solocal

Amendment
to the 2019 Universal Registration Document

Universal Registration Document filed on 30 April 2020 with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) under number D.20-0429.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Amendment to the 2019 Universal Registration Document was filed on 20 July 2020 with the French Financial Markets Authority (Autorité des marchés financiers – AMF) in its capacity as competent authority pursuant to Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The Universal Registration Document may be used for the purposes of a public offering of securities or the admission of securities to trading on a regulated market, provided it is accompanied by a securities note and, where applicable, a summary and all amendments made to the Universal Registration Document. The ensemble of documents thus formed shall be approved by the AMF pursuant to Regulation (EU) 2017/1129.

General remarks

This Amendment serves to update the Solocal Group 2019 Universal Registration Document, which was filed with the French Financial Markets Authority (Autorité des marchés financiers) on 30 April 2020 under number D.20-0429 (the "2019 Universal Registration Document").

The numbering of the chapters and sections of the Amendment follows the numbering of the chapters and sections in the 2019 Universal Registration Document that have been updated in this Amendment.

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contact us

01 46 23 37 50

+33 (1) 55 77 35 00 from outside France

actionnaire@solocal.com

www.solocal.com

SOLOCAL GROUP: Public limited company with a capital of €62,704,146.60 - Commercial and Companies Register Nanterre 552 028 425

Head office: 204 Rond-Point du Pont de Sèvres - 92649 Boulogne-Billancourt Cedex

Referred to in this document as "Solocal Group" or the "Company". "Solocal" refers to Solocal Group SA and its entities.

1.5 Activity Report as at 31 December 2019

1.5.6 EVENTS SUBSEQUENT TO THE CLOSING DATE OF 31 DECEMBER 2019

All financial information presented in this section is unaudited.

PRESS RELEASE – MONDAY 18th MAY 2020

First estimate of health crisis impacts on 2020-2023 trajectory

Impact on the financing and cash situation of the Group

Under the current health crisis circumstances, which have had a deep impact on Solocal, and in the wake of the suspension of the quarterly coupon payment which occurred on 16th March 2020, Solocal initiated discussions with its bondholders in order to protect its cash position and secure its financial situation.

In an attempt to ensure transparency and equal access to information, Solocal discloses a first estimate of its business plan for the 2020-2023 period. Considering the current environment and the uncertainty in the upcoming months, this information shall be reviewed and updated on a regular basis according to the evolution of the health crisis and its impacts on the economic environment.

Estimated impact of Covid-19 crisis on 2020 activity

As announced on 22nd April 2020, the impact of the health crisis caused by Covid-19 on the Group's business activity is very significant. Solocal recorded a 55% order intake[3] decrease over the lockdown period. Moreover, Solocal forecasts a very slow recovery in May and June. September should be the milestone of a progressive return to normalised business activity.

In terms of order intake, the health crisis impact should translate into a decrease of €150 million compared to the initial 2020 budget, which was the basis for the outlook announced on 27th February 2020. This should represent a €100 million order intake decrease in 2020 compared to 2019[1].

As a consequence, this should result in a 2020 revenue1 decrease by c. 20%, including a 2020 Digital revenue1 decrease by c. 15%. This slowdown will be partially offset in 2020 by cost reductions and the support measures announced by the government, for a total cumulated amount of c. €40 million. Therefore, the 2020 FY EBITDA[1] is expected at c. €130 million.

2021-2023 Outlook

Based on available information at the present date the Group has proceeded to a full review of its three-year outlook. Amid a booming digital marketing and online business sector and building on its new digital service offer, based on the enhancement of its products, the subscription mode and a longer maturity, Solocal will be able to deliver a return to growth from 2021 onwards after being affected by Covid-19 health crisis in 2020.

Indeed, despite the impact of the crisis on the volume of new contract acquisition in 2020 and on the timing of its customer base migration towards new services, the Group anticipates a return to Digital revenue growth from 2021 onwards and should be able to generate revenues to the tune of €560 million in 2023. The average growth over the 2020-2023 period would as such amount to c. 8% per annum.

2021 EBITDA[2] will be affected by the decrease in 2020 order intake and the end of the Print activity, and should therefore amount to c. €120 million. A return to normalised business conditions should be observed in 2022, with the Group being able to deliver an EBITDA on a growth path while maintaining an EBITDA[(2)] margin above 30%. 2023 EBITDA[(2)] should return to its 2019 level, at c. €190 million.

From 2022 onwards, the Group should generate operating free cash flow[(4)] of c. €90 million per annum.

Impact of the crisis on the Group's financing and cash position in 2020 and 2021

The impact of order intake decrease on the Group's cash position is already tangible, with an average 25% decrease in monthly cash collection compared to last year[(1)]. The Group will thus be facing a liquidity need as described hereunder:

- from summer 2020 until the end of the year: €40 million;
- an additional requirement of €35 million in the first half of 2021.

The forecasted €75 million cash requirement does not include any Bond interest payment (€10 million per quarter) nor any repayment of the tax and social security liabilities as at end of April 2020 (€32 million).

In that respect, the Group initiated discussions with its partner banks and the government authorities to benefit from a "State Guarantee Scheme" loan. It also announces that it must suspend the payment of the Bond coupon due 15th June 2020.

Discussions with Bondholders are ongoing and a standstill pertaining to the suspension of the 15th March 2020 coupon payment has been agreed until 14th June 2020. All solutions are currently under review in order to secure the financial situation of the Group.

Solocal will disclose in due time the outcome of the ongoing discussions with Bondholders.

Reminder of previous published information

(in million €)	FY 2019	Q1 2020
Digital order intake	519.6	-
Total order intake	564.3	-
Digital revenues	520.5	117.9
Total revenues	584.1	126.1
Recurring EBITDA	190.6	-
Consolidated EBITDA	167.6	-

(1) Comparable scope. 2019 and 2020 figures are restated for QDQ subsidiary, which was disposed of on 28th February 2020.
(2) 100% of the Group's business will be Digital.
(3) Scope excluding ClicRDV, Effilab, Leadformance, Mappy, Ooreka, SoMS and non-significant subsidiaries, i.e. 96% of consolidated revenues. Average change in Digital order intake for weeks 12-18 (2020 vs. 2019).
(4) Operating free cash flow: Ebitda + non-monetary items + change in WCR – Capex.

PRESS RELEASE – MONDAY 15th JUNE 2020

Trading halt

Solocal has requested a trading suspension of its shares, in the context of a pending approval on the strengthening of its financial structure. This trading halt is effective from today's market opening until a communication is released in due course.

ISIN code: FR0012938884, ticker: LOCAL

PRESS RELEASE - 3rd JULY 2020

Agreement on the financial structure strengthening plan

- **Agreement between Solocal and its main debtholders** to strengthen the Group's financial structure;
- **€347 million equity raise:**
  - €17 million reserved capital increase,
  - €330 million rights issue (i.e., capital increase with preferential subscription rights) fully backstopped by Bondholders;
- **€117 million underwritten cash injection:**
  - €85 million raise through the rights issue capital increase,
  - €32 million thanks to additional financing;
- €252-262 million **debt reduction** and -55% annual cash financing costs;
- **627 million free shares allocation to all existing shareholders** in order to reduce the dilutive impact of the transaction (one free share for one existing share, i.e., 4.9% of the fully diluted capital after closing[5]);
- **GoldenTree would become a reference shareholder** and would own a minimum of 15.5% of Solocal Group's share capital;
- **Lifting of trading suspension on Solocal shares on Monday 6th July 2020.**

Background and description of the financial restructuring plan

Anticipating the impact of the health crisis, Solocal Group suspended the payment of the quarterly Bond coupon due 15th March 2020, which eventually led to the opening of discussions with the Company's Bondholders.

In the aftermath of its press release on 16th March 2020 and in order to carry out the discussions with debtholders under the best possible conditions, Solocal Group requested the opening of a conciliation procedure which was approved by the President of the "Tribunal de commerce" (French commercial court) of Nanterre on 16th March 2020 for a four-month period. SELARL FHB, a legal entity represented by Maître Hélène Bourbouloux, was appointed as conciliator.

As previously announced, the Group has a liquidity need of €120 million[6] over the next 18 months, caused by the Covid-19 health crisis. Without any financial structure strengthening transaction, the Group's financial net debt would amount to €530 million before IFRS 16.

During this time, **several financial structure strengthening solutions** were examined. The Group received an offer from Montefiore Investment, a private equity firm specialised in business services. In addition to an equity investment, this offer required a debt to equity conversion with a discount. This offer has not been accepted by Solocal Group's debtholders.

In the final stage of negotiations relating to the strengthening of the financial structure of Solocal, it has proven difficult to maintain information confidentiality and some speculation about offers were reported by the press. In order to avoid volatility on Solocal stock price and to prevent any market abuse, the Group requested Euronext to **halt all trading** on its shares from 15th June 2020, after having given prior notice to the French "Autorité des Marchés Financiers" (French Financial Market Authority).

After extensive negotiations, Solocal Group & its debtholders (main Bondholders and RCF Lenders) have reached an agreement to **ensure the Group's liquidity and reduce indebtedness**. Solocal's Board of Directors has **unanimously** decided to approve this plan and recommended the approval of all resolutions related to this financial restructuring plan to the Group's shareholders.

This agreement, which terms are described hereunder, aims at safeguarding the Group, securing jobs and pursuing its development strategy (fully digital, in subscription mode). This restructuring relies **mainly on a €347 million capital increase**, fully backstopped by Bondholders (of which €85 million in cash[4] and the remainder by way of debt reduction or convertion). This transaction will require a decrease in share nominal value and will be followed by a reverse stock split (100 old shares for 1 new share). This scheme will be completed by an additional financing of €32 million fully underwritten by some Bondholders in case the Company would not be able to execute a Prêt Garanti par l'Etat (PGE) of same amount before the Combined General Meeting (CGM) to be held on 24th July 2020. This additional financing line will be drawn after the CGM to fulfil the Group liquidity needs. The Company's deleveraging combined with the fulfilment of the Group's objectives should enable a significant recovery for shareholders participating in the transaction.

Given the impact of this transaction on the shareholder structure, the Board of Directors has decided on 17th June 2020 to mandate Finexsi (Olivier Peronnet and Christophe Lambert), **as an independent expert**, to deliver a fairness opinion on the contemplated transaction, which will be published in its entirety on 10th July 2020.

The implementation of the financial structure strengthening plan will enable to **pursue the Group's transformation strategy**, which showed early encouraging signs in the months preceding the health crisis. This strategy is supported by a majority of Bondholders and should help reach targets indicated in the 18th May 2020 press release. A special focus will be given to improving **customer satisfaction** as well as **customer retention**. As such, conditions are met to ensure the Company's sustainability in the long run in the interest of all stakeholders: staff, customers, debtholders and shareholders.

Description of the transaction's key principles

The agreement executed on 3rd July 2020, which remains subject to the approval of all resolutions presented at the Combined General Meeting on 24th July 2020 (all resolutions related to the transaction being interdependent), will enable the Company to secure a €117 million liquidity injection. The €347 million capital increase, fully backstopped by Bondholders, will enable (i) a €252 to €262 million debt reduction and (ii) an €85 million cash injection. This injection will be completed by a €32 million additional financing fully underwritten by Bondholders, in case the Company is not able to sign a PGE before the Combined General Meeting on 24th July 2020.

Capital increase

The €347 million capital increase will occur as follows:

- first, a reserved capital increase of up to **€17 million** to be subscribed by one or several Bondholders. The main Bondholder, GoldenTree, wishes to become a reference shareholder and to take part in the Group's governance. This capital increase will occur at €0.08 per share in the form of a debt to equity conversion;
- a **€330 million** rights issue (i.e., capital increase with preferential subscription rights) at €0.03 per share (potentially increased should the amount of the reserved capital increase be lower than €17 million). This rights issue, open to all existing shareholders, is fully backstopped by Bondholders in cash for €85 million[4] (net of fees on the exercised subscription rights) and in debt conversion for the remaining part;
- a free shares allocation for all existing shareholders, on a "one free share for one share owned as of 31st August 2020[7]" basis for anyone owning shares before completion of the reserved capital increase, and which would thus result in the issuance of 627 million new shares.

All shareholders will be able to take part in the transaction. As an example and for indicative purposes, on the basis of a €17 million reserved capital increase and a €330 million rights issue:

- in the event of €85 million subscription to the rights issue by existing shareholders, existing shareholders will account for c. 32% of total share capital;
- in the event of 100% full subscription to the rights issue by existing shareholders, existing shareholders will account for c. 74% of total share capital;
- in the event of no subscription (zero subscription) to the rights issue by existing shareholders, existing shareholders will be diluted to c. 9.8% of total share capital.

Existing shareholders committing to the rights issue in the period from 8th July 2020 to 23rd July 2020 (both dates included) will receive a support fee at the time of the subscription. Such support fee will be paid in cash and will represent 2.5% of the amount effectively subscribed to, for all subscriptions totalling up to €85 million (entailing a proportional reduction should all subscriptions exceed €85 million). This mechanism will be detailed in a further communication.

All subscriptions by existing shareholders to the capital increase with preferential subscription rights above €85 million will be allocated to **repayment of existing debt** (after payment of the support fees) with a progressive haircut[8] of up to 10% of the Bond depending on the take-up by shareholders.

Reduction of indebtedness

This financial restructuring will lead to a significant debt reduction, with a €250 million gross debt amount at the closing of the transaction.

- **€170 to €180 million reinstated Bond** (depending on the final take-up), with a maturity extended to March 2025 and an 8% annual coupon (on a EURIBOR basis, with a 1% floor and a 7% margin), half of which is payable in cash on a quarterly basis and half of which will be capitalized (PIK) until 31st December 2021; and then fully payable in cash. The Bond covenants will remain unchanged except for the maximum indebtedness basket which will allow the additional financing or the PGE;
- a **€35 to €50 million** Revolving Credit Facility (RCF), of which the maturity has been extended until September 2023, with no change in the margin. The current €50 million RCF will be repaid by up to €15 million if the shareholders' take-up in the capital increase with preferential subscription rights reaches €85 million. It will be redeemable on a €5 to €10 million pace per year, in cash or in shares, at the option of the Company;
- a **€32 million additional financing line**, fully underwritten by some Bondholders in case the Company is not able to obtain a PGE before the Combined General Meeting on 24th July 2020. This line will be drawn after the CGM to fulfil the Group's liquidity needs.

Annual Cash Financial expenses will therefore amount to c. €20 million vs c. €45 million as of now. Furthermore, Bondholders will receive an arrangement fee and a backstop fee related to the rights issues for an aggregate amount of €13 million that will be paid in shares (2.9% of the post-transaction share capital).

It is worth noting that two Bondholders are also Company's shareholders as at 31st May 2020: (i) DNCA Finance owns 7.91% of the capital and €33.5 million of the Bond (for the account of different managed funds); (ii) Robus Capital Management, LTD owns 0.56% of the capital and €20 million of the Bond.

Governance

Pierre Danon will remain Chairman of the Board of Directors, which will be composed of eight Members, including the CEO, an Employee Representative and **two Board Members suggested by GoldenTree**. These two Board Members will be co-opted by the Board of Directors following the Combined General Meeting. Their co-option will be ratified at the next Ordinary Shareholders Meeting. Should GoldenTree's shareholding interest become lower than 15%, only one Board Member suggested by GoldenTree would remain at the Board of Directors. Should GoldenTree's shareholding interest become lower than 5%, no Board Member suggested by GoldenTree would remain at the Board of Directors. Moreover, the compensations of the Chairman of the Board and of the Board Members will remain unchanged over the next two years.

Shareholders General Meeting

The resolutions relating to this plan will be **put to the vote of the shareholders** at the Combined General Meeting which will take place on 24th July 2020. The shareholders represented at the Board of Directors will vote[9] on the resolutions presented to the Combined General Meeting enabling the implementation of the plan.

The completion of these transactions will be subject to the obtaining from the "Autorité des Marchés Financiers" (the French "Financial Markets Authority") of an exemption from the obligation to launch a tender offer (in accordance with article 234-9 2° of the "Règlement Général de l'Autorité des Marchés Financiers"), and subject to the approval of the President of the "Tribunal de commerce" (commercial court) of Nanterre. If approved, the transactions described above could take place at the end of September 2020.

Should the plan be rejected by the Combined General Meeting, Solocal Group will have to request the termination of the "plan de sauvegarde" (safeguard plan) and the closing of the conciliation proceedings since no other plan can be executed to date and the Group has an impending cash need. Should the plan be rejected, the hereabove described additional financing line will not be granted. Solocal Group would therefore have to announce that it is in a state of suspension of payments ("état de cessation des paiements"). In anticipation of this eventuality, the Group already applied for a hearing with the "Tribunal de commerce" (commercial court) of Nanterre, as the case may be a receivership proceeding ("redressement judiciaire").

Should such a procedure be opened, the Bondholders committee, the RCF Lenders and Solocal Group already agreed upon an alternative plan.

This alternative solution would include:

- a €120 million financing granted by some of the Bondholders to cover Solocal Group's cash needs;
- and the conversion into equity of most of the Bonds.

Gradual upturn of the business activity

Since the lifting of the lockdown measures as from May 11th 2020 and the re-opening of most of French businesses, Solocal's activity shows early signs of a gradual upturn. May 2020 Digital order intake1 decreased by -24% compared to last year[3] and for the first three weeks of June 2020, only a -6% decline was observed in comparison with 2019, when they were decreasing by -50% in April 2020 compared to April 2019[3]. As a reminder of our previous announcement on 18th May 2020, Solocal recorded a -55% order intake decrease over the lockdown period[2, 3].

However, current figures for order intake from the beginning of May till the end of week 3 of June 2020 have been above €7 million[1] compared to the post-covid reforecast (see 18th May 2020 press release). This gradual improvement is in line with the expected recovery pace and is consistent with the fact that most of the salesforce is back on the field and that our customers and prospects are available.

Under these circumstances, Solocal **confirms its outlook** as per 18th May 2020 press release, with a -20% expected decrease in 2020 total revenues, including a Digital revenue decrease by c. -15% compared to last year[3]. 2020 EBITDA is expected above €130 million[3].

Comments from Pierre Danon

The solution we agreed upon is well-balanced. The Bondholders will fully backstop the rights issue which will be opened to all existing shareholders for €330 million. In addition to securing an €85 million cash injection within the right issue, they are underwriting the additional financial line. All shareholders will obtain 1 free share for 1 existing share. I am welcoming the efforts of the different stakeholders, including the Government, which will help give a fresh impetus to Solocal from a financial standpoint, and will help secure its commercial and industrial perspectives. I am sure that GoldenTree as a reference shareholder will continue to transform Solocal into a European digital leader.

Next major dates in the financial calendar

The Group announces the **lifting of the trading halt on Solocal shares on Monday 6th July**, at market opening (ISIN code: FR0012938884, ticker: LOCAL).

The next dates in the financial calendar are as follows:

- Conference call presentation of the financial structure strengthening plan on Friday 3rd July, 2.00 PM in French and 3.00 PM in English;
- Key figures of the first semester 2020, 10th July 2020;
- Combined General Meeting on 24th July 2020 at 10.00 AM, at the "Maison de la Mutualité" - Paris 5e;
- Publication of H1 2020 results on 28th July 2020.

Definitions

Order intake: Orders booked by the salesforce, that gives rise to a service performed by the Group for its customers.

RCF: Revolving Credit Facility.

PGE: "*Prêt Garanti par l'Etat*" (French State Guaranteed Loan).

Redressement judiciaire: Receivership proceeding.

CGM: Combined General Meeting.

Further information regarding the agreement on strengthening the financial structure is available on the Company's website **www.solocal.com under Investors - Financial publications**.

(1) Digital order intake, Solocal SA scope, in value.
(2) Solocal SA scope, excluding ClicRDV, Effilab, Leadformance, Mappy, Ooreka, SoMS and non-significant subsidiaries, i.e. 96% of consolidated revenues.
(3) Comparable scopes. 2019 & 2020 figures are restated for the figures of QDQ subsidiary, which was disposed of on 28th February 2020.
(4) €85 million, net of support fees on the exercised subscription rights.
(5) After closing and before reverse stock split: 12,816 million shares outstanding.
(6) Liquidity need of €75 million + €20 million of tax and social security liabilities incurred before Covid-19 + €15 million de restructuring costs + €10 million headroom to manage cash seasonality.
(7) Tentative date, which corresponds to the day before the closing of the reserved capital increase.
(8) Discount corresponding to one tenth of subscription rate in cash.
(9) Subject to the approval of the strategic committees of certain shareholder funds.

3 July 2020: Letter to the shareholders

Dear Shareholders,

I wanted to address you directly as we go through an exceptional crisis triggered by the health crisis, the outcome of which will depend on your support.

As you may have read, Solocal announced today that it had come to an agreement on reinforcing its financial structure. This project will be put to you for approval in the General Meeting on 24 July 2020.

We have always wanted our shareholders to be closely associated with the development of the company. This is why I want to give you more explanations not only on the different stages that led us to this agreement but also on the project itself, a project that will enable us to weather the storm and consolidate Solocal's position.

The current year 2020 started with a relatively bright outlook. Month after month, the transformation initiated three years ago unfolded. For the first time in 9 years we had a slight increase in our EBITDA in 2019 and the sales momentum observed at the end of 2019 and early 2020 confirmed we were on the right operational performance path. We did however have one weak spot, liquidity for 2020 which, while being assured, was fragile and we did not have much leeway.

Unfortunately, the Covid-19 crisis broke this momentum. Order intake fell by -55% during the lockdown, forcing us to revise our guidance. As you know, we are now forecasting a 20% drop in revenues this year despite encouraging signs of recovery in recent weeks.

The consequences of this decrease in business and the impact on our financial situation were immediate with a liquidity need now estimated at 120 million for the next 18 months.

Solocal is now facing one of the biggest challenges in its history: in August it is the entire Group and its 3,000 employees who will be under threat if we do not manage to fill this liquidity need.

We have been working all out to save the company. Several solutions were considered but the weight of our debt, over €500 million, greatly limited the possibilities available forcing us to pass up on a certain number of options. We could not obtain a government guaranteed loan for example without a significant reduction in our debt. Similarly, it would have been very difficult to find a "backstop" for a capital increase.

I wish to insist on this point: without a significant reduction in our debt, no serious and lasting solution was possible. And to address this essential issue, an agreement with our debtholders was crucial.

It is in this spirit that we carefully studied the offer from the Montefiore private equity fund, based on taking a shareholding through a reserved capital increase. The arrangements for this offer, including the revised version of this offer, did not meet with the agreement of our debtholders.

So we intensified our discussions with these debtholders to come to a solid and balanced agreement, while remaining focused on the interests of the Company and its employees. But at the same time we have never neglected the interests of our shareholders who, like you, have placed their trust in us.

An agreement was reached and approved unanimously by our Board of Directors.

From a financial standpoint firstly, this agreement will enable us to secure the €117 million in liquidity and would cut our debt by over €250 million with the advantage of cutting annual financial expenses by over €25 million. Our liquidity requirements would thus be secured for the next 18 months with a financial structure that has been reinforced and secured for the long term.

In the operational area, the Group would again have the visibility required to pursue its transformation without jeopardising jobs. Solocal is now a French digital champion. It deserves to continue its route driven by the commitment and talent of its teams whose future would be secured.

Finally in terms of governance, the changes planned to the Board of Directors would not compromise its independence in rolling out the strategy, to the extent that the financial path is followed. This is also an essential point that deserves to be strongly stressed.

Of course your interests as shareholders have not been forgotten, and even though we are aware that the agreement we reached is far from being ideal, rest assured that we have done everything possible to optimise it. The capital increase you must vote on shortly maintains the preferential subscription right enabling you, if you so wish and within the limits of your possibilities, to limit your dilution and recover all or part of your initial investment. The dilution being considered will also be reduced by the distribution of one free share for each share held.

So you now see that you will have a very important choice to make when voting in the Annual General Meeting on 24 July. In this event that will be crucial for the Group's future, I would call on your sense of responsibility and ask you to approve the project the benefits of which I have just set out above. I wish to draw your attention to the fact that a negative vote in the General Meeting would automatically mean the Solocal Group would, at the very least, go into Court resolution ("redressement judiciaire"). In this context, the Bondholders have committed to funding the 120 million in liquidity required for Solocal SA's business operations and would, as a result, have the possibility of taking control of Solocal Group's capital in a much more decisive way than that offered to us in the in bonis solution on the table.

Our CEO, Eric Boustouller, who has done exceptional work in recent years, has mobilised his entire team to deliver results in line with the path traced out in the press release on 18 May 2020.

I hope therefore that I can count on you on 24 July. Until then, we remain of course at your disposal with all the attention and consideration you deserve and ask you to visit our site www.solocal.com to view the presentations and videos and consult all the documents that will enable you to become familiar with this project.

Yours faithfully,

Pierre Danon

Chairman of the Board of Directors

3 JULY 2020: PRESS RELEASE

Procedures for the Combined General Shareholders' Meeting of 24 July 2020 and the provision of related information

Modification of procedures for the Combined General Meeting of 24 July 2020

In order to promote dialogue with shareholders in connection with the financial restructuring of the Company and to ensure the effective participation of shareholders at the Combined (Annual Ordinary and Extraordinary) General Meeting, Solocal Group's Board of Directors has decided to hold the Combined General Meeting of 24 July 2020 in the presence of **shareholders and persons entitled to attend the meeting**.

Solocal Group's Combined General Shareholders' Meeting will be held **on Friday 24 July 2020 at 10 a.m. at Maison de la Mutualité located at 24 rue Saint-Victor, Paris (75005)**. The Company will ensure that hygiene and social distancing rules (so called "barrier" measures) pursuant to Article 1 of French decree No. 2020-663 of 31 May 2020 are strictly observed.

Shareholders are invited to familiarise themselves with the main terms and procedures regarding participation and voting and the exercise of shareholders' rights, which are described in the convening brochure available on the Company's website (www.solocal.com - Investors - Financial Publications - General Meetings).

The main business of this Combined General Meeting will be to approve the financial statements for the year ended 31 December 2019 and to vote on the restructuring transactions proposed by the Company following negotiations with its financial creditors (main bondholders and revolving credit facility lenders) to meet the Group's liquidity needs and reduce its level of debt.

These transactions and, more generally, the main terms of the agreement on the financial structure strengthening plan, are described in a press release issued today; that press release also announces the resumption of trading of the Company's shares on Monday 6 July 2020, at market opening.

Availability and viewing of information about the Combined General Meeting of 24 July 2020

Preparatory documents and information relating to the Combined General Meeting and referred to in Article R. 225-73-1 of the French Commercial Code (including the information referred to in Article R. 225-83 of the French Commercial Code) are available on the Company's website (www.solocal.com - Investors – Financial Publications – General Meetings) and can be provided to shareholders if required in accordance with legal and regulatory conditions (on request or at the registered office). Shareholders are invited to familiarise themselves with this information.

The notice of meeting, containing the agenda and the draft resolutions, was published in the French legal gazette (BALO) on 19 June 2020. The convening notice, containing information on how to participate in the Combined General Meeting along with the agenda and the text of the amended draft resolutions (in connection with the vote on the transactions outlined in the agreement on the financial restructuring plan) will be published in BALO and the "Journal Spécial des Sociétés" legal gazette on 8 July 2020. The agenda and the draft resolutions (updated to include the above-mentioned amendments) as well as the Board of Directors' reports on all draft resolutions are available on the Company's website.

A delayed broadcast of the Combined General Meeting will be available on the Company's website (www.solocal.com - Investors – Financial Publications – General Meetings).

9 JULY 2020: PRESS RELEASE

Commitment to subscribe to the Capital Increase with preferential subscription rights to be implemented in the context of the restructuring agreement on the strengthening of Solocal Group's financial structure

- **Period of receipt of the subscription commitments:** from 8 July, 2020 to 23 July 2020 (included).
- **Terms and conditions of the subscription commitments by the shareholders.**

Background and description of the financial restructuring plan

As previously announced in the press release dated 3 July 2020, Solocal Group is contemplating, in the context of the restructuring agreement entered into with its financial creditors (the main bondholders and RCF lenders) and subject to the approval of the resolutions submitted to the Combined General Shareholder's Meeting to be held on 24 July 2020, to conduct the following operations:

- a reserved share capital increase of up to **€17 million** to be subscribed by a category of persons (one or several bondholders), which would occur at €0.08 per share;
- a share capital increase with preferential subscription rights for an amount of **€330 million** (potentially extended should the reserved capital increase be below €17 million) which would occur at €0.03 per share (fully backstopped by the bondholders in cash for €85 million and in debt conversion for the remaining part);
- a free share allocation for all existing shareholders, on the basis of "one free share for one share owned as of 31 August 2020" for anyone owning shares before the reserved capital increase. This would result in the issuance of approximately 627 million new shares by incorporation of a portion of the amounts held in the "share premium" account.

The transaction (and, more generally, the key principles of the restructuring agreement) are described in detail in the press release issued on 3 July 2020, available here.

Commitment to subscribe to the capital increase with preferential subscription rights to be implemented in the context of the restructuring agreement on the strengthening of the financial structure

As previously announced on 3 July 2020 and in the context of the implementation of the restructuring agreement entered into with its financial creditors[1], Solocal Group informs its shareholders that they can, as of today and until 23 July 2020 (included) at the latest, undertake to exercise all or part of their preferential subscription rights in order to subscribe on an irreducible basis to the capital increase with preferential subscription rights. It is specified that shareholders who agree to such commitment, on an irreducible basis, remain free to also exercise (without any obligation) their preferential subscription rights on a reducible basis to the capital increase with preferential subscription rights.

Shareholders who would commit to such subscription in accordance with the procedure described in this press release, **provided that the shares pursuant to which such subscription commitment is made are registered in the pure registered form (nominatif pur) no later than on 14 August 2020 and are still registered in such form at the date of exercise of the corresponding preferential subscription rights (requests for registration in pure registered form made to that end shall not be sent to the relevant financial intermediaries before 25 July 2020)**, will receive, within 30 calendar days from the effective subscription, a **support fee** in cash in the amount of 2.5% of the effective amount subscribed and paid in cash, up to a total amount of subscriptions of €85 million (i.e., subject to a pro-rata reduction in the event the subscriptions are exceeding this amount).

Shareholders willing to make such subscription commitment must return the form provided for this purpose, duly completed, dated and signed (including the documents to be attached to the form):

- by post no later than 23 July 2020 (date of receipt) in two original copies to the following address: 204, Rond-point de Sèvres, 92100 Boulogne-Billancourt (to the attention of the Investor Relations – Finance department of Solocal Group);
- by email no later than 23 July 2020 (date of receipt) to the following address: souscription_ak@solocal.com – two original copies must also be sent by post to the above-mentioned address, a proof of which must be sent at the latest on 23 July 2020 (and the original forms must be received by Solocal Group before 15 August 2020).

The subscription commitment form is attached to this press release and available on the website of Solocal Group (www.solocal.com – Investors – Financial Publications – General Meetings – Combined General Shareholders' Meeting 24 July 2020).

Solocal Group would like to draw the attention of its shareholders who would like to make such subscription commitment to the fact that the shares in respect of which the commitment would be made (shares to which preferential subscription rights will be attached in the context of the capital increase with preferential subscription rights) will have to be registered under the pure registered form (nominatif pur) (in the books of BNP Paribas Securities Services, authorized representative of Solocal Group for the holding of the registered shares) no later than on 14 August 2020 (and still be registered in such form at the date of exercise of the corresponding preferential subscription rights) and invites such shareholders to anticipate the necessary delay for converting their shares to pure registered form. Solocal Group emphasizes that requests for registration in pure registered form made to that end **shall be sent to the relevant financial intermediary not earlier than on 25 July 2020**.

Incomplete subscription commitment forms, forms not received in accordance with the above instructions or forms submitted by shareholders whose shares are not registered in the pure registered form (nominatif pur) at the latest on 14 August 2020 shall not be processed by Solocal Group (and will therefore not benefit from the support fee mentioned above). Solocal Group therefore invites its shareholders who would like to make such subscription commitment to comply with the procedure presented in this press release and detailed in the subscription form.

Shareholders may address any questions relating to the subscription commitment to the following address: souscription_ak@solocal.com

Definitions:

RCF: Revolving Credit Facility.

(1) Subject to the approval of the resolutions submitted to the Combined General Shareholder's Meeting to be held on 24 July 2020.

9 JULY 2020: PRESS RELEASE

Half-year statement of Solocal Group – Liquidity Providing Contract with ODDO BHF SCA

As per the Liquidity Providing Agreement signed between Solocal Group (FR0012938884) and Oddo BHF SCA, the following assets were held by the liquidity account as of 30th June 2020:

- 812,645 Solocal Group shares;
- €46,898.77.

As a reminder, at the date of signing of this agreement, the following assets were allocated to the liquidity account:

- 239,822 Solocal Group shares;
- €429,582.54.

The following transactions were executed from 1st January 2020 to 30th June 2020:

- 407 buy transactions;
- 386 sell transactions.

Over the same period, volumes exchanged represented:

- 2,232,191 shares and €620,384.54 bought;
- 1,987,142 shares and €569,487.69 sold.

9 JULY 2020: PRESS RELEASE

Commitment to subscribe by the bondholders to the Reserved Capital Increase (without preferential subscription right) to be implemented in the context of the restructuring agreement on the strengthening of Solocal Group's financial structure

- **Period of receipt of the subscription commitments:** from 9 July 2020 to 15 July 2020 (included).
- **Terms and conditions of the subscription commitments by the bondholders.**

Background and description of the financial restructuring plan

As previously announced in the press release dated 3 July 2020, Solocal Group is contemplating, in the context of the restructuring agreement entered into with its financial creditors (the main bondholders and RCF lenders) and subject to the approval of the resolutions submitted to the Combined General Shareholder's Meeting to be held on 24 July 2020, to conduct the following operations:

- a reserved share capital increase of up to **€17 million** to be subscribed by a category of persons (one or several holders of bonds called "Senior Secured Noted" issued by Solocal Group on 14 March 2017 (the "**Bonds**")), which would occur at €0.08 per share;
- a share capital increase with preferential subscription rights for an amount of **€330 million** (potentially extended should the reserved capital increase be below €17 million) which would occur at €0.03 per share (fully backstopped by the bondholders in cash for €85 million and in debt conversion for the remaining part);
- a free share allocation for all existing shareholders, on the basis of "one free share for one share owned as of 31 August 2020" for anyone owning shares before the reserved capital increase. This would result in the issuance of approximately 627 million new shares by incorporation of a portion of the amounts held in the "share premium" account.

The transaction (and, more generally, the key principles of the restructuring agreement) are described in detail in the press release issued on 3 July 2020, available here

Commitment by the bondholders to subscribe to the reserved capital increase (without preferential subscription right) to be implemented in the context of the restructuring agreement on the strengthening of the financial structure

As previously announced on 3 July 2020 and in the context of the proposal of the modification of the accelerated financial safeguard plan dated 3 July 2020 (the "**Revised Plan**") which will be submitted to the vote of General Meeting of the bondholders of Solocal Group on 13 July 2020, Solocal Group informs the holders of the Bonds that they can, as of today and at the latest until 15 July 2020 (included), undertake to subscribe to the share capital increase without preferential subscription right, failing which they will be deemed to have irrevocably waived their subscription right to this share capital increase without preferential subscription right.

The holders of the Bonds willing to make such subscription commitment must return the form provided for this purpose, duly completed, dated and signed (including the document to be attached to the form):

- by post no later than 15 July 2020 (date of receipt) in two original copies to the following address: 204, Rond-point de Sèvres, 92100 Boulogne-Billancourt (to the attention of the Investor Relations – Finance Department); or
- by email no later than 15 July 2020 (date of receipt) to the following address: jgualino@solocal.com

The subscription commitment form is attached to this press release and available on the website of Solocal Group (www.solocal.com – Investors – Financial Publication – General Meetings – Combined General Shareholders' Meeting 24 July 2020)

Solocal Group brings the attention of the holders of Bonds who wish to take such subscription commitment to the fact that in accordance with the Revised Plan, this subscription commitment includes for the subscriber (i) an undertaking not to transfer its Bonds until the settlement and delivery date of the new shares issued in relation with the capital increase without preferential subscription right (the "**Subscribed Shares**"), (ii) an undertaking to exercise its preferential subscription rights ("**PSR**") attached to the Subscribed Shares in relation with the share capital increase with preferential subscription right and consequently not to transfer the PSR before it, and (iii) the undertaking not to transfer the Subscribed Shares within a period of nine (9) months from their settlement and delivery date, except with respect to transfer to an affiliate.

In addition, this commitment will be subject to the condition precedent of the positive vote by the General Meeting of the Shareholders regarding all the resolutions allowing the approval of the Revised Plan.

Incomplete subscription commitment forms or forms not received in accordance with the above instructions shall not be processed by Solocal Group. Solocal Group therefore invites the holders of Bonds who would like to make such subscription commitment to comply with the procedure presented in this press release and detailed in the subscription form.

The bondholders may address any questions relating to the subscription commitment to the following address: jgualino@solocal.com

The subscription commitment form (in English) is available in the appendix of this press release.

Definitions:

RCF: Revolving Credit Facility.

10 JULY 2020: PRESS RELEASE

First semester 2020: a business activity in line with the post covid-19 forecasts

Recurring EBITDA growth for the first semester

2020 ambitions confirmed

Reminder

Solocal executed an agreement on 3 July 2020 with its debtholders. This agreement which remains subject to the approval of all resolutions presented at the Combined General Meeting "CGM" on 24 July 2020 (all resolutions related to the transaction being interdependent), will enable the Company to secure a €117 million liquidity injection. The €347 million capital increase, fully backstopped by Bondholders, will enable (i) a €244 to €262 million **debt reduction**[4] and (ii) an **€85 million cash injection**. This injection will be completed by a **€32 million additional financing** fully underwritten by Bondholders, in case the Company is not able to sign a PGE before the Combined General Meeting on 24 July 2020.

This agreement, which terms are described in the press release dated 3 July 2020, aims at safeguarding the Group, securing jobs and pursuing its development strategy (fully digital, in subscription mode).

Should the plan be rejected by the Combined General Meeting, Solocal Group will have to request the termination of the "plan de sauvegarde" (safeguard plan) and the closing of the conciliation proceedings.

In order to provide Solocal shareholders with as much information as possible in the perspective of the CGM, the Group decided **to publish preliminary key figures for H1 2020 results**. Full semestrial financial statements will be released after the CGM, on 28 July.

Quarterly figures are unaudited and half year figures have not yet been subject to the limited review by the Statutory Auditors.

Key figures of the first semester 2020

Solocal order intake[3] for Q2 2020 and for H1 2020 are as follows:

(in million euros)	Q2 2019	Q2 2020	Change	H1 2019	H1 2020	Change
Digital order intake (excluding QdQ)	125.4	96.0	-23.4%	259.3	203.7	-21.4%
Print order intake	12.8	1.8	-86.1%	28.9	6.1	-78.8%
TOTAL ORDER INTAKE	**138.2**	**97.8**	**-29.2%**	**288.1**	**209.8**	**-27.2%**

As a reminder and as announced in the 18th May 2020, Solocal recorded a -55% order intake decrease over the lockdown period[2] [3]. Since the lifting of the lockdown measures as from 11 May 2020 and the re-opening of most of French businesses, Solocal's activity shows **early signs of a gradual upturn**.

May & June 2020 Digital order intake[1] decreased by -24% and by **-1%** respectively compared to last year[3], but were superior by €11 million[1] compared to the post-covid reforecast (as indicated in the 18th May 2020 press release). This gradual improvement is in line with the expected recovery pace and is consistent with the fact that most of the salesforce is back on the field and that our customers and prospects are available.

Total order intake[3] amount to **€98 million for Q2 2020**. Digital order intake[3] recorded a -23% decrease, while Print order intake decreased by -86% for Q2 2020 compared to Q2 2019[1] – as they were strongly impacted in April and May by the lockdown measures described earlier this year.

Total order intake[3] for H1 2020 amount to **€210 million**, i.e. a -27% decrease compared to total order intake[1] for H1 2019. Digital order intake[3] recorded a -21% decrease, while Print order intake decreased by -79% for H1 2020.

Solocal revenues[3] for Q2 2020 and for H1 2020 are as follows:

(in million euros)	Q2 2019	Q2 2020	Change	H1 2019	H1 2020	Change
Digital revenues (excluding QdQ)	128.3	107.4	-16.3%	255.6	225.3	-11.9%
Print revenues	20.9	11.3	-46.0%	36.0	19.5	-45.9%
TOTAL REVENUES	**149.2**	**118.6**	**-20.5%**	**291.6**	**244.7**	**-16.1%**

Digital revenues[3] reached €107 million for Q2 2020, decreasing by -16% compared to Q2 2019[1] due to a volume effect, coupled to an improvement in the average maturity of sold products, which therefore converts into revenues at a slower pace. The Q2 2020 revenues[3] was not much impacted by the order intake decrease caused by the health crisis.

Consolidated revenues[3] for Q1 2020 reach **€245 million**, decreasing by -16% compared to H1 2019[1] revenues[3]. It breaks down into €225 million Digital revenues[3] and €19 million Print revenues[3]. The Print business accounts for 7.8% of total revenues.

The Group's recurring **EBITDA** is expected to be in a **€82 million to €87 million** range for the first semester 2020, i.e. a +2% to +9% increase vs. recurring EBITDA for the first semester 2019[3]. More details and analysis concerning the recurring EBITDA will be given on 28 July 2020 for the presentation of 2020 half year results.

Recurring EBITDA margin is expected between **33.5%** and **35.5%** over the first semester 2020. It represents an increase of +6 to +8 points[3] compared to H1 2019[1]. This increase in EBITDA margin is linked to the cost reductions over the semester, but also to the support measures for businesses implemented by the Government.

As at 30 June 2020, the net **cash position** of the Group (booked as assets on the balance sheet) amounts to €28 million.

Outlook 2020

In this context, Solocal **confirms its target** announced on 18 May, with a 2020 revenue[1] decrease by c. -20%, including a 2020 Digital revenue1 decrease by c. -15% compared to last year. The 2020FY EBITDA[1] is expected above c. €130 million[3].

Additional information

Nomination Eric Klipfel, Deputy CEO

As announced in the 9th July press release, Eric Klipfel will join Solocal as Deputy CEO in charge of sales & customer operations. He will join the Executive Commitee, and will report to Eric Boustouller, CEO of Solocal. Eric Klipfel will be responsible for the Large Accounts salesforce, the VSE/SMEs Field salesforce, Telesales, Customer Success & Support teams; as well as the Customer Operations.

Further details on the transaction put to the vote of the Combined General Meeting

The ordinary and extraordinary resolutions in the Notice of Meeting, available on Solocal website, will be suject to the approval of the 24th July Combined General Meeting. Votes can be casted while physically attending the CGM or through postal, electronical or proxy voting. The secure voting platform **is opened since 8 July 2020 and will be closed on 23 July 2020** at 3.00 pm Paris time accordingly to the regulation.

Concerning the transactions submitted to the approval of the shareholders, an accurate **timeline** of the next steps will be put on Solocal's website in the upcoming days, in the "Investors" section. This document will specify the major dates and the sequencing of the events if the financial structure strengthening plan is approved by the CGM.

In the context of the capital increase with preferential subscription rights for all existing shareholders, it is worth noting that the **implied parity** will be 13 new shares for 1 existing share (in the event of a reserved capital increase susbcribed at €17 million) and c. 15 new shares for 1 existing share (in the event of a reserved capital increase subscribed at €10.5 million).

Fairness Opinion

The **fairness opinion** of the independent expert Finexsi on the contemplated transaction will be available on **Friday 10 July** on Solocal's website in the "Investor" section.

Next major dates in the financial calendar

The next dates in the financial calendar are as follows:

- General Meeting of Bondholders on 13 July 2020, 10.00 am;
- Combined General Meeting on 24 July 2020 at 10.00 am, at the "Maison de la Mutualité" – Paris 5e;
- Publication of H1 2020 results on 28 July 2020.

Definitions:

Order intake: Orders booked by the salesforce, that gives rise to a service performed by the Group for its customers.

PGE: "Prêt Garanti par l'Etat" (French State Guaranteed Loan).

CGM: Combined General Meeting.

(1) Digital order intake, Solocal SA scope, in value.
(2) Based on Solocal SA sales force, scope excluding Effilab, Leadformance, Mappy, Ooreka, SoMS and non-significant subsidiaries, i.e. 99% of consolidated revenues.
(3) Comparable scopes. 2019 & 2020 figures are restated for the figures of QDQ subsidiary, which was disposed of on 28 February 2020.
(4) The 03rd press release indicated a post-closing €252 million to €262 million debt reduction but included a mistake in the allocation. The actual debt reduction should be between **€244 million to €262 million** post-closing.

13 JULY 2020: PRESS RELEASE

Approval of the proposed amendment to the accelerated financial safeguard plan ("plan de sauvegarde financière accélérée") by the Noteholders General Meeting

The proposed amendment to the accelerated financial safeguard plan ("plan de sauvegarde financière accélérée") was approved by unanimity of the votes cast during the Noteholders General Meeting which took place today and which had been convened on 3 July 2020 by the court **appointed administrator in charge of supervising the implementation of the accelerated financial safeguard plan**[1] ("Commissaire à l'exécution du plan de Sauvegarde Financière Accélérée ("SFA")").

The resolutions required to implement the amendment of the SFA plan remain subject to the approval of Solocal Group's shareholders at the shareholders' Combined General Meeting (CGM) which will take place on 24 July 2020. As a reminder, votes can be cast while physically attending the CGM or through postal, electronic or proxy voting. The secure voting platform is opened since 8 July 2020 and will be closed on 23 July 2020 at 3.00 pm Paris time as per the applicable regulation.

All information related to the General Meeting, including the practical measures to take part in the votes is available on a dedicated page of the website of Solocal Group (https://www.solocal.com/en/combined-general-shareholders-meeting-24-july-2020)

The implementation of the proposed amendment to the SFA plan also remains subject to the fulfilment of the following conditions precedent:

- the obtaining from the "Autorité des marchés financiers" (the French "Financial Markets Authority") of an exemption from the obligation to launch a tender offer (in accordance with Articles 234-8, 234-9 2° and 234-10 of the "Règlement Général de l'Autorité des marchés financiers"), by reason of the transactions contemplated in the proposed amendment;
- the obtaining of a visa from the "Autorité des marchés financiers" on the securities note ("note d'opération") drafted by Solocal Group for the purpose of the transactions contemplated in the proposed amendment;
- the approval of the amendment to the SFA plan by the "Tribunal de commerce" (Commercial Court) of Nanterre.

Definitions:

CGM: Combined General Meeting.

SFA: "Sauvegarde Financière Accélérée" (accelerated financial safeguard).

(1) As decided by the "Tribunal de Commerce" (Commercial Court) of Nanterre on 22 December 2016 for Solocal Group.

Amendment to chapter 2

Risk factors

The Company's main risks are presented in the "Risk factors" chapter of the 2019 Universal Registration Document published on 30 April 2020.

Since the date of that publication, the Company has continued to assess the impact of the health crisis on its outlook and its liquidity situation while continuing negotiations with its creditors. It is within this context, that the Company announced a financial structure strengthening plan on 3 July 2020 that aims to meet the liquidity needs indicated on 18 May 2020 and also to reduce gross debt by between €244 million and €262 million (the "**Modified Safeguard Plan**").

The risk associated with this plan is essentially that the Combined General Shareholders' Meeting on 24 July 2020 (the "**AGM**") may not approve this Modified Safeguard Plan.

Note that the modification of this plan was approved by the bondholders at the General Noteholders' Meeting on 13th July 2020.

2.5 Financial risks

2.5.1 LIQUIDITY RISKS

Given the limited headroom available to the Company at the end of 2019 (linked to very substantial cash outflows under the 2018 PSE Employment Protection Plan) and anticipating the effects of the Covid-19 health crisis on its liquidity situation, Solocal Group suspended the payment of the bond coupon due on 15 March 2020 leading to the opening of negotiations with its bondholders. Further to its press release of 16 March 2020, and in order to provide a suitable framework for discussions with Debtholders, Solocal Group requested the opening of a conciliation procedure, which was approved by the President of the "Tribunal de commerce" (French commercial court) of Nanterre on 16 March 2020 for a four-month period. SELARL FHB, a legal entity represented by Maître Hélène Bourbouloux, was appointed as conciliator.

The Group has estimated its liquidity need at circa €120 million[1] over the next 18 months. In order to ensure the Group's liquidity and reduce its level of debt, on 3 July 2020 the Company announced an agreement with its financial Debtholders (main bondholders and RCF lenders) with a view to strengthening the Group's financial structure and liquidity. The terms of this agreement are described in the press release of 3 July 2020 and are reproduced on page 17 of this Amendment to the 2019 Solocal Group URD.

The implementation of this plan, which remains subject to the approval of the AGM and other conditions precedent described on pages 17-18, will considerably reduce the Group's liquidity risk. Nevertheless, it should be noted that due to the uncertainty over the speed of economic recovery, the impact of the health crisis on the economic fabric of VSEs/SMEs (Solocal's main market) and the success of the Group's transformation, the headroom incorporated into the Company's liquidity needs, and covered by financial restructuring, could prove insufficient and lead the Company to seek alternative sources of financing.

(1) Liquidity need of €75 million + €20 million of tax and social security liabilities incurred before Covid-19 + €15 million in restructuring costs + €10 million headroom to manage cash seasonality.

2.5.2 RISKS RELATED TO THE IMPLEMENTATION OF THE FINANCIAL RESTRUCTURING PLAN

This plan mainly relies on a number of capital increases totalling around €347 million, fully underwritten by bondholders. The agreement signed on 3 July 2020 would enable the Company, subject to the adoption of all of the resolutions put to the Combined General Shareholders' Meeting on 24 July 2020 (all resolutions related to the transaction being interdependent), to secure an €85 million cash injection through the capital increase with preferential subscription rights and €32 million in additional financing ("PGE" – Prêt Garanti par l'Etat or State Guaranteed Loan – or a financing line granted by current bondholders that would take the form of an extension of existing bonds).

Capital increases totalling around €347 million fully underwritten by bondholders would lead to (i) a reduction in debt of between €244 and €262 million and (ii) an €85 million cash injection.

This transaction would require a prior reduction in the nominal value of the Company's shares from 10 euro cents (€0.10) to one euro cent (€0.01) and would be followed by a subsequent reverse stock split (100 old shares for one new share) which would be implemented after the completion of the capital increases.

This injection would be supplemented by additional financing of €32 million, fully underwritten by certain bondholders, in the form of an extension of existing bonds in the event that the Company was unable to obtain a State Guaranteed Loan (Prêt Garanti par l'Etat or "PGE") of at least the same amount. This additional line of financing or loan would be drawn after the AGM in order to meet the Group's liquidity needs as referred to above until the effective completion of the capital increases. The terms, in particular the financial terms, will be the same as the Bond terms subject to a 10% discount to par.

This financial restructuring would lead to a significant reduction in the Group's debt, with a €250 million gross debt amount at the closing of the transaction:

- **bonds of €170 to €180 million** (depending on the final take-up), with a maturity extended to March 2025 and an 8% annual coupon (on a EURIBOR basis, with a 1% floor and a 7% margin), half of which would be payable in cash on a quarterly basis and half of which would be capitalised (PIK) until 31 December 2021, and then fully payable in cash. The bond covenants would remain unchanged except for the maximum indebtedness basket which would allow for the additional financing in the form of an extension of existing bonds or the State Guaranteed Loan ("**PGE**");
- **a €35 to €50 million Revolving Credit Facility (RCF)**, of which the maturity would be extended until September 2023, with no change in the margin. The current €50 million RCF would be repaid by up to €15 million if the shareholders' take-up in the capital increase with preferential subscription rights, which the AGM has been asked to approve, reached €85 million. In addition, in the event of the exercise of the option to extend the capital increase with preferential subscription rights by up to 15% of its original amount, 50% of the cash sums received would be applied to the early repayment of the RCF. The RCF would be repayable in annual amortisations, each of which would be between €5 million and €10 million as determined by the Company and payable in cash or shares, at the option of the Company, it being specified that, if the Company opts for payment in shares, the lenders may reject this and extend the maturity of the RCF by one year. The final amortisation on the final maturity date would cover the outstanding amount under the RCF and be made in cash;
- **additional financing of €32 million** fully underwritten by certain bondholders, in the event that the Company was unable to obtain a PGE prior to the AGM. This additional line of financing, which would take the form of an extension of existing bonds, would be drawn after the AGM to meet the Group's liquidity needs.

Annual cash financial expenses would therefore amount to around €20 million versus around €45 million as of now.

The main risks associated with the implementation of this plan are:

- **should the General Meeting fail to approve the resolutions required for the implementation of the Modified Safeguard Plan, the Court will necessarily note the Company's state of suspension of payments ("état de cessation des paiements")**, the termination of the accelerated financial safeguard plan and the termination of conciliation procedures. The Company will have already declared its state of cessation of payments and, in anticipation of this eventuality, has already filed for a hearing before the Nanterre Tribunal de Commerce (Commercial Court) to rule on the opening of receivership proceedings. In this context, the Ad Hoc Bondholders Committee, the RCF lenders and the Company have agreed on (i) the financing by certain of the bondholders of the Company's €120 million liquidity requirement and (ii) the conversion of most of the Bonds into shares. The implementation of this alternative plan would in any event be subject to approval by the Creditors' Committees, ratification by the General Shareholders' Meeting and the approval of the recovery plan by the Nanterre Tribunal de commerce;

- **since the General Shareholders' Meeting is unable to grant a delegation of authority relating to a reserved capital increase for a period of more than 18 months**, the Company's ability to amortise the RCF in shares will remain subject, from 2022, to the future approval of the General Shareholders' Meeting. Failing this, the RCF may only be amortised in cash;
- **given the very large number of shares issued in connection with the capital increases submitted to the approval of the AGM, sales of a significant number of Company shares or preferential subscription rights may occur rapidly** from the date on which the capital increases are completed, or the market may anticipate such sales, which could have an adverse impact on the market price of the share and/or preferential subscription rights. The Company cannot predict the potential effects of sales of shares and/or preferential rights on the market price of shares or the value of preferential subscription rights. It is specified in this regard that bondholders who subscribe to shares issued in connection with the reserved capital increase that is the subject of the seventeenth resolution submitted to the approval of the AGM are committed to retaining the said shares for a period of nine (9) months from the settlement/delivery date thereof (unless transferred to an affiliate).

2.5.3 RISKS RELATED TO INDEBTEDNESS AND MARKET RISKS

As at 31 December 2019, excluding the impact of IFRS 16, the Company had gross debt of €463 million, including €398 million in bonds and €50 million from the RCF.

Without any financial structure strengthening transaction, and based on Company forecasts, the Group's net financial debt would amount to €530 million at 31 December 2020 excluding the impact of IFRS 16 (including an unfunded liquidity need of around €30 million).

The terms and conditions of the bonds which were settled/delivered on 14 March 2017 (the "**Bonds**"), as will be amended if the financial restructuring plan is approved, include covenants that could affect the Company's ability to trade and limit its ability to respond to market conditions or seize commercial opportunities that may arise (e.g. fund operating capital expenditure, restructure its organisation, or obtain finance to cover its capital requirements). If the Modified Safeguard Plan is not completed, a default occurs and is not remedied or the Company is unable to repay its bond debt, the Company could be materially adversely affected, leading to its insolvency or liquidation. The bond is indirectly secured by a pledge on the securities of Solocal SA held by the Company, which may ultimately lead, upon the realisation of the collateral, to the transfer of Solocal SA to the secured creditors.

Amendment to Chapter 4

Corporate governance

4.1 Administrative and general management body

4.1.1. COMPOSITION OF THE BOARD OF DIRECTORS

In a letter dated 7 July 2020, Mr. Philippe Besnard informed the Company of his decision to resign from his office as non-voting director.

4.2 Functioning of the Board and the Committees

4.2.3. CORPORATE GOVERNANCE REPORT ADOPTED BY THE BOARD OF DIRECTORS

Adjustment of the variable compensation of Mr. Eric Boustouller, Chief Executive Officer *(Directeur Général)* of Solocal Group, for the 2019 and 2020 financial years, in order to take into account the economic impact of the health crisis linked to the Covid-19 epidemic on the business of the Company

In the context of the health crisis linked to the Covid-19 epidemic and due to its significant impact on the economic situation of the Company, the Board of Directors dated on May 14, 2020 and July 2, 2020, on the recommendation of the Compensation Committee, has adjusted the criteria for the variable compensation of Mr. Eric Boustouller for the 2019 and 2020 financial years.

These changes, as well as the compensation policy for corporate officers within the Company, must be approved at the next annual general meeting of shareholders of the Company.

Variable compensation for the 2019 financial year

The variable compensation of Mr. Eric Boustouller for the 2019 financial year amounted to 570,059 euros. In order to take into account the economic situation of the Company in the context of the Covid-19 crisis, the Board of Directors on May 14, 2020, on the recommendation of the Remuneration Committee, decided to modify the terms of payment of this variable compensation and to provide that half of this variable compensation, i.e. 285,000 euros, must be invested in the shares of the Company, in lieu of a cash payment.

In accordance with the provisions of article L. 225-100 II of the French Commercial Code, the payment to Mr. Eric Boustouller of his variable compensation for the 2019 financial year will be subject to a vote at the next annual general meeting of shareholders.

Variable compensation for the 2020 financial year

The Board of Directors dated on May 14, 2020 and July 2, 2020, on the recommendation of the Compensation Committee, also decided to adjust the criteria for the variable compensation of Mr. Eric Boustouller for the financial year 2020.

Thus, Mr. Eric Boustouller's variable compensation for the 2020 fiscal year, which was initially to be between 0% and 200% of his fixed compensation, with a target of 100% of his fixed compensation, has now been reduced to a range between 65% to 90% of his fixed compensation.

The variable portion of Mr. Eric Boustouller's compensation will be based on the same financial indicators as before, with the exception of the operating cash flow criterion, replaced by that of EBITDA.

The allocation between the various quantitative indicators and the personal objectives is also modified, so that the quantitative indicators represent 80% of the amount of the variable portion and the personal objectives 20% of the latter and is presented as follows:

	Min.	Cible	Max.
Digital revenue	0%	25%	50%
Customer base	0%	15%	30%
EBITDA	0%	30%	60%
NPS customers and users	0%	10%	20%
Individual objectives relating to customers and products	0%	20%	40%
TOTAL VARIABLE IN % OF FIXED COMPENSATION	**0%**	**100%**	**200%**

As stated above, the range from 65% to 90% of Mr Éric Boustouller's fixed compensation will be applied to the total result of these financial indicators in order to determine the variable portion of his compensation.

In accordance with the provisions of article L. 225-37-2 of the French Commercial Code, the compensation policy for corporate officers of the Company will be submitted to the next annual general meeting of shareholders of the Company.

The payment of the variable compensation for the financial year 2020 is also subject to the approval of the annual ordinary general meeting of shareholders of the Company to be held in 2021.

It is specified that Solocal's Chief Executive Officer will not receive any exceptional compensation, incentive or bonus of this kind in relation to the restructuring plan.

Amendment to Chapter 6

Information on the Company and its capital

6.3 Share capital

As of the date of this Amendment to the Universal Registration Document, the share capital amounts to €62,704,146.60 divided into 627,041,466 fully paid-up shares with a par value of €0.10 each, all of the same class, following the completion of the capital increase resulting from the issue of shares under the equity line.

Attestation of the persons responsible for the Amendment to the Universal Registration Document

We hereby certify, having taken all reasonable steps to confirm it, that the information contained in this amendment to the Universal Registration Document reflects, to our knowledge, the reality and that no omissions have been made that are likely to have a bearing thereon.

Boulogne Billancourt, on 20 July, 2020

Mr. Pierre Danon

Chairman of the Board of Directors
of Solocal Group

Mr. Eric Boustouller

Chief Executive Officer
of Solocal Group

Cross-reference tables

Cross-reference table with the headings in Annex 1 to EU delegated regulation No. 2019/980

The cross-reference table below allows the information required by Annexes 1 and 2 to Delegated Regulation (EU) 2019/980 of 14 March 2019 to be identified in the Universal Registration Document and in this Update to the Universal Registration Document..

DELEGATED REGULATION (EU) 2019/980 OF 14 MARCH 2019 ANNEXES 1 AND 2		UNIVERSAL REGISTRATION DOCUMENT		AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT
Information		**Chapter**	**Page**	**Page**
1	**Persons responsible, third party information, experts' reports and competent authority approval**			
1.1	Persons responsible for the information	7.1	292	22
1.2	Attestation of the person responsible	7.1	292	22
1.3	Statements by experts and declarations of any interest	NA	NA	
1.4	Third party information	NA	NA	
1.5	Statement on the competent authority approving the document	NA	NA	
2	**Statutory auditors**			
2.1	Information on the statutory auditors	7.2	292	
2.2	Information on the possible resignation or non-reappointment of the statutory auditors	NA	NA	
3	**Risk factors**	**2**	**81**	**16 to 18**
4	**Information about the issuer**			
4.1	Legal and commercial name of the Company	6.1	262	
4.2	Registration location and number of the Company and legal entity identifier	6.1	262	
4.3	Date of incorporation and duration of the Company	6.1	262	
4.4	Domicile, legal form and regulations governing the Company	6.1	262	
5	**Business overview**			
5.1	Principal activities	Integrated Report / 1.3	17 / 44	
5.2	Principal markets	Integrated Report / 1.4	36 / 61	
5.3	Important events in the development of the Company's business	1.1	42	
5.4	Description of strategy and objectives	Integrated Report	7 to 13	
5.5	Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	2.1	83	

DELEGATED REGULATION (EU) 2019/980 OF 14 MARCH 2019 ANNEXES 1 AND 2		UNIVERSAL REGISTRATION DOCUMENT		AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT
Information		**Chapter**	**Page**	**Page**
5.6	The basis for the issuer's statement regarding its competitive position	Integrated Report / 1.4.4	38 / 64	
5.7	Investments			
5.7.1	Description of the Company's main investments	1.5.4	76	
5.7.2	Description of the Company's investments in progress and their geographical location and the Company's planned projects	1.5.4	76	
5.7.3	Information relating to the undertakings and joint ventures in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	NA	NA	
5.7.4	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets	3.2.3.4	121	
6	**Organisational structure**			
6.1	Description of the Group	1.1	42	
6.2	List of significant subsidiaries	1.1.2	43	
7	**Operating and financial review**			
7.1	Financial condition	1.5	68	1, 13, 14
7.1.1	Review of the business for the periods presented	1.5	68	1, 13, 14
7.1.2	Explanations of the future development prospects and of the R&D activities	1.5.5	76	
7.2	Operating income	1.5.2	68	1, 7, 14
7.2.1	Events that have impacted the issuer's income from operations	1.5.2.3	72	1, 7, 14
7.2.2	Explanations of material changes in net sales and/or revenues	1.5.2.1	70	1, 7, 14
8	**Capital resources**			
8.1	Information on the Company's capital resources	1.5.3 / 5.1.6 note 9.5	75 / 196	
8.2	Sources and amounts of and a narrative description of the issuer's cash flows	1.5.3 / 5.1.6 note 9.5	75 / 196	
8.3	Information on the issuer's borrowing conditions and financial structure	1.5.3 / 5.1.6 note 9.5	75 / 196	3, 4, 9, 11, 18
8.4	Information regarding the existence of any restrictions affecting the use of capital resources and that may have an impact on the issuer	1.5.3 / 5.1.6 note 9.5	75 / 196	
8.5	Anticipated sources of funds needed for the Company to fulfil its commitments	1.5.3 / 5.1.6 note 9.5	75 / 196	
9	**Regulatory environment**	**2.6**	**95**	

DELEGATED REGULATION (EU) 2019/980 OF 14 MARCH 2019 ANNEXES 1 AND 2		UNIVERSAL REGISTRATION DOCUMENT		AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT
Information		Chapter	Page	Page
10	**Trend information**			
10.1	Significant trends in production, sales and inventory, costs and selling prices since the end of the last financial year Significant change in the Company's financial performance	1.5.5. / 1.5.6	76 / 77	1, 2, 5, 6, 7, 8, 14
10.2	Known trends, uncertainties, demands, commitments or events reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	1.5.5	76	1, 2, 5, 6, 7, 8, 14
11	**Profit forecasts or estimates**	**NA**	**NA**	
12	**Administrative, management and supervisory bodies and senior management**			
12.1	Information concerning the members of the Company's administrative and management bodies	4.1	132	19
12.2	Administrative, management, and supervisory bodies and senior management conflicts of interests	4.1	139	14
13	**Remuneration and benefits**			
13.1	Amount of remuneration paid and benefits in kind	4.2 / 4.3 / 6.4.3	141 / 166 / 279	19
13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	4.3	169	
14	**Functioning of the administrative and management bodies**			
14.1	Date of expiration of the current term of office	4.1	132	
14.2	Service contracts between members of the administrative and management bodies	4.1 / 6.6	141 / 287	
14.3	Information about the Audit Committee and Remuneration Committee	4.2	157	
14.4	Statement of compliance with the corporate governance regime	4.2	141	
14.5	Potential impacts on governance, including any changes in the Board or the composition of Committees	NA	NA	5
15	**Employees**			
15.1	Number of employees	3.3	128	
15.2	Shareholdings and stock options	6.4.3	279	
15.3	Arrangements for involving the employees in the capital of the issuer	6.4.4	246	
16	**Major shareholders**			
16.1	Shareholders holding more than 5% of the capital	6.4.1	278	
16.2	Existence of different voting rights	6.3 / 6.4	270 / 278	5
16.3	Ownership or control of the issuer	6.4.2	279	5

DELEGATED REGULATION (EU) 2019/980 OF 14 MARCH 2019 ANNEXES 1 AND 2		UNIVERSAL REGISTRATION DOCUMENT		AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT
Information		**Chapter**	**Page**	**Page**
16.4	Arrangements that may at a subsequent date result in a change in control	5.1	172	
17	**Related party transactions**	**6.6**	**287**	
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**			
18.1	Historical financial information	5.1	172	2
18.2	Interim and other financial information	1.5.6.	77	13, 14
18.3	Auditing of historical annual financial information	NA	NA	
18.4	Pro forma financial information	NA	NA	
18.5	Dividend policy	6.5	287	
18.6	Litigation and arbitration proceedings	2.6.3	98	
18.7	Significant change in financial or business position	1.5.5 / 1.5.6	76 / 77	1, 3 to 6, 13 to 14
19	**Additional information**			
19.1	Share capital	6.3	270	
19.1.1	Amount of subscribed capital and information relating to each class of share capital	6.3.1	270	21
19.1.2	Number and characteristics of shares not representing capital	6.3.2	272	
19.1.3	Number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer	6.4.1	278	
19.1.4	Amount of any convertible securities, exchangeable securities or securities with warrants	6.3.4	272	
19.1.5	Information about and terms of any acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital.	6.3.4	273	
19.1.6	Information about the capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option	6.3.4	273	
19.1.7	History of share capital for the period covered by the historical financial information	6.3.5	273	
19.2	Articles of incorporation and association	6.2	262	
19.2.1	Description of the issuer's objects and purposes and company registration number	6.2.1/6.1.2	262	
19.2.2	Description of the rights, preferences and restrictions attaching to each share class	6.2.1	266	
19.2.3	Provisions having the effect of delaying, deferring or preventing a change in control of the issuer	NA	NA	
20	**Material contracts**	**6.7**	**289**	
21	**Documents available**	**7.3**	**292**	

SOLOCAL GROUP
Public limited company with a capital of €62,704,146.60
Commercial and Companies Register Nanterre 552 028 425

Head office
204 Rond-Point du Pont de Sèvres - 92649 Boulogne-Billancourt Cedex
01 46 23 37 50

Shareholder Relations
actionnaire@solocal.com

Investor Relations
ir@solocal.com

www.solocal.com