



Boulogne-Billancourt, 28 November 2019

Dear Shareholder,

Yesterday Solocal announced the diversification of its financing sources in order to ensure the Group's liquidity for 2020. This is a necessary and essential step in the construction of the new Solocal: a solid, fully digital Solocal resolutely set on the course for growth.

Since the "Solocal 2020" project was first announced in February 2018, most of the in-depth and unprecedented transformation has been carried out.

The new management team has succeeded in repositioning Solocal in the eyes of its customers as an essential digital player on a local level. The product offer has also been overhauled into a coherent and innovative range of digital services for businesses of all kinds and sizes from micro-businesses to Large accounts.

A significant cost-cutting plan has been implemented sustainably, improving the Group's profitability and delivering over 100 million euros in savings in 2019 with a target of 120 million euros in cost savings in 2020, in line with what was announced.

The technological infrastructure and processes have been simplified and solidified, with in particular the migration this year of most infrastructures, platforms, servers and databases to the Cloud, in order to deliver a powerful information system and stable and swift technological platforms.

Our teams have been renewed: competent professionals and experts in their respective fields have joined the Group, bringing their knowledge and experience in the digital, business strategy and finance sectors in order to place the company's major transformation on a solid footing.

All the teams in the company are working together on this in-depth reorganisation to enable the Group to be fully engaged on the path to the new Solocal: a 100% Digital company as of 2020, the year in which Print activity ceases. With its comprehensive digital marketing and advertising services offer aimed at businesses, Solocal is uniquely positioned on a market that is growing by some 10% every year. The Group's ambition is to tend towards this double-digit growth. I am convinced that Solocal has what it takes to achieve this ambition.

The Group has also shown its ability to increase its profitability, with recurring EBITDA growth of over 5% in the first half 2019, after stabilising this indicator in 2018 following nine years of decline. Despite the decline in Print activities, this moderate growth has been achieved through strong growth in Digital Ebitda. Improved Ebitda is essential to achieving profitable and sustainable growth generating significant operating cash.

Of course, a sound financial structure is key to the emergence of the new Solocal. As such, the diversification of financing sources announced yesterday will ensure the company's liquidity for 2020, a condition for successful refinancing. This increase in financing sources is being achieved by optimising the working capital requirement, increasing the revolving credit facility and asset financing lines as well implementing an equity line implying a dilution that is modular yet limited to a maximum of 10%. This line is essential to the success of our project. I am aware of this new effort being asked of our shareholders and would like to thank those who have already committed to subscribing to it.

The refinancing of the bond maturing in March 2022, planned for the first half of 2020 if market conditions permit, will complement these items in the medium term. The objective of this refinancing is to reduce the financial costs associated with Solocal's bond.

In this context, Solocal can move resolutely in implementing its strategic development project built around its innovative and competitive range of digital services, a solid and transverse technological infrastructure, proprietary platforms that generate high-quality, cost efficient contacts and an optimal local business coverage.

I am convinced that Solocal's competitive advantages combined with a solid financial structure will ensure the company's repositioning at its fair value on financial markets, as a major Digital player in France.

I wish to thank you for your continuing trust and commitment to our Group.

Yours faithfully,

Pierre Danon

Chairman of the Board of Directors