed by the Management Board and approved by the Supervisory Board on September 28, 2021. 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

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended June 30, 2021, 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 principles 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, 2020.

- 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, 2020.

2.2 Error correction

In its 2020 annual report, the group made two changes to its scope of consolidation for the 2019 financial year which also led to a restatement of the interim consolidated statement of cash flows and the interim consolidated statement of comprehensive income for the 6 month period ending June 30, 2020.

Data for the 6 months ending June 30, 2020, have therefore been restated after decisions were made to set Worldlink’s takeover date at April 1, 2019 and Vitgo’s takeover date at January 1, 2018.

The impact of these consolidation restatements on the financial statements at June 30, 2020, is presented in the table below.

■ Impact over the six-month period ending on June 30, 2020, of fully consolidating Vitgo and Worldlink:

<i>(in thousands of euros)</i>	06.30.2020 (before modification)	Contribution 06.30.2020 Worldlink	Modification Worldlink customer relationships	Worldlink deferred losses	Elimination/ Goodwill/ Minority/IC Worldlink	Worldlink leasing	Modification Vitgo customer relationships	06.30.2020 (after modification)
Revenue	363,678	1,769	—	—	(301)	—	—	365,146
Other current operating income	7,748	4	—	—	—	—	—	7,752
Net change in inventory and raw materials and consumables used	(39,544)	(111)	—	—	—	—	—	(39,655)
Employee costs	(91,490)	(608)	—	—	—	—	—	(92,098)
Taxes, duties, and similar payments	(28,845)	(146)	—	—	—	—	—	(28,991)
Other current operating expenses	(170,015)	(1,344)	—	—	493	61	—	(170,805)
Operating margin	41,532	(436)	—	—	192	61	—	41,349
Depreciation, amortization and impairment of fixed assets	(24,022)	(46)	(18)	—	—	(61)	119	(24,028)
Charges to and reversals of provisions	(1,398)	—	—	—	—	—	—	(1,398)
Other non-current operating income	270	—	—	—	—	—	—	270
Operating income	16,382	(482)	(18)	—	192	—	119	16,193
Financial income	79	—	—	—	—	—	—	79
Finance costs	(2,117)	(11)	—	—	—	—	—	(2,128)
Net financial income	(2,038)	(11)	—	—	—	—	—	(2,049)
Income taxes	(3,846)	—	6	148	—	—	(30)	(3,722)
Income from associates	62	—	—	—	—	—	—	62
Consolidated net income	10,560	(493)	(12)	148	192	—	89	10,484
Group share	10,519	(493)	(12)	148	192	—	89	10,443
Minority interests	41	—	—	—	—	—	—	41
Basic earnings per share, group share (in euros)	0.098							0.097
Diluted earnings per share, group share (in euros)	0.098							0.097
<i>(in thousands of euros)</i>	06.30.2020 (before modification)							06.30.2020 (after modification)
CONSOLIDATED NET INCOME	10,560	(493)	(12)	148	192	—	89	10,484
Reclassification of items to profit or loss								
Translation differences recognized in equity	(66)	—	—	—	—	—	—	(66)
Other items of comprehensive income								
Changes in actuarial gains and losses	(45)	—	—	—	—	—	—	(45)
Deferred taxed on changes in actuarial gains and losses	12	—	—	—	—	—	—	12
COMPREHENSIVE INCOME RECOGNIZED IN EQUITY	(99)	—	—	—	—	—	—	(99)
COMPREHENSIVE INCOME	10,461	(493)	(12)	148	192	—	89	10,385
Group share	10,420	(493)	(12)	148	192	—	89	10,344
Minority interests	41	—	—	—	—	—	—	41

2.3 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, 2020 (except for newly adopted standards, effective as of January 1, 2021). 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, 2021, but have no impact on the group's interim consolidated financial statements as of June 30, 2021.

- Amendments to IFRS 16 "COVID-19-Related Rent Concessions": Published by IASB on May 28, 2020, and approved by the European Union on October 9, 2020. Applicable for fiscal years beginning on or after June 1, 2020, this standard does not have a material impact on the group's financial statements.
- Interest rate benchmark reform phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 "Interest Rate Benchmark Reform" (Phase 2), published by IASB on August 27, 2020, and approved by the European Union on January 13, 2021. Applicable for fiscal years beginning on or after January 1, 2021. Given the nature of its activities, this standard does not have a material impact on the group's accounts.
- The amendments to IFRS 4 "Insurance Contracts - Extension of the Temporary Exemption from Applying IFRS 9," published on June 25, 2020, do not apply to the group.

Standards, amendments, and interpretations of standards published by the IASB, adopted by the European Union and without early application as of June 30, 2021:

- Amendments to IFRS 16 "COVID-19-Related Rent Concessions": Published by the IASB on March 31, 2021, and approved by the European Union on August 30, 2021, applicable for fiscal years beginning on or after April 1, 2021. This standard does not have a material impact on the group's accounts.
- The amendments 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, and approved by the European Union on June 28, 2020. Applicable for fiscal years beginning on or after January 1, 2022. This standard does not have a material impact on the group's accounts.

Standards, amendments to standards, and interpretations of standards published by the IASB, and not adopted by the European Union.

The impacts on the financial statements of texts published by the IASB at June 30, 2021, and not in force in the European Union are currently being analysed. 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, 2023.
- Amendments to IAS 1 "Disclosure of Accounting Policies." Published on February 12, 2021, and applicable for fiscal years beginning on or after January 1, 2023.
- Amendments to IAS 8 "Definition of Accounting Estimates." Published on February 12, 2021, and applicable for fiscal years beginning on or after January 1, 2023.
- IFRS 17 "Insurance Contracts": IFRS 17 is replacing IFRS 4 "Insurance Contracts," published in 2004 as a temporary standard. Not approved by the European Union. Applicable for fiscal years beginning on or after January 1, 2023. Given the nature of its activities, this standard does not apply to the group.
- Amendments to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction," published on May 7, 2021.

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, 2020.

At the end of June 2021, the following changes had occurred:

- During the first quarter of 2021, the group continued to streamline its legal structure. In the Netherlands, I-Projects BV and I-Works BV were merged into one entity, effective January 1, 2021.
- Change of name from Telima Belgique to Solutions 30 Belgium.
- Change of name from Convergent Field Services Limited to Solutions 30 UK Services Limited.

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:

<i>(in thousands of euros)</i>	France	Benelux	Other	2021
Types of activities				
On-site call-outs	265,358	74,330	95,184	434,872
Leasing of payment terminals	1,694	—	—	1,694
Projects - Change in work in progress	3,234	588	952	4,774
Total revenue from contracts with customers	270,286	74,918	96,136	441,340

<i>(in thousands of euros)</i>	France	Benelux	Other	2020
Types of activities				
On-site call-outs	219,708	65,491	74,314	359,513
Leasing of payment terminals	2,199	—	—	2,199
Projects - Change in work in progress	2,438	700	296	3,434
Total revenue from contracts with customers	224,345	66,191	74,610	365,146

At June 30, 2021, the group's revenue is up +20.9% compared to June 30, 2020. 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 €73.2 million at June 30, 2021 (€93.5 million at December 31, 2020).

<i>(in thousands of euros)</i>	06.30.2021	12.31.2020
Trade receivables	75,810	66,841
Invoices to be issued	96,662	90,100
Trade payables - advances and down payments	3,251	881
TOTAL	175,722	157,821

During the first half of 2021, the group recognized an impairment of €0.05 million (€0.1 million during the first half of 2020) on its trade receivables. All trade receivables and related accounts are due in less than one year.

■ Contract assets

Contract assets relate to the lease contracts for payment terminals marketed by the group. At June 30, 2021, contract assets amounted to €1.9 million (2020: €2.0 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. Solutions 30'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.

<i>(in thousands of euros)</i>	2021	France	Benelux	Other countries	HQ
Revenue	441,340	270,286	74,918	96,136	—
Operating margin	49,525	41,890	10,369	1,684	(4,418)
Operating margin in %	11.2 %	15.5 %	13.8 %	1.8 %	—

<i>(in thousands of euros)</i>	2020	France	Benelux	Other countries	HQ
Revenue	365,146	224,345	66,191	74,610	—
Operating margin	41,349	32,396	9,316	2,502	(2,865)
Operating margin in %	11.3 %	14.4 %	14.1 %	3.4 %	—

5.2 Other non-current operating expenses

Other non-current operating expenses mainly consist of exceptional expenses incurred by the group to put an end to the violent smear campaign against it (€3.5 million) and restructuring costs (€0.8 million).

5.3 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 €
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	8,703
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
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	1,160
Spain	S30 group's Spanish companies	Guaranty	Payment of any amount requested by the tax authorities	Applicable during the entire contractual relationship	800
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	375
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	233
Belgium	Unit-T	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	213
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
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	80
France	Telima Logistique	Letter of intent	Obligations that arise from letters of intent sent to customers	9/15/2021	40
Luxembourg	Solutions 30 SE	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	33
Netherlands	Solutions 30 Netherlands	Lease guarantee	Obligations related to business premises leases	Applicable during the entire contractual relationship	24
France	Telima Frepard / 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:

<i>(in thousands of euros)</i>	2021	2020
Deferred taxes	3,912	1,826
Current taxes	(7,482)	(5,548)
Corporate income tax	(3,570)	(3,722)

Note 7: Intangible assets and property, plant and equipment

7.1 Breakdown of major assets by sector

Solutions 30'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.

<i>(in thousands of euros)</i>	06.30.2021	France	Benelux	Other
Goodwill	55,539	25,899	28,345	1,295
Other intangible assets	138,081	34,278	55,863	47,940
Property, plant and equipment	16,724	6,721	2,977	7,026

<i>(in thousands of euros)</i>	12.31.2020	France	Benelux	Other
Goodwill	55,533	25,899	28,345	1,289
Other intangible assets	146,875	38,592	58,143	50,140
Property, plant and equipment	15,509	7,231	2,729	5,549

7.2 Impairment tests of intangible assets

The group performed its annual impairment test in December 2020 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 2020 financial year. 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, 2021, 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 cash-generating units (CGU) to the assumptions used

Based on the sensitivity analysis disclosed in the consolidated financial statements for the year ended December 31, 2020, 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, 2021 for all CGUs.

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 30th.

<i>(in thousands of euros)</i>	06.30.2021		12.31.2020	
	book value	fair value	book value	fair value
Non-current financial assets	3,342	3,342	2,405	2,405
Trade receivables and related accounts	175,722	175,722	157,821	157,821
Contract assets	1,924	1,924	1,956	1,956
Other receivables	61,829	61,829	83,482	83,482
Cash and cash equivalents	130,807	130,807	159,279	159,279
Financial assets	373,624	373,624	404,944	404,944
Debt	109,377	109,377	124,663	124,663
Lease liabilities	64,370	64,370	63,548	63,548
Other non-current financial liabilities	198	198	223	223
Trade payables	144,981	144,981	147,483	147,483
Tax and social security liabilities	128,556	128,556	147,956	147,956
Other current liabilities	4,931	4,931	5,382	5,382
Financial liabilities	452,414	452,414	489,255	489,255

The financial assets and liabilities are carried at amortized cost except for put options, contingent considerations, and the interest rate swap. The fair value of financial assets and liabilities carried is close to the carrying amount, except for put options, contingent considerations, and the interest rate swap. The fair value of put options and contingent considerations is based on the present value of probable future cash flows taking into account the group's contractual commitments (level 3).

The fair value of the interest rate swap is determined based on models commonly used by market participants to value these derivative financial instruments (models incorporating observable market data – level 2). Taking into account the risk of counterparty default and the entity's own credit risk has no significant impact on the fair value of the interest rate swap.

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.

The change in the fair value of debts related to future earnouts and call options is presented in the table below:

<i>(in thousands of euros)</i>	01.01.2021	Earnout payment	Cumulative translation adjustments	Fair value adjustment	06.30.2021
Earnouts	16,923	(572)	185	(333)	16,203
Put options	7,695	—	—	(1,363)	6,332
TOTAL	24,618	(572)	185	(1,696)	22,535

The fair value of put options and contingent considerations 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 "Financial income."

The group undertook an analysis of whether the fair value of put options and contingent considerations was reasonable given the modifications that had been made to the main assumptions used to determine this fair value.

cash flows would not have a significant impact on the resulting fair values, and therefore would not affect the group's consolidated financial statements of June 30, 2021.

The calculations determined that they were reasonable and that a variation of 5% in assumptions about future

<i>(in millions of euros)</i>	Sensitivity to future cash flow	
	- 5 %	+ 5 %
Earnouts	(974)	774
Put options	(291)	291
TOTAL	(1,265)	1,065

8.3 Debt and liquidity risk

The Solutions 30 group has short, medium and long-term bank loans, with €86.8 million in remaining principle as of June 30, 2021, compared with €100.0 million at the end of 2020.

Note 9: Cash

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

<i>(in thousands of euros)</i>	06.30.2021	12.31.2020
Marketable securities	1,230	1,230
Cash and cash equivalents	129,577	158,049
TOTAL	130,807	159,279

Note 10: Related party disclosures

The following table shows the amount of transactions with related parties in the first half of 2021 and 2020, as well as the balance of receivables and payables at June 30, 2021, and December 31, 2020:

<i>(in thousands of euros)</i>		Telenet co-shareholder		Associates and joint ventures		Other related parties		Group Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Revenue	Services provided by the group	40,370	38,902	—	—	33	284	40,403	39,186
Expenses	Services received by the group	—	—	—	120	5,866	5,445	5,866	5,565
Loan	Amount loaned by the group	—	—	—	—	406	932	406	932
Debt	Amounts due from the group	—	—	—	—	3,448	3,874	3,448	3,874

All transactions with related parties are carried out under normal market conditions.

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

11.1 Earnout payment

In accordance with the terms of the acquisition agreement concluded with the former owners of ABM, the group agreed to pay an earnout based on the performance of the acquired company, during the month of July 2021. At December 31, 2020, and June 30, 2021, ABM's performance was already taken into account in the earnout estimate. The settlement of this sum for €3.2 million in July 2021, is recorded under "Debt, short-term" in the consolidated statement of financial position at June 30, 2021.

11.2 Acquisition of subsidiary after the end of the reporting period

■ Intel.C

On July 27, 2021, the group acquired 100% of the share capital of Intel.C.

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



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

Report on Review of Condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Solutions 30 SE (the "Group") for the period from 1 January to 30 June 2021, 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.

Basis for Qualified Conclusion

The consolidated financial statements of the Group as of 31 December 2020 were audited by another auditor who issued a disclaimer of opinion on the consolidated financial statements on 22 May 2021. The lack of certification of the annual consolidated financial statements creates uncertainty about the figures of the interim income statement as of 30 June 2020. As a result, this may impact the comparability of the interim consolidated comprehensive income figures for the current period with the corresponding figures.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – standard of the IFRS as adopted by the European Union applicable to interim financial information.

Luxembourg, 29 September 2021

PKF Audit & Conseil Sàrl
Cabinet de révision agréé

Jean Medernach

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