

PRESS RELEASE

Boulogne-Billancourt, June 28th, 2018

IFRS 15 : a new revenue recognition accounting standard

The new accounting standard **IFRS 15 “Revenue from contracts with customers”**, that removes and replaces the previous IAS 18 accounting standard related to revenue recognition, is mandatory since January 1st, 2018. This new accounting standard has been applied to SoLocal Group’s whole financial data since then. The main impacts for SoLocal are more deeply explained in this press release. SoLocal Group is disclosing today its income statement as at December 31st, 2017 restated under IFRS 15 (unaudited).

The main changes due to the application of IFRS 15 as at December 31st, 2017 are the following:

- Obligation to **publish the order backlog** under IFRS 15
- Increase of €96M of **the order backlog under IFRS 15**
- **2017 revenues¹** : €730M under IFRS 15 versus €756M under IAS 18
- Increase of €0.7M in **staff costs¹** under IFRS 15
- **Recurring EBITDA¹**: €170M under IFRS 15 versus €196M under IAS 18
- **No impact on cash flows**: the decrease in recurring EBITDA is completely offset by a positive impact on the working capital
- No change concerning the **2018 outlook: stabilisation of recurring EBITDA¹ under IFRS 15 at €170M**

I. Order Backlog

IFRS 15 requires to publish the order backlog. SoLocal Group’s order backlog as at December 31st, 2017 under IFRS is the following:

<i>In million euros, December 31st, 2017</i>	IAS 18	IFRS 15	Change in €M
Digital order backlog ^{1,2}	309	394	+85
Print order backlog ^{1,2}	51	61	+10
Total order backlog^{1,2}	360	455	+96

The shift to IFRS 15 leads to a modification of the backlog order as at December 31st, 2017, leading to an increase of €96M. Digital revenue recognition is more spread over time. As such, some revenues recognised under IAS 18 in 2017 will also be recognised under IFRS 15 in 2017 and partly spread over 2018 and 2019.

¹ Continued activities

²The order backlog is defined as the remaining revenues that has to be recognised as at December 31st 2017 on sales orders such as validated and engaged by customers as at December 31st, 2017. As for subscription products, only the engagement period is taken into account.

II. Income statement

<i>In million euros, as at December 31st, 2017</i>	IAS 18	IFRS 15	Change in €M
Digital revenues ¹	636	595	(41)
Print revenues ¹	120	135	+15
Total revenues¹	756	730	(26)
Staff costs ^{1,2}	(367)	(369)	(1)
Net external expenses ^{1,2}	(192)	(192)	0
Recurring EBITDA¹	196	170	(26)
Digital EBITDA ^{1,2}	170	140	(30)
Print EBITDA ^{1,2}	26	29	+4
Recurring EBITDA¹	196	170	(26)

The impact of this change for the Group is a revenue recognition that is more spread over time. Thus, the Group's 2017 revenues¹ restated under IFRS 15 are lower by €26M compared to IAS 18. Most of this impact will be recognised in the 2018 revenues and the remaining part in the 2019 revenues. As a consequence, there is no revenue loss but a deferred revenue recognition for the Group.

The Group has revisited its financial principles regarding digital vs. print sales breakdown as part of the application of IFRS 15.

The impact on costs is limited, representing a global change in 2017 total charges¹ of €0.7M under IFRS 15 versus IAS 18.

The 2017 recurring EBITDA¹ restated under IFRS 15 amounts to €170M, representing a change of -€26M compared to the IAS 18 recurring EBITDA¹. The 2017 digital recurring EBITDA¹ restated under IFRS 15 amounts to €140M, and the 2017 print recurring EBITDA¹ restated under IFRS 15 amounts to €29M.

III. Cash Flow statement

The shift to IFRS 15 has no impact on cash flows. The change in recurring EBITDA is offset by the change in working capital.

IV. 2018 outlook

The outlook in terms of recurring EBITDA for 2018 is the stabilisation of recurring EBITDA¹ at €170M, in line with the implementation of this new accounting standard.

¹ Continued activities

² Recurring

A detailed presentation illustrating the main impacts of IFRS 15 is available on the corporate website of the Company <http://www.solocalgroup.com/en/finance/presentations-et-webcasts>

Furthermore, a detailed description of applied accounting principles will be released at the time of 1H 2018 financial statements.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided.

About SoLocal Group

SoLocal Group is positioned as the trusted and local digital partner supporting business companies to accelerate their growth. To succeed in this transformation, it relies on its six key assets some of them being unique in France: media with very high audiences, powerful geolocated data, scalable technological platforms, commercial coverage throughout France, privileged partnerships with GAFAM and numerous talents (experts in data, IT development, digital marketing, etc.). SoLocal Group's activities are structured around two axes. First, a range of "full web & apps" digital services on all devices (PCs, mobiles, tablets and personal assistants), offered in the form of packs and subscriptions, ("Digital Presence", "Digital Advertising", "Digital Website", "Digital Solutions" and "Print to Digital"), and integrating a digital coaching service, to support clients success. Second, flagship owned media (PagesJaunes and Mappy) used daily by Frenchs and offering an enriching and differentiating user experience. With more than 460,000 customers across France and 2.4 billion visits on its media, the Group generated revenues of €756 million in 2017 (IAS 18), 84% coming from Internet making it one of the leading European players in terms of online advertising revenue. SoLocal Group is listed on Euronext Paris (LOCAL). More information is available at www.solocalgroup.com.

Contacts

Press

Delphine Penalva
+33 (0)1 46 23 35 31
dpenalva@solocal.com

Edwige Druon
+33 (0)1 46 23 37 56
edruon@solocal.com

Alexandra Kunysz
+33 (0)1 46 23 47 45
akunysz@solocal.com

Investors

Nathalie Etzenbach-Huguenin
+33 (0)1 46 23 48 63
netzenbach@solocal.com

Sébastien Nony
+33 (0) 1 46 23 49 03
snony@solocal.com

Alima Lelarge Levy
+33 (0) 1 46 23 37 72
aalarge@solocal.com

Appendix

Income statement as at December 31st, 2017 – IFRS 15 (unaudited)

<i>In million euros</i>	Consolidated	Divested activities	Continued activities	Recurring¹	Non recurring¹
Total revenues	740	9	730	730	-
Staff costs	(384)	(6)	(379)	(369)	(10)
Net external expenses	(201)	(6)	(195)	(192)	(3)
EBITDA	154	(3)	157	170	(13)
Depreciation and amortisation	(53)	11	(64)	(64)	-
Operating income	100	8	92	105	(13)
Net gain from debt restructuring as at March 13 th , 2017	266	-	266	-	266
Other financial incomes	0	-	0	0	-
Financial expenses	(29)	-	(29)	(29)	-
Financial income	238	-	238	(28)	266
Income before tax	338	8	330	77	253
Corporate income tax	(20)	(1)	(18)	(35)	17
Income for the period	318	7	312	42	270

¹ Continued activities