

Blue Solutions

Half year financial report
2018



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ACTIVITY REPORT

1_SUMMARY OF THE HALF-YEAR RESULTS

FIRST HALF 2018 RESULTS PUBLISHED BY BLUE SOLUTIONS

in millions of euros	1 st half 2018	1 st half 2017	Change (%)
Revenue	20.8	54.8	(62%)
EBITDA	(8.9)	5.2	na
Operating income	(16.5)	(3.0)	na
Financial income	(1.1)	(1.1)	na
Taxes	(0.1)	(0.1)	na
Net income	(17.7)	(4.1)	na
Net income Group share	(17.7)	(4.1)	na
in millions of euros	June 30, 2018	December 31, 2017	Change (M€)
Shareholder's equity, Group share	100	118	(18)
Net debt	47	31	17
Gearing (%)	47%	26%	

Revenue

62% decrease in revenue compared with the first half of 2017. This amount includes a contribution of 6.3 million euros granted to Blue Solutions (compared with 8.5 million euros at June 30, 2017) under a cooperation agreement signed by Blue Solutions and jointly Bluecar, Bluebus and Bluestorage.

As disclosed, the decline in the volumes of batteries sold (232 compared with 1,098 in the first half of 2017) resulted mainly from the sharp drop in deliveries intended for electric cars. Blue Solutions is now directing efforts to meeting needs for batteries for stationary applications and electric buses while improving the quality of the product and cutting its manufacturing costs.

EBITDA and operating income

- EBITDA amounted to -8.9 million euros, compared with 5.2 million euros in the first half of 2017;
- Operating income fell by 13.5 million euros, due mainly to the drop in revenue.

Net income

Consolidated net income was a loss of 17.7 million euros (compared with a loss of 4.1 million euros in the first half of 2017). This includes financial income of -1.1 million euros, which was stable compared to the first half of 2017.

Equity: 100 million euros | Net debt: 47 million euros

The decrease in equity at June 30, 2018, compared with December 31, 2017, stemmed mainly from the recognition of the net loss for the period. The increase in net debt was attributable mainly to the drop in net income.

2_ACTIVITIES

The activities below, on which Blue Solutions' has a call options, are developed by the Bolloré Group.

BLUE APPLICATIONS - MOBILITY

Car-sharing

- Autolib' was discontinued on July 31, 2018 following the decision of the Syndicat Autolib' Vélib' Métropole to terminate the concession;
- Continued roll-out of other car-sharing projects, including in Singapore, Turin, London and Los Angeles.

Bluebus

- 11 deliveries of 12-meter buses (including 9 for RATP) and 18 deliveries of 6-meter buses in the first half of 2018;
- RATP placed an order for 41 buses with delivery scheduled for 2019;
- Bid on the large RATP call for tenders with delivery from 2020, decision expected in early 2019.

BLUE APPLICATIONS - STATIONARY, IER, POLYCONSEIL

Stationary:

- Many projects now under study to combine storage with solar power production (Africa, DOM-TOM, ...).

IER:

- Solid revenue from terminals (air and services). Strong development of dematerialized parking ticket activity;
- Automatic Systems continued to feed off a very dynamic market in North America for its building access control systems. Winning of a number of calls for tenders in the passenger flow security business.

Polyconseil:

- Polyconseil was sustained level of activity driven notably by consulting assignments (digital and telecoms projects).

3_OTHER INFORMATIONS

In July 2018, Bolloré Group announced an agreement with Daimler, which may lead to the equipping of eCitaro buses manufactured by Daimler with Lithium Metal Polymer (LMP®) batteries from Blue Solutions.

Following the simplified public tender offer for Blue Solutions shares carried out in July 2017, the Bolloré Group reiterates its commitment to submitting a tender offer at 17 euros per Blue Solutions share after the release of Blue Solutions' 2019 financial statements, on that condition that the average Blue Solutions share price is less than 17 euros during a reference period. *The terms of this commitment can be found in Section 1.3.1 of the Bolloré SA Securities Note approved by the AMF on July 4, 2017 (approval no.17-326).*

4 FINANCIAL DATA BLUE APPLICATIONS

(in thousands of euros)	1 st Half 2018	1 st Half 2017
Bluecarsharing, Bluecar®, Autolib' and other car-sharing companies ⁽¹⁾		
- Revenue	35,807 ⁽²⁾	29,727 ⁽²⁾
- Operating income	(39,151)	(53 431)
Bluebus ⁽³⁾		
- Revenue	12,174 ⁽⁴⁾	4,856 ⁽⁴⁾
- Operating income	(16,266)	(16 205)
Blueboat ⁽⁵⁾		
- Revenue	0	0
- Operating income	(78)	(73)
Bluetram ⁽⁵⁾		
- Revenue	0	1
- Operating income	(276)	(366)
Bluestorage ⁽³⁾		
- Revenue	1,954 ⁽⁶⁾	9,296 ⁽⁶⁾
- Operating income	(6,971)	(7,940)
IER ⁽⁷⁾		
- Revenue	80,740 ⁽⁸⁾	74,475 ⁽⁸⁾
- Operating income	469	(38)
Polyconseil ⁽⁵⁾		
- Revenue	12,612 ⁽⁹⁾	13,694 ⁽⁹⁾
- Operating income	1,526	2,286

(1) Combined data under IFRS (not audited).

(2) Including 4,109 thousand euros at June 30, 2018 and 1,858 thousand euros at June 30, 2017 with other entities making up Blue Solutions or Blue Applications.

(3) Combined data under IFRS (not audited)

(4) At June 30, 2018, 102 thousand euros, with entities making up Blue Solutions or Blue Applications. At June 30, 2017, 159 thousand euros was achieved with entities making up Blue Solutions and Blue Applications.

(5) Data from the audited separate financial statements according to French standards.

(6) Including 1,280 thousand euros at June 30, 2018 and 9,129 thousand euros at June 30, 2017 with over entities making up Blue Solutions and Blue Applications.

(7) Combined data from the consolidated financial statements under IFRS (not audited).

(8) Including 9,239 thousand euros at June 30, 2018 and 7,444 thousand euros at June 30, 2017 with entities other entities Blue Applications and 0 thousand euros at June 30, 2018 and 356 thousand euros at June 30, 2017 with entities making up Blue Solutions.

(9) Including 7,459 thousand euros at June 30, 2018 and 9,095 thousand euros at June 30, 2017 with entities other entities Blue Solutions and Blue Applications.

5_EVENTS AFTER THE REPORTING PERIOD

In July 2018, the Group announced the signing of an agreement designed to equip eCitaro buses manufactured by Daimler with Lithium Metal Polymer batteries (LMP®) from Blue Solutions.

6_MAIN RISKS AND UNCERTAINTIES

The main financial risks with which the group could be confronted during the second half-year 2018 are explained in the note 8 in appendix to the condensed half-yearly consolidated financial statements.

7_MAIN RELATED-PARTY TRANSACTIONS

The main related-party transactions are detailed in the note 13 in appendix to the condensed half-yearly consolidated financial statements.

8_CHANGE IN THE SHARE PRICE

Stock market price at August 31, 2018.

IPO : October 30, 2013, €14.50 – Simplified tender offer : August 31, 2018, €16.2



9_BLUE SOLUTIONS' SHAREHOLDING

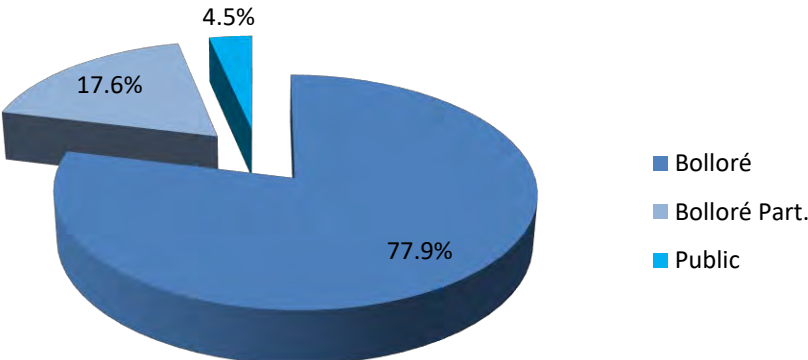


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CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	June 2018	Jun. 2017	December 2017
Revenue	5.1 - 5.2 -	20,848	54,770	80,725
Goods and services bought in	5.3	(18,402)	(37,115)	(61,325)
Staff costs	5.3	(16,482)	(16,379)	(33,173)
Depreciation, amortization and provisions	5.3	(7,604)	(8,243)	(15,782)
Other operating income	5.3	5,159	4,541	11,206
Other operating expenses	5.3	(69)	(623)	(1,045)
Operating income	5.3	(16,550)	(3,049)	(19,394)
Net financing expenses	7.1	(365)	(357)	(685)
Other financial income	7.1	925	432	825
Other financial expenses	7.1	(1,705)	(1,171)	(1,896)
Financial income	7.1	(1,145)	(1,096)	(1,756)
Share in net income of operating companies accounted for using the equity method	7.4	99	73	(45)
Corporate income tax	12	(134)	(65)	1,991
Consolidated net income		(17,730)	(4,137)	(19,204)
Consolidated net income, Group share		(17,730)	(4,137)	(19,204)
Minority interests		0	0	0

EARNINGS PER SHARE

9.2

(in euros)	June 2018	Jun. 2017	December 2017
Net income, Group share			
- basic	(0.61)	(0.14)	(0.67)
- diluted	(0.61)	(0.14)	(0.67)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	June 2018	Jun. 2017	December 2017
Consolidated net income for the period	(17,730)	(4,137)	(19,204)
Translation adjustment of controlled entities ⁽¹⁾	(3)	(2,504)	(3,371)
Total changes in items that will be recycled subsequently through profit or loss	(3)	(2,504)	(3,371)
Actuarial gains and losses recognized in shareholder's equity	(111)		146
Total changes in items that will not be recycled subsequently through profit or loss	(111)		146
COMPREHENSIVE INCOME	(17,844)	(6,641)	(22,429)
Of which:			
- Group share	(17,844)	(6,641)	(22,429)
- minority interests	0	0	0
<i>Of which taxes:</i>			
- on actuarial gains and losses	0	0	0

(1) Mainly includes the recognition of unrealized foreign exchange gains or losses on the Canadian dollar financing given to Blue Solutions Canada by Blue Solutions France for (1,400) thousand euros at June 30, 2018, (2,408) thousand euros at June 30, 2017 and (3,126) thousand euros at December 31, 2017.

CONSOLIDATED BALANCE SHEET**ASSETS**

(in thousands of euros)	Notes	06/30/2018	12/31/2017
Goodwill	6.3	14,371	14,000
Intangible assets	6.2	13,352	13,232
Tangible assets	6.1	89,087	93,817
Investments in equity affiliates	7.4	1,601	1,502
Other non-current financial assets		68	91
Deferred tax		0	0
Other noncurrent assets	5.7.1	31,206	26,610
Non-current assets		149,685	149,252
Inventories and work in progress	5.4	9,197	12,280
Trade and other receivables	5.5	22,464	18,465
Current tax		184	138
Other current financial assets		17	17
Other current assets		1,705	1,429
Cash and cash equivalents	7.2	602	3,536
Current assets		34,169	35,865
TOTAL ASSETS		183,854	185,117
LIABILITIES			
Share capital		145,815	144,192
Share issue premiums		0	0
Consolidated reserves		(45,639)	(26,386)
Shareholders' equity, Group share		100,176	117,806
Minority interests		0	0
Shareholders' equity	9.1	100,176	117,806
Non-current financial debts	7.3	34,613	34,361
Provisions for employee benefits	11	2,835	2,605
Other non-current provisions	10	799	799
Deferred tax		0	0
Other noncurrent liabilities	5.7.2	8,618	8,100
Non-current liabilities		46,865	45,865
Current financial debts	7.3	13,466	8
Current provisions	10	311	403
Trade and other payables	5.6	22,535	20,410
Current tax		0	0
Other current liabilities		501	625
Current liabilities		36,813	21,446
TOTAL LIABILITIES		183,854	185,117

CHANGES IN CONSOLIDATED CASH FLOWS

(in thousands of euros)	June 2018	Jun. 2017	December 2017
Cash flows from operating activities			
Net income, Group share	(17,730)	(4,137)	(19,204)
Net income, minority interests' share	0	0	0
Consolidated net income	(17,730)	(4,137)	(19,204)
Non-cash income and expenses:			
- elimination of depreciation, amortization and provisions	6,912	7,829	15,161
- elimination of change in deferred taxes		0	(2,327)
- other income and expenses not affecting cash flow or not related to operating activities	803	1,424	2,468
Other adjustments:			
- net financing expenses	365	357	685
- tax expenses	135	66	336
Dividends received:			
- dividends received from companies accounted for using the equity method	0	0	0
Taxes paid	(181)	(125)	(533)
Impact of the change in working capital requirement:	(4,073)	(18,163)	6,615
- of which inventories and work in progress	2,989	1,735	9,514
- of which payables	1,845	2,256	(1,334)
- of which receivables	(8,907)	(22,154)	(1,565)
Net cash from operating activities	(13,769)	(12,749)	3,202
Cash flow from investing activities			
Disbursements related to acquisitions: ⁽¹⁾			
- tangible assets	(2,276)	(8,299)	(11,999)
- intangible assets	(321)	(84)	(162)
- securities and other non-current financial assets	(2)	(823)	(32)
Income from disposal of assets:			
- tangible assets	0	0	0
- other non-current financial assets	28	0	125
Effect of changes in consolidation scope on cash flow	0	0	0
Net cash from investing activities	(2,571)	(9,206)	(12,067)
Cash flows from financing activities			
Net interest paid	(28)	(45)	(34)
Net cash from financing activities	(28)	(45)	(34)
Effect of exchange rate fluctuations	(24)	(53)	(77)
Net increase (decrease) in cash and cash equivalents	(16,392)	(22,052)	(8,976)
Cash and cash equivalents at the beginning of the period ⁽²⁾	3,528	12,504	12,504
Cash and cash equivalents at the end of the period ⁽²⁾	(12,864)	(9,548)	3,528

(1) Cash flows from investing activities in 2018 and 2017 were mainly related to capital expenditure on capacity to sustain the development of factories in Brittany and Canada.

(2) See note 7.2 – Cash and cash equivalents and net cash.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Number of shares	Share capital	Translation adjustment	Actuarial (losses) and gains	Reserves	Shareholder s' equity, Group share	Minority interests	Total
Shareholders' equity at December 31, 2016	28,838,316	144,192	875	(743)	(5,899)	138,425	0	138,425
Transactions with shareholders	0	0	0	0	866	866	0	866
Capital increases						0	0	0
Dividends distributed						0	0	0
Share-based payments ⁽¹⁾					443	443	0	443
Changes in consolidation scope						0	0	0
Other changes ⁽²⁾					423	423	0	423
Comprehensive income items			(2,504)	0	(4,137)	(6,641)	0	(6,641)
Net profit/loss for the period					(4,137)	(4,137)	0	(4,137)
Change in items recyclable through profit and loss								
- Translation adjustment of controlled entities			(2,504)			(2,504)	0	(2,504)
- Change in fair value of financial instruments of controlled entities						0	0	0
- Other changes in comprehensive income						0	0	0
Change in items that will not be recycled								
- Actuarial (losses) and gains				0		0	0	0
Shareholders' equity at June 30, 2017	28,838,316	144,192	(1,629)	(743)	(9,170)	132,650	0	132,650
Shareholders' equity at December 31, 2016	28,838,316	144,192	875	(743)	(5,899)	138,425	0	138,425
Transactions with shareholders	0	0	0	0	1,810	1,810	0	1,810
Capital increases						0	0	0
Dividends distributed						0	0	0
Share-based payments ⁽¹⁾					1,220	1,220	0	1,220
Changes in consolidation scope						0	0	0
Other changes ⁽²⁾					590	590	0	590
Comprehensive income items			(3,371)	146	(19,204)	(22,429)	0	(22,429)
Net profit/loss for the period					(19,204)	(19,204)	0	(19,204)
Change in items recyclable through profit and loss								
- Translation adjustment of controlled entities			(3,371)			(3,371)	0	(3,371)
- Change in fair value of financial instruments of controlled entities						0	0	0
- Other changes in comprehensive income						0	0	0
Change in items that will not be recycled								
- Actuarial (losses) and gains				146		146	0	146
Shareholders' equity at December 31, 2017	28,838,316	144,192	(2,496)	(597)	(23,293)	117,806	0	117,806
Transactions with shareholders	324,750	1,623	0	0	(1,409)	214	0	214
Capital increases	324,750	1,623			(1,623)	0	0	0
Dividends distributed						0	0	0
Share-based payments ⁽¹⁾					129	129	0	129
Changes in consolidation scope						0	0	0
Other changes ⁽²⁾					85	85	0	85
Comprehensive income items			(3)	(111)	(17,730)	(17,844)	0	(17,844)
Net profit/loss for the period					(17,730)	(17,730)	0	(17,730)
Change in items recyclable through profit and loss								
- Translation adjustment of controlled entities			(3)			(3)	0	(3)
- Change in fair value of financial instruments of controlled entities						0	0	0
- Other changes in comprehensive income						0	0	0
Change in items that will not be recycled								
- Actuarial (losses) and gains				(111)		(111)	0	(111)
SHAREHOLDERS' EQUITY AT JUNE 30, 2018	29,163,066	145,815	(2,499)	(708)	(42,432)	100,176	0	100,176

(1) Share-based payment involving Blue Solutions SA and Bolloré SA shares - See note 11.1 – Share-based payment transactions.

(2) See note 7.3 - Debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The Blue Solutions Group is a limited company (*société anonyme*) incorporated under French law and subject to all legislative and other provisions applying to trading companies in France, and in particular those of French company law (*Code de commerce*). Its registered office is at Odet, 29 500 Ergué-Gabéric. The company is listed on the Paris stock exchange.

The Blue Solutions Group (the Group) comprises Blue Solutions and its subsidiaries. Blue Solutions is consolidated in the financial statements of Bolloré and of Bolloré Participations.

The interim financial statements have been prepared further to the instructions of the Board of Directors' meeting of August 31, 2018.

Note 1- Highlights

Half-year 2018 results

At 20.8 million euros, revenue was down 62% compared with first half 2017.

Revenue mainly includes a contribution to Blue Solutions of 6.3 million euros under a collaboration agreement signed by Blue Solutions France and jointly Bluecar, Bluebus and Bluestorage, Bolloré subsidiaries using Lithium Metal Polymer (LMP®) batteries. This research and development cooperation agreement aims to enhance the development potential of batteries and various applications. This contribution was 8.5 million euros in First Half 2017. It is recognized annually on the basis of battery sales.

The decrease in revenue is directly related to the fall in volumes of batteries sold, with 232 batteries sold compared with 1,098 in First Half 2017, as a result of the sharp decline in deliveries for use in electric cars. Blue Solutions is now focusing on meeting the need for batteries for stationary applications and electric buses, while improving product quality and reducing production costs.

Net operating income (loss) fell by 13.5 million euros, primarily on account of the drop in revenue.

Issue of shares

311,250 new Blue Solutions shares were issued on January 8, 2018, the grant date of the free shares, at a par value of 5 euros per share.

13,500 new Blue Solutions shares were issued on April 7, 2018, the grant date of the free shares, at a par value of 5 euros per share.

The share capital of Blue Solutions was thus raised to 145,815,330 euros, divided into 29,163,066 shares, with a par value of 5 euros each.

The interest held by Bolloré Group, including that held by Bolloré Participations, in Blue Solutions thus went from 96.6% to 95.57% on January 8, 2018 and from 95.57% to 95.53% on April 7, 2018.

Note 2 - Significant accounting policies

The accounting principles and methods used to prepare the condensed half-yearly consolidated financial statements are identical to those used by the Group for the consolidated financial statements for the year ended December 31, 2017, prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and detailed in note 2 "General accounting policies" to the consolidated financial statements for the 2017 fiscal year; subject to the following:

- application by the Group of the accounting standards or interpretations, set out in 2.1.1 below - IFRS, IFRIC interpretations or amendments applied by the Group from January 1, 2018;
- application of the specifics of IAS 34 "Interim Financial Reporting".

In accordance with IAS 34, these financial statements do not include all of the notes required in the annual financial statements, but a selection of explanatory notes. They must be read in relation to the Group's financial statements for the year ended December 31, 2017.

2.1- Changes in standards

2.1.1 - IFRS, IFRIC interpretations or amendments applied by the Group from January 1, 2018

Standards, Amendments or Interpretations	Dates of adoption by the European Union	Application date pursuant to European Union: fiscal years beginning on or after
IFRS 9 "Financial instruments"	11/29/2016	01/01/2018
IFRS 15 "Recognition of revenue from contracts with customers"	10/29/2016	01/01/2018
IFRIC Interpretation 22 "Foreign currency transactions and advance consideration"	12/08/2016	01/01/2018
Amendment to IAS 40 "Transfers of investment property"	12/08/2016	01/01/2018
Amendments to IFRS 2 "Classification and measurement of share-based payment transactions"	06/20/2016	01/01/2018
Improvements to IFRS – 2014-2016 cycle	12/08/2016	01/01/2017-01/01/2018
Clarification of IFRS 15 "Revenue from contracts with customers"	11/09/2017	01/01/2018

The application of these texts did not have an impact on the Group's financial statements.

In the case of IFRS 15 "Revenue from contracts with customers", work has been undertaken to identify the areas of impact. With revenue being primarily comprised of sales of batteries, the Group has not identified any impact compared with how this revenue was previously recognized. In addition, compliance with the recognition of revenue from cooperation agreements was reviewed under IFRS 15 and no impact was found compared with the previous treatment.

In accordance with IFRS 9 "Financial Instruments", the Group is affected with respect to the measurement of trade receivables. It reviewed the compliance of its provisioning methodology under IFRS 9 and did not identify any significant divergence with its practices.

2.1.2 - Accounting standards or interpretations that the Group will apply in the future

The IASB published standards and interpretations which have not yet been adopted by the European Union as of June 30, 2018; at this date, they have not been applied by the Group.

Standards, Amendments or Interpretations	Dates of publication by the IASB	Application dates pursuant to IASB : fiscal years beginning on or after
IFRIC interpretation 23 "Uncertainty over income tax treatments"	06/07/2017	01/01/2019
IFRS 17 "Insurance contracts"	05/18/2017	01/01/2021
Amendment to IAS 28 "Long-term interests in associates and joint ventures"	10/12/2017	01/01/2019
Improvements to IFRS – 2015-2017 cycle	12/12/2017	01/01/2019
Amendment to IAS 19 "Plan Amendment, Curtailment or Settlement"	02/07/2018	01/01/2019
Amendments to References to the Conceptual Framework in IFRS Standards	03/29/2018	01/01/2020

The IASB published standards and interpretations, adopted by the European Union on June 30, 2018, for which the application date is after January 1, 2018. These new provisions were not applied in advance.

Standards, Amendments or Interpretations	Dates of adoption by the European Union	Application date pursuant to European Union: fiscal years beginning on or after
Amendment to IFRS 9 "Prepayment features with negative compensation"	26/03/2018	01/01/2019
IFRS 16 "Leases"	11/09/2017	01/01/2019

The Group is in the process of finalizing its work on the implementation of these new standards.

In the case of IFRS 16 "Leases", the work on identifying the impact is underway and the Group has started the process of determining the potential impact of this standard.

2.2 - Use of estimates

The preparation of financial statements in accordance with IAS 34 leads management to use estimates and assumptions in the implementation of accounting principles in order to value assets and liabilities, as well as revenues and expenses for the period presented.

Note 3 - Comparability of financial statements

In the absence of changes in consolidation scope and any significant impact of the application of new standards, the 2018 financial statements are comparable to those for 2017.

Note 4 - Consolidation scope**4.1 - Principal changes in consolidation scope****4.1.1 - First Half 2018**

None.

4.1.2 - 2017 fiscal year

None.

4.2 - Commitments given and received as part of share dealings**4.2.1 - Commitments received**Options concerning Blue Applications

Blue Solutions Group has seven call options over each Blue Applications company, the initial exercise period of which was between September 1, 2016 and June 30, 2018. Amendments signed on May 12, 2017 postponed the exercise window to between January 1, 2020 and June 30, 2020:

1. Bluecar, Autolib' and Bluecarsharing (this agreement can only be exercised on the three companies together);
2. Bluebus;
3. Blueboat;
4. Bluetram;
5. Bluestorage;
6. Polyconseil;
7. IER.

It will be up to the Board of Directors of Blue Solutions to assess whether it makes sense for Blue Solutions Group to exercise each of these options. The request by Blue Solutions to appoint an independent expert may only be made once, either in Q4 2019, or in Q1 2020.

Note 5 - Operating data**5.1 - Revenue**

<i>(in thousands of euros)</i>	June 2018	Jun. 2017	December 2017
Sale of goods ⁽¹⁾	15,090	49,699	70,496
Provision of services	4,337	4,926	7,221
Income from associated activities	1,421	145	3,008
Revenue	20,848	54,770	80,725

(1) Including a service relating to a collaboration agreement signed by Blue Solutions France and jointly Bluecar, Bluebus and Bluestorage (entities jointly controlled by Bolloré SA) for 6,250 thousand euros in First Half 2018, 8,520 thousand euros in First Half 2017 and 12,500 thousand euros for the 2017 fiscal year, respectively. This two-year 25 million euro agreement, which is intended to support the research and development work undertaken by Blue Solutions France, is recognized annually as revenue at Blue Solutions France on the basis of battery sales.

5.2 - Information on operating segments

5.2.1 - Information by partner

(in thousands of euros)	June 2018	Jun. 2017	December 2017
Revenue ⁽¹⁾	20,848	54,770	80,725
– of which Bluecar	4,508	39,467	51,000
– of which Bluebus	11,349	9,797	19,815
– of which Bluestorage	4,138	4,566	8,005
– of which Bluetram	56	211	398

(1) Total revenue with controlled entities of Bolloré Group, see note 13 - Related-party transactions.

5.2.2 - Information by geographical area

(in thousands of euros)	France and French overseas departments and territories	Americas	Total
In June 2018			
Revenue	19,728	1,120	20,848
Intangible assets	370	12,982	13,352
Tangible assets	74,459	14,628	89,087
Tangible and intangible capital expenditure	705	1,792	2,497
In June 2017			
Revenue	53,457	1,313	54,770
Intangible assets	150	3,443	3,593
Tangible assets	81,718	15,838	97,556
Tangible and intangible capital expenditure	3,845	1,526	5,371
In December 2017			
Revenue	78,239	2,486	80,725
Intangible assets	116	13,116	13,232
Tangible assets	78,852	14,965	93,817
Tangible and intangible capital expenditure	5,995	3,298	9,293

Revenue by geographical area shows the distribution of products according to the country in which they are sold.

5.3 - Operating income

(in thousands of euros)	June 2018	Jun. 2017	December 2017
Revenue ⁽¹⁾	20,848	54,770	80,725
Goods and services bought in:	(18,402)	(37,115)	(61,325)
- <i>Goods and services bought in</i>	<i>(17,414)</i>	<i>(36,377)</i>	<i>(59,714)</i>
- <i>Lease payments and rental expenses</i>	<i>(988)</i>	<i>(738)</i>	<i>(1,611)</i>
Staff costs	(16,482)	(16,379)	(33,173)
Amortization and provision expense	(7,604)	(8,243)	(15,782)
Other operating income ^(*)	5,159	4,541	11,206
Other operating expenses ^(*)	(69)	(623)	(1,045)
OPERATING INCOME	(16,550)	(3,049)	(19,394)

(1) Change in Revenue is listed by geographical area in note 5.2.2 - Information by geographical area.

(*) Details of other operating income and expenses

	June 2018			Jun. 2017		
	Total	Operating income	Operating expenses	Total	Operating income	Operating expenses
(in thousands of euros)						
Foreign exchange gains and losses	34	83	(49)	169	438	(269)
Research tax credit	4,699	4,699	0	3,641	3,641	0
Other	357	377	(20)	108	462	(354)
OTHER OPERATING INCOME AND EXPENSES	5,090	5,159	(69)	3,918	4,541	(623)
(in thousands of euros)						
Foreign exchange gains and losses				247	628	(381)
Research tax credit				9,743	9,743	0
Other				171	835	(664)
OTHER OPERATING INCOME AND EXPENSES				10,161	11,206	(1,045)

5.4 - Inventories and work in progress

	At 06/30/2018			At 12/31/2017		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
(in thousands of euros)						
Raw materials, supplies, etc.	8,844	(1,916)	6,928	10,899	(1,327)	9,572
Semi-finished, intermediate and finished products	2,496	(427)	2,069	2,635	(427)	2,208
Goods	218	(18)	200	518	(18)	500
TOTAL	11,558	(2,361)	9,197	14,052	(1,772)	12,280

5.5 - Trade and other receivables

	At 06/30/2018			At 12/31/2017		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
(in thousands of euros)						
Trade accounts receivable	11,062	0	11,062	7,451	0	7,451
Operating taxes and social security receivable ⁽¹⁾	11,296	0	11,296	10,913	0	10,913
Other operating receivables	106	0	106	101	0	101
TOTAL	22,464	0	22,464	18,465	0	18,465

(1) Including 8.7 million euros at June 30, 2018 relating to Blue Solutions research tax credit receivables for 2014, to be recovered in the next 12 months (8.7 million euros for the 2014 fiscal year at December 31, 2017).

5.6 - Trade and other payables

	At 12/31/2017	Changes in consolidation scope	Net Changes	Changes currency	Other transactions ⁽¹⁾	At
						06/30/2018
(in thousands of euros)						
Due to suppliers	5,424	0	(482)	(19)	0	4,923
Tax and social security contributions payables	7,516	0	2,403	(9)	0	9,910
Other operating payables	7,470	0	(176)	(151)	559	7,702
TOTAL	20,410	0	1,745	(179)	559	22,535

(1) Including 0.5 million euros relating to the current portion of the earn-out for Capacitor Sciences Inc., which is expected to fall due in 2018.

5.7 - Other assets and liabilities

5.7.1 - Other non-current assets

	At 06/30/2018			At 12/31/2017		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
(in thousands of euros)						
Research and competitiveness and jobs tax credits	31,206	0	31,206	26,610	0	26,610
TOTAL	31,206	0	31,206	26,610	0	26,610

This item includes the research tax credit receivables of Blue Solutions for the 2015, 2016, 2017 fiscal years and for First Half 2018. Blue Solutions expects to recover 7.6 million euros in 2019, 8.3 million euros in 2020, 9.5 million euros in 2021 and 4.4 million euros in 2022 at the latest.

5.7.2 - Other non-current liabilities

(in thousands of euros)	At 12/31/2017	Change in consolidation scope	Net change	Foreign exchange variations	Other movements	At 06/30/2018
Purchase and earn-out commitments ⁽¹⁾	8,100	0	1,289	(210)	(561)	8,618
Other non-current liabilities ⁽²⁾	0	0	0	0	0	0
TOTAL	8,100	0	1,289	(210)	(561)	8,618

(1) Earn-out commitments for Capacitor Sciences Inc., at Blue Solutions Canada Inc. See note 4.1.2 - Changes in consolidation scope in 2017. Other movements relate to the reclassification of the current portion. See note 5.6 – Trade and other payables.

(2) Includes investment subsidies – share at over one year.

5.8 - Off-balance sheet commitments for operating activities

This note supplements the information on commitments given and received at December 31, 2017, as described in note 5.9 "Off-balance sheet commitments for operating activities" to the consolidated financial statements for the year ended December 31, 2017.

There has been no significant change in the type of off-balance sheet commitments for operating activities given and received since December 31, 2017.

Note 6 - Tangible and intangible assets**6.1 - Tangible assets**

(in thousands of euros)	At 06/30/2018			At 12/31/2017		
	Gross value	Depreciation and impairment	Net value	Gross value	Depreciation and impairment	Net value
Land and fixtures and fittings	4,599	(1,110)	3,489	4,625	(1,034)	3,591
Buildings and fitting-out	71,453	(32,973)	38,480	71,768	(30,790)	40,978
Plant and equipment	103,396	(76,313)	27,083	102,676	(72,944)	29,732
Other	24,010	(3,975)	20,035	23,371	(3,855)	19,516
TOTAL	203,458	(114,371)	89,087	202,440	(108,623)	93,817

Change in net position in the first half of 2018

Net values	At 12/31/2017	Gross acquisitions	Disposals NAV	Net allowances	Changes in consolidation scope	Changes currency	Other transactions	At 06/30/2018
(in thousands of euros)								
Land and fixtures and fittings	3,591	0	0	(76)	0	(25)	(1)	3,489
Buildings and fitting-out	40,978	4	0	(2,333)	0	(171)	2	38,480
Plant and equipment	29,732	456	0	(4,023)	0	(88)	1,007	27,084
Other ⁽¹⁾	19,516	1,717	0	(162)	0	(29)	(1,008)	20,034
NET VALUES	93,817	2,177	0	(6,594)	0	(313)	0	89,087

(1) Including non-current assets in progress.

Capital expenditure is broken down by geographical area in note 5.2.2 – Information by geographical area.

6.2 - Intangible assets

(in thousands of euros)	At 06/30/2018			At 12/31/2017		
	Gross value	Depreciation and impairment	Net value	Gross value	Depreciation and impairment	Net value
Operating rights, patents, development costs	8,518	(5,797)	2,721	8,666	(5,504)	3,162
Other	10,714	(83)	10,631	10,150	(80)	10,070
TOTAL	19,232	(5,880)	13,352	18,816	(5,584)	13,232

Change in net position in the first half of 2018

Net values (in thousands of euros)	At 12/31/2017	Gross acquisitions	Disposals NAV	Net allowances	Changes in consolidation scope	Changes currency	Other transactions	At 06/30/2018
Operating rights, patents, development costs	3,162	44	0	(405)	0	(80)	0	2,721
Other	10,070	277	0	(3)	0	287	0	10,631
NET VALUES	13,232	321	0	(408)	0	207	0	13,352

6.3 - Goodwill**6.3.1 - Change in goodwill**

(in thousands of euros)	
At December 31, 2017	14,000
Acquisitions of controlling interests	0
Foreign exchange variations	371
AT JUNE 30, 2018	14,371

In accordance with IAS 36 "Impairment of Assets", goodwill undergoes impairment tests every year and when there is an objective indication of impairment. Since no indication of impairment loss was recorded at June 30, 2018, no impairment tests were carried out as at that date.

Note 7 - Financial structure and financial costs**7.1 - Financial income**

(in thousands of euros)	June 2018	Jun. 2017	December 2017
Net financing expenses	(365)	(357)	(685)
– Interest expenses	(365)	(357)	(696)
– Income from financial receivables	0	0	11
Other financial income ^(*)	925	432	825
Other financial expenses ^(*)	(1,705)	(1,171)	(1,896)
FINANCIAL INCOME	(1,145)	(1,096)	(1,756)

(*) Details of other financial income and expenses:

(in thousands of euros)	June 2018			Jun. 2017		
	Total	Financial income	Financial expenses	Total	Financial income	Financial expenses
Effect of changes in consolidation scope	0	0	0	0	0	0
Changes in financial provisions	(19)	0	(19)	(15)	0	(15)
Other ⁽¹⁾	(761)	925	(1,686)	(724)	432	(1,156)
OTHER FINANCIAL INCOME AND EXPENSES	(780)	925	(1,705)	(739)	432	(1,171)

(1) Primarily includes foreign exchange gains and losses on the short-term financing provided to Capacitor Sciences Inc. by Blue Solutions Canada, as well as the accretion expense and the unrealized foreign exchange gains and losses for the earn-out relating to the acquisition of Capacitor Sciences Inc., which respectively amounted to 436 thousand euros and (1,289) thousand euros compared with (251) thousand euros and (782) thousand euros in June 2017.

See notes 5.7.2 – Other non-current liabilities, 5.6 – Trade and other payables and 8.1 – Information on risk.

(in thousands of euros)	December 2017		
	Total	Financial income	Financial expenses
Effect of changes in consolidation scope	0	0	0
Changes in financial provisions	(31)	0	(31)
Other ⁽¹⁾	(1,040)	825	(1,865)
OTHER FINANCIAL INCOME AND EXPENSES	(1,071)	825	(1,896)

Primarily includes foreign exchange gains and losses on the short-term financing provided to Capacitor Sciences Inc. by Blue Solutions Canada, as well as the accretion expense for the earn-out relating to the acquisition of Capacitor Sciences Inc., which respectively amounted to 718 thousand euros and (1,261) thousand euros.

7.2 - Cash and cash equivalents and net cash

(in thousands of euros)	At 06/30/2018			At 12/31/2017		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Cash	602	0	602	1,154	0	1,154
Cash management agreements – assets ⁽¹⁾	0	0	0	2,382	0	2,382
Cash and cash equivalents	602	0	602	3,536	0	3,536
Cash management agreement - liabilities ⁽¹⁾	(13,216)	0	(13,216)	0	0	0
Current bank facilities	(250)	0	(250)	(8)	0	(8)
NET CASH	(12,864)	0	(12,864)	3,528	0	3,528

(1) Cash agreement with Bolloré SA

Cash and cash equivalents are classified within Level 1 under the fair value hierarchy defined in IFRS 13 (as at December 31, 2017).

7.3 - Debt

(in thousands of euros)	At 06/30/2018			At 12/31/2017		
	including current	incl. non-current		including current	incl. non-current	
Loans from credit institutions	0	0	0	0	0	0
Other borrowings and similar debts ⁽¹⁾	48,079	13,466	34,613	34,369	8	34,361
GROSS DEBT	48,079	13,466	34,613	34,369	8	34,361
Cash and cash equivalents ⁽²⁾	(602)	(602)	0	(3,536)	(3,536)	0
NET DEBT	47,477	12,864	34,613	30,833	(3,528)	34,361

Debt on the return to better fortune clause of 34.6 million euros (see below), current bank facilities of 0.3 million euros and the cash agreement with Bolloré SA for 13.2 million euros. See note 7.2 – Cash and cash equivalents and net cash.

(2) Cash at June 30, 2018.

Main characteristics of the items in net financial debt

Liabilities at amortized cost

Other borrowings and similar debts

(in thousands of euros)	At 06/30/2018	At 12/31/2017
Cash and cash management agreement – liabilities	13,466	8
Other borrowings and similar debts (*)	34,613	34,361

* Corresponds to the factoring in of the debt linked to the return to better fortune clause in favor of Bolloré relating to the debt waiver granted in 2009 in an amount of 34.6 million euros at June 30, 2018, versus 34.4 million euros at December 31, 2017:

Blue Solutions is committed to repaying an amount of 37.2 million euros to Bolloré SA, said amount corresponding to the debt of 37.5 million euros waived in 2009 minus the 0.3 million euros repayment in 2017, by paying one-third of the company's positive recurring income before tax, capped at the amount of the net profit, until the debt has been paid off.

The debt recognized in the financial statements corresponds to the current value of the commitment and is estimated on the basis of forecasts of future profit/loss available on the dates on which the financial statements for Blue Solutions were prepared. The interest expense representing the passage of time ((0.3) million euros at June 30, 2018, versus (0.7) million euros at December 31, 2017) is recognized in net financing expenses on the basis of an effective interest rate corresponding to the average financing rate of the lender. However, this interest does not create cash outflows.

Subsequent changes (excluding the effect of discounting) of this debt, resulting from a transaction with shareholders, were recorded in shareholders' equity for 0.1 million euros at June 30, 2018 and 0.9 million euros at December 31, 2017.

7.4 - Investments in equity affiliates

(in thousands of euros)	
At December 31, 2017	1,502
Share in net income	99
AT JUNE 30, 2018	1,601

Consolidated value of the companies accounted for using the equity method

(in thousands of euros)	At 06/30/2018		At 12/31/2017	
	Share in net income	Equity value	Share in net income	Equity value
Cirtem ⁽¹⁾	99	1,601	(45)	1,502
TOTAL	99	1,601	(45)	1,502

(1) The company was 33.74% owned by Blue Solutions SA at June 30, 2018 and at December 31, 2017.

Note 8 - Information relating to market risk and the fair value of financial assets and liabilities

8.1 - Information on risk

This note updates the information provided in note 8 to the consolidated financial statements included in the Group's 2017 registration document.

Main financial risks concerning the Group

Liquidity risk

At June 30, 2018, its net financial debt was 47.5 million euros (30.8 million euros at December 31, 2017). It includes 13.2 million euros under the cash agreement with Bolloré SA ((2.4) million euros at December 31, 2017), net of cash of (0,4) million euros (net cash of (1.1) million euros at December 31, 2017)) and a 34.6 million euro liability under the return to better fortune clause with Bolloré SA (34.4 million euros at December 31, 2017).

Blue Solutions is committed to repaying an amount of 37.2 million euros to Bolloré SA, said amount corresponding to the debt waived in 2009 minus the 0.3 million euro repayment already made, by paying one-third of the company's positive recurring income before tax, capped at the amount of the net profit, until the debt has been paid off.

The debt recognized in the financial statements (34.6 million euros at June 30, 2018) corresponds to the current value of the commitment and is estimated on the basis of the forecasts of future results available as of the dates of drawing up the financial statements for Blue Solutions. Interest expense representative of the passage of time is recognized in the net financing expenses on the basis of an effective interest rate corresponding to the average financing rate of the lender. However, this interest does not create cash outflows.

The Blue Solutions Group has a cash agreement, which Bolloré Group has undertaken to maintain to June 30, 2020, which may be used to cover its liquidity requirements. The Group considers that the Bolloré Group has sufficient liquidity to ensure financing for the coming years. The financial risks related to the Bolloré Group are presented in its 2017 registration document, with updates provided in the 2018 Half-Year Report.

Interest rate risk

At June 30, 2018, the Group had net variable-rate debt of 47.5 million euros, versus 30.8 million euros at December 31, 2017. The cash management agreement with Bolloré SA showed a net liability position of 13.2 million euros at June 30, 2018, versus an asset position of 2.4 million euros at December 31, 2017. This cash agreement bears interest at the quarterly average EONIA rate +1.00% for advances made by Bolloré SA and at the quarterly EONIA rate +0.50% for advances made to Bolloré SA, it being noted that in both cases where the quarterly EONIA rate is negative it will be deemed to be 0%.

Interest expenses in respect of the debt relating to the return to better fortune clause amounted to (0.3) million euros based on an interest rate of 1.99% at June 30, 2018 ((0.3) million euros based on an interest rate of 1.85% at June 30, 2017).

The sensitivity of the debt to a +1% change in the rate is as follows: the half-year impact on financing costs would be (0.1) million euros at June 30, 2018, compared with (0.4) million euros at June 30, 2017.

Blue Solutions did not use financial derivatives to hedge rates at June 30, 2018 or December 31, 2017.

Foreign exchange risk

Group revenue related to the sale of batteries is made in euros. Consequently, over 99% of the revenue in the periods presented was generated in euros. The company therefore considers that its revenue does not expose it in a significant manner to exchange rate risks.

Blue Solutions nonetheless conducts certain transactions in foreign currency: intra-group purchases of batteries and the majority of production costs of the Canadian site are carried out in Canadian dollars; some purchases of components from outside suppliers are conducted in US dollars. The company considers that the impact related to currencies nevertheless remains limited on the whole with regard to the Group's operating income and is not hedged.

The Group's operating income is not significantly exposed to currency risk. The Group's total net currency gains and losses related to operating flows in foreign currency amounted to 34 thousand euros at June 30, 2018, 169 thousand euros at June 30, 2017, and 247 thousand euros at December 31, 2017.

In 2018 and 2017, the financing of Blue Solutions Canada provided by Blue Solutions was in large part in Canadian dollars. Unrealized foreign exchange gains and losses resulting from the translation of this short-term financing into euros are recognized under other comprehensive income, pursuant to IAS 21.

The net impact of unrealized foreign exchange gains and losses on the Canadian dollar financing provided by Blue Solutions France to Blue Solutions Canada recognized under other comprehensive income respectively totaled (1,400) thousand euros at June 30, 2018, (2,408) thousand euros at June 30, 2017 and (3,126) thousand euros at December 31, 2017.

The net currency impacts recognized in profit and loss amounted to (281) thousand euros and 44 thousand euros, respectively, for the periods ended June 30, 2018 and June 30, 2017.

These impacts mainly relate to transactions in US dollars. In 2018 and in 2017, the Capacitor Sciences Inc financing was provided by Blue Solutions Canada in US dollars.

Unrealized foreign exchange gains and losses resulting from the translation of this short-term financing into euros are recognized as net financial income. They totaled 425 thousand euros at June 30, 2018 and (251) thousand euros at June 30, 2017.

In parallel, Blue Solutions Canada has a US dollar liability relating to the Capacitor Sciences Inc. earn-out. To this end, in 2018, an (804) thousand euro unrealized foreign exchange loss was recognized.

The impact of a 1% change in the US dollar on the translation of the Group's data is as follows:

(In thousands of euros)	At 06/30/2018	At 06/30/2017	At 12/31/2017
Revenue	0	0	0
Operating income	(34)	(31)	(71)
Financial income	(52)	(133)	(118)
Net income	(86)	(164)	(165)
Shareholders' equity	68	43	33

The impact of a 1% change in the Canadian dollar on the translation of the Group's data is as follows:

(In thousands of euros)	At 06/30/2018	At 06/30/2017	At 12/31/2017
Revenue	11	13	25
Operating income	(84)	(59)	(127)
Financial income	(12)	(6)	(6)
Net income	(90)	(65)	(133)
Shareholders' equity	12	178	17

Credit and/or counterparty risk

Blue Solutions considers it is not exposed to counterparty risk, as close to 99% of its revenue is generated with Bolloré Group companies.

Risk related to shares

Blue Solutions has no shareholdings other than those held in Blue Solutions Canada, Capacitor Sciences and Cirtem. Accordingly, it considers that it is not subject to any risk on fluctuation in share markets.

Raw materials risk

Given the portion represented individually by each type of raw material and component in its operating expenses, Blue Solutions has not put in place any measures for this risk or any hedging measures for said risk.

Note 9 - Shareholders' equity and earnings per share

9.1 - Shareholders' equity

9.1.1 - Changes in capital

At June 30, 2018, the share capital of Blue Solutions SA was 145,815,330 euros, divided into 29,163,066 fully paid-up ordinary shares with a par value of 5 euros each. During the period ended on June 30, 2018, the weighted average number of ordinary shares outstanding and the weighted average number of ordinary and potential dilutive shares was 29,023,533.

During the half-year, two share issues were carried out for a total of 324,750 shares. See note 1 - Significant events.

Transactions that affect or could affect the share capital of Blue Solutions are subject to agreement by the General Meeting of Shareholders.

9.1.2 - Dividends paid out by the parent company

The parent company did not pay any dividends during the fiscal year.

9.2 - Earnings per share

The table below gives a breakdown of the details used to calculate the basic and diluted earnings per share shown at the bottom of the income statement.

(in thousands of euros)	June 2018	Jun. 2017	December 2017
Net income, Group share, used to calculate earnings per share - basic	(17,730)	(4,137)	(19,204)
Net income, Group share, used to calculate earnings per share - diluted	(17,730)	(4,137)	(19,204)
Number of shares issued	29,163,066	28,838,316	28,838,316
Number of shares outstanding	29,163,066	28,838,316	28,838,316
Free shares	0	353,500	324,750
Number of shares issued and potential shares	29,142,074	29,191,816	29,163,066
Weighted average number of shares outstanding - basic	29,023,533	28,838,316	28,838,316
Potential dilutive securities resulting from the exercise of free shares ⁽¹⁾	0	0	0
Weighted average number of shares outstanding and potential shares - after dilution	29,142,074	28,838,316	28,838,316

(1) The potential stock that existed in 2017 was not taken into account when calculating the diluted earnings per share for the 2017 fiscal year as it had no dilutive effect due to the loss generated in these fiscal years.

Note 10 - Provisions

(in thousands of euros)	At 06/30/2018	including current	incl. non-current	At 12/31/2017	including current	incl. non-current
Provisions for litigation ⁽¹⁾	144	144	0	144	144	0
Provisions for warranties	70	70	0	162	162	0
Provisions for taxes ⁽²⁾	799	0	799	799	0	799
Other provisions for charges	97	97	0	97	97	0
Provisions for contingencies and charges	1,110	311	799	1,202	403	799
Employee benefit obligations	2,835	0	2,835	2,605	0	2,605
PROVISIONS	3,945	311	3,634	3,807	403	3,404

(1) 144 thousand euro provision for a supplier dispute.

(2) Blue Solutions was the subject of a tax inspection for the period from 2012 to 2014. The Group has challenged all the assessments received and the proceedings still ongoing. Nevertheless, out of prudence, the Group funded a 0.8 million euro provision in 2016 based on its best estimate of the risk.

Breakdown of changes over the period

(in thousands of euros)	At 12/31/2017	Decrease			Changes in consolidation scope	Other transactions	Changes currency	At 06/30/2018
		Increase	With use	Without use				
Provisions for litigation	144	0	0	0	0	0	0	144
Provisions for warranties	162	0	0	(92)	0	0	0	70
Provisions for taxes	799	0	0	0	0	0	0	799
Other provisions for charges	97	0	0	0	0	0	0	97
Employee benefit obligations ⁽¹⁾	2,605	133	(14)	0	0	111	0	2,835
TOTAL	3,807	133	(14)	(92)	0	111	0	3,945

(1) Employee benefit obligations were updated at June 30, 2018 by extrapolating the calculations made at December 31, 2017. The demographic data at December 31, 2017 were updated to reflect expected retirements in 2018. The exchange rates and the discounting rates were updated, the other assumptions were retained. The other transactions relate to actuarial losses recognized in shareholders' equity in First Half 2018.

Note 11 - Employee benefits**11.1- Share-based payment transactions****Blue Solutions free share allocation plan**

Blue Solutions' Board of Directors meeting of January 7, 2014, partially using the authorization granted to it by the Extraordinary General Meeting of August 30, 2013, decided to award a fixed maximum amount of free shares of 380,000 shares, or 1.32% of the capital. 364,500 free shares were awarded in this way on January 8, 2014, and 13,500 on April 7, 2014, in line with the procedures set out by the General Meeting and the Board of Directors. The arrangements for awarding these shares are detailed in the notes to the Blue Solutions Group's financial statements for the year ended December 31, 2017. The accounting treatment for this plan wasn't changed during the half year.

The fair value of the shares granted was calculated by an independent expert.

The fraction of this fair value representative of the services rendered to Blue Solutions recorded in P&L under "Staff costs" offset in shareholders' equity is (41) thousand euros at June 30, 2018 and (394) thousand euros at June 30, 2017.

The change is due to the end of the plan vesting period and the issuance on January 8, 2018 of 311,250 shares and on April 7, 2018 of 13,500 shares at par value. See note 1 – Significant events.

Bolloré SA free share allocation plans

Bolloré Group granted Bolloré SA free shares to Group employees. These were done in line with the conditions laid down by the Extraordinary General Meeting on June 3, 2016. The terms and conditions of these plans were approved by the Board of Directors of Bolloré at its meetings on September 1, 2016, March 23, 2017 and March 22, 2018.

A portion of these shares was allocated to Blue Solutions Group employees.

With respect to the plan granted in First Half 2018, 30,000 shares of 1,238,000 Bolloré SA shares, approved by the Board of Directors on March 23, 2018, involve Blue Solutions Group employees.

The Blue Solutions Group applied IFRS 2 Share-based payment to these free share allocation plans of the parent company (IFRS 2-B53). Given that Bolloré SA is obligated to deliver the equity instruments, the Blue Solutions Group recognized the expense for employee service cost pursuant to the provisions of IFRS2.10 on the measurement of share-based payment transactions and offset this with an increase in equity for Bolloré SA's contribution.

The fair value of the shares granted was calculated by an independent expert.

The portion of this fair value, for all plans granted involving Bolloré SA shares, representing services provided to Blue Solutions recognized in profit and loss under "Staff costs", offset in shareholders' equity, totaled (89) thousand euros at June 30, 2018 and (49) thousand euros at June 30, 2017.

Note 12 - Taxes**12.1 - Tax expenses****12.1.1 - Income tax analysis**

(in thousands of euros)	June 2018	Jun. 2017	December 2017
Current tax	0	0	0
Provision (expense)/reversal for taxes	0	0	0
Net change in deferred taxes	0	0	2,326
Other tax	0	0	0
Corporate added value contribution	(134)	(65)	(336)
TOTAL	(134)	(65)	1 991

For the fiscal years presented, by virtue of IAS 12 section 35, the Group considered that given the recent history of unused tax losses, it was not necessary to recognize the net deferred tax assets in respect of carrying forward tax losses beyond the taxable liabilities temporary differences. At December 31, 2017, the change over the period in deferred tax assets was solely driven by the inclusion of liabilities temporary differences.

Note 13 - Related-party transactions

The consolidated financial statements include the operations conducted by the Group within the normal framework of its activities with the consolidated companies in the Bolloré Group which controls the Group.

It should be noted that the Group has in particular entered into an agreement with Bolloré SA concerning the provision of services, including the provision of assistance, staff and resources and reclassification of assets. The financial conditions of this agreement are as follows:

- provision of assistance: the amount invoiced is determined on the basis of Bolloré SA's operating costs using an allocation formula;
- provision of staff and resources: the agreement specifies re invoicing at cost for seconded personnel and equipment, re invoicing by the hour for aircraft;
- reclassification of assets or securities: they are calculated on the basis of the net book value of the goods in the accounts of the transferor except for changes in securities exceeding 500,000 euros and asset disposals exceeding 1,500,000 euros which are governed by a special agreement subject to the procedures for related-party agreements.

In addition: Blue Solutions benefits from a cash management agreement with Bolloré SA which manages the cash requirements and cash surpluses of Blue Solutions. Borrowings made are subject to the quarterly average EONIA interest rate +1.00% and loans at the EONIA rate +0.50%.

(in thousands of euros)	June 2018	Jun. 2017
Revenue		
- non-consolidated entities in Blue Solutions Group ⁽¹⁾	20,773	54,661
- entities accounted for using the equity method: Cirtem	0	0
Goods and services bought in		
- non-consolidated entities in Blue Solutions Group ⁽¹⁾	(4,076)	(11,504)
- entities accounted for using the equity method: Cirtem	0	0
Other financial income and expenses		
- non-consolidated entities in Blue Solutions Group ⁽¹⁾	(365)	(356)
- entities accounted for using the equity method: Cirtem	0	0

(in thousands of euros)	June 30, 2018	December 31, 2017
Receivables associated with activity (excluding tax consolidation)		
- non-consolidated entities in Blue Solutions Group ⁽¹⁾	11,057	7,251
- entities accounted for using the equity method: Cirtem	0	0
Provisions for bad debts	0	0
Payables associated with activity (outside tax consolidation)		
- non-consolidated entities in Blue Solutions Group ⁽¹⁾	327	1,093
- entities accounted for using the equity method: Cirtem	0	0
Current accounts and cash management agreements – assets		
- non-consolidated entities in Blue Solutions Group ⁽¹⁾	14	2,396
- entities accounted for using the equity method: Cirtem	0	0
Current accounts and cash management agreements – liabilities		
- non-consolidated entities in Blue Solutions Group ⁽¹⁾	10,351	0
- entities accounted for using the equity method: Cirtem	0	0

(1) Entities jointly controlled by Bolloré Group, not consolidated by Blue Solutions Group, along with Group holding companies.

Note 14 - Events after the reporting period

In July 2018, the Group announced the signing of an agreement designed to equip ECitaro buses manufactured by Daimler with Lithium Metal Polymer batteries (LMP®) from Blue Solutions.

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

For the period from January 1 to June 30, 2018.

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of BLUE SOLUTIONS, for the period from January 1 to June 30, 2018,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France 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.

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

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, September 26, 2018

The Statutory Auditors

French original signed by

AEG FINANCES

French member of Grant Thornton International

CONSTANTIN ASSOCIES

Member of Deloitte Touche Tohmatsu Limited

Jean-François BALOTEAUD

Jean Paul SEGURET

STATEMENT OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

I hereby certify that to the best of my knowledge the condensed financial statements for the past half year have been prepared in accordance with application accounting standards and give a true and fair view of the assets, financial position and performance of the company and all its consolidated entities, and that the interim progress report on page 3 gives a true picture of the highlights in the first six months of the financial year, their effect on the accounts, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

September 26, 2018

Jean-Luc Monfort
Chief Executive Officer