solocal

# UNIVERSAL REGISTRATION DOCUMENT

# Contents

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## Solocal is the trusted local digital partner for all businesses looking to speed up growth.

Solocal has six strategic assets: media platforms with vast audiences, the power of its geolocated data, evolving technology platforms, nationwide sales coverage in France, preferential partnerships with the GAFAM* giants and a wealth of talented staff, including experts in data, development, digital marketing and more.

* *GAFAM : Google, Apple, Facebook, Amazon, Microsoft/Bing.*

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Universal Registration Document was filed on 19 April 2021 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 pursuant to 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 an operation 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.

# Solocal

## the trusted local digital partner for businesses looking to speed up growth

# Interview with the managers

**Philippe Mellier**
Chairman of the Board of Directors

*2022 PROMISES TO BE THE YEAR OF LOCAL DIGITAL. (...) SOLOCAL IS THE UNDISPUTED LEADER IN THIS MARKET IN FRANCE (...), AND WE ARE GOING TO STRENGTHEN OUR POSITIONS IN THE MOST DYNAMIC REGIONS IN ORDER TO TAKE FULL ADVANTAGE OF THIS EVOLUTION OF USES.”*

**2021** marked the opening of a new chapter in the Solocal Group's history. With Hervé Milcent, we have had the honour of overseeing the destiny of this Company for almost one year. The challenges that lie ahead are significant, and we fully appreciate this.

Hervé and I are committed, within our respective roles, to steering the Company's transformation and defining the future direction of the Solocal group. The sense of teamwork, co-construction and consultation were central to this evolution phase of the Company's governance. The Company's Board of Directors has been particularly active, meeting regularly and interacting continuously.

This approach is bearing fruit and the first results are tangible. It is not in my habit to make grand statements, I prefer to focus on the facts. The customer base and revenues are now stabilised with a controlled level of churn. Our EBITDA targets are confirmed and achieved.

2022 promises to be the year of local digital. The coronavirus crisis has brought about a profound change in habits. This has translated into an explosion of local requests to all search engines. The attention being paid to the local digital communication market is underscored by a number of M&A deals. Solocal is the undisputed leader in this market in France, in terms of the number of customers, the sales teams deployed throughout the country, and the offers that are particularly well suited to meeting local visibility needs. In the coming months, we will strengthen our positions in the most dynamic regions to take full advantage of this change in habits.

**Hervé Milcent**
Chief Executive Officer

*2021 WAS A PIVOTAL YEAR FOR THE COMPANY. WE CONTINUED TO CONSOLIDATE THE CORE OF OUR NEW BUSINESS MODEL: THE DEPLOYMENT OF SUBSCRIPTIONS, THE CONFIRMATION OF A CATALOGUE OF TAILORED, EFFICIENT SERVICES AND ALSO THE MANAGEMENT OF TECHNOLOGICAL MIGRATIONS TO OFFER AN "SaaS" EXPERIENCE.*

### How do you see the Company after one year as CEO?

I take an essentially pragmatic view. 2021 was a pivotal year for the Company. We continued to consolidate the core of our new business model: the deployment of subscriptions, the confirmation of a catalogue of tailored, efficient services and also the management of technological migrations to offer an "SaaS" experience. In parallel with the implementation of these priority levers, I brought changes to the Company's Executive Committee: I wanted it to be leaner and more focused on the objective of increasing Solocal's activity. This new team of in-house talent and recognised market experts is in full working order.

The consolidation of the transformation, the formation of a new team and a constant focus on our customers were the key points of 2021. This close-to-the-field approach has produced encouraging results:

- for the last three quarters, our revenues have been growing again;
- we continued to reduce our net churn rate, which stood at 12.8% at 31 December 2021, down from 19.0% at 31 December 2020;
- the Company's customer base is stable with 309,000 registered customers;
- the average revenue generated per client is now slightly up at approximately €1,370 per year at 31 December.

On the strength of this momentum, recurring EBITDA reached 121.5 million in 2021, up 4.8% compared with 2020. Despite major transformations, we are meeting the objectives announced at the beginning of the year.

### What are your main strategic focuses for 2022 and the next few years?

Since my arrival, I have spoken a lot with Solocal's teams, consulted my Executive Committee and of course met our customers. These very rich and sometimes intense discussions formed the basis of the strategy that we will deploy this year, focusing on three priorities.

First of all, supporting our sales representatives is a major focus in order to consolidate the momentum. First, I decided to hire 170 new field sales people, specialised in acquiring new customers, deployed throughout the country. I am convinced that Solocal's greatest strength lies in its geographical coverage. Our VSE/SME customers are not interested in interacting with algorithms or talking to "robots"; what they expect is advice on their business from experts familiar with their industry and their local market. We intend to strengthen this advantage, which is one of our main areas of differentiation. I have also initiated a major training plan for our sales staff to make them effective and relevant advisors.

Secondly, customer satisfaction is a key focus. We put energy and resources into acquiring new customers. We need to put the same intensity to keep them and develop the support we can offer them. We will fine-tune our approach. Today, we respond as soon as a dysfunction or a question arises, but that is not good enough. Starting this year, we will adopt an even more customer-centric approach in order to better understand their needs and provide the necessary advice to optimise their digital strategy. We must act as genuine partners throughout the relationship with our customers, and this will require multiplying the points of contact with them. We have therefore initiated a complete reorganisation of our customer service in order to improve its efficiency from the first quarter of 2022.

The introduction of a single number, the extension of opening hours and the management of processing times are all concrete actions that will result in increased customer satisfaction.

Finally, our value proposition continues to evolve to better meet our customers' demands by focusing on performance through an optimised visualisation of the ROI of our solutions. This year, we initiated a strengthening and simplification of our advertising range. This "Booster" range focuses on three simple promises, in line with the needs of our customers: develop their "reputation", create "traffic" in visits for their website and generate qualified "leads". At the same time, our online visibility range for Large Accounts & Networks is improving its performance thanks to an even more innovative technological development: a value proposition embedded in a drive for "platformisation", with significant work on the Solocal Manager and Bridge customer interfaces for network and retailer customers. Solutions that are ever more user-friendly in an improved mobile app that allows all our customers to easily manage our solutions.

I am therefore convinced that, by 2024, we will have become THE 360-degree SaaS digital partner for French VSEs and SMEs.

**Is PagesJaunes at the heart of this new direction for the Company?**

PagesJaunes is at the heart of our strategy for the coming years. The figures and facts speak for themselves: PagesJaunes results are the ones that come up first in search engines, more than one in three French people log on to the platform every day, 94% of online users are familiar with the service, and so on. In 2021, nearly 1.7 billion searches were carried out on PagesJaunes.fr.

In 2022, we will gain momentum with the arrival of a new PagesJaunes app that will transform the search experience. The strongest asset of PagesJaunes asset is "search", which is now the key data that we will use to assess the performance of the service. Find the right information. Find the right business, reliable, near me. Discover a new talented artisan. PagesJaunes aims to become a truly benchmark local media for Internet users in their daily lives. Based on our data, we will develop an original approach to labelling in the coming months.

## Solocal in brief

2021 KEY FIGURES

**The trusted local digital partner for all businesses looking to speed up growth**

Close to
**1.7 billion**
searches
on PagesJaunes (1)

**€428m**
in revenues
for the year 2021

**309,000**
customers
at 31 December 2021

close to
**2,000**
digital advisors (2)

close to
**137,000**
digital ad campaigns (3)

**4.7m**
professionals & companies listed on PagesJaunes

**41%**
reach (4)

**15m**
reviews posted (5)

*(1) Number of times Solocal suggests one or more professionals following a request from an Internet user.*
*(2) Field sales/telesales, customer relations, production and sales support, pro forma figure excluding departures linked to the Employee Protection Plan and including employees on long-term sick leave & Solocal Interactive.*
*(3) Includes Priority Ranking.*
*(4) Source: Médiamétrie, based on Internet users 2 years and up, annual average.*
*(5) PagesJaunes.*

# Mission statement

## Mission

**Vitalise local life.**

## Strategy

Offer **an extensive range of digital services** to businesses and provide **the best possible digital and local experience** to our users.

## Vision

Unleash the digital potential of all businesses by using **innovative digital services to connect businesses to their customers.**

## Values

**Team Spirit, Proximity, Engagement, Courage.**

## Ethical principles

**Trust, Transparency, Respect, Integrity.**

## Our strengths

Evolving **technological platforms** for businesses and consumers

**Preferential** partnerships

Rich seams of exclusive **proprietary data**

**Acute knowledge** of the local economic fabric

Many **talented staff** with extensive digital skills

**Digital services** (Connect, Websites, Booster) for all local businesses in France, from VSEs/SMEs to medium-sized companies and large chains

# Business model

**Our values:** team spirit, proximity, courage, engagement

## One integrated app for businesses

Over **137,000 ad campaigns** generated [1]

**Low-cost lead** generation

**5,300 websites produced in 2021**

*Data, advertising and tax regulations*

**4,7+ million** businesses

*Growing markets for advertising and digital services*

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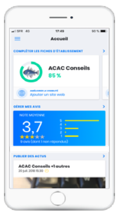


Solocal Manager

- Improve visibility
- Manage your e-reputation
- Find customers
- Connect with customers
- Offer local transactional services
- Manage customer relations and build loyalty

*Towards a sustainable development of all businesses and a universally accessible responsible digital technology*

## Our value creation

### Talent

**2,728** employees worldwide [2]

**c. 2,000 staff** [3] close to our customers

Women in the workforce: **53.61%** (- 0.1 pts)

Training provided in ethics, digital accessibility [4], digital marketing and agile methods

Employee engagement index: **72%** (- 3 pts)

**65% of employees** surveyed agree that Solocal enables them to develop their skills and employability

### Local

**6** regional **centers**

**1 webfactory**

**Digital advisors** throughout France

**309,000 customers** nationwide

Digitalisation of **406 businesses** via our digital workshops and audits

Provision of **19 LocalPartner directories** for local institutions

**87,977** digital audits carried out in 2021 (+37%)

(1) *Including Priority Ranking campaigns.*
(2) *Based on FTEs at end of period, including Solocal Interactive and employees on long-term sick leave.*
(3) *Field sales/telesales, customer relations, production and sales support, pro forma figure excluding departures linked to the Employee Protection Plan and including employees on long-term sick leave & Solocal Interactive.*
(4) *Digital accessibility simplifies access to digital services for people who are unfamiliar with these technologies, or who have a disability (temporary, situational or permanent).*

# Our mission: vitalise local life

**Our vision:** unleash the digital potential of all businesses by using innovative digital services to connect businesses to their customers and prospects

*Change in habits: digitisation of contacts during the Covid-19 health crisis*

**Exclusive partnerships:**

- Discover professionals
- Review professionals
- Find professionals
- Connect with professionals
- Buy local
- Receive customised offers

**Strategic partnerships:**

*Transformation of consumption trends with a shift to short circuits and local consumption*

**55+ million** consumers

*Customer support ranging from digital media to personalised human advice*

## One service platform for consumers

- **4.7 million** businesses listed on PagesJaunes
- **Around 1.7 billion searches** on our media
- **15 million reviews** posted
- Strategic partnerships with the **major online giants**

*Connect offer* *Websites offer* *Booster offer*

## Finance

**€175 million** net debt

**€34 million** capital expenditure

Net financial leverage ratio of **1.7x**

Net cash at 31/12/2021: **€80 million**

**No. 3 in France in digital marketing** by revenue: **€428 million**

Recurring EBITDA: **€121 million**

## Environment

**14 tonnes of waste** from electrical and electronic equipment (WEEE) collected

$CO_2$ emissions – office premises: **– 7.0 pts vs 2020**

$CO_2$ emissions – vehicle fleet: **+ 8.5 pts vs 2020**

## Technology

**Technology platforms** developed in-house or integrated in SaaS mode

Ability to **distribute** digital services **on a large scale**

# Digital services for business

3 **ranges**
**of digital services**

**Solocal offers businesses of all sizes a full and unique range of services, satisfying all their digital needs from a single source**

## Connect

Visibility

Ranking

E-reputation

Relational and transactional services

**€127m**
revenue 2021

## Websites

Showcase websites

**€63m**
revenue 2021

## Booster

Priority Ranking

Performance

Brand awareness

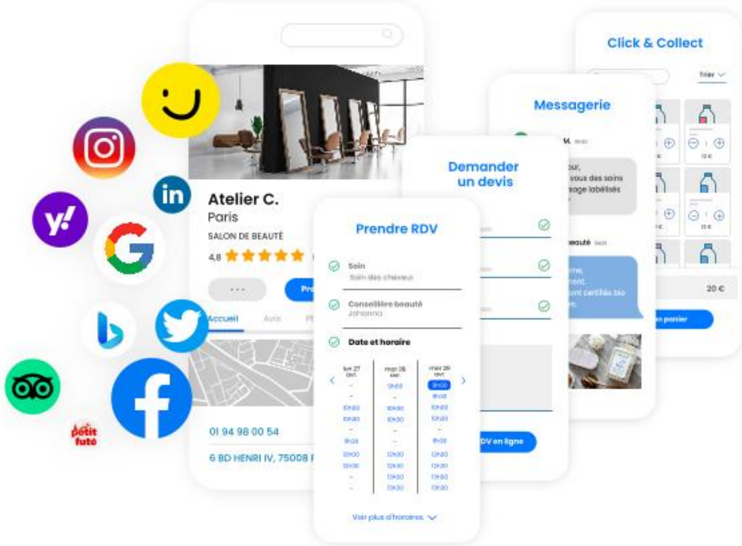
**€238m**
revenue 2021

**These services are intended to respond to 3 major challenges faced by companies & professionals**

**Being present**
all over the Web

**Acquiring**
new customers

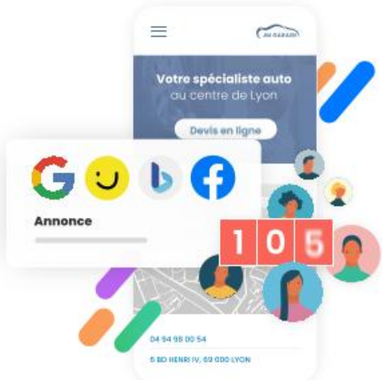
**Generating**
growth online



The **Connect offer** enables VSEs and SMEs to manage their activity throughout the Web across dozens of media channels, including Google, Facebook, PagesJaunes, Bing, Tripadvisor and Instagram, in just a few clicks, in real time and with complete autonomy via the Solocal Manager mobile app and online interface. As well as creating specific pages on Google, Facebook and PagesJaunes, the package enables customers to update their details, publicise news, publish text or image content, request and respond to customer reviews, and consult visitor statistics for their profiles on the various partner platforms. Sold on a subscription basis with auto-renewal, Connect also offers a multitude of relational and transactional services such as instant messaging, online appointment booking, online quotations and click & collect to help businesses grow online.

Solocal's **Websites offer** takes care of the creation and ranking of customers' websites (for both showcase and e-commerce sites). Businesses benefit from a Websites range that adapts to their needs and their budget, enabling them to access tailored content creation solutions when the site is set up and for as long as it remains online. These include photo and video reports, up-to-the-minute designs suitable for all screen types, e-commerce and other functions to support their sales strategy, online reviews or bookings, and search engine optimisation.

The **Booster offer** enables businesses to augment their digital visibility beyond their natural online presence by tapping into markets at the local level. Different types of product exist to cover all of our customers' needs: search engine optimisation (Priority Ranking), increasing the number of business opportunities online and in-store (Booster Site and Booster Contact, which generate online traffic and qualified leads, with a certain volume of potential customers via phone calls, online bookings, quote requests, etc. for a predefined fixed price) and brand visibility on the Internet and social media (targeted distribution across the whole web and the use of videos to enable customers to boost visibility through the power of social media).

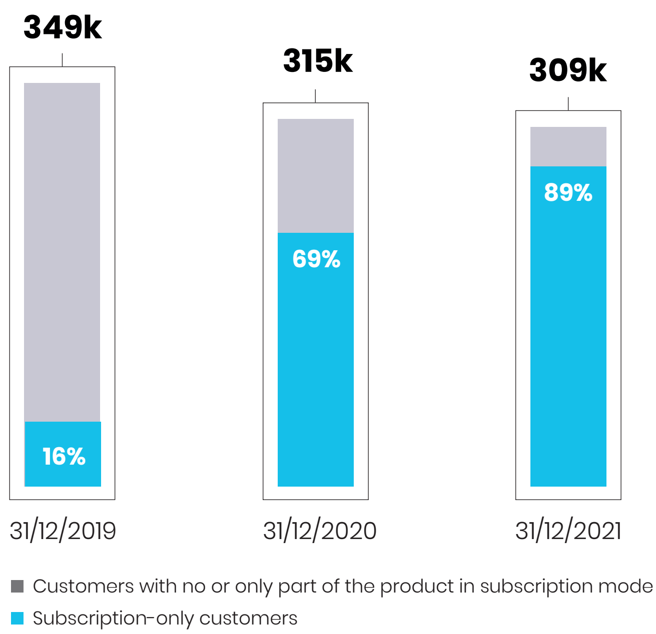



**Designed for VSEs and SMEs, the Connect and Booster offers are also available for large network accounts** via our BRIDGE solution, which enables content management and updates to be handled simultaneously at both national and local level – a major issue for larger customers – as well as giving access to tailored advertising solutions, based in particular on Solocal's technology and proprietary data.

# Finance

## Ramp-up of subscription mode[1]

**Since the summer of 2019 and the launch of the new range of digital services, the share of subscription-based order intake has been steadily increasing. At the end of 2021, nearly 9 out of 10 customers had all of their Solocal solutions in subscription mode.**




*(1) Figures at end of period (EoP); 100% subscription-based customers = no. of customers with all products in subscription mode.*

**Subscription-based products are pivotal for the transformation of the business model, as this contributes to**

1. CUSTOMER LOYALTY, AND THEREFORE A DECREASE IN CHURN
2. THE INCREASE IN NEW CUSTOMER ACQUISITION
3. CROSS-SELLING TO EXISTING CLIENTS

**By freeing up some salesforce time historically devoted to renewal.**

## Trend in Group revenues

After many years of decline, **revenues were stable for the first time in 2021,** reaching €428.0 million (-1.1% compared with 2020) afterthree consecutive quarters of growth.

## Key financial indicators for the year 2021

**Net churn rate[1] 2021**

**12.8%**

**2021 ARPA**

**€1,370**

**2021 revenues**

**€428m**

**Order backlog** at 31/12/2021

**€243m**

**2021 recurring EBITDA**

**€121m**

**Net debt** at 31/12/2021

**€175m**

**Net cash** at 31/12/2021

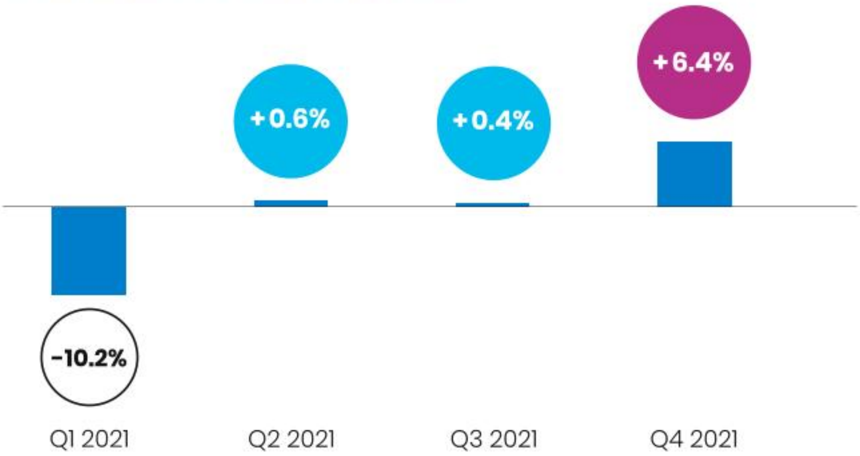
**€80m**

**Net financial leverage ratio**

**1.7x**

*(1) Churn calculation: no. of customers lost / no. of customers at the beginning of the period. Net winback figures.*

## Trend in revenues in 2021[1]




**This performance was driven in particular by a reduction in churn of more than 6 points and an increase in ARPA of almost 3%.**

*(1) Quarterly sales current year vs. quarterly sales previous year.*

# Our value creation in 2021

## SOCIETAL

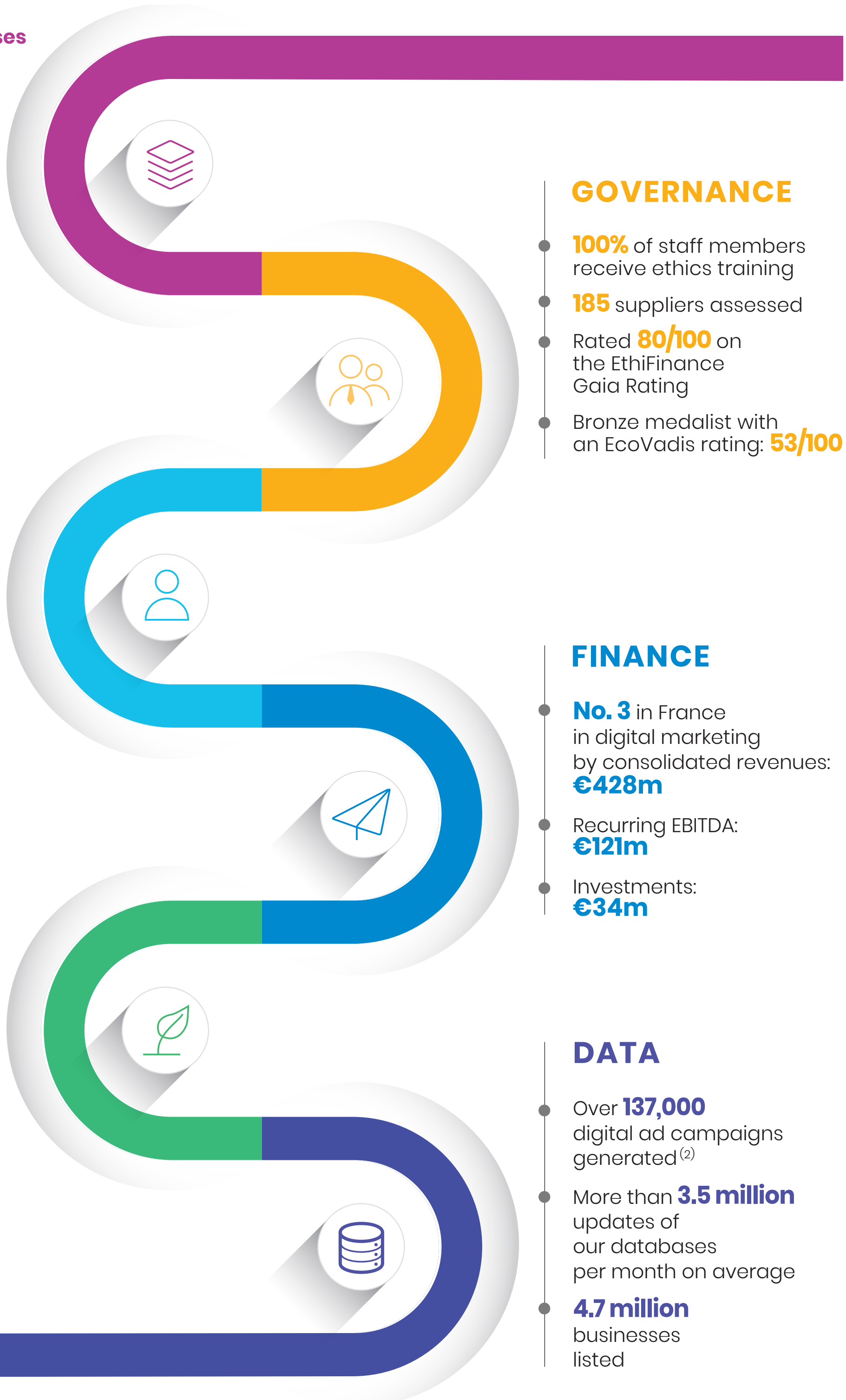
- Digitisation of more than **400 businesses** via our customised Digital Workshops
- **Almost 88,000 businesses** improved their digital awareness with our Digital Audits
- Provision of **19 LocalPartner platforms** to local institutions to create directories of local shops and businesses and offer them the chance to use free digital services to grow their online presence
- Our PagesJaunes media fully accessible to all (1)

## EMPLOYEES

- Employee engagement index: **72%** (-3 pts compared with 2020)
- Percentage of employees who would recommend Solocal: **52%** (-5 pts compared with 2020)
- Percentage of women among senior executives: **30.77%** (+3.6 pts compared with 2020)

## ENVIRONMENT

- $CO_2$ emissions:
  - **offices** **256,990 kg$CO_2$** of emissions in 2021, i.e. a decrease of **7.0 pts**
  - **Vehicle fleet 1,581 tonnes $CO_2$ equivalent**/vehicle in 2020 vs 1,457 in 2021, i.e. a slight increase of **8.51%** (base effect in 2020 related to the successive lockdowns during the health crisis)
- **14 tonnes** of waste electrical and electronic equipment (WEEE) **collected**



## GOVERNANCE

- **100%** of staff members receive ethics training
- **185** suppliers assessed
- Rated **80/100** on the EthiFinance Gaia Rating
- Bronze medalist with an EcoVadis rating: **53/100**

## FINANCE

- **No. 3** in France in digital marketing by consolidated revenues: **€428m**
- Recurring EBITDA: **€121m**
- Investments: **€34m**

## DATA

- Over **137,000** digital ad campaigns generated (2)
- More than **3.5 million** updates of our databases per month on average
- **4.7 million** businesses listed

*(1) Digital accessibility simplifies access to digital services for people who are unfamiliar with these technologies, or who have a disability (temporary, situational or permanent). For example, you can now make a hairdresser's appointment on PagesJaunes.fr using a voice assistant.*

*(2) Includes Priority Ranking.*

# Customers and market

## Market opportunities

### Digital transformation underway among French VSEs/SMEs

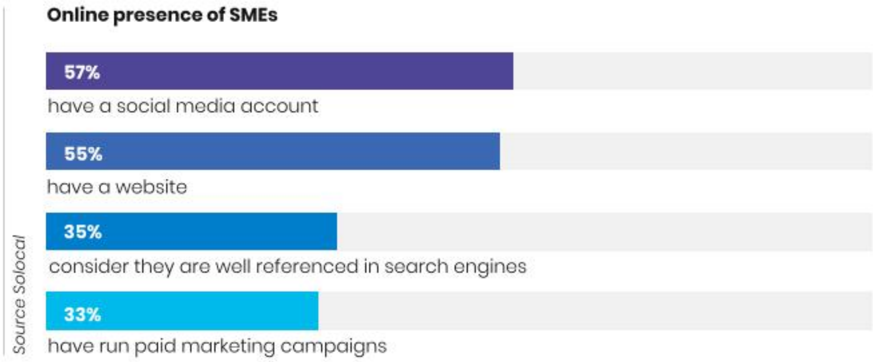
Digitisation has allowed businesses (shops, artisans, restaurant owners) to maintain their economic activity. This has contributed to an acceleration of the digital transformation.

SMEs understand the importance of being visible and offering alternatives to their customers (communicating, providing online quotes, organising click & collect services, and so on).

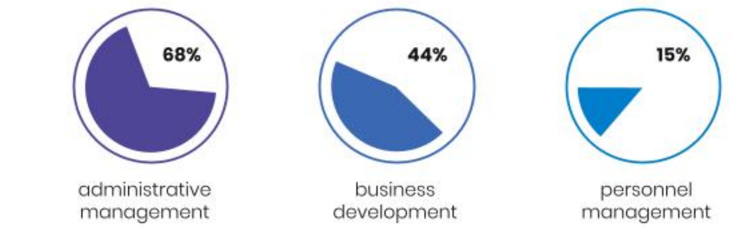
**71% of SMEs** consider that online visibility is vital for their business and **the remaining 29% consider that it is useful** *(Source AFNIC)*.

This is true at various stages of the customer journey: being easy to find (47%), presenting their activities (63%) or communicating with their customers (43%) *(Source France Num)*.

That said, many SMEs still have limited online presence, with as a result a persistent gap with the digital maturity of consumers:




In addition, many VSEs/SMEs express a a need for support for a variety of crucial tasks concerning their:

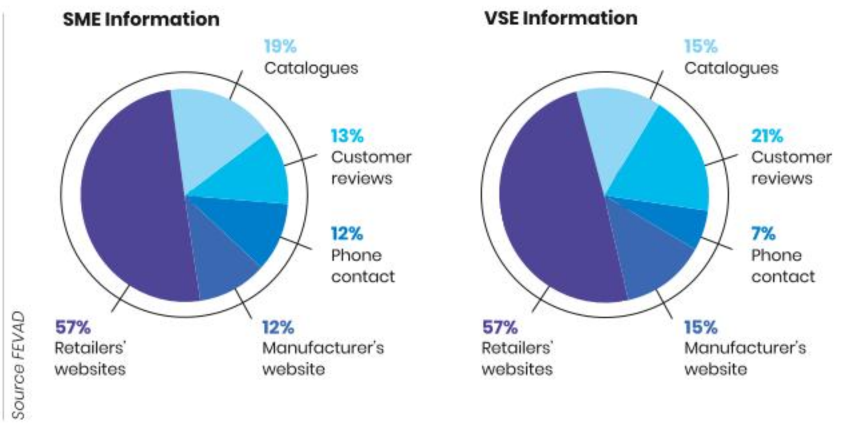



**As a preferred partner of local businesses, Solocal thus has a major role to play in helping businesses make their digital transition.**

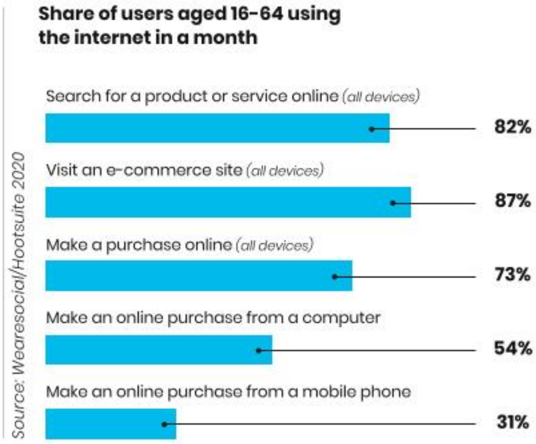
# Acceleration of digital usage among consumers

At the same time, the health crisis has led to an increase in households' use of digital tools for online information and shopping, resulting in sustained growth in the e-commerce market in 2021.

60% of consumers proceed in this way and obtain information through the five sources detailed below according to the size of the companies:




Our PagesJaunes media allows consumers to get information via searches for telephone contact details and customer reviews.




**Solocal offers a full range of digital services for businesses and consumers and is uniquely placed to benefit from the trends that these changes are producing.**

## THE COVID-19 HEALTH CRISIS, A CATALYST OF CHANGE

The ongoing health crisis continues to underline the importance for businesses of making this digital transformation – especially VSEs and SMEs, who need to adapt in order to survive.

Even though the lockdowns seem far behind us, the change in consumption habits is continuing, notably due to remote working.

The crisis has magnified the increasing trend among consumers to turn towards local businesses, with **51% of French consumers keen to consume more local products,** even if it means paying a little more.

*(Source Deloitte April 2021 - State of the consumer tracker)*

# Strategy

**Previous strategic plans have enabled Solocal to move towards a fully digital subscription model while developing a large number of services with significant network effects.**

**Solocal is reiterating its ambition to become a unique platform for local businesses – of all sizes – and for consumers, with the objective of focusing on three pillars over the next few years.**

## 1. Strengthening our commercial strategy

The optimisation and strengthening of our commercial strategy, which was initiated in 2021, will continue in 2022, with the main focus on **revising our commercial organisation and strengthening and optimising our geographical coverage.**

With Solocal's customer base becoming mostly subscription-based, better management of the performance of our sales force, combined with the implementation of a Sales Campus allowing us to integrate and train our sales people in a targeted way, is essential.

In the field, the commercial coverage of our sales force is optimised by a finer network in line with the potential of acquisition zones. In addition, our sales representatives can rely on new tools and methods to help them prospect.

## 2. Renewing the trust of our customers and users

Solocal has committed to placing **customer satisfaction** at the heart of its strategy. This translates into improved customer support to deliver a best-in-class experience and ensure a high level of satisfaction at all levels of interaction in the customer lifecycle. In the long run, this should have a beneficial effect on churn and the costs of quality failures.

In order to complement the initiatives already underway – reorganisation of the operational system into a pole of expertise, introduction of a single call number, results-based renegotiation with our partners, reinforcement of the quality system and enrichment of the Solocal Manager tool with customer-oriented functionalities – 2022 will place the customer as the cornerstone of our value proposition by enriching our solutions. Solocal will step up its phygital approach [1] with, on the one hand, the provision of digital tools via our Solocal Manager platform – dashboards, analysis and performance tools – and, on the other hand, the improvement of the quality and the increase in the number of physical contact points to respond to our customers' requests.

On the user side, Solocal is enriching and strengthening its value proposition by focusing on transforming the PagesJaunes media to establish it as a **trusted third party** and as a **benchmark local media**.

The PagesJaunes mobile app has been extensively updated and its content enriched.

With 94% of online users familiar with PagesJaunes and more than 19 million unique users per month, the platform has all the assets required to position itself as the benchmark for connecting French users with the right businesses.

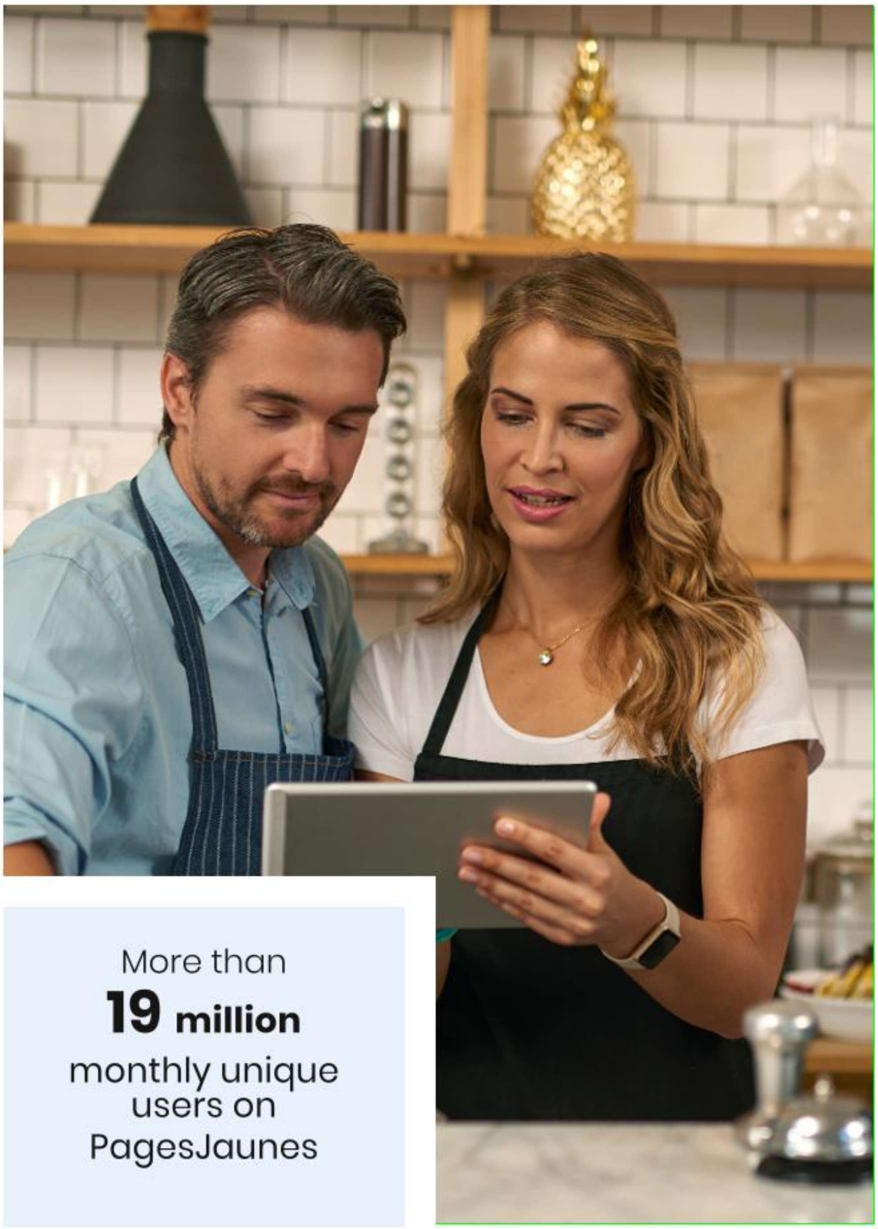
Furthermore, in order to guarantee the quality of the platform's content and businesses, a PagesJaunes **label** project is underway.

## 3. Becoming the trusted provider of digital services

Solocal is developing a unique ecosystem of digital services for local businesses of all sizes, clustered within a single interface, to enable businesses to grow and manage their activity more efficiently: Solocal Manager.

Furthermore, Solocal pays particular attention to the specificities of each sector with the development of dedicated offers.

By 2023-2024, Solocal's objective is to position itself as a partner by proposing a 360-degree SaaS range of services in order to better cover the needs of companies and help them to develop. With this in mind, Solocal will reinforce the value proposition of existing services by launching new digital services in SaaS mode, both proprietary and through partnerships.



More than **19 million** monthly unique users on PagesJaunes

(1) *In a phygital strategy, two aspects of the customer experience are combined: the customer relationship through human contact and the digital experience through online interaction or via an application.*

# Outlook

## 2022, a year of consolidation:


**1** **Overhaul of the sales approach,** particularly in the field (the sales channel that contributes most to the Group's business with around 60% of new order intake)

**2** **Customer relationship:**

- capitalise on efforts made in 2021
- adopt a more proactive approach in terms of customer support

**3** **Strict control of fixed costs**

## Based on these assumptions, the outlook for 2022 is:

| | | |
|---|---|---|
| • **REVENUES**<br>• **EBITDA**<br>• **Operating free cash flow** (1) | **Comparable to 2021** | **Followed by a return to growth of these indicators from 2023** |

*(1) Operating cash flow = Ebitda (incl. IFRS 16 lease obligations) + non-cash items + change in WCR - Capex.*

# Corporate social responsibility (CSR)

In line with the transposition of the European Union Non-Financial Reporting Directive, Solocal has included a Statement on Non-Financial Performance (SNFP) in its management report since 2018. The Statement covers the main governance, employee-related, environmental and societal risks identified with all stakeholders and relevant to its activity.

Since 2020, Solocal, building on its strong local identity and its data-based knowledge of France and its regions, has sought to prioritise a number of issues with a positive impact all over the country, and even more so with the health crisis. The Company has therefore set itself the following priorities: fighting the desertification of city centres by promoting short circuits and ensuring the publication of responsible and accessible content for all. Solocal wants to give everyone access to all information, both national and local, with the aim of delivering fair and moderate information and of making users more responsible.

Moreover, as a digital company, Solocal works on identifying risks related to climate change, not only for the healthy development of its business but also concerning its impact on the planet. In this respect, Solocal takes part in discussions on the carbon footprint of the digital sector through working groups, as well as with trade unions and federations specialised in its activity.

By taking into account the green taxonomy as of this year, Solocal is already in a position to better shape its corporate policy to contribute to the EU's objective of carbon neutrality by 2050.

## Our 8 priorities:

### Societal

**1 Fighting**

**the desertification of city centres by promoting short circuits and the development of digital skills in the regions**

With only 11% of French SMEs using digital tools on a daily basis, the degree of digital maturity of companies varies widely across France. This low adoption of the Internet creates a risk of loss of competitiveness for the French regions. The crisis caused by the Covid-19 pandemic has revealed the need to speed up the digitisation of VSEs and SMEs and has changed consumption habits (Click & Collect, short circuits, etc.). In order to contribute to the digital inclusion of small and medium-sized enterprises and people undergoing professional retraining and to developing digital skills across France, Solocal is pursuing the implementation of a collaborative and partnership policy with local institutional and economic ecosystems (consular chambers, local authorities, associations, local authorities) by fighting the desertification of city centres.

**2 Ensuring**

publication of responsible, broadly accessible content

Solocal aims to provide universal access to quality content in order to enable users of its digital services to find the right business and to develop a trusting relationship with it. By pursuing a responsible policy in the design and use of its digital services by companies and users, Solocal is fulfilling its mission to vitalise local life for all, in complete confidence. This commitment covers all the information and advertising content produced and distributed on Solocal's platforms, on its PagesJaunes media, and on partner media, as well as the accessibility of all its public communication services to all persons, whether disabled or not.

## Governance

**3 Promoting**

the respect and security of personal data

Solocal has made the protection of personal data an essential, central element of its activity in order to ensure its sustainability. In line with our conviction that privacy is good for business, we are committed to help building an internet of trust.

**4 Consolidating**

ethical governance and taking CSR aspects into account to ensure the Company's sustainability

Over and above compliance with laws and regulations, Solocal is certain of the virtues of consolidating ethical and responsible governance and is committed to developing a policy that integrates CSR aspects so as to ensure the sustainability of the Company and ESG management through non-financial criteria.

## Employment

**5 Supporting**

the transformation of jobs and skills

Solocal's success is built primarily on the experience, expertise and skills of its employees; ensuring that their skills match the changing needs of the Company's activities is a true challenge in today's competitive markets. As an extension of the strategic transformation plan and more specifically the refocusing on digital services, supporting employees through training is, from the Company's point of view, crucial to ensuring their employability, both in their development within the Company and in the enhancement of their skills externally.

**6 Promoting**

the development of a pleasant work environment for all

Solocal is well aware of the consequences that phases of profound transformation can have on the quality of life at work and implements a policy aimed at promoting the development of a pleasant work environment for all, which helps towards the achievement of its social and economic objectives. Since 2020, a newly-appointed Work Environment Director has been coordinating the move into new "High Environmental Quality" premises.

**7 Improving**

employee commitment and making Solocal more appealing

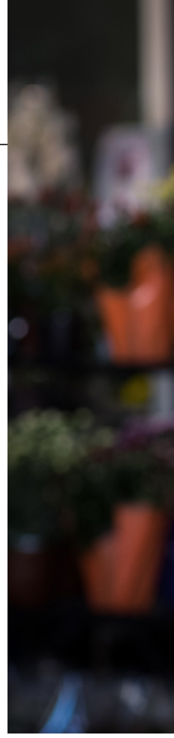
In order to ensure the durability and development of the Company's activities, Solocal aims to attract and retain employees from all backgrounds with a wide range of specialised, complementary skills, a challenge that is all the more difficult to meet in the competitive field of digital technology. Despite the health crisis and in particular in the context of the recovery plan with the "1 young person, 1 solution" policy initiated by the French government, Solocal is pursuing its policy to make itself more appealing to employees and job applicants.

## Environment

**8 Optimising**

energy consumption, use of resources and reducing carbon impact for sustainable digital business

In order to contribute to the fight against global warming, Solocal is optimising the resources used to develop and market its digital activities as part of its transformation.



RESOURCES

# Advantages / Sources of growth

Solocal's response to market challenges and opportunities

## A unique offer of digital services that is being strengthened and expanded

We consider Solocal to be the only company in the French market to offer a comprehensive range of full web digital services to businesses of all sizes, enabling them to grow their visibility and develop their business via a single integrated platform (Solocal Manager).

**Connect offer**
visibility, online reputation and relational and transactional services

**Websites offer**
showcase

**Booster offer**
Ranking, Performance and Brand awareness

Over
**37,000**
websites monitored daily

Approximately
**5,300**
websites produced in 2021

Over
**136,000**
ad campaigns produced in 2021

Solocal's ambition is to become the trusted provider of digital services and to offer a range of services that will cover a large proportion of companies' needs to develop and manage their business, by reinforcing the value proposition of existing services and by launching new digital services, both proprietary and through partnerships.

Solocal will be able to leverage its ability to produce and distribute digital services on a large scale thanks to the quality of its internal or integrated technological platforms. In particular, Solocal has developed a unique programmatic adserver for local advertising campaigns which makes decisions in real time between the different audience sources available to its customers (Yahoo, Bing, PagesJaunes, etc.), enabling it to generate low-cost leads.

## Rich and exclusive content and strong proprietary media

- **Rich and relevant local** content with 4.7 million businesses listed on PagesJaunes, and more than 3.5 million business listings are republished on average each month following an update.
- **Strategic partnerships** with all the GAFAMs.

Solocal also runs highly **intent-driven** media platforms (PagesJaunes, Ooreka) which generate large audiences. Such audiences are a constant source of purchase-driven & geolocated data, enabling Solocal to conduct highly targeted advertising campaigns and generate low-cost sales leads for its customers.

- Vast audience: **1.7 billion searches on PagesJaunes in 2021**.

**7**
geographical locations
in the regions

Over
**309,000**
business customers
nationwide

Close to
**2,000**
employees
working closely with customers
*(field sales, telesales, e-commerce, large accounts and customer relations)*

- High reach: over 21 million monthly unique visitors, all media combined.
- Exclusive proprietary purchase-driven & geolocated data.

PagesJaunes' ambition is to become the benchmark trusted platform to help consumers choose and contact the right business, notably through a rationale of business certification, which will be available in 2022, and the provision since the health crisis of various services to put people in touch with businesses:

- **9,600 businesses*** offer click & collect;
- **64,900 businesses*** have activated the instant messaging function.

## Strengthened proximity and customer culture

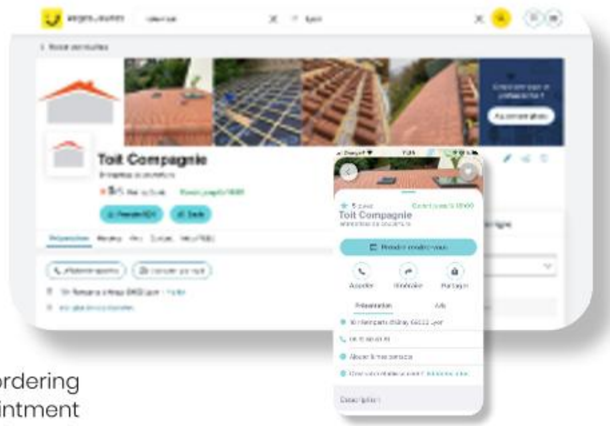
Solocal's local presence and omnichannel sales approach are key differentiating assets when dealing with local customers. They represent a genuine entry barrier in these markets, both for competitors and for Solocal's partners.

In 2022, Solocal's ambition is to continue to improve customer support in order to offer a first-class experience to its prospects and customers. This wil notably involve setting up a welcome service and providing systematic support when onboarding a new customer, with a single contact person for assistance and support.

In addition, the reinforcement and optimisation of geographical coverage in 2022, with an optimised commercial coverage, will bring our sales forces closer to their prospects and customers.

** In February 2021.*

# Media platform users / Data




## Pages Jaunes

**More than one in three Internet users consult a PagesJaunes website or app every month**

Ranking among the top 20 most popular digital brands in France*, PagesJaunes is Solocal's leading digital service, with over 4.7 million business listings, generating close to 1.7 billion searches directly on its website or mobile apps or via its partners.

PagesJaunes is France's go-to online source for connecting consumers to businesses and has adapted in response to the shift to new consumptions patterns among French consumers, which the health crisis has further reinforced. From simple searches for contact details to online appointment booking, PagesJaunes offers a panoply of services to put French consumers in touch with local life, ranging from detailed content that stays up to date (100,000 content updates per day) and helps them make the right choice (nearly 15 million reviews, plus photos, videos, opening hours, etc.) to transactional services (online ordering with click & collect, online appointment booking, quote requests) – all through verticalised customer journeys and many different types of search experience, via chatbots, voice searches and maps as well as on Google's and Amazon's virtual assistants. In addition, PagesJaunes aims to become the best trusted third-party platform to help consumers choose the right business, in particular by developing business certification systems. This means that PagesJaunes has all the elements needed to position itself as a benchmark local media.

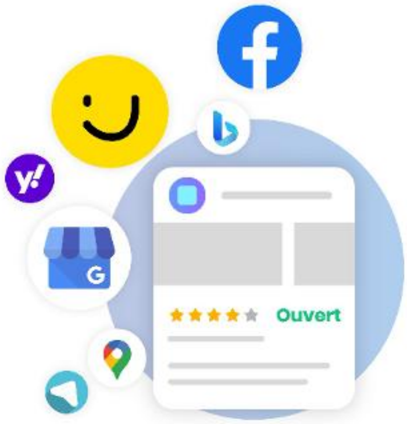
**4.7 million**
businesses listed

**15 million**
reviews


## Ooreka

Ooreka.fr is a website that aims to provide high-value practical information to the public, helping users find the right business. It has over 400 sites grouped into five fields: Home & DIY, Money & Law, Life & Work, Health & Beauty, and Business.

* *Source: Médiamétrie.*




# Partnerships

| Content | Advertising |
|---|---|
| Google My Business Partner; special access to the Google My Business update API and its support team<br>Reserve with Google Partner | Google Ads reseller contracts –"Google Ads Premier Partner" certification |
| Partnership for the supply of local content (PagesJaunes) for Apple Maps, Siri, Spotlight and Safari. Apple is a major source of mobile traffic for Solocal customers. In addition, the partnership with Apple boosts the number of downloads of the PagesJaunes app. | |
| Use of an API to manage pages and automatically update content. | Resale of advertising campaigns on Facebook – Effilab is a certified Facebook Premium Agency Marketing Partner |
| Partnership for the supply of native local content (PagesJaunes) on Alexa | |
| Partnership for the supply of local content (PagesJaunes) on Bing. PagesJaunes is the sole supplier of underlying local content (base data). Bing is an important source of fixed traffic for Solocal customers | Microsoft Advertising reseller – "Elite Channel Partner" certification |

| Advantages for **Solocal** | Advantages for **the Partner** | Advantages for **Solocal** | Advantages for **the Partner** |
|---|---|---|---|
| **Generates extra audience for customers and PagesJaunes**<br>**Fulfils the "full web" promise** | **Unique local content enhances the user experience** | **Close collaboration awith partner on marketing and sales approaches** | **Knowledge and coverage of Solocal customers** |

# The Executive Committee

**The Company is led by a management team that was partially renewed during 2021 and composed of internal talents and recognised market experts whose interests are fully aligned with those of all stakeholders.**

**Hervé Milcent**
Chief Executive Officer

**Éric Klipfel**
Deputy CEO

**Olivier Regnard**
Chief Financial Officer (CFO)

**Maxime Videmann**
Director of Product Marketing and Media

**Stéphanie Zeppa**
Chief Technology Officer and Head of R&D

The expertise brought to the table by new members of the team, with recognised skills in the digital field, complements the experience of longstanding members of senior management.

Strengthened by its new recruits, Solocal's management team is well placed to further enhance the Company's products and services and thus improve its competitive position and earnings.

## Members of the Executive Committee

### **Hervé Milcent**, Chief Executive Officer

Hervé Milcent has been Chief Executive Officer since 6 April 2021. A graduate in Business Law, Hervé Milcent began his career with the newly created Chronopost in the “operations” teams. He quickly became Director of Operations at Dynapost and then at Médiapost, where he launched and developed geomarketing and targeted distribution solutions, thereby gaining extensive knowledge of local communication issues. In 1998, Hervé Milcent joined the Arvato Group (Bertelsmann Group) as Managing Director in charge of operations for the Direct Marketing division, which became the French leader under his leadership. Building on this success story driven by a strong portfolio of services launched in France, including subscription-based services, Hervé Milcent extended his responsibilities to Southern Europe, before being promoted to the Group’s Executive Committee to manage the roll-out of the “Group CRM Global” solution. In 2014, after more than 16 years within the Arvato Group spent developing and implementing enterprise services, Hervé Milcent was appointed CEO of the Lyreco Group. He implemented a category-based marketing strategy, repositioned the Group’s offering to accelerate growth and led the overhaul of the technical and IT infrastructures essential to the company’s “Phygital” transformation. In 2020, he joined the Teleperformance Group as Managing Director for France, Italy and Germany.

### **Éric Klipfel**, Deputy CEO

Holder of a master’s degree from the Fachhochschule Stuttgart, Eric Klipfel has taken up customer and commercial transformation challenges for 20 years, in strong competitive B2C and B2B universes, marked by regulatory, structural and economic changes (digitisation of commercial channels and customer relations, competition, cost compliance). Whether in telecoms in 2000 at SFR Numericable as executive CEO for 8 years, or since 2018 at the world leader in customer relations Teleperformance Knowledge Services, he has led numerous customer relations projects (reduction of complaints, antichurn programmes, increase in customer base) and is an expert in applying analytical/predictive models to commercial and customer topics (cross-selling, speech analytics, improvement of customer journeys, customer feedback management). He joined Solocal on 9 July 2020 as Deputy CEO in charge of sales and customer operations. He is taking over the reins of the Large Accounts sales, VSE/SME field sales, Telesales, and Customer Success and Management departments, as well as the Customer Operations department.

### **Olivier Regnard**, Chief Financial Officer (CFO)

Olivier Regnard joined the company on 1 July 2019 and heads the Finance, Purchasing and Real Estate functions. He is also in charge of Investor Relations. Before joining Solocal, he worked at Mauna Kea Technologies (a Euronext-listed medical technology firm) before becoming CFO of Europe Snacks (an agri-food company with annual revenues of €350 million and 2,100 staff) in the first quarter of 2018, where he played a noteworthy part in the company’s external expansion and refinancing. Between 2013 and 2017, Olivier Regnard was Deputy CEO and Chief Financial Officer of Latécoère (a first-tier aerospace supplier listed on Euronext with annual revenues of €660 million and 5,000 staff) with responsibility for the Financial, Legal and Purchasing departments. During this time, he made a considerable contribution to Latécoère’s transformation plan. Prior to this experience, Olivier Regnard spent almost 15 years with Deloitte, in Auditing and Financial Advisory Services. During this period, he had the opportunity to work in highly diverse business activities and environments in France and abroad. Olivier Regnard is an expert-comptable (certified public accountant) and a graduate of ESSEC business school.

## **Maxime Videmann**, Director of Product Marketing and Media

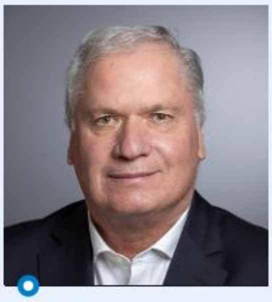
A graduate of the École Nationale Supérieure des Mines de Saint-Etienne and with an MBA from HEC Paris, Maxime Videmann began his career in 2005 at Accenture Consulting, where he worked with clients in the telecommunications, media and utilities sectors on product marketing, business intelligence and digital transformation issues in France and Europe. In 2012, he joined Facebook to advise on and optimise advertising investments made by major advertisers in France. In 2014, he joined the Altice Group, within the SFR Consumer Division, where he led geomarketing projects optimising the Group's omnichannel acquisition strategy and the development of the 100% digital brand "RED by SFR" as Marketing Director. He joined Solocal in 2017 as Director of Marketing and Sales for Large Accounts before moving to Product Marketing at the end of 2018. He played a key part in the Group's transition to subscription-based services through his involvement in redesigning and streamlining Solocal's offering. In 2020, he took over all of the Group's Marketing functions, helping to structure the management of customer churn and supporting the transition to campaign mode for the Group's sales operations. Maxime Videmann is now in charge of developing and implementing a new roadmap for the media, products and services offered by Solocal in light of the new sector and regulatory issues associated with the local digital communication market.

## **Stéphanie Zeppa**, Head of R&D and Chief Technology Officer

Stéphanie Zeppa is Head of R&D and Chief Technology Officer since 1 October. With a background in engineering (Hautes Études d'Ingénieur in Lille), Stéphanie Zeppa began her career in various positions of expertise in Information Systems, including project management, operations and management at Chanel, France Telecom, Lucent and UPC (now SFR). In 2007, she took over the Performance Department of Docaposte (the digital business of La Poste Group), in charge of cross-functional projects. More specifically, she managed performance plans, the measurement of their effectiveness including in terms of organisation, the steering of transformation projects, operational and IS Business Continuity, and the implementation of the Company's processes, which she certified. In 2018, she joined the French Management Committee of Transdev and became Director of Performance, Transformation and Information Systems, where she notably set up and directed the France IS Department and the "Digital Factory" (Fabrique Digitale). She is currently in charge of the entire Information Systems Department, the digital services platforms, the consolidation of the 100% cloud model and Research & Development within the Group.

# Corporate governance

## The Board of Directors



**Philippe Mellier,**
Chairman of the Board of Directors

**David Amar,**
Vice-Chairman of the Board of Directors

RAC

**David Eckert**

RAC

**Delphine Grison**

AC

**Anne-France Laclide-Drouin**

RAC

**Marie-Christine Levet**

**Catherine Robaglia**

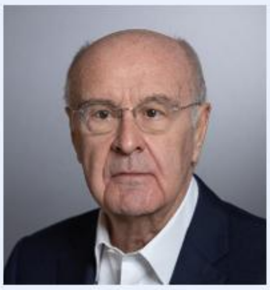
AC

**Paul Russo**

AC

**Sophie Sursock**

**NON-VOTING DIRECTOR**



**Jacques-Henri David**

**Bruno Guillemet**

AC *Audit Committee* RAC *Remuneration and Appointments Committee* *Independent director*

*OUR COMPANY IS MANAGED BY A BOARD OF DIRECTORS THAT DECIDES ON BUSINESS STRATEGY AND OVERSEES ITS EXECUTION BY SENIOR MANAGEMENT.*

Subject to the powers expressly reserved by law for General Shareholders' Meetings and within the limits of the corporate purpose, the Board reviews all issues concerning the operation of the Group's activities and decides on all matters affecting the business. It also expresses its opinion on all major decisions in relation to the Company's strategy, business development, human resources, finances and technology.

Solocal Group follows the principles for the corporate governance of listed companies set out in the AFEP-MEDEF Corporate Governance Code in its revised version of January 2020. Philippe Mellier joined Solocal on 30 June 2021 as Director and Chairman of the Board.

The Board has set up two Committees within the Company, an Audit Committee and a Remuneration and Appointments Committee. In June 2021, it was decided to abolish the Customer Satisfaction Committee.

**17**
meetings
in 2021

**95%**
average
attendance rate

**50%**
of women

**9 Directors**
including 1 employee director,
2 directors with non-independent status due to their links with the majority shareholder,
6 independent directors
and 2 non-voting members
who bring to the Board of Directors their historical experience of Solocal as well as their insight into human resources

Members have **impressive experience** and **expertise** in the digital sector

**Complementary skills** across a **range of skills**

**Principal activities**

Reviewing results and business trends, monitoring progress of the transformation plan (new product offers, subscription model, etc.), reviewing strategy guidelines, and appointing new Chief Executive Officer and new Chairman of the Board of Directors

## Committee members

### Audit Committee

Anne-France LACLIDE
(Chair)

Sophie SURSOCK
Paul RUSSO

### Remuneration and Appointments Committee

Delphine GRISON
(Chair)

Marie-Christine LEVET
David ECKERT
Bruno GUILLEMET

## Responsibilities of the members of the Board of Directors

### Digital and Innovation

- David Amar
- Delphine Grison
- Marie-Christine Levet
- Catherine Robaglia
- Sophie Sursock

5 MEMBERS

### Customer knowledge, sales force management and customer relations

- Philippe Mellier
- David Amar
- David Eckert
- Marie-Christine Levet
- Catherine Robaglia
- Paul Russo

6 MEMBERS

### Finance

- Philippe Mellier
- David Amar
- David Eckert
- Anne-France Laclide
- Paul Russo
- Sophie Sursock

6 MEMBERS

### Technology, Data and Cyber-risks

- Delphine Grison
- Marie-Christine Levet
- Catherine Robaglia
- Sophie Sursock

4 MEMBERS

### Restructuring and turnaround

- Philippe Mellier
- David Eckert
- Anne-France Laclide
- Paul Russo

4 MEMBERS

### Compliance, Ethics, CSR

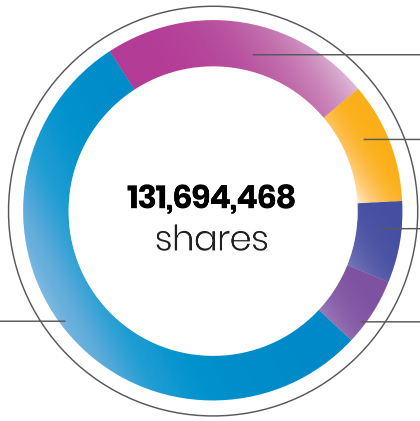
- Delphine Grison
- Anne-France Laclide

2 MEMBERS

# Main shareholders

## Shareholder structure

**At 31 December 2021**




## Relations with shareholders

**In order to strengthen dialogue with shareholders and encourage long-term investor commitment, the members of the Board of Directors and the entire management team are particularly attentive to relations with both individual and institutional shareholders.**

To promote ongoing interaction, Solocal communicates with shareholders and investors on a daily basis via dedicated channels, including an investor phone line, emails, a dedicated webpage, contact form etc.
A number of meetings and events are also held throughout the year to provide forums for regular, detailed dialogue between the Company and its investors:

1 **General meetings** are held at least once a year.

- Ordinary General Meetings (OGMs) are held once a year during the six months after the year end. OGMs are intended to inform shareholders about the Group's activity and results, approve the financial statements, resolve upon the amount of the dividend, appoint or reappoint the members of the Board of Directors and the Statutory Auditors, and authorise any transactions relating to the ongoing management of the business.
- Extraordinary General Meetings (EGMs) are held for the approval of resolutions to amend the Articles of Association or to validate any capital transactions (increase, reduction, merger, etc.) within defined limits.
- Combined General Meetings (CGMs) are general meetings that are called to vote on both ordinary and extraordinary resolutions.

This year, a CGM has been called for Thursday 3 June 2021.

2 **Investor presentations** are held several times a year to announce the quarterly, half-yearly and annual results, while the Investor Day provides an opportunity to showcase news about the Group's organisation, products and any other relevant matters.

These presentations are filmed and made freely available in the Shareholders & Investors section of the Solocal Group website. In 2020, presentations were held on the following dates:

- full-year results 2020: 18 February 2021;
- first-quarter results: 16 April 2021;
- half-yearly results: 28 July 2021;
- third-quarter results: 21 October 2021;
- full-year results 2021: 23 February 2022.

3 Numerous meetings with institutional funds (current or potential shareholders or bondholders) at roadshows, conferences or forums.

4 an **Investor Day** during which Management reviews in more detail the Group's activity and offerings, as well as the deployment of the strategy. In 2021, this event took place on 21 October.

The Solocal Group also enacted a number of additional initiatives over the course of 2020 to promote dialogue with shareholders and contribute to information transparency, including redesigning the "Investor Relations" section of **solocal.com** to improve navigation and taking steps at the time of the capital increase to provide easy access to full information on the procedure (dedicated webpage, toll-free phone line).


# About Solocal

# 1.1 Sector overview

## 1.1.1 THE MAIN DRIVERS OF DEMAND AND CUSTOMER NEEDS

### A digital transformation undertaken by French VSEs/SMEs

Almost two years after the onset of the health crisis, Internet use plays a key role in customer relations for maintaining ties with consumers. SMEs understand the importance of being visible and offering their customers options for communicating differently, preparing online quotes, organising click & collect services, etc.

In fact, 71% of SMEs consider that being visible online is vital for their activities, while the remaining 29% consider it useful *(Source: AFNIC:. Association Française pour le Nommage Internet en Coopération)*.

Before even concluding any sales, being present online is a necessity for SMEs/VSEs in order to be identified and to be able to communicate with their future customers. The main motivations behind their online presence are: being easy to find (47%), presenting their activities (63%) or communicating with their customers (43%) (*Source: France Num*).

For all that, the online presence of SMEs/VSEs is still limited, and the gap between their technological maturity and that of consumers persists:

- 57% have a social media account;
- 55% have a website;
- 35% consider themselves well ranked in the search engines;
- 33% have carried out marketing campaigns.

(*Source: Solocal*)

With its complete range of visibility solutions, Solocal is well positioned to help French VSEs/SMEs in their digital transformation.

### The digital tools available to VSEs/SMEs to develop their business are, on the whole, insufficiently used

However, once companies have established their online presence, they do not make sufficient use of the tools available to them and, as a result, do not get the most out of them.

For example, according to the AFNIC, one third of the companies concerned do not carry out any actions to develop contact with their customers. At a time when maintaining ties is essential, the relational and transactional resources available to develop their sales and maintain contact with their customers are used little, if at all: contact form (49%), e-mail (30%), newsletters (24%), online appointment scheduling solutions (24%) and promotional codes (12%). Concerning digital advertising, 67% of companies state that they do not implement any online advertising actions.

Overall, even if the importance of being present online is positively perceived, its benefits and the resources to be implemented in the long term, both in terms of capital and human investments, remain fairly vague. 50% of respondents to the AFNIC survey (mentioned previously) do not know what share of their revenue is generated by the Internet, or else believe that its contribution is merely marginal.

One obvious means of supporting VSEs/SMEs is to provide them with tools to measure the ROI for each digital product held and each action carried out on the networks (advertising campaigns, e-mailing campaigns, etc.).

Solocal plays a key role in supporting companies with their digital transformation by providing high-performance tools to develop their business, along with personalised support to make the most of digital technology.

### High expectations in terms of support and being relieved of complex tasks such as financial management

In addition, many VSE/SME managers have multiple expectations in terms of support so that they can focus on their core activity and develop their business.

In particular, they express needs for support concerning:

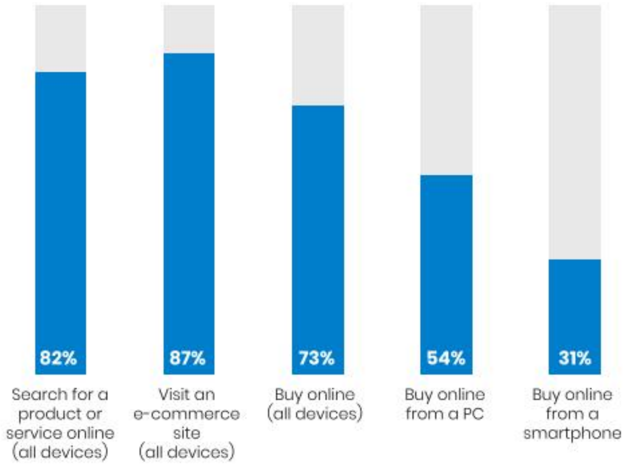
- administrative management (68%);
- developing their activity (44%);
- personnel management (15%).

(*Source: American Express-Ipsos*)

Accordingly, administrative management represents a development opportunity for Solocal in addition to its visibility and customer acquisition offers.

## Upswing in the use of digital technology by consumers

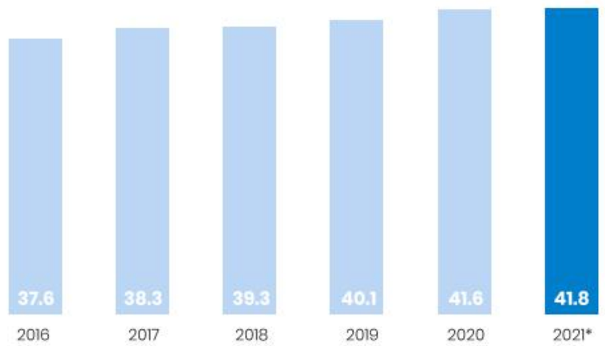
Meanwhile, consumers are eager to try out or further use these new digital services. The share of users aged 16 - 64 who use the Internet over one month illustrates this trend:




*(Source: Wearesocial/Hootsuite 2020)*

The end of France's health restrictions allowed consumers to resume their consumption habits while continuing to purchase online.

### Number of e-commerce buyers from 2016 to 2020




* *In the 2nd quarter of 2021, more than 70.1% of online shoppers had made at least one purchase in the last 3 months. This figure is up from 63.6% one year prior (Q2 2020), i.e. an increase of 12% in one year.*

*(Source: Médiametrie)*

Moreover, certain uses have intensified:

- 37% of e-buyers have increased their online buying since the start of the health crisis;
- 45% for remote workers.

(*Source: FEVAD*)

With the re-opening of stores, consumers approve this shift towards an omni-channel model, including for local shops and business: 68% of e-buyers consider that local shops and businesses should offer an online ordering service.

Digital presence is generally perceived as complementary to physical presence, with certain advantages such as the possibility of:

- finalising a purchase in-store after preparing it online (48%);
- going to a store to see a product before an online purchase (46%);
- going to a store and requesting the after-sales service or a salesperson's advice (41%).

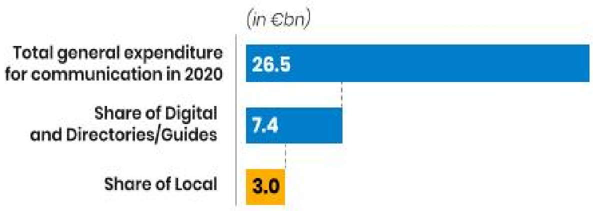
The crisis has also amplified the increasing trend among consumers to turn towards local businesses. In fact, 51% of French consumers wish to consume more local products, even if it means paying a little extra. (*source: Deloitte April 2021, State of the consumer tracker*).

Solocal offers a full range of digital services for businesses and consumers and, as a result, is uniquely placed to benefit from the trends that these changes are producing.

## 1.1.2 OUR MARKETS

### 1.1.2.1 Addressable market

Via its Connect, Websites and Booster offers, Solocal addresses a sub-segment of the advertising and local communication market – as defined by the France Pub research firm[(1)] – estimated at €3 billion in 2020, down 9% versus 2019.




The share of Digital and Directories/Guides includes net investments by advertisers defined by the France Pub research firm in:

- "Digital Proprietary User Services": website & app creation and maintenance, social network operation, database management, content creation;
- "Internet": display and search advertising;
- Online "Directories and Guides".

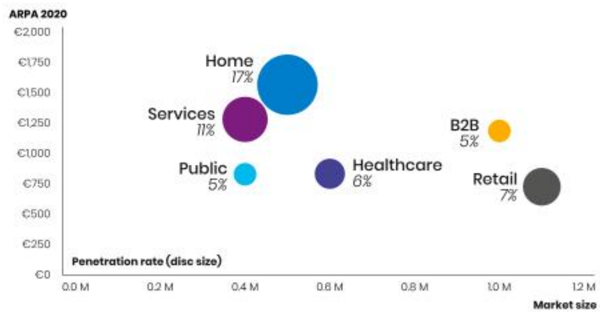
France Pub estimates communication expenditure, based on 529,400 local, regional and national advertisers that communicate locally, to represent around 95% of local communication expenditure in France.

Considering that almost 90% of companies in Solocal's customer base have less than 10 employees, Solocal is primarily positioned on the VSE/SME segment, i.e. businesses that invest in communication and advertising locally and regionally. However, it also addresses the Large Accounts and Networks segment via dedicated offers and teams.

### 1.1.2.2 Penetration rate (in volume) by business sector

With more than 300,000 customers and penetration rates of between 5% and 17%, Solocal is the trusted local digital partner of all companies, whatever their sector, to spur their growth.

In 2022 Solocal will continue to consolidate its position as France's digital marketing leader. In particular, Solocal plans to capitalise on its knowledge of the various industries to offer dedicated, innovative services, and will take a more aggressive approach to the B2B sector which presents interesting characteristics such as an ARPA (Average Revenue Per Advertiser) in the mid to high end of the range, and a substantial market size (1 million professionals).




(1) *France Pub 2020 study.*

### 1.1.2.3 The main players in our markets

Given the extent of its range of digital solutions for local businesses, Solocal is operating in a complex and competitive environment that comprises many different types of players:

**The GAFAM giants** (Google, Apple, Facebook and Amazon), who provide specific communication solutions based on their own proprietary user services to huge audiences. Solocal believes that its local presence, especially its local sales teams and its customer base of VSEs and SMEs, makes it a valuable service provider alongside the tech giants;

**Web and media agencies** operating on a local, regional or national level, who offer a wide range of media solutions such as websites or AdWords campaigns. Solocal believes that the large audience on its own platforms, purchase-driven & geolocated data and proprietary products and services allow it to compete with these agencies;

**Highly specialised SaaS players,** who offer specific digital solutions with a limited functional scope, such as website creation (Simplébo) or presence management (Partoo). Solocal believes that the breadth of its range of digital services brings it additional legitimacy for assisting VSEs and SMEs with their digitalisation.

**SaaS platforms,** which offer a palette of highly integrated services, sometimes verticalised within a specific sector (e.g. TheFork for restaurants, Doctolib for healthcare, Planity for beauty). Solocal believes that, on the strength of its massive audience and special partnerships with the main players in the digital realm, together with the diversity of its relational and transactional services, it can offer both an exhaustive presence on the major internet hubs and an optimised user experience well suited to the local business sector.

# 1.2 Strategy and objectives

## 1.2.1 SOLOCAL STRATEGY

In keeping with the Solocal 2020 strategic plan, Solocal's ambition is to establish itself as THE digital partner for French VSEs/SMEs by the end of 2024, by leveraging the following three strategic pillars:

| | 2021-2022 | 2022-2023 | 2023-2024 |
|---|---|---|---|
| **Strategic pillar** | Reinforce the commercial strategy | Regain the confidence of our customers and users | Become the trusted digital services provider |
| **Strategy elements** | – Update our commercial organisation<br>– Strengthen and optimise the local coverage | – Improve customer support to offer a top-notch customer experience<br>– Consolidate our value proposition with a focus on transforming PagesJaunes into a trusted third party | – Broaden our value proposition to become a 360° SaaS partner |

### 1.2.1.1 Reinforce the commercial strategy

Initiated in 2021, the project for optimising and reinforcing our commercial strategy will continue in 2022 with a focus on **updating our commercial organisation** and **strengthening and optimising our local coverage.**

Improving the management of our sales force performance and establishing **a Sales Campus** to selectively integrate and train our sales staff will be essential, particularly with the widespread adoption of the subscription model. This infers **a new compensation plan** aligned with a business model and our short-term objectives, with a focus on acquiring new customers.

In the field, the **reinforcement of our local managerial presence**, notably through the recruitment of senior managers, must underpin this effort. The **commercial coverage** of our sales force is now optimised by a finer mesh to better match the potential of the acquisition regions, with 400 field sales staff, including approximately 140 sales hunters, to cover all of the targeted regions.

In addition, our sales staff will be able to benefit from **new prospecting support tools and methods.**

Through these initiatives, we expect to see **improved customer acquisition** via the Field channel and, in particular, improved ARPAs.

### 1.2.1.2 Regain the confidence of our customers and users

#### Key success factor: the transition from a responsive customer service to proactive management

**Solocal has previously stated its commitment to making customer satisfaction the centrepiece of its strategy**, where improving customer relation performance is essential in order to limit churn and reduce the cost of quality failures. This means improving customer support to offer a top-notch customer experience and guarantee a high degree of satisfaction at all levels of interaction in the customer life cycle.

In addition to the initiatives already under way (reorganisation of the operational system based on centres of expertise, implementation of a single phone number, renegotiating with our partners as part of a results-centric approach, reinforcement of the quality system, enhancement of Solocal Manager with new customer-centric functionalities), 2022 places the customer as the cornerstone of our value proposition, with the enhancement of our commitments in this respect:

- welcome and systematic guidance: briefing and appointments for getting started with all solutions;
- support and assistance: providing a single contact at every step;
- development of the customer relationship: upscaling and cross-selling;
- monitoring of products and their performance (dashboard).

Through these diverse initiatives and thanks to a streamlined customer experience, Solocal has assembled the tools needed to transition from a responsive customer service approach to a first-rate proactive customer experience approach.

By proactively managing the customer journey, an **improved churn rate** is expected in the medium term.

#### Enhanced offers to guarantee quality and performance

Solocal is continuing to reinforce the value proposition of its offers by rethinking some (Booster) and enhancing others (Connect, Websites) to better respond to the needs of its customers.

The platform strategy will be stepped up through better integration of our offers within Solocal Manager for an improved overall customer experience, and greater use of Solocal Manager's functionalities.

Lastly, the development of improved dashboards on Solocal Manager will serve to better present the performance of our products, which is a prerequisite for understanding and validating the return on investment expected by Solocal customers.

#### Continuing transformation of PagesJaunes

Solocal is enhancing and reinforcing its value proposition by also focusing on the transformation of PagesJaunes to make it the digital, local and trusted platform for connecting private individuals and businesses.

**With a brand awareness rate of 94% in 2021, PagesJaunes attracts 19.2 million unique visitors every month.**

A new version of the PagesJaunes app was launched at the end of 2021. It offers an even more local experience thanks to the engine's new functionalities and its maps. The look and feel have been optimised to place greater emphasis on content – reviews, photos, business hours, news, etc. and facilitate interactions with professionals via the online services – appointment scheduling, online quotes, table booking, click & collect, messaging, etc.

**As a trusted third party, in 2022 PagesJaunes will primarily focus its strategy on the richness and relevance of content, and on the labelling of professionals**.

By drawing on all these strengths, PagesJaunes is naturally positioned as France's most relevant and reliable platform for finding, choosing and contacting the right professional.

#### 1.2.1.3 Becoming THE trusted digital services provider

Solocal is developing a unique ecosystem of digital services for local businesses, clustered within a single interface, via which firms can grow and manage their activity more efficiently: Solocal Manager.

For 2023-2024, Solocal's objective is to extend its catalogue and position itself as a 360° partner in SaaS mode in order **to become THE digital parter for French VSEs/SMEs**. This approach involves:

- continuously enhancing our current range of products to adapt to the needs of our customers;
- developing new products internally and via partnerships in line with our range of services to support our customers in the key steps of managing their business (in particular financial management and pre-accounting).

Furthermore, Solocal will pay special attention to the specificities of certain business sectors through the development of dedicated offers.

## 1.2.2 THE GROUP'S COMPETITIVE STRENGTHS

See the Integrated Report, section Advantages/Sources of growth, pages 22 & 23.

## 1.2.3 FINANCIAL OBJECTIVES

After reviewing its roadmap, on 21 October 2021 the Group announced its outlook for the coming three years.

In 2022, it will consolidate the re-orientation of its sales approach towards the Field, i.e. the sales channel that contributes most to the Group's activity.

Solocal will build on the efforts undertaken in terms of customer service efficiency to adopt a much more proactive customer support approach.

These actions, combined with tight control over fixed costs and which will gradually yield their results in 2022, will help to achieve FY 2022 revenues, EBITDA and operational cash flows on a par with those of 2021, before the return to growth of these same indicators in 2023.

## 1.2.4 NON-FINANCIAL OBJECTIVES

See chapter 3.2 "Statement on non-financial performance", pages 80 to 98.

# 1.3 Business overview

## 1.3.1 MISSION STATEMENT

See the Integrated Report, section "Mission statement", page 7.

## 1.3.2 B2B DIGITAL SERVICE OFFER

Solocal seeks to accelerate the growth of local businesses through digital power.

For this purpose, it offers **a broad range of digital solutions and services, mostly on a subscription basis, accessible in SaaS mode via a single application: Solocal Manager.** This offer is intended for VSEs, SMEs and large network accounts.

For the VSE-SME segment, the current offer is based on 3 product ranges (Connect, Website and Booster) and 3 levels (Essential, Premium and Privilege).

The **Connect** range, intended as the basic foundation essential for all VSEs/SMEs, is now used by more than 170,000 companies in France.

It allows local businesses to be visible on the Web's main high-traffic platforms (Google, Facebook, PagesJaunes, Bing, etc.).

Via Solocal Manager, professionals equipped with Connect can easily enhance, update and disseminate their information in real time on Google, Facebook, PagesJaunes, Bing, etc.

With Connect, professionals also benefit from solutions that they can use to increase and improve their interactions with their customers (management of reviews, management of quote requests, instant messaging, etc.), develop their business (online appointment scheduling, click & collect) and better retain their customers (by centralising and enhancing their customer databases, creating and implementing e-mailing campaigns or text campaigns).

At the end of February 2022, almost 100,000 pros were equipped with one of these solutions.

The Connect offer stands apart thanks to Solocal's privileged partnerships with certain high-traffic platforms (such as Bing, Apple or Yahoo) and the breadth of the digital solutions offered to professionals to develop their activity, accessible via a single platform: Solocal Manager.

At the end of 2021, 683,000 pros were equipped with Solocal Manager, 429,000 of whom in free mode, and 254,000 in paid mode[(1)], all of which gives Solocal a fairly unique capacity to optimise the online presence of local businesses.

**Website** is the logical extension to Connect, and invites local businesses to complete their visibility on the web's high-traffic platforms with the creation of their own website.

Having won over 37,000 customers, Solocal's Website range benefits from a broad statistical base to identify the highest-performing keywords in terms of local SEO. In addition to offering advanced support at every step in a website's life, from its creation to its day-to-day management, Website stands apart thanks to its very high SEO performance, key to effective local visibility for professionals.

**Booster** is Solocal's third product range for VSEs and SMEs. As its name implies, Booster sets out to boost a company's natural online visibility through advertising. Like the Website range, Booster is focused on performance, with a range of products that maximise volumes of ad displays, visits on the company's website or direct contacts with the company (in the form of telephone calls, online appointments or quote requests). Again, this performance is the result of a high number of local advertising campaigns (more than 136,000 in 2021) organised in parallel by Solocal on various platforms (Google, Bing, Facebook, Instagram and, more generally, all online advertising). This in turn represents an analysis basis on which Solocal can optimise the efficiency of its purchasing algorithms.

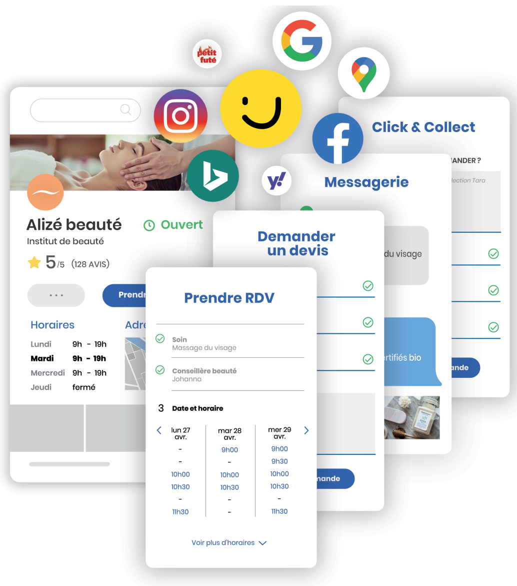
Overall, Solocal's VSE-SME range thus meets the basic needs of local businesses in terms of digital communication.

As for **Large Accounts**, Solocal's offer mainly targets networked regional and national brands. These companies are increasingly aware of the need to adopt more local digital strategies. Solocal's Networks solutions allow these companies to better tap into local market potential by optimising their digital presence and their local-scale advertising setup, taking into account the specifics of each catchment area. Solocal's offer is distinctive in that it addresses all network profiles, whether centralised or decentralised. Companies can thus delegate all or part of their local digital strategy to their sales points: updating sales point information, communicating local news or promotions, e-reputation management, etc.

For this purpose, Solocal's Large Accounts offer uses a specific version of Solocal Manager, namely the Bridge platform, which allows network heads and sales points to jointly manage every facet of their digital visibility.

*(1) Business customers who logged on at least once during the period from 01/02/2020 to 31/01/2021.*

## Connect




In 2020, to better meet the needs of pros, Solocal completed its digital presence offer in three key areas: facilitating interactions between the pro and their customers (e.g. instant messaging), developing the pro's business via the Internet (e.g. online appointment scheduling) and securing the loyalty of their customers (e.g. direct marketing solution). With Connect, Solocal is positioned as the market's only player to offer a complete range of relational presence services on the VSE/SME market. The Connect range's value proposition ties in with Solocal's approach to support the digitalisation of VSEs/SMEs via turnkey SaaS solutions that are easy to use and accessible via a single app: Solocal Manager.

Like the Website and Booster ranges, the Connect range offers three levels of service, namely Essential, Premium and Privilege, to consolidate the attractiveness of the offers and encourage customers to upgrade. It is available in subscription mode with a 12 or 24 month commitment period, payable either upfront, in three instalments, or each month.

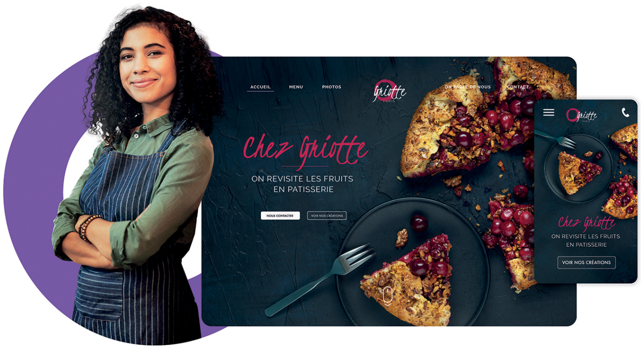
- The **Connect Essential** solution, available for €33/month, meets the basic needs of businesses in terms of digital presence; they can publish information and news across a wider network of more than 20 media players, search engines and partner social media platforms, manage their e-reputation, and access instant messaging on PagesJaunes, Google My Business and Facebook, all from a single app: Solocal Manager.
- **Connect Premium**, available for €55/month, supplements the Essential version with access to 4 additional services so that local businesses can better convert their digital presence:
  - access to an online calendar, loaded in real time by the appointment scheduling solutions of PagesJaunes, Google My Business and Facebook;
  - click & collect shopping on PagesJaunes, via which local businesses can present a product catalogue, provide a shopping cart and even offer an online payment facility for in-store pickups;
  - online quote requests on Pagesjaunes.fr;
  - management of a customer database to organise and manage all of the business's customer contacts and prospects.
- **Connect Privilege**, available for €78/month, supplements the Connect Premium version with access to a direct marketing solution which businesses can use to leverage their customer database via e-mail and text campaigns. This offer also includes a photo report done by a professional photographer, allowing local businesses to improve the quality and appeal of their online image.

In addition to the Essential, Premium and Privilege levels, the Connect range stands apart through the existence of the **Connect Access** solution, a free offer allowing subscribers to manage their presence on PagesJaunes via Solocal Manager. By the end of 2021, more than 240,000 businesses were using the Solocal Manager platform.

All of the solutions accessible in the Connect range can be used daily via the Solocal Manager app. Use of the proposed services includes Solocal customer support as soon as the solution is deployed and throughout the customer life cycle, thereby encouraging Solocal Manager's proper adoption and the use of the solutions subscribed to by customers.

This Connect range is scalable; in 2021, Solocal will continue to invest in these relational presence solutions, in particular through the launch of a solution that will allow businesses to easily create and disseminate e-mailing or text campaigns to their customers.

## Websites




Among the main high-traffic platforms on which any business must strive to improve its digital visibility is its own website. Solocal offers a range of corporate and e-commerce websites compatible with all interfaces (PC, tablet, smartphone), tailored to the needs and budgets of all local businesses and networks.

The Website range offers three levels of service: "**Essential**", "**Premium**" and "**Privilege**", via a 24-month subscription.

It is the perfect complement to the Connect range, which enables the business to manage its digital visibility, but on the Web's main high-traffic platforms.

Solocal's Website range is a complete offer of websites customised for its customers, and distinguished by:

- unparalleled Search Engine Optimisation (SEO) on the two leading search platforms, namely Google and Bing;
- strengthened performance through paid Search Engine Advertising (SEA) included in the offer, guaranteeing a minimum amount of traffic on the subscriber's website;
- a wide range of customisable templates, or bespoke templates specifically tailored by expert web designers;
- support for the lifetime of the website, including assistance and advice.

The Website range is available in a showcase or click & collect version and allows local businesses to access online order taking via dedicated features, and to benefit from support tailored to their commercial strategy:

- creation of an online product catalogue and commercial hosting features;
- automatic inventory count and statistical tracking of sales;
- integrated secure payment and click & collect solutions for in-store pickups.

The efficacy of this offer is underpinned by robust industrial platforms with, in particular, the Duda white label website creation platform, on which all our new websites are now created.

Websites are developed at the Angoulême web factory, which brings together all the skills needed for large-scale production of quality websites.

Thanks to its industrial expertise in website creation, backed by proprietary tools to optimise site ranking on search engines and a competence centre with dedicated web design and SEO teams, Solocal is positioned as a leading, benchmark player in the creation of websites for local businesses.

## Digital advertising - Booster


The Booster digital advertising range amplifies customers' online visibility beyond their website's natural visibility or their mere presence on the main high-traffic platforms. Its purpose is to bring customers more direct contacts and visits to their website, and greater exposure to a relevant, predefined audience of local consumers.

This range hinges on four subscription-based service offers, exclusive on the market, to meet the needs of businesses:

- **Priority ranking**: solutions which, in response to local searches by Internet users, give businesses top-level visibility on PagesJaunes, Solocal's media and on a network of media partners – Mappy, Yahoo! and Local Ads;
- **Booster Contact**: performance solutions that offer businesses a volume of real, measured leads (phone calls, quotation requests, etc.) every month within their catchment area;
- **Booster Website**: the equivalent of Booster Contact, but with a view to generating qualified visits on the subscriber's website;
- **Local Impact**: solutions for displaying ads in Display and Video formats, which place the focus on the volume of individuals targeted, and the ad's viewing time; and which can be activated on pagesjaunes.fr and on the web.

These solutions are underpinned by Solocal's singular expertise and competitive edge, through which it can offer its customers unique, optimised digital advertising solutions at least cost:

- **exclusive proprietary user services (PagesJaunes and Ooreka)** whose corresponding audience is concurrently (i) very significant, with more than 21 million unique visitors each month, (ii) structurally geo-localised on a hyper-local scale, and (iii) highly intent-driven, with a very high lead conversion rate compared to the advertising market's standards;
- **media and technological partnerships** with major digital players (Google, Facebook Bing, Yahoo!) and with an extensive network of local, lead-providing media players ("Local Ads" exclusive network), earning Solocal its unique positioning for the acquisition of leads for local businesses at the best price;
- unparalleled **expertise in local advertising campaign management** in France, shouldered by the development of a proprietary technological platform for managing ad display campaigns, on numerous high-traffic platforms, both internal (PagesJaunes, Ooreka and its vertical variants) and external (programmatic purchase of ad spaces within the catchment area of our customers).

These offers are available via monthly subscription, with a commitment period ranging from 6 to 24 months, depending on the type of service. Prices start at €65/month. Each offer is available by business sector, catchment area and keyword depth, all selected by the subscriber. This ensures a perfect match between businesses' lead acquisition strategy and the quality of the results of the proposed advertising campaigns.

Solocal is the only player in France capable of operating hyper-local digital advertising on an industrial scale, for VSEs/SMEs, by leveraging all of the web's main audience sources. In fact, thanks to partnerships with Google, Bing, Yahoo!, its Local Ads partner network and its PagesJaunes and Ooreka proprietary user services, Solocal offers its customers the ability of capturing all searches made by Internet users for local businesses in France and transforming them into real, measured leads for the activities of its customers, at best cost.

As with all its solutions, Solocal's advertising offers are turnkey; they integrate the creation of effective visual tools along with landing pages that provide different methods for connecting the Internet user with the business. This aspect also includes the ongoing measurement and optimisation of advertising performance by a team of experts in campaign management. These experts use proprietary technological solutions based on algorithms and machine learning to buy the best keywords, ad spaces or SEO rankings at the best price, and to effectively transform an online audience into visits or real, tangible leads for the benefit of the customer's activity, whatever the sector.

## Products for large accounts

Solocal's offer also covers the needs of local large accounts. Whether for large national networks or more local brands, Solocal offers tailored products across its whole range, both for Digital Presence and Digital Advertising.

This Online to Offline solution range is built on a number of assets developed by Solocal, enabling it to gain local leverage via online presence management and digital advertising:

- the **Bridge** platform, via which a network can manage its digital visibility in real-time, both centrally – at the level of the network head, and locally – at the point of sale. For this purpose, the platform integrates a store locator solution (a local web page dedicated to a point of sale), a presence management solution (real-time management of all key information on the network – business hours, reviews, news, photos – on the store locator and on 20 or so high-audience websites and social media platforms), and a digital advertising solution (on Google and Bing at present);
- in its mobile-to-store version, **Local Impact** is built on a specific programmatic chain and algorithms developed by Solocal to measure the offline impact of campaigns and, more specifically, to calculate the number of actual visits in sales points;
- the **Network Booster** solution adapts the features of Solocal's Booster Contact to address the specific issues of store networks. It is an advertising performance offer that guarantees the advertiser, for each catchment area in their network, a certain number of qualified leads (phone call analytics, online appointments, etc.), generated by ads displayed on search engines such as Google and Bing. Tailored to brands organised in distribution networks, this multi-local offer serves to coordinate and oversee both local and national networks and thus tap into the full potential of each catchment area;
- the **SoMS** (**Solutions Marketing Service**) package provides tools for enhancing databases and direct marketing (text, e-mailing campaigns) to allow customer networks to acquire new customers and secure the loyalty of their existing ones. It includes one of the market's most extensive databases (BtoB and BtoC) in complete compliance with the data protection regulation, and draws on a team of experts and know-how spanning more than 20 years.

### Changes/Developments in 2022

In 2022, the main changes made to Solocal Manager and the solutions provided to businesses will primarily be intended to:

- improve journeys so that they are more straightforward and intuitive, and better support pros in the use of Solocal Manager and the solutions purchased;
- enhance and optimise the experience offered by the Solocal Manager mobile app to meet the needs of our many customers who carry out their activity in mobile mode;
- better show pros what Solocal brings them, in particular via more comprehensive and explicit dashboards.

Moreover, in 2022 Solocal will launch a direct marketing service, accessible via Solocal Manager, allowing pros to:

- target consumers or businesses within their catchment area;
- enrich their databases with Solocal proprietary data;
- rent addresses, mobile numbers or the corresponding e-mail addresses;
- easily draft the content of a message sent to targeted prospects by e-mail or text;
- track the results of these prospecting marketing campaigns in Solocal Manager.

## 1.3.3 A LOCAL-LEVEL ORGANISATION TO DEVELOP INDUSTRIAL-SCALE DIGITAL SERVICES

### 2021: customer satisfaction and the customer journey, two key focuses for Solocal

Once our subscribers enter into a lasting relationship with Solocal, customer satisfaction is central to all of the Company's projects, with a cross-departmental impact.

To measure customer satisfaction and evaluate its development over time, 3 main devices are deployed:

1. Customer satisfaction measured on the spot, for each interaction between Solocal and the customer throughout the customer journey (purchase, deployment, assistance and retention) to gauge the progress made in 2021 on our operations conducted remotely (contact centres), as shown below:

| | Customer satisfaction score | |
|---|---|---|
| | Average H1 2021 | Average H2 2021 |
| **Purchase (Telesales)** | 3.5 / 5 | 3.6 / 5 **(+0.1)** |
| **Deployment** | 4.2 / 5 | 4.3 / 5 **(+0.1)** |
| **Assistance** | 3.2 / 5 | 3.9 / 5 **(0.7)** |
| **Retention** | 3.1 / 5 | 3.5 / 5 **(0.4)** |
| **Customer space – Solocal Manager** | 3.1 / 5 | 3.5 / 5 **(0.4)** |

2. The monitoring of our e-reputation, where social media platforms have become a preferred means of expression, including for B2B; community management and customer service teams are now dedicated to this channel of expression.
3. Lastly, in 2021, Solocal will deploy a Text & Speech Analytics solution to generate reports and suggestions for improvement based on semantic analyses and audio recordings of conversations between our customers and our employees. Produced by an algorithm, the analyses are then reviewed by a team in charge of quality, and by the management team to define which actions are to be undertaken.

These measures have brought to light the fact that our customers are mainly dissatisfied with the amount of time taken to resolve questions or issues raised, having multiple contacts, and insufficient case follow-up.

Consequently, Solocal initiated a complete overhaul of its Customer Service in 2021 order to improve its reachability and its processing efficiency. This plan is based on 5 areas of action:

- the implementation of a single phone number, which will go live in the first quarter of 2022, having overhauled the interactive voice server, and set up intelligent rules for routing calls by employee competency and customer segment;
- the improvement of our reachability (extended Customer Service business hours, improved call pick-up rate, deployment of the web callback feature on Solocal Manager allowing customers to be called back if they so wish, gradual replacement of the Customer Service e-mail address by a Messaging service integrated in Solocal Manager, launched in November 2021);
- the re-insourcing of 100% of the production of our websites on our Angoulême site;
- the bolstering of the call monitoring system in our contact centres, both by management and by the Quality teams (10 FTEs); Solocal has set up a proprietary solution that automatically controls the quality of the websites and which can thus validate the product's compliance with our quality standards (e.g. SEO performance);
- the highlighting of Solocal Manager as the Single Point of Contact by enhancing the available services, and a strategy for limiting unnecessary multiple contacts.

A Customer Satisfaction & Operational Excellence Committee, comprising members of the Executive Committee, also convenes every two weeks to track the indicators, decide on corrective actions and comprehensively remove any obstacles that might exist in order to implement the changes of organisation and process needed to offer our customers a better service.

## Growth driven by the Enterprises segment and the Customer Success Managers

To cover its market, Solocal has structured its organisation into 3 market segments, with the following characteristics in 2022:

- Large Accounts (around 5,000 customers[(1)]), corresponding to network accounts with more than 10 sales points, and national brands;
- Enterprises (around 70,000 customers[(1)]), characterised by businesses with a high development potential;
- the remainder of the VSE market (220,000 customers[(1)]) with a lower development potential.

In order to improve our sales strategy, a plan, primarily aimed at improving the ARPA of our customer base and the ongoing containment of churn, was developed and announced in October 2021. The measures involved, which mainly concern the Enterprise sales force, are based on 4 pillars:

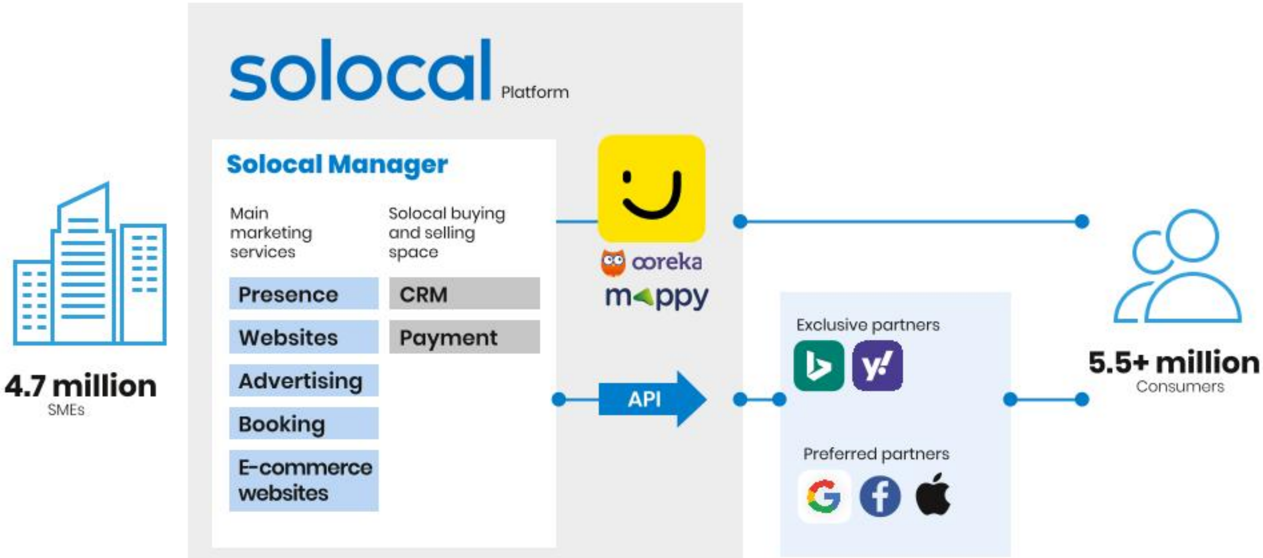
- better managing collective and individual performance through a reinforced management team (1 new national sales director and 3 new regional sales directors) and a new compensation plan that is 85% dependent on incremental order taking;
- better local coverage: our in-field sales force (around 400 FTEs) has been redeployed in 6 regions (vs. 5 en 2021) in line with potentials (Solocal's local penetration rate), and is now backed by Telesales to cover white areas;
- new methods and new tools to bolster the acquisition activity via a contact plan enriched with more leads (i.e. qualified contacts), customer knowledge (prioritisation of prospects) and a new mobile tool provided to our in-field sales forces to optimise their tours and select the highest potentials;
- a redefined training programme, realigned with the new skills sought, a new programme for onboarding new sales people and the improved ongoing assessment of sales people's digital skills.

Controlling our churn will involve streamlining our customer journeys and proactively managing our customers with a view to stepping up the use of our services and generating a positive word-of-mouth effect. In 2022, Solocal will gradually implement a dedicated Customer Success Managers (CSM) process intended to support our customers right from the welcome process through to regular reporting once their service has been deployed (assessment of service performance levels, preventive actions). These managers will make sure that the service delivered is compliant with our initial promise, both in terms of ROI and its consistency with the customer's expectations.

(1) *Figures calculated on the scope of Solocal SA sales.*

## 1.3.4 TECHNOLOGICAL PLATFORMS AND DATA

### Solocal's technological platforms




**Solocal benefits from France's most comprehensive and up-to-date database of professionals**[1], a status recognised by our partners, i.e. the Web's main high-traffic platforms (Amazon, Bing, Apple).

Solocal's media and, in particular, PagesJaunes take full advantage of the richness of this database to effectively respond to user searches and guide them in connecting with the businesses most able to meet their needs.

Thanks to the audience generated both by Solocal's own media and by its partners who use PagesJaunes search via the API or who directly consult the database, Solocal has acquired the expertise and long-standing experience needed to offer the products most suited to the needs of pros, and adapted to all business sectors and all company sizes, from VSEs to national corporations.

### Solocal Manager

The Solocal services platform comprises the components that cover all pros' needs in terms of support for the digitalisation of their business.

As its single access point, **Solocal Manager is the central application that integrates all the services needed by pros in a single place** (the corresponding services and their scope may vary depending on the offer purchased), allowing them to:

- update all their information and their photos on the main websites;
- interact with users (scheduling appointments, responding to quote requests, etc.);
- manage reviews and opinions posted by their own customers, and respond accordingly;
- share achievements, news, promotions, menus, etc.;
- monitor the company's online performance;
- manage bookings and appointments.

Lastly, via Solocal Manager, pros can obviously consult the products purchased and their invoices.

**Drawing on its knowledge of pros' needs, Solocal designed the Solocal Manager app to make it easier for them to manage their online presence and their relations with their own customers, by taking up as little of their time as possible.**

For large accounts and networks of affiliated or franchised sales points, Solocal offers a dedicated services platform to cater to their specific needs, namely **Bridge.**

In addition to the functionalities accessible via Solocal Manager, Bridge offers centralised customer review management, centralised or decentralised network management, and the possibility of managing Google Ads keyword campaigns (via the Network Booster offer). Brand visibility is improved through optimised SEO of sites and sales points, both individually and collectively.

(1) *Source: Bing benchmarks carried out regularly in the scope of the partnership.*

### Solocal media platforms for the benefit of the offer

Beyond online presence, Solocal's historic business is the management of advertising campaigns for its customers. Solocal's ad servers help to optimise performance, efficiency and cost in line with customer needs: visibility, traffic, contacts, etc. Connected to the Web's main media and to the major online ad exchange networks, AI algorithms continually adjust the campaign dissemination parameters of each customer.

Among the media used for customers' campaigns, Solocal media and, in particular, PagesJaunes, figure prominently. **The PagesJaunes search algorithm has been completely overhauled to improve the relevance of the results and thus satisfy and retain its users, while optimising the leads generated towards customers.** The underlying objective of this twofold optimisation (relevance + efficiency) is to provide Solocal customers with improved performance.

The new PagesJaunes iOS and Android mobile apps draw on this renewed research to ensure that users find the most relevant businesses, again with a view to generating leads to Solocal's customers.

Thanks to the expertise of its R&D and IT teams, Solocal is able to guarantee a high level of availability for its services and applications, hosted mainly on European or French Cloud platforms. Pagesjaunes.fr thus achieved an average availability rate of 99.96% in 2021.

Pagesjaunes.fr is a full web platform for which Solocal is **increasingly attentive to the norms and rules in force**, in particular accessibility and the GDPR. This attention is also focused on the creation of Solocal customers' websites, the tools and applications made available to pros to help them comply with this framework, with due regard for their security, and the protection of their data and that of their users.

## 1.3.5 PAGESJAUNES MEDIA PLATFORM

PagesJaunes is **the French digital reference for connecting private individuals and businesses**. Non-specialist, with a database comprising 4.7 million businesses **in some 2600 activities**, in 2021 PagesJaunes attracted 19.2 million unique visitors on average every month.

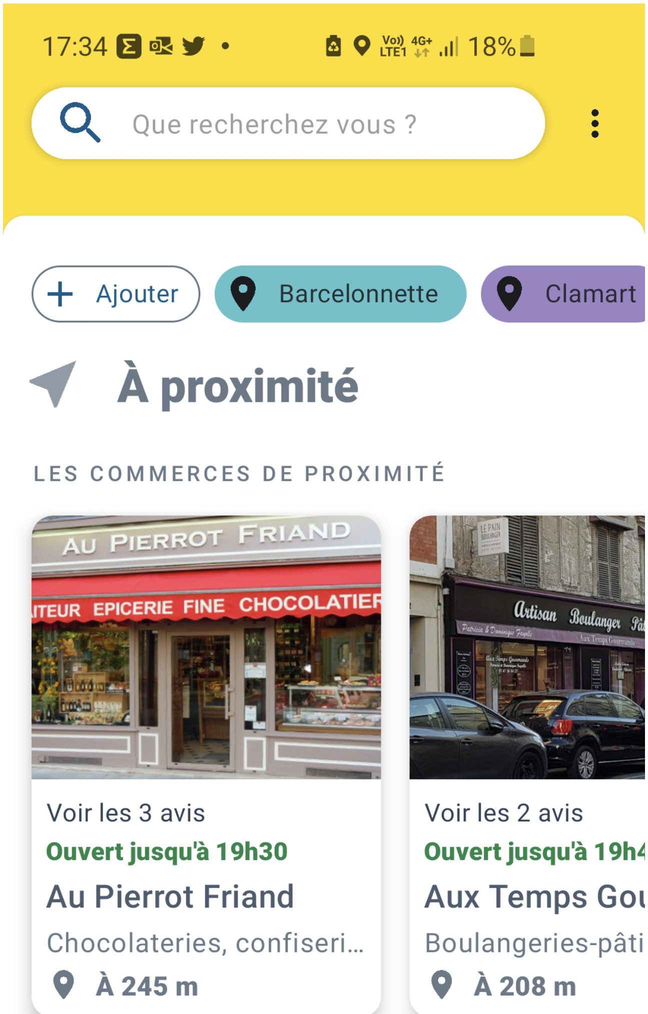
In 2021, PagesJaunes continued its transformation with one noteworthy event: **the launch of the new version of the PagesJaunes app.**

Co-developed with users and pros via a beta version available in the stores throughout the development phases, this new version **affirms the very local positioning initiated in 2020**. This new version has been devised to **"better live locally" and create more ties with nearby economic players** (artisans, merchants, other professionals).

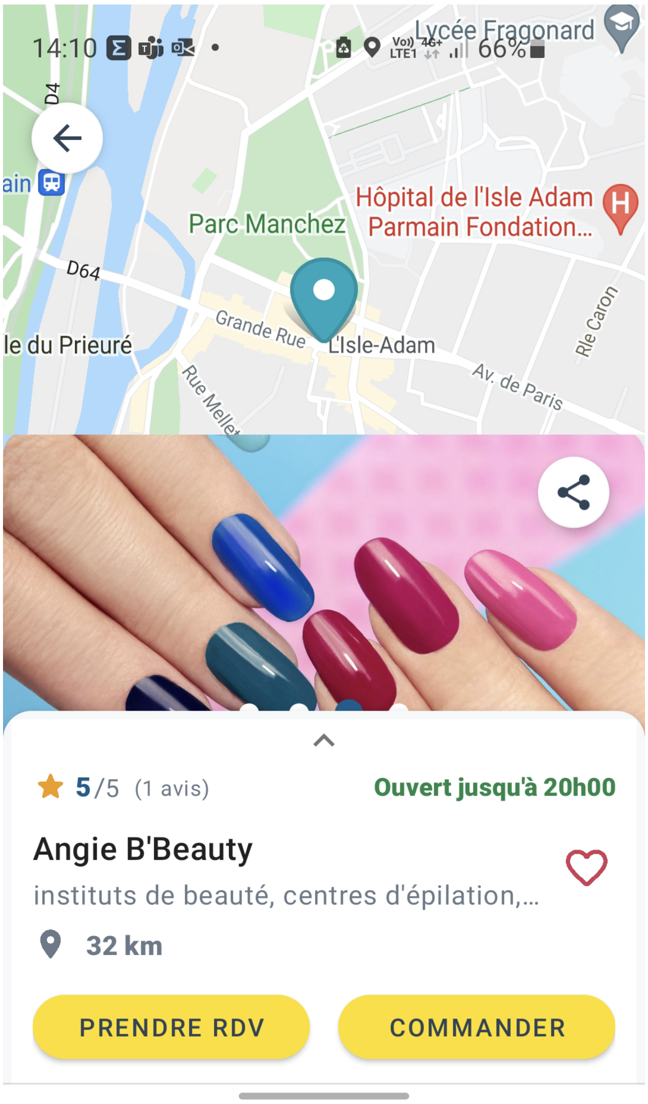
It now allows users to **save their favourite living places** (at home, at work, on holiday, etc.). From now on, **the most popular pros are displayed on the home page (in push mode)**. **The new map can now be deployed as a list of results across the entire screen, allowing the user to** quickly pinpoint the pros searched for. **The design and ergonomics have been largely optimised** in order for **the information** (the pro's updated business hours, reviews, contact details, detailed services, photos, news, certifications, etc.) **and online services** (appointment scheduling, table booking, messaging, order taking, etc.) **to be easily visible and used**.

This version benefits from a **new technical foundation** that makes it considerably lighter (ten times lighter in fact) and more reliable.

The content delivered on PagesJaunes (richness and freshness) is still **one of our priorities to optimally serve users and allow them to make the right choice**. Concerning user-generated content (reviews, photos), the paths for posting reviews and photos are simple and accessible, and the review syndication partnerships with recognised players mean that there are currently **15 million reviews** in almost 800 activities on PagesJaunes. Content generated by businesses/professionals (photos, replies to reviews, business hours, specific information, etc.) can now be easily integrated and/or modified via Solocal Manager, all for free.




**The desktop and mobile pagesjaunes.fr websites also incorporate UX/UI design enhancements** in line with our new graphic charter and positioning **to better highlight pros' content and services by vertical business unit (beauty, healthcare, etc.).**




Specifically, **a new homepage** that is more vivid, dynamic and editorialised regularly showcases PagesJaunes pros who have opted for online services on PagesJaunes, or events representing key moments for connecting with nearby businesses (sales, special occasions, etc.). Redirect links (four coloured insets) also track the latest news and seasonal events, and point to lists of localised results. Lastly, an inset dedicated to businesses incites them to subscribe to a Solocal service offer publicised on PagesJaunes.

**The highlighting of businesses' content & services in the results list and inside their description form** has been optimised by reorganising the information displayed (photos, contact, services, etc.).

Meanwhile, the updated colours and positioning of the transactional action buttons (appointment scheduling, table booking, messaging, quote request forms, order-taking forms, etc.) have improved the performance of PagesJaunes use[(1)]:

- +2% increase in the list of results towards the description form;
- +2% increase for the contact click rate on the description form;
- +80% increase on the internal transactional links.

**The search engine's performance is a priority for PagesJaunes**. Built to provide the most relevant responses and propose the content and services that users expect, the search engine underwent a series of major upgrades in 2021.

Many performance tests to measure the business impact for professionals and the relevance of the responses for users were carried out. Some are online, others will take effect in early 2022.

In concrete terms, the ordering of the results list is now also based on the quality score, which integrates **the concept of the pro's relevance and quality via different variables such as content richness, reputation and geographic proximity**.

The various performance indicators are closely monitored to ensure relevance and performance.

So that **all our users** can benefit from a suitable PagesJaunes service, developments have been made to improve the **accessibility** of the website and app.

### The 2022/2023 strategy: PagesJaunes, trusted third party

The mission: do everything we can to enable our users to choose the best professional or business.

All the background work carried out in 2020 and 2021, whether for the design of the UX/UI on the website and mobile app, the enhancement of the search engine, the extension of online content and services, or the improvement of the site and app technical foundations, will effectively serve the 2022 strategy based on **trust.**

The challenges ahead are multiple:

- **Ensuring relevant content on businesses and pros**
  - optimising our automatic solutions for updating and moderating content;
  - improving users' contribution paths for enhancing content and monitoring their quality.
- **Reassuring users in their choices by displaying**
  - **badges** that guide them by specifying "quality" criteria (most popular, business certifications, etc.);
  - **a PagesJaunes label** that will distinguish businesses whose products or services are recognised for their "exceptional quality" by consumers.
- **Optimising the search engine** to guarantee even more precise responses.

In 2022, PagesJaunes will be even more central to Solocal's strategy.

## 1.3.6 PARTNERSHIPS AND ALLIANCES

### Mutually beneficial partnerships with major global internet players

Solocal has successfully capitalised on its position by developing strong, mutually beneficial partnerships with:

- players who provide platforms used to operate Solocal products (e.g. websites);
- players who provide reviews, transactional solutions or other third-party content to enhance PagesJaunes content;
- online service publishers and digital advertising players to respectively disseminate Solocal content (PagesJaunes or digital presence) and the advertising campaigns of Solocal customers;
- business generation partnerships with other companies who hold a portfolio of professional customers.

The partnerships relating to the dissemination of Solocal content and advertising campaigns involve close ties with the Internet's heavyweights such as Google, Microsoft/Bing, Apple, Amazon and Meta/Facebook.

Solocal believes that the gains from these partnerships give it significant advantages in the industry in which it operates.

### Partnerships in the dissemination of Solocal content

Solocal has developed content agreements with Bing, Apple, Google My Business, Meta/Facebook, Amazon, as well as Yahoo, Qwant and many other online service publishers.

These partnerships are mutually beneficial insofar as the richness and relevance of local Solocal content enable the partner platforms to offer a first-rate user experience for local searches carried out on their media, and Solocal to boost – via its full Web approach – the visibility of business content, making it easier for businesses to connect with potential users who browse these high-traffic platforms.

These are the partnerships on which the PagesJaunes Connect and Priority Ranking offers will rely to allow customers to manage and develop their visibility on media of our partners.

*(1) Source: AT internet January 2021.*

Beyond informative content, Solocal is gradually deploying its transactional solutions (booking, appointment scheduling, etc.) with its partners, as illustrated by the Reserve with Google partnership, established in 2018, the 2020 deployment on Bing and Apple, and, in early 2022, on Facebook. Solocal is one of the very few players to benefit from such a combination of integrations. These deployments help to increase the number of bookings and appointments generated for subscribers to the Connect offers on their transactional component, and the number of appointments scheduled via ClicRDV for large accounts.

On 2 November 2020, Solocal announced the sale of Mappy to RATP Group. Through this agreement, RATP Group becomes a long-term strategic partner for Solocal. Accordingly, the avenues of cooperation surrounding mapping, PagesJaunes content and priority ranking, data and offers dedicated to large accounts are now subject to contracts that bind the two companies.

## Partnerships in digital advertising

Solocal integrates the advertising products offered by its partners in turnkey digital advertising solutions like Booster Contact, making them accessible and effective for VSEs, SMEs and large network accounts thanks to Solocal's technologies and expertise, particularly in terms of optimising algorithms and selecting optimised keywords. Solocal has developed digital advertising agreements with Google, Microsoft and Meta/Facebook.

The Company's privileged partnerships enable it to position its solutions in a way that sets it apart from its competitors in the French market and to benefit from exceptional support, both internally for training on the most innovative digital products, and externally to raise awareness among companies of the opportunities offered by digital technology for promoting their activities locally.

As such, Solocal has positioned itself as the trusted interface between major platforms and local businesses.

These partnerships are mutually beneficial as they help to accelerate the growth of major Internet platforms on markets where they have no direct foothold, while helping Solocal to position itself alongside the global players that capture most of the growth of the digital advertising market.

## Key partnerships

The main partnerships are presented below:

### Google

- Google Ads reseller contracts, partnership since 2013 – "Google Ads Premier Partner" certification;
- Google My Business Partner; special access to the Google My Business update API and its support team;
- Reserve with Google Partner; partnership since 2018;

### Microsoft Bing

- partnership based on the supply of local content (PagesJaunes) on Bing since 2010;
- Microsoft Advertising reseller, partnership since 2011 – "Elite Channel Partner" certification;

### Apple

- partnership based on the supply of local content (PagesJaunes) on Apple Maps, Siri, Spotlight and Safari since 2015.

### Meta/Facebook

- resale of advertising campaigns on Facebook and Instagram – Effilab is a certified Facebook Premium Agency Marketing Partner;
- use of an API to manage Facebook pages and automatically update content;
- Facebook Business Extension integration to offer Solocal appointment scheduling via the "Schedule an appointment" button on Facebook pages since early 2022.

### Amazon

- partnership based on the supply of local content (PagesJaunes) natively on Alexa since 2018;
- development of a PageJaunes "skill" on Alexa.[1]

*(1) Here, a "skill" is a program or an interactive voice interface designed for the Alexa virtual voice assistant sold by Amazon.*

### 1.3.7 AUDIENCE

PagesJaunes traffic comprises:

- **direct traffic** from visits made directly by users to the PagesJaunes website or mobile app, or via search engines through SEO (search for our content);
- **traffic on partner sites** on which PagesJaunes displays content. Since April 2021, the CNIL's guidelines on cookies and tracers impose explicit consent by individuals to the measurement of the PagesJaunes audience on the websites of its partners. The "Visits" indicator is somewhat undermined since a significant share of the audience – that of syndicated directories – can no longer be measured in a certified manner. The gradual prohibition of third-party cookies by Internet browsers further undermines this indicator for the future.

For these reasons, the Group will no longer communicate on the audience with the "visits" indicator; it will now utilise the number of "searches".

In 2021, Solocal recorded over 1.7 billion searches for businesses on its desktop and mobile Internet platforms. This audience is spread out over pagesjaunes.fr, its proprietary user services (LocalPartner, Ooreka) and its many partners (Apple, Bing, Yahoo!, Qwant, LeBonCoin, Mappy, Lilo, Ecosia, Amazon). Pagesjaunes.fr accounts for a significant share of the audience, with almost 19 million unique visitors[1] every month, according to Médiamétrie NetRatings. The audience levels of the Company's main platforms in 2020 and 2021 (audience from proprietary user services and partnerships) are presented in the table below (source: data from Piano Analytics [ex AT Internet] + partners).

| *(in millions of searches)* | 2020 | 2021 | Change |
|---|---|---|---|
| Pagesjaunes.fr | 706.2 | 638.2 | -9.6% |
| *of which mobile* | *396.8* | *385.9* | *-2.7%* |
| Partners | 964.1 | 1,015.7 | 5.4% |
| *of which mobile* | *210.6* | *168.9* | *-19.8%* |
| **TOTAL** | **1,670.3** | **1,653.9** | **-1.0%** |
| *of which mobile* | *607.3* | *554.7* | *-8.7%* |

# 1.4 History and development

### 1.4.1 HISTORY AND DEVELOPMENT

Originally known under the name Office d'Annonces (ODA), the Company subsequently changed its name to PagesJaunes Groupe in 2000, then Solocal in 2013. The Company has been offering a diversified range of products and services to its business customers and to consumers since 1896 and the creation of the ODA. It has adapted its business model and its strategy over time, in an environment prone to major (technological) change.

In 1946, the French Postal Service, Telegraph and Telephone Ministry awarded the advertising business of French directories to the ODA. Advertising in directories had developed continuously since 1946 due to growth in consumption and in the advertising market in France, but also thanks to the increase in directory distribution associated with the increase in the number of phone subscribers. The steady increase in ODA's sales was due in particular to its ability to adapt its economic model and strategy to the emergence of new technologies. The 1980s notably saw the launch of Minitel, the precursor to the advertising market on the Internet. The first advertising offers on the Internet were launched in 1996. PagesJaunes.fr, the Internet service for Solocal users, was created in 1997. In addition, the Company extended its range of advertising services beyond business directories, integrating a range of digital marketing services.

(1) *The **unique visitor (UV)** concept is used in website audience analytics; it refers to the number of unique Internet users who visit this website over a given period. Note that an Internet user can visit the site more than once during this period, but will only be considered as a single unique visitor.*

In 1998, Havas group, which had historically owned all the share capital in ODA since its creation, sold its holding to Cogecom, a subsidiary of France Télécom. Solocal (previously PagesJaunes Groupe) has been listed on the Euronext market since 2004. In 2006, France Telecom sold its residual stake in the company to KKR and Goldman Sachs through a leveraged buy-out. In 2014, Solocal underwent financial restructuring (including a €440 million capital increase) which enabled it to reduce its debt significantly. In 2015, the Company disposed of various non-profitable and low-growth Internet businesses. In 2017, Solocal underwent financial restructuring, reducing the remainder of its debt inherited from the 2006 leveraged buy-out by two-thirds. In 2020, in the context of the Covid-19 health crisis, Solocal Group implemented a plan to shore up its financial structure via several capital increases totalling €347 million. The operation effectively halved the Group's debt and reduced its annual financial expenses from €45 million to €20 million.

In 2010, Solocal embarked on its digital revolution and acquired several businesses to expand its digital services operations: embauche.com, AVendreALouer.fr, ClicRDV.com, Fine Media, publisher of the ComprendreChoisir.com website (renamed "Ooreka"), Chronoresto and Leadformance. In 2016, Solocal acquired Effilab, an online advertising agency specialising in the management of campaigns on search engines and social media. As part of its development strategy, some of these assets were disposed of after 2015 (notably AVendreALouer.fr and Chronoresto in 2017, and Retail Explorer and NetVendeur in 2018).

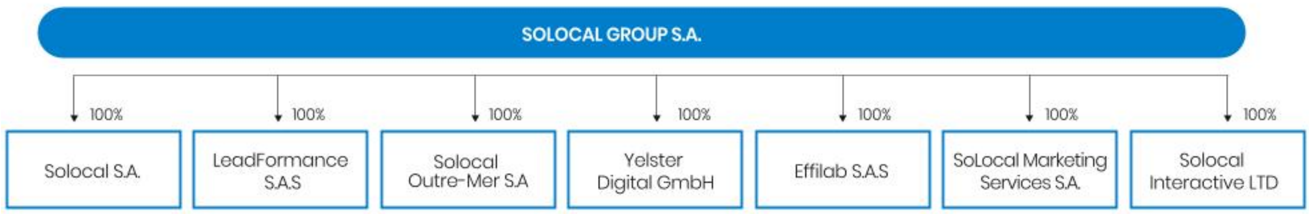
Over the same period, Solocal started developing major partnerships with global Internet players, in particular Google, Apple, Facebook, Amazon and Microsoft.

Thereafter, Solocal gradually shifted its focus from the publication, distribution and sale of advertising space in printed directories ("PagesJaunes et PagesBlanches" - Yellow Pages and White Pages) to digital communication and, starting in 2018 with the launch of the "Solocal 2020" strategy, to a complete range of digital services for businesses over the entire Web.

Since the total cessation of the Print business in 2020 and, in the same year, the sale of the QDQ subsidiary (Spain) to AS Equity Partners and that of Mappy to RATP Group, Solocal's activity has been fully centred on its core business.

## 1.4.2 ORGANISATIONAL STRUCTURE

A simplified organisational chart of the Solocal Group is provided below:




- The ClicRDV S.A.S. and Fine Media S.A.S. (Ooreka) subsidiaries have been merged within the Solocal S.A. entity.
- The Spanish-based subsidiary QDQ Media was sold to AS Equity Partners on 28 February 2020.
- On 1 November 2020, Solocal sold its Mappy subsidiary to RATP Group.

Implemented as part of the Solocal 2020 strategic plan, these divestments allowed Solocal to focus on its strategic activities and its new digital services offer for SMEs and key accounts in France.

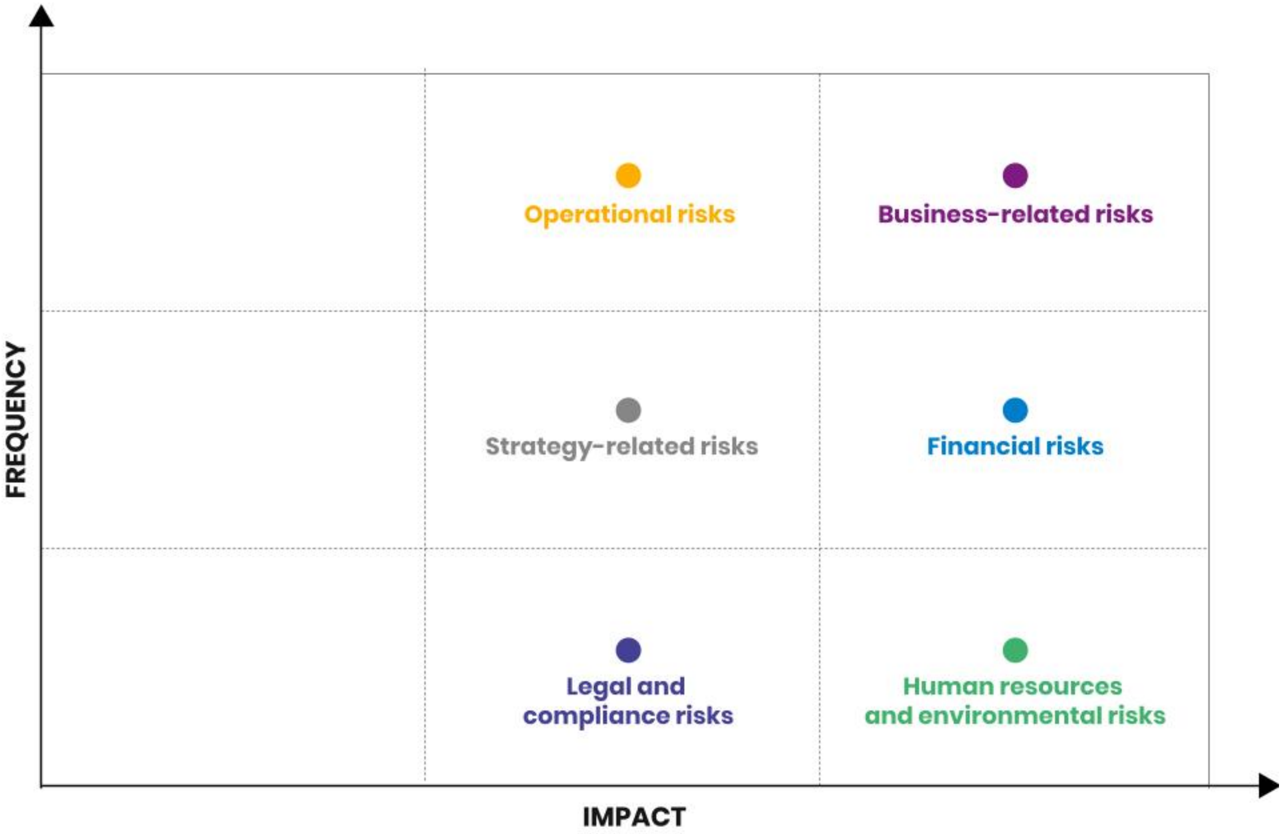
# Risk factors

Solocal has carried out a review of its risks that could have a material adverse effect on its business, financial position or results (or its ability to achieve its goals). The impact of the health crisis has been taken into account. This review is carried out in accordance with the Company's **risk mapping methodology**, whereby **risks are identified**, **assessed** and **prioritised according to their impact and likelihood of occurrence.** Solocal has identified **19 major (high) or significant risks divided into six categories**: strategy-related risks, business-related risks, human resources and environmental risks, operational risks, financial risks and legal and compliance risks. These risks are listed in the table below in descending order of importance within each category.

The categorisation of these major or significant risks in terms of frequency and impact can be shown in matrix form as set out below:

| Risk category | Risk name | Criticality |
|---|---|---|
| Solocal strategy | – Decline in the Solocal brand and lack of awareness of PagesJaunes | ●●● |
| | – Dependence on GAFAM giants and non-renewal of partnerships | ●●○ |
| | – Competition from emerging players on our markets | ●●○ |
| Business-related | – Cyber-risks and IT security breaches | ●●● |
| | – Non-compliance with GDPR and the French Data Protection Act | ●●● |
| | – Non-availability of IT systems | ●●○ |
| | – Decline in audience for PagesJaunes | ●●○ |
| Human resources and environment | – Psychosocial risk and absenteeism | ●●○ |
| | – Environmental risk linked to climate change | ●○○ |
| Operational | – Obsolescence and performance of IT tools in the Finance scope and reliability of financial information | ●●● |
| | – Customer dissatisfaction and handling of complaints | ●●● |
| | – Control and management of compensation for sales staff | ●●● |
| | – Roll-out and implementation of production, sales and publication tools | ●●○ |
| | – Reliability of information and consistency of sales and marketing management | ●●○ |
| | – Commercial fraud | ●○○ |
| Financial | – Risks related to indebtedness and market risks | ●●○ |
| | – Liquidity risk | ●●○ |
| | – Failure to achieve commercial objectives and failure to adhere to the budget and guidance | ●●○ |
| Legal and compliance | – Non-compliance with Sapin II (law on transparency, the fight against corruption and the modernisation of the economy) | ●○○ |

**Criticality** ●●● *Very high* ●●○ *High* ●○○ *Moderately high*




Solocal determined this classification as at the date of and for the purposes of this Universal Registration Document. Specific operational action plans have been developed to mitigate the criticality of the risks. These plans are followed up each year to assess their performance until the risk has been reduced to an acceptable level or completely eliminated. Non-financial risks are also presented in the Company's Statement on Non-Financial Performance (SNFP) (page [à compléter] of this Universal Registration Document). These are marked, within the Risk factors chapter, by the following acronym, which stands for corporate social responsibility: CSR

Solocal considers that there are no significant risks other than the risk factors below. These are supplemented by other information and the Solocal group's consolidated financial statements presented in this Universal Registration Document.

Investors are invited to take into consideration the risk factors described below in this chapter before taking any decision to invest.

As of the date of publication of this document, the health situation has stabilised in France and many restrictions have been lifted. However, should these restrictions be reinstated, Solocal would reassess the possible impacts and would deploy its business continuity plan (BCP) specific to the management of Covid, which was put in place in March 2020, with the appointment of a Covid Officer and the creation of its Health Committee. The BCP will enable Solocal to continue operating while observing the various health protocols imposed by the public authorities.

The description of the internal control and risk management structure put in place by the Company is included in this chapter and in the management report.

# 2.1 Solocal strategy-related risks

## 2.1.1 DECLINE IN THE SOLOCAL BRAND AND LACK OF AWARENESS OF PAGESJAUNES

**Failure to maintain and enhance its brands could have an adverse effect on the Company's business, financial position and operating income.**

The success of the Company depends partly on the strength of its brands and its reputation (see page 24 of the "Media platforms, users, data" section of the Integrated Report). If it is unable to maintain and enhance the strength of its brands, in particular PagesJaunes, then its ability to retain and expand its audience and customer base and its attractiveness to existing and potential audiences and customers may be impaired, and operating income could be adversely affected. Maintaining and enhancing its brands may require the Company to make substantial investments. If it fails to maintain and enhance them successfully, or if it incurs excessive expenses or makes unsuccessful investments in this respect, its business, financial position and operating income may be adversely affected.

## 2.1.2 DEPENDENCE ON GAFAM GIANTS AND NON-RENEWAL OF PARTNERSHIPS

**If Solocal is unable to maintain and develop relationships with strategic partners, its revenues may be impacted.**

Solocal's strategy depends in part on its ability to maintain and develop strategic partnerships, including with industry leaders such as Google, Bing (Microsoft), Apple, Facebook, Amazon, and Yahoo!.

The Company relies on these partnerships to generate visibility and contacts for its customers, whether organically (audience, content or presence partnerships) or via advertising formats offered by the partners. If any such partnership were not renewed or were renewed on less favourable terms, this could have an adverse effect on the Company's ability to generate such visibility and contacts and thus on its business.

## 2.1.3 COMPETITION FROM EMERGING PLAYERS ON OUR MARKETS CSR

**Solocal faces an increased level of competition and may not remain competitive.**

The Company is experiencing an increasing level of competition in its activities, especially in the online advertising market, from other digital services and websites. No assurances can be given that it will be able to compete successfully against other established economic players and new market entrants. Increasing competition could result in smaller audiences, lower prices, reduced growth, reduced margins or loss of market share.

# 2.2 Business-related risks

## 2.2.1 CYBER-RISKS AND IT SECURITY BREACHES CSR

**The Company may be subject to information technology failures, security breaches or disruptions in its information, production, sales and distribution systems, especially when the public health situation leads to extensive reliance on remote working by employees, even though they are all equipped with a double authentication system.**

A major part of Solocal's business depends on the efficient, continuous operation of its information, production, sales and distribution systems. These systems could be damaged by several causes, including fire, widespread power cuts, damage to communications networks, cyber-attacks such as computer hacking, computer sabotage or any other cause that could affect their operation and impact the Company's business, financial position, operating income and cash forecasts. In order to guard against these types of attacks, Solocal has taken out a specific insurance policy covering cyber risks.

Furthermore, the Company experienced an intrusion attempt into its internal network during the night of 17 to 18 February 2021, which was detected and blocked by the IT teams. A press release concerning this intrusion attempt was issued on 5 March 2021. In accordance with the Company's information systems security management procedures, Solocal's IT teams took the necessary preventive measures to:

- preserve the Company's information systems;
- block the intrusion attempt;
- ensure that no damage had been done to the Company's systems and data;
- protect all sensitive data of the Company and its customers.

No customers' or users' data were compromised. The Company's main platforms for businesses and users (PagesJaunes, Solocal Manager, Solocal.com) were not impacted and have remained safely accessible to everyone in France. The measures taken to block the intrusion attempt resulted in a temporary slowdown in the Company's activity between 17 February and the evening of 1 March 2021.

Throughout 2021, the Company strengthened its information system security through the deployment of a multi-year Cybersecurity programme designed to improve incident detection, protection and response. This mainly involved the setting up a SOC (Security Operation Center), the strengthening of workstation and information system security and the development of an awareness programme and mandatory training for employees.

In respect of activities that it subcontracts, Solocal must be able to rely on the ability of the subcontracting companies to react quickly and effectively. Any inability by subcontractors to respond to these problems could have an impact on its business. In this regard, Solocal's suppliers are invited to complete a security questionnaire in order to assess their level of maturity. Occasional audits of subcontractors may be carried out to verify that security commitments are maintained.

## 2.2.2 NON-COMPLIANCE WITH GDPR AND FRENCH DATA PROTECTION ACT CSR

**Since Solocal's activities, both legacy and digital, inherently involve the processing of personal data, the Company must comply with current regulations on the protection of individuals' rights and freedoms and particularly the General Data Protection Regulation ("GDPR") and Article 82 of the French Data Protection Act, which regulates electronic communications. Although the Company has made compliance a priority by establishing a dedicated policy and system, Solocal may, in the event of non-compliance, suffer financial penalties of up to €20 million or 4% of revenues.**

One of the main impacts of GDPR on Solocal is the transformation of practices related to the processing of personal data: the obligation to work with a "privacy by design" approach has been integrated into the Company's main strategic projects. Following the appointment of a Data Protection Correspondent in 2011 and the implementation of a dedicated data protection team, the Company is particularly sensitive to the protection of the personal data that it processes. On 25 May 2018, Solocal appointed a Data Protection Officer (DPO), who reports to the French Data Protection Authority (Commission nationale de l'informatique et des libertés - CNIL). Consequently, a number of GDPR obligations will not be new to the Company, for example the obligation to keep a register of processing operations.

In order to ensure its compliance with this new legislative framework, a GDPR compliance programme was launched in July 2017 upon the initiative of the Company's Data Protection Correspondent (and now DPO). A Steering Committee and working groups have been created. In this context, various actions have already been carried out, for example: mapping of processing operations, training of employees, creation of new processes, acquisition of a tool to document our compliance (register of processing operations, data breach registry, impact studies, exercise of people's rights). The target is to set up a robust quality approach within the Company, to ensure that its privacy protection processes have a competitive edge (obtaining certifications/labels).

Nevertheless, the CNIL may carry out checks, including online checks that enable it to rapidly and remotely identify areas of non-compliance related to, for example, internet security breaches, legally required information provided on online forms or the way in which internet user consent is obtained.

The Law for a Digital Republic dated 7 October 2016 has created further new rights for people: right to be forgotten for minors, the ability to arrange what happens to a person's data after their death, and above all greater information and transparency about data processing in order to clarify to people how long their data will be stored.

Finally, a proposal for a new European regulation on e-privacy is currently under discussion and could have an impact on Solocal's activity. The proposal was published by the European Commission on 10 January 2017. On 10 February 2021, the Council of the European Union finally reached a compromise on a version to be presented to a trilogue meeting of the Council, the European Parliament and the European Commission. In preparation for the second trilogue, which was held on 18 November 2021, the Slovenian presidency put forward a negotiating document to the national Council delegations but the text has currently not been adopted.

## 2.2.3 NON-AVAILABILITY OF IT SYSTEMS

**Solocal, like all businesses and especially those operating in its market, may face problems resulting from the non-availability of its IT system. Should its systems become obsolete, the Company may be unable to properly use its IT tools, which may lead to system failures and/or the inability to market its products and services. This could also have an impact on production times and service quality, leaving customers dissatisfied and affecting customer renewals of the digital services offered by the Company**.

IT system downtime can have many causes (cyber-attacks, system crashes, insufficiently robust infrastructure, faults, obsolescence etc.) and Solocal makes sure that everything is done to try to avoid incidents of this type from occurring. Partial or total non-availability of some or all of the Company's IT systems could adversely affect the functioning of its organisation and thus severely impact its business and financial position and could also create dissatisfaction among customers and users, ultimately having an impact on results. The migration of the Company's infrastructure and IT systems to the Cloud in 2019 helps to manage this risk to some extent. System recovery safeguards and redundancy and load balancing protect against the impact of hardware failure.

## 2.2.4 DECLINE IN AUDIENCE FOR PAGESJAUNES CSR

**PagesJaunes is experiencing a decline in its direct audience in favour of the main search engines which dominate the online search market.**

PagesJaunes ranks among the top 25 in France for internet traffic and, together with its partner network, records nearly 1.7 billion searches a year. The total audience for PagesJaunes was consistently rising until the end of 2019, thanks to its strong reputation and the quality of its natural SEO, its content and its partnerships. However, since the health crisis, the audience for the media has been in structural decline due mainly to a decrease in direct traffic (visits made directly by users to the PagesJaunes website or mobile app). Although the Company works to continually improve the user experience it offers on PagesJaunes by developing new functions such as online quotes, online appointment booking, messaging and click & collect that increase the number of repeat visits, facilitate selection and provide a more useful service, the decline in the direct audience may give rise to greater dependence on its main partners and search engines. Furthermore, the visibility of PagesJaunes on search engines is itself potentially at risk as it is subject to rules and algorithms set by these engines, which could potentially affect the number of visits to PagesJaunes made via search engines. Communications aimed at building the Company's brand visibility are intended to increase the audience for its user services. A lack of investment in this type of action could lead to a significant drop in the direct audience for PagesJaunes.

# 2.3 Human resources and environmental risks

## 2.3.1 PSYCHOSOCIAL RISK AND ABSENTEEISM CSR

*(See section 3.2.3.3 "Solocal's social priorities" on page 92)*

**Solocal's success relies on all of its staff. Talent and skills management is therefore key.**

The success of Solocal's business notably depends on the experience and expertise of its staff. To ensure the proper execution of its strategy and limit any adverse effect on its operating income, the Company takes steps to be a major force in this market, where there is a genuine war for talent.

In addition, the roll-out of Solocal's new subscription-based range of services and digital solutions makes it necessary to reorient the jobs of sales and customer relations staff towards an advisory "digital coach" role. This move is intended to increase customer satisfaction, which is the Company's number one priority. Moreover, like all companies engaged in a significant transformation programme, Solocal takes absenteeism and psychosocial risks very seriously and aims to ensure a high quality of life and health in the workplace. The objective is to decrease the rate of absenteeism through a dedicated action plan.

## 2.3.2 ENVIRONMENTAL RISK LINKED TO CLIMATE CHANGE CSR

*(See section 3.2.3.4 "Solocal's environmental priorities" on page 96)*

**In view of the climate-related risks inherent in its digital activity, Solocal uses specific risk analysis and non-financial objectives to gauge its environmental footprint.**

Climate change brings with it an increase in the frequency and intensity of episodes of drought, heatwaves, winter freezes, storms, fires, heavy rainfall and even biological invasions or repeated risks of global pandemics. Such events may affect Solocal's business, assets, human resources and performance. As part of its corporate social responsibility (CSR) policy, which is guided by its Statement on Non-Financial Performance (SNFP), the Company has set itself the goal of optimising its energy consumption and use of resources and reducing its carbon footprint with a view to sustainable digital activity. However, despite these measures, its activities may have an uncontrolled impact on the environment. The presence of the Company's information infrastructures and systems in the Cloud for access by subcontractors could lead to a failure to control actual energy consumption.

In addition, Solocal is subject to environmental laws and regulations involving possible administrative and judicial inquiries and proceedings and investigations on environmental issues. Such proceedings and investigations could result in substantial costs and obligations and/or divert management's attention from its core business. If it is determined that the Company is not in compliance with or has liabilities under applicable laws and regulations, it could be subject to fines or other measures. Furthermore, any allegation that the Company or its subcontractors do not comply with environmental laws and regulations could damage its reputation. Although the Company pays particular attention to compliance with sustainable development criteria when selecting its subcontractors, there can be no assurance that subcontractors will at all times comply with applicable environmental laws and regulations.

# 2.4 Operational risks

## 2.4.1 OBSOLESCENCE AND PERFORMANCE OF IT TOOLS IN THE FINANCE SCOPE AND RELIABILITY OF FINANCIAL INFORMATION

**Solocal relies on a number of legacy financial reporting systems. The Company plans to acquire a new ERP (enterprise resource planning) system in order to secure its main financial processes. Any delay in this project could impact the Company's performance and the quality of its financial management and its forecasts.** The Company's financial information systems rely on legacy technological platforms that are themselves interconnected with more modern information systems, which may lead to downtime.

In addition, the obsolescent nature of some tools and applications may lead to potential risks of errors or poor data quality and therefore require greater use of human input to verify or even reprocess the data. The Company is working to install a new ERP system to improve the performance and effectiveness of its main financial processes. Billing and accounts will form the scope of the system which will be set up throughout 2022 for deployment in 2023.

## 2.4.2 CUSTOMER DISSATISFACTION AND HANDLING OF COMPLAINTS

**Solocal attaches great importance to customer satisfaction and does all that it can to ensure the most smooth and efficient customer experience possible. If the digital services sold by Solocal fail to fully satisfy its new and existing customers, they may be prompted to switch to competitors.**

In order to control this risk, Solocal measures customer satisfaction on a daily basis through two complementary means: satisfaction surveys after every interaction with the customer and throughout the customer experience (purchase, deployment and use/support) and phone calls from contact centres in compliance with personal data protection regulations. Based on the results, comprehensive action plans are implemented within the business to adapt products and offerings, update internal processes, improve the management of customer requests and complaints, train staff and add new functions to the customer platform (Solocal Manager). Nevertheless, if the complaints processes are not properly followed or requests are inadequately tagged, the number of complaints in the course of processing may rise, leading to delays which will then further increase customer dissatisfaction. Dissatisfied customers, or indeed lost customers, may ultimately have a material adverse impact on the Company's image, business, financial position and operating income.

## 2.4.3 CONTROL AND MANAGEMENT OF COMPENSATION FOR SALES STAFF

**Solocal's system of compensation for sales staff is largely based on variable compensation and cash awards according to services and digital solutions sold that may prove difficult to manage and control. This model of compensation presents a risk of errors, particularly as a result of subsequently cancelled orders.**

In order to reduce this risk, Solocal has introduced a specific action plan to not only make the system of compensation for its sales staff easier to understand but also to enhance its system for recognising and validating sales. As a result, a new, more agile model of compensation for sales staff was introduced at the beginning of 2022.

## 2.4.4 ROLL-OUT AND IMPLEMENTATION OF PRODUCTION, SALES AND PUBLICATION TOOLS

**Solocal's thorough transformation could prove to be more difficult if the Company's IT systems are not suited to the challenges and requirements involved in terms of production, sales and publication platforms, especially in a digital ecosystem that is constantly evolving.**

Each year, Solocal invests tens of millions of euros in upgrading its IT systems and adapting them to the highly competitive digital environment in which it operates. If Solocal were unable to make such investments, its transformation could be delayed in a way that has a material adverse impact on its business, financial position and operating income. Solocal has already reached an important milestone of its Solocal 2020 strategic project by migrating its infrastructure and systems to the Cloud.

In addition, the plethora of sales tools and the number of products and services offered to our customers have required numerous adaptations of the Group's information system architecture and make the billing and revenue recognition process particularly complex. Solocal has identified this complexity as a source of risk and a number of controls have been put in place as a result. Nevertheless, given this complexity and the number of customers and offerings that exist within Solocal, these controls may prove insufficient to guarantee the valid and/or complete integration of sales data into the Group's various tools.

## 2.4.5 RELIABILITY OF INFORMATION AND CONSISTENCY OF SALES AND MARKETING MANAGEMENT

**Poor sales forecasts combined with inflexible sales and marketing tools could impact the quality of sales activities and the roll-out of Solocal's digital services to its customers or lead to additional costs.**

The roll-out of the new subscription contract model to customers brings with it new requirements in terms of managing the retention and compensation of sales staff, which are among the new projects that the Company is working on in 2022 to ensure the quality and consistency of its sales and marketing information and management.

## 2.4.6 COMMERCIAL FRAUD

**Most of Solocal's human resources consist of sales staff who do business with local small- and medium-sized businesses across France. Like any commercial enterprise, Solocal may face the risk of commercial fraud, especially with high-risk customers, leading to the subsequent cancellation of invalid sales and therefore potentially impacting the Company's revenues and forecasts. Solocal understands commercial fraud to mean the elements involved in a forced sale, identity theft, misuse of professional titles and/or certifications or circumvention of its rules for publication in PagesJaunes for the purposes of false advertising.**

For a number of years, Solocal has identified high-risk customers (in particular emergency call-out professionals such as breakdown service providers) with whom relations have historically been governed by a series of dedicated control procedures that are carried out prior to any signing of contracts and onboarding. The editorial rules for PagesJaunes.fr also protect the Company against this risk.

In addition, an ethics and anti-corruption clause is included in purchase orders which, if not adhered to (particularly as regards the Company's ethical principles of transparency, trust, respect and integrity) may result in the termination of the business relationship. Despite these arrangements, existing procedures may sometimes be circumvented by people acting with malicious intent and lead to instances of fraud. As part of its compliance with Sapin II, Solocal has introduced a system for assessing its third parties and especially its high-risk customers by sending them a dedicated assessment survey. An Anti-Fraud Committee has also been set up to further address the risk of fraud. Support functions from the General Secretariat (Compliance and Legal), Audit and Internal Control and the Sales department (Customer Relations, Complaints and Customer Success) are represented on this Committee. It is tasked with identifying and handling cases and assessing operating procedures, in order to adapt Company guidelines or establish new ones to mitigate risks.

# 2.5 Financial risks

## 2.5.1 RISKS RELATED TO INDEBTEDNESS AND MARKET RISKS

**The covenants contained in the bond documentation could affect the Group's ability to:**

- **trade;**
- **respond to market conditions or to seize commercial opportunities that may arise and could restrict its ability to take on additional debt or raise additional capital.**

**For example, these restrictions could affect the Company's ability to restructure its organisation, fund operating capital expenditure or obtain finance.**

### Reminder of the 2020 restructuring

**As at 1 January 2020, Solocal Group's net financial debt stood at €422 million[1].**

**On 15 March 2020, with the aim of preserving the Group's cash flow, Solocal provisionally suspended the payment of bond coupons** while assessing the impact of Covid-19 on its business and liquidity position.

**On 3 July 2020, Solocal Group and its debtholders (main bondholders and RCF lenders) reached an agreement to secure the Group's liquidity and reduce its level of debt**. Solocal's Board of Directors unanimously decided to approve this plan and to recommend the approval of all resolutions related to this financial restructuring plan to the Group's shareholders. All resolutions related to the financial structure strengthening plan were largely endorsed, with more than 93% of votes in favour, at the Combined General Meeting ("CGM") of the shareholders held on 24 July 2020. This plan was based on several capital increases totalling €359 million.

**The main capital increase with preferential subscription rights for a total amount of €335,957,607.87 (issuance premium included) was completed at the start of October 2020** through the issuance of 11,198,586,929 new shares. The Bondholders had made certain commitments to subscribe in cash and by set-off of receivables for this transaction. In particular, and pursuant to the Amended Safeguard Plan, all Bondholders were required to subscribe for the New Shares not subscribed for by the public and/or pursuant to the cash subscription commitment granted by certain members of the Ad Hoc Committee of the Bondholders, by way of set-off against a portion of receivables under the Bonds.

As a result, following the completion of the various financial restructuring operations, including the Capital Increase with preferential subscription rights, the total principal amount of the Bonds was reduced to **€168,454,208, corresponding to 334,125,321 Bonds**, each with a face value of **€0.5041647472146**.

Overall, the financial structure strengthening plan had led to the following:

- a €117 million liquidity injection;
- a reduction of approximately €260 million in the Group's gross debt. Gross indebtedness had been reduced to around €256 million[2] as at 31 December 2020, including:
  - around €168 million in bonds stemming from the financial restructuring operations carried out in October 2020 (maturity: March 2025),
  - around €17.7 million in bonds issued as part of the Group's financial restructuring with the same maturity date as the preceding bonds,
  - €50 million of a fully drawn down revolving credit facility (RCF) (maturity: September 2023),
  - a credit line of €16 million (BPI Atout loan),
  - factoring debt of €2 million.

**As at 31 December 2020, Solocal's net debt was €195 million[2], corresponding to a leverage ratio of 1.9x.**

### Changes in debt in 2021

In September 2021, the Group repaid €6 million from the revolving credit facility, €3 million in shares and €3 million in cash.

In November 2021, the Group made the first principal repayment of the BPI Atout loan in the amount of €1 million. The Group will make repayments of €1 million per quarter for this loan until maturity.

Bond debt was increased by capitalised interest on the bonds for the fourth quarter of 2020. It will also be increased in each quarter of 2022 by capitalised interest for each quarter of 2021.

(1) *Excluding IFRS 16.*
(2) *Excluding IFRS 16 (nominal value).*

Gross indebtedness was reduced to around €247 million[(1)] as at 31 December 2021, including:

- around €170 million in bonds stemming from the financial restructuring operations carried out in October 2020 (maturity: March 2025);
- around €18 million in bonds issued in August 2020 with the same maturity date as the preceding bonds;
- €44 million of a fully drawn down revolving credit facility (maturity: September 2023);
- a credit line of €15 million (BPI Atout loan).

**As at 31 December 2021, Solocal's net debt was €175 million[(1)], corresponding to a leverage ratio of 1.7x.**

## Main characteristics of and risks associated with the Bonds

**SUMMARY:**

- **ISIN code FR0013237484**;
- **maturity**: 15 March 2025, with a non-call period until March 2023;
- **interest (since 1 October 2020):**
  - Euribor with Euribor floor 1% + 7% spread (no less than 8%), half of which will be payable in cash, and the other half will be compounded and capitalised until December 2021,
  - Euribor with Euribor floor 1% + 7% (no less than 8%) payable fully in cash going forward;
- **amount**: €169,857,993 after incorporation of capitalised interest for the fourth quarter of 2020;
- **par value per bond**: adjusted to €0.5083661201882.

Under the Amended Safeguard Plan, the main terms and conditions of the existing Bonds (ISIN code: FR0013237484), applicable as of 6 August 2020, are as follows:

- **interest** (from 1 October 2020)
  - Euribor with Euribor floor 1% + 7% spread (no less than 8%), half of which will be payable in cash, and the other half will be compounded and capitalised until 15 December 2021,
  - Euribor with Euribor floor 1% + 7% (no less than 8%) payable fully in cash going forward;
- **maturity**: extension of the final maturity date of the bonds from 15 March 2022 to 15 March 2025, with 2.5 non-call years (from 6 August 2020 to 6 February 2023);
- permission to create security rights to guarantee tax and social security liabilities;
- permission for members of the Group to incur certain new financial indebtedness, including state-guaranteed loan(s) (PGE), an Atout loan (Prêt Atout) granted by BPIfrance Financement or bridge loans, for a maximum total cumulative amount of €32 million in cash (excluding the original issue discount);
- modification of the required majority to pass decisions in Bondholders' General Meetings, to reduce such majority to 66.67% for decisions currently requiring a 90% majority.

The other main features of the Bonds remain unchanged, including:

- **listing**: listing on the official list of the Luxembourg Stock Exchange and admission for trading on the Euro MTF market;
- **late payment interest**: 1% increase in the applicable interest rate;
- **early repayment or redemption:**
  - Solocal Group may at any time and in multiple instalments after the non-call period, redeem some or all of the Bonds at a redemption price equal to 100% of the principal plus unpaid accrued interest,
  - in addition, the Bonds will be subject to mandatory early redemption (subject to certain exceptions) wholly or in part if certain events occur, such as a change of control, an asset sale, or the receipt of net debt proceeds or net receivables proceeds. Mandatory early repayments are also provided for by means of funds coming from a percentage of surplus cash flow, depending on the Company's consolidated net leverage ratio;
- **financial commitments:**
  - the consolidated net leverage ratio (consolidated leverage/consolidated EBITDA) must be lower than 3.5:1,
  - the interest cover ratio (consolidated EBITDA/consolidated net interest expense), must be greater than 3.0:1,
  - and if the consolidated net leverage ratio on 31 December of the preceding year exceeds 1.5:1, capital expenditure (excluding growth transactions) for Solocal Group and its subsidiaries will be limited to 10% of the consolidated revenue of Solocal Group and its subsidiaries;
- **the terms and conditions of the Bonds** also contain certain undertakings not to conduct certain actions, prohibiting Solocal Group and its subsidiaries, subject to certain exceptions, from, in particular:
  - bearing additional financial debt,

(1) *Excluding IFRS 16 (nominal value).*

– granting security interests,
– paying dividends or making distributions to shareholders; as an exception, the payment of dividends or distributions to shareholders is permitted if the Consolidated Net Leverage Ratio does not exceed 1.0:1

The bonds issued on 14 August 2020 (ISIN code: (FR0013527744) have substantially the same characteristics as the Bonds described above (ISIN code: FR0013237484).

On 14 August 2020, following the adoption of the Amended Safeguard Plan and the approval of a conciliation protocol by the Nanterre Commercial Court, Solocal Group issued a bond for a total principal amount of €17,777,777, carried out with a discount of approximately 10% for a subscription amount of around €16 million. After incorporation of capitalised interest for the fourth quarter of 2020, these bonds amount to €18,022,715 as at 31 December 2021.

The new bonds, with a par value of €1.0137777777778, have substantially the same characteristics as the Bonds.

The restrictions contained in the terms and conditions of the Bonds and described above **could affect** the Group's ability to carry out its activities, and limit its ability to react to market conditions or seize commercial opportunities that may arise. For example, such restrictions could affect the Group's capacity to fund operational capital expenditure, restructure its organisation or finance its capital requirements.

In addition, the Group's capacity to comply with these restrictive clauses could be affected by events beyond its control, such as economic, geopolitical, financial or industrial conditions. Any failure by the Group to comply with these covenants or restrictions could result in a default under the terms of the above agreements.

If default occurs that is not remedied or waived, the Bondholders could demand the immediate repayment of all outstanding amounts. This could activate the cross default clauses of other Group loans. This type of event could have a material adverse effect for the Group, leading to its insolvency or liquidation.

Moreover, **the Group might not be in a position to refinance its debt at maturity** or to obtain additional finance on satisfactory terms.

The amended & restated terms and conditions of the Bonds dated 6 August 2020 adopted pursuant to the Amended Safeguard Plan are available on the investor website.

Solocal Group is exposed to the risk of interest rate fluctuations insofar as all of the financial debt is at a **variable rate**. In an environment of low rates, the Group feels that it is not in its best interest to hedge this short-term interest rate risk. The main features of the Group's financial debt are stated in note 9.

Interest rate, liquidity and credit risks are discussed in note 10 to the 2021 consolidated financial statements.

## Ratings

Over the past two years, the issuer has been assigned the following **corporate** financial ratings:

- **Moody's**: downgraded from Caa1 to Caa3 in March 2020 with a negative outlook following suspension of payment of the bond coupon for the first quarter of 2020, then upgraded from Caa3 to Caa1 with a stable outlook in October 2020 after completion of the capital increases. This rating was reaffirmed in December 2021.
- **Fitch Ratings**: downgraded from CCC+ to C in March 2020 with a stable outlook following suspension of payment of the bond coupon for the first quarter of 2020, then upgraded from C to CCC+ with a stable outlook in October 2020 after completion of the capital increases. This rating was reaffirmed in November 2021.

During 2020, the issuer's **bond debt** was assigned the following ratings:

- **Moody's:**

– downgraded from Caa2 to Ca in March 2020 with a negative outlook following suspension of payment of the bond coupon for the first quarter of 2020, then upgraded from Ca to Caa2 with a stable outlook in October 2020 after completion of the capital increases;
– assigned a Caa2 rating with a stable outlook in October 2020, which was reaffirmed in December 2021.

- **Fitch Ratings:**
  – upgraded from CC to B- in October 2020 after completion of the capital increases;
  – confirmation of the B- rating in October 2020, reaffirmed in November 2021.

Changes in ratings are presented below:

| | | 31/12/2021 | | 31/12/2020 | | 31/12/2019 | |
|---|---|---|---|---|---|---|---|
| | | Fitch Ratings | Moody's | Fitch Ratings | Moody's | Fitch Ratings | Moody's |
| Solocal | Corporate rating | CCC+ | Caa1 | CCC+ | Caa1 | CCC+ | Caa1 |
| | Outlook | Reaffirmed | Stable | Stable | Stable | Stable | Negative |
| | Debt rating | B- | Caa2 | B- | Caa2 | B- | Caa2 |

## 2.5.2 LIQUIDITY RISK

**In 2020, owing to the Covid-19 health crisis, Solocal faced a liquidity crisis and had to embark on a programme to restructure its financial liabilities.**

The financial restructuring carried out in 2020 enabled the Group to release additional liquidity to finance its operations in 2020, rebuild its cash reserves and begin 2021 with around €60 million in available cash. This cash position combined with the stabilisation of revenue and the roll-out of the subscription model to all of its customers are reducing the liquidity risk that the Group would face in the event of a health crisis or partial shutdown of business.

As at 31 December 2021, the Company has a cash position of €80 million – in line with the targets announced during 2021.

Given Solocal's business model, this level of cash may be significantly impacted by a decrease in activity, as was the case in 2020 during the health crisis. In order to monitor this risk, the group updates its 12-month cash forecasts on a monthly basis, including sensitivity tests to order intake levels. These cash forecasts and sensitivity tests enable the Company to look ahead and, if necessary, implement operational action plans well in advance.

As at 31 December 2021, the Group does not have any available credit facilities from financial institutions (bilateral facilities, RCF or other short-term facilities).

## 2.5.3 FAILURE TO ACHIEVE COMMERCIAL OBJECTIVES AND FAILURE TO ADHERE TO THE BUDGET AND GUIDANCE

*(See section 1.2.3 "Financial objectives" on page 39)*

**A new model of variable compensation for sales staff was introduced in 2022, with a focus on increasing customer acquisition and value. This new model may lead to greater dependence on sales capacity and exposure to a performance gap on courtesy offerings, which may be considered more problematic.**

**In the event of any recurrence of sanitary restrictions, Solocal may not be able to pursue and fulfil its short- and medium-term financial objectives or achieve its targets for order and revenue growth and expected cost savings, which could also impact its results and level of cash flow.**

The Company may have difficulties in planning available sales capacity, with a potential impact on the ability to achieve sales targets. The reliability of the financial information held by the Company may then be called into question and thus undermine Solocal's forecasts.

Furthermore, a deterioration in the economic environment, which Solocal interconnects with, would have an impact on its ability to increase customer spend or to find new customers. The risk related to its incremental sales continues to be mitigated by revenue generation driven by the subscription-based model recently adopted by the Company. Thanks to this model, Solocal is now more resilient to public health and economic risks.

# 2.6 Legal and compliance risks

**Solocal's business is subject to various laws and regulations, and the Company may incur significant costs to maintain compliance with such laws and regulations.**

The communications industry in which Solocal operates is subject to various laws and regulations, including the law on Trust in the Digital Economy of 21 June 2004, the law for a Digital Republic of 7 October 2016 and the regulations on personal data protection. Solocal is also subject to specific laws and regulations covering, among other things, digital advertising (Sapin law of 29 January 1993), directories (Article 34 of the French Post and Electronic Communications Code) and databases (Articles 341-1 et seq. on database protection). Changes in such laws or regulations or in policy in the European Union, France or other European countries where Solocal operates could have a material adverse effect on its business in these countries, especially if such changes increase the cost and regulatory constraints associated with providing its products and services.

A certain number of draft laws and European regulations are currently under discussion in France and with EU authorities, including in relation to the protection and use of personal information, privacy and electronic communications, the responsibility of content publishers and online platform operators for content, e-commerce and the taxation of internet advertising. These future developments in laws and regulations could have a material adverse effect on the Company's business, financial position and operating income, or on its ability to achieve its strategic objectives.

In addition, the global nature of the Internet means that its operations are subject to the laws of multiple jurisdictions. Although the Company operates primarily in France, certain states or jurisdictions may require it to comply with their own laws and regulations. The simultaneous applicability of several, and at times contradictory, sets of laws and regulations, and the associated costs and uncertainty, could have a material adverse effect on the Company's business, financial position, and operating income.

In order to anticipate any regulatory development that could have a material adverse effect on its business, Solocal carries out continuous monitoring of laws and regulations using a dedicated tool. Similarly, it constantly checks that it is compliant with national and European regulations.

In addition to the regulations generally applicable to companies in the countries in which it operates, Solocal is more specifically subject to information society laws for its digital activities.

As Solocal is mainly present in Europe, particularly in France, the presentation below focuses on European and French legislation and regulations.

## NON-COMPLIANCE WITH SAPIN II (LAW ON TRANSPARENCY, THE FIGHT AGAINST CORRUPTION AND THE MODERNISATION OF THE ECONOMY) CSR

Article 17 of Sapin II (French law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy) provides the legal framework necessary to implement an anti-corruption programme. This framework includes **eight obligations** for companies or groups of companies whose parent company has its registered office in France and which have at least 500 employees and revenues of more than €100 million. Solocal is subject to this obligation and from 2018 to 2020 received support from the French Anti-Corruption Agency (AFA)'s support service for economic operators in establishing its ethics programme.

In October 2018, Solocal appointed an Ethics Officer to initiate the implementation of its Sapin II law compliance programme. Compliance has since been accelerated and several pillars of Sapin II have been implemented:

- **fraud and corruption risk mapping** updated annually;
- a **Code of Conduct** (appended to the internal regulations of each subsidiary) presented to the subsidiaries' Social and Economic Councils (SEC) and sole employee representative bodies and implemented;
- a **disciplinary sanctions policy** (accompanying the Code of Conduct) integrated into the subsidiaries' internal regulations;

- an external **whistleblowing system** (outside Solocal's information systems) open to employees but also third parties, enabling them to report confidentially any serious harm to the interests of the Company's assets and personnel;
- a mandatory **training plan** to educate and inform all employees on ethical issues, particularly in relation to corruption and fraud;
- a Company **third-party evaluation system** based on several separate procedures: (ethical evaluation procedure as part of contractual arrangements with a supplier, a partner or an intermediary and also a customer; ethical due diligence procedure for mergers and acquisitions; an "Ethics and Sustainable Development" Suppliers Charter).

In addition, Solocal has also communicated to all employees and managers: (i) a reporting procedure associated with its platform for collecting reports from whistleblowers; (ii) a gifts and invitations policy; (iii) a conflict of interest procedure.

Although Solocal has made compliance a priority of corporate governance by setting up, among other things, an Ethics function (within the Compliance unit of the General Secretariat) and a dedicated budget, the roll-out of this compliance programme has not yet been fully completed, and additional costs may be incurred on top of those already generated to reach full compliance.

## 2.7 Insurance and risk management

Solocal has set up an insurance and risk management programme to cover the main risks to which it is exposed. This programme is overseen by the Compliance unit (Ethics, Risk and Insurance) of the General Secretariat and is included in the Group's centralised insurance management. The programme is designed to make ongoing improvements to the Company's risk management policy, taking into account the constraints of the insurance market. The aim therefore is to:

(i) have appropriate capacity and coverage for Solocal's exposure; (ii) reduce the overall cost of risk (premiums and loss experience); (iii) manage budgets; (iv) reduce claims through appropriate prevention and risk management; (v) manage claims in order to limit budget increases.

Insurance cover is negotiated with major insurance companies via recognised brokers in order to obtain the most appropriate coverage for the Group's insurable risks each year. Solocal's insurance policies include the following:

- **Damage to Property and Operating Losses Policy** – apart from certain specific exclusions, this policy covers losses resulting from fire, explosions, water damage, theft, natural events affecting Solocal's own property (buildings, furniture, equipment, goods or IT facilities) and property for which it is responsible, and against the operating losses resulting from such losses. The total annual coverage limit is €49.9 million for damage and operating losses (with a sub-limit of €40 million for the operating loss).
- **Civil Liability Policy** – this insurance covers civil liability to customers and third parties in relation to the Group's operations and professional activities. The policy is an "all risks, subject to exclusions" policy, which means that all bodily injuries, property damage and consequential damage are automatically covered, including damage from computer viruses, unless expressly excluded. The total annual coverage limit is €20 million.
- **Cyber Risks Policy** – this insurance covers damage to the Company's various IT systems, including viruses, ransom demands and data losses. The total annual coverage limit is €15 million (with a sub-limit of €500,000 for ransomware).
- **Directors' and Officers' (D&O) Public Liability Policy** – this insurance policy is designed to cover insurable wrongdoing and defence expenses for its executives (including those of subsidiaries). The total annual coverage limit is €30 million.
- **Car Fleet Policy** – this policy is intended to cover the Group's entire fleet.

All deductibles within the Group's insurance policies are determined with the insurers according to the Company's situation, the risks incurred and the scope of each subsidiary.

# 2.8 Internal control and risk management procedures

## 2.8.1 INTERNAL CONTROL AND RISK MANAGEMENT GUIDELINES, OBJECTIVES AND SCOPE

### 2.8.1.1 Internal control and risk management guidelines

Solocal has developed and implemented general guidelines for internal control that are largely based on the guidance published in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on the framework and recommendations published by the AMF. The following description of its internal control and risk management procedures is based on this framework. It also draws on the discussions that took place as part of the work of the IFACI, the French Internal Control and Audit Institute.

### 2.8.1.2 Internal control definition and objectives

Internal control at Solocal is a set of processes and measures that are defined by senior management, implemented by employees and which serve to meet the following objectives:

- compliance with laws and regulations;
- observance of the Board of Directors' instructions and guidelines;
- prevention and control of operational risks, financial risks and the risk of error and fraud;
- proper operation of internal processes, especially those pertaining to the safeguarding of assets;
- reliability of financial information;
- while also contributing to successful operation of its businesses, operational effectiveness and the efficient use of resources.

These principles are underpinned by:

- the identification and analysis of risk factors that could compromise the achievement of the Company's objectives;
- an organisation and procedures designed to ensure the implementation of senior management's strategies;
- the periodic review of control activities and a continuous effort to improve.

It should be noted that the rules and principles implemented cannot provide absolute assurance that all risks will be eliminated or controlled.

### 2.8.1.3 Internal control scope

The policies described below apply to all subsidiaries.

The internal control measures employed within each entity (i.e. department or subsidiary) involve implementing the Company's procedures and specifying and implementing procedures that are specific to each business line, in accordance with the entity's organisation, culture, risk factors and operational characteristics.

## 2.8.2 CONTROL ENVIRONMENT

### 2.8.2.1 Rules of conduct and ethics applying to all employees

Solocal's growth is underpinned by a set of **corporate values** (courage, team spirit, proximity and engagement), **ethical principles** (trust, integrity, transparency and respect) and standards of responsible behaviour in business, derived mainly from its **Code of Conduct**, that govern interactions with its employees as well as its stakeholders, i.e. customers, shareholders, suppliers, partners, users, competitors, etc.

The Code of Conduct provides a set of personal and collective rules that are essential for the development of a responsible and sustainable business. The enterprise values and principles should inform every action within the Group, in order to build trust and collective engagement. They are aligned with a broader framework of international, European and/or French legislation, principles and rules. including:

- the standards of the Universal Declaration of Human Rights and the International Labour Organization (particularly as regards the prevention of child and forced labour);

- OECD directives (particularly for fighting corruption)
- Sapin II (French Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy).

These values and principles guide the manner in which all members of staff are expected to perform their roles, both externally, i.e. with all Company stakeholders (customers, suppliers, partners, etc.) as well internally. They provide a framework regardless of the activities and responsibilities involved. It is thus everyone's responsibility, and especially that of the Company and subsidiary senior managers, to observe, promote and implement them.

Solocal also participates in the **United Nations Global Compact**, in support of the achievement of the UN's Sustainable Development Goals (SDGs), particularly on the protection of human rights, working conditions, the fight against corruption and the protection of the environment. The commitments and indicators tracked by the Company are disclosed each year in our Communication on Progress and made publicly available on the Global Compact website.

The Code of Conduct is available on the Solocal corporate website at https://www.solocal.com/ and on the Company's intranet. It covers, among other things, Solocal's values; the Company's actions and ethical principles; expected individual conduct towards customers and suppliers, but also with regard to the protection of the Company's assets, the protection of whistleblowers, conflicts of interests, representation of interests and ethical stock trading.

In addition to the Code of Conduct, a **Securities Trading Code of Conduct** has also been drawn up to deal specifically with stock-trading issues. Its main purpose is to increase awareness among employees and directors of Solocal companies of the rules and principles that govern the trading of securities, of the need to comply scrupulously with these rules, and of the various preventive measures that have been implemented to enable all employees to invest securely in its listed securities.

In this context, and to reduce risks, Solocal ensures that all of its employees whose work involves sensitive information sign a confidentiality agreement, particularly when they work with people outside the Company who may not be bound by a confidentiality obligation under their own rules of professional ethics. The Code also reminds employees that the Legal department and the Finance department must be informed immediately if any inside information about the Group is revealed, for instance at a conference or an internal or external meeting.

### 2.8.2.2 Senior management's responsibility and commitment

The Company has set up a risk management policy which is overseen by senior management. This policy is reviewed annually with the Company's various subsidiaries and departments. The risk updates and information on the follow-up of associated actions are consolidated and then presented to the Executive Committee.

A risk correspondent has been appointed in each of the Company's subsidiaries and departments. These correspondents, of whom there are around 50 within the Company, report to the Compliance unit (Ethics, Risk and Insurance) of the General Secretariat.

### 2.8.2.3 Human resources and skills management policy

Solocal's performance depends directly on the skills of its employees and on its ability to manage and adapt its human resources. The Human Resources department works in close partnership with the operational departments. It develops, proposes and manages human resources, so as to help with the implementation of the Company's strategy. In order to better respond to the needs of employees and managers, the HR department is divided into four sub-divisions: HR Operations, HR Development, Compensation & Benefits (personnel management) and the division responsible for Employee Relations.

The role of the HR Operations division is to provide HR support to the managers of the divisions and departments within its remit and manage their employees. It provides expert knowledge of the division's structure, composition and mission, as well as the Company's business units.

The role of the HR Development division is to define HR policies and improve processes. It deploys the Company's HR policy and resources to the HR Operations division and to regional and local HR managers in particular, providing them with the tools and advice they need to do the best job they can.

These actions are described in detail in chapter 3 of the Universal Registration Document.

### 2.8.2.4 Information systems

The Company's various information systems are composed of:

- operational business software, particularly tools related to selling, creating and storing digital content, and to websites;
- business management software: e.g. accounting and financial applications;
- communication software: messaging systems, collaborative tools (Intranet), etc.

The IS division (which manages the information systems) and the Technical department are largely responsible for supervising the Company's information systems and in particular for ensuring that they are suited to the Company's long-term objectives. They work closely with the Compliance unit (Risk, Insurance and Ethics), which manages IT risks with reference to reliability and business continuity objectives, legal and regulatory compliance and operational targets. Actions directly linked to risk and security control are reviewed annually by the Compliance unit, in partnership with the IT department and the relevant operations teams.

## 2.8.3 RISK MONITORING AND MANAGEMENT

### 2.8.3.1 Organisational framework

Like any company, Solocal's business activities expose it to various risks. The main risks that have been identified are described in the "Risk factors" chapter of this Universal Registration Document. Risk management is a priority for the Company and is conducted both by subsidiaries and the parent company, which collates and summarises the information.

**Risk management serves to**:

- develop a comprehensive, systematic, integrated and flexible method for identifying, assessing, analysing and managing risks and for promoting risk control;
- develop risk management best practices;
- prevent risks that threaten the Company and mitigate their consequences.

The risk management policy applies to all Solocal entities. Solocal has set up a risk governance system based on a Risk department attached to the General Secretariat, together with a network of around 50 risk correspondents.

### 2.8.3.2 Risk identification and analysis process

Certain Company procedures contribute to the identification of risks. In particular, they cover the following elements:

- a risk assessment and classification method that has been in place since 2005. This method is based on risk mapping, which ranks the main risks to which the Company believes it may be exposed in terms of their seriousness and likelihood of occurrence and assesses the level of coverage;
- risk reviews are conducted annually;
- a network of risk correspondents who oversee the operational implementation of the risk policy, led by a dedicated governance unit;
- a risk management system that includes the description and monitoring of related risk coverage actions. This system also includes a dashboard which monitors action plans to minimise risks.

## 2.8.4 CONTROLS

Solocal has three lines of control in place: operational management, risk management and internal control, and internal audit. The objective of the three lines of control is to combine regulatory measures (instructions and directives), organisational measures (organisational charts and processes) and technical measures (mostly IT and communication) based on certain basic principles.

The Company's audit and internal control system is overseen on an ongoing basis by the Audit and Internal Control department, which reports directly to the Company's Finance department and on a functional basis to the Audit Committee. This system serves to provide the Company's management and its Board of Directors with reasonable but not absolute assurance that the Company's risks are controlled.

In the course of their work on reviewing the internal control system and in reporting on the financial statements of the Company and the Group, the Statutory Auditors report significant deficiencies in internal control with respect to the accounting and financial reporting procedures and thereby also help to strengthen the Group's control systems.

### 2.8.4.1 Internal Audit

Internal Audit, which reports to the Audit and Internal Control department, ensures that the internal control system is mature by evaluating its effectiveness and efficiency, while encouraging its continuous improvement. On the basis of a risk assessment, the Internal Audit team evaluates the internal control system's relevance and effectiveness by assessing the quality of the Company's control environment, the work of internal governance bodies, the reliability and integrity of financial and operational information, operational effectiveness and efficiency, asset protection, and legal, regulatory and contractual compliance. The Internal Audit Charter, approved by the Chief Executive Officer and the Audit Committee, sets forth the guidelines that all entities must observe with respect to internal audit.

Group Internal Audit is responsible for performing the tasks set out in the audit plan, which is laid down at the start of the year and is based on the Group risk assessment. The audit plan is presented to the Executive Committee and approved each year by the Audit Committee.

Internal Audit may perform three types of audit:

- audits on the compliance and effectiveness of processes and activities;
- audits on the maturity of internal control;
- audits on the compliance or performance of specific themes selected by the Audit Committee.

### 2.8.4.2 Internal control

The internal control system is composed of the various policies and procedures implemented by an entity's department to provide assurance that its business activities are being managed effectively. The first level of control is the one exercised by the functional and operational departments using standard procedures and processes.

The internal control system involves the whole Company, from board level to every single member of staff.

The Internal Control Charter sets out guidelines that govern Solocal's internal control system and form the basis for setting up the internal control systems for all Group entities.

The size of the internal control teams and the operating methods will be reviewed in 2022;

### 2.8.4.3 Contribution of the Statutory Auditors

The work of the Statutory Auditors includes a limited interim Group level review and, towards the end of the year, a pre-closing review followed by a full audit of the financial statements at 31 December. The Statutory Auditors also perform limited reviews on the internal control systems of Solocal's main subsidiaries, in accordance with an audit plan submitted to the Internal Audit unit and the Audit Committee. The main recommendations are presented to the Finance department and to the Audit Committee.

Generally speaking, efforts to continuously improve processes and standards serve to enhance operational control, effectiveness and efficiency.

## 2.8.5 INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Solocal's Finance department is responsible for preparing the accounting and financial information.

To increase the reliability of published accounting and financial information, a series of Committees, rules, procedures, controls, a skills management policy, and a continuous process to improve procedures have been implemented.

Specific internal control procedures for accounting and financial information have thus been set up via:

- the Company's financial accounting and management organisation;
- a unified financial and management accounting reporting process;
- Company-wide accounting methods and guidelines;
- the scheduling of year-end work on Company accounts;
- financial communication.

### 2.8.5.1 Accounting and management control

The Accounting and Consolidation department, the Management Control department and the Investor Relations, Treasury and Financing department perform essential tasks to ensure that Solocal's financial information is consistent. These departments report to the Group's Chief Financial Officer.

Their tasks thus include:

- preparing Solocal's Company financial statements and consolidated financial statements within the time constraints of financial markets, legal and regulatory requirements and contractual obligations;
- managing the budgeting and forecasting process and preparing the monthly management report as quickly as possible, while ensuring that data is consistent;
- preparing the documents necessary to communicate financial results and to enable Solocal's management to prepare its management report;
- designing and implementing Solocal's accounting and management methods, procedures and guidelines;
- identifying and overseeing any changes to Solocal's accounting and management information systems that may be necessary.

### 2.8.5.2 The unified accounting and management reporting system

The Company's business management cycle has four basic components:

- the three-year strategic plan;
- the budget process;
- monthly review of key metrics;
- business and financial performance reviews.

#### a. The strategic business plan

Each year, Solocal updates the strategic business plan for the coming three years. This strategic business plan takes into account the Company's strategic priorities and any changes in market trends, business segments or the competitive environment.

#### b. The budget process

The budget process covers Solocal and its subsidiaries. It involves the following steps:

- in the autumn, the budget for the current year is updated and monthly and annual budgets for the following year are prepared for each product;
- in the spring, the initial budget forecast for the year is updated and this updated budget is used to prepare the strategic plan;
- in the summer, the budget for the second half of the year is updated on the basis of the results of the previous six months.

To improve the management and monitoring of performance, an ongoing reforecasting process has been implemented.

#### c. Financial performance reviews

Monthly financial performance reviews are conducted with all members of the Executive Committee and are a key component of Solocal's management and control system. These reviews are a major component of the financial information and control system. It is the main tool that Solocal's management uses to monitor trends and performance and make decisions going forward. This reporting comprises several documents that are prepared by the Management Control and Accounting and Consolidation departments, and communicated to Solocal's management.

The main objective of these reviews is to ensure that the actions undertaken are consistent with Company priorities and long-term goals. They are also used to check that budgeted costs are adhered to throughout the year.

### 2.8.5.3 Shared company accounting methods and framework

The Company prepares its provisional and actual consolidated financial statements in accordance with the "unification principle". This involves:

- uniform accounting methods, standards and consolidation rules;
- standardised presentation formats;
- the use of a Company-wide consolidation application.

Solocal has a single accounting system that standardises the reporting of all consolidated items, including off-balance sheet commitments. All of the consolidated entities have adopted this system. Solocal prepares its consolidated financial statements in compliance with IFRS standards (European regulation 1606/2002 of 19 July 2002).

The consolidated accounting documents are prepared in accordance with local accounting principles and are restated to comply with Company standards and with IFRS as adopted by the European Union and the IASB. The Company's Finance department sends out memoranda specifying the year-end closing process and timetable.

### 2.8.5.4 Planning year-end accounting procedures

In order to meet tight reporting deadlines and enable the Board of Directors to publish consolidated financial statements from February, the Company has established a detailed planning programme for its year-end accounting work. This programme includes:

- budget monitoring processes;
- preparation of pre-closing accounts;
- documented closing processes;
- the anticipated treatment of estimates and complex accounting transactions.

The progress that Solocal has made in preparing year-end accounts can largely be attributed to greater coordination between Company divisions and functions, more accurate forecasts, better control over financial processes, and better preparation and speedier execution of account-closure processes.

### 2.8.5.5 Financial communication

The preparation and control of financial information are organised in a manner that is consistent with the Company's management organisation and systems. This ensures the integrity, accuracy, quality and consistency of this information and its compliance with applicable legal and regulatory requirements and professional standards.

The CEO and CFO systematically prepare, review and approve all financial information that must be publicly disclosed in order to guarantee its quality and reliability prior to its examination by the Board of Directors. This review covers, among other things, press releases containing financial information and presentations to investors.

The Investor Relations department, within the Finance department, in collaboration with Management Control and the Legal department, is responsible for drawing up the following periodic and permanent information documents and distributing them to regulatory authorities, the financial market authority (the AMF) and other intended recipients:

- periodic financial press releases (quarterly, half-yearly and annual results) and ad hoc press releases (e.g. to announce transformation and restructuring projects, external growth transactions, divestments, acquisitions or disposals, changes in governance, and strategic partnerships);
- presentations at meetings with financial analysts and investors;
- the Universal Registration Document;
- presentation for the General Shareholders' Meeting.

Solocal strives to provide information that is easy to understand, relevant, stable and reliable, and to comply with stock market regulations and sound principles of corporate governance.

## 2.8.6 FINANCIAL RISKS LINKED TO CLIMATE CHANGE

The risks associated with the effects of climate change and the measures taken by Solocal to reduce them are presented in "Risk factors" and in the statement on non-financial performance.

## 2.8.7 INFORMATION AND COMMUNICATION

All of the Company's press releases and major regulatory documents are posted on the Solocal intranet, which all employees can access.

Collaborative tools and other applications available on the intranet also ensure efficient distribution of information to everyone throughout the Company.


# Statement on non-financial performance (SNFP): corporate social responsibility (CSR) and environmental, social and governance criteria

# Business model

**Our values:** team spirit, proximity, courage, engagement

## One integrated app for businesses

Over **137,000 ad campaigns** generated (1)

**Low-cost lead** generation

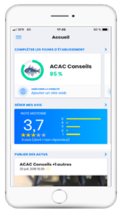
**5,300 websites produced in 2021**

*Data, advertising and tax regulations*

**4,7+ million** businesses

*Growing markets for advertising and digital services*

solocal



Solocal Manager

- Improve visibility
- Manage your e-reputation
- Find customers
- Connect with customers
- Offer local transactional services
- Manage customer relations and build loyalty

*Towards a sustainable development of all businesses and a universally accessible responsible digital technology*

## Our value creation

### Talent

**2,728** employees worldwide (2)

**c. 2,000 staff** (3) close to our customers

Women in the workforce: **53.61%** (- 0.1 pts)

Training provided in ethics, digital accessibility (4), digital marketing and agile methods

Employee engagement index: **72%** (- 3 pts)

**65% of employees** surveyed agree that Solocal enables them to develop their skills and employability

### Local

**6** regional **centers**

**1 webfactory**

**Digital advisors** throughout France

**309,000 customers** nationwide

Digitalisation of **406 businesses** via our digital workshops and audits

Provision of **19 LocalPartner directories** for local institutions

**87,977** digital audits carried out in 2021 (+37%)

(1) *Including Priority Ranking campaigns.*
(2) *Based on FTEs at end of period, including Solocal Interactive and employees on long-term sick leave.*
(3) *Field sales/telesales, customer relations, production and sales support, pro forma figure excluding departures linked to the Employee Protection Plan and including employees on long-term sick leave & Solocal Interactive.*
(4) *Digital accessibility simplifies access to digital services for people who are unfamiliar with these technologies, or who have a disability (temporary, situational or permanent).*

# Our mission: vitalise local life

**Our vision:** unleash the digital potential of all businesses by using innovative digital services to connect businesses to their customers and prospects

*Change in habits: digitisation of contacts during the Covid-19 health crisis*

**Exclusive partnerships:**

- Discover professionals
- Review professionals
- Find professionals
- Connect with professionals
- Buy local
- Receive customised offers

**Strategic partnerships:**

*Transformation of consumption trends with a shift to short circuits and local consumption*

**55+ million** consumers

*Customer support ranging from digital media to personalised human advice*

## One service platform for consumers

- **4.7 million** businesses listed on PagesJaunes
- **Around 1.7 billion searches** on our media
- **15 million reviews** posted
- Strategic partnerships with the **major online giants**

*Connect offer* *Websites offer* *Booster offer*

| Finance | | Environment | | Technology |
|---|---|---|---|---|
| **€175 million** net debt<br><br>**€34 million** capital expenditure<br><br>Net financial leverage ratio of **1.7x** | Net cash at 31/12/2021: **€80 million**<br><br>**No. 3 in France in digital marketing** by revenue: **€428 million**<br><br>Recurring EBITDA: **€121 million** | **14 tonnes of waste** from electrical and electronic equipment (WEEE) collected | $CO_2$ emissions – office premises: **- 7.0 pts vs 2020**<br><br>$CO_2$ emissions – vehicle fleet: **+ 8.5 pts vs 2020** | **Technology platforms** developed in-house or integrated in SaaS mode<br><br>Ability to **distribute** digital services **on a large scale** |

# 3.1 Environmental, social and governance issues

## 3.1.1 CSR GOVERNANCE AT SOLOCAL

Solocal set up a CSR department as early as 2011. From September 2018 to July 2021, the CSR theme was governed by the Institutional Relations, CSR, Ethics and Risk department and has since been governed by the Institutional Relations and CSR department within the General Secretariat.

The Company is now driving eight CSR priorities defined on the basis of the Company's major risks. These priorities, monitored as part of the first SNFP exercise in 2018, allow Solocal to deploy CSR policies that involve more than twenty CSR Correspondents across the Company.

With the health crisis linked to Covid-19, Solocal decided to emphasise its CSR priorities so as to make a greater contribution towards maintaining economic activity nationwide in keeping with its mission: **to vitalise local life**.

Solocal consolidated its CSR policies by **joining the United Nations Global Compact in 2020**, allowing the Company to contribute to the achievement of the **Sustainable Development Goals** (SDG) through the annual publication of a Progress Report to the UN.

Each year is marked by the consolidation of the CSR priorities pursued through the identification and monitoring of a greater number of **key performance indicators** (KPIs) and the definition of concrete, quantified and measurable objectives, in line with the corporate strategy.

Since 2020, **a regular internal communication system** has been developed for the Company's employees in order to raise **their awareness of CSR issues.**

2021 provided an opportunity for Solocal to contribute actively to the French government's Impact platform. The purpose of this platform is to enable companies to publish their environmental, social and governance performance data in order to allow all actively-engaged companies to share their know-how and to publicise their actions. Solocal is one of the pioneer companies to have joined this virtuous initiative.

Finally, and in line with its strategy reaffirmed in the autumn of 2021, Solocal aims to position PagesJaunes as a "**trusted third party**" platform to help French consumers find the right business to meet their needs. This strategic and sustainable approach dovetails with the Company's aim to certify businesses on PagesJaunes.

## 3.1.2 GREEN TAXONOMY

In order to promote sustainable investment, the Taxonomy Regulation (Regulation (EU) 2020/852) establishes a European Union-wide classification to identify economic activities considered sustainable. In application of the delegated regulation specifying the procedures for implementing the provisions of Article 8 of the Taxonomy Regulation, Solocal presents the first sustainability indicators (as per the lighter reporting obligations), which are the percentages of eligibility of the three following indicators: Revenues, CapEx and Opex for the first two environmental objectives (climate change mitigation and adaptation).

In order to meet these new requirements and to become a long-term player in the European Green Deal by integrating this nomenclature into its development, Solocal has set up a Group project, bringing together all the internal stakeholders and relying on sectoral discussion groups and external expertise.

While Solocal's activities are not among the priority activities targeted by the primary climate change mitigation and adaptation objectives, the Group nevertheless wishes to prioritise its actions to contribute to responsible digital technology, an environmental issue that it has identified as a CSR priority since 2018. The taxonomy elements therefore form part of a group trajectory.

The year 2022 will provide an opportunity to consolidate our data related to our energy consumption and our greenhouse gas emissions in order to build an impactful strategy. Our analysis of the green taxonomy should therefore be considered in conjunction with the Group's initiatives to reduce the footprint of its digital activities and operating structures.

For this first year of application, as the regulatory framework and market practices are not yet firmly established and the European Commission is expected to provide further clarification on the implementation procedures, Solocal has opted for a pragmatic, prudent approach in applying its judgement in order to best meet the underlying objectives of this Regulation. Solocal's eligible percentage for each indicator is therefore presented below, as well as the conclusions and assumptions used to identify eligible activities and determine the components for calculating the indicators.

### 3.1.2.1 Eligible revenue

As a reminder, according to the definition of revenue provided in the delegated act relating to Article 8 of the Regulation, revenue from activities that are not classified as enabling by the taxonomy should be excluded from the numerator for the adaptation objective. Therefore, the revenue that can be declared as eligible must correspond to activities that enable climate change mitigation or that are adapted, provided they are enabling activities.

Under this regulatory definition, Solocal analysed its revenue-generating activities with respect to the definition of the activities in the taxonomy that it considered relevant. The activities reviewed were therefore "Data processing, hosting and related activities" and "Programming and broadcasting activities". The other activities related to the Group's business model are only mentioned in Annex II on the mitigation objective but are not qualified as enabling activities.

- Concerning "Programming and broadcasting activities", it seems to us that none of Solocal's activities correspond to the definition of the taxonomy, namely "creation and broadcasting of media content", as this activity is carried out and edited by our customers, with Solocal being merely a service provider.
- Concerning "Data processing, hosting and related activities", we understand from our first analyses of the definition but also of the criteria for alignment that, within the meaning of the taxonomy, this activity relates to the management of energy and fluid savings in data centers. Today, the Group's strategy is to outsource data hosting to third-party companies that own the servers. Solocal's activities cannot therefore be included in this activity within the meaning of the taxonomy.

According to the taxonomy to date and our understanding of the texts, the Group's percentage of eligible revenue is therefore zero [0%][1] on a total revenue of €428 million as presented on the first line of the income statement.

### 3.1.2.2 Eligible CapEx

Group CapEx, in accordance with the definitions given in the delegated act relating to Article 8 of the Regulation, corresponds to increases and investments over the period in property, plant and equipment (IAS 16), intangible assets (IAS 38) and rights of use under leases (IFRS 16). Group CapEx at 31 December 2021 amounted to €36.3 million.

Although the concept of eligible CapEx is not expressly provided for in the delegated act relating to Article 8, which focuses soley on defining the concept of aligned CapEx, we have applied the market consensus on the definition, namely:

- all CapEx directly related to assets or processes associated with eligible activities; and
- CapEx generated by individual measures related to the eligible activities listed in Annexes I and II of the delegated acts.

In the first category, some of the Group's activities are considered eligible under the "mitigation" objective, even if they have not generated any declared eligible revenue, as they are not considered enabling activities. These include the "Websites" and "Connect" activities, which come under "Computer programming, consultancy and related activities". Thus, all CapEx (as defined above) directly related to these activities is eligible.

The Group has not identified any additional CapEx this year related to individual measures, and has not considered new leases during the period as eligible, in the absence of a clear link to GHG emission reduction measures.

According to the taxonomy to date and our understanding of the texts, the Group's percentage of eligible CapEx is therefore 29.5%[1] on total CapEx of €36.3 million.

### 3.1.2.3 Eligible OpEx

Group OpEx, according to the definitions given in the delegated act relating to Article 8 of the Regulation, correspond to the following types of expenses:

- research costs, building renovation costs, short-term leases, maintenance/upkeep and repair costs, and any other direct expenses related to the ongoing maintenance of tangible assets required to keep those assets in good working order.

In the absence of clarification from the European Commission on the exact nature of these OpEx, we have adopted a prudent and restrictive approach. Thus, total Group OpEx amounts to €5.7 million, included in the external expenses presented in the income statement.

Given the Group's activities, the percentage of eligible OpEx is very low.

*(1) The percentage of eligible CapEx corresponds to the proportion of eligible CapEx (numerator) out of the Group's total CapEx (denominator).*

# 3.2 Statement on Non-Financial Performance

In accordance with the transposition of the European Union Non-Financial Reporting Directive, Solocal included its Statement on Non-Financial Performance in its management report as from 2018, covering the main governance, social, environmental and societal risks relevant to its business activities. As a listed Company, it also includes information about preventing corruption, tax evasion and respect for human rights.

Reporting guidelines explaining the scope and CSR indicators published in this Registration Document are available in the appendix.

Since 2015, quantitative data have been collected through the Reporting 21 tool, a collecting and processing application for non-financial information, which enables reliable collection and makes it possible to comment on and trace data consolidation.

The Institutional Relations and CSR department has set up qualitative monitoring of the eight priorities defined in the SNFP since 2018 with the ambassadors (members of the management team and operational staff).

In 2016, the CSR audit and advisory firm Cabinet de Saint-Front was appointed as the independent third party organisation (ITPO) in charge of conducting the audit of CSR information pursuant to the provisions of the Grenelle 2 Act. Since 2018, it has been appointed independent third party organisation (ITPO) to assess the compliance and accuracy of the information published by Solocal in its SNFP.

## 3.2.1 ORGANISATION OF THE SNFP

The SNFP includes the following:

**Solocal business model**

The Company's business model diagram as well as information on the context, organization and strategy to help understand it are provided in the introductory chapter (pages 8 and 9) of the Universal Registration Document.

**Major risks**

With the entry into force of the new Prospectus Regulation (EU) 2017/1129 applicable since 21 July 2019, the method for identifying risks in a prioritised manner is described below.

The non-financial risks identified since 2018, as described below, have been monitored in order to deploy a long-term policy within the Company and with the stakeholders with whom Solocal works on a daily basis.

**Performance, objectives and policies**

A fact sheet describing each non-financial priority is included in paragraph 3.2.3 of the SNFP.

**Appendices**

Additional risks

Methodology note

ITPO report

## 3.2.2 NON-FINANCIAL RISKS AND PRIORITIES

### 3.2.2.1 Protocol for identifying non-financial risks

Solocal used two tools to identify the Company's main non-financial risks:

- the "materiality assessment" conducted by the CSR department in 2017 on various Solocal stakeholders. 40 contact persons were consulted, of which 24 employees in-house and 16 representatives of external stakeholders (corporate clients, Solocal service users, public authorities, professional federations, journalists, NGOs, etc.). 150 hours of dialogue enabled us to prioritise non-financial issues for the Company as regards stakeholder expectations;
- Solocal risk mapping conducted by the Risk department in 2018, 2019, 2020 and 2021, outlined in chapter 2 of the Universal Registration Document.

The results of these two strategies were cross-referenced, completed and discussed by the CSR and Risk teams, both of which report to the General Secretariat. The teams took care to cover all of the topics required by regulations as well as taking into account Solocal's activity and the Company's current financial and corporate situation.

These results were presented to Solocal's Executive Committee.

### 3.2.2.2 Non-financial risks and priorities for Solocal

Pursuant to the eight governance, social, societal and environmental priorities identified in 2018, and following on from the risk assessment carried out in 2018, 2019, 2020 and 2021, the non-financial priorities pursued by Solocal continue to aim at responding to the Company's main CSR risks.

| Domains | Non-financial risks 2021 | Non-financial priorities 2021 |
|---|---|---|
| Societal | – Competition from emerging players in our markets / risk level: major | **1.** Fighting the desertification of town centres by promoting short circuits and developing digital skills in the regions |
| | – Decline in audience for PagesJaunes / risk level: major<br>– Quality and freshness of content on PagesJaunes / risk level: moderate | **2.** Ensuring publication of responsible, widely accessible content |
| Governance | – Failure to comply with French Data Protection Act and GDPR (General Data Protection Regulation) / risk level: major<br>– Cyber-risks and IT security breaches / risk level: major | **3.** Promoting the respect and security of personal data |
| | – Non-compliance with the Sapin 2 law and risk of fraud and corruption / risk level: major<br>– Insufficient cost-efficiency and Non-compliance with the procurement procedure / risk level: moderate | **4.** Consolidating ethical governance and taking CSR aspects into account to ensure the Company's sustainability |
| Employer responsibility | – Recruitment difficulties / risk level: moderate | **5.** Supporting the transformation of jobs and skills |
| | – Psychosocial risks and absenteeism / risk level: major | **6.** Promoting the development of a pleasant work environment for all |
| | – Recruitment difficulties / risk level: moderate<br>– Talent drain / risk level: moderate | **7.** Improving employee commitment and making the Company more appealing |
| Environment | – Environmental risk and climate change / risk level: minor | **8.** Optimising energy consumption, use of resources and reducing the carbon impact for sustainable digital |

## 3.2.3 POLICIES AND INITIATIVES IN RESPONSE TO NON-FINANCIAL RISKS

### 3.2.3.1 Solocal's societal priorities

#### 3.2.3.1.1 Fighting the desertification of town centres by promoting short circuits and developing digital skills in the regions

**Related Sustainable Development Goals (SDGs)**

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by ensuring that women and men have equal access to technical, vocational and tertiary education.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by promoting development-oriented policies that foster productive activities, the creation of decent jobs, entrepreneurship, creativity and innovation and stimulate the growth of micro-, small and medium-sized enterprises and facilitate their integration into the formal sector.

**RISK RELATED TO THIS PRIORITY**

- Competition from emerging players in our markets / Impacts in the event of risk occurrence: loss of customers, loss of revenue and market share

**Our key performance indicators for 2021**

- Number of companies trained via Solocal's Digital Workshops: 406 newly trained companies (+9% vs. 2020), i.e. 778 trained since 2020
- Number of LocalPartner platforms set up with local authorities: 19 local web directories made available since 2019 (+58% vs. 2020)
- Number of digital audits performed: 87,977 (+37% vs. 2020)

**Our objectives for 2022**

- Train 500 companies/year
- Equip 30 local authorities with the LocalPartner platform
- Diagnose 90,000 companies with online digital audits

**Our policy**

With only 11% of French SMEs using digital tools on a daily basis[1],

the degree of digital maturity of French companies is very heterogeneous. This low adoption of the Internet creates a risk of loss of competitiveness for the French regions. The crisis linked to the Covid-19 pandemic has also revealed the need to accelerate the digitalisation of VSEs/SMEs and has changed consumer habits (click & collect, short circuits, etc.). In order to contribute to the digital inclusion of small and medium-sized enterprises and people undergoing professional retraining and to developing digital skills across France, Solocal is pursuing the implementation of a collaborative and partnership policy with local institutional and economic ecosystems (consular chambers, local authorities, associations, local authorities) by fighting against the desertification of town centres.

This policy mobilises Solocal's marketing, sales and institutional relations teams, who provide the regions with digital tools and share their expertise with local businesses. Digital advisors travel throughout France to contribute to regional digitalisation and to meet with local businesses.

**1) HELPING LOCAL BUSINESSES TO ADOPT DIGITAL TECHNOLOGY, CONTRIBUTING TO THE ECONOMIC DEVELOPMENT OF TOWN CENTRES AND PROMOTING SHORT CIRCUITS**

In order to contribute to economic development in the regions, to fight the desertification of town centres and to promote short circuits, Solocal:

- offers all companies in France an online **Digital Audit**, free of charge, to enable them to assess their digital maturity and the quality of their online presence, together with **personalised support by a digital coach**;
- provides expert advice and best practices through a "**Resources**" space (available on Solocal.com) dedicated to the digitalisation of their business through articles, white papers and a web series;
- shares its digital expertise free of charge through **Digital Workshops**, educational modules given by its digital coaches in the regions, in partnership with consular chambers (chambers of commerce and industry, chambers of trade and craft industries), professional federations, competitiveness clusters or local authorities;
- provides local authorities free of charge with its **LocalPartner** solution, a local web platform that lists all local shops and businesses. This version of PagesJaunes.fr, in the colours of the local authority, enables local businesses to use digital services such as updating their information and news, instant messaging, click & collect and online appointment booking.

Since the health crisis, Solocal has contributed to supporting local businesses by **making its Connect Accès offer available free of charge, free of engagement, on PagesJaunes and LocalPartner until 28 February 2021.**[2]

Solocal was also selected in a call for projects by the Ministry of Economy, Finance and Recovery for its offer to appear on the government's "Clique Mon Commerce" platform dedicated to the digitalisation of small businesses in the context of Covid-19.

(1) *AFNIC study on the online presence of VSE/SMEs, 2018.*

(2) *The Connect Accès offer includes free access to four digital services on PagesJaunes for local businesses: updating of their information and news, instant messaging, Click & Collect and online appointment booking.*

To help promote local shops, Solocal organised events in the town centres of Angoulême, Bordeaux and Boulogne-Billancourt, the company's long-standing regional centres, aimed at improving the visibility of shops and artisans through PagesJaunes and the LocalPartner platforms of the regions concerned.

As part of these events, 258 Solocal employees, working with local shopkeeper associations, went out to meet with local shops and artisans to take photos of their shopfronts and interiors and collect up-to-date content to be integrated into PagesJaunes. This initiative allowed more than 800 shops in Angoulême, Bordeaux and Boulogne-Billancourt to enhance their online visibility with more than 1,500 photos illustrating their activities and more than 420 added contents, including reviews, opening times and contact information.

#### 2) SUPPORT FOR NATIONAL SOLIDARITY INITIATIVES

In order to help revitalise local life, Solocal makes its digital expertise available to major national causes. As such, Solocal supports:

- **national public health causes** through Display campaigns on PagesJaunes that make it possible to reach the greatest number of French people, for example by inviting them to download the "TousAntiCovid" application in conjunction with the Secretary of State for Digital Transition and Electronic Communications.
- **national causes relating to the fight against digital exclusion** through the renewal of a patronage action with Emmaüs Connect involving Solocal customers in the payment of a donation on behalf of Solocal.

| 2021 Commitments | 2021 Initiatives |
|---|---|
| Helping local businesses adopt digital technology | – Digital audits carried out at 87,977 companies<br>– Digital Workshops, free digital awareness workshops in the form of face-to-face meetings or webinars, for 406 local businesses<br>– Referencing of Solocal's digital offers with four partner regions to help local businesses use regional aid for digitalisation:<br>  – Auvergne-Rhône-Alpes Region<br>  – Hauts-de-France Region<br>  – Ile-de-France Region<br>  – Southern France Region<br>– Listing of Solocal's digital offerings in the Smart City directory of Banque des territoires<br>– Listing of Solocal's digital offerings in the GouvTech Catalogue, which allows publishers to promote their solutions to public administrations |
| Enhancing the economic development of city centres and promoting short circuits | – LocalPartner platform made available free of charge to 19 local authorities including:<br>– 3 Regions (Hauts-de-France, Ile-de-France, Southern France),<br>– 2 urban communities (Grand-Angoulême, Pays-de-Sommières)<br>– 14 cities (Apt, Argenteuil, Boulogne-Billancourt, Bordeaux, Créteil, Draguignan, Ghisonaccia, Issy-les-Moulineaux, Marseille, Massy, Roubaix, Valence, Vincennes, Viroflay) |
| Supporting national societal initiatives | – Public health: promotion of the TousAntiCovid application on PagesJaunes<br>– Digital inclusion: patronage with Emmaüs Connect |

### 3.2.3.1.2 Ensuring publication of responsible, broadly accessible content

#### Related Sustainable Development Goal (SDG)

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all by promoting development-oriented policies that foster productive activities, the creation of decent jobs, entrepreneurship, creativity and innovation and stimulate the growth of micro-, small and medium-sized enterprises and facilitate their integration into the formal sector.

**RISK RELATED TO THIS PRIORITY**

- Decline in direct audience to PagesJaunes / Impacts in the event of risk occurrence: loss of audience, dependence on indirect audiences, difficulty in monetising the audience

#### Our key performance indicators for 2021

- 7.4: the satisfaction rating of PagesJaunes.fr users (+3% vs. 2020)
- Annual average of +28 NPS (Net Promoter Score) for PagesJaunes.fr users on a population of 20,856 respondents (initial response), i.e. -6 points vs. 2020 out of 41,756 respondents.
- 675,000 businesses use our Solocal Manager platform free of charge for simple content updates
- 81% digital accessibility of PagesJaunes.fr (+25 points vs. 2020 when the rate was 56%)
- 43% digital accessibility of Solocal.com (+0 points vs. 2020 when the rate was identical)
- 42% digital accessibility of Solocal Manager (+0 points vs. 2020 when the rate was identical)
- 36% digital accessibility of Store Locator (+7 points vs. 2020 when the rate was 29%)
- 87% digital accessibility of LocalPartner web directories (+87% points vs. 2020 when no action was taken)

#### Our objectives for 2022

- Improve PagesJaunes user satisfaction rating
- Increase use of Solocal Manager platform, allowing all businesses to update their information on PagesJaunes free of charge
- Raise average digital accessibility rate of our digital services
- Raise awareness of digital accessibility among 100% of our employees

#### Our policy

Solocal aims to provide universal access to quality content in order to guarantee users of its digital services an optimal experience in finding the right business and developing a trusting relationship with it. By pursuing a responsible policy in the design and use of its digital services by companies and users, Solocal is fulfilling its mission to vitalise local life for all, in complete confidence. This commitment covers all the information and advertising content produced and distributed on Solocal's platforms, on its PagesJaunes media, and on partner media, as well as the accessibility of all its public communication services to all persons, whether disabled or not.

To respond as closely as possible to the expectations of users seeking ever greater ease of use and relevance in their local searches and browsing on the Internet, Solocal relies on an internal team of close to 20 people and around 40 external service providers dedicated to the production and management of content on its PagesJaunes.fr media. The NPS and the PagesJaunes satisfaction score reflect the quality of the media by measuring both the quality of the customers' experience and how likely they are to recommend it.

As the reference in terms of content on professionals and businesses in France, Solocal focuses on two strategic areas in order to ensure the publication of responsible, broadly accessible content:

**1) ENRICHING SOURCES OF CONTENT ON PROFESSIONALS AND BUSINESSES AND MODERATION THEREOF**

Solocal works closely with several partners and database suppliers, highly qualified in their respective fields, to index all the French companies in each business sector and enrich their profiles with useful, reliable data.

To this end, Solocal:

- continually improves its content thanks to **public data available in open data** from governmental bodies, local authorities and public services such as:
  - the SIRENE, BODACC, RCS (Trade and Companies Register) directories for companies, and consular chambers,
  - AMELI and ADELI files for healthcare practitioners,
  - AFNOR Certification and ADEME, which grants the RGE label "Reconnu Garant de l'Environnement" (Recognised Environmental Guarantor Label),
  - AtoutFrance for registered travel operators and tourist accommodations, etc.;
- in its capacity as the publisher of a universal directory, integrates the **data made available by telecom operators**;

- enriches its vertical and transactional content with information provided by:
  - **private partners** (such as La Fourchette / Accor);
  - third-party certified organisations: Avis Vérifiés, OpinionSystem, GarageScore, Critizr.
- carries out regular algorithmic monitoring of performance and engagement indicators on the **content quality of its databases.**

In 2020, Solocal reinforced its policy by implementing new dashboards to provide real-time monitoring of quantitative and qualitative changes in the content referenced in its services and its customers' products, in addition to the more qualitative surveys already in place.

In order to continuously ensure the relevance and integrity of the companies that Solocal lists, they are classified according to four levels of criticality to which specific checks are applied, notably in order to ascertain the business effectively exists and that it has the right to register under a specific professional category. A bi-monthly summary is carried out with PagesJaunes to detect alerts and correct them as quickly as possible.

This policy was intensified so as to further improve the reliability of the approximately **4.7 million companies referenced in our digital services**[(1)].

Our PagesJaunes media is developing through a genuine "user-centric" policy, including:

- online questionnaires on our sites and applications: more than 15,000 verbatim responses collected in 2021 to monitor user satisfaction on a daily basis and calculate the NPS;
- a strategy of continuous AB and beta testing to optimise and streamline our user interfaces;
- but also 2,500 PagesJaunes users interviewed and questioned individually to put our pros and users back at the heart of the proposed experience.

In addition, in order to allow each of our users to find the right business with complete confidence, Solocal's teams are committed to listing the certifications and labels of the businesses listed. These elements are a guarantee of trust for the user and also allow businesses to stand out while facilitating transactions. In 2021, 11 new labels were integrated: Accueil Vélo, Certibat, Certi'Crèche, Ecole de conduite qualité, OPQIBI, Qualifelec RGE, Qualiopi AFNOR, Répar'acteurs, S! Services à la personne, Ventilation +, Veriselect.

### 2) ACCESS TO CONTENT BY LOCAL BUSINESSES AND DIGITAL ACCESSIBILITY OF DIGITAL SERVICES

Solocal is particularly committed to simplifying its content and making it accessible to all, through a user path designed to contribute to the digital inclusion of all professionals and all people, including those with disabilities. In order to guarantee that its content is accessible, Solocal:

- allows its clients and all French companies to access their own content, simply and free of charge, via the Solocal Manager application. This initiative is driven by the search for an optimal, responsible browsing experience as well as by the possibility for businesses to consult, adapt and enrich their local profiles on our digital media and those of our partners;
- is committed, in partnership with Urbilog, an expert in digital accessibility, to a **digital accessibility policy for its digital services**, in addition to compliance with Article 106 of the Law for a Digital Republic of 7 October 2016 and its application decree of 25 July 2019 on the obligation of digital accessibility for companies with revenues of more than €250 million. This policy is carried out within the Institutional Relations and CSR department by the **Digital Accessibility Officer appointed in October 2020 under a letter of assignment from the Chief Executive Officer**. PagesJaunes has been a forerunner in taking digital accessibility into account, with a digital accessibility rate now reaching 81%. 2021 was marked by a special effort on our PagesJaunes media and its LocalPartner version, which have integrated the standards that make digital technology accessible. While our corporate website Solocal.com and the Solocal Manager platform have not been revised along these lines by our partner Urbilog in 2021, awareness-raising of all employees was initiated at the end of the year for these good practices to become daily habits. Finally, work on our mobile apps has been underway since last spring.

*(1) Data as of 2 January 2022*

| 2021 Commitments | 2021 Initiatives |
|---|---|
| Guaranteeing a quality and control process for content on PagesJaunes | – Monitoring of registrations completed directly on pagesjaunes.fr or via customer services to avoid false information being entered into its resources (via algorithms and database cross-referencing) for the 482,000 new companies listed in 2021 out of the 4.7 million businesses featured<br>– Increase updates of our databases to 3.9 million per month on average [(1)]<br>– Reduction in the time taken to put our content online, from 2 days in 2018 to an average of 6 hours by the end of 2019 and to 1 minute since 2020 [(2)]<br>– Monthly reliability tests of our published content by sampling<br>– Renewal of content partnership with Bing, taking into account indicators covering the following quality areas: completeness of the database, richness of content, quality and freshness of the database. Since March 2019, measurements have been taken at least every two months for an objective assessment of the quality of our database's contents<br>– Number of moderated reviews searchable on pagesjaunes.fr: 15 million reviews published on PagesJaunes at the end of December, including 1.6 million submitted by PagesJaunes users and 13.4 million from our partners (Avis Vérifiés, Opinion System, etc.) |
| Ensuring the digital accessibility of Solocal's digital services | – Implementation of a digital accessibility policy, in addition to compliance with the law:<br>  – audit of digital services (PagesJaunes, Solocal Manager, Solocal.com, Intranet, Store Locator, LocalPartner)<br>  – training of 51 employees by the training organisation Compéthence (project manager, web editor, developer)<br>  – appointment of a Digital Accessibility Officer and of several Digital Accessibility Correspondents in the Product and R&D teams<br>  – publication of legal documents (Declaration of Accessibility, Multi-year Accessibility Plan and Annual Accessibility Plan)<br>  – advice, within the framework of a dedicated communication, to Large Account customers using Solocal's Store Locator solution<br>  – launch of work on digital accessibility of the PagesJaunes and Solocal Manager mobile apps<br>  – launch of in-house training course on digital accessibility for all employees |

## 3.2.3.2 Solocal's governance priorities

### 3.2.3.2.1 Promoting the respect and security of personal data

#### Related Sustainable Development Goal (SDG)

Promote peaceful and inclusive societies for sustainable development through the guarantee of public information and the protection of fundamental freedoms, in accordance with national legislation and international agreements.

**RISKS RELATED TO THIS PRIORITY**

- Non-compliance with French Data Protection and Civil Liberties Act and GDPR / Impacts in case of risk occurrence: CNIL control and sanctions, damage to reputation
- Cyber-risks and IT security breaches / Impacts in case of risk occurrence: publication of malicious information on the Company's media, non-compliance with French Data Protection and Civil Liberties Act and GDPR, data compromise, financial losses, damage to reputation

#### Our key performance indicators for 2021

- Time frame for processing requests for the deletion of personal data: 13 days in 2021 vs. 7 days in 2020

*(1) Data as of January 2022.*

*(2) This is the average time between the update within our Solocal Manager application and the publication on PagesJaunes.fr for non-moderated content.*

### Our objectives for 2022

- Maintain processing times significantly lower than the maximum legal time limit imposed by the GDPR (1 month) in the dual context of an increasing complexity of requests to exercise the rights of individuals, related to the growing maturity of individuals on issues of personal data protection, and the widespread increase in requests from professionals addressed to Customer Operations
- Train 100% of employees on GDPR and cybersecurity issues

### Our policy

Solocal has made the protection of personal data an essential, central element of its activity in order to ensure its sustainability. Solocal is convinced that "*Privacy is good for business*" and is committed to contributing to an Internet that can be trusted. In order to promote the respect and security of personal data, the Company is developing a policy with a two-fold focus:

#### 1) THE PROTECTION OF PERSONAL DATA AS A SELLING POINT

Over and above compliance with applicable regulations on the protection of personal data (French Data Protection Act, GDPR, e-privacy, etc.), Solocal:

- intends to earn its customers' trust. This regulation is an opportunity to enshrine the following principle: **"*Privacy is good for business*"**. For this purpose, as early as 2011, Solocal appointed a Data Protection Officer (formerly Correspondant Informatique et Libertés) and a team dedicated to data protection, seven years ahead of the regulatory obligation created with the GDPR. With its internal GDPR compliance program, deployed in July 2017, Solocal also supports its VSE/SME and large account clients in their compliance by making personal data protection a real selling point;
- wants to play a role in ensuring that its users' personal data is protected. In this respect, the company has interprofessional certifications and labels, such as:

– Drive-to-Trust certification, which transparently guarantees the compliance of advertising companies' mobile solutions to their customers. The Drive-to-Trust Right People label validates the quality of solutions that offer the audience segments necessary for inventory valuation;

– For the fourth year running, PagesJaunes and Ooreka have been awarded the Digital Ad Trust label, an inter-professional label aimed at evaluating and enhancing the quality of sites committed to responsible advertising practices through five defined criteria:

1. guaranteeing "brand safety", i.e. ensuring that brands are featured in safe environments,
2. optimising the visibility of online advertising,
3. combating fraud,
4. improving the user experience (UX) and controlling the number of ads per page,
5. giving Internet users better information on personal data protection;

- actively participates, through membership in various organisations (GESTE, Syndicat des Régies Internet), in the work of the digital ecosystem to promote good practices in terms of personal data protection.

Given the significant increase in the average time to process and modify data in 2021, Solocal has chosen to make the handling of personal data a company-wide issue. As such, the customer service is now able to respond to all of our users on their personal data with an average timeframe that is exemplary compared to the regulatory timeframe required (1 month). Solocal is constantly working to put consent tools back at the heart of the browsing experience. The Company thus contributes to improving the data protection of all visitors as well as businesses, with over 200,000 consent management platforms.

#### 2) IT SECURITY AS EVERYONE'S BUSINESS

In order to contribute to the protection of personal data and to be a trusted third party in the security of personal data, Solocal is steering an information security management system (ISMS) programme. This policy is focused on four commitments:

- ensuring the security of the Company's information systems;
- raising employee awareness about information system security risks on an ongoing basis;
- protecting the Company's assets;
- consolidating internal governance that makes information system security everybody's responsibility.

Through the company's IT Charter, this policy involves all the Company's employees.

the Information Systems Security Manager (ISSM) has enabled the secure equipment of all employees through the implementation of dual authentication (MFA: Multi Factor Authentication). Support was provided to each employee to ensure optimum security, particularly in the context of the remote work imposed by the health crisis.

To prevent cyber risks, Solocal has therefore set up a multi-year training plan. This e-learning programme, which is mandatory for all employees, was launched in July and offers technical data sheets, educational videos and phishing simulation campaigns to all employees of the Group in order to raise their awareness.

To further explore the theme, October 2021 was declared "Cyber Month". This was an opportunity for all the Company's employees to participate in special webinars and cyber meetings. All the sales teams were also made aware of the importance of sharing their expertise with their customers and prospects throughout the country.

| 2021 Commitments | 2021 Initiatives |
|---|---|
| Train employees on issues related to personal data collection and cybersecurity | – Mandatory training for all employees on the challenges of using IT via the Solocal Academy corporate platform via several modules, including three in 2021: email and phishing, personal data and passwords |
| Share best practices with Solocal's customers, partners and suppliers | – Provision on Solocal.com of a platform of recommendations for maintaining a sustainable and trustworthy business, with six educational and entertaining videos on personal data protection, digital accessibility and ethical business practices |
| Introducing internal governance that makes information system security everybody's responsibility | – Deployment of MFA equipment to 100% of employees who want to access the server from outside the Company<br>– Operationalisation of the Information Systems Security governance system with:<br>  – implementation of the Group Information Systems Security Policy (GISSP)<br>  – IT Charter updated in 2020 and presented to the company's SEC and validated by the Executive Committee |

### 3.2.3.2.2 Consolidating ethical governance and taking CSR aspects into account to ensure the Company's sustainability

#### Related Sustainable Development Goals (SDGs)

Ensure sustainable consumption and production patterns by encouraging companies, especially large and transnational ones, to adopt sustainable practices and to include sustainability information in their reporting.

Promote peaceful and inclusive societies for sustainable development through the guarantee of public information and the protection of fundamental freedoms, in accordance with national legislation and international agreements.

**RISKS RELATED TO THIS PRIORITY**

- Non-compliance with the Sapin 2 law and risk of fraud and corruption / Impacts in case of risk occurrence: control of the French Anti-Corruption Agency and sanctions, damage to reputation
- Insufficient cost-efficiency and non-compliance with the procurement procedure / Impacts in the event of risk occurrence: non-optimisation of investments, risk of conflict of interest or corruption

Over and above compliance with laws and regulations, Solocal is convinced of the virtues of consolidating ethical and responsible governance and is committed to developing a policy that integrates CSR aspects so as to ensure the Company's sustainability.

#### Our key performance indicators for 2021

- 100% of employees trained in ethical and anti-corruption issues (Sapin 2 law)
- 185 suppliers assessed in total (+44.5% compared with 2020)
- Receipt and handling of three ethical alerts (-25% compared with 2020)
- EthiFinance Gaia Rating: 80/100 (+0% compared with 2020)
- EcoVadis rating: 53/100, Bronze medallist (+7 points compared with 2020)

#### Our objectives for 2022

- Train all new entrants in ethics
- Raise our clients' awareness of ethical, GDPR and CSR issues through specific motion designs
- Raise employee awareness of CSR

#### Our policy

Solocal's policy of consolidating ethical governance and taking CSR aspects into account to ensure the Company's sustainability is embodied in five mechanisms whose objectives are renewed each year in order to maintain a foundation of sustainable governance.

**1) PROMOTING SOCIAL DIALOGUE AND VALUE SHARING**

In order to promote social dialogue and value sharing, the Company:

- implements a **direct internal survey** of all Company employees, which is repeated every year (cf. social priority "Strengthening employee commitment and making Solocal more appealing" in this Statement on Non-Financial Performance);

- organises **monthly discussions with senior management** (in person and via video-conferencing) for all the staff. These discussions are an opportunity to review the latest highlights, to share product and marketing developments, and also to show employees they are valued;
- develops a **value-sharing scheme** for all Company employees;
- implements a **remote working agreement**.

### 2) PROMOTING DIALOGUE WITH SHAREHOLDERS

In order to strengthen dialogue with shareholders and encourage long-term investor commitment, the members of the Board of Directors and the entire management team are particularly attentive to relations with both individual and institutional shareholders. This policy is steered by the Investor Relations department, which:

- facilitates exchanges with shareholders and investors via **bilateral meetings** (investor days, meetings with institutional investors, and conferences) and **dedicated tools** (telephone line, emails, web page, contact form, etc.);
- is developing a dedicated "investors and shareholders" page on the Solocal.com website to host all the Company's **financial information and make it easier for shareholders and investors to understand** (explanatory videos, practical information sheets, etc.).

### 3) STRENGTHENING THE TRANSPARENCY OF SOLOCAL'S NON-FINANCIAL PERFORMANCE

In order to improve the transparency of its non-financial performance, Solocal:

- is committed to responding each year to the **questionnaires of a number of extra-financial rating agencies** and in particular to the EthiFinance Gaia Rating index, the ISS and VigeoEris questionnaires;
- evaluates its social performance on Ecovadis;
- consolidates its CSR policy within the evaluation questionnaires of its customers and suppliers.

Solocal has also initiated a process to raise awareness of CSR issues among its employees by regularly publishing articles on the subject in the in-house newsletter or on the intranet.

### 4) DEPLOYMENT OF A GLOBAL ETHICS AND ANTI-CORRUPTION POLICY

In order to support the Company's cultural transformation, Solocal has been deploying a comprehensive Ethics and Anti-Corruption policy since 2018. This policy is supported by the Compliance unit within the General Secretariat and more particularly by the **Ethics Officer appointed in October 2018 under a letter of assignment from the Chief Executive Officer.**

Concomitantly with the implementation of the Company's compliance with the Sapin 2 law on transparency, the fight against corruption and the modernisation of economic life, **four ethical principles** were affirmed in 2019 in the Company's Code of conduct:

- Trust
- Transparency
- Integrity
- Respect

As part of this policy, Solocal currently has several active mechanisms:

- a **Code of conduct** aimed at ensuring compliance with clear, universally-recognised rules, together with a policy of disciplinary sanctions;
- a **whistleblowing system** open to all employees and managers, enabling them to report, confidentially and outside Solocal's information systems, any serious harm to the interests of the Company's assets and persons;
- a training programme for all employees;
- a whistleblowing procedure;
- a gifts and invitations policy;
- a conflict of interest procedure;
- a **system for the assessment of third-party integrity** (customers, users, suppliers, partners, etc.);
- accounting control procedures to prevent corruption.

Much more than a legal obligation, fighting corruption and fraud is a priority for Solocal, which has zero tolerance in this area.

In 2018 and 2019, Solocal benefited from the expertise and support of the economic players' support hub of the French Anti-Corruption Agency (AFA) to challenge the Company's vision and enrich it with expected best practices.

On 10 February 2021, Solocal was heard at the French National Assembly by Olivier Marleix, MP for Eure-et-Loir and Raphaël Gauvin, MP for Saône-et-Loire on the application of the Sapin 2 law within its organisation.

With a view to publicising Solocal's anti-corruption measures, the Company is keen to share its experience and its points for improvement, as demonstrated by its presentation on 23 November 2021 at the 8th edition of the Business Ethics and Compliance conference.

### 5) A RESPONSIBLE PURCHASING POLICY

With a view to implementing a responsible purchasing policy, the teams have set up an evaluation grid through which ethical, legal, CSR, information systems and personal data protection issues are analysed and evaluated during each request for proposals.

In addition to this, Solocal has also equipped itself with the EcoVadis tool, a platform for evaluating CSR performance and responsible purchasing, in order to better understand the CSR policies of its suppliers and better control its impact.

| 2021 Commitments | 2021 Initiatives |
|---|---|
| Establishing a value-sharing system | – Implementation of employee shareholding in March 2021 through the Employee Shareholding Offer (Offre Réservée aux Salariés - ORS) enabling employees to become Solocal shareholders at a preferential price and with a matching contribution from the company |
| Promoting dialogue with shareholders | – Maintenance of "Investors" page on Solocal.com<br>– Hotline to allow all shareholders to access the same information during the financial restructuring process |
| Strengthen transparency of Solocal's non-financial performance | – Solocal entered the Gaia Rating index with a ranking of 26th out of 230 French SMEs and mid-caps listed on the Paris Stock Exchange (80/100)<br>– Awarded the Bronze Ecovadis label (53/100)<br>– Publication of six articles or communication on CSR in Solocal's in-house newsletter or intranet |
| Bringing the Company in compliance with the Sapin 2 law | – Deployment of the Ethics programme at the Solocal Interactive site in Mauritius<br>– Ethics training for 100% of Solocal and Solocal Interactive employees<br>– Consolidation of Solocal's third-party integrity assessment policy:<br>  – Ethics and sustainable development charter<br>  – ethical evaluation procedure as part of a contract with a supplier, partner or intermediary<br>  – assessment of 185 suppliers<br>  – ethical evaluation procedure as part of entering into a contract with a customer<br>  – ethical due diligence procedure as part of an M&A transaction<br>  – ethics and anti-bribery clause included in customer purchase orders and customer framework contracts<br>– Sharing of expertise and best practices to spread an ethical culture within a group (presentation at the National Assembly and at the 8th edition of the Business Ethics and Compliance conference) |

## 3.2.3.3 Solocal's social priorities

### 3.2.3.3.1 Supporting the transformation of jobs and skills

#### Related Sustainable Development Goal (SDG)

Promote sustained, shared and sustainable economic growth, full and productive employment and decent work for all so that by 2030, full and productive employment can be achieved, and all women and men, including young people and persons with disabilities, can be guaranteed decent work and equal pay for work of equal value.

**RISK RELATED TO THIS PRIORITY**

- Recruitment difficulties / Impacts in the event of risk occurrence: decrease in competitiveness, additional costs

#### Our key performance indicators for 2021

- Level of recommendation within the Company: 52% (down 5 points from 57% in 2020)
- 267 internal transfers within the Company (+157% compared with 104 in 2020)
- Number of managers who have taken the "CampusManager" training: 206 managers
- Percentage change in employees who responded to the internal opinion survey in January 2022 who consider the Company enables them to develop their skills and employability: 65% (-0.5 points compared with 2021 survey on 2020)

#### Our objectives for 2022

- Increase the percentage of employees who consider the Company enables them to develop their skills and employability
- Increase the number of managers who have taken the "CampusManager" training
- Increase the number of internal transfers

#### Our policy

Solocal's success is built primarily on the experience, expertise and skills of its employees; ensuring that their skills match the changing needs of the Company's activities is a true challenge in today's competitive markets. As an extension of the strategic transformation plan and more specifically the refocusing on digital services, supporting employees through training is, from the Company's point of view, crucial to ensuring their employability, both in their development within the Company and in the enhancement of their skills externally.

The Company's policy with regard to supporting employees as jobs and skills change is one of the company's core concerns. This policy is structured around:

#### 1) MANAGEMENT OF JOBS AND CAREER PATHS (GEPP)

Formalised in a collective agreement, the management of jobs and career paths policy (GEPP) is designed to support the evolution of jobs and skills over three years on the basis of an annual analysis. Each year, these elements are at the heart of the Company's social dialogue. In this way, the Company:

- categorises jobs into "major skills evolution", "growing" and "decreasing demand".
- implements the systems to support these changes, notably thanks to an extensive training offer to ensure retraining or adaptation, whether this takes place within the Company or in an external mobility context.

The reopening of negotiations in 2022 aims in particular at signing a new agreement within the Company.

#### 2) A TRAINING PLAN

The training plan, presented and discussed at the Executive Committee, at the Training Commission and at the Works Council, aims to design a training policy. In this context, the Company pays attention to:

- supporting its economic priorities;
- accelerating professional development and boosting employability;
- supporting cultural and managerial transformation;
- promoting a learning system focused on proactive sharing that benefits everyone;
- modernising and innovating in the field of training.

Despite the health crisis, all the training programmes were maintained thanks to distance learning solutions, by adapting schedules and time slots.

Solocal has strengthened these digital training programmes and has set up a "Campus Manager" training programme for managers.

| 2021 Commitments | 2021 Initiatives |
|---|---|
| Implement the training plan, focusing on four priorities:<br>– understanding the strategic plan;<br>– supporting priority transformation projects;<br>– adapting skills in response to changes in businesses and organisations;<br>– supporting management in applying the new business culture. | – Training provided for 1,703 employees on the new range of digital solutions for the Sales department<br>– Technical training for commercial prospecting: 1,318 employees<br>– Ethics and anti-corruption training (Sapin 2 law) for 100% of employees<br>– Digital marketing training for 207 employees<br>– Agile training - level 1,2,3 for 64 employees<br>– Training on personal data and cybersecurity issues for 554 employees<br>– Campus managers training: 39.9 hours + 260 managers with Comex sponsor – 11 cohorts<br>– Management training on support to sales representatives<br>**Indicators:**<br>– Average number of hours of training per trained employee: 24.96<br>– Proportion of payroll for the training budget: 3.90% |

## 3.2.3.3.2 Promoting a pleasant work environment for all

### Related Sustainable Development Goal (SDG)

Promote sustained, shared and sustainable economic growth, full and productive employment and decent work for all so that by 2030, full and productive employment can be achieved, and all women and men, including young people and persons with disabilities, can be guaranteed decent work and equal pay for work of equal value.

#### RISK RELATED TO THIS PRIORITY

Psychosocial risks and absenteeism / Impacts in the event of risk occurrence: impact on the health and well-being of employees, increase in provident fund contribution, deterioration in working conditions.

### Our key performance indicators for 2021

- Sick absenteeism rate and percentage change in sick absenteeism rate: 11.35% (-1.5% vs. 2020).
- Percentage change in Solocal employees who responded to the internal opinion survey in January 2021 who said they were satisfied with the level of respect with which they were treated: 80% (-1 point compared with 2020).

### Our objectives for 2022

- Increase rate of Solocal employees who consider themselves satisfied with the respect with which they are treated.
- Decrease in absenteeism rate.

## Our policy

Solocal is going through phases of profound transformation (2013 Employment Protection Plan, 2015 Voluntary Departure Plan, 2018 and 2019 Mobility Plans) that are a cause of organisational changes and concerns for employees. Well aware of the consequences that such a context can have on the quality of life at work, Solocal implements a policy aimed at promoting the development of a pleasant work environment for all, which helps towards the achievement of its social and economic objectives.

The appointment of a Work Environment Director in 2020, reporting to the Director of Human Resources, helped coordinate the installation of employees in new premises (Cesson-Sévigné, Le Haillan, l'Isle d'Espagnac) enabling them to carry out their activities in an optimum working environment.

Since 2019, this policy aimed at promoting the development of a pleasant work environment for all has been based on:

### 1) THE FIGHT AGAINST ABSENTEEISM

Absenteeism is on the rise throughout France and is also a priority for the Company, which:

- has implemented a process designed to encourage employees to return to work after a long-term absence due to sickness;
- is setting up a system to combat absenteeism.

As part of mandatory negotiations on the quality of life at work, absenteeism is the subject of working groups with the staff and union representatives.

Specific measures have been identified as part of Solocal's absenteeism action plan and new measures were deployed in 2021 around four strong policies:

- combine economic and social performance;
- unite the workforce around the Company's strategy and project;
- better recognise and value employees;
- develop the quality of life at work.

### 2) THE PREVENTION OF RISK SITUATIONS AND IN PARTICULAR PSYCHO-SOCIAL RISKS (PSR)

In order to support Solocal's transformation plan, the Company:

- **uses a range of disciplines** (human resources, employees, occupational health physician) to detect workplace situations that expose employees to PSR;
- provides a **counselling and support system** in order to find operational solutions that make it easier for employees to do their jobs;
- monitors **prevention initiatives under the regulatory framework of the Health, Safety and Working Conditions Committees under the aegis of the quality of life and occupational health division**.

Since 2020, in the context of the health crisis linked to COVID 19, special measures have been put in place with hardware equipment for all employees (laptops or virtual machines enabling them to work and log in remotely) and the implementation of remote work.

Following on from these actions, Solocal consolidated an action plan at national level to fight PSR.

An agreement regarding the implementation of remote working was discussed in 2021. Signed for its subsidiaries Effilab, Leadformance and Solocal Marketing Services, the agreement is currently being negotiated for Solocal SA.

### 3) AN APPROACH TO IMPROVE THE QUALITY OF THE COMPANY'S OFFICES

This policy, which is described in the environmental priority of this Statement on Non-Financial Performance, contributes to offering employees better working conditions.

| 2021 Commitments | 2021 Initiatives |
|---|---|
| Implementing a policy against absenteeism | – Mandatory negotiations on Quality of Life at Work with the trade unions<br>– Implementation of an action plan on absenteeism through four policies divided into 19 actions |
| Preventing risk situations | – Continuation of primary prevention initiatives with local health, safety and working conditions commissions and local representatives<br>– In-depth work on primary prevention with action plans and implementation of indicators<br>– Update of the single risk assessment document |

### 3.2.3.3.3 Improving employee commitment and making Solocal more appealing

#### Related Sustainable Development Goal (SDG)

Achieve gender equality and empower all women and girls by contributing to the worldwide end to all forms of discrimination against women and girls.

Promote peaceful and open societies for sustainable development by ensuring that dynamic, participatory and representative decision-making at all levels is a hallmark of the process.

**RISKS RELATED TO THIS PRIORITY**

- Recruitment difficulties / Impacts in the event of risk occurrence: decrease in competitiveness, additional costs
- Talent drain / Impacts in the event of risk occurrence: decrease in competitiveness, additional costs, loss of key skills

#### Our key performance indicators for 2021

- Level of engagement expressed by Solocal employees who responded to the internal opinion survey: 72% (down 3 points from 75% in 2020)
- Percentage of women executives: 30.77% (+3.6% women compared with 2020);
- Equal pay index for women and men at Solocal SA: 96 points in 2020 (up 4 points compared with 2019)
- 175 apprentices in the company (+414.71% in 2021 vs. 34 in 2020)

#### Our objectives for 2022

- Increase the percentage of female representation in top management
- Maintain the level of engagement expressed by employees
- Maintain the level of the Solocal SA index
- Increase the number of apprentices recruited

#### Our policy

In order to ensure the durability and development of the Company's activities, Solocal aims to attract and retain employees from all backgrounds with a wide range of specialised, complementary skills, a challenge that is all the more difficult to meet in the competitive field of digital technology. Despite the health crisis and in particular in the context of the recovery plan with the "1 young person, 1 solution" policy initiated by the French government, Solocal is pursuing for the second consecutive year its policy to make itself more appealing to employees and job applicants.

With the mobilisation of three people within the Human Resources department, Solocal makes employee engagement a priority.

This policy is based on:

**1) MANAGING TALENT**

In order to attract and retain talent, the Company:

- establishes **partnerships with schools** at the local and national level;
- **shares the expertise** of its employees and managers with students;
- works on strengthening its **employer brand**;
- is rolling out a programme dedicated to **apprenticeship**.

**2) IMPROVING EMPLOYEE ENGAGEMENT**

In order to recognise and reward the work of its teams, the Company:

- identifies the strengths and weaknesses of its organisation and internal environment through an **opinion survey**, which has been conducted for several years now among all Company employees;
- implements a **talent retention system** (identification of key positions, detection and retention of talent including a retention plan, succession plan), notably through a mapping of career development prospects for employees identified as key for the company; professionalises its local management through the deployment of **dedicated managerial training programmes**.

**3) SUPPORTING SOCIETAL INITIATIVES**

In order to develop employee engagement, the Company:

- supports an innovative initiative led in partnership with APELS (Agency for Education through Sport) aimed at recruiting young athletes from priority neighbourhoods in the Lille regional centre;
- recognises employee initiatives aimed at sharing expertise with Solocal's various partners (local institutions, private partners and the academic sphere, as expressed in priority 1 of this SNFP).
- promotes local shops through local operations (in Angoulême, Boulogne-Billancourt and Bordeaux) in order to get employees involved in their region. By visiting more than 800 shops, around 258 employees have volunteered to share their know-how on digital presence with local businesses.

**4) PROMOTING GENDER DIVERSITY**

In order to promote gender diversity, the Company:

- is committed to **equal pay for women and men**. At Solocal's largest subsidiary, the equal pay index between women and men stands at 92 points (cf. provisions resulting from the law No. 2018-771 of 5 September 2018 and the decree No. 2019-15 of 8 January 2019 applicable to companies with more than 1,000 employees in terms of transparency on pay differentials between women and men);
- stipulates in its recruitment process that recruitment firms working with Solocal must retain at least one woman out of every three people among shortlisted candidates. With **otherwise equal skills, priority is given to hiring a woman**.

| 2021 Commitments | 2021 Initiatives |
|---|---|
| Setting up partnerships with schools | – Partnership with ProActive Academy, IGS and its partners in the Solocal regional centres of Boulogne-Billancourt, Cesson-Sévigné, Le Haillan and Roubaix, relating to the job of office-based salesperson |
| Strengthening the employer brand | – Implementation of local managers' committees, held every month since June 2019 in each Solocal regional centre, under the responsibility of the local Human Resources Manager<br>– Development of a partnership with "Welcome to the Jungle" around an employer branding platform: sharing of company values, company identity, job offers |

## 3.2.3.4 Solocal's environmental priorities

### 3.2.3.4.1 Optimising energy consumption, use of resources and reducing the carbon impact for sustainable digital

#### Related Sustainable Development Goals (SDGs)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Establish sustainable consumption and production patterns with the objective of significantly reducing waste generation by 2030 through prevention, reduction, recycling and reuse.

**RISK RELATED TO THIS PRIORITY**

Risks related to the environment and climate change / Impacts in the event of risk occurrence: decrease in energy efficiency, increase in greenhouse gas emissions, failure to control costs, deterioration of brand awareness and employer brand.

#### Our key performance indicators for 2021

- Change in emissions from car fleet (in $CO_2$ tonnes equivalent per vehicle): +8.51% (1,581 tonnes $CO_2$ equivalent/ vehicle in 2021 vs. 1,457 in 2020)
- Change in carbon impact of offices (in kg $CO_2$ equivalent): -7% (256,990 kg $CO_2$ in 2021 vs. 276,546 kg $CO_2$ in 2020)
- 14 tonnes of electrical and electronic equipment waste collected

#### Our objectives for 2022

- Deploy a new car policy by integrating hybrid electric models
- Audit the energy performance of buildings and carry out the carbon footprint Maintain the decrease in overall emissions from the car fleet and offices
- Maintain recycling of electrical and electronic equipment waste

#### Our policy

In order to contribute to the fight against global warming, Solocal is optimising the resources used to develop its digital activities as part of its transformation. With the end of its printed directories business, Solocal made a strategic choice that is in line with the environmental priority it supports in helping local businesses achieve a sustainable and responsible digital transformation.

Solocal SA's 2018 carbon footprint actually showed a reduction in greenhouse gas emissions of close to 41%, attributable mainly to the digital transformation and to the reduction in the number of printed directories. The year 2022 will be an opportunity to renew Solocal's carbon footprint and to observe the impact of the total cessation of the printed directories business. Solocal's policy of optimising energy consumption and resources is mainly steered by the Real Estate department, within which two people are notably in charge of collecting data on greenhouse gas emissions resulting from the buildings' and car fleet's consumptions. With the migration of our data to the cloud, the only emissions generated by the Company's technical infrastructures are monitored by one person in the IT and R&D department. Solocal confirms its commitment by:

**1) IMPLEMENTING A SUSTAINABLE BUSINESS TRAVEL POLICY**

In addition to a continuous reduction in greenhouse gas emissions linked to employee commuting and business travel and the effects of the two lockdown periods linked to the Covid-19 health crisis, Solocal has planned a **gradual transition for its commercial car fleet to hybrid vehicles.**

In the context of salary negotiations, Solocal has ratified a new vehicle policy under which the Company is committed to no longer renewing diesel vehicles for all employees and instead encouraging them to use hybrid or electric models.

Regular communications are sent to employees to help them adopt the right habits for safe and environmentally responsible driving. With the aim of developing a more comprehensive mobility policy in its seven regional centres (Angoulême, Boulogne-Billancourt, Cesson-Sévigné, Le Haillan, Nancy, Roubaix and Villeurbanne), Solocal is also keen to accelerate its **awareness-raising programme for employees on road safety, eco-driving and soft mobility.**

### 2) OPTIMISING THE COMPANY'S REAL ESTATE PORTFOLIO

As a continuation of the policy pursued since 2018, Solocal:

- **optimises its rental space** in order to improve the environmental quality of its real estate assets, particularly in Boulogne-Billancourt (rental of City 3), Chambéry, Grenoble, Nancy, and Villeurbanne;
- leaves premises that are not much used and that have the defects of old buildings (insulation, air circulation, etc.) to move into **high-quality, HQE and RT 2012-certified premises** with the relocation of our sites in Bordeaux and Rennes and the closure of the sites in Angoulême and the branches in Montpellier, Nice and Grenoble;
- integrates the lessor's responsibility regarding the choice of materials so that environmental and health impacts are limited to the greatest extent possible by using **materials or products with a recognised environmental label** (European Ecolabel, NF Environnement, GUT, Blue Angel, etc.);
- is helping to **maintain biodiversity** in urban areas by installing beehives on the roof of its headquarters in Boulogne-Billancourt (Citylights complex).

### 3) PROMOTING RESPONSIBLE DIGITAL TECHNOLOGY

2020 is the first year in which the Company's **data will be moved to the cloud** through its partners.

Solocal has adopted a responsible daily management of its IT equipment, pursuing its policy of optimising the useful life of IT equipment by:

- **extending equipment's life cycle** through a leasing contract with Econocom;
- **donating equipment** for re-use to the non-profit organisation Les Ateliers du Bocage;
- **recycling print cartridges** with Conibi;
- **"Move to Cloud" policy**: the decommissioning of servers and data centers of Solocal's subsidiaries has made it possible to adapt the storage space to needs. That said, not all service providers currently allow the Company to track greenhouse gas emissions from its data storage.

| 2021 Commitments | 2021 Initiatives |
|---|---|
| Optimising rental space and improving the environmental quality of the Company's real estate portfolio | – Reduction in average space leased<br>– Relocation of the Bordeaux and Rennes buildings to new HQE and RT 2012 certified premises in Le Haillan and Cesson-Sévigné |
| Promoting responsible digital technology | – 100% of the Group's infrastructures and systems migrated to the cloud<br>– Decommissioning: VM, hypervisors, physical servers, etc. |
| Educating employees on safe and environmentally responsible driving | – Three communications were sent to employees during the year to inform them of good practices |

## 3.2.4 APPENDICES

### 3.2.4.1 Additional risks

**Details on the inclusion of major categories required by Order No. 2017-1180 on the publication of non-financial information**

| | |
|---|---|
| **Social consequences of the business activity** | |
| Collective agreements entered into in the Company and their impacts on its economic performance and employee working conditions | This topic is covered in the social priorities. |
| Actions against discrimination and to promote diversity | This topic is covered under "Strengthening employee engagement and making Solocal more appealing". |
| **Environmental consequences of the activity and impact of climate change** | |
| Consequences on climate change of the business activity and of the use of the goods and services it produces | This topic is covered in "Optimising energy consumption, use of resources and<br>reducing the carbon impact". |
| Societal commitments to sustainable development, the circular economy and the fight against food waste | This topic is not a major non-financial risk for Solocal. It is not covered by the Company's Statement on Non-Financial Performance. |
| **Societal commitments** | |
| Fight against food insecurity, working to secure animal welfare and responsible, fair and sustainable nutrition | This topic is not a major non-financial risk for Solocal. It is not covered by the Company's Statement on Non-Financial Performance. |
| **Human rights** | Risks that are not on the list of "Non-financial risks and priorities" are not considered as major risks for Solocal.<br>However:<br>Our Code of conduct is aligned with fundamental and universal principles such as those of the Universal Declaration of Human Rights, those set forth in International Labour Organization agreements on freedom of association, the right to collective bargaining, eliminating discrimination in respect to employment and occupation, eliminating forced or compulsory labour, and abolishing child labour, and those of the Organisation for Economic Cooperation and Development (especially with respect to efforts to fight corruption). Solocal also signed up in 2020 to the Principles of the **UN's Global Compact** (United Nations), allowing the company to contribute to the achievement of the **Sustainable Development Goals** (SDGs) through the annual publication of a Progress Report to the UN. |
| **Corruption** | This topic is detailed under "Consolidating ethical governance and taking CSR aspects into account to ensure the Company's sustainability". |
| **Tax evasion** | This topic is not a main risk for Solocal. However, Solocal practices market prices with Solocal companies outside France. These prices have been approved by the tax board which prepares the documentation for transfer pricing each year. |

## 3.2.4.2 Methodology note

Solocal issues its Statement on Non-Financial Performance in response to European directive 2014/95/EU of the European Parliament and the Council of 22 October 2014, Order No. 2017-1180 of 19 July 2017 and its implementing decree No. 2017-1265 of 9 August 2017.

Within the framework of its Statement on Non-Financial Performance, Solocal is continuing to deploy policies linked to its priorities while ensuring that it responds as fully as possible to the risks identified according to its stated strategy.

A reporting process has been put in place to collect all of the required information. It comprises several stages which are described below.

### Reporting scope

#### Scope

Solocal has identified its main non-financial risks on the basis of its entire operations and its currently integrated subsidiaries.

Depending on the priorities and risks, qualitative and quantitative indicators may cover a smaller scope. This is specified for each indicator.

Within the scope of its proactive strategy, Solocal aims in the future to extend its reporting to all its subsidiaries in the regions in which it operates. For the quantitative social indicators, the Group scope is favoured. In the event of a smaller scope, a note is provided in each of the paragraphs concerned.

Since the move of the head office in May 2016, the reporting scope has progressed significantly to take into account almost all the French subsidiaries on most environmental indicators.

For fiscal year 2021, the scope taken into consideration is therefore Solocal Group, unless otherwise specified.

#### Period and frequency

Solocal's Statement on Non-Financial Performance is published annually in the Registration Document and since 2020 in the Solocal Universal Registration Document. The information required covers the past calendar year in line with Solocal's financial year, from 1 January to 31 December 2021.

In the case of indicators for which the information required is not fully available, two cases arise:

- the data is extrapolated so as to end up with an annual result;
- the period taken into consideration differs from the calendar year.

### Organisation of the report

Non-financial indicators are provided by a network of CSR Correspondents. Their role includes organising and coordinating the feedback of information to the Institutional Relations and CSR department of the General Secretariat, as well as guaranteeing the quality and completeness of the data supplied by checking their consistency and reasonableness. There are four successive stages in the reporting process:

- data collection and checking, by a contributor;
- validation of the data collected, by an officer;
- global audit and consolidation, provided by the Institutional Relations, CSR, Ethics and Risk department;
- the use of the data collected: forwarding of the end results to those responsible for the commitments, for project management, and publication in the Solocal Universal Registration Document.

### Reporting tool

The quantitative and qualitative CSR data in this report was collected using the "Reporting 21" tool which was introduced in 2015 and updated in the course of preparing the SNFP. This tool has provided for the reliable collection, consolidation and control of CSR information.

### Independent verification

In accordance with regulations, an Independent Third Party Organisation (ITPO) was appointed to audit the non-financial information published by Solocal in its Universal Registration Document for the part concerning the Statement on Non-Financial Performance. The audit procedures were determined with Solocal in advance. The auditors ensure that Solocal has implemented a data collection process conducive to the compliance and accuracy of the information. The compliance review examines: the presence of the business model, description of the main risks, policies and due diligence for each risk, including key performance indicators, review of the risk analysis process, review of the presence of information categories (social, environment, corruption etc.) and the information required by regulations (food waste, etc.).

The auditors examine by sampling the collection, compilation, processing and checking processes for the information considered as being the most important for the Company and perform detail tests on them.

The conclusions of these external audits are formalised in an audit report published in the Universal Registration Document.

The auditors also mention the steps involved in completing their work.

Further, the statutory auditors must certify that the Statement on Non-Financial Performance is included in the management report. In their role of statutory auditors, they are not required to check the compliance and accuracy of the information published in the statement, or its consistency with the financial statements. They produce a certification of presence stating that all parts of the Statement on Non-Financial Performance have been included.

## Main methodological details for the indicators

Certain indicators for which all or some of the data was not available were extrapolated or estimated.

The main scenarios are presented below:

| Indicators | Assumptions |
|---|---|
| Electricity consumption by offices excluding data centers | Estimate of consumption based on an average ratio of kWh/sq.m. in the event that data is missing for a site (e.g. missing bill, meter problem, etc.). The average ratio is calculated on the basis of an average of the consumption of sites for which all the information was available |
| Water consumption | Change of consolidation method in 2018 with application of a ratio compared with the premises actually occupied by Solocal |

### Details on a number of social indicators

- All social indicators are measured excluding interns, VIEs (French International Volunteers in Business), temporary workers, apprentices and professionalisation contracts. Specific indicators explain the apprenticeship policy
- Training: the training indicators include any training format and period. Employees provided with less than 30 minutes' training represent an insignificant number of employees trained
- Work-related injuries and commuting accidents: work-related injuries exclude commuting but take into account accidents occurring during business trips. The workplace injury frequency rate is the number of first settlement accidents per million hours worked (i.e.: *1,000,000 x [number of work accidents with lost time] / [total number of hours worked over the year]*). The workplace injury severity rate is the number of days of absence from work per 1,000 hours worked (i.e.: *1,000 x [number of days of absence from work due to a work accident over the year] / [total number of hours worked over the year]*)
- Internal mobility: change of job within the company
- Employment rate of people with disabilities: publication only for France
- Absenteeism rate: Number of days of sick leave during the fiscal year counted in working days (excluding interns, VIEs, temporary workers, apprentices and professionalisation contracts) on the total number of theoretical days of work requested (excluding interns, VIEs, temporary workers, apprentices and professionalisation contracts) (excluding public holidays, and the hours worked by employees who left during the year are included).

### Method for calculating greenhouse gas emissions

In order to calculate the greenhouse gas emissions resulting from electricity consumption, urban heating and business travel, the following emissions factors, based on the Base Carbone of ADEME, the French Environment and Energy Management Agency, were used:

1. for electricity (France): 0.0599 kg $CO_2$e/kWh (upstream and production excluding line losses);
2. for urban heating (concerning Citylights):

– cold: 0.013 kg $CO_2$e/kWh for the ZAC Ile Seguin Rives de Seine, Boulogne-Billancourt (excluding online losses), hot: 0.13 kg $CO_2$e/kWh for the ZAC Ile Seguin Rives de Seine, Boulogne-Billancourt (excluding online losses);

3. for natural gas (LCV) (France): 0.205 kg $CO_2$e per kWh LCV;
4. for business trips:

– diesel, mainland France: 0.190 kg $CO_2$e/litre,

– petrol, also mainland France: 0.202 kg $CO_2$e/litre.

These emissions factors were updated in 2021 by referring to the ADEME's Base Carbone.

## 3.2.4.3 Report of the independent third party organisation on the statement on non-financial performance included in the management report

**As at 31 December 2021**

To the shareholders,

In our capacity of independent third party organisation, accredited by COFRAC under number 3-1055 (the scope of which is available on the www.cofrac.fr website), we hereby submit our report on the statement on non-financial performance relating to the financial year ended 31 December 2020 (hereafter the "Statement"), presented in the management report in application of the legal and regulatory provisions of Articles L. 225 1021, R. 225-105 and R. 225-105-1 of the French Commercial Code.

### The Company's responsibility

It is the responsibility of the Board of Directors to draw up a Statement complying with the legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in respect of those risks as well as the results of those policies, including key performance indicators.

The Statement was prepared using the entity's internal procedures.

### Independence and quality control

Our independence is defined by the provisions set out in Article L. 822-11-3 of the French Commercial Code. We have also introduced a quality control system that comprises documented policies and procedures, a programme available upon request aimed at ensuring compliance with applicable laws and regulations.

### Responsibility of the independent third party organisation

It is our responsibility, on the basis of our work, to formulate a reasoned opinion expressing a conclusion on:

- the compliance of the Statement with the provisions set out in article R. 225-105 of the French Commercial Code;
- the truthfulness of the information provided in accordance with the 3rd paragraph of I and II of article R. 225-105 of the French Commercial Code, i.e. the results of the policies, including the key performance indicators, and the actions, relating to the main risks, hereafter the "Information".

However, it is not our responsibility to express an opinion on the entity's compliance with other applicable legal and regulatory provisions, in particular with regard to the vigilance plan and the fight against corruption and tax evasion, or on the compliance of products and services with applicable regulations.

### Nature and extent of the engagement

Our work described below was carried out in accordance with Articles A. 225-1 et seq. of the French Commercial Code:

- we have taken note of the activity of all the companies included in the scope of consolidation and of the review of the main risks;
- we verified that the Statement covers each category of information provided for in III of Article L. 225-102-1 in terms of social and environmental aspects as well as respect for human rights, the fight against corruption and tax evasion;
- we verified that the Declaration presents the information required under II of Article R. 225-105 when it is relevant with regard to the main risks and includes, where applicable, an explanation of the reasons for the absence of the information required by the 2nd paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and a description of the main risks in connection with the activity of all the companies included in the scope of consolidation, including, where relevant and proportional, the risks created by its business relations, its products or services, as well as the policies, actions and results, including key performance indicators relating to the main risks;
- we consulted documentary sources and conducted interviews in order to:

– assess the selection and validation process of the main risks and the consistency of the key performance indicators with respect to the main risks and policies presented;

– corroborate the qualitative information (actions and results) which we considered most important(1);

- we verified that the Statement covers the consolidated scope, that is, all the companies included in the scope of consolidation pursuant to Article L. 233-16 with the limits specified in the Statement;
- we read the internal control and risk management procedures implemented by the entity and assessed the information collection process to ensure that it is complete and accurate;

- for the key performance indicators (historical data)[1], we implemented:
– analytical procedures consisting in verifying the correct consolidation of the data collected as well as the consistency of their trends,
– detailed tests based on samples, consisting in verifying the correct application of the definitions and procedures and reconciling the data of the supporting documents. This work was carried out at a selection of contributing entities and covers 16% to 100% of the data selected for these tests;
- we appraised the overall consistency of the Statement by reference to our knowledge of all the companies included in the scope of consolidation.

## Means and resources

Our work drew on the skills of three people and was carried out between October 2021 and January 2022 over a total period of 14 weeks. We conducted nine interviews with the people responsible for preparing the Statement.

## Conclusion

Based on our work, we did not identify any significant anomaly liable to call into question the fact that the statement on non-financial performance complies with the applicable regulatory provisions and that the information, taken overall, is presented sincerely.

## Comments

Without qualifying the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments: Concerning the scope, please refer to the "methodological note" paragraph in appendix.

Toulouse, 31 January 2022

**THE INDEPENDENT THIRD-PARTY ORGANISATION**
**SAS CABINET DE SAINT FRONT**

Pauline de Saint Front
Chairwoman

(1) *Key performance indicators and other quantitative results: - Number of digital audits carried out - Ecovadis rating - Number of managers having taken the Campus Manager training - Average number of hours of training per employee trained - Rate of sickness absenteeism.*

## Other non-financial indicators

| Indicators | 2020 | 2021 | Chg. 2020/2021 | Comments |
|---|---|---|---|---|
| **Societal** | | | | |
| All of the societal indicators monitored are directly presented in the Statement on Non-Financial Performance. | | | | |
| **Governance** | | | | |
| Number of requests for deletion or modification of personal data received by the customer service | - | 302,988 | - | The indicator was broadened to include requests related to deletion and modification now handled directly by customer service, reflecting the improvement in the quality of published information |
| Number of women on the Board of Directors as at 31 December | 5 | 5 | 0% | Stabilisation in the number of women on the Board of Directors |
| Number of women on the Executive Committee as at 31 December | 1 | 1 | 0% | Departure of Nathalie Etzenbach-Huguenin, General Secretary, and arrival of Stéphanie Zeppa, CTO |
| **Employer responsibility** | | | | |
| Registered global workforce | 2,867 | 2,737 | -4.5% | Headcount reduction linked to the employer responsibility component of the "Solocal 2020" transformation plan |
| Workforce under indefinite-term contracts | 2,863 | 2,671 | -6.7% | Headcount reduction linked to the employer responsibility component of the "Solocal 2020" transformation plan |
| Workforce on definite-term contracts | 4 | 66 | 1,550% | Increase in the number of employees on fixed-term contracts and return to a stable figure compared with the years preceding the health crisis |
| Proportion of the workforce on indefinite-term contracts | 99.86% | 97.59% | -2.3% | Slight decline in the proportion of employees on indefinite-term contracts |
| Number of part-time employees | 160 | 151 | -5.6% | Decrease related to the internalisation of resources, in particular production resources within the subsidiary Solocal Marketing Services |
| Share of part-time employees | 5.58% | 5.52% | -1.1% | Stabilisation of the share of part-time employees |
| Number of hours of training provided during the year | 51,689 | 67,224 | 30.1% | Increase in the number of hours of training provided in connection with programmes for managers and the Sales department |
| Number of employees trained | 2,412 | 2,693 | +11.7 | Increase in the number of trained employees linked to the manager and new product training programme |
| Total training expenses (€) | 5,608,549 | 5,271,525 | -6% | Decrease in total training expenses |
| Participation rate in the internal survey | 78.2% | 80.7% | +2.5% | Slight increase in participation rate in the internal opinion survey |
| Number of workplace accidents resulting in absence | 44 | 46 | +4.5% | Increase in the number of work stoppages following an accident at work |
| Work accident frequency rate | 14.5% | 13.1% | -9.9% | Decrease in the frequency of work-related accidents due to the health crisis |
| Work accident severity rate | 1.48% | 1.29% | -13.4% | Decrease in the severity of work-related accidents due to the health crisis |

| Indicators | 2020 | 2021 | Chg. 2020/2021 | Comments |
|---|---|---|---|---|
| Total aggregate number of hours worked during the year | 3,037,516 | 3,524,468 | +16% | Increase in the number of hours worked in the dual context of the decrease in the number of employees and the health crisis |
| Aggregate number of days of absence during the year | 4,509 | 4,533 | +0.5% | Increase due partly to the employer responsibility component of the "Solocal 2020" transformation plan and to the health situation |
| Number of days of sick leave | 84,594 | 81,475 | -3.7% | Decrease in the number of days of sick leave |
| Number of theoretical working days | 734,226 | 717,957 | -2.2% | Decrease related to the employer responsibility component of the "Solocal 2020" transformation project, to the decrease in the number of employees and to the health crisis context |
| Average age of employees | 41.2 | 41.1 | -0.2% | Stabilisation of average age of employees |
| Average years of service of employees | 11.4 | 11.1 | -1.9% | Stabilisation of average seniority of employees |
| Total payroll | €147,273,924 | €135,260,401 | -8.2% | Reduction in payroll due to the end of the employer responsibility component of the "Solocal 2020" transformation plan |
| Overall turnover | 32 | 28 | -12.1% | Reduction due to the end of the employer responsibility component of the "Solocal 2020" transformation plan |
| Employees recruited on indefinite-term contracts | 628 | 561 | -10.7% | Reduction due to the end of the employer responsibility component of the "Solocal 2020" transformation plan |
| Departures of employees on indefinite-term contracts at the end of the trial period | 156 | 179 | +14.7% | Increase linked in part to the health crisis context |
| Voluntary departures of employees on indefinite-term contracts | 129 | 216 | +67.4% | Increase linked in part to the attractiveness of the digital market |
| Non-voluntary departures of employees on indefinite-term contracts | 646 | 376 | -41.8% | Reduction partly due to the end of the employer responsibility component of the "Solocal 2020" transformation plan |
| Total number of indefinite-term contract departures | 931 | 771 | -17.2% | Reduction partly due to the end of the employer responsibility component of the "Solocal 2020" transformation plan |
| Number of senior executives | 101 | 91 | -9.9% | Reduction due to the end of the employer responsibility component of the "Solocal 2020" transformation plan |
| Share of senior executives/ total workforce | 3.52% | 3.32% | -5.6% | Reduction due to the end of the employer responsibility component of the "Solocal 2020" transformation plan |
| Number of female senior executives | 30 | 28 | -6.7% | Decrease due in part to the decline in the number of senior executives |
| Hiring under work-study programmes (apprenticeship and professional training contract) | 76 | 183 | 141% | Sustained increase in volume of work-study hires, supported by a specific policy |

| Indicators | 2020 | 2021 | Chg. 2020/2021 | Comments |
|---|---|---|---|---|
| Recruitment of interns | 39 | 18 | -53.8% | Decrease in the number of interns hired with HR policy focusing more on work-study programmes |
| Percentage rate of employment of people with disabilities | 7.4% | 5.7% | -23.1% | Decrease in percentage rate of employment of people with disabilities |
| **Environmental** (1) | | | | **Data Solocal SA** |
| Number of computers per employee | 1.87 | 1.82 | -2.4% | Decrease related to the recycling of obsolete computer equipment |
| Number of printers per employee | 0.52 | 0.08 | -85.1% | Decrease related to the recycling of obsolete printers |
| Electrical and electronic equipment waste collected - in tonnes | 7.15 | 14 | +95.8% | End of renewal of IT equipment for field salespeople and telemarketers and retirement of obsolete IT equipment |
| Electricity consumption by offices (excl. data centers) in MWh (1) | 2,784 | 2,053 | -26.3% | Decrease due to the reduction in the number of leased sites and optimisation of surface area |
| Gas consumption in MWh | 105 | 0 | -100% | Angoulême site move |
| Energy consumption associated with IDEX urban network (cold/hot) | 918 | 1,481.3 | +61.2% | Return to stabilised data at a level prior to the start of the health crisis |
| Business travel (train / plane) | - | 82,841 teq/$CO_2$ | | New data |

*(1) Calculation scope: Solocal Group, Solocal SA, Solocal Marketing Services.*


# Corporate governance

# 4.1 Administrative and general management body

## 4.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

As of the date of this document, the Board of Directors is composed of the following members:

- Mr Philippe Mellier, Chairman of the Board of Directors since 30 June 2021;
- Mr David Amar, Vice-Chairman of the Board of Directors;
- Mr David Eckert;
- Ms Delphine Grison;
- Ms Anne-France Laclide;
- Ms Marie-Christine Levet;
- Ms Catherine Robaglia;
- Mr Paul Russo;
- Ms Sophie Sursock.

The Board of Directors has nine members as of the date of this document, including one Director representing employees, two Directors representing shareholders and six Independent Directors.

| Name | Nationality | Function | Date appointed | Date office expires | Number of shares | Independent Director | Other duties and main offices held in all companies over the past 5 years |
|---|---|---|---|---|---|---|---|
| **Philippe Mellier**<br>Born 2 September 1955<br>16 Villa Dupont<br>75116 Paris | French | Chairman of the Board of Directors | 30 June 2021 | General Meeting to be held in 2023 | 40,000 | YES | – Chairman and member of the Board of Directors of Fraikin (France)<br>– Director of Groupe Réel (France)<br>– Chairman of the Supervisory Board of Ermewa (France)<br>**Offices no longer held:**<br>– None |
| **David Amar**<br>Born 25 May 1981<br>11, rue du Rhône<br>1204 Geneva<br>Swiss | Swiss | Vice-Chairman of the Board of Directors<br>Director<br>Member of the Customer Satisfaction Committee (Committee disbanded on 2 June 2021) | 13 June 2017 | General Meeting to be held in 2025 | 958,585 | YES | – Representative of Amar Family Office (Switzerland)<br>– Managing Director of Holgespar Luxembourg SA (Luxembourg)<br>– Director of Matignon Investissement et Gestion (France)<br>**Offices no longer held:**<br>– Director of SQLI (listed company – France) until December 2019<br>– Chairman of SA EHPBG (France) |

| Name | Nationality | Function | Date appointed | Date office expires | Number of shares | Independent Director | Other duties and main offices held in all companies over the past 5 years |
|---|---|---|---|---|---|---|---|
| **David Eckert**<br>Born 8 May 1955<br>6 Haskell Ridge Road, Rochester, Massachusetts USA | US | Director<br>Member of the Remuneration and Appointments Committee | 2 October 2020 | General Meeting to be held in 2024 | 1,376 | NO | – Director and CEO of Yellow Pages Limited (Canada)<br>**Offices no longer held:**<br>– NED of ItaliaOnline S.P.A. (Italy)<br>– NED of Yellow Pages Ltd. (Canada)<br>– NED and Vice-Chairman of SEAT Pagine Gialle S.P.A. (Italy) (later known as ItaliaOnline after the merger with ItaliaOnline) |
| **Delphine Grison**<br>Born 10 December 1968<br>Solocal<br>204, rond-point du Pont-de-Sèvres<br>92100 Boulogne-Billancourt<br>France | French | Director<br>Chairman of the Remuneration and Appointments Committee | 13 June 2017 | General Meeting to be held in 2025 | 5,929* | YES | – Chairman of DGTL Conseil (France)<br>– Director of Dekuple (formerly "ADL Performance") and member of the Audit Committee (listed company – France)<br>**Offices no longer held:**<br>– Member of the Supervisory Board of Asmodée Holding (France) |
| **Anne-France Laclide**<br>Born 8 January 1968<br>6, rue Malar<br>75007 Paris France | French | Director<br>Chairman of the Audit Committee | 19 June 2019 | General Meeting to be held in 2022 | 897** | YES | – various non-independent offices at RATP Développement SAS<br>– independent director of CGG (listed company in Paris)<br>– independent director of Believe (listed company in Paris)<br>**Offices no longer held:**<br>– Various offices within the Oberthur group (France) and Consolis<br>– Independent Director of SFR (France) |

| Name | Nationality | Function | Date appointed | Date office expires | Number of shares | Independent Director | Other duties and main offices held in all companies over the past 5 years |
|---|---|---|---|---|---|---|---|
| **Marie-Christine Levet**<br>Born 28 March 1967<br>5, rue de l'Échelle 75001 Paris<br>France | French | Director<br>Member of the Remuneration and Appointments Committee | 15 December 2017 | General Meeting to be held in 2024 | 839*** | YES | – Chairman of Educapital (France)<br>– Director of Maisons du Monde (listed company – France)<br>– Director of Econocom (listed company – Belgium)<br>– Director of the AFP (France)<br>**Offices no longer held:**<br>– Director of Iliad (listed company – France)<br>– Director of Mercialys (listed company – France)<br>– Director of HiPay (France)<br>– Director of Avanquest (listed company – France) |
| **Catherine Robaglia**<br>Born 25 January 1968<br>Solocal<br>204, rond-point du Pont-de-Sèvres<br>92100 Boulogne-Billancourt<br>France | French | Director representing employees<br>Member of the Customer Satisfaction Committee (Committee disbanded on 2 June 2021) | 15 October 2020 | 15 October 2024 | 54 | NO | – None<br>**Offices no longer held:**<br>– None |
| **Paul Russo**<br>Born 23 May 1953<br>Andromeda Hill, Yefet Street 38, Tel Aviv Jaffa 68130 Israel | US | Director<br>Member of the Audit Committee | 2 October 2020 | General Meeting to be held in 2025 | 1,376 | NO | – Director and Chairman of the Human Resources and Compensation Committee of Yellow Pages Limited (Canada)<br>– Business consulting services, independent contractor (Israel)<br>**Offices no longer held:**<br>– Managing Director of Color Spot Nurseries (California, United States)<br>– Executive Vice-President in charge of the development of the Hibu Group (United Kingdom) |

| Name | Nationality | Function | Date appointed | Date office expires | Number of shares | Independent Director | Other duties and main offices held in all companies over the past 5 years |
|---|---|---|---|---|---|---|---|
| **Sophie Sursock**<br>Born 7 November 1979<br>Move Capital<br>112 avenue Kleber<br>75116 Paris<br>France | French | Director<br><br>Member of the Audit Committee | 13 June 2017 | General Meeting to be held in 2025 | 1,678**** | YES | – Director and member of the Compensation Committee of Subfero Limited (United Kingdom)<br>– Director and member of the Audit Committee of Euronews (France)<br>– Director of Supernap International (Italy)<br>**Offices no longer held:**<br>– Director of Dada Spa (Italy)<br>– Director of Inty Limited (United Kingdom)<br>– Director of Italiaonline S.p.A (formerly Seat Pagine Gialle S.p.A and Italia Online S.p.A) (Italy)<br>– Member of the Strategy Committee of Italia Online (Italy) |

* *63,125 shares held in 2019. Following the financial restructuring carried out in 2021, Delphine Grison holds 5,929 shares with a cost price of €9.25, i.e. an investment of €54,843.*

** *20,000 shares held in 2019. Following the financial restructuring carried out in 2021, Anne-France Laclide holds 897 shares with a share price of €2.66 at 31 December 2020, i.e. an investment of €11,838.*

*** *5,000 shares held in 2019. Following the financial restructuring carried out in 2021, Marie-Christine Levet holds 839 shares.*

**** *10,000 shares held in 2019. Following the financial restructuring carried out in 2021, Sophie Sursock holds 1,678 shares with a weighted average purchase price of €7,584, i.e. an investment of €12,727.*

## Governance model

On 5 November 2014, the Board of Directors opted to separate the functions of Chairman of the Board of Directors and Chief Executive Officer in line with corporate governance best practice, and maintained this separation of functions during the change of governance in 2017. The choice of governance model is largely due to the Company's wish to make a clear distinction between responsibility for strategic guidance and oversight, which lies with the Board of Directors, and the Chief Executive Officer's operational and executive powers. This governance model also enables the Group to benefit from the complementary skills and experience of the Chief Executive Officer and the Chairman of the Board of Directors.

In the context of the financial restructuring of the Company and owing to the forced departure of Éric Boustouller from his duties as Chief Executive Officer, the Board of Directors decided on 28 August 2020 to recombine the positions of Chairman of the Board and Chief Executive Officer of Solocal Group and to appoint Pierre Danon as Chairman of the Board and CEO with effect from 5 October 2020, so that the Company could benefit from his skills, knowledge of the business and experience in the sector during the transitional period of seeking a new Chief Executive Officer.

On 8 January 2021, following a selection process launched and managed by the Remuneration and Appointments Committee and with the active participation of Pierre Danon and Paul Russo in the recruitment process for a new Chief Executive Officer, the Solocal Board of Directors decided to appoint Hervé Milcent as Chief Executive Officer of the Company with effect from 6 April 2021. On that date, the Company reverted to a split governance structure, with Pierre Danon becoming Chairman of the Board of Directors again.

Pierre Danon informed the Board at its meeting of 14 April 2021 of his decision to resign from his post as Chairman of the Board of Directors of the Company with effect from 30 June 2021. At the same meeting, the decision was made to set up an Ad Hoc Committee in preparation for the discussion and negotiation by the Board of Directors of the details of transition and succession (meetings, dates, rules and communication) and to manage the process of recruiting a new Chairman of the Board and organising the succession.

On the recommendation of the Ad Hoc Committee, the Board of Directors decided to appoint Philippe Mellier as Chairman of the Board of Directors and to co-opt him as a director to replace Pierre Danon, with effect from 30 June 2021 until the end of the General Shareholders' Meeting to be called in 2023 to approve the financial statements for the past financial year. This co-option will be subject to ratification by the next General Shareholders' Meeting, to be held on 2 June 2022. Therefore, the company continues to have a split governance structure following this change.

## Non-Voting Director

In accordance with Article 12 of the Company's Articles of Association, which allows the Board of Directors to appoint one or more Non-Voting Directors, who participate in Board meetings but are not entitled to vote at those meetings, the Board of Directors decided, at its meeting of 23 July 2020, to appoint Jacques-Henri David as a Non-Voting Director in order to provide the Board with the benefit of his past experience of the Company and to represent the views of individual shareholders

The Board of Directors also decided at its meeting of 11 October 2021 to appoint Bruno Guillemet as a Non-Voting Director in order to bring his expertise in Human Resources to the Board. This appointment is a step towards Bruno Guillemet's possible appointment as a Director, which will put to the vote at the Company's next General Shareholders' Meeting.

## Changes in the composition of the Board of Directors in 2021

| | Departure | Appointment | Reappointment |
|---|---|---|---|
| **Board of Directors** | Pierre Danon 30 June 2021 | Philippe Mellier 30 June 2021 | Delphine Grison 3 June 2021 |
| | | Bruno Guillemet 11 October 2022 (Non-Voting Director) | David Amar 3 June 2021 |
| | | | Sophie Sursock 3 June 2021 |
| | | | Paul Russo 3 June 2021 |
| **Customer Satisfaction Committee (disbanded on 2 June 2021)** | David Amar 2 June 2021 | | |
| | Pierre Danon 2 June 2021 | | |
| | Catherine Robaglia 02 June 2021 | | |
| **Ad Hoc Committee (disbanded on 30 June 2021)** | | Delphine Grison 14 April 2021 | |
| | | Anne-France Laclide 14 April 2021 | |
| | | Marie-Christine Levet 14 April 2021 | |
| | | David Eckert 14 April 2021 | |
| | | Paul Russo 14 April 2021 | |

Following consideration and recommendation by the Remuneration and Appointments Committee, the Board of Directors will propose that the next Annual General Shareholders' Meeting, to be held on 2 June 2022, reappoint Anne-France Laclide as Director of the Company.

Accordingly, at the end of the next General Shareholders' Meeting on 2 June 2022, the Board of Directors will be composed of the following members:

- Mr Philippe Mellier, Chairman of the Board of Directors;
- Mr David Amar, Vice-Chairman of the Board of Directors;
- Mr David Eckert;
- Ms Delphine Grison;
- Ms Anne-France Laclide (if the shareholders vote in favour of her reappointment);
- Ms Marie-Christine Levet;
- Ms Catherine Robaglia;
- Mr Paul Russo;
- Ms Sophie Sursock;
- Bruno Guillemet (in the event that the shareholders vote in favour of his appointment).

There are ten Directors on the Board, including one Director representing employees, two Directors with non-independent status due to their links with GoldenTree (majority shareholder) and seven Independent Directors.

## Independent Directors

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors must be comprised of a majority of Independent Directors. Such Directors must not have any dealings of any kind with the Company, its group or management that could compromise their freedom of judgement.

The Board of Directors, which has chosen to refer entirely to the criteria set out in the AFEP-MEDEF Code with regard to independence, must therefore ensure that its members, qualified as independent by the Remuneration and Appointments Committee, fulfil the following criteria:

- **criterion 1**: the Director is not or has not been, over the last five years (i) an employee or executive corporate officer of the Company, (ii) an employee, executive corporate officer or Director of a company that the Company controls;
- **criterion 2**: the Director is not an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having been so in the last five years) holds a directorship;
- **criterion 3**: the Director is not a customer, supplier, corporate banker or investment banker that is (i) significant for the Company or its Group, or (ii) for whom the Company or its Group represents a significant portion of their business;
- **criterion 4**: the Director has no close family ties with a corporate officer;
- **criterion 5**: the Director has not been a Statutory Auditor for the Company over the last five years;
- **criterion 6**: the Director has not been a member of the Board for more than 12 years, as Directors cannot be classified as independent after 12 years;
- **criterion 7**: a non-executive corporate officer cannot be considered independent if they receive variable compensation in cash or securities or any remuneration relating to the Company or the Group's performance;
- **criterion 8**: the Director is not a major shareholder (more than 10%) vested with any control over the Company.

The Board of Directors has deemed that in 2021 six of its members meet the independence criteria described above, i.e. 66.6% are independent members (excluding the Director representing employees); Catherine Robaglia does not qualify as an Independent Director given the position she holds within the Group. In addition, the Board of Directors, in its decision dated 2 October 2020 and on the recommendation of the Remuneration and Appointments Committee, considered that, although David Eckert and Paul Russo are not directly employed by GoldenTree, given their links with GoldenTree and GoldenTree's place in Solocal's ownership structure, Messrs Eckert and Russo cannot be classified as independent for the purposes of the AFEP-MEDEF Code.

## Summary of Board member independence as at 31 December 2021

| Criteria[1] | Philippe Mellier [2] | David Amar | David Eckert | Delphine Grison | Anne-France Laclide | Marie-Christine Levet | Catherine Robaglia[3] | Paul Russo | Sophie Sursock |
|---|---|---|---|---|---|---|---|---|---|
| **Criterion 1:** Employee corporate officer over the last five years | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✖ | ✓ | ✓ |
| **Criterion 2:** Cross-directorships | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Criterion 3:** Substantial business dealings | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Criterion 4:** Family ties | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Criterion 5:** Statutory Auditor | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Criterion 6:** Term of office longer than 12 years | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Criterion 7:** Non-executive corporate officer | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✖ | ✓ | ✓ |
| **Criterion 8:** Major shareholder | ✓ | ✓ | ✖ | ✓ | ✓ | ✓ | ✓ | ✖ | ✓ |

(1) *In this table, ✓ means an independence criterion has been satisfied and ✖ means an independence criterion has not been satisfied.*

(2) *Chairman of the Board of Directors of the Company since 30 June 2021.*

(3) *Director representing employees.*

## Biographies of the members of the Board of Directors

- **Philippe Mellier** has been the Executive President of Fraikin since 2018 and has overseen a comprehensive overhaul of the leading company in industrial and utility vehicle leasing in Europe, returning it to profitability and developing value-added services, especially in the area of digital and telematic services. In 2020, Philippe Mellier consolidated Fraikin's leading position in Europe with the acquisition of Via Location. Philippe Mellier has extensive experience of governance and is currently a Director of Groupe Réel (a mid-cap in the Lyon region).

  He began his career at Ford where he became Vice-President of Marketing, Sales and Services for Ford of Europe. In 2000, he was appointed Chairman and CEO of Renault Trucks. In 2003, he joined Alstom. As Executive Vice President of Alstom and President of Alstom Transport, he played a key role in the Group's recovery until 2011. He then joined De Beers as Chief Executive Officer of the Group until 2016.

- **David Amar** joined the Amar Family Office in 2009 and assumed responsibility for its management in 2013. He specialises in long-term investment in listed companies, wine estates and wine trading companies, hotel properties and property development. He is also a Director of the private equity firm Matignon Investissement et Gestion. He was in charge of asset management in various major Swiss banks from 2006 to 2009. He earned an MBA in Geneva in 2006.
- **David Eckert** has led numerous companies in a variety of industries. He is currently Director and CEO of Yellow Pages Limited (Canada). Previously, he was President & CEO of the Hibu Group and has served on the Boards of Directors of X-Rite, Inc., Safety-Kleen Systems, Inc., Clean Harbors, Inc., Italiaonline SpA and Yellow Pages Limited (Canada). During his career, he has chaired and served on the boards of many companies. In the 1980s, he was Vice-President and Partner of Bain & Company. He holds an MBA from Harvard Business School.

- **Delphine Grison** is Chair of DGTL Conseil, where she works as a digital strategy and transformation consultant. She is also a Director and a member of the Audit Committee of Dekuple (formerly "ADL Performance"). She was Chief Marketing and Data Intelligence Officer at CBRE France between 2015 and 2020. She previously worked for more than 10 years in the media, holding positions in finance, strategy, marketing and digital functions. In particular, she led Lagardère Active's digital activities until 2013, as Chair of Lagardère Active Digital and a member of the Lagardère Active Executive Committee. She also served as a Director at Asmodée from 2014 to 2018. Ms Grison is an alumnus of the ENS, has a doctorate in quantum physics and is a civil engineer.
- **Anne France Laclide-Drouin** is Chief Financial Officer (CFO) of RATP Dev. Before that, she was CFO and a member of the Executive Committee of Consolis group and CFO of the Idemia group (formerly Oberthur Technologies) and of various other companies such as Elis, GrandVision, AS Watson (Marionnaud) and Guilbert. She began her career at PricewaterhouseCoopers. She sits as an Independent Director on the Board of Directors of CGG, a global geoscience group with annual revenues of 1.193 billion that works for the energy industry and of Believe, a world leader in digital music with annual revenues of €577 million. She is Chair of the Audit Committee of these two companies. She held the same positions, i.e. Independent Director on the Board of Directors and Chair of the Audit Committee, at SFR. Anne France Laclide-Drouin supports Clubhouse, a non-profit association that works with people suffering from mental illnesses and helps them integrate into society.
- **Marie-Christine Levet**, a pioneer of the internet in France, has managed several major French internet brands. In 1997, she founded Lycos to launch the French version of the search engine and developed it by buying Caramail, Spray and Multimania. From 2001 to 2007, she ran Club-Internet, an internet service provider, where she oversaw the development of its content and services offer before selling it to Neuf Cegetel (now SFR) in 2007. She then took over the management of the Tests group, a leading hi-tech information group, as well as Nextradiotv group's internet activities. In 2009, Ms Levet focused her career on venture capital and helped create Jaina Capital, an investment fund specialising in seed financing and which finances approximately 20 companies. In 2017, she set up Educapital, the first investment fund focused specifically on the Education and Innovative Training sectors. Marie-Christine Levet is a Director of Maisons du Monde, Econocom and AFP. She is a graduate of HEC business school and has an MBA from INSEAD business school.
- **Catherine Robaglia** is a graduate of IMAC with a degree in engineering. She began her career at Bossard Gemini Consulting, where she spent seven years as a consultant in organisation and information systems. In 1999, she joined the IT department of PagesJaunes and played an active role in the information system renewal projects. In 2004, she joined the new DOSQ (Department of Organisation, Strategy and Quality) as Head of Organisation, a role in which she took part in the transformation projects [that followed the IPO and the Group's change of ownership], in particular in relation to process implementation. In 2008, she was appointed Head of Internal Audit, reporting to the Chief Executive Officer and the Chairman of the Audit Committee, where she audited all of the Company's subsidiaries and major processes on behalf of the Board of Directors. Catherine currently serves as Project Director within the Customer Operations Department, and together with her teams, she manages the operationalisation of the VSE/SME and key account offers in the areas of Delivery (Production) and Customer Relationship Management.
- **Paul Russo** has been a Board member of Yellow Pages Limited (Canada) since 2017, where he chairs the Human Resources and Compensation Committee and is a member of the Audit Committee. Previously, he served as Chief Executive Officer of Color Spot Nurseries and as Executive Vice President in charge of development at Hibu Group. He began his career as a partner of Bain & Company and went on to be a Director of numerous companies. He graduated from the University of California, Berkeley and holds an MBA from Harvard Business School. Prior to graduation, he began his career with Arthur Young and Company and obtained CPA certification.
- **Sophie Sursock** is co-founder and partner at Move Capital, an investment company specialising in the BtoB Tech sector. She is also a co-founder and shareholder of Accelero Capital, an investment and management group specialising in the TMT sector (Telecommunications, Media, Technologies). She has conducted several transactions in the technology and media sector. In particular, she took part in the restructuring of Seat Pagine Gialle S.p.A and is a member of the Board of Directors of Euronews, Supernap International and Subfero Limited. She was previously Corporate Finance Manager at Orascom Telecom Holding S.A.E/Weather Investments from 2007 to 2011. She also worked in the M&A Operations department of Deloitte's Corporate Finance department in Paris from 2005 to 2007, before becoming Junior Project Manager at PrimeCorp Finance S.A. and Junior Investment Manager at Axa Investment. Ms Sursock has a Bachelor's Degree in Business Administration, a Master's (MSc) in International Business from ESCP-EAP Paris Business School and a Certificate in Management of Technology.

#### AREAS OF RESPONSIBILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS (AS OF THE DATE OF THIS DOCUMENT)

| Full name | Digital and Innovation | Finance | Restructuring and turnaround | Customer knowledge, salesforce management and customer relations | Technology, data and cyber-risk | Compliance, ethics and CSR |
|---|---|---|---|---|---|---|
| Philippe Mellier | | ✓ | ✓ | ✓ | | |
| David Amar | ✓ | ✓ | | ✓ | | |
| David Eckert | | ✓ | ✓ | ✓ | | |
| Delphine Grison | | ✓ | | | ✓ | ✓ |
| Anne-France Laclide | | ✓ | ✓ | | | ✓ |
| Marie-Christine Levet | ✓ | | | ✓ | ✓ | |
| Catherine Robaglia | ✓ | | | ✓ | ✓ | |
| Paul Russo | | ✓ | ✓ | ✓ | | |
| Sophie Sursock | ✓ | ✓ | | | ✓ | |

## 4.1.2 CRIMINAL OFFENCES AND POTENTIAL CONFLICTS OF INTEREST

With the exception of David Eckert and Paul Russo who were nominated by GoldenTree Asset Management LP and its affiliated funds ("GoldenTree") in accordance with the agreement entered into on 2 July 2020 between GoldenTree and the Company in the context of the financial restructuring of the Company, which included the possibility for GoldenTree to propose two nominees as Company Board members, there are no arrangements or agreements of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Board of Directors has been selected as a member of an administrative, management or supervisory body or as a member of the Company's senior management.

The Company is not aware at this time of any other potential conflict of interest between the duties of the members of the administrative, management and supervisory bodies towards the Company and their private interests and/or other duties.

## 4.1.3 COMPOSITION OF THE MANAGEMENT BODIES

As of the date of this document, the Company's senior management is composed of the following members:

| Name | Function |
|---|---|
| Hervé Milcent | Chief Executive Officer (since 6 April 2021) |
| Jérôme Egretaud Boyer (Transition Manager) | Director of Human Resources, also in charge of Internal Communications (since 17 January 2022) |
| Éric Klipfel | Deputy Chief Executive Officer |
| Olivier Regnard | Chief Financial Officer |
| Maxime Videmann | Products and Media Director |
| Stéphanie Zeppa | R&D Director (since 1 October 2021) |

- **Hervé Milcent** has been Chief Executive Officer since 6 April 2021. With a degree in Business Law, Hervé Milcent began his career in the operations teams of the newly created Chronopost. He quickly became Director of Operations at Dynapost and then at Médiapost, where he launched and developed geomarketing and targeted distribution solutions, thereby gaining extensive knowledge of local communication issues. In 1998, Hervé Milcent joined Arvato (Bertelsmann Group) as Managing Director in charge of operations for the Direct Marketing division, which became the French leader under his leadership. Building on this success story driven by the rich portfolio of services launched in France, including subscription-based services, Hervé Milcent extended his responsibilities to

Southern Europe, before being promoted to the Group's Executive Committee to manage the roll-out of the "Group CRM Global" solution. In 2014, after more than 16 years with the Arvato Group dedicated to the development and deployment of enterprise services, Hervé Milcent was appointed CEO of the Lyreco group. He implemented a category-based marketing strategy, reposition the Group's offering to accelerate growth and lead the overhaul of the technical and IT infrastructures essential to the company's "Phygital" transformation. In 2020, he joined the Teleperformance Group as Managing Director for France, Italy and Germany.

- **Jérôme Egretaud Boyer** has been Director of Human Resources since 17 January 2022. He is also in charge of Internal Communications.
- **Stéphanie Zeppa** has been R&D Director since 1 October 2021. With a background in engineering (Hautes Études d'Ingénieur engineering school in Lille), Stéphanie Zeppa began her career in various posts in Information Systems, including project management, operations and management at Chanel, France Télécom, Lucent and UPC (now SFR). In 2007, she took over the Performance Department of Docaposte (the digital business of the La Poste group) in charge of cross-functional projects. More specifically, she managed performance plans, the measurement of their effectiveness including in terms of organisation, the steering of transformation projects, operational and IS business continuity and the implementation of company processes, which she certified. In 2018, she joined the French Management Committee of Transdev and became Director of Performance, Transformation and Information Systems, where she notably set up and directed the France IS Department and the "Digital Factory". She is currently in charge of the entire Information Systems Department, the consolidation of the 100% cloud model and Research & Development within the group.
- **Éric Klipfel** is Deputy CEO. Éric Klipfel holds a master's degree from the Fachhochschule Stuttgart. He has 20 years' experience in taking up customer transformation and sales challenges in highly competitive B2C and B2B environments, marked by regulatory and structural changes and changes in the economic climate (digitisation of sales and customer relationship channels, competition and cost compliance). Whether in the telecoms sector in 2000 as Executive Managing Director at SFR Numericable for eight years or since 2018 with the global customer relationship leader Teleperformance Knowledge Services, he has led numerous customer relationship projects (complaint reductions, anti-churn programmes and increases in customer bases) and is an expert in analytical/predictive models applied to sales and customer issues (cross-sell, speech analytics, improved customer journeys and customer feedback management). On 9 July 2020, Éric Klipfel joined Solocal as Deputy CEO in charge of sales activities and customer operations. He takes over the reins of the Key Accounts, VSE/SME, Telesales, Customer Success and Oversight sales departments and the Customer Operations department.
- **Maxime Videmann** has been Director of Digital Advertising, Data and New Products since 20 September 2021. A graduate of the École Nationale Supérieure des Mines de Saint-Etienne and with an MBA from HEC Paris, Maxime Videmann began his career in 2005 at Accenture Consulting, where he worked with clients in the telecommunications, media and utilities sector on product marketing, business intelligence and digital transformation issues in France and Europe. In 2012, Maxime joined Facebook to advise and optimise advertising investment made by major advertisers in France. In 2014, he joined the Altice Group within the SFR Consumer Department, where he led geomarketing projects, optimising the Group's omnichannel acquisition strategy and developing the 100% digital brand RED by SFR as Marketing Director. He joined Solocal in 2017 as Sales and Marketing Director for Key Accounts, before moving to Product Marketing at the end of 2018. He played a key part in the Group's transition to a subscriber model through his involvement in redesigning and streamlining Solocal's offer. In 2020, he took over all of the Group's marketing functions, helping to structure the management of customer churn and supporting the transition to campaign mode for the Group's sales operations. Maxime Videmann is currently in charge of developing and implementing a new road map for Solocal's media, product and service offerings in light of the new sector and regulatory issues associated with the local digital communication market.
- **Olivier Regnard** is Chief Financial Officer. He is a graduate of ESSEC business school. From the first quarter of 2018, he was CFO of Europe Snacks (an agri-food company with annual revenues of €350 million, employing 2,100 people) where he played a noteworthy part in the company's external expansion. Between 2013 and 2017, Olivier Regnard was Deputy CEO and Chief Financial Officer of Latécoère (a first-tier aeronautical contractor listed on Euronext, with annual revenues of €660 million and employing around 5,000 people). He was in charge of the Financial, Legal and Purchasing departments. During this time, he made a considerable contribution to Latécoère's transformation plan. Prior to this experience, Olivier Regnard spent almost 15 years with Deloitte, in Auditing and Financial Advisory Services. During this period, he had the opportunity to work in highly diverse business activities and environments in France and abroad.

# 4.2 Functioning of the Board and the Committees

The Company is managed by a Board of Directors that decides on business strategy and oversees its execution by senior management. Without prejudice to the powers expressly reserved by law for General Shareholders' Meetings and within the limits of the corporate purpose, the Board may address any concern that may have an impact on the Company's business and decide any matters within its remit. It presides over all decisions relating to the Company's major strategic, economic, corporate, financial and technological policies.

## 4.2.1 COMPLIANCE WITH CORPORATE GOVERNANCE STANDARDS

Solocal Group embraces the principles of corporate governance of listed companies set out in the AFEP-MEDEF Corporate Governance Code in its revised version of January 2020.

The Board of Directors has identified no difference between Solocal Group's practices and the recommendations of the AFEP-MEDEF Corporate Governance Code, with the exception of the following points:

- In 2020, the Board of Directors had decided that a Director could sit on one Committee only and wanted to give priority to the employee Director's participation in the Customer Satisfaction Committee. Following the discontinuation of that Committee, a decision regarding the employee Director's participation on a Committee will be made in the course of 2022.
- In addition, during the brief transition period (six months) in which Pierre Danon was Chairman of the Board and CEO, the Board chose not to appoint a Lead Director but to put in place various measures to maintain the Board's independence. In this regard, at the end of each Board of Directors' meeting, the Company held sessions without the executive corporate officers, including Pierre Danon, present. The Chair of the Remuneration and Appointments Committee was also available to shareholders and proxy advisors to discuss issues related to governance.

## 4.2.2 SERVICE AGREEMENTS

No members of the Board of Directors and no Chief Executive Officers have a service agreement with the Company or with one of its subsidiaries that provides for benefits upon contract termination.

## 4.2.3 CORPORATE GOVERNANCE REPORT ADOPTED BY THE BOARD OF DIRECTORS

This report is prepared in accordance with Articles L. 22-10-8 et seq. and Articles L. 225-37 et seq. of the French Commercial Code. It has four sections:

**Part I:** Compensation policy for corporate officers, pursuant to Article L. 22-10-8 of the French Commercial Code (ex ante vote)

**Part II:** Compensation paid or awarded to corporate officers for the 2020 fiscal year in accordance with Article L. 22-10-9 of the French Commercial Code (ex post vote)

**Part III:** Corporate governance (Article L. 22-10-10 of the French Commercial Code)

**Part IV:** Significant factors in the event of a public tender offer or public exchange offer (L. 22-10-11 of the French Commercial Code)

# PART I: COMPENSATION POLICY FOR CORPORATE OFFICERS, PURSUANT TO ARTICLE L. 22-10-8 OF THE FRENCH COMMERCIAL CODE (EX ANTE VOTE)

As a preliminary point, it should be noted that following the appointment of Hervé Milcent on 6 April 2021 as Chief Executive Officer, the positions of Chairman of the Board and CEO previously held by Pierre Danon were separated by a decision of the Board of Directors dated 8 January 2021.

The General Shareholders' Meeting of 3 June 2021 therefore voted on the compensation policy for the Chairman of the Board of Directors and for the Chief Executive Officer.

In accordance with the law, the compensation policy for all Solocal Group corporate officers will be put to the vote of the shareholders as part of the ex ante vote at the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2021.

Items of compensation or compensation commitments may only be determined, awarded, made or paid if they are consistent with the compensation policy approved by the shareholders or, if approval has not been given, in line with the compensation awarded for the previous financial year or, failing that, with existing practices within the Company.

In the interests of clarity, the common aspects of the compensation policy applicable to all corporate officers are presented first, followed by the compensation policies for the Chairman of the Board of Directors, the Chief Executive Officer and the Directors.

It is also specified that the amounts referred to constitute upper limits and the total compensation and the benefits in kind awarded to the executive corporate officers of Solocal Group may involve lower amounts.

## Compensation policy – common aspects

### Alignment with the Company's interests

The Board of Directors ensures that the compensation policy for Solocal Group's corporate officers is in line with the Company's interests. Compensation amounts are determined with regard to the size of the Group and the Board sees to it that the performance criteria and the clarity and measurement of those criteria ensure effective senior management.

The compensation policy also contributes to the Company's sustainability and strategy because it is based on the ongoing pursuit of a balance between Solocal's interests, recognition of senior executives' performance and consistency in compensation practices, while fostering loyalty among Solocal's staff. Compensation is set in a way that rewards performance and promotes the exacting standards that operate within the Group.

### Methods of determining, reviewing and implementing the policy

The compensation of the Group's corporate officers is determined in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, as revised in January 2020. It is decided by the Board of Directors, on the proposal of the Remuneration and Appointments Committee, and submitted to the vote of the General Shareholders' Meeting.

It is subject to regular comparative studies in order to ensure that the compensation policy within the Group is competitive, consistent with Solocal's objectives and also fair.

In determining the compensation policy, the Board of Directors assesses the situation of each corporate officer, taking into account any relationships that he or she may have with the Company or the Group companies that could impair his or her ability to make independent judgements or lead to potential conflicts of interests with the Company.

### Application of compensation policy provisions to newly appointed or reappointed corporate officers

The compensation policy described is applicable to the functions concerned and shall continue to apply, where applicable, in the event of a change of senior managers or of the Chairman or members of the Board.

### Employment contract or services agreement

As stated in section 4.2.2 of the Universal Registration Document, no corporate officer has a service agreement with the Company or with any of its subsidiaries that provides for benefits upon contract termination.

Furthermore, no corporate officer has an employment contract with the Company.

### Derogations from the compensation policy

The Board of Directors does not intend to make use of the possibility of waiving the application of the compensation policy in accordance with the second paragraph of Article L. 22-10-8 III of the French Commercial Code.

## Compensation policy for executive corporate officers

The conditions of compensation of executive corporate officers include, firstly, targets for annual growth, operational effectiveness, Company progress and personal performance and, secondly, long-term targets linked to the economic and financial performance of the Group. They provide a balance between the various items of compensation, taking into account the experience and skills of corporate officers, market practices, including in the digital sector, and the Company's strategic objectives.

In the 2021 financial year, the Board of Directors decided that the targets for executive corporate officers should be purely quantitative and focused on cash generation, growth, customer and user satisfaction as well as the mobilisation of Solocal's employees.

For the 2022 financial year, the Board of Directors decided to maintain the policy adopted in 2021 on targets.

Please refer to section 4.1 of the Universal Registration Document on the individual terms of office of the executive corporate officers.

As of the date of this document, the positions of Chairman of the Board of Directors and of Chief Executive Officer have been separated again.

## A. Compensation policy for the Chairman of the Board of Directors

The next Annual General Shareholders' Meeting will be asked to approve the compensation policy for the Chairman of the Board of Directors. This policy consists of (i) all common elements of the compensation policy referred to in the section headed "Compensation policy - common aspects" and (ii) all elements described in this paragraph.

The Chairman of the Board of Directors receives annual fixed all-inclusive compensation of €150,000, for his office as Chairman of the Board of Directors, with a possible further fee if he participates in one of the Company's committees.

He does not receive any other compensation or benefit referred to in Article R. 22-10-4 of the French Commercial Code.

## B. Compensation policy for the Chief Executive Officer

The next Annual General Shareholders' Meeting will be asked to approve the compensation policy for the Chief Executive Officer. This policy consists of (i) all common elements of the compensation policy referred to in the section headed "Compensation policy - common aspects" and (ii) all elements described in this paragraph.

### 1. Annual compensation

#### 1.1. Structure of the annual compensation

The annual compensation of the Chief Executive Officer comprises a fixed portion and a variable portion.

#### 1.2. Annual fixed compensation

For the 2022 financial year, the Chief Executive Officer will receive gross annual fixed compensation of €450,000 paid monthly.

#### 1.3. Annual variable compensation

In general, the targets set for assessing variable compensation are presented to the Chief Executive Officer each year by the Board of Directors, which sets them based on a proposal by the Remuneration and Appointments Committee. The assessment of the achievement of the targets and the amount of the corresponding variable portion of remuneration is approved each year by the Board of Directors, based on a proposal by the Remuneration and Appointments Committee.

For the 2022 financial year, in accordance with the Company's compensation practices, the parameters of variable compensation were set by the Board of Directors at its meeting of 22 February 2022, based on a proposal by the Remuneration and Appointments Committee. These targets will not be revised during the year unless out of technical necessity relating to the ability to measure an indicator.

The Chief Executive Officer's variable compensation for targets achieved is thus equal to 100% of his fixed compensation. It may range from 0% to 150% of fixed compensation, depending on the achievement of the following seven quantitative criteria:

- 40%: EBITDA – CAPEX
- 25%: FCF
- 15%: Revenues
- 5%: Number of customers
- 5%: Customer NPS/Solocal
- 5%: Direct audience PagesJaunes + Local Partner
- 5%: CSR – absenteeism among salesforces

In the event of the Chief Executive Officer's departure during the year, the variable compensation payable will be calculated on a pro rata basis, and the Board of Directors may decide either to estimate the achievement of targets at the date of the end of the appointment or to carry out an assessment at the end of the financial year.

In any event, it should be noted that payment to the Chief Executive Officer of the variable portion of his compensation will be conditional upon the ex post approval by the Company's General Shareholders' Meeting of the fixed, variable and exceptional items of the total compensation and the benefits in kind paid or awarded to the Chief Executive Officer for the financial year ended.

#### 1.4. Multi-year variable compensation

N/A.

### 1.5. Exceptional compensation

N/A.

### 1.6. Compensation, indemnities or benefits payable or potentially payable to the Chief Executive Officer upon taking up his post

N/A.

### 1.7. Any other item of compensation that may be awarded in respect of the appointment

N/A.

### 1.8. Benefits in kind

For the 2022 financial year, the Chief Executive Officer will receive the following benefits in kind:

- a retirement savings plan to replace, pursuant to the Pacte Law, the defined-contribution supplementary retirement plan (Article 83 of the French Tax Code) in force at Solocal prior to 1 October 2020 and that resulted in a contribution of 5.5% applied to compensation tranches B and C, 60% of which was paid by the Company, i.e. 3.3%, with the remaining 40% payable by the beneficiary i.e. 2.2%;
- healthcare and benefits plans on the terms currently applicable to management-level employees of the Company, or a similar plan, and civil liability insurance in his capacity as Chief Executive Officer;
- the Company will refund his business expenses incurred when performing his functions as Chief Executive Officer, in particular accommodation and travelling costs, on production of receipts, in accordance with the Company's rules;
- the Company will pay the unemployment insurance (GSC) enrolment costs and contributions for executive corporate officers, it being specified that the Company intends to opt for the coverage level of 55% over 12 months; and
- a company car in accordance with the Company's practices, with the benefit from personal use assessed in accordance with the Company's rules.

### 1.9. Compensation for his directorship

In accordance with the Company's compensation practices, the compensation to which the Chief Executive Officer may, if applicable, be entitled during the term of his office as a Director or permanent representative in a Group company (the Company and its subsidiaries) or in an entity in which he may act as a representative of a Group company will be either unpaid (in the case, in particular, of the subsidiaries) or repaid to the Company.

## 2. Long-term compensation

### 2.1. Allocation of share subscription or purchase options

No allocations of share subscription or purchase options are planned for 2022.

### 2.2. Free performance share allotments

Under the fifteenth resolution of the General Shareholders' Meeting of 3 June 2021, a free share plan subject to a performance condition was established by a decision of the Board of Directors on 22 February 2022 under which the Chief Executive Officer would be awarded 197,500 shares.

Any free share allotment pursuant to the authorisation of 3 June 2021 shall be subject to a performance condition and a continued employment condition, the terms and conditions of which are set by the Board of Directors.

The performance condition will be assessed over three years and will be based on two criteria:

- **an off-market criterion** corresponding to the level of achievement, during the relevant period, of the following annual free cash flow objectives and accounting for 60% of the total allotment of shares:
  - no shares will vest if the Company generates less than €160 million in free cash flow in total over the three financial years,
  - 75% of this 60% subtotal will vest if the Company generates €160 million in free cash flow in total over the three financial years,
  - 100% of this 60% subtotal will vest if the Company generates €240 million in free cash flow over the three financial years,
  - for levels of cash flow between the above values, linear vesting will apply;
- **a market criterion** corresponding to the performance of the Company's share price against the benchmark of the CAC Mid 60 GR as selected by the Board of Directors, measured over the average of the preceding 40 trading days in 2024 and representing 40% of the total allotment of shares.

Thus, the following coefficient will be applied to the number of shares awarded by application of the second criterion:

- no shares will vest if the share price is below the specified index;
- 75% of this 40% subtotal will vest if the Company's share price is equal to the specified index;
- 100% of this 40% subtotal will vest if the share price is more than 105% of the index;
- linear vesting will be agreed if the share price is between the index and 105% of the index.

The vesting period is three years and will end on 22 February 2025.

The Board of Directors may lay down the conditions under which the aforementioned criteria would be adapted in case of an event affecting their relevance (in particular the market criterion), for example in the event of the delisting of the Company's shares.

A so-called "claw-back" clause is applicable throughout the vesting period. Under this clause, if it subsequently appears that the shares were vested to the Chief Executive Officer based on information that he knew to be incorrect and that led to an inaccurate assessment by the Board of Directors of the aggregates used to assess the performance condition, the benefit of the performance shares in question would be lost automatically.

In the event of the disability of the Chief Executive Officer under the conditions set forth by law, or in the event of his death, the Board of Directors would remove the continued employment condition. A number of performance shares would be determined as follows:

- if the disability or death occurs between 1 January 2022 and 31 December 2022: no performance shares will vest;
- if the disability or death occurs between 1 January 2023 and 31 December 2023: 33% of the performance shares awarded may vest if the amount of free cash flow for the financial year ended 31 December 2022 is greater than or equal to the 2022 guidance;
- if the disability or death occurs between 1 January 2024 and 31 December 2024: 66% of the performance shares awarded may vest if the aggregate amount of free cash flow for the financial years ended 31 December 2022 and 31 December 2023 is greater than or equal to the guidance for the two financial years then ended (2022 and 2023);
- if the disability or death occurs on or after 1 January 2025: 100% of the performance shares awarded may vest if the aggregate amount of free cash flow for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 is greater than or equal to €240 million.

## 3. Severance package

Because the Chief Executive Officer does not have an employment contract, he will receive a severance payment in the event of his Forced Departure from the Company, under the conditions set forth below:

- the severance payment is equal to 12 months of the Chief Executive Officer's average (i) gross annual fixed all-inclusive compensation and (ii) gross annual variable compensation over the preceding two complete financial years;
- payment is subject to the following performance condition: the Chief Executive Officer must have achieved an average of at least 50% of his annual targets during the preceding two complete years. If the departure occurs less than two years after taking up his post, the annual targets taken into account for the performance condition and the calculation of the severance payment will be those which were applicable during the time he was with the Company;
- the severance payment will only be paid after the Board of Directors of the Company has determined that the applicable performance condition has been met and after the Company's General Shareholders' Meeting has approved the payment within the scope of the ex post vote.

In accordance with the AFEP-MEDEF Corporate Governance Code, the aggregate of the severance payment and the non-competition compensation may not exceed two years' fixed and variable compensation.

No sums are payable in this respect, upon the termination of duties, by any company that controls or is controlled by the Company, within the meaning of Article L. 233-16 II and III.

The severance payment will not be paid if the Chief Executive Officer has the possibility of exercising his pension rights.

The above commitment in favour of the Chief Executive Officer is subject, in the event of payment, to the approval of the General Shareholders' Meeting within the scope of the ex post vote.

The Board of Directors may review this commitment at the end of three years.

## 4. Non-competition compensation

The Chief Executive Officer is subject to a non-competition obligation in the event that he ceases to serve as Chief Executive Officer for any reason and in any manner, under the conditions set forth below:

- the ban on competition is limited to a period of 12 months commencing on the day he actually leaves office;
- pursuant to this non-competition obligation, the Chief Executive Officer agrees not to exercise any professional activity, of any kind whatsoever, in Europe, for a competitor of the Company, which shall include:
  - any competing undertaking providing, as a main activity, an online local search engine service, whether general or vertical, through the internet or a mobile app, and digital marketing services designed to enhance the visibility of advertisers on the same service,
  - any competing undertaking providing, as a main activity, a website construction service for SMEs and mid-caps,
  - any competing undertaking providing, as a main activity, marketing services enabling businesses to enhance their visibility on the internet and to generate contacts and introductions to customers and prospects;
- the corresponding non-competition compensation will be equal, on the basis of a 12-month non-competition period, to six months' fixed and variable compensation calculated on the basis of the monthly average of the gross fixed compensation paid over the 12 months of activity preceding the date of termination of the Chief Executive Officer's duties.

At the Board of Directors' discretion, the Company may, upon the termination of duties, (i) waive the benefit of the non-competition commitment (in which case it would not have to pay the corresponding compensation) or (ii) reduce the duration, the scope of activities and/or the geographical scope of said commitment (in which case the amount of the non-competition compensation would be reduced accordingly).

In accordance with the AFEP-MEDEF Corporate Governance Code, the aggregate of the severance payment and the non-competition compensation may not exceed two years' fixed and variable compensation.

In addition, the non-competition compensation shall not be paid if the beneficiary has the possibility of exercising his pension rights. In any event, no non-competition compensation may be paid past the age of 65.

The above commitment in favour of the Chief Executive Officer is subject, in the event of payment, to the approval of the General Shareholders' Meeting within the scope of the ex post vote.

## C. Directors' compensation policy

The next Annual General Shareholders' Meeting will be asked to approve the Directors' compensation policy. This policy consists of (i) all common elements of the compensation policy referred to in the section headed "Compensation policy - common aspects" and (ii) all elements described in this paragraph.

Members of the Board of Directors are compensated by allotment of a fixed aggregate sum granted by the General Shareholders' Meeting and distributed by the Board of Directors among its members.

### 1. Decision-making process followed for determining, reviewing and implementing the Directors' compensation policy

The Combined General Shareholders' Meeting of 11 June 2015 set the annual amount of directorship compensation awarded to Board members at €490,000 for the 2015 financial year and subsequent financial years, and until further decision by the General Shareholders' Meeting. The next Annual Shareholders' Meeting will be asked to set the annual compensation to be awarded to the members of the Board of Directors at the sum of €547,600.

This increase would reflect the presence of an additional Director compared with the previous year and would also bring the annual compensation to be awarded by your Company to the members of its Board of Directors closer to the amounts paid by comparable companies. This alignment is the result of a study conducted by the consultancy Say on Pay Gouvernance d'Entreprises at the request of the Remuneration and Appointments Committee. Excluding the compensation for a new Director, the increase in the total amount of compensation for the Board and the Committee is an additional €1,900 over the amount approved by the Combined General Shareholders' Meeting of 11 June 2015.

The rules for allocating this amount between Directors are decided, revised and implemented by a resolution of the Board of Directors based on the recommendations made by the Remuneration and Appointments Committee.

### 2. Compensation amounts for Directors' participation in the work of the Board of Directors and its Committees – Allocation rules

In accordance with the rules adopted by the Board of Directors based on the recommendations of the Remuneration and Appointments Committee, the rules for the distribution of the €490,000 budget, defined to take account of changes in the nature and composition of the Committees and to reward the work accomplished in accordance with the practices currently in force within companies in the digital sector, are as follows, it being understood that this budget will be €547,600 if the General Shareholders' Meeting of 2 June 2022 votes in favour of the corresponding resolution:

- €150,000 per annum for the Chairman;
- equal allocation for Directors, i.e. €37,700 per annum for each Director, based on the assumption of attendance at all meetings of the Board of Directors and the Committees of which they are members;
- an €18,000 annual lump-sum payment for the Chairman of the Audit Committee;
- a €7,000 annual lump-sum payment for the members of the Audit Committee;
- a €18,000 annual lump-sum payment for the Chairman of the Remuneration and Appointments Committee;
- a €7,000 annual lump-sum payment for the members of the Remuneration and Appointments Committee;
- a €18,000 annual lump-sum payment for the Chairman of the Strategy and Innovation Committee or any other Committee set up by the Board of Directors;
- a €7,000 annual lump-sum payment for the members of the Strategy and Innovation Committee or any other Committee set up by the Board of Directors;

With, however, three exceptions:

- allocation on a pro rata basis for Directors having resigned during the year;
- a reduction in the amount paid for Directors who were absent from a significant proportion of meetings given the assumption of attendance at all meetings of the Board of Directors and the Committees of which they are members;
- no compensation for internal Directors (Director representing employees, Chief Executive Officer (if the duties of the Chief Executive Officer and the Chairman of the Board of Directors are separated)).

### 3. Terms of office / Employment or service contracts

The members of the Board of Directors are appointed for four years.

Any member of the Board of Directors may be removed from office under the conditions provided for by ordinary legislation (scope of the General Shareholders' Meeting).

No member of the Board of Directors has an employment contract with the Company or has entered into a service agreement with the Company.

### 4. Other

It is specified for the avoidance of doubt that none of the members of the Board of Directors, apart from the Chief Executive Officer (see sections 2 et seq. above) receives any items of compensation, indemnities or benefits payable or potentially payable as a result of the termination or a change of duties, or subsequent thereto, or conditional rights granted in respect of defined-benefit pension commitments that meet the characteristics of the schemes referred to in Articles L. 137-11 and L. 137-11-2 of the French Social Security Code.

It is also specified that, apart from the Chief Executive Officer (see section 2.12 above), none of the members of the Board of Directors receives any benefits in kind.

## PART II: COMPENSATION PAID OR AWARDED TO CORPORATE OFFICERS FOR THE 2021 FINANCIAL YEAR (EX POST VOTE)

In accordance with Article L. 22-10-34 I and II of the French Commercial Code, the following will be submitted to the next Annual General Shareholders' Meeting:

- a specific draft resolution relating to the total compensation and the benefits in kind paid during or awarded in respect of the past financial year to Pierre Danon in his capacity as Chairman and CEO (for the period from 1 January 2021 to 5 April 2021) and in his capacity as Chairman of the Board of Directors (for the period from 6 April 2021 to 29 June 2021 (inclusive)) as set out below, and resulting, in the event that the resolution is rejected, in the non-payment of the variable or exceptional compensation awarded for the past financial year (specific ex post vote);
- a draft resolution relating to the information referred to in Article L. 22-10-9 I of the French Commercial Code including in particular the total compensation and the benefits in kind for the offices held paid during or awarded in respect of the past financial year to all corporate officers, as set out below, and resulting, in the event that the resolution is rejected, in the suspension of the compensation allocated to the Directors (general ex post vote);
- a specific draft resolution relating to the total compensation and the benefits in kind paid during or awarded in respect of the past financial year to Philippe Mellier in his capacity as Chairman of the Board of Directors (for the period from 30 June 2021 to 31 December 2021) as set out below, and resulting, in the event that the resolution is rejected, in the non-payment of the variable or exceptional compensation awarded for the past financial year (specific ex post vote);
- a specific draft resolution relating to the total compensation and the benefits in kind paid during or awarded in respect of the past financial year to Hervé Milcent in his capacity as Chief Executive Officer (for the period from 6 April 2021 to 31 December 2021), as set out below, and resulting, in the event that the resolution is rejected, in the suspension of the variable or exceptional compensation awarded for the past financial year (specific ex post vote).

### Compensation of the executive corporate officers subject to the approval of the General Shareholders' Meeting pursuant to Article L. 22-10-34 II of the French Commercial Code (specific ex post vote)

The items of compensation paid or awarded in respect of the 2021 financial year to each of the above-mentioned corporate officers were done so in accordance with the principles and criteria for determining, allocating and awarding executive corporate officers' compensation that were approved by the Combined General Shareholders' Meeting of 3 June 2021 within the scope of the ex ante vote. These principles and criteria are set out in the corporate governance report, pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code ("2020 Report"). This report appears in the Company's 2020 Universal Registration Document filed with the AMF. These documents are available at www.solocal.com.

It is specified, with regard to the Chief Executive Officer and the Chairman of the Board of Directors, but also with regard to the Chairman and CEO for the period in which the functions were combined, that since financial year 2017, the payment of variable and exceptional items of compensation has been conditional upon the approval by the General Shareholders' Meeting of the items of compensation of the officer concerned.

## A. Items of compensation paid during or awarded in respect of the 2021 financial year to the Chairman and CEO (period from 1 January 2021 to 5 April 2021) and the Chairman of the Board of Directors (period from 6 April 2021 to 29 June 2021 inclusive)

**Pierre Danon,**
**Chairman of the Board of Directors (for the period from 1 January 2021 to 5 April 2021)**

| Items of compensation put to the vote | Amounts awarded in respect of the past financial year or book value | Description |
|---|---|---|
| Fixed compensation for his office as Chief Executive Officer | €39,204 | Gross annual fixed compensation of €150,000 for his office as Chief Executive Officer (pro rata) |
| Compensation for his office as Chairman of the Board and other terms of office on Committees | €43,108 | This compensation also covers his duties as Chairman of the Customer Satisfaction Committee over that period from 1 January to 5 April 2021 |
| Annual variable compensation | N/A | No variable compensation. |
| Multi-year variable compensation | N/A | No multi-year variable compensation. |
| Exceptional compensation | N/A | No exceptional compensation. |
| Stock options, performance shares or any other long-term benefit (warrants, etc.) | N/A | No allotment in 2021. |
| Benefits in kind | N/A | No benefits in kind. |
| Severance package | N/A | None. |
| Non-competition compensation | N/A | None. |
| Supplementary retirement plan | N/A | None. |

## PIERRE DANON

**Chairman of the Board of Directors (for the period from 6 April 2021 to 29 June 2021 inclusive)**

| Items of compensation put to the vote | Amounts awarded in respect of the past financial year or book value | Description |
|---|---|---|
| Fixed compensation | N/A | No fixed compensation. |
| Annual variable compensation | N/A | No variable compensation. |
| Multi-year variable compensation | N/A | No multi-year variable compensation. |
| Exceptional compensation | N/A | No exceptional compensation. |
| Stock options, performance shares or any other long-term benefit (warrants, etc.) | N/A | No allotment in 2021. |
| Compensation for his office as Chairman of the Board of Directors | €39,892 | Gross annual fixed compensation of €150,000 paid pro rata and for his duties as Chairman of the Customer Satisfaction Committee. |
| Benefits in kind | N/A | No benefits in kind. |
| Severance package | N/A | None. |
| Non-competition compensation | N/A | None. |
| Supplementary retirement plan | N/A | None. |

## PHILIPPE MELLIER

**Chairman of the Board of Directors (for the period from 30 June 2021 to 31 December 2021)**

| Items of compensation put to the vote | Amounts paid or awarded in respect of the past financial year or book value | Description |
|---|---|---|
| Fixed compensation | N/A | No fixed compensation. |
| Annual variable compensation | N/A | No variable compensation. |
| Multi-year variable compensation | N/A | No multi-year variable compensation. |
| Exceptional compensation | N/A | No exceptional compensation. |
| Stock options, performance shares or any other long-term benefit (warrants, etc.) | N/A | No allotment in 2021. |
| Compensation for his office as Chairman of the Board and other terms of office on Committees | €75,000 | Gross annual fixed compensation of €150,000 paid for his office as Chairman of the Board of Directors. |
| Benefits in kind | N/A | No benefits in kind. |
| Severance package | N/A | None. |
| Non-competition compensation | N/A | None. |
| Supplementary retirement plan | N/A | None. |

## B. Items of compensation paid during or awarded for the 2020 financial year to the Chief Executive Officer in respect of the 2021 financial year

The items of compensation for Hervé Milcent in respect of the 2021 financial year on a pro rata basis from the date on which he took up his post on 6 April 2021 as set out below were approved at the Combined General Shareholders' Meeting of 3 June 2021:

### HERVÉ MILCENT

**Chief Executive Officer from 6 April 2021**

| Items of compensation put to the vote | Amounts awarded in respect of the 2021 financial year or book value | Description |
|---|---|---|
| 2021 fixed compensation | €332,386.35 (6 April 2021 to 31 December 2021) | Gross annual fixed compensation of €450,000 paid monthly (on a pro rata basis from 6 April 2021 to 31 December 2021). |
| 2020 annual variable compensation | €203,721 | Gross annual variable compensation on a pro rata basis between 0% and 150% of fixed compensation.<br><br>As a reminder, the targets set for the Chief Executive Officer by the Board of Directors for the 2021 financial year comprised seven quantitative criteria:<br>(i) 40%: EBITDA – CAPEX, (ii) 20%: FCF, (iii) 15%: Revenues, (iv) 10%; Number of customers, (v) 5%: Customer NPS/Solocal, (vi) 5%: Direct audience PagesJaunes + Local Partner and (vii) 5%: CSR- absenteeism among sales forces.<br><br>This amount was approved by the Board of Directors at its meeting of 22 February 2022, on the basis of 61.2% of his variable compensation on a pro rata basis and will be submitted to the Combined General Shareholders' Meeting on 2 June 2022 for approval. |
| Multi-year variable compensation | N/A | No multi-year variable compensation. |
| Exceptional compensation | N/A | No exceptional compensation. |
| Stock options, performance shares or any other long-term benefit (warrants) | €245,092 | Allotment of 275,000 shares in accordance with the Board of Directors' decision of 15 April 2021. |
| Compensation for his directorship | N/A | The Chief Executive Officer is not a Director of Solocal Group. |
| Benefits in kind | €30,340.41<br><br>(book value - total benefits in kind excluding civil liability insurance the premium for which is non-individualised) | Payment for/provision of:<br>– healthcare and benefits plans on the terms currently applicable to management-level employees of the Company, or a similar plan;<br>– business expenses incurred when performing his functions as Chief Executive Officer, in particular accommodation and travelling costs, which will be refunded by the Company on production of receipts, in accordance with the Company's rules;<br>– the unemployment insurance (GSC) enrolment costs and contributions for executive corporate officers; and<br>– a company car in accordance with the Company's practices, with the benefit from personal use assessed in accordance with the Company's rules. |

## HERVÉ MILCENT

**Chief Executive Officer from 6 April 2021**

| Items of compensation put to the vote | Amounts awarded in respect of the 2021 financial year or book value | Description |
|---|---|---|
| Severance payment if the position is terminated | Nothing was paid in the 2021 financial year | In the event of his forced departure from the Company (i.e. any departure other as a result of resignation or of dismissal for gross misconduct, except, in the case of resignation, if this is due to a change in control of the Company (within the meaning of Article L. 233-3 of the French Commercial Code) or a change in strategy decided by the Board of Directors), the Chief Executive Officer will receive a severance payment under the conditions set forth below:<br>– the severance payment is equal to 12 months of the Chief Executive Officer's average (i) gross annual fixed all-inclusive compensation and (ii) gross annual variable compensation over the preceding two complete financial years;<br>– payment will be subject to the following performance condition: the Chief Executive Officer must have achieved an average of at least 50% of his annual targets during the preceding two complete years. If the departure occurs during the first year after taking up his post, 100% of the bonus will be taken into account for the calculation of the severance payment.<br>– the severance package would only be paid after the Board of Directors of the Company has recorded the achievement of the applicable performance condition.<br>The aggregate of the severance payment and the non-competition compensation may not exceed two years' fixed and variable compensation.<br><br>The Board of Directors gave its prior approval to this commitment at its meeting on 8 January 2021, as did the Combined General Shareholders' Meeting on 3 June 2021. |
| Non-competition compensation | Nothing was paid in the 2021 financial year | The Chief Executive Officer is subject to a non-competition obligation in the event that he ceases to serve as CEO for any reason and in any manner, under the conditions set forth below:<br>– the ban on competition will be limited to a period of 12 months commencing on the day he actually leaves office;<br>– the corresponding non-competition compensation, based on a 12-month non-competition period, will be equal to 6 months of total compensation, based on the monthly average of his total gross compensation paid over the preceding 12 months of service.<br>The aggregate of the severance payment and the non-competition compensation may not exceed two years' fixed and variable compensation.<br><br>The Company may, upon termination of duties, (i) waive the benefit of the non-competition commitment (in which case it will not be required to pay the corresponding compensation) or (ii) reduce the duration, scope of activities, and/or geographical scope of that commitment (in which case the amount of the non-competition compensation will be reduced proportionally). |

## HERVÉ MILCENT

**Chief Executive Officer from 6 April 2021**

| Items of compensation put to the vote | Amounts awarded in respect of the 2021 financial year or book value | Description |
|---|---|---|
| Non-competition compensation (continued) | | This commitment was approved ex ante by the Board of Directors at its meeting of 8 January 2021 and by the Combined General Shareholders' Meeting of 3 June 2021.<br>In addition, the non-competition indemnities shall not be paid if the beneficiary exercises his or her pension rights. In any event, no non-competition compensation may be paid past the age of 65. |
| Supplementary retirement plan | €6,994.85 (employer contribution) | Defined-contribution supplementary retirement plan (Article 83 of the French Tax Code), resulting in a contribution of 5.5% applied to compensation tranches B and C. The Company will pay 60% of this contribution, or 3.3%, with the remaining 40%, or 2.2%, being the CEO's responsibility.<br>This commitment was approved ex ante by the Board of Directors at its meeting of 8 January 2021 and by the Combined General Shareholders' Meeting of 3 June 2021. |

In accordance with Article L. 22-10-8 of the French Commercial Code, it is specified that the payment of the items of variable and exceptional compensation referred to in this section of Part II of the report is conditional, for each of the persons concerned, upon the approval by the next General Shareholders' Meeting, of the items of variable and exceptional compensation comprising the total compensation paid or to be paid to that person for the financial year ended 31 December 2021.

## Information on the compensation of corporate officers subject to the approval of the General Shareholders' Meeting pursuant to Article L. 22-10-34 I of the French Commercial Code (general ex post vote)

This section presents, for each corporate officer of the Company, all of the information referred to in Article L. 22-10-9 I of the French Commercial Code relating to their compensation for the 2021 financial year.

In accordance with the provisions of Article L. 22-10-34 I of the French Commercial Code, the Company's shareholders will be asked to vote on this information in a draft resolution put to the vote at the next Annual General Shareholders' Meeting.

It is specified that the payment of items of Directors' compensation (previously referred to as "Directors' fees") for the current financial year is conditional upon the approval of the above-mentioned draft resolution concerning the information referred to in Article L. 22-10-9 I of the French Commercial Code or, in the event the draft proposal is rejected, the approval, at the following General Shareholders' Meeting, of a revised compensation policy.

In accordance with Article L. 22-10-9, I, 8° of the French Commercial Code, it is stipulated that the compensation of each corporate officer of the Company for the 2021 financial year as presented in this report complies with the Company compensation policy adopted for the said financial year.

The compensation policy contributes to the Company's long-term performance because it is based on the ongoing pursuit of a balance between Solocal's interests, recognition of senior executives' performance and consistency in compensation practices. As well as fostering loyalty amongst Solocal's staff, the aim when setting compensation is to reward performance and promote the Group's own exacting standards.

The information relating to executive corporate officers required under Article L. 22-10-9 I of the French Commercial Code is presented in detail in section A and the information relating to Directors is presented in section B. In accordance with the same article, the following information will then be presented in sections C and D respectively: the pay ratios (ratios d'équité) between the compensation of executive corporate officers and the average and median compensation of the Company's employees and changes in these ratios as a result of changes in the Company's performances, the compensation of corporate officers and the average compensation of the Company's employees.

## A. Information on the individual compensation of executive corporate officers

The total compensation and the benefits in kind paid to the Chief Executive Officer, the Chairman of the Board of Directors and the Chairman and CEO for the offices held during the past financial year are presented in the table above in the section headed "Compensation of executive corporate officers subject to the approval of the General Shareholders' Meeting pursuant to Article L. 22-10-34 II of the French Commercial Code (specific ex post vote)".

The commitments made by the Company and corresponding to items of compensation, indemnities or benefits payable or potentially payable as a result of the commencement, termination or change of duties or subsequent to the performance thereof are also presented in the section headed "Compensation of executive corporate officers subject to the approval of the General Shareholders' Meeting pursuant to Article L. 22-10-34 II of the French Commercial Code (specific ex post vote)".

## B. Items of Directors' compensation

All compensation received by the Directors for their office during the past year is presented in the table below.

If the composition of the Board of Directors were to no longer comply with the first paragraph of Article L. 22-10-3 of the French Commercial Code, following a change in its current composition, the payment of the Directors' compensation for their contribution to the Board's work would be suspended. Payment would resume, including back payment accrued since suspension, once the Board of Directors was properly composed again.

| Non-executive officers | Amounts due in 2021* | Amounts due in 2020* |
|---|---|---|
| **David Amar** | | |
| Directorship compensation (formerly Directors' fees) | 40,100 | 44,875 |
| Other compensation | | - |
| **Delphine Grison** | | |
| Directorship compensation (formerly Directors' fees) | 53,700 | 48,917 |
| Other compensation | | - |
| **Anne-France Laclide**(1) | | |
| Directorship compensation (formerly Directors' fees) | 55,700 | 46,871 |
| Other compensation | | - |
| **Marie Christine Levet** | | |
| Directorship compensation (formerly Directors' fees) | 42,500 | 38,784 |
| Other compensation | | - |
| **Catherine Robaglia** (2) | | |
| Directorship compensation (formerly Directors' fees) | | - |
| Other compensation | 97,619 | 91,266 |
| **David Eckert** (3) | | |
| Directorship compensation (formerly Directors' fees) | 42,500 | 10,625 |
| Other compensation | | - |
| **Paul Russo** (4) | | |
| Directorship compensation (formerly Directors' fees) | 43,500 | 10,875 |
| Other compensation | | - |
| **Sophie Sursock** | | |
| Directorship compensation (formerly Directors' fees) | 43,500 | 41,230 |
| Other compensation | | - |

* *The amounts shown do not take into account the 30% withholding tax for foreign tax residents and the 21% withholding tax for French tax residents*

(1) *Anne-France Laclide was co-opted at the Board of Directors' meeting of 19 June 2019 and her co-option was ratified at the General Shareholders' Meeting of 24 July 2020.*

(2) *Catherine Robaglia was elected as Director representing employees on 15 October 2020. Compensation payable by a company within the Solocal Group scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code.*

(3) *David Eckert was co-opted at the Board of Directors' meeting of 2 October 2020 and his co-option was ratified at the General Shareholders' Meeting of 27 November 2020.*

(4) *Paul Russo was co-opted at the Board of Directors' meeting of 2 October 2020 and his co-option was ratified at the General Shareholders' Meeting of 27 November 2020.*

In addition, Jacques-Henri David received compensation of €37,700 for his duties as Non-Voting Director.

Bruno Guillemet received pro rata compensation (for the period from 11 October 2021 to 31 December 2021) of €9,425 for his duties as Non-Voting Director. It should be noted that this amount was not included in the Directors' fees budget.

## C. Pay ratios between the compensation of the Chairman of the Board and CEO, the Chairman of the Board of Directors and the Chief Executive Officer and the average and median compensation of Solocal Group employees

The table below shows the ratios between the level of compensation of the Chairman of the Board of Directors and the Chief Executive Officer and (i) the average compensation of employees of the Group's French companies other than corporate officers and (ii) the median compensation of employees of the Group's French companies other than corporate officers.

The ratios set out below have been calculated based on the fixed and variable gross annual compensation paid during the past five financial years:

**Table of ratios pursuant to Article L. 22-10-9 I. 6° and 7° of the French Commercial Code [(1)]**

| | 2016 financial year | 2017 financial year | 2018 financial year | 2019 financial year | 2020 financial year | 2021 financial year |
|---|---|---|---|---|---|---|
| **Change *(as %)* in the compensation of the Chairman of the Board and CEO (Pierre Danon) [(2)(3)]** | | | | | | |
| **Information concerning the scope of the listed company** | | | | | | |
| Change (as %) in employees' average compensation | | | | | | |
| Ratio to employees' average compensation [(1)] | | | | | 294% | 292% |
| Change in the ratio (as %) compared to the previous financial year | | | | | | |
| Ratio to employees' median compensation [(1)] | | | | | 337% | 338% |
| Change in the ratio (as %) compared to the previous financial year | | | | | | |
| **Additional information on the expanded scope** | | | | | | |
| Change (as %) in employees' average compensation | | | | | | |
| Ratio to employees' average compensation [(1)] | | | | | | |
| Change in the ratio (as %) compared to the previous financial year | | | | | | |
| Ratio to employees' median compensation [(1)] | | | | | | |
| Change in the ratio (as %) compared to the previous financial year | | | | | | |
| **Performance of the Company** | | | | | | |
| Financial criteria | | | | | | |
| Change (as %) compared to the previous financial year | | | | | | |
| Change (as %) in the compensation of the Chief Executive Officer [(4)(5)(6)] | 2% | -18% | -26% | 36% | 24% | -58% |
| **Information concerning the scope of the listed company** | | | | | | |
| Change (as %) in employees' average compensation | 1% | 3% | 2% | -3% | -8% | 1% |
| Ratio to employees' average compensation [(1)] | 2,013% | 1,601% | 1,155% | 1,617% | 2,183% | 904% |
| Change in the ratio (as %) compared to the previous financial year | 1% | -20% | -28% | 40% | 35% | -59% |
| Ratio to employees' median compensation [(1)] | 2,237% | 1,807% | 1,318% | 1,903% | 2,502% | 1,046% |
| Change in the ratio (as %) compared to the previous financial year | -1% | -19% | -27% | 44% | 31% | -58% |

| | 2016 financial year | 2017 financial year | 2018 financial year | 2019 financial year | 2020 financial year | 2021 financial year |
|---|---|---|---|---|---|---|
| **Additional information on the expanded scope** | | | | | | |
| Change (as %) in employees' average compensation | | | | | | |
| Ratio to employees' average compensation [1] | | | | | | |
| Change in the ratio (as %) compared to the previous financial year | | | | | | |
| Ratio to employees' median compensation [1] | | | | | | |
| Change in the ratio (as %) compared to the previous financial year | | | | | | |
| **Performance of the Company** | | | | | | |
| Financial criteria | | | | | | |
| ***Change (as %) compared to the previous financial year*** | | | | | | |
| Change (as %) in the compensation of the Chairman of the Board of Directors** [7][8] | 0% | 0% | 67% | 0% | 0% | 0% |
| Change (as %) in employees' average compensation | 1% | 3% | 2% | -3% | -8% | 1% |
| Ratio to employees' average compensation [1] | 166% | 161% | 263% | 271% | 294% | 292% |
| Change in the ratio (as %) compared to the previous financial year | -1% | -3% | 63% | 3% | 9% | -1% |
| Ratio to employees' median compensation [1] | 184% | 182% | 300% | 318% | 337% | 338% |
| Change in the ratio (as %) compared to the previous financial year | -4% | -1% | 65% | 6% | 6% | 0% |
| **Additional information on the expanded scope** | | | | | | |
| Change (as %) in employees' average compensation | | | | | | |
| Ratio to employees' average compensation [1] | | | | | | |
| Change in the ratio (as %) compared to the previous financial year | | | | | | |
| Ratio to employees' median compensation [1] | | | | | | |
| Change in the ratio (as %) compared to the previous financial year | | | | | | |
| **Performance of the Company** | | | | | | |
| Financial criteria | | | | | | |
| Change (as %) compared to the previous financial year | | | | | | |

*(1) Ratios calculated from the compensation paid by French entities.*
*(2) Pierre Danon from 5 October 2020 to 31 October 2020.*
*(3) Pierre Danon from 1 January 2021 to 5 April 2021.*
*(4) Jean-Pierre Remy from 25 May 2009 to 30 June 2017.*
*(5) Éric Boustouller from 11 October 2017 to 4 October 2020.*
*(6) Hervé Milcent from 6 April 2021 to 31 December 2021.*
*(7) Pierre Danon from 1 January 2021 to 29 June 2021.*
*(8) Philippe Mellier from 30 June 2021 to 31 December 2021.*

The Company has not put in place any specific supplementary retirement plans for its corporate officers.

## D. Annual changes in compensation, the Company's performances and the average compensation of Solocal Group employees other than senior executives

In accordance with Article L. 22-10-9, I, 7° of the French Commercial Code, the table below presents annual changes in compensation, Solocal Group's performances and the average compensation on a full-time equivalent basis of the Company's employees other than senior executives in financial years 2017 to 2021:

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **1. Total compensation granted by the General Shareholders' Meeting to the members of the Board of Directors and distributed by the Board of Directors*** *(in euros)* | | | | | |
| David Amar [(1)] | 40,100 | 44,875 | 45,000 | 37,500 | 29,498 |
| Philippe de Verdalle [(2)] | – | 29,563 | 42,500 | 37,500 | 29,498 |
| Jacques-Henri David [(3)] | – | 43,188 | 45,500 | 37,500 | 41,244 |
| Delphine Grison [(4)] | 53,700 | 48,917 | 40,000 | 37,500 | 20,000 |
| Sandrine Dufour [(5)] | – | – | – | 0 | 37,500 |
| Anne-France Laclide [(6)] | 55,700 | 46,871 | 20,750 | – | – |
| Arnaud Marion [(7)] | – | – | – | 37,500 | 29,498 |
| Alexandre Loussert [(8)] | – | – | – | 37,500 | 41,746 |
| Joëlle Obadia [(9)] | – | 100,797 | 100,501 | 108,868 | 132,492 |
| Marie Christine Levet [(10)] | 42,500 | 38,784 | 40,000 | 37,500 | – |
| Lucile Ribot [(11)] | – | – | – | 37,500 | – |
| Sophie Sursock [(12)] | 43,500 | 41,230 | 44,000 | 37,500 | 29,498 |
| David Eckert [(13)] | 42,500 | 10,625 | – | – | – |
| Paul Russo [(14)] | 43,500 | 10,875 | – | – | – |
| Catherine Robaglia [(15)] | 97,619 | 91,266 | – | – | – |
| **2.1 Compensation of the Chairman of the Board and CEO – Pierre Danon (for the period from 1 January 2021 to 5 April 2021)** | | | | | |
| Compensation for his office as Chief Executive Officer | 39,204 | - | – | – | – |
| Compensation for his office as Chairman | 43,108 | | | | |
| **2.2 Compensation of the Chairman of the Board of Directors – Pierre Danon (for the period from 6 April 2021 to 31 December 2021)** *(in euros)* | | | | | |
| Fixed compensation | 39,892 | – | 150,000 | 90,000 | 90,000 |
| **2.3 Compensation of the Chairman of the Board and CEO – Pierre Danon (for the period from 5 October 2020 to 31 December 2020)** *(in euros)* | | | | | |
| Fixed compensation | – | 40,232 | – | – | – |
| **2.4 Compensation of the Chairman of the Board of Directors – Pierre Danon (for the period from 1 January 2020 to 4 October 2020)** *(in euros)* | | | | | |
| Fixed compensation | – | 123,517 | – | – | – |
| **3. Compensation of the Chairman of the Board of Directors – Philippe Mellier (for the period from 30 June 2021 to 31 December 2021)** *(in euros)* | | | | | |
| Fixed compensation | 75,000 | – | – | – | – |

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **4. Compensation of the Chief Executive Officer – Hervé Milcent since 6 April 2021 (Éric Boustouller for financial years prior to 2021)** *(in euros)* | | | | | |
| Fixed compensation | 332,386 | 372,278 | 520,000 | 520,008 | 376,218** |
| Annual variable compensation | | 256,736 | 570,059 | 353,600 | 116,214*** |
| Valuation of free shares | 0 | 1,224,000 | 0 | 339,000 | – |
| Benefits in kind | 26,855 | 18,346 | 38,200 | 21,849 | 15,026**** |
| **5. Average compensation of employees excluding corporate officers** | | | | | |
| Average compensation | 51,347 | 51,002 | 55,443 | 56,958 | 55,868 |
| **6. Performance of the Company** *(in thousands of euros)* | | | | | |
| Consolidated annual net income | 23,517 | 65,584 | 32,100 | (81,184) | 316,831 |

* *The amounts shown do not take into account the 30% withholding tax for foreign tax residents and the 21% withholding tax for French tax residents.*

** *Aggregate amount that includes Jean-Pierre Remy's fixed compensation of €260,004 and Éric Boustouller's fixed compensation of €116,214.*

*** *Aggregate amount that includes Jean-Pierre Remy's variable compensation of €0 and Éric Boustouller's variable compensation of €116,214.*

**** *Aggregate amount that includes Jean-Pierre Remy's benefits in kind of €10,207 and Éric Boustouller's benefits in kind of €4,819.*

*(1) David Amar was appointed at the General Shareholders' Meeting of 13 June 2017.*

*(2) Philippe de Verdalle was appointed at the General Shareholders' Meeting of 13 June 2017. Philippe de Verdalle resigned at the Board of Directors meeting of 28 August 2020.*

*(3) Jacques-Henri David was appointed at the General Shareholders' Meeting of 19 October 2016. Jacques-Henri David's term of office expired at the end of the General Shareholders' Meeting of 24 July 2020 and was not renewed.*

*(4) Delphine Grison was appointed at the General Shareholders' Meeting of 13 June 2017.*

*(5) Sandrine Dufour resigned at the Board of Directors' meeting of 9 March 2018.*

*(6) Anne-France Laclide was co-opted at the Board of Directors meeting of 19 June 2019 and her co-option was ratified at the General Shareholders' Meeting of 24 July 2020.*

*(7) Arnaud Marion was appointed at the General Shareholders' Meeting of 19 October 2016 and his term of office ended on 14 December 2018. He waived his right to receive Directors' fees until the General Shareholders' Meeting of 13 June 2017.*

*(8) Alexandre Loussert was appointed at the General Shareholders' Meeting of 19 October 2016. He resigned at the Board of Directors' meeting of 28 February 2019.*

*(9) Joëlle Obadia was elected as Director representing employees on 7 April 2016. The compensation shown includes compensation payable by a company within the Solocal Group scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code.*

*(10) Marie-Christine Levet was co-opted at the Board of Directors meeting of 15 December 2017.*

*(11) Lucile Ribot resigned from office on 12 April 2019 (she had been appointed at the General Shareholders' Meeting of 9 March 2018).*

*(12) Sophie Sursock was appointed at the General Shareholders' Meeting of 13 June 2017.*

*(13) David Eckert was co-opted by the Board on 2 October 2020 and his co-option was ratified at the General Shareholders' Meeting of 27 November 2020.*

*(14) Paul Russo was co-opted by the Board on 2 October 2020 and his co-option was ratified at the General Shareholders' Meeting of 27 November 2020.*

*(15) Catherine Robaglia was elected as Director representing employees on 15 October 2020. The compensation shown includes compensation payable by a company within the Solocal Group scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code.*

*(16) This amount is subject to approval at the General Shareholders' Meeting of 2 June 2022 establishing the annual variable compensation of the Chief Executive Officer.*

# PART III: CORPORATE GOVERNANCE (ARTICLE L. 22-10-10 OF THE FRENCH COMMERCIAL CODE)

## 1. List of all offices and duties held by each corporate officer in any company during the 2021 financial year

The list of all offices and duties held by each corporate officer in any company during the 2020 financial year is presented in section 4.1.1 of the Universal Registration Document.

## 2. Regulated agreements and current agreements

### 2.1. Regulated agreements

The following agreements and commitments are subject to Article L. 225-38 of the French Commercial Code and were entered into in 2021, or in a previous year and were still in effect in 2021:

- the amounts due in respect of the newly issued bonds (€17.7 million) were secured by a fifth-rank pledge over the securities account relating to the securities issued by Solocal SA and held by Solocal Group. The Company's Board of Directors authorised the signing of the pledge agreement at its meeting of 7 August 2020.

No other agreement referred to in Article L. 225-38 of the French Commercial Code was entered into in 2021 or was entered into in a previous year and was still in effect in 2021:

### 2.2. Current agreements

The Company has introduced a charter on internal procedures for monitoring current agreements (the "**Charter**") that falls within the framework of (i) regulations governing non-regulated and regulated agreements, as brought into force by the Pacte Law of 11 April 2019 and (ii) AMF recommendation No. 2012-05 of 2 July 2012, as amended on 5 October 2018.

The purpose of this Charter is to: a) set out the regulatory framework applicable to regulated agreements and commitments and provide details as to the internal methodology used to classify the various agreements entered into; and b) institute a procedure within Solocal Group, in accordance with the Pacte Law, allowing the regular assessment of non-regulated agreements entered into in the ordinary course of business and on arm's length terms.

The Charter applies to Solocal Group and all its French subsidiaries that are subject to regulated agreement regulations.

## 3. Summary table of current delegations of authority granted to the Board of Directors

The Combined General Shareholders' Meeting of the Company held on 3 June 2021 delegated authority to the Board of Directors for the following purposes, under the conditions set out below:

| Securities concerned | Term of the authorisation and expiration | Maximum amount of debt securities | Maximum nominal amount of capital increase |
|---|---|---|---|
| 1. Purchase or transfer of shares within the limit of 10% of the share capital (tenth resolution) | 18 months<br>3 January 2023 | - | Repurchase programme ceiling: €90,656,090 |
| 2. Free allotment of Company shares to employees or corporate officers of Solocal Group, with a waiver by the shareholders of their preferential subscription right (fifteenth resolution) | 24 months<br>3 June 2023 | - | 1.5% of the share capital of which a maximum of 0.3% in favour of the corporate officers |
| 3. Delegation of authority to the Board of Directors to increase the share capital, with retention of shareholders' preferential subscription rights, by issuance of shares and/or equity securities granting access to other equity securities and/or granting entitlement to the allotment of debt securities and/or securities granting access to equity securities to be issued (sixteenth resolution) | 26 months<br>3 August 2023 | €300,000,000 | Ceiling: €38,852,610<br>Overall ceiling for issues 3, 4 and 5: €51,803,480 |

| Securities concerned | Term of the authorisation and expiration | Maximum amount of debt securities | Maximum nominal amount of capital increase |
|---|---|---|---|
| 4. Delegation of authority to the Board of Directors to increase the share capital, with cancellation of shareholders' preferential subscription rights, by issuance of shares and/or equity securities granting access to other equity securities and/or granting entitlement to the allotment of debt securities and/or securities granting access to equity securities to be issued, within the framework of public offerings (seventeenth resolution) | 26 months<br>3 August 2023 | €300,000,000 | Ceiling: €12,950,870<br>Overall ceiling of issues 4 and 5: €12,950,870 |
| 5. Delegation of authority to the Board of Directors to increase the share capital, with cancellation of shareholders' preferential subscription rights, by issuance of shares and/or equity securities granting access to other equity securities and/or granting entitlement to the allotment of debt securities and/or securities granting access to equity securities to be issued, in favour of qualified investors or a small circle of investors (eighteenth resolution) | 26 months<br>3 August 2023 | €300,000,000 | Ceiling: €12,950,870 |
| 6. Authorisation given to the Board of Directors to increase the number of securities to be issued, in the event of a capital increase with or without cancellation of shareholders' preferential subscription rights (nineteenth resolution) | 26 months<br>3 August 2023 | - | Regulatory ceiling |
| 7. Delegation of authority to the Board of Directors to increase the Company's share capital by incorporation of reserves, profits or premiums (twentieth resolution) | 26 months<br>3 August 2023 | - | €12,950,870 |
| 8. Share capital increase, with cancellation of shareholders' preferential subscription rights, reserved for members of a group savings plan (twenty-first resolution) | 26 months<br>3 August 2023 | - | €1,295,087 |
| 9. Delegation of authority to the Board of Directors to carry out a capital increase in cash by issuance of new ordinary shares, with cancellation of shareholders' preferential subscription rights, in favour of a category of persons meeting specified characteristics (twenty-second resolution) | 18 months<br>3 January 2023 | - | €20,000,000 |

## 4. Composition, preparation and organisation of the Board of Directors' work

### 4.1. Internal regulations

Internal regulations based on those recommended in the AFEP-MEDEF Corporate Governance Code were adopted by the Board of Directors at its meeting of 23 September 2004 and amended at its meeting of 2 October 2020. These internal regulations set out the guiding principles governing the operation of the Board and the rights and duties of the Directors.

The main provisions of the Board of Directors' internal regulations are described in the Articles of Association section of the Universal Registration Document.

### 4.2. Meetings of the Board of Directors

The Board of Directors presides over all decisions relating to the Company's major strategic, economic, corporate, financial and technological policies and monitors the implementation of these policies by senior management.

The Board met 17 times in 2021. On average, 95% of Directors attended each Board meeting during the financial year. The average duration of a Board of Directors' meeting is three hours and 30 minutes.

The main activities of the Board of Directors were as follows:

- review of financial statements and results: the Board examined and approved the Company and consolidated annual and semi-annual financial statements, and the management reports. It examined the revenues and the main quarterly results along with the corresponding financial disclosures. It drew up the reports and draft resolutions submitted to the General Shareholders' Meetings. It was also involved in the oversight of the financial restructuring undertaken (capital increase, debt restructuring, etc.) by examining all of the related documentation;
- business review: a presentation on business performance is given by senior management at each Board meeting, enabling Directors to keep close track of the Group's business activity "in real time";
- follow-up of the execution of the Group's transformation plan (new offerings, subscription methods, etc.);
- review of strategic direction: presentations of each of the Group's strategic activities are given regularly to the Board by the person in charge of the activity;
- the Board of Directors was engaged in actively monitoring the Company's financial situation and cash position throughout the year;
- selection of a new Chief Executive Officer and a new Chairman of the Board of Directors;
- corporate social responsibility (CSR): the Board of Directors is kept informed of market trends and developments in the competitive environment and major issues including in relation to the Company's environmental and social responsibility.

Since December 2020, each Board of Directors meeting has been followed by a session without executive corporate officers in attendance.

## 4.3. Evaluation of the Board of Directors

The Board of Directors regularly performs a self-assessment of its work, reviews a summary of the assessment and draws conclusions from it. In February 2022, the Chairman of the Board of Directors also decided to conduct a formal assessment by holding meetings with each Director, including Non-Voting Directors, in line with the recommendations of the AFEP-MEDEF code. As part of this formal process, each member of the Board completed a questionnaire, the results of which were summarised and commented upon at the Board of Directors' meeting of 6 April 2022. Following this meeting, the decision was made to establish a Strategy & Innovation Committee.

## 4.4. Committees formed by the Board of Directors

On the recommendation of the Remuneration and Appointments Committee, the Board of Directors, at its meeting of 2 June 2021, decided to discontinue the Customer Satisfaction Committee as a Board of Directors' committee and the Chief Executive Officer was asked to incorporate the various projects related to customer satisfaction into current operations and to report regularly to the Board on progress in this key area.

Consequently, there are two Board committees within the Company - an Audit Committee and a Remuneration and Appointments Committee. A Strategy & Innovation Committee will be set up in the second half of 2022. ]

In addition, an Ad Hoc Board Committee was set up by the Board at its meeting of 14 April 2021 in preparation for the discussion and negotiation by the Board of the details of transition and succession (meetings, dates, rules and communication) and to manage the process of selecting a new Chairman of the Board of Directors and organising the succession. This Committee was dissolved on 30 June 2021. The Committee met 12 times between 19 April 2021 and 23 June 2021 with 99% attendance.

### 4.4.1. Audit Committee

The Audit Committee must have at least two members, which are appointed by the Board of Directors on the Chairman's recommendation. The Audit Committee appoints its own Chair.

As of the date of this report, the Audit Committee was composed of the following members:

- Anne-France Laclide, Chair;
- Sophie Sursock;
- Paul Russo.

Therefore, more than 66% of its members are Independent Directors.

The Audit Committee monitors all matters connected with the preparation and auditing of accounting and financial information. Without prejudice to the powers of the administrative, management and supervisory bodies, it is responsible for the following, in particular:

- monitoring the preparation of financial information, specifically:
- Reviewing draft Company and consolidated annual and semi-annual financial statements and draft management reports and sales and earnings tables,
- reviewing financial communication documents,

- monitoring compliance with the accounting standards adopted for the preparation of the Company and consolidated financial statements,
- reviewing the accounting treatment of specific transactions and the corresponding disclosures;
- checking the quality and relevance of the information communicated to shareholders;
- monitoring the effectiveness of internal control and risk management systems, in particular:
  - checking that internal data collection and control procedures are complied with,
  - reviewing the procedure for selecting the Company's Statutory Auditors, particularly their choice and their terms of compensation for the purpose of making observations;
- each year, examining the respective audit programmes proposed by the statutory and internal auditors, examining the internal audit reports for the past year and preparing the audit engagement programme for the current year;
- each year, assessing the Group's exposure to risks and in particular to financial and litigation risks, significant off-balance sheet commitments and the effectiveness of the internal control system;
- monitoring the statutory audit of the annual Company, and if applicable consolidated, financial statements;
- monitoring the independence of the Statutory Auditors;
- issuing a recommendation on the Statutory Auditors put forward for appointment by the General Shareholders' Meeting;
- reporting regularly to the Board of Directors on the performance of its duties and informing it immediately of any difficulty encountered.

These duties do not limit the powers of the Board of Directors, which may rely on the duties or opinions of these Committees to reduce its responsibility.

The Audit Committee may meet as often as it considers necessary and may address any matter that falls within its remit. It may ask the Company to provide it with any document or information it needs to carry out its duties and conduct any internal or external audit on any matter it believes is pertinent to these duties. When reviewing draft annual and semi-annual financial statements, the Committee may question the Statutory Auditors in the absence of the Company's senior executives. The Audit Committee must be notified of any accounting or auditing irregularity.

The Audit Committee met five times in 2021. 100% of members attended each Committee meeting during the financial year. It regularly met with the Company's senior executives, senior Finance department managers, the Head of Internal Audit and the Statutory Auditors to discuss their work programmes and follow-up actions.

In 2021, the Audit Committee examined the following matters in particular:

- the annual Company and consolidated financial statements for the period ended 31 December 2021;
- quarterly condensed consolidated financial statements for 2021;
- the 2022 audit and internal control plan;
- findings of the year's Internal Audit engagements and quarterly follow up of the implementation of recommendations;
- monitoring of the project to upgrade the back office systems.

### 4.4.2. Remuneration and Appointments Committee

The Committee is comprised of at least three members, who are appointed by the Board of Directors on the Chairman's recommendation. The Remuneration and Appointments Committee appoints its own Chair.

As of the date of this report, the Remuneration and Appointments Committee was composed of the following members:

- Delphine Grison, Chair;
- Marie-Christine Levet;
- David Eckert.

Therefore, more than 66% of its members are Independent Directors.

The Committee and the Board of Directors approved the possibility of Paul Russo participating in all Committee meetings as a guest (without voting rights) to facilitate interaction with the Audit Committee. In addition, following a recommendation by the Remuneration and Appointments Committee, the Board of Directors, at its meeting of 11 October 2021, approved the participation of Bruno Guillemet (Non-Voting Director) as a guest (without voting rights) at all Committee meetings in order to contribute his expertise in Human Resources.

The Remuneration and Appointments Committee is tasked with making recommendations to the Board of Directors for the appointment of Board members, the Chairman of the Board, the Chief Executive Officer and members of Board Committees.

The Committee is also kept informed by the Chief Executive Officer of any other senior executive appointments within the Group. The Committee also advises the Board of Directors on the amount of Directors' fees to be submitted to the General Shareholders' Meeting and on the allocation of these fees between Board members.

In addition, the Committee makes recommendations to the Board of Directors on the compensation of corporate officers and may, at the Chairman's request, give an opinion on methods used to determine the compensation of Company senior executives. The Committee reviews the compensation structure for Company executives, and approves the bonus structure for the Executive Committee.

In 2021, the Remuneration and Appointments Committee met five times, with an attendance rate of 100%.

Among other matters, the Committee examined changes in the governance of the Company, the setting of targets and methods of calculating the variable portion of the Chief Executive Officer's compensation, the principles governing compensation of the Company's key executives and the establishment of a long-term compensation plan for the Group's Chief Executive Officer and key executives. In 2022, the Committee will also continue work on (i) developing a succession plan to ensure continuity of senior management and (ii) a Conflict of Interest Charter. Work began on these matters in 2021 but was suspended following the departure of the Chairman of the Board of Directors

In the first half of the year, the Committee finalised the selection of a new Chief Executive Officer and his compensation.

While not participating in any discussions of the Committee that might concern him individually, the Chief Executive Officer was regularly invited to present information to the Committee about the criteria for determining the variable compensation of the members of the Executive Committee and certain chief officers and the introduction of a new LTI plan.

### 4.4.3. Customer Satisfaction Committee

The Customer Satisfaction Committee was discontinued in June 2021.

In the first half of 2021, the Committee was composed of three members, who were appointed by the Board of Directors on the Chairman's recommendation.

The Customer Satisfaction Committee was composed of the following members:

- Pierre Danon, Chairman;
- David Amar;
- Catherine Robaglia.

The Customer Satisfaction & Operational Excellence Committee was tasked with managing programmes aimed at improving the customer satisfaction and quality of operations within the Company. To this end, the Committee held meetings to:

- track key performance indicators (KPIs) for our customer operations (sales, production, customer relations) and monitor the results of satisfaction surveys;
- decide upon action plans to correct identified weaknesses:
- prioritise cross-departmental projects aimed at improving customer satisfaction;
- a Strategy & Innovation Committee will be set up in the second half of 2022.

## 4.5. Non-Voting Directors

In accordance with Article 12 of the Company's Articles of Association, which allows the Board of Directors to appoint one or more Non-Voting Directors, who participate in Board meetings but are not entitled to vote at those meetings, the Board of Directors meeting of 23 July 2020 decided to appoint Jacques-Henri David as Non-Voting Director, since his directorship was due to expire at the General Shareholders' Meeting of 24 July and he was not seeking its renewal.

The Board of Directors meeting of 23 July 2020 decided to award Jacques-Henri David for his duties as a Non-Voting Director fixed all-inclusive compensation of €37,700 per annum, equivalent to that of the Directors.

The Board of Directors also decided at its meeting of 11 October 2021 to appoint Bruno Guillemet as a Non-Voting Director in order to bring his expertise in Human Resources to the Board. Bruno Guillemet's office as a Non-Voting Director will end in the event that the General Shareholders' Meeting votes in favour of his appointment as a Director.

Compensation for Non-Voting Directors' duties is not included in the budget for Directors' compensation.

## 4.6. Attendance of members of the Board of Directors

Attendance of members of the Board of Directors at Board and Committee meetings in 2021:

| Full name | Function | Attendance |
|---|---|---|
| **Philippe Mellier** | Chairman of the Board of Directors (since 30 June 2021) | 100% |
| **Pierre Danon** | Chairman of the Board of Directors (1 January 2021 to 29 June 2021 inclusive) | 100% |
| | Chairman of the Customer Satisfaction Committee (1 January 2021 to 2 June 2021) | 100% |
| **David Amar** | Vice-Chairman and Director | 82% |
| | Member of the Customer Satisfaction Committee (until 2 June 2021) | 82% |
| **Jacques-Henri David** | Non-Voting Director since 23 July 2020 | 88% |
| **Delphine Grison** | Director | 94% |
| | Chair of the Remuneration and Appointments Committee (since 28 August 2020) | 100% |
| | Member of the Ad Hoc Committee (19 April 2021 to 23 June 2021) | 100% |
| **Anne-France Laclide** | Director | 100% |
| | Chair of the Audit Committee (since 19 June 2019) | 100% |
| | Member of the Ad Hoc Committee (19 April 2021 to 23 June 2021) | 95% |
| **Marie-Christine Levet** | Director | 100% |
| | Member of the Remuneration and Appointments Committee (since 17 September 2020) | 100% |
| | Member of the Ad Hoc Committee (19 April 2021 to 23 June 2021) | 100% |
| **Sophie Sursock** | Director | 88% |
| | Member of the Audit Committee | 100% |
| **Paul Russo** | Director (since 2 October 2020) | 100% |
| | Member of the Audit Committee (since 2 October 2020) | 100% |
| | Member of the Ad Hoc Committee (19 April 2021 to 23 June 2021) | 100% |
| **David Eckert** | Director (since 2 October 2020) | 100% |
| | Member of the Remuneration and Appointments Committee (since 2 October 2020) | 100% |
| | Member of the Ad Hoc Committee (19 April 2021 to 23 June 2021) | 100% |
| **Catherine Robaglia** | Director (since 15 October 2020) | 94% |
| | Member of the Customer Satisfaction Committee (until 2 June 2021) | 82% |
| **Bruno Guillemet** | Non-Voting Director (since 11 October 2021) | 80% |

## 5. Description of the diversity policy applied to the members of the Board of Directors

As of the date of this document, the Board of Directors (excluding the Director representing employees) comprises four women: Delphine Grison, Marie-Christine Levet, Anne-France Laclide and Sophie Sursock, and four men: David Amar, David Eckert, Philippe Mellier and Paul Russo, i.e. 50% women and 50% men.

Pursuant to Article L. 22-10-3 of the French Commercial Code, the proportion of Directors of each gender on the Board of Directors must not be less than 40%.

## 6. Limitations that the Board of Directors has placed on the Chief Executive Officer's powers

The Chief Executive Officer, subject to the powers expressly granted by law to Shareholders' Meetings and the Board of Directors, and within the limits of the corporate purpose, is vested with the widest powers to act, in all circumstances, in the name of the Company, with the following stipulations:

(i) the Chief Executive Officer must present a draft strategic plan to the Board of Directors each year defining the Group's medium-term business objectives, including projected trends for the Group's key operational and financial indicators, in addition to a draft annual budget;

(ii) the following decisions are subject to prior approval by the Board of Directors:

- approval of the annual budget and any significant changes thereto,
- approval of the annual and three-year business plans,
- the acquisition or disposal of a business by Solocal or any of its subsidiaries that is not included in the annual budget, for a total amount, including all liabilities and other off-balance sheet commitments, greater than €10 million per year,
- investments or divestments not included in the annual budget and involving fixed assets of an amount, including all liabilities and other off-balance sheet commitments, greater than €10 million,
- amendments to the employment contract, hiring/appointment or dismissal/removal of the Chief Financial Officer of the Company; any amendment to the employment contract of, or the hiring/appointment or dismissal/removal of the Group's Human Resources Director or of the Secretary to the Board of Directors shall not require prior authorisation by the Board of Directors, but shall nevertheless require the prior agreement of the Remuneration and Appointments Committee,
- any increase in the total indebtedness of Solocal Group or any of its subsidiaries that exceeds the amount authorised under the financing or loan agreements previously authorised by Solocal Group's Board of Directors,
- the execution of any agreement in order to create a joint-venture with a third party, not included in the annual budget and generating a commitment for Solocal or one of its subsidiaries for a total amount greater than €10 million over the duration of the joint-venture,
- any decision to have the securities of Solocal or any of its subsidiaries listed on a regulated exchange and any operation with a view to the listing of additional securities of Solocal or any of its subsidiaries subsequent to the original listing on a regulated exchange,
- any decision to delist or buy back shares (except share purchases under liquidity agreements previously authorised by the Board of Directors),
- the acquisition or subscription, by Solocal or any of its subsidiaries, of shares, other equity securities or any securities giving access to the capital of any company (x) of a value, including all liabilities and other off-balance sheet commitments, greater than €10 million if the liability of Solocal or its subsidiaries is limited and the transaction is not already included in the annual budget, or (y) irrespective of the amount invested if Solocal or any of its subsidiaries is acting as an unlimited liability partner in such a company,
- any diversification of the business activities of Solocal or any of its subsidiaries that is unrelated to previous business activities, or any diversification that is related to previous business activities but is not included in the annual budget and involves a financial commitment greater than €10 million,
- any sale, transfer or termination of a major business activity of Solocal or any of its subsidiaries that is not included in the annual budget or the three-year business plan,
- the implementation of any incentive plan (as defined under French labour law or any similar legislation in another country, with the exception of a mandatory or standard voluntary profit-sharing plan) within Solocal or its subsidiaries, or any measure that encourages employees to directly or indirectly acquire shares in Solocal or its subsidiaries,
- any authorisation or instruction to a Solocal subsidiary to examine or undertake any of the transactions referred to in this appendix,
- the execution of any agreement not included in the annual budget involving payments or the supply of goods or services by Solocal or its subsidiaries for a total amount greater than €10 million per year,

- any decision relating to plans for the merger or demerger of any Solocal subsidiary, the spin-off of the assets of a Solocal subsidiary, or a long-term agreement to manage a Solocal subsidiary, that is not included in the annual budget or the three-year business plan, excluding internal reorganisation that has no material impact on Solocal's position,
- any transfer or sale in order to provide collateral, any decision to grant a security interest or pledge by Solocal or any of its subsidiaries, in order to meet debts or honour guarantees given to third parties, not included in the annual budget and for a total amount greater than €10 million per year,
- any loans granted by Solocal or any of its subsidiaries which in total exceed €5 million and are not included in the annual budget.

## 7. Application of the AFEP-MEDEF Code

Solocal observes the AFEP-MEDEF Corporate Governance Code, which is available on the www.medef.fr website, and complies with all of the operating rules recommended in this Code, with the exception of the rule requiring the employee Director to be a member of the Remuneration Committee on the basis that the Remuneration and Appointments Committee is a single Committee. At this stage, the Board of Directors has decided that a Director may be a member of only one Committee and wanted to prioritise the employee Director's participation in the Customer Satisfaction Committee. Following the discontinuation of that Committee, a decision regarding the Director's participation on a Committee will be made in the course of 2022.

In addition, during the brief transition period (six months) in which Pierre Danon was Chairman of the Board and CEO, the Board chose not to appoint a Lead Director, but to put in place various measures to maintain the Board's independence. In this regard, at the end of each Board of Directors' meeting, the Company held sessions without the executive corporate officers present. The Chair of the Remuneration and Appointments Committee was also available to shareholders and proxy advisors to discuss issues related to governance.

## 8. Special terms and conditions for shareholder attendance at General Shareholders' Meetings

### 8.1. Access, participation and voting at General Shareholders' Meetings

General Shareholders' Meetings are made up of all shareholders whose shares have been fully paid up and whose entitlement to participate in General Shareholders' Meetings has been evidenced by the registration of the shares either in the name of the shareholder or, if the shareholder is not domiciled in France, of the intermediary registered on the shareholder's behalf, on the second working day prior to the General Shareholders' Meeting at 12 midnight (Paris time).

In order to attend, vote remotely, or be represented at General Shareholders' Meetings, owners of bearer shares or shares registered in an account not held by the Company must file a certificate prepared by the intermediary holding their account, indicating that the shares will not be transferable before the date of the General Shareholders' Meeting, at the place indicated in the Notice of Meeting, no later than 3 p.m. (Paris time) on the day prior to the General Shareholders' Meeting.

In order to attend, vote remotely or be represented at General Shareholders' Meetings, owners of shares registered in an account held by the Company must have their shares registered in their account held by the Company by no later than 3 p.m. (Paris time) on the day prior to the General Shareholders' Meeting.

Access to the General Shareholders' Meeting is open to its members with proof of their status and identity. The Board of Directors may, if it considers it appropriate, arrange for shareholders to be sent personal admission cards bearing their names and require these cards to be shown at the General Shareholders' Meeting.

Owners of Company shares, who are not residents of France, may be registered in the accounts and represented at General Shareholders' Meetings by any intermediary who is registered on their behalf and holds a general securities management mandate, provided that such intermediaries have previously declared themselves as intermediaries holding shares on behalf of third parties at the time the account is opened with the Company or account-holding financial intermediary, in accordance with applicable laws and regulations.

The Company is entitled to ask any intermediary who is registered on behalf of shareholders not residing in France and who holds a general mandate to provide a list of the shareholders they represent and whose rights are to be exercised at the meeting.

Each member of a General Shareholders' Meeting has as many votes as the number of shares he or she owns or represents, provided that his or her voting rights have not been withdrawn.

Any shareholder may also, subject to legal and regulatory conditions, vote remotely or issue powers of attorney to any person of his or her choice in order to be represented and vote at a General Shareholders' Meeting.

Remote voting is carried out under the terms and conditions provided for in applicable laws and regulations. The Company must receive voting forms no later than 3 p.m. (Paris time) on the day before the General Shareholders' Meeting.

Powers of attorney and postal voting forms and certificates of non-transferability of shares may be submitted in electronic form duly signed under the conditions provided for in applicable laws and regulations.

Shares are indivisible with regard to the Company. Joint owners of shares must arrange for one of them to act as representative with the Company, and such person shall be considered to be the sole owner and representative. In the event of failure to agree, the sole representative may be appointed by the Court at the request of the first joint owner to so request. Unless the Company is properly notified of any agreement to the contrary, beneficial owners have the right to vote at Ordinary General Shareholders' Meetings and bare owners have the right to vote at Extraordinary General Shareholders' Meetings.

General Shareholders' Meetings may be held by videoconference or by any other means of telecommunication, including the internet, which enables shareholders to be identified under the conditions set out in applicable laws and regulations.

If the Board of Directors so decides at the time of convening the meeting, forms may be completed and signed electronically directly on a site set up by the Company. This site must use a process including a username and password, in accordance with the terms set out in the first sentence of paragraph two of Article 1316-4 of the French Civil Code, or any other process which meets the conditions set out in the first sentence of paragraph two of Article 1316-4 of the French Civil Code.

The proxy form or ballot submitted in this way prior to the meeting by such electronic means, and any receipts which are provided for them, shall be considered to be fully enforceable, irrevocable written records, subject to the points set out below. By derogation, in the event of a sale of shares occurring prior to 12 midnight (Paris time) on the second working day preceding the meeting, the Company shall invalidate or alter accordingly, as the case may be, the proxy form or ballot submitted prior to the meeting, using the electronic means set up by the Board of Directors.

Owners of Company shares, who are not residents of France, may be registered in the accounts and represented at the meeting by any intermediary who is registered on their behalf and holds a general securities management mandate, provided such intermediaries have previously declared themselves as intermediaries holding shares on behalf of others at the time shares are registered in the accounts with the Company or account-holding financial intermediary, in accordance with applicable laws and regulations.

The Company is entitled to ask any intermediary who is registered on behalf of shareholders not residing in France and who holds a general mandate to provide a list of the shareholders they represent and whose rights are to be exercised at the meeting.

### Ordinary General Shareholders' Meetings

Ordinary General Shareholders' Meetings are called to make all decisions that do not amend the Articles of Association. They are held at least once a year within six months of the end of the financial year, to approve the financial statements for the previous financial year, unless this period is extended by Court order.

Ordinary General Shareholders' Meetings cannot validly deliberate, on the first Notice of Meeting, unless shareholders present, represented or voting remotely, hold at least one-fifth of shares with voting rights. Upon a second Notice of Meeting, no quorum is required. Decisions are made by majority vote of the shareholders who are present, represented or have voted remotely.

For the purposes of calculating quorum and majority, shareholders are deemed to be present if they take part in an Ordinary General Shareholders' Meeting by videoconference or any other means of telecommunication enabling them to be identified, the nature and terms of use of which are defined by applicable laws and regulations.

### Extraordinary General Shareholders' Meetings

Only Extraordinary General Shareholders' Meetings are authorised to amend any provisions of the Articles of Association. However, they may not increase shareholders' commitments except through transactions resulting from a properly executed share consolidation.

Subject to legal stipulations applicable to share capital increases by the incorporation of reserves, profits or issue premiums, Extraordinary General Shareholders' Meetings cannot validly deliberate unless shareholders present, represented or voting remotely hold, on the first Notice of Meeting, at least one-quarter or, on the second Notice of Meeting, one-fifth of the shares with voting rights. If the latter quorum cannot be reached, the second meeting may be reconvened up to two months after the original date, at which point a one-fifth quorum is again required.

Subject to the same conditions, decisions are made by a two-thirds majority vote of shareholders who are present, represented or have voted remotely.

For the purposes of calculating quorum and majority, shareholders are deemed to be present if they take part in an Extraordinary General Shareholders' Meeting by videoconference or any other means of telecommunication enabling them to be identified, the nature and terms of use of which are defined by applicable laws and regulations.

### 8.2. Forms and deadlines for Notices of Meeting (Article 27 of the Articles of Association)

General Shareholders' Meetings are convened by the Board of Directors under the conditions provided for by law.

Failing this, they may also be convened by the Statutory Auditors or by any person authorised for this purpose.

Shareholders' Meetings are held at the registered office or at any other place stated in the Notice of Meeting.

Except as otherwise provided for by law, notices are issued at least 15 full days before the scheduled date of a General Shareholders' Meeting and this period is reduced to ten full days for General Shareholders' Meetings held after a second Notice of Meeting and for reconvened meetings.

The meetings take place at the date, time and place stated in the Notice of Meeting.

Notices of Meeting must include the agenda for the meeting, which shall be drawn up by the convenor of that meeting.

One or more shareholders representing at least the percentage of capital provided for by law, or any association of shareholders meeting the required conditions and acting in accordance with legal conditions and time limits may request that draft resolutions be added to the agenda. Requests for items to be added to the agenda must include the reasons for the request.

### 8.3. Officers of General Shareholders' Meetings (Article 29 of the Articles of Association)

General Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a Director appointed by the Board for this purpose. Failing this, the General Shareholders' Meeting elects its own Chairman.

The duties of scrutineers are performed by the two members of the General Shareholders' Meeting with the greatest number of votes and who are willing to perform these duties.

The officers of a General Shareholders' Meeting appoint a secretary, who is not required to be a shareholder.

### 8.4. Agenda

The Agenda of General Shareholders' Meetings is drawn up by the convenor of the meeting.

One or more shareholders representing the percentage of capital required by applicable regulatory provisions and acting in accordance with legal conditions and time limits may request that draft resolutions be added to the agenda.

Requests for draft resolutions to be added to the agenda must be sent by registered letter with recorded delivery as of publication of the Notice of Meeting in the French bulletin of mandatory legal announcements (BALO), and up to 25 days prior to the meeting (however, if the notice is published more than 45 days prior to the meeting, draft resolutions must be sent within 20 days of publication of the notice). The authors must provide proof that they possess or represent the required proportion of share capital, prior to transmission of the request, by registering the shareholders on the Company registers.

Only matters on the agenda may be discussed at General Shareholders' Meetings. Nevertheless, the General Shareholders' Meeting may, under any circumstances, dismiss and replace one or more members of the Board of Directors.

The agenda may not be amended where a second Notice of Meeting has been issued, or in the event of a meeting being reconvened.

### 8.5. Conditions for exercising voting rights

At all General Shareholders' Meetings, each shareholder has as many votes as the number of shares he or she owns or represents, with no limitations other than those which may arise from legal provisions or the Articles of Association, subject to a Court order in certain cases. The provisions of the Articles of Association stipulating the existence of a double voting right, as adopted by the General Shareholders' Meeting of 7 June 2011, became effective on 1 May 2013. A double voting right is attributed to all fully paid-up registered shares of the Company that have been registered in the name of the same holder for at least two years.

# PART IV: SIGNIFICANT FACTORS IN THE EVENT OF A TENDER OFFER OR PUBLIC EXCHANGE OFFER (ARTICLE L. 22-10-11 OF THE FRENCH COMMERCIAL CODE)

## 1. Structure of the Company's share capital at 31 December 2021

| | Number of shares | % of share capital | Voting rights | % of voting rights |
|---|---|---|---|---|
| GoldenTree AM | 30,616,919 | 23.2% | 30,616,919 | 23.3% |
| DNCA Finance | 13,369,434 | 10.2% | 13,369,434 | 10.2% |
| Melqart AM | 9,118,617 | 6.9% | 9,118,617 | 6.9% |
| Credit Suisse AM | 7,684,520 | 5.8% | 7,684,520 | 5.8% |
| Public | 70,277,263 | 53.4% | 70,331,711 | 53.5% |
| Solocal Group employees (1) | 317,830 | 0.2% | 317,830 | 0.2% |
| Treasury shares held (2) | 309,885 | 0.2% | - | - |
| **TOTAL** | **131,694,468** | **100.0%** | **131,439,031** | **100.0%** |

*(1) Under the Solocal Group Savings Plan.*

*(2) 309,885 treasury shares are held under a liquidity agreement.*

The items listed in paragraphs 1-10 below are provided for information only. The Company considers that they are unlikely to be relevant in the event of a public offer.

## 2. Statutory restrictions on the exercise of voting rights and the transfer of shares or the clauses of agreements made known to the Company pursuant to Article L. 233-11

N/A.

## 3. Direct or indirect interests in the Company's capital, of which it is aware, pursuant to Articles L. 233-7 and L. 233-12 (1)

The list of direct or indirect interests in the Company's capital, of which it is aware, pursuant to Articles L. 233-7 and L. 233-12 will be presented in section 6.4 of the Universal Registration Document.

## 4. List of holders of all securities including special controlling rights, with the description of these rights

N/A.

## 5. Control mechanisms included in the employee shareholding system (2)

According to the regulations on the employee shareholding fund (FCPE) of the Group Savings plan invested in Solocal shares, the voting rights attached to this fund's capitalised securities are exercised by the fund's Supervisory Board.

With no express mention in the regulations of any cases in which the Supervisory Board must seek the shareholders' opinion in advance, the Supervisory Board decides on the contribution of this fund's capitalised securities to purchase or exchange offers, in accordance with Article L. 214-164 of the French Monetary and Financial Code.

At 31 December 2021, the FCPE held 0.2% of the Company's share capital and 0.2% of voting rights at General Shareholders' Meetings.

*(1) Crossing of statutory thresholds.*

*(2) Under the assumption that the controlling rights are not exercised by the Company's employees.*

### 6. Agreements between shareholders of which the Company is aware and that may lead to restrictions on the transfer of shares or the exercise of voting rights

The Company is not aware of any agreements between shareholders that may lead to restrictions on the transfer of shares or the exercise of voting rights.

### 7. Rules applicable to the appointment and replacement of members of the Board of Directors as well as the amendment of the Company's Articles of Association

No stipulation in the Articles of Association or agreement between the Company and a third party includes any special provision on the appointment and/or replacement of Company Directors that may have an impact in the event of a tender offer.

### 8. Powers of the Board of Directors (particularly concerning the issue or redemption of shares)

The main delegations of authority in favour of the Board of Directors are listed in the Summary table of current delegations of authority granted to the Board of Directors in Part II of this document.

### 9. Agreements entered into by the Company that are subject to modification or termination in the event of a change in control of the Company

A number of agreements entered into by the Company include a change in control clause.

### 10. Agreements providing for the payment of indemnities to members of the Board of Directors or employees

No agreements have been entered into the Company providing for the payment of indemnities to members of the Board of Directors or employees of the Company. For commitments made in favour of the Chief Executive Officer, in the event of a forced departure and related to a change in control or strategy, see section 2.9 above.

# 4.3 Compensation and benefits

## 4.3.1 OVERALL COMPENSATION AND BENEFITS IN KIND

All gross compensation, excluding employer charges and benefits in kind, individually owed and paid by the Company to the corporate officers during the year ended 31 December 2020 within Solocal Group is summarised in the tables below:

### Summary table of compensation and options and shares granted to each executive corporate officer

| | 2021 financial year | 2020 financial year |
|---|---|---|
| **Pierre Danon, Chairman of the Board and CEO (1 January 2021 to 5 April 2021)** | | |
| Compensation due for the financial year (detailed in the table below) | 82,312 | - |
| Valuation of the options awarded during the year | - | - |
| Valuation of the performance shares awarded during the year | - | - |
| Valuation of other long-term compensation plans | - | - |

| | 2021 financial year | 2020 financial year |
|---|---|---|
| **Pierre Danon, Chairman of the Board of Directors (6 April 2021 to 29 June 2021 inclusive)** | | |
| Compensation due for the financial year (detailed in the table below) | 39,892 | – |
| Valuation of the options awarded during the year | – | – |
| Valuation of the performance shares awarded during the year | – | – |
| Valuation of other long-term compensation plans | – | – |
| **Pierre Danon, Chairman of the Board of Directors (1 January 2020 to 4 October 2020)** | | |
| Compensation due for the financial year (detailed in the table below) | – | 123,517 |
| Valuation of the options awarded during the year | – | – |
| Valuation of the performance shares awarded during the year | – | – |
| **Pierre Danon, Chairman of the Board and CEO (5 October 2020 to 31 December 2020)** | | |
| Compensation due for the financial year (detailed in the table below) | – | 40,232 |
| Valuation of the options awarded during the year | – | – |
| Valuation of the performance shares awarded during the year | – | – |
| Valuation of the options awarded during the year | – | – |
| Valuation of the performance shares awarded during the year | – | – |
| Valuation of other long-term compensation plans | – | – |
| **Philippe Mellier, Chairman of the Board of Directors (30 June 2021 to 31 December 2021)** | | – |
| Compensation due for the financial year (detailed in the table below) | 75,000 | – |
| Valuation of the options awarded during the year | – | – |
| Valuation of the performance shares awarded during the year | – | – |
| Valuation of other long-term compensation plans | – | – |
| **Hervé Milcent, Chief Executive Officer (6 April 2021 to 31 December 2021)** | | – |
| Compensation due for the financial year (detailed in the table below) | 332,386 | – |
| Variable compensation due for the financial year | 203,721 | – |
| Valuation of the options awarded during the year | – | – |
| Valuation of the performance shares awarded during the year | 245,092 (1) | – |
| Valuation of other long-term compensation plans | – | – |
| Valuation of benefits in kind | 30,340 (2) | |

*(1) LTI plan as approved by the General Shareholders' Meeting of 27 November 2020 and implemented pursuant to Board decisions dated 8 January 2021 and 15 April 2021, one referred to as the "classic" LTI plan and the other the "booster" LTI plan, the latter being subject to investment by eligible persons.*

*(2) Excluding civil liability insurance, the premium for which is non-individualised.*

## Summary table of the compensation of each executive corporate officer

| | 2021 financial year | | 2020 financial year | |
|---|---|---|---|---|
| | Amounts awarded | Amount paid | Amounts awarded | Amount paid |
| **Pierre Danon, Chairman and CEO (1 January 2021 to 5 April 2021)** | | | | |
| Compensation for his office as Chief Executive Officer | 39,204 | 39,204 | | |
| Compensation for his duties as Director, Chairman of the Board of Directors and Committee member (formerly Directors' fees) | 43,108 | 43,108 | 150,000 | 150,000 |
| Benefits in kind | – | – | – | – |
| **TOTAL** | **82,312** | **82,312** | **150,000** | **150,000** |
| **Pierre Danon, Chairman of the Board of Directors (6 April 2021 to 29 June 2021 inclusive)** | | | | |
| Compensation for his duties as Director, Chairman of the Board of Directors and Committee member (formerly Directors' fees) | 39,892 | 39,892 | 117,689 | 117,689 |
| Benefits in kind | – | – | – | – |
| **TOTAL** | **39,892** | **39,892** | **117,689** | **117689** |
| **Philippe Mellier, Chairman of the Board of Directors (30 June 2021 to 31 December 2021)** | | | | |
| Compensation for his duties as Director, Chairman of the Board of Directors and member of Committees (formerly Directors' fees) | 75,000 | 75,000 | | |
| Benefits in kind | – | – | – | – |
| **TOTAL** | **75,000** | **75,000** | **-** | **-** |
| **Hervé Milcent, Chief Executive Officer (6 April 2021 to 31 December 2021)** | | | | |
| Fixed compensation | 332,386 | 332,386 | | |
| Annual variable compensation | 203,721 (2) | | | |
| Exceptional compensation | - | - | - | - |
| Severance payment | | | - | - |
| Compensation for his directorship (formerly Directors' fees) | - | - | - | - |
| Benefits in kind (1) | 30,340 | 30,340 | | |
| **Total** | | | | |
| **TOTAL** | **566,447** | **362,726** | **-** | **-** |

(1) *Excluding civil liability insurance, the premium for which is non-individualised.*

(2) *Amount approved by the Board of Directors at its meeting of 22 February 2022 on a pro rata basis and on the basis of 62.1% of the Chief Executive Officer's variable compensation. The amount of Hervé Milcent's variable compensation is subject to the prior approval of the General Shareholders' Meeting of 2 June 2022.*

Information concerning the commitments taken in favour of the executive corporate officers and the procedure with regard to the application of the variable portion of the Chief Executive Officer's compensation is provided in the corporate governance report (see section 4.2).

| Executive corporate officers | Employment contract | | Supplementary retirement plan | | Indemnities or benefits payable or potentially payable as a result of termination or a change of duties | | Indemnities tied to a non-competition clause | |
|---|---|---|---|---|---|---|---|---|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| **Pierre Danon** | | | | | | | | |
| Chairman of the Board and CEO (1 January 2021 to 5 April 2021) | | X | | X | | X | | X |
| **Pierre Danon** | | | | | | | | |
| Chairman of the Board of Directors (6 April 2021 to 29 June 2021 inclusive) | | X | | X | | X | | X |
| **Philippe Mellier** Chairman of the Board of Directors (30 June 2021 to 31 December 2021) | | X | | X | | X | | X |
| **Hervé Milcent** | | | | | | | | |
| Chief Executive Officer | | X | Defined-contribution supplementary retirement plan (Article 83 of the French Tax Code) | | X | | X | |

## Table of compensation payable for directorships (formerly Directors' fees) and other compensation received by non-executive officers*

| Non-executive officers | Amounts due in 2021* | Amounts due in 2020* |
|---|---|---|
| **David Amar** | | |
| Directorship compensation (formerly Directors' fees) | 40,100 | 44,875 |
| Other compensation | - | – |
| **Jacques Henri David** (1) | | |
| Directorship compensation (formerly Directors' fees) | | 20,855 |
| Other compensation (Non-Voting Director) | 37,700 | 22,333 |
| **Delphine Grison** | | |
| Directorship compensation (formerly Directors' fees) | 53,700 | 48,917 |
| Other compensation | - | - |
| **Anne-France Laclide** (2) | | |
| Directorship compensation (formerly Directors' fees) | 55,700 | 46,871 |
| Other compensation | - | – |
| **Marie Christine Levet** | | |
| Directorship compensation (formerly Directors' fees) | 42,500 | 38,784 |
| Other compensation | - | - |

| Non-executive officers | Amounts due in 2021* | Amounts due in 2020* |
|---|---|---|
| **Catherine Robaglia** (3) | | |
| Directorship compensation (formerly Directors' fees) | - | - |
| Other compensation | 97,619 | 91,266.52 |
| **David Eckert** (4) | | |
| Directorship compensation (formerly Directors' fees) | 42,500 | 10,625 |
| Other compensation | - | - |
| **Paul Russo** (5) | | |
| Directorship compensation (formerly Directors' fees) | 43,500 | 10,875 |
| Other compensation | - | - |
| **Sophie Sursock** | | |
| Directorship compensation (formerly Directors' fees) | 43,500 | 41,230 |
| Other compensation | - | - |

* *The amounts shown do not take into account the 30% withholding tax for foreign tax residents and the 21% withholding tax for French tax residents.*

(1) *Jacques-Henri David was appointed at the General Shareholders' Meeting of 19 October 2016. Jacques-Henri David's term of office expired at the end of the General Shareholders' Meeting of 24 July 2020 and was not renewed.*

(2) *Anne-France Laclide was co-opted at the Board of Directors meeting of 19 June 2019 and her co-option was ratified at the General Shareholders' Meeting of 24 July 2020.*

(3) *Catherine Robaglia was elected as Director representing employees on 15 October 2020. Compensation payable by a company within the Solocal Group scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code.*

(4) *David Eckert was co-opted at the Board of Directors' meeting of 2 October 2020 and his co-option was ratified at the General Shareholders' Meeting of 27 November 2020.*

(5) *Paul Russo was co-opted at the Board of Directors' meeting of 2 October 2020 and his co-option was ratified at the General Shareholders' Meeting of 27 November 2020.*

The Company has not put in place any specific supplementary retirement plans for its corporate officers.

The Combined General Shareholders' Meeting of 11 June 2015 set the annual amount of directorship compensation awarded to Board members at €490,000 for the 2015 financial year and subsequent financial years, and until further decision by the General Shareholders' Meeting.

The next Annual Shareholders' Meeting will be asked to set the annual compensation to be awarded to the members of the Board of Directors at the sum of €547,600.

This increase would reflect the presence of an additional Director compared with the previous year and would also bring the annual compensation to be awarded by your Company to the members of its Board of Directors closer to the amounts paid by comparable companies. This alignment is the result of a study conducted by the consultancy Say on Pay Gouvernance d'Entreprises at the request of the Remuneration and Appointments Committee. Excluding the compensation for a new Director, the increase in the total amount of compensation for the Board and the Committee is an additional €1,900 over the amount approved by the Combined General Shareholders' Meeting of 11 June 2015.

The rules for allocating this amount between Directors are decided, revised and implemented by a resolution of the Board of Directors based on the recommendations made by the Remuneration and Appointments Committee.

In the event that the General Shareholders' Meeting of 2 June 2022 votes in favour of the corresponding resolution and in accordance with the rules adopted by the Board of Directors based on the recommendations made by the Remuneration and Appointments Committee, the rules for the allocation of the €547,600 budget are as follows:

- €150,000 for the Chairman;
- equal allocation for Directors, i.e. €37,700 per annum for each Director, based on the assumption of attendance at all meetings of the Board of Directors and the Committees of which they are members;
- an €18,000 annual lump-sum payment for the Chairman of the Audit Committee;
- a €7,000 annual lump-sum payment for the members of the Audit Committee;
- a €18,000 annual lump-sum payment for the Chairman of the Remuneration and Appointments Committee;

- a €7,000 annual lump-sum payment for the members of the Remuneration and Appointments Committee;
- a €18,000 annual lump-sum payment for the Chairman of the Strategy and Innovation Committee or any other Committee that the Board may create;
- a €7,000 annual lump-sum payment for the members of the Strategy and Innovation Committee or any other Committee.

With, however, three exceptions:

- allocation on a pro rata basis for Directors having resigned during the year;
- a reduction in the amount paid for Directors who were absent from a significant proportion of meetings given the assumption of attendance at all meetings of the Board of Directors and the Committees of which they are members;
- no compensation for internal Directors (Director representing employees, Chief Executive Officer).

## 4.3.2 AMOUNTS PROVISIONED OR OTHERWISE RECOGNISED FOR PAYMENT OF PENSION, RETIREMENT OR OTHER BENEFITS

On the date of this Universal Registration Document, the sums provisioned or otherwise recognised for the payment of pensions, retirement or other benefits were as follows:

- for Pierre Danon: €0;
- for Hervé Milcent: €0;
- for Catherine Robaglia : €90,385.15 (IFC provision).


# Financial statements

# 5.1 Activity report as at 31 December 2021

## 5.1.1 OVERVIEW

The Solocal Group operates in the "Digital" sector which generated revenue for continued activities of €428 million during the financial year 2021. It can be broken down as follows:

- the Connect offer allows VSEs and SMEs to control their digital presence over the entire Web (several tens of medias in total including Google, Facebook, Bing, Tripadvisor, Instagram, etc.) with just a few clicks, in real time and with complete autonomy, via a single mobile application, or a web interface. This offer moreover facilitates the management of interactions among the professionals and their customers thanks to several relational features (instant messaging, quote formulation, appointment scheduling, Click & Collect…). Connect represents revenue of €126.5 million during the financial year 2021 and is marketed in subscription mode with automatic renewal;
- the Booster offer allows companies to increase their digital visibility beyond their natural presence over the entire Web, in a logic for developing local market shares. This offer integrates among others the Priority Referencing service launched in the third quarter of 2019 and represents revenue of €238.3 million during the financial year 2021;
- with the Website range, Solocal offers customers site creation and referencing, according to different budget levels, always in subscription mode with automatic renewal. This offer represents revenue of €63.2 million during the financial year 2021.

Intended for VSE/SMEs, the Connect and Booster ranges are also available for large network accounts.

## 5.1.2 COMMENTARY ON THE RESULTS AS AT 31 DECEMBER

In the presentation of its 2021 results and in this activity report, Solocal isolates the momentum of the continued activities from that of the activities that it is disposing of. The comments on the financial performance indicators concern the scope of continued activities.

## Consolidated income statement for periods closed as at 31 December 2021 and as at 31 December 2020

| | As at 31/12/2021 | | | | | As at 31/12/2020 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Continued activities | | | | | Continued activities | | | |
| *(in millions of euros)* | Consolidated | Divested activities | Total | Recurring | Non recurring | Consolidated | Divested activities | Total | Recurring | Non recurring | Change Recurring 2021/2020 |
| Revenues | 428.0 | - | 428.0 | 428.0 | - | 437.4 | 4.6 | 432.8 | 432.8 | - | -1.1% |
| Net external expenses | (121.2) | - | (121.2) | (121.6) | 0.5 | (125.0) | (3.8) | (121.2) | (120.7) | (0.5) | 0.8% |
| Staff expenses | (184.3) | - | (184.3) | (184.9) | 0.6 | (200.8) | (4.7) | (196.0) | (196.3) | 0.2 | -5.8% |
| Restructuring costs | 8.2 | - | 8.2 | - | 8.2 | 4.5 | - | 4.5 | - | 4.5 | |
| EBITDA | 130.8 | - | 130.8 | 121.5 | 9.3 | 116.2 | (3.9) | 120.0 | 115.8 | 4.2 | 4.8% |
| *As% of revenues* | *30.6%* | *0.0%* | *30.6%* | *28.4%* | | *26.6%* | *0.0%* | *27.7%* | *26.8%* | | *1.6 pts* |
| Gains and losses from disposals | - | - | - | - | - | (2.2) | - | (2.2) | (2.2) | - | |
| Depreciation and amortization | (59.5) | - | (59.5) | (59.5) | - | (64.6) | (2.8) | (61.8) | (61.8) | - | -3.7% |
| **OPERATING INCOME** | **71.3** | **-** | **71.3** | **62.0** | **9.3** | **49.3** | **(6.7)** | **56.0** | **51.8** | **4.2** | **19.5%** |
| *As% of revenues* | *16.7%* | *0.0%* | *16.7%* | *14.5%* | | *11.3%* | *0.0%* | *12.9%* | *12.0%* | | *2.5 pts* |
| Gain from debt restructuring | - | - | - | - | - | 63.2 | - | 63.2 | 63.2 | - | |
| Financial income | 0.2 | - | 0.2 | 0.2 | - | 0.4 | 0.0 | 0.4 | 0.4 | - | -35.6% |
| Financial expenses | (28.7) | - | (28.7) | (28.7) | - | (61.5) | 0.1 | (61.6) | (61.6) | - | -53.4% |
| **FINANCIAL INCOME** | **(28.5)** | **-** | **(28.5)** | **(28.5)** | **-** | **2.0** | **0.1** | **1.9** | **1.9** | **-** | **-1,591.5%** |
| Income before tax from continued activities | 42.8 | - | 42.8 | 33.5 | 9.3 | 51.3 | (6.6) | 57.9 | 53.8 | 4.2 | -37.7% |
| Corporate income tax | (19.3) | - | (19.3) | (16.9) | (2.4) | (6.5) | 0.4 | (6.9) | (5.6) | (1.3) | 201.1% |
| **NET INCOME FROM CONTINUED ACTIVITIES** | **23.5** | **-** | **23.5** | **16.6** | **6.9** | **44.8** | **(6.2)** | **51.0** | **48.2** | **2.8** | **-65.5%** |
| **NET INCOME FROM DISCONTINUED ACTIVITIES** | **-** | **-** | **-** | **-** | **-** | **20.8** | **20.8** | **-** | **-** | **-** | |
| **NET INCOME FOR THE PERIOD** | **23.5** | **-** | **23.5** | **16.6** | **6.9** | **65.6** | **14.6** | **51.0** | **48.2** | **2.8** | **-65.5%** |

Recurring EBITDA corresponds to EBITDA before taking account of items defined as non-recurring.

These non-recurring items are expenses and income in very small numbers which are unusual, abnormal and infrequent and with amounts that are particularly substantial. They primarily correspond to restructuring expenses: these are costs or income corresponding to a program that is planned and controlled by the management, which significantly modifies either the Company's activity scope, or the way in which this activity is managed, according to the criteria provided for in IAS 37.

As at 31 December 2021, the amount of non-recurring items stands at income of €9.3 million.

### 5.1.2.1 Analysis of the order backlog for continued activities

#### Revenues

Total revenues at 31 December 2021 amounted to €428 million, down 1.1% compared to total revenues for 2020.

Revenues already secured for the year 2022 amount to €206.8 million.

#### Order backlog

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| **TOTAL ORDER BACKLOG – END OF PERIOD** | **243.5** | **284.2** |

The order backlog total amounted to €243.5 million at 31 December 2021, down 14.3% compared to 31 December 2020. This decrease is explained by sales lower than the revenue recognized over the same periods. The decrease in the order backlog compared to 31 December 2020 (-14.3%) comes from (i) the expected effect of the change in the date of recording sales when switching to subscription mode, (ii) the change in the product mix with more sales in 12 months than in 24 months compared to the previous year and (iii) lackluster commercial activity not yet benefiting from the expected effects of the actions implemented in the framework of the strategic plan.

Based on management's best estimates, as of 31 December 2021, the sales already recorded before 31 December 2021 make it possible to generate a secure turnover for the year 2022 of €206.8 million. It amounts to €235 million as of 31 December 2020 for the year 2021.

#### Solocal performance indicators

Subscription-based products are pivotal for the transformation of the business model, as it allows (i) a decrease in churn, while (ii) more importantly, it should foster an increase in new customer acquisition and cross-selling of existing clients by freeing up some salesforce time historically devoted to renewal.

Solocal's operational perfomance indicators for Q4 2021 and 2021 are as follows:

| | Q4 2020 | Q4 2021 | Variation | 2020 | 2021 | Variation |
|---|---|---|---|---|---|---|
| Subscription-based order intake *(as a % of Digital order intake)* | 82% | 89% | +7 pts | 81% | 89% | +8 pts |
| Growth KPI | -15% | -8.1% | - | - | - | - |
| Traffic : number of searches PagesJaunes *(in million)* | 469 | 482 | +2.7% | 1,670 | 1,654 | -1.0% |

In the fourth quarter 2021, 89% of order intake were recorded as subscription-based products, i.e. an increase of +7 points compared to Q4 2020. In total over 2021, 89% of order intake were subscription based, i.e. an increase of +8 pts compared to 2020, mainly stemming from Priority Ranking and Connect offers, Websites and Booster Contact. This subscription-based order intake rate has been experiencing an ongoing ramp-up since the full roll-out of new digital Connect (previously Presence) and Priority Ranking services in July 2019. This rate has now been stable since the beginning of 2021.

Since February 2021, Solocal has been disclosing a "growth KPI", which corresponds to the contribution of order intake of the quarter to revenue for the next twelve months. This indicator allows the Group to monitor its order intake conversion into revenue and is -8.1% in Q4 2021 vs. the Q4 2020. This means that the fourth quarter of 2021 order intake helped secure -8.1% in revenue over the upcoming 12 months compared to the order intake recorded in the fourth quarter of 2020. This decrease is explained by a lower number of "productive sales representatives" than the previous year, particularly in the SME segment, which is the largest contributor.

Moreover, PagesJaunes traffic is based on:

- direct traffic from visits made directly by user on pagesjaunes.fr or PagesJaunes App or via search engines using SEO (search for our content);
- traffic on partner websites on which Solocal display content (indirect traffic). Since April 2021, the "cookies and other tracers" guidelines of the CNIL require the explicit consent of individuals to measure Solocal's traffic on its partners' website. The "visits" indicator is weakened as the traffic of syndicated directories is no longer measurable in a certified manner. The progressive ban of third-party cookies by internet browsers reinforces the weakness of this indicator for the future.

It is therefore necessary to measure Solocal audience in number of "searches". The total number of searches is almost stable at 1,653.9 million in 2021 vs. 1,670.3 million in 2020, i.e. a decrease of -1.0%.

### 5.1.2.2 Analysis of recurring EBITDA

#### Net external expenses

Recurring external expenses amounted to €121.6 million at 31 December 2021, stabilising compared to 2020:

- variable costs increased by 3.1% mainly due to the additional costs of spend media related to the product mix;
- these effects were partly offset by savings made in 2021, particularly from sales force travel expenses in light of the downsized average sales capacity.

#### Personnel expenses

Recurring personnel expenses amounted to €184.9 million at 31 December 2021, down 5.8% representing €11.4 million compared to 2020. This drop can be explained by:

- the impact of the health crisis on the level of the business for the period which affected variable remuneration;
- the full-year effect of the reduction in the number of FTEs;
- an unfavourable base effect. Indeed, the short-time working measures taken in 2020 cut down the wage bill by approximately €9 million. The Group did not benefit from these measures in 2021. In line with these exceptional cost cuts, personnel expenses for 2021 amounted to €20.4 million.

The Group's workforce as at 31 December 2021 is 2,282 people (excluding long-term absence) of which 46% in sales.

#### Recurring EBITDA

Recurring EBITDA for continued activities stood at €121.5 million at 31 December 2021, up by 4.8% representing €5.7 million compared to 2020. The recurring EBITDA rate over revenues thus amounted to 28.4%, growing by 1.6 points.

The increase of this rate reflects proper control of fixed costs compared to 2020, which had also been boosted by favourable economic measures related to the health crisis totalling €13 million (short-time work and indirect effects such as suspension of travel). Adjusted for this effect, the recurring EBITDA to sales ratio in 2021 was reportedly 4.8 points higher than in 2020.

### 5.1.2.3 Analysis of the other items in the income statement

#### Operating income

The table below shows the Group's operating income for continued activities for 2021 and 2020:

| | As at 31/12/2021 | | | | | As at 31/12/2020 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Continued activities | | | | | Continued activities | | | |
| *(in millions of euros)* | Consolidated | Divested activities | Total | Recurring | Non recurring | Consolidated | Divested activities | Total | Recurring | Non recurring | Change Recurring 2021/2020 |
| **EBITDA** | **130.8** | **-** | **130.8** | **121.5** | **9.3** | **116.2** | **(3.9)** | **120.0** | **115.8** | **4.2** | **4.8%** |
| *As% of revenues* | *30.6%* | *0.0%* | *30.6%* | *28.4%* | | *26.6%* | *0.0%* | *27.7%* | *26.8%* | | *1.6 pts* |
| Gains and losses from disposals | - | - | - | - | - | (2.2) | - | (2.2) | (2.2) | - | |
| Depreciation and amortization | (59.5) | - | (59.5) | (59.5) | - | (64.6) | (2.8) | (61.8) | (61.8) | - | -3.7% |
| **OPERATING INCOME** | **71.3** | **-** | **71.3** | **62.0** | **9.3** | **49.3** | **(6.7)** | **56.0** | **51.8** | **4.2** | **19.5%** |
| *As% of revenues* | *16.7%* | *0.0%* | *16.7%* | *14.5%* | | *11.3%* | *0.0%* | *12.9%* | *12.0%* | | *2.5 pts* |

As at 31 December 2021, the amount of non-recurring items stands at €9.3 million and is primarily comprised of reversed provisions booked in the framework of the Group's transformation.

Impairment and amortisation amounted -€59.5 million at 31 December 2021 and are down compared to 2020 owing to declining investments over several years.

The Group's operating income for continued activities stood at €71.3 million compared to €56 million in 2020.

## Net income for the period

The table below shows the Group's net income for continued activities as at 31 December 2021 and 2020:

| | As at 31/12/2021 | | | | | As at 31/12/2020 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Continued activities | | | | | Continued activities | | | |
| *(in millions of euros)* | Consolidated | Divested activities | Total | Recurring | Non recurring | Consolidated | Divested activities | Total | Recurring | Non recurring | Change Recurring 2021/2020 |
| **OPERATING INCOME** | **71.3** | **-** | **71.3** | **62.0** | **9.3** | **49.3** | **(6.7)** | **56.0** | **51.8** | **4.2** | **19.5%** |
| *As% of revenues* | *16.7%* | *0.0%* | *16.7%* | *14.5%* | | *11.3%* | *0.0%* | *12.9%* | *12.0%* | | *2.5 pts* |
| Gain from debt restructuring | - | - | - | - | - | 63.2 | - | 63.2 | 63.2 | - | |
| Financial income | 0.2 | - | 0.2 | 0.2 | - | 0.4 | 0.0 | 0.4 | 0.4 | - | -35.6% |
| Financial expenses | (28.7) | - | (28.7) | (28.7) | - | (61.5) | 0.1 | (61.6) | (61.6) | - | -53.4% |
| **FINANCIAL INCOME** | **(28.5)** | **-** | **(28.5)** | **(28.5)** | **-** | **2.0** | **0.1** | **1.9** | **1.9** | **-** | **-1,591.5%** |
| **INCOME BEFORE TAX FROM CONTINUED ACTIVITIES** | **42.8** | **-** | **42.8** | **33.5** | **9.3** | **51.3** | **(6.6)** | **57.9** | **53.8** | **4.2** | **-37.7%** |
| Corporate income tax | (19.3) | - | (19.3) | (16.9) | (2.4) | (6.5) | 0.4 | (6.9) | (5.6) | (1.3) | 201.1% |
| **NET INCOME FROM CONTINUED ACTIVITIES** | **23.5** | **-** | **23.5** | **16.6** | **6.9** | **44.8** | **(6.2)** | **51.0** | **48.2** | **2.8** | **-65.5%** |
| **NET INCOME FROM DISCONTINUED ACTIVITIES** | **-** | **-** | **-** | **-** | **-** | **20.8** | **20.8** | **-** | **-** | **-** | |
| **NET INCOME FOR THE PERIOD** | **23.5** | **-** | **23.5** | **16.6** | **6.9** | **65.6** | **14.6** | **51.0** | **48.2** | **2.8** | **-65.5%** |

As of 31 December 2021, the non-recurring items amounted to €9.3 million. They mainly correspond to the reversals of provisions that had been constituted for the Group's transformation now that the associated risk is extinguished.

The consolidated pretax operating income for continued activities amounts to €42.8 million as at 31 December 2021 and €57.9 million as at 31 December 2020.

The corporation tax charge recorded as at 31 December 2021 is -€19.3 million. This expense includes mainly due to the consumption of deficits (€12 million) and the impacts of rate changes (€2.1 million).

The Group consolidated net income is positive as at 31 December 2021 and stands at €23.5 million compared to €65.6 million as at 31 December 2020.

### 5.1.2.4 Consolidated cash flow presentation

The Group cashflow statement includes the cashflows generated by Digital and Print Businesses in 2020, i.e. a recurring EBITDA of €132.8 million which includes recurring consolidated EBITDA and the marginal contribution of Print business (revenues and direct costs).

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| **RECURRING EBITDA** | **121.5** | **132.8** |
| Non monetary items included in EBITDA and other | 5.1 | (0.6) |
| Net change in working capital | (20.3) | (89.8) |
| *of which change in receivables* | *(10.6)* | *(67.5)* |
| *of which change in payables* | *(10.6)* | *(10.0)* |
| *of which change in other WCR items* | *0.9* | *(12.3)* |
| Acquisition of tangible and intangible fixed assets | (34.2) | (43.2) |
| **RECURRING OPERATING FREE CASH FLOW** | **72.1** | **(0.8)** |
| Non recurring items | (8.1) | (67.0) |
| Disbursed financial result | (13.5) | (5.6) |
| Corporate income tax paid | (6.0) | (5.5) |
| Others | (0.6) | |
| **FREE CASH FLOW** | **43.9** | **(75.7)** |
| Increase (decrease) in borrowings | (6.1) | 24.1 |
| Capital increase | 0.7 | 89.2 |
| Others | (19.7) | (17.7) |
| **NET CASH VARIATION** | **18.8** | **19.9** |
| Net cash and cash equivalents at beginning of period | 61.4 | 41.5 |
| **NET CASH AND CASH EQUIVALENTS AT END OF PERIOD** | **80.2** | **61.4** |

The change in working capital requirement improved significantly in 2021 from -€90 million in 2020 to -20 million in 2021. The change in customer WCR is -€11 million compared to -68 million in 2020; this improvement comes from:

- the stabilization of commercial activity during 2021 after years of decline and a year 2020 marked by lockdown periods;
- a reduction in the time between order booking and revenue recognition, mainly thanks to the switch to subscription mode.

The negative change in "Other WCR" corresponds to the reimbursement of part of the tax and social liabilities over the period (€4.6 million), offset by a VAT credit of €4 million received at the beginning of the 2021.

The amount of CAPEX is €34 million in 2021, down -21% compared to 2020, as the Group had committed.

Corporate income tax paid in 2021 includes -€5.8 million of corporate tax payment, -€3.8 million of CVAE & CFE, partially offset by tax credit (CIR) of +€3.1 million.

Non-recurring items amounted to -€8 million in 2020. They mainly include the disbursements resulting from the Solocal 2020 transformation project. Only €1 million remains to be paid for this project in 2022.

Disbursed financial expenses amounted to -€13.5 million in 2021, they correspond to the payment of Bond interests in cash (50% of financial interests are paid in cash and 50% are capitalised, until 31 December 2021), the annual interests of the €50 million RCF and the annual interests of the €16 million BPI loan. In 2020, the disbursed financial expenses amounted to -€5.6 million since the Group did not pay its first three quarterly Bond coupons in the context of the health crisis in order to preserve its cash.

The Group's consolidated Free Cash Flow is therefore positive, at €43.9 million in 2021 vs. -€75.7 million in 2020 (which included -€67 million of non recurring items).

The decrease in borrowings for -€6.1 million corresponds to the repayment of bank debts (RCF cash repayment of €3 million and BPI loan for €1 million) as well as the termination of the working capital line (-€2 million).

The change in "Others" of -€19.7 million mainly derives from the cashflow corresponding to the financial amortisation of capitalised use rights related with the application of IFRS 16 (i.e. the rents paid by the Group for around €20 million).

The Group's net change in cash is therefore positive at +€18.8 million in 2021. As at 31 December 2021, the Group had a net cash position of €80 million, compared to €61.4 million as at 31 December 2020.

Net financial debt amounts to €175 million at 31 December 2021 (excluding IFRS 16), down -€20 million compared to €195 million at 31 December 2020. It consists in Bonds with a 2025 maturity (two Bonds of respectively €1709 million and €18 million9), the fully drawn RCF for €44 million, the €15 million "Prêt ATOUT" loan, accrued interest for €8 million and a net cash position of €80 million. As a reminder, in accordance with the commitments made during the 2020 financial restructuring, Solocal repaid €6 million of its RCF on 30 September 2021, €3 million in cash and €3 million in shares.

The application of IFRS 16 impact on net financial debt is +€74 million as at 31 December 2021, resulting from the reclassification of rental expenditures in rental obligations as part of the liabilities on the balance sheet.

Net leverage as defined in the documentation pertaining to Solocal's 2025 maturity Bonds is 1.67x as at 31 December 2021 (to which IFRS 16 does not apply). The EBITDA to interest expenses ratio6 (ISCR) amounted to 5.26x for 2021.

The Group complies with the financial covenants requested by the Bonds documentation, with respectively 52% and 75% of headroom.

## 5.1.3 CONSOLIDATED LIQUIDITIES, CAPITAL RESOURCES AND INVESTMENT EXPENSES

The table below shows the cash flows for continued activities of the Group as at 31 December 2021 and as at 31 December 2020:

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Net cash from operations | 78.7 | (16.6) |
| Net cash used in investing activities | (34.8) | (40.1) |
| Net cash provided by (used in) financing activities | (25.1) | 76.7 |
| **NET INCREASE (DECREASE) IN CASH POSITION** | **18.9** | **19.9** |

The net cash flow from operations stood at €78.7 million at 31 December 2021 compared to -€16.6 million at 31 December 2020.

The net cash from operations used in investment activities amounted to -€34.8 million at 31 December 2021 compared to -€40.1 million at 31 December 2020, representing a change of €5.3 million.

The net cash flow used in financing activities was a disbursement of €25.1 million at 31 December 2021 compared to a net collection of €76.7 million at 31 December 2020.

The table below shows **the changes in the Group's consolidated net cash position** and debt at 31 December 2021, and at 31 December 2020:

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Cash equivalents | 0.4 | 0.2 |
| Cash | 79.8 | 61.2 |
| **GROSS CASH** | **80.2** | **61.4** |
| Bank overdrafts | - | - |
| **NET CASH** | **80.2** | **61.4** |
| Nominal value of bond loans | 187.9 | 186.2 |
| Fair value of hedging instruments | (16.9) | (16.9) |
| Nominal value of revolving credit facilities drawn | 44.0 | 50.0 |
| Debt issue costs integrated into the effective interest rate of the debts | (4.1) | (4.1) |
| Amortization of the difference in fair value and costs at the effective interest rate | 4.5 | 1.1 |
| Other loans | 15.0 | 16.0 |
| Accrued interest not yet due on loans | 8.3 | 2.5 |
| Lease liability | - | 0.1 |
| Factoring | - | 2.1 |
| Others | 0.1 | 0.0 |
| Current and non current financial liabilities | 238.8 | 237.0 |
| Long-term and short-term liabilities | 74.3 | 94.0 |
| **GROSS FINANCIAL DEBT** | **313.1** | **331.0** |
| *of which current* | *27.2* | *27.7* |
| *of which non-current* | *285.9* | *303.3* |
| **NET DEBT** | **232.9** | **269.6** |
| **NET DEBT OF CONSOLIDATED GROUP** | **232.9** | **269.6** |

Net financial debt (financial debt, minus cash flow and cash flow equivalents) was €232.9 million as at 31 December 2021, down €36.7 million compared to €269.6 million as at 31 December 2020.

Financial leverage such as defined in the bond documentation on Solocal's 2022 bond was 1.67x at 31 December 2021 (to which IFRS 16 does not apply). The Group complies with the financial ratios provided under the bond documentation:

As at 31 December 2021, gross financial debt is primarily comprised:

- of bonds stemming from the financial restructuring operations carried out in October 2020 for a nominal amount of €169.9 million, repayable in March 2025;
- of bonds issued for a value of €18 million set up in the framework of the Group's financial restructuring of which the maturity is identical to the preceding bonds;
- a revolving credit facility of €50 million fully drawn down and reimbursed in the amount of €6 million in September 2021; payable in cash to the tune for €3 million and in shares to the tune of €3 million;
- a credit line of €16 million (Atout BPI loan), reimbursed to the tune of €1 million in November 2021.

## 5.1.4 INVESTMENT EXPENSE

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Acquisition of tangible and intangible fixed assets | 34.3 | 43.4 |
| Right-of-use assets related to leases | 1.0 | 10.9 |
| **CURRENT INVESTMENTS** | **35.3** | **54.2** |

Rights of use concerning leases posted in the assets amount to €1 million.

Intangible and tangible investments amounted to €34.3 million during the 2021 financial year.

## 5.1.5 PROSPECTS FOR 2022

Following changes in the management team and in light of 2021 order intake, Solocal reviewed its roadmap and announced its three-years ambitions on 21 October 2021. 2022 will be a year of consolidation of the overhaul of the commercial approach, mainly for field salesforce, the sales channel that contributes the most to the Group's activity, including:

- the implementation project of a sales compensation plan adapted to the new model from 1 January 2022;
- Strengthening the sales organization and the roll-out of new targeting and performance tools;
- an investment in the training of teams to the digital services offered.

Over the plan, Solocal will capitalize on the efforts made in terms of customer relations efficiency, in order to adopt a much more proactive approach to supporting its customers. The Group will also increase its marketing investments from 2022 in order to promote the added value of PagesJaunes in the eyes of its customers and the public.

These actions will gradually bear fruit over 2022 and will be combined with a strict control of fixed costs, which will allow a comparable revenue, EBITDA and operating cash flows in 2022 vs. 2021, as well as a return to growth for these same indicators from 2023.

## 5.1.6 EVENTS SUBSEQUENT TO THE CLOSING DATE OF 31 DECEMBER 2021

In reaction to the invasion of Ukraine led by Russia since 24 February 2022, a large part of the international community has imposed economic and trade sanctions against the Russian State and some of its nationals.

The Solocal group does not have a presence in the conflict zone. Solocal makes all its order intake in France; consequently, its revenue is not directly impacted by the conflict and the sanctions targeting Russia.

At the date of filing of this universal registration document, it is not possible to measure all the future impacts on the French economy and therefore the indirect impact on Solocal's customers, revenue, and net income.

Solocal is therefore monitoring the development of this conflict with the greatest attention as well as the human, geopolitical and macro-economic consequences (factors of uncertainty, slowdown in growth, inflationary context, etc.) that could occur in the upcoming months including:

- **risk on cost control** in the event of significant inflation, particularly on energy (fuel, electricity, etc.);
- **risk linked to the financial situation of Solocal customers** in the event of the dispute prolonging (purchasing power and budgets could be reduced);
- **cyber risk** in the event of an intensification of any computer attacks. The outbreak of the conflict occurred after the Board of Directors validated the accounts on 22 February 2022. An update of the assessment of the impacts of this conflict will be carried out on the occasion of the next financial communications to the market, if necessary.

## 5.1.7 ASSESSMENT OF THE FINANCIAL IMPACTS OF ENVIRONMENTAL RISKS

As indicated in the Extra-Financial Declaration of Performance, the risks related to environmental impacts are minor for Solocal Group in 2021. The main key indicators of 2021 commitments, detailed in the DPEF are to optimize energy consumption, use of resources and reduce the carbon impact of its activity.

The challenges of these commitments did not have any significant financial impact on the consolidated financial statements as of 31 December 2021.

## 5.1.8 ADDITIONAL INFORMATION

### 5.1.8.1 Transactions with related parties

There were no new transactions with related parties during 2021. Key management as related parties as at 31 December 2021 are the members of the Board of Directors including the Chief Executive Officer and the members of the Executive Committee. Solocal does not have any related parties other than its key management and Directors.

The departure of Pierre Danon, Chairman of the Board of Directors, did not entail any specific severance arrangements.

### 5.1.8.2 Information on the main risks and uncertainties

The main risks and uncertainties are described in section 2 Risk Factors of the 2021 Universal Registration Document 2021.

### Definitions

**Audiences:** indicator of visits and of access to the content over a given period of time.

**Order backlog:** sales orders such as validated and committed by the customers on the closing date. For products in subscription mode, only the current commitment period is considered.

**Secured revenues:** this is the sum of revenues recognised over the period and the recognition of future revenues from sales or renewed commitments as approved and committed by customers to date (less cancellations already recognised) and expected to give rise to a future service during the current year.

**EBITDA:** EBITDA is an alternate indicator of performance presented in the income statement in operating income and before taking impairment, amortisation and depreciation into account.

Recurring EBITDA corresponds EBITDA before taking account of items defined as non-recurring. These non-recurring items are expenses and income in very small numbers which are unusual, abnormal and infrequent and with amounts that are particularly substantial. They primarily include restructuring expenses: These are income or expenses for a program that is planned and controlled by management, which substantially changes either the Company's scope of business, or the way its business is managed.

**Growth indicator:** an indicator for tracking changes in sales contribution to revenues over from given period to the next 12 months.

**Searches:** number of times Solocal positions one or more professionals following a request from an Internet user.

**Sales:** taking of orders by the sales force, that gives rise to a service performed by the Group for its customers.

# 5.2 Consolidated accounts at 31 December 2021

## 5.2.1 CONSOLIDATED INCOME STATEMENT

| *(amounts in thousands of euros, except data relating to shares)* | Notes | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|---|
| Revenues | 5.1 | 428,010 | 437,424 |
| Net external expenses | 6 | (121,162) | (124,956) |
| Personnel expenses | 7 | (184,285) | (200,768) |
| Restructuring costs | | 8,218 | 4,452 |
| **EBITDA** | | **130,781** | **116,152** |
| Depreciation and amortization | 4 | (59,495) | (64,594) |
| Result of loss of control | | - | (2,226) |
| **OPERATING INCOME** | | **71,286** | **49,332** |
| Net gain from debt restruturing | 9.4 | - | 63,187 |
| Financial income | 9.4 | 234 | 368 |
| Financial expenses | 9.4 | (28,713) | (61,548) |
| **FINANCIAL INCOME** | | **(28,479)** | **2,006** |
| **INCOME BEFORE TAX FROM CONTINUED ACTIVITIES** | | **42,807** | **51,339** |
| Corporate income tax | 8.1 | (19,290) | (6,548) |
| **NET INCOME FROM CONTINUED ACTIVITIES** | | **23,517** | **44,791** |
| **NET INCOME FROM DISCONTINUED ACTIVITIES** | | **-** | **20,793** |
| **NET INCOME FOR THE PERIOD** | | **23,517** | **65,584** |
| Income from continued activities for the period attributable to: | | | |
| – Shareholders of Solocal Group | | 23,517 | 44,791 |
| – Non-controlling interests | | - | - |
| Income from discontinued activities for the period attributable to: | | | |
| – Shareholders of Solocal Group | | - | 20,793 |
| – Non-controlling interests | | - | - |

| *(amounts in thousands of euros, except data relating to shares)* | Notes | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|---|
| **Net earnings from continued activities for the period per share to Solocal Group shareholders** *(in euros)* | | | |
| Net earnings per share of the consolidated Group based on a weighted average numbers of shares | | | |
| – basic | 13 | 0.18 | 0.35 |
| – diluted | | 0.18 | 0.34 |
| **Net earnings from discontinued activities for the period per share to Solocal Group shareholders** *(in euros)* | | | |
| Net earnings per share of the consolidated Group based on a weighted average numbers of shares | | | |
| – basic | 13 | - | 0.16 |
| – diluted | | - | 0.16 |

## 5.2.2 STATEMENT OF COMPREHENSIVE INCOME

| *(amounts in thousands of euros)* | Notes | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|---|
| Income for the period report | | 23,517 | 65,584 |
| ABO reserves: | | | |
| – Gross | 11 | 11,784 | (2,315) |
| – Deferred tax | | (3,043) | 598 |
| – **Net of tax** | | **8,741** | **(1,717)** |
| Exchange differences on translation of foreign operations | | (19) | (381) |
| **OTHER COMPREHENSIVE INCOME** | | **8,722** | **(2,098)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX** | | **32,238** | **63,486** |
| Total comprehensive income for the period attributable to: | | | |
| – Shareholders of Solocal Group | | 32,238 | 63,486 |
| – Non-controlling interests | | - | - |

## 5.2.3 STATEMENT OF CONSOLIDATED FINANCIAL POSITION

| *(in thousands of euros)* | Notes | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|---|
| Assets | | | |
| Net goodwill | 4.1 | 86,489 | 86,489 |
| Other net intangible fixed assets | 4.2 | 70,125 | 76,823 |
| Net tangible fixed assets | 4.3 | 13,702 | 16,047 |
| Right-of-use assets related to leases | 4.3 | 51,828 | 66,571 |
| Non-current financial assets | 9.5 | 7,187 | 7,711 |
| Net deferred tax assets | 8.2 | 43,134 | 61,492 |
| **TOTAL NON-CURRENT ASSETS** | | **272,465** | **315,133** |
| Net trade accounts receivable | 5.2 | 56,328 | 69,649 |
| Other current assets | 5.3 | 22,753 | 44,639 |
| Current tax receivables | | 5,342 | 998 |
| Prepaid expenses | | 1,932 | 1,941 |
| Current financial assets | 9.5 | 1,363 | 1,004 |
| Cash and cash equivalents | 9.5 | 80,230 | 61,379 |
| **TOTAL CURRENT ASSETS** | | **167,946** | **179,610** |
| **TOTAL ASSETS** | | **440,411** | **494,742** |
| Liabilities | | | |
| Share capital | 13.1 | 131,694 | 129,505 |
| Issue premium | | 1,039,995 | 1,038,185 |
| Retained earnings | 13.2 | (1,382,603) | (1,448,666) |
| Income for the period attributable to shareholders of Solocal Group | | 23,517 | 65,584 |
| Other comprehensive income | 11 | (46,441) | (55,163) |
| Treasury Shares | 13.3 | (5,496) | (5,548) |
| **EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE SOLOCAL GROUP** | **13** | **(239,334)** | **(276,104)** |
| **TOTAL EQUITY** | | **(239,334)** | **(276,104)** |
| Non-current financial liabilities | 9.5 | 228,958 | 228,252 |
| Long-term lease liabilities | 9.5 | 56,967 | 75,080 |
| Employee benefits - non-current | 11 | 76,646 | 92,299 |
| Provisions - non-current | 11 | 1,417 | 6,842 |
| **TOTAL NON-CURRENT LIABILITIES** | | **363,988** | **402,472** |
| Current financial liabilities | 9.5 | 9,821 | 8,767 |
| Short-term leases liabilities | 9.5 | 17,340 | 18,886 |
| Provisions - current | 11 | 26,540 | 31,602 |
| Contract liabilities | 5.4 | 100,408 | 108,913 |
| Trade accounts payable | 12. | 51,209 | 59,458 |
| Employee benefits - current | 11 | 41,989 | 48,017 |
| Other current liabilities | | 67,261 | 91,653 |
| Current tax liabilities | | 1,188 | 1,076 |
| **TOTAL CURRENT LIABILITIES** | | **315,757** | **368,372** |
| **TOTAL LIABILITIES** | | **440,411** | **494,742** |

## 5.2.4 STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

| Number of shares in circulation | *(in thousands of euros)* | Share capital | Issue premium | Income and reserves | Actuarial differences | Translation reserve | Own shares | Group equity | Non-controlling interets | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **6,189,739** | **BALANCE AS AT 1 JANUARY 2020** | **61,954** | **758,392** | **(1,400,864)** | **(52,792)** | **(273)** | **(5,344)** | **(638,926)** | **41** | **(638,885)** |
| | Comprehensive income for the period | | | 65,584 | | | | 65,584 | | 65,584 |
| | Other comprehensive income | | | | (1,717) | (381) | | (2,098) | | (2,098) |
| | **Total comprehensive income for the period, net of tax** | **-** | **-** | **65,584** | **(1,717)** | **(381)** | **-** | **63,486** | **-** | **63,486** |
| 5,223 | Share-based payment | | | 185 | | | | 185 | | 185 |
| 123,230,183 | Operating concerning capital | 66,801 | 276,872 | (48,029) | | | | 295,644 | | 295,644 |
| 17 | Mandatory Convertible Bonds | - | - | | | | | - | | - |
| 75,000 | Equity line financing | 750 | 2,920 | | | | | 3,670 | | 3,670 |
| (2,143) | Shares of the consolidating company net of tax effect | | | | | | (204) | (204) | | (204) |
| | Others | | | 41 | | | | 41 | (41) | - |
| **129,498,018** | **BALANCE AS AT 31 DECEMBER 2020** | **129,505** | **1,038,184** | **(1,383,083)** | **(54,509)** | **(654)** | **(5,548)** | **(276,104)** | **-** | **(276,104)** |
| **129,498,018** | **BALANCE AS AT 1 JANUARY 2021** | **129,505** | **1,038,184** | **(1,383,083)** | **(54,509)** | **(654)** | **(5,548)** | **(276,104)** | **-** | **(276,104)** |
| | Comprehensive income for the period | | | 23,517 | | | | 23,517 | | 23,517 |
| | Other comprehensive income | | | | 8,741 | (19) | | 8,722 | | 8,722 |
| | **Total comprehensive income for the period, net of tax** | **-** | **-** | **23,517** | **8,741** | **(19)** | **-** | **32,238** | **-** | **32,238** |
| 31,255 | Share-based payment | 31 | | 763 | | | | 794 | | 794 |
| 2,154,438 | Operating concerning capital | 2,155 | 1,534 | - | | | | 3,690 | | 3,690 |
| 2,938 | Mandatory Convertible Bonds | 3 | 276 | (279) | | | | - | | - |
| (302,067) | Shares of the consolidating company net of tax effect | | | - | | | 52 | 52 | | 52 |
| | Others | | | (4) | - | | | (4) | | (4) |
| **131,384,582** | **BALANCE AS AT 31 DECEMBER 2021** | **131,694** | **1,039,995** | **(1,359,088)** | **(45,768)** | **(673)** | **(5,496)** | **(239,334)** | **-** | **(239,334)** |

## 5.2.5 CONSOLIDATED CASH FLOW STATEMENT

| *(in thousands of euros)* | Notes | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|---|
| **Net income** | | **23,517** | **65,584** |
| Depreciation and amortization of fixed assets | | 60,798 | 78,014 |
| Change in provisions | | (11,462) | (42,953) |
| Fair value items | | 2,924 | (67,820) |
| Share-based payment | | 789 | 185 |
| Capital gains or losses on asset disposals | | 416 | (1,312) |
| Interest income and expenses | | 22,237 | 44,970 |
| Tax charge for the period | | 19,724 | 7,649 |
| Decrease (increase) in trade accounts receivable | | 3,286 | 23,535 |
| Increase (decrease) in liabilities item on contracts | | (8,505) | (85,170) |
| Decrease (increase) in other receivables | | 18,490 | (10,446) |
| Increase (decrease) in trade accounts payable | | (11,492) | (14,646) |
| Increase (decrease) in other payables | | (23,671) | (3,207) |
| **Net change in working capital** | **2.1.4** | **(21,892)** | **(89,934)** |
| Interest paid | | (12,311) | (5,558) |
| Corporation tax paid | | (6,013) | (5,462) |
| **NET CASH FROM OPERATIONS** | | **78,727** | **(16,638)** |
| Acquisition of tangible and intangible fixed assets | 2.1.5 | (34,912) | (42,056) |
| Acquisitions/disposals of investment securities and subsidiaries, net of cash acquired/sold and other changes in assets | | 93 | 2,000 |
| **NET CASH USED IN INVESTING ACTIVITIES** | | **(34,819)** | **(40,056)** |
| Increase (decrease) in borrowings | 9.5 | (4,000) | 32,000 |
| Movements in own shares | | - | 350 |
| Cash flow associated with capital increase or capital reduction | | 700 | 89,199 |
| Cash outflows as part of the debt reduction on rental obligations | 9.5 | (19,653) | (18,092) |
| Other cash from financing activities | | (2,110) | (26,793) |
| **NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES** | | **(25,063)** | **76,664** |
| Impact of changes in exchange rates on cash | | 6 | (49) |
| **NET INCREASE (DECREASE) IN CASH POSITION** | | **18,851** | **19,921** |
| Net cash and cash equivalents at beginning of period | | 61,379 | 41,458 |
| **NET CASH AND CASH EQUIVALENTS AT END OF PERIOD** | | **80,230** | **61,379** |

In 2020, the Printed Matter business was discontinued. The operating cash flows posted in 2020 include those from this discontinued operation amounting to €20.8 million. This discontinued operation did not generate cash flows from financing and investing activities in 2020.

## 5.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

# NOTE 1. Basis for the preparation of the consolidated financial statements

Solocal Group is a public limited company with a Board of Directors subject to the provisions of Book II of the French Commercial Code, as well as to all of the other legal provisions that apply to French commercial companies.

The Company's registered office is located at 204 rond-point du Pont de Sèvres 92100 Boulogne-Billancourt (France) and is engaged in local digital marketing and communications. It was formed in 2000 and the securities of Solocal Group have been listed on the Paris Stock Exchange (Euronext) since 2004 (LOCAL).

The Group's consolidated financial statements at 31 December 2021 and the related notes were drawn up under the responsibility of Hervé Milcent, CEO of Solocal Group, and approved by the Solocal Group Board of Directors on 22 February 2022.

The consolidated financial statements are presented in euros rounded to the nearest million.

## 1.1 Accounting methods and principles

Pursuant to European regulation 1606/2002 of 19 July 2002, the consolidated financial statements of the Solocal Group as at 31 December 2021 in accordance with the IAS/IFRS international accounting standards adopted in the European Union on the closing data and with mandatory applicable as of that date.

All of the standards and interpretations adopted by the European Union as at 31 December 2021 are available on the website of the European Commission at the following address:

https://ec.europa.eu/info/law/international-accounting-standards-regulation-ecno-1606-2002

## 1.2 IFRS standards

The accounting methods and principles applied in preparing the consolidated financial statements at 31 December 2021 are identical to those used in the consolidated financial statements as at 31 December 2020 except for the standards, amendments and interpretations of IFRS that are mandatory for periods opening as from 1 January 2021 (and which had not been applied early by the Group).

As at 31 December 2021, the Group did not apply any new standards or interpretations early.

### 1.2.1 New mandatory standards, amendments or interpretations at 1 January 2021

#### IFRS Interpretations Committee (IFRS IC) agenda decision on accounting for configuration and customisation costs of software delivered in the cloud under a Software as a Service" contract

The IFRS IC was asked to consider how to account for configuration and customisation costs in a Software as a Service (SaaS) contract. In April 2021, the Committee considered the request and came up with two options. In the first, the entity recognises an intangible asset for the configuration or customisation of the SaaS, if that economic resource is controlled by the entity and access to same is restricted to third-party users. In the second case, if no intangible asset has been recognised for the configuration or customisation of the SaaS, the service is recognised as an expense in the course of delivery of the services.

At 31 December 2021, the Group's analysis was still ongoing and will be finalised in 2022. The Group does not expect any material impact in its consolidated accounts.

#### IFRS Interpretations Committee (IFRS IC) agenda decision on service awards in a defined benefit plan

The IFRS IC was asked to review the calculation of defined benefit plans where rights are only vested subject to presence in the Group at the time of retirement (with loss of all rights in the event of early retirement) and where such rights depend on length of service and are capped at a certain number of years of service. For plans reviewed by the IFRS IC, the cap may be applied at a date prior to retirement

In France, the reading of IAS 19 had led to a practice whereby the commitment is valued and recognised on a linear basis over the employee's career in the Group. The commitment thus calculated is a pro rata of the rights acquired by the employee at the time of retirement. As the IFRS IC decision concludes, in this case, that no rights are vested in case of departure before retirement age and that rights are capped after a given number of years of service ("X"). The commitment would only be recognised over the last X years of the employee's career in the Company.

Note that following the adoption by the IASB of the new method for spreading debt (IAS 19), Solocal has not recorded any material impact in its consolidated financial statements given that the Group's pension schemes are not capped.

### Amendment to IFRS 16 "Leases"

In May 2020, the IASB published an amendment to IFRS 16 that allows rent reductions not to be considered as lease amendments, provided that such rent reductions are not accompanied by another change such as the lease term or the scope of the lease. Such rent reductions can therefore be treated in the same way as variable payments. In March 2021 the IASB extended the application period of the May 2020 amendment by one year. This extension has not yet been adopted by the European Union. No material impact related to this amendment was recorded by the Group in 2021, as in 2020.

### Other mandatory instruments at 1 January 2021

The other mandatory instruments at 1 January 2021 are not applicable or do not have a material impact:

- amendment to IFRS 4: Extension of temporary exemption from IFRS 9;
- amendments to IFRS 9, IAS 39, IFRS 7 as part of the benchmark interest rate reform.

### 1.2.2 New standards, amendments or interpretations effective after the balance sheet date

### Applicable in 2022

- Amendments to IAS 16 "Property, Plant and Equipment" – Amounts received before the asset is put into use. These amendments require the recognition as profit or loss of amounts received from the sale of items produced during the development period of an item of property, plant and equipment, together with their production costs.
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – Onerous contracts. This instrument restricts, to direct costs only, the scope of performance costs used to measure an onerous contract.
- Amendments to IFRS 3 "Business Combinations". This amendment updates the references to the Conceptual Framework in IFRS 3 without changing its provisions.

### Applicable in 2023

- Amendment to IAS 1 "Classification of liabilities as current or non-current".
- Amendments to IAS 1 "Disclosure of Accounting Policies".
- Amendments to IAS 8 "Definition of Accounting Estimates".
- Amendment to IAS 12 "Deferred Taxes" – Deferred tax assets and liabilities arising from a single transaction.

IFRS 17 "Insurance Contracts" is not applicable to Solocal Group.

## 1.3 Other information

### Seasonal variations

The Group's activities are not subjected to seasonal effects.

### Estimates and judgements

The drawing up of the consolidated financial statements at 31 December 2021 in accordance with IFRS led the Group's management to conduct estimates and issue judgements, which can affect the amounts recorded as assets and liabilities on the date the financial statements were prepared and have a matching entry in the income statement.

#### ESTIMATES

Estimates are intended to provide a reasonable assessment of the latest reliable information available on an uncertain elements. This information is revised to reflect changes in circumstances, new information available and the effects of experience. Changes in estimates are booked prospectively. The significant estimates of the General Management concern the following elements:

- actuarial hypotheses for defined benefit plans;
- amortisation methods for tangible and intangible fixed assets;
- appreciation, in the framework of recognising and estimating provisions, of the probability of settlement and of the amount of the bond, the expected schedule of future payments;
- determination, in the framework of impairment tests for non-financial assets, of the duration of and of the amount of the future cash flows as well as the discount rates and perpetual growth intervening in the calculation of the value in use of the assets tested;
- determination of the amount of the forecast cash flows for the next 12 months, in the framework of the assessment of the continuity of operation hypothesis;
- determination of the amount of the losses available for carry forward in light of the estimate of future taxable profits.

#### JUDGEMENTS

Judgements are the result of analysis processes intended to qualify elements, transactions or situations. Revising a judgement constitutes a change in the estimate recognised prospectively, except if this revision is correcting an error. The significant judgements of the General Management are based on the following elements:

- absence of a risk of continuity of operation, in particular in the context of the COVID-19 crisis, in particular regarding the cash flow forecasts considered by the Board of Directors on 22 February 2022 for the next 12 months;

- assessment of the criteria provided for by IAS 38 and used for the recognition of intangible assets resulting from development;
- allocation of certain transactions by kind in the income statement.

The management established its estimates based on past experience and on a set of other hypotheses deemed reasonable with respect to the circumstances in order to evaluate the values to be retained for the Group's assets and liabilities. The use of different hypotheses could have an significant impact on these evaluations.

## 1.4 Key events during the year

### 1.4.1 Covid-19 crisis

The assumptions and business plans retained in the establishing of the financial statements was approved by the Management and take the incidence of the health crisis into account. These plans expect the current health crisis to continue without any significant aggravation or improvement throughout the entire financial year 2022.

### 1.4.2 Chairmanship of the Solocal Group Board of Directors and General Management

Following the departure of Eric Boustouller in 2020 and at the end of a selection process, the Solocal Board of Directors has decided to appoint Hervé Milcent as CEO of Solocal Group effective 6 April 2021.

After four years as Chairman of the Solocal Group Board of Directors and six months as Chairman and CEO between 4 October 2020 and 6 April 2021, Pierre Danon informed the Solocal Group Board of Directors of his intention to resign as Chairman of the Board and as a Director. This resignation took place with an effective date of 30 June 2021.

The Board of Directors announced the co-optation of Philippe Mellier as Director on 30 June 2021 and his designation as Chairman of the Board on that date, which Mr Mellier has accepted.

### 1.4.3 Penetration attempt of the information systems

In the night between 17 and 18 February 2021, Solocal's IT departments detected a penetration attempt on the Company's internal network. In accordance with the Company's information systems security management procedures, the IT teams took the required prevention measures in order to:

- preserve the Group's information system;
- block the penetration attempt;
- ensure that no damage was done to the Group's tools and data;
- protect all the sensitive data of the Group and of its customers.

None of our customers' or users' data was compromised. The Company's main platforms (PagesJaunes, Solocal Manager, Solocal.com) for companies and users were not affected and remained accessible in complete safety for all of the French.

The measures taken gave rise to a temporary slowdown in the Group's activity between the penetration attempt and the evening of 23 February, date on which the information systems were re-established. The activity resumed normally, with the Group's network access remaining under surveillance.

It should be noted that the Group is insured for this type of risk. Discussions are still ongoing with the insurance company with regards to the business interruption. In this context, no item relating to this compensation has been included in the financial statements as of 31 December 2021.

### 1.4.4 Partial repayment of the RCF on 30 September 2021 amounting to €6 million

Solocal Group allocated €6 million as partial amortisation of the loan agreement codenamed Super Senior Facility Agreement signed on 29 March 2019, and amended on 12 July 2019, 6 October 2020 and 17 December 2020 (referred to as the "RCF"), by disbursing €3 million in cash and issuing shares worth €3 million to creditors with RCF-related claims, who agreed to receive partial reimbursement in the form of shares (and their affiliates, assigns or successors).

### 1.4.5 Increase in the means of the liquidity contract with Natixis ODDO BHF

On 8 July 2021, Solocal Group and Natixis ODDO BHF SCA signed an addendum to the liquidity contract signed on 4 July 2018 to increase the means of the liquidity contract by €0.5 million.

## 1.5 Continuity of operation

At 31 December 2021, the Group's cash position stood at €80.2 million, which exceeds the internal targets the Group had set for itself.

Additionally, the Group routinely reviews its cash flow projections in light of its year-to-date sales performance and the latest order intake expectations. This review is based on sales as at 31 December 2021, the cash position at that date and the latest operating forecasts. On this basis, the Group has not identified any items that may compromise its ability to continue as going concern.

## 1.6 Presentation of consolidated financial statements

As permitted under IAS 1 "Presentation of Financial Statements", the Group presents the income statement by type.

EBITDA is an alternate indicator of performance corresponding to operating income and before taking impairment, amortisation and depreciation into account.

# NOTE 2. Notes to the consolidated financial statements

## 2.1 Alternative performance indicators

In order to monitor and analyse the Group's financial performance and that of different product ranges, the management of the Group uses alternative performance indicators, financial indicators that are defined in IFRS. A reconciliation with the aggregates of the IFRS consolidated financial statements is presented in this note.

### 2.1.1 Order backlog and sales

The order backlog corresponds to the sales such as validated and committed by the customers on the closing date. For in subscription mode, only the current commitment period is considered.

For sales, this is the taking of orders by the sales force, and that gives rise to a service performed by the Group for its customers. Sales are net of cancellations.

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Digital | 284.2 | 340.3 |
| Print | N/A | 19.5 |
| **TOTAL ORDER BACKLOG – BEGINNING OF PERIOD** | **284.2** | **359.9** |
| Digital | 385.8 | 389.8 |
| Print | N/A | 10.0 |
| **Total order intake** | **385.8** | **399.8** |
| Digital | 6.0 | (9.9) |
| Non recurring | (4.7) | (1.4) |
| **Cancellation** | **1.3** | **(11.3)** |
| Digital | (428.0) | (434.5) |
| Print | N/A | (29.5) |
| **Total revenues** | **(428.0)** | **(464.0)** |
| Digital | 243.5 | 284.2 |
| Print | N/A | 0.0 |
| **TOTAL ORDER BACKLOG – END OF PERIOD** | **243.5** | **284.2** |

The order backlog as at 31 December 2021 will roll into revenue according to the following schedule:

| Digital Backlog 31/12/2021 *(in millions of euros)* | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Conversion into revenues** | **78.5** | **61.0** | **42.4** | **24.9** | **14.4** | **10.7** | **7.0** | **3.1** | **1.1** | **0.3** | **0.1** | **0.0** | **243.5** |
| | 32.2% | 25.0% | 17.4% | 10.2% | 5.9% | 4.4% | 2.9% | 1.3% | 0.4% | 0.1% | 0.0% | 0.0% | 100.0% |

### 2.1.2 Recurring EBITDA

Recurring EBITDA corresponds to EBITDA before taking account of items defined as non-recurring.

These non-recurring items are expenses and income in very small numbers which are unusual, abnormal and infrequent and with amounts that are particularly substantial. They primarily include restructuring expenses or income: These are items for a programme that is planned and controlled by management, which substantially changes either the Company's scope of business, or the way its business is managed.

For the management of the Group, the management dissociates the divested activities which are the subsidiaries or business lines that have been sold or abandoned.

At 31 December 2021, the Group's recurring EBITDA stood at €121.5 million and represented 28.4% of the Group's revenue. At 31 December 2020, the Group's recurring EBITDA stood at €115.8 million (26.8% of revenue), representing a 4.8% increase over the period.

On 2020, the Group withdrew from the Spanish subsidiaries QDQ – Optimizaclick – Trazada and from the French subsidiary Mappy. In addition, the Group stopped its Print business in November 2020.

### 2.1.3 Gross margin from continuing operations

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 | Change |
|---|---|---|---|
| Revenues | 428.0 | 432.8 | -1.1% |
| Staff expenses | (12.8) | (9.2) | 39.1% |
| External expenses | (32.9) | (31.9) | 3.1% |
| Total variable cost | (45.7) | (41.1) | 11.2% |
| **GROSS MARGIN** | **382.3** | **391.7** | **-2.4%** |
| | 89.3% | 90.5% | |

### 2.1.4 Working capital requirement

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| + Net trade accounts receivable | 56.3 | 69.6 |
| + Other current assets | 22.8 | 44.2 |
| + Prepaid expenses | 1.9 | 1.9 |
| - Contract liabilities | (100.4) | (108.9) |
| - Trade accounts payable | (51.2) | (59.5) |
| - Other current liabilities | (107.8) | (138.4) |
| **WORKING CAPITAL** | **(178.4)** | **(190.9)** |

### 2.1.5 Investments

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Acquisition of tangible and intangible fixed assets | 34.3 | 43.4 |
| Right-of-use assets related to leases | 1.0 | 10.9 |
| **CURRENT INVESTMENTS** | **35.3** | **54.2** |

## 2.2 Information by segment

In application of IFRS 8 "Operating segments", segment information is presented in accordance with the Group's internal reporting used by the general management to measure the financial performance of the segments and allocate resources.

Since "Printed Matter" operations were discontinued in November 2020, the Group has only one operating segment which is the reportable segment. This is the "Digital" sector which generated revenue for continued activities amounting to €428 million during 2021. It is broken down into several offers:

- the Connect offer allows VSEs and SMEs to control their digital presence over the entire Web (several tens of medias in total including Google, Facebook, Bing, Tripadvisor, Instagram, etc.) with just a few clicks, in real time and with complete autonomy, via a single mobile application, or a web interface. This offer moreover facilitates the management of interactions among the professionals and their customers thanks to several relational features (instant messaging, quote formulation, appointment scheduling, Click & Collect…). Connect represents revenue of €126.5 million during the financial year 2021 and is marketed in subscription mode with automatic renewal;
- the Booster offer allows companies to increase their digital visibility beyond their natural presence over the entire Web, in a logic for developing local market shares. This offer integrates among others the Priority Referencing service launched in the third quarter of 2019 and represents revenue of €238.3 million during the financial year 2021;
- with the Website range, Solocal offers customers site creation and referencing, according to different budget levels, always in subscription mode with automatic renewal. This offer represents revenue of €63.2 million during the financial year 2021.

The Connect and Booster ranges are also available for large network accounts.

### 2.2.1 By ranges of products

The table below presents a breakdown of the main aggregates by ranges of products:

**Revenues according to product ranges**

| *(in millions of euros)* | As at 31/12/2021 | As at 31/12/2020 | Change |
|---|---|---|---|
| Connect range | 126.5 | 109.8 | 15.2% |
| Booster range | 238.3 | 258.5 | -7.8% |
| Websites | 63.2 | 69.1 | -8.5% |
| **TOTAL SALES** | **428.0** | **437.4** | **-2.1%** |

As part of the communication of the sales, the breakdown by product range as an axis of analysis of the activity, has been retained by the Management.

### 2.2.2 By geographic region

Revenue is presented based on the geographical location of the customers. Employee assets, the gross tangible and intangible investments are presented by zone:

| *(amounts in million of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| **Revenues** | **428.0** | **437.4** |
| – France | 427.8 | 433.9 |
| – Others | 0.2 | 3.5 |
| **Assets** | **440.4** | **494.7** |
| – France | 434.6 | 490.4 |
| – Others | 5.8 | 4.4 |

# NOTE 3. Consolidation principles

## 3.1 Control analysis

Subsidiaries which are controlled by the Group, directly or indirectly, are fully consolidated.

Companies not controlled by the Group but over which the Group exercises significant influence are consolidated using the equity method. The Group does not hold any interest without control in 2021 on which a significant influence is exercised.

Material inter-company transactions and balances are eliminated in consolidation.

When assessing the level of control or significant influence exercised, account is taken of the existence and effect of any exercisable or convertible potential voting rights at the end of the period.

In accordance with IFRS 5, the assets and liabilities of controlled entities that are considered as being held for sale are reported on separate lines in the balance sheet. Profits or losses from discontinued operations, if material, are reported on a separate line in the income statement. IFRS 5 defines a discontinued operation as a component of an entity comprising cash flows that can be clearly distinguished from the rest of the entity, that has either been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations.

At 31 December 2020, the Group had reported Print Matter as a discontinued operation, in accordance with IFRS 5.

## 3.2 Changes to the consolidation scope

When taking over a de jure or de facto company, the assets, liabilities and contingent liabilities of the company acquired are valued on a mark-to-market basis on the date they are acquired; the difference between the cost of taking control and Group's share in the market value of these assets, liabilities and contingent liabilities is posted as goodwill. The cost of taking control is the price paid by the Group for an acquisition, excluding transaction costs, or an estimate of this price if the operation does not involve cash disbursements.

The difference between the carrying amount of minority interests acquired after taking control and the price paid for their acquisition is recognised in consideration of equity.

### 2021

None.

### 2020

- The Spanish companies of QDQ Media, Trazada and Optimizaclick and the French company Mappy were sold during fiscal 2020. The British company Digital To Store was liquidated on 13 October 2020. These companies were taken out of the consolidation scope during the 2020 financial year.
- Solocal Interactive, a company set up in Rodrigues, was included in the consolidation scope as of 30 June 2020. The latter does not contribute significantly to the financial statements.
- Fine Media and ClicRDV were merged into Solocal SA as at 1 January 2020.

## NOTE 4. Fixed assets

Under IAS 36 "Impairment of Assets", the value in use of tangible and intangible fixed assets is tested when there is an indication of impairment, reviewed at each closing.

Intangible and tangible fixed assets are subject to a write down for impairment when, because of events or circumstances which have occurred during the period (such as obsolescence, physical deterioration, significant changes to the manner in which the asset is used, worse than expected performance, a drop in revenues or other external indicators, etc.), their recoverable amount appears to be lower than their net book value in the long term. The recoverable amount of an asset is the higher of its fair value less exit costs and its value in use.

Each asset or group of assets is tested for impairment by comparing its recoverable amount to its net book value. When an asset or group of assets is found to be impaired, the recognised impairment loss is equal to the difference between its net book value and the recoverable amount.

The recoverable amount of the assets is most often determined based on the value in use. The latter corresponds to the future economic benefits expected to be derived from the use of the asset and its subsequent disposal. It is assessed by the discounted cash flows method, based on economic assumptions and operating conditions expected by the Management of the Group.

### 4.1 Net goodwill

At 31 December 2021, all goodwill was allocated to the "Digital" sector.

Movements in the net value of goodwill can be analysed as follows:

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| **Balance at start of year** | **86,489** | **88,870** |
| Acquisitions/disposals | - | (2,381) |
| Impairments | - | - |
| Impairments | - | - |
| Reclassifications and others | - | - |
| **BALANCE AT END OF YEAR** | **86,489** | **86,489** |

Goodwill values were examined at the close of the consolidated financial statements, based on business plans, a perpetual growth rate of 2% and an after-tax discount rate of 9.9%.

The assumptions used to determine the recoverable amounts are:

- the revenue which reflects the number of customers, the ARPA, the penetration rate of the offerings;
- costs, with in particular the level of commercial costs required to cope with the pace of winning over new clients and maintaining existing ones as well as the positioning of the competition;
- the level of investment expenses that can be affected by the constant change in new technologies.

The values assigned to each of these parameters reflect past experience, subject to anticipated developments during the life of the plan. These parameters are the main sensitivity factors.

The recoverable amount is the higher of the fair value less exit costs and value in use:

- fair value less exit costs is determined as the best estimate of the sale value net of exit costs in a transaction conducted under normal competitive conditions between knowledgeable, willing parties. This estimate is determined on the basis of the available market information, taking into account particular situations;
- the value in use applied by the Group is the present value of future cash flows, including goodwill. Cash flow projections are based on economic and regulatory assumptions and forecast trading conditions applied by Group management as follows over five years of cash flow:

– the cash flows are those of the 2022 budget and the 2023-2024 plans,

– cash flow projections beyond the three-year period are extrapolated by applying a growth rate to perpetuity reflecting the expected long-term growth in the market and specific to the activity,

– the terminal flow is determined on the basis of the 2026 flow extrapolated by applying a perpetual growth rate,
– the cash flow is discounted at a rate appropriate to the nature of the Group's activities.

In terms of sensitivity, a 1% increase in the discount rate applied to the CGU, a 1% decrease in the perpetual growth rate or a 1% decrease in the margin rate of the last year of the business plans would not result in an impairment being recognised.

## 4.2 Intangible fixed assets

Intangible assets are mainly composed of trademarks, licences and patents, development costs and software. They are stated at acquisition or production cost.

When intangible assets are acquired in a business combination, their cost is generally determined when the purchase price of the company acquired is allocated based on their respective market values. When such market value is not readily determinable, cost is determined using generally accepted valuation methods based on revenues, costs or other appropriate criteria.

Internally developed trademarks are not recognised in the balance sheet.

### Licences and patents

Licences and patents are amortised on a straight-line basis over periods which correspond to the expected usage period, not exceeding twenty years.

### Intangible assets in respect of developments

Under IAS 38 "Intangible Assets", development costs must be recognised as an intangible asset when the following can be demonstrated:

- the technical feasibility necessary to complete the intangible asset with a view to its being put into service or sold;
- the intention to complete the development project in due time;
- the capacity to put to use or sell the intangible asset;
- how the intangible asset will deliver expected future economic benefits;
- availability of technical, financial and other resources needed to complete the development and put into use or sell the intangible asset;
- ability to reliably measure the expenditure to be recorded for the intangible asset during its development.

It must be noted that determining the costs that meet these criteria requires judgements and estimates. Development costs not fulfilling the above criteria are expensed in the year in which they are incurred. Capitalised development costs are amortised on a straight-line basis over their useful life, generally not exceeding three years.

The net book value of capitalised development costs at 31 December 2021 is €68.8 million.

### Software and internally generated intangible assets

Software is amortised on a straight-line basis over its useful life, not exceeding five years.

| | As at 31/12/2021 | | | As at 31/12/2020 | | |
|---|---|---|---|---|---|---|
| *(in thousands of euros)* | Gross value | Total depreciation and losses of value | Net value | Gross value | Total depreciation and losses of value | Net value |
| Software and internally generated intangible assets | 476,827 | (407,997) | 68,829 | 444,475 | (369,561) | 74,915 |
| Other intangible fixed assets | 6,894 | (5,599) | 1,295 | 7,506 | (5,598) | 1,908 |
| **TOTAL** | **483,721** | **(413,596)** | **70,125** | **451,982** | **(375,159)** | **76,823** |

No impairment was recorded in 2021 and 2020.

Movements in the net value of other intangible fixed assets can be analysed as follows:

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| **Opening balance** | **76,823** | **90,482** |
| Acquisitions | 14 | 29 |
| Internally generated assets* | 32,742 | 40,178 |
| Effect of changes in the scope of consolidation | - | (8,317) |
| Reclassifications | 1 | (9) |
| Disposals and accelerated amortisation | - | 33 |
| Depreciation charge | (39,456) | (45,575) |
| **CLOSING BALANCE** | **70,125** | **76,823** |

* *Related to all capitalised development expenses.*

## 4.3 Property, plant and equipment

The gross value of property, plant and equipment corresponds to their purchase or production cost in accordance with IAS 16 "Property, plant and equipment". This value is not revised.

### Leases

Leases are recorded in accordance with IFRS 16. This standard requires recording a liability on the balance sheet that corresponds to future discounted rental payments, offsetting a right of use for the asset depreciated over the duration of the lease.

The scope of contracts is systematically reviewed, reassessing the existence of leases in each contract according to the criteria of the standard and excluding leases with a term of 12 months or less and low-value assets (below €5 thousand) in line with the exemption set out in the standard. Fees for such leases are recognized in expenses.

The amount of the liability is thus substantially dependent on the hypotheses retained in terms of duration of commitments and discount rate. The duration of the contract retained for the calculation of the liability is that of the initially negotiated contract, without taking account of the early termination or extension options according to the types of contracts, except for particular cases for which the Group is reasonably certain that the extension or termination options will be exercised.

The discount rate is determined as the sum of the risk-free rate, in reference to its duration, and of the credit risk of the entity related to the one of the Group for this same duration reference. The calculation of discount rates was based on the residual duration of each contract.

### Depreciation

Fixed assets are depreciated on a basis that reflects the pattern in which their future economic benefits are expected to be consumed in the case of each asset item on the basis of the acquisition cost, less any residual value. The straight-line basis is usually applied over the following estimated useful lives: 5 to 10 years for rights of use (lease term), 3 years for computer equipment and 1 to 5 years for other fixed assets.

These depreciation periods are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. These changes in accounting estimates are recognised prospectively.

| | As at 31/12/2021 | | | As at 31/12/2020 | | |
|---|---|---|---|---|---|---|
| *(in thousands of euros)* | Gross value | Total depreciation | Net value | Gross value | Total depreciation | Net value |
| Right-of-use assets related to leases | 86,348 | (34,520) | 51,828 | 85,336 | (18,765) | 66,571 |
| IT and terminals | 47,387 | (45,465) | 1,922 | 52,634 | (51,116) | 1,518 |
| Others | 72,334 | (60,553) | 11,781 | 72,397 | (57,867) | 14,530 |
| **TOTAL** | **206,068** | **(140,538)** | **65,530** | **210,367** | **(127,748)** | **82,618** |

The rights of use relating to rental contracts mainly cover the Citylights (Group headquarters) lease. Other rights of use are composed of leases for other Solocal sites and the car fleet.

Movements in the net value of property, plant and equipment can be analysed as follows:

No significant impairment was recognised for the periods ending 31 December 2021 and 31 December 2020.

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| **Opening balance** | **82,618** | **90,256** |
| Acquisitions* | 3,702 | 14,023 |
| Subvention | - | - |
| Effect of changes in the scope of consolidation | - | (1,355) |
| Exchange differences | (4) | (10) |
| Reclassifications | - | 1,634 |
| Disposals and accelerated amortisation | (4,802) | (84) |
| Depreciation charge | (15,984) | (21,845) |
| **CLOSING BALANCE** | **65,530** | **82,618** |

* *Includes Right-of-use assets related to leases.*

# NOTE 5. Sales

## 5.1 Revenues

The Solocal Group markets products and local communication services in digital form. The Digital activity includes different types of offers grouped into three product ranges: Connect (formerly Présence), Booster (formerly Digital Advertising) and Websites.

The revenue stemming from the Group's operations is recognised in a differentiated manner according to the type of service and hence to the kind of product. Revenues as at 31 December 2021 amounted to €428 million compared to €432.8 million as at 31 December 2020.

Revenues are recognised according to the IFRS 15 standard that the Solocal Group has been applying since 1 January 2018.

The Solocal Group's offers are grouped into two broad service categories:

- products related to digital services (Presence, digital advertising and new services) proposed over a renewable period of 12 or 24 months and digital advertising offers corresponding to one-off services and campaigns;
- sites which are developed to be made available to customers for a contractual period of 12 or 24 months.

### Recognition of revenues per service category

#### "DIGITAL SERVICES (NON-SITE)" CATEGORY

Applying IFRS 15 leads to all these offers being recognised in a straight-line manner over the lifetime of the contracts in line with the transfer of control of the services which is performed continuously.

#### "SITES" CATEGORY

Two separate service obligations are retained for the sites offer:

1. technical costs: Designing the intellectual content over the design duration (between 30 days and 120 days depending on the products). Revenues from this obligation are recognised over the duration of the design starting from the date of sale (recognition based on progress);
2. hosting & maintenance (called space fees): The site is made available and updated during the contractual hosting period with a real duration of between 12 and 24 months. Revenues from this obligation are recognised over the duration of the contractual hosting period starting from the date of delivery of the site to the customer.

## 5.2 Trade debtors

The breakdown of the gross value and impairment of trade debtors is as follows:

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Gross trade debtors | 72,885 | 83,403 |
| Provisions for impairment | (16,557) | (13,754) |
| **NET TRADE DEBTORS** | **56,328** | **69,649** |

Additionally, a provision for credit notes to be issued was recognised under other operating liabilities, amounting to 2.8 million at 31 December 2021 compared to 9.9 million at 31 December 2020.

Trade debtors were due as follows:

| | | | Overdue | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(in thousands of euros)* | Total | Not due | < 30 days | between 31 and 60 days | between 61 and 90 days | between 91 and 180 days | between 181 and 360 days | > 360 days |
| Gross trade debtors | 72,885 | 35,183 | 2,910 | 3,317 | 2,091 | 2,018 | 4,760 | 22,606 |
| Provisions for impairment | (16,557) | (407) | (35) | (40) | (237) | (1,533) | (2,740) | (11,564) |
| **NET TRADE DEBTORS AS AT 30 JUNE 2021** | **56,328** | **34,776** | **2,875** | **3,277** | **1,854** | **485** | **2,020** | **11,042** |

| | | | Overdue | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(in thousands of euros)* | Total | Not due | < 30 days | between 31 and 60 days | between 61 and 90 days | between 91 and 180 days | between 181 and 360 days | > 360 days |
| Gross trade debtors | 83,403 | 46,339 | 1,903 | 1,808 | 2,688 | 9,885 | 3,894 | 16,886 |
| Provisions for impairment | (13,754) | (362) | (20) | (19) | (28) | (6,262) | (2,643) | (4,420) |
| **NET TRADE DEBTORS AS AT 31 DECEMBER 2020** | **69,649** | **45,977** | **1,883** | **1,789** | **2,660** | **3,623** | **1,251** | **12,466** |

The Group's portfolio of trade receivables does not present a significant risk of concentration (about 311,000 advertisers).

In accordance with the Group's accounting rules and methods, a trade receivables review was carried out to identify those that show a risk of non-recovery. On a case by case basis, depreciation for bad debt was recorded in the accounts according to the age of the receivables, statistics history, or information communicated by the credit agencies.

Impairment of trade receivables remains very low, with a 1% net impairment rate relative to revenues in 2021 and in 2020.

## 5.3 Other current assets

Other current assets mainly include VAT receivable at 31 December 2021. The movements in the item compared to 31 December 2020 are mainly due to reimbursement of VAT credits received during the period.

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| VAT receivable | 16,731 | 24,093 |
| Sundry accounts receivable | 3,911 | 15,889 |
| Trade payables – Advances and instalments | 1,458 | 1,109 |
| Other current assets | 653 | 3,547 |
| **TOTAL** | **22,753** | **44,639** |

## 5.4 Liabilities on contracts

Liabilities are primarily comprised on the balance sheet of net advances received from the customer in the case where the related service has not yet been rendered but has already been billed. Thus it entails sales of products that recognised later as revenue according to the duration on line ("Digital" Services).

The liabilities on contracts amounted to €100.4 million as at 31 December 2021 compared to €108.9 million as at 31 December 2020.

The drop in the liabilities item on contracts compared to 31 December 2020 largely stemmed from declining sales owing to the health crisis which had an unfavourable effect on the level of sales but also significantly reduced the period between the act of sale and the beginning of the service.

# NOTE 6. External expenses

### Advertising and similar expenses

Expenses for advertising, promotion, sponsorship, communication and brand development are recognised fully under expenses for the current financial year to which they relate.

# NOTE 7. Personnel expenses

## 7.1 Personnel expenses

Personnel expenses amounted to €184.3 million in 2021 and are broken down as follows:

| *(in thousands of euros, except staff count)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Average staff count (full-time equivalent) | 2,282 | 2,410 |
| **Salaries and charges** | **181,185** | **197,273** |
| of which: – Wages and salaries | 118,369 | 125,433 |
| – Social charges | 52,982 | 57,293 |
| – Taxes on salaries and other items | 9,834 | 14,547 |
| Share-based payment | 864 | 185 |
| **Employee profit-sharing**(1) | **2,236** | **3,310** |
| **TOTAL STAFF EXPENSES** | **184,285** | **200,768** |

(1) *Incl. corporate contribution.*

## 7.2 Executive compensation

The table below shows the compensation paid to persons who were members of Solocal Group's Board of Directors or Solocal Group's Executive Committee during or at the end of each financial year. It also includes the Directors representing employees and sitting on the Solocal Group Board of Directors.

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Short-term benefits(1) | 3,872 | 6,407 |
| *of which employer charges* | *1,217* | *2,290* |
| Post-employment benefits(2) | 195 | 212 |
| Other long term benefits(3) | 12 | 12 |
| End-of-contract benefits(4) | 1,032 | 2,619 |
| Equity benefits(5) | 446 | 0 |
| **NON-CURRENT PROVISIONS** | **5,557** | **9,250** |

(1) *Salaries, remuneration, profit-sharing and bonuses paid and social security contributions, paid holidays, Directors' fees and non-monetary benefits entered in the accounts.*

(2) *Pensions, annuities, other benefits…*

(3) *Seniority leave, sabbatical leave, long-term benefits, deferred remuneration, profit-sharing and bonuses (if payable 12 months or more after the closing date).*

(4) *Severance pay, non-competition clause compensation, including social charges.*

(5) *Share-based payment including social charges relating to free grants of shares and stock options.*

### 7.3 Transactions with related parties

There were no new transactions with related parties during the period. Key management as related parties as at 31 December 2021 are the members of the Board of Directors including the Chief Executive Officer and the members of the Executive Committee. Solocal Group does not have any related parties other than its key management and Directors.

The departure of Pierre Danon, Chairman of the Board of Directors, did not entail any specific severance arrangements.

## NOTE 8. Corporation tax

### 8.1 Group tax proof

The corporation tax for the year results from the application of the effective tax rate at the end of the financial year to the pre-tax income.

The reconciliation of the theoretical tax, calculated on the basis of the statutory tax rate in France, and the effective tax is as follows:

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Pretax net income from business | 42,807 | 72,131 |
| Statutory tax rate | 28.41% | 32.02% |
| **THEORETICAL TAX** | **(12,161)** | **(23,096)** |
| Earnings from not integrated companies & foreign subsidiaries | (395) | (81) |
| Foreign subsidiairies – differences in tax rates | 155 | 122 |
| Share-based payment | 864 | 185 |
| Corporate value added contribution (after tax) | (2,382) | (5,124) |
| Difference between the carrying amount of the financial liability extinguished and the amount of the fair value of the equity instruments issued | - | 18,151 |
| Ceiling of interest expense deductibility | - | 8,848 |
| Other non-taxable/non-deductible items(1) | (5,394) | (5,502) |
| **EFFECTIVE TAX** | **(19,290)** | **(6,548)** |
| *of which current tax (CVAE excluded)* | *(1,845)* | *(309)* |
| *of which CVAE* | *(2,382)* | *(5,124)* |
| *of which deferred tax* | *(15,063)* | *(1,114)* |
| Effective tax rate (deferred tax excluded) | 9.9% | 7.5% |
| **EFFECTIVE TAX RATE** | **45.1%** | **34.2%** |

*(1) Includes CIR (research tax credit) and rate differences on deferred tax items.*
* *Effect of financial restructuring excluded as at 31 December 2020.*

Net deferred tax assets in the balance sheet stood at €43.1 million as at 31 December 2021 compared to €61.4 million as at 31 December 2020.

Recall that the effective tax rate for fiscal 2020 (12 months) was 34.2%.

## 8.2 Taxes in the balance sheet

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Retirement benefits | 18,367 | 21,775 |
| Legal employee profit-sharing | 351 | 961 |
| Non-deductible provisions | 0 | (232) |
| Tax loss carryforward | 29,824 | 41,582 |
| Financial expenses | 13,218 | 18,942 |
| Other differences | 489 | 952 |
| **SUBTOTAL DEFERRED TAX ASSETS** | **62,249** | **83,980** |
| Other differences | (3,672) | (4,628) |
| Depreciations accounted for tax purposes | (15,443) | (17,860) |
| **SUBTOTAL DEFERRED TAX LIABILITIES** | **(19,115)** | **(22,488)** |
| **TOTAL NET DEFERRED TAX ASSETS/(LIABILITIES)** | **43,134** | **61,492** |

Net deferred tax assets in the balance sheet stood at €43.1 million as at 31 December 2021 compared to €61.4 million as at 31 December 2020. Deferred taxes are mainly composed of deferred taxes in respect of tax loss carryforwards, which amounted to €114.6 million at 31 December, deferred taxes related to retirement benefits and deferred taxes related to financial expenses.

Deferred taxes are reviewed at each balance sheet date to account for the impact of changes in tax legislation and the recovery outlook over the next five years. Deferred tax assets on deductible temporary differences and tax loss carryforwards are recognised insofar as it is probable that they will be offset against future taxable profits. At 31 December 2021, €4.9 million in deferred tax assets relating to tax loss carryforwards had been utilised.

The tax disbursed during the 2021 financial year was €6 million as against €5.5 million in 2020.

# NOTE 9. Cash, debt and financial instruments

## 9.1 Financial assets and liabilities

Financial assets include held-to-maturity assets, loans, receivables and cash and cash equivalents.

Financial liabilities include borrowings, other financing, bank overdrafts and payables.

Financial assets and liabilities are measured and recognised in accordance with IAS 9 “Financial Instruments: Recognition and Measurement”.

## 9.2 Measurement and recognition of financial assets

In accordance with IFRS 9, the classification of financial assets is based on two measurements:

- the characteristics of contractual cash flows in financial assets;
- the business model applied by the entity when managing financial assets.

Measured at amortised cost: The holding of the financial asset is part of a business model the purpose of which is to hold financial assets in order to receive contractual cash flows (the “business model criterion”). This category comprises:

- trade receivables from invoiced revenues. Their amortised cost is their par value unless the application of an implicit interest rate has a material effect;
- cash and cash equivalents: i.e. cash and demand deposits, and cash equivalents. The latter are highly liquid investments indexed to a money market rate, the amount of which is known or subject to negligible uncertainty.

Financial assets and short-term investments with a maturity generally of three months or less at the date of acquisition are measured at amortised cost and are monitored for objective evidence of impairment. A financial asset or a short-term investment is written down if its book value exceeds the recoverable amount estimated at the time of the impairment tests.

### Measurement at fair value through the income statement

Holding of the financial asset is part of a business model aimed whereby the objective is achieved by selling financial assets (the "business model criterion").

These are financial assets held for investment purposes, recognised as assets between the dates of purchase and sale, with movements in fair value recognised in the financial result based on market prices published at the balance sheet date. The "fair value through profit or loss" category also includes investments in unlisted entities over which the Group has neither control, joint control, material influence nor intention to dispose of in the near term.

## 9.3 Measurement and recognition of financial liabilities

Borrowings and other financial liabilities are initially measured at fair value less transaction costs and subsequently at amortised cost using the effective interest rate method.

Transaction costs that are directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying value. This is because financial liabilities are initially recognised at cost, corresponding to the fair value of the sums paid or received in exchange for the liability. The costs are subsequently amortised over the life of the liability, by the effective interest method.

The effective interest rate is the rate, which discounts estimated future cash payments up to the maturity date or the nearest date of price adjustment to the market rate, to the net carrying amount of the financial liability.

## 9.4 Net financial income

The net financial income is made up as follows:

| *(amounts in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Gain on debt restructuring through the issuance of equity instruments(1) | - | 63,187 |
| **GAIN FROM DEBT RESTRUCTURING** | **-** | **63,187** |
| Interest and similar items on financial assets | 234 | 368 |
| Dividends received | - | - |
| **FINANCIAL INCOME** | **234** | **368** |
| Interest on financial liabilities | (26,214) | (44,421) |
| Other financial expenses & fees excluding financial restructuring(1) | (2,175) | (16,472) |
| Accretion cost(2) | (324) | (656) |
| **FINANCIAL EXPENSES** | **(28,713)** | **(61,548)** |
| Gain (loss) on exchange | - | - |
| **FINANCIAL INCOME** | **(28,479)** | **2,006** |

*(1) Mainly composed of ongoing costs related to debt management.*

*(2) The accretion cost corresponds to the increase, during the financial year, of the current value of pension commitments.*

## 9.5 Cash and cash equivalents and net debt

Financial Net debt corresponds to the total gross financial debt, and minus cash flow and cash flow equivalents.

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Cash equivalents | 397 | 197 |
| Cash | 79,833 | 61,182 |
| **Gross cash** | **80,230** | **61,379** |
| Bank overdrafts | - | - |
| **Net cash** | **80,230** | **61,379** |
| Nominal value of bond loans | 187,880 | 186,231 |
| Fair value of hedging instruments | (16,937) | (16,937) |
| Nominal value of revolving credit facilities drawn | 44,000 | 50,000 |
| Debt issue costs integrated into the effective interest rate of the debts | (4,074) | (4,074) |
| Amortization of the difference in fair value and costs at the effective interest rate | 4,533 | 1,079 |
| Other loans | 15,000 | 16,000 |
| Accrued interest not yet due on loans | 8,297 | 2,516 |
| Lease liability | 0 | 110 |
| Factoring | 0 | 2,064 |
| Others | 80 | 30 |
| **Current and non current financial liabilities** | **238,779** | **237,019** |
| Long-term and short-term liabilities | 74,307 | 93,966 |
| **Gross financial debt** | **313,086** | **330,985** |
| *of which current* | *27,161* | *27,653* |
| *of which non-current* | *285,925* | *303,332* |
| **Net debt** | **232,856** | **269,606** |
| **NET DEBT OF CONSOLIDATED GROUP** | **232,856** | **269,606** |

### Cash and cash equivalents

As at 31 December 2021, the amount of cash and cash equivalents amounted to €80.2 million, primarily comprised of non-blocked, remunerated, fixed-deposit accounts.

## Change in the liabilities stemming from financing activities

| (in thousands of euros) | As at 31/12/2020 | Cash flows: In | Cash flows: Out | Non cash variations: Capital increase by offsetting receivables | Other varia-tions | Inte-rests | Var. of change | IFRS 16 | Reclass & changes in scope | As at 31/12/2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Bond loans | 168,467 | - | (7,465) | - | - | 18,887 | - | - | - | 179,889 |
| Revolving credit | 50,318 | - | (7,158) | (3,000) | - | 3,644 | - | - | - | 43,804 |
| Other bank borrowing | 16,060 | - | (1,773) | - | - | 769 | - | - | - | 15,056 |
| Capital lease | 110 | - | (110) | - | - | - | - | - | - | - |
| Factoring | 2,064 | - | (2,064) | - | - | - | - | - | - | - |
| Lease liabilities | 93,966 | - | (19,659) | - | - | - | - | - | - | 74,307 |
| Bank overdrafts | - | - | - | - | - | - | - | - | - | - |
| Others | 30 | - | - | - | - | - | - | - | - | 30 |
| **TOTAL LIABILITIES FROM FINANCING ACTIVITIES** | **331,015** | **-** | **(38,229)** | **(3,000)** | **0** | **23,300** | **-** | **-** | **-** | **313,086** |

| (in thousands of euros) | As at 31/12/2019 | Cash flows: In | Cash flows: Out | Non cash variations: Capital increase by offsetting receivables | Other varia-tions | Inte-rests | Var. of change | IFRS 16 | Reclass & changes in scope | As at 31/12/2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Bond loans* | 397,835 | 16,000 | (1,625) | (260,876) | 31,495 | 4,872 | (15,160) | - | (4,074) | 168,467 |
| Revolving credit | 50,000 | - | (3,689) | - | - | 4,007 | - | - | - | 50,318 |
| Other bank borrowing | - | 16,000 | (200) | - | - | 260 | - | - | - | 16,060 |
| Capital lease | 3,359 | - | (3,249) | - | - | | - | - | - | 110 |
| Earn-Out | 170 | - | | - | (170) | | - | - | - | - |
| Factoring | 7,890 | - | (5,826) | - | - | | - | - | - | 2,064 |
| Lease liabilities | | | (18,092) | | | | | | | |
| Bank overdrafts | 93 | (93) | | - | - | | - | - | - | - |
| Others | 2,915 | - | (2,885) | - | - | | - | - | - | 30 |
| **TOTAL LIABILITIES FROM FINANCING ACTIVITIES** | **566,366** | **31,907** | **(35,566)** | **(260,876)** | **31,325** | **9,139** | **(15,160)** | **7,954** | **(4,074)** | **331,015** |

* *Other changes in bond issues correspond to the interest on the original bond debt which has been incorporated into the principal*

## Issuing of bonds

Following the realisation of the financial restructuring in 2020, the nominal value of the Group's residual gross debt was reduced to €168.4 million, redeveloped in the form of an issue of 334,125,321 bonds with a face value of 0.5041647472146 euros each for which the settlement-delivery took place on 5 October 2020, reserved for creditors under the Credit Agreement, and of which the main details are as follows and remain unchanged over 2021:

**Interests :**

- Euribor with Euribor 3-month rate floored at 1% + 7% spread payable in arrears on a quarterly basis on 15 March, 15 June, 15 September and 15 December, according to the following terms: half is payable in cash, and the other half via capitalisation at the principle amount until 15 December 2021 ;
- Euribor with Euribor floor 1% + 7% fully payable in cash afterwards ;
- late payment interest: 1% increase in interest rate applicable.

**Financial commitments :**

- the Consolidated Net Leverage Ratio (Consolidated Leverage/Consolidated EBITDA) must be less than 3.5:1 ;
- the interest hedging ratio (Consolidated EBITDA/ Consolidated Net Interest Expense), must be greater than 3.0:1 ; and
- if the Consolidated Net Leverage Ratio exceeds, on 30 June of the preceding year, 1.5:1, investment expense

(excluding growth operations) (Capital Expenditure) concerning Solocal Group and its Subsidiaries are limited to 10% of consolidated revenue of Solocal Group and its Subsidiaries.

Covenants had been honoured at 31 December 2021.

**Maturity date:** 15 March 2025

**Listing:** listing on the official listing of the Luxembourg Stock Exchange and admission for trading on the Euro MTF market.

**Early repayment or repurchasing:**

Solocal Group can at any time and in several times, reimburse all or a portion of the Bonds at a reimbursement price equal to 100% of the principal amount plus, during a period of 2.5 years, an early repayment penalty referred to as non-call corresponding to the interest due ranging from 6 August 2020 to 6 February 2023).

Moreover, the Bonds must be the object of a mandatory early reimbursement (subject to certain exceptions) entirely or in part, in the case of the occurrence of certain events, such as a Change of Control, Assets Sale or Net Debt Proceeds or Net Receivables Proceeds. Compulsory early repayments are equally foreseen via funds from a percentage of excess cash flows, in relation to the Consolidated Net Leverage Ratio of the Company.

The Terms & Conditions of the Notes moreover contain certain prohibitions, which prohibit Solocal Group and its Subsidiaries, apart from certain exceptions, in particular to:

- take on additional financial debt;
- give pledges;
- proceed with payment of dividends or carry out distributions to shareholders; by derogation the payment of dividends or distributions to shareholders are permitted if the Consolidated Net Leverage Ratio does not exceed 1.0:1.

The bond loan is indirectly guaranteed by a pledge of the securities of Solocal SA held by Solocal Group.

**Mini Bond:**

Following the adoption of the Amended Safeguard Plan and of the approval of a conciliation protocol by the Tribunal de commerce of Nanterre, Solocal Group on 14 August 2020 issued a bond loan for a total amount in principle of 17,777,777 euros, carried out with a discount of 10% for a subscription amount of about €16 million.

The bonds, with a nominal value of one (1) euro, have essentially the same characteristics as the Bonds. The main terms include in particular:

**Interest:**

- Euribor with Euribor 3-month rate floored at 1% + 7% spread payable in arrears on a quarterly basis on 15 March, 15 June, 15 September and 15 December, according to the following terms: half is payable in cash, and the other half via capitalisation at the principle amount until 15 December 2021 ;
- Euribor with Euribor floor 1% + 7% fully payable in cash afterwards

**Maturity date:** 15 March 2025

**Listing:** listing on Euronext.

The amounts owed in terms of these bonds are guaranteed by a fifth-rank securities account pledge concerning the securities issued by Solocal SA held by Solocal Group.

**RCF:**

A revolving credit facility of fifteen million euros was signed in February 2020 with two banking partners. The Company worked on increasing this credit facility, which increased by 25 million on 12 July 2020, then 10 million on 6 December 2020 reaching 50 million. This revolving credit facility was fully drawn down and repaid in the amount of €6 million.

This RCF remains identical in amount, however its particulars are modified:

- **Interest:** Euribor floor 1% + margin
- **Facility fee:** 3.5% annual payable on 15 September 2021, 30 September 2022, 30 September 2023
- **Margin:**

– until 15 September 2021:
  – tranche of €15 million: 4.5%,
  – tranches at 25 million and €10 million: 5% ;
– starting on 15 September 2021:
  – 5% for all the tranches.

- **Maturity:** 29 September 2023.

**Amortization:**

- September 2021: €6 million payable in cash to the tune of €3 million and in shares to the tune of €3 million ;
- September 2022: 5 to €10 million payable in cash or shares for a variable number of equity instruments for Solocal ;
- September 2023: Reimbursement of the residual debt in cash or shares for a variable number of equity instruments for Solocal. If Solocal were to reimburse the residual balance of the RCF in shares, each creditor can choose to extend the maturity by one year in order to be reimbursed in cash in September 2024. In this case, Solocal would depreciate the RCF for an amount between €5 million and €10 million in cash or in shares for it.

### Price supplements on acquisition or transfer of securities

Following the sale of Mappy in October 2020, Solocal received a price supplement of €0.1 million in June 2021.

### Financial instruments in the balance sheet

| As at 31/12/2021 *(in thousands of euros)* | Carrying amount in balance sheet | Breakdown according to IFRS 9: Fair value recognised in profit or loss | Breakdown according to IFRS 9: Amortised cost | Breakdown by level in IFRS 13: Level 1 and treasury | Breakdown by level in IFRS 13: Level 2 | Breakdown by level in IFRS 13: Level 3 |
|---|---|---|---|---|---|---|
| Other non-current financial assets | 7,187 | 1,293 | 5,894 | - | 7,187 | - |
| Net trade accounts receivable | 56,328 | - | 56,328 | - | 56,328 | - |
| Other current financial assets | 1,363 | - | 1,363 | - | 1,363 | - |
| Cash equivalents | 397 | - | 397 | 397 | - | - |
| Cash | 79,833 | - | 79,833 | 79,833 | - | - |
| **FINANCIAL ASSETS** | **145,107** | **1,293** | **143,814** | **80,230** | **64,877** | **-** |
| Non-current financial liabilities and derivatives | 228,958 | - | 228,958 | 187,880 | 41,078 | - |
| Current financial liabilities and derivatives | 9,821 | - | 9,821 | - | 9,821 | - |
| Trade accounts payable | 51,209 | - | 51,209 | - | 51,209 | - |
| **FINANCIAL LIABILITIES** | **289,988** | **-** | **289,988** | **187,880** | **102,108** | **-** |

| As at 31/12/2020 *(in thousands of euros)* | Carrying amount in balance sheet | Breakdown according to IFRS 9: Fair value recognised in profit or loss | Breakdown according to IFRS 9: Amortised cost | Breakdown by level in IFRS 13: Level 1 and treasury | Breakdown by level in IFRS 13: Level 2 | Breakdown by level in IFRS 13: Level 3 |
|---|---|---|---|---|---|---|
| Other non-current financial assets | 7,711 | 1,293 | 6,418 | - | 7,711 | - |
| Derivative financial instruments | - | - | - | - | - | - |
| Net trade accounts receivable | 69,649 | - | 69,649 | - | 69,649 | - |
| Other current financial assets | 1,004 | - | - | - | 1,004 | - |
| Cash equivalents | 197 | - | 197 | 197 | - | - |
| Cash | 61,182 | - | 61,182 | 61,182 | - | - |
| **FINANCIAL ASSETS** | **139,742** | **1,293** | **137,445** | **61,379** | **78,363** | **-** |
| Non-current financial liabilities and derivatives | 228,252 | - | 228,252 | 228,252 | - | - |
| Current financial liabilities and derivatives | 8,767 | - | 8,767 | - | 8,767 | - |
| Trade accounts payable | 59,458 | - | 59,458 | - | 59,458 | - |
| **FINANCIAL LIABILITIES** | **296,476** | **-** | **296,476** | **228,252** | **68,225** | **-** |

On the date of issue, the fair value of the bond loan and of the mini-bond represented €186.2 million, compared to a nominal value of €187.9 million:

| *(in thousands of euros)* | Nominal value | Quotes as at 31/12/2021 | Market value | Current | Non-current | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | -1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | +5 years | Total Non-current | |
| Bond loan | 169,858 | 88.00% | 149,475 | - | - | - | 169,858 | - | - | 169,858 | 169,858 |
| Mini Bond | 18,022 | 0.00% | - | - | - | - | 18,022 | - | - | 18,022 | 18,022 |
| Atout Bank borrowing | 15,000 | | | 4,000 | 4,000 | 4,000 | 3,000 | - | - | 11,000 | 15,000 |
| Revolving credit – facility (RCF)* | 44,000 | | | 5,000 | 39,000 | - | - | - | - | 39,000 | 44,000 |
| **LOANS** | **246,880** | | **149,475** | **9,000** | **43,000** | **4,000** | **190,880** | **-** | **-** | **237,880** | **246,880** |
| Accrued interest not yet due on loans | 8,297 | N/A | | 743 | 7,554 | - | - | - | - | 7,554 | 8,297 |
| Others | 80 | N/A | | - | - | - | - | - | 80 | 80 | 80 |
| Lease liabilities | 74,307 | N/A | | 17,340 | 15,591 | 15,732 | 16,127 | 6,763 | 2,754 | 56,967 | 74,307 |
| **CURRENT FINANCIAL LIABILITIES AND DERIVATIVES** | **329,564** | **-** | **149,475** | **27,083** | **66,145** | **19,732** | **207,007** | **6,763** | **2,834** | **302,481** | **329,564** |

* *Payable in shares.*

RCF Maturities of September 2022 and September 2023 will be partially paid in cash and shares.

| *(in thousands of euros)* | Nominal value | Quotes as at 31/12/2020 | Market value | Current | Non-current | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | -1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | +5 years | Total Non-current | |
| Bond loan | 168,454 | 91.00% | 153,293 | - | - | - | 168,454 | - | - | 168,454 | 168,454 |
| Mini Bond | 17,777 | 0.00% | - | - | - | - | 17,777 | - | - | 17,777 | 17,777 |
| Atout Bank borrowing | 16,000 | | | 1,000 | 4,000 | 4,000 | 4,000 | 3,000 | - | 15,000 | 16,000 |
| Revolving credit – facility (RCF)* | 50,000 | | | 5,000 | 45,000 | - | - | | - | 45,000 | 50,000 |
| **LOANS** | **252,231** | | **153,293** | **6,000** | **49,000** | **4,000** | **190,231** | **3,000** | **-** | **246,231** | **252,231** |
| Accrued interest not yet due on loans | 2,516 | | | 562 | 1,954 | - | - | - | - | 1,954 | 2,516 |
| Others | 2,204 | | | 2,204 | - | - | - | - | - | - | 2,204 |
| Lease liabilities | 93,966 | | | 18,886 | 15,492 | 14,880 | 15,413 | 16,190 | 13,105 | 75,080 | 93,966 |
| **CURRENT FINANCIAL LIABILITIES AND DERIVATIVES** | **350,917** | **-** | **153,293** | **27,652** | **66,446** | **18,880** | **205,644** | **19,190** | **13,105** | **323,265** | **350,917** |

* *Payable in shares.*

The Group has classified the valuations at fair value according to a hierarchy of fair values reflecting the importance of the data used to carry out the valuations. The hierarchy of fair values is made up of the following levels:

- level 1: prices (non-adjusted) listed on active markets with identical assets or liabilities;
- level 2: data other than the listed prices referred to in Level 1, which are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. derivative price data);
- level 3: data relating to assets or liabilities not based on observable market data (non-observable data)

Over financial period 2021, the amounts of financial debt related to the RCF, BPI loan and elements of the fair value of the financing were transferred from level 1 to level 2 of the hierarchy.

## NOTE 10. Financial risk objectives, policy and management, capital management

The Group's objective is to optimise its financial structure, the principal assessment criterion being the financial leverage (ratio of net debt to gross operating margin), in order to reduce the cost of its capital while maintaining financial flexibility enabling the Group to meet its development plan.

The Group also ensures that the commitments made in its bond documentation are respected, including certain default and prepayment clauses. These clauses are linked, in particular, to compliance with operational and financial covenants such as the minimum level of coverage of the net consolidated interest charge by consolidates EBITDA and the maximum leverage, measured by the relationship between the consolidated net debt and consolidated EBITDA. Note that the EBITDA used in calculating these bank covenants differs from that used in these financial statements.

The Group's covenant on financial leverage stood at 1.67 times consolidated EBITDA as defined in the bond contract. Consequently, the Group complies with the financial leverage covenant as at 31 December 2021.

In view of its financial structure, the Group is exposed to interest rate risk, liquidity risk and credit risk. The information provided below is based on certain assumptions and expectations which, by their very nature, may not turn out to be exact, in particular as regards interest rate trends, as well as the Solocal Group's exposure to the corresponding risks.

### Exchange rate risk

Solocal Group considers that the exchange rate risk is not significant as far as its activity is concerned, insofar as it is exercised mainly in the eurozone.

### Interest rate risk

Solocal Group is exposed to the risk of interest rate fluctuations insofar as all of the bank and bond debts are at a variable rate. In an environment of low rates, the Group feels that it is not in its best interest to hedge this short-term interest rate risk.

The main features of the Group's bank and bond debt are outlined in Note 9.5.

### Liquidity risk

The Solocal Group has established a centralised cash management system with cash pooling including all its French subsidiaries, with the exception of the subsidiary Solocal SA, and organised around a Solocal Group pivot. This method of managing liquidities associated with an internal reporting system enables the Group to anticipate and estimate future cash flows from operating activities of its various subsidiaries and thus to optimise investments in case of cash surpluses.

### Credit risk

The Solocal Group has relations with a large number of counterparties including a majority of customers. As at 31 December 2021, the total amount of trade receivables, net of write-downs, amounted to €56.3 million. These receivables are detailed by maturity (see Note 5.2). The Group's exposure to the credit risk is related to the individual characteristics of its customers. The default of one of the customers is likely to cause a small financial loss due to the low average amounts in question.

### Counterparty risks

The Solocal Group is not exposed to the financing risk since it does not have short term investments or interest rate hedging instruments in 2021.

Furthermore, the management procedure for Solocal Group's financial operations involves the drawing up of a limited list of authorised signatures, outside of which the Chief Executive Officer's authorisation is compulsory. The banking documentation also limits the list of counterparties for interest rate hedging operations.

### Equity risk

The Solocal Group considers that the equity risk is not significant insofar as the amount invested in treasury shares particularly under the liquidity contract remains limited and the investment of its cash surpluses is not exposed to equity market risk.

## NOTE 11. Provisions and other liabilities

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when, at the end of the period, the Group has an obligation towards a third party resulting from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

This obligation may be legal, regulatory or contractual. It may also derive from the Group's practices or public commitments, which have created a legitimate expectation among third parties concerned that the Group will meet certain responsibilities.

The amount recognised as a provision corresponds to the best estimate of the expenditure required of the Group to settle the present obligation. If a reliable estimate cannot be made of the amount of the obligation, no provision is recorded, but details of the obligation are disclosed in the Notes to the financial statements.

Contingent liabilities – corresponding to potential obligations resulting from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Company's control, and to probable obligations that are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. They are disclosed in a note in the appendix.

Provisions for restructuring costs are recognised only when the restructuring has been announced and a detailed plan has been drawn up or implemented before the period end-date.

Provisions are discounted when the discounting adjustment is material.

Changes in provisions for risks and litigation were as follows:

| *(in thousands of euros)* | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Post-employment benefits | 70,610 | 84,498 |
| Other long-term benefits | 6,036 | 7,801 |
| **NON-CURRENT PERSONNEL BENEFITS*** | **76,646** | **92,299** |
| Other Provision for risks | 0 | 0 |
| Provisions for social or fiscal disputes | 1,417 | 6,842 |
| **NON-CURRENT PROVISIONS** | **1,417** | **6,842** |

* *Cf. details in the following note. Non-current personnel benefits concern the French companies.*

| *(in thousands of euros)* | Opening balance | Charge for the year | Reversal of the year (unused) | Reversal of the year (utilised) | Changes in the scope of consolidation, reclassifications and others | Closing balance |
|---|---|---|---|---|---|---|
| Restructuring provisions (2019) | 6,524 | - | - | (5,180) | - | 1,344 |
| Restructuring provisions (2018) | 9,837 | (42) | (5,919) | (1,456) | - | 2,420 |
| Restructuring provisions (2014) | 6,840 | - | (5,054) | (370) | - | 1,417 |
| Provisions for social and fiscal risks* | 12,170 | 9,416 | (1,038) | (839) | - | 19,709 |
| Other provisions for risks | 3,071 | 2,527 | (2,059) | (472) | - | 3,067 |
| **TOTAL PROVISIONS** | **38,442** | **11,901** | **(14,070)** | **(8,317)** | **-** | **27,957** |
| *of which non current* | *6,841* | *-* | *(5,054)* | *(370)* | *-* | *1,417* |
| *of which current* | *31,602* | *11,901* | *(9,016)* | *(7,947)* | *-* | *26,540* |

* *Charge of the financial year is related to various social and tax litigation. Individual analysis had been made by the Company and its advisers. Coverage had been booked, commensurate with the risk assessment.*

## Retirement benefits and similar commitments

In France, legislation provides for benefits to be paid to employees at retirement on the basis of their length of service and salary at retirement age.

In accordance with IAS 19, obligations under defined benefit schemes are measured by the projected unit credit method. According to this method, each period of service gives rise to an additional unit of benefit entitlement and measures each unit separately to value the final obligation, using demographic hypotheses (turnover of the personnel, mortality, retirement age, etc.) and financial hypotheses (future increase in salary by category).

Actuarial differences relating to post-employment benefits are recognised for the full amount in other comprehensive income, which was a net positive deferred tax impact of €8.8 million at 31 December 2021.

In order to have up-to-date data, the turnover tables are recalculated every three years, only retaining, in accordance with the IAS 19 standard, motives for resignation in the turnover rate.

## Other retirement schemes

The expense reflecting paid contributions is recognised in the income statement during the financial year.

Other long-term benefits which may be granted by the Group consist mainly of long-service awards that are also measured on an actuarial basis.

At 31 December 2021, an income of €0.4 million was recognised as severance benefits.

The total amount of the provision in the balance sheet stood at €77.9 million as at 31 December 2021 compared to €93.2 million as at 31 December 2020.

The discount rate retained in the assessment of the commitments as at 31 December 2021 compared to 31 December 2020, amounts to 1% in accordance with actual market conditions (iBoxx AA10+ rate).

The IAS 19 standard sets the discount rate at the rate of bonds issued by first-class companies (having a rating of at least AA or Aa) having a maturity equal to that of the commitment. If the market for these bonds is not liquid, the rate is equal to the rate of the corresponding government bonds (OATs).

### Pension commitments and other personnel benefits

| *(in thousands of euros)* | Post-employment benefits | Other long-term benefits | Total 31/12/2021 | Post-employment benefits | Other long-term benefits | Total 31/12/2020 |
|---|---|---|---|---|---|---|
| **Change in value of commitments** | | | | | | |
| **Total value of commitments at start of period** | **85,039** | **8,183** | **93,222** | **86,533** | **8,273** | **94,806** |
| Adjustment of the opening periode (change of method) | | | | | | |
| **Total value of commitments at start of period (adjusted)** | **85,039** | **8,183** | **93,222** | **86,533** | **8,273** | **94,806** |
| Cost of services rendered | 6,352 | 588 | 6,940 | 5,559 | 566 | 6,125 |
| Discounting cost | 295 | 28 | 323 | 639 | 60 | 699 |
| Reductions/liquidations | (6,500) | (622) | (7,122) | (3,920) | (368) | (4,287) |
| Actuarial (gains) or losses | (11,783) | (1,393) | (13,176) | 2,315 | 271 | 2,586 |
| Benefits paid | (292) | (227) | (519) | (598) | (226) | (824) |
| Changes in scope | - | - | - | (567) | - | (567) |
| Others | (1,625) | (121) | (1,746) | (4,924) | (392) | (5,316) |
| **Total value of commitments at end of period (A)** | **71,486** | **6,436** | **77,922** | **85,037** | **8,184** | **93,222** |

| *(in thousands of euros)* | Post-employment benefits | Other long-term benefits | Total 31/12/2021 | Post-employment benefits | Other long-term benefits | Total 31/12/2020 |
|---|---|---|---|---|---|---|
| *Commitments at end of period relating to non-financed schemes* | *71,486* | *6,436* | *77,922* | *85,037* | *8,184* | *93,222* |
| *of which short term* | *877* | *400* | *1,276* | *541* | *383* | *924* |
| *of which long term* | *70,609* | *6,036* | *76,646* | *84,496* | *7,801* | *92,298* |
| **Pension charge** | | | | | | |
| Cost of services rendered | 6,352 | 588 | 6,940 | 5,559 | 566 | 6,125 |
| Discounting costs | 295 | 28 | 323 | 639 | 60 | 699 |
| Effect of reductions/liquidations | (6,500) | (622) | (7,122) | (3,920) | (368) | (4,287) |
| **TOTAL PENSION CHARGE** | **147** | **(6)** | **141** | **2,278** | **258** | **2,537** |
| **Movements in the provision/(asset)** | | | | | | |
| **Provision/(assets) at start of period** | **85,039** | **8,183** | **93,222** | **86,533** | **8,273** | **94,806** |
| Pension charge | 147 | (6) | 141 | 2,278 | 258 | 2,537 |
| Benefits paid directly by the employer | (292) | (227) | (519) | (598) | (226) | (824) |
| Change of scope | - | - | - | (567) | - | (567) |
| Actuarial gains or (losses) | (11,783) | (1,393) | (13,176) | 2,315 | 271 | 2,586 |
| Restructuration plan | (1,625) | (121) | (1,746) | (4,924) | (392) | (5,316) |
| **Provision/(assets) at end of period** | **71,486** | **6,436** | **77,922** | **85,037** | **8,184** | **93,222** |
| **Assumptions** | | | | | | |
| Discount rate *(in %)* | 1.00% | 1.00% | 1.00% | 0.35% | 0.35% | 0.35% |
| Expected long-term inflation rate *(in %)* | 1.75% | | 1.75% | 1.5% | | 1.5% |
| Expected long-term salary growth *(in %)* | Dependent on employee category and age | | | Dependent on employee category and age | | |
| **AMOUNT ENTERED AS A CHARGE IN RESPECT OF THE PERIOD** | **145** | **233** | **378** | **(1,680)** | **(32)** | **(1,713)** |

## Sensitivity of the discount rate on post-employment benefits (IFC)

A 0.25% increase in the discount rate leads to a decrease in the commitment of about 3.3%, or around €2.3 million, while a decrease of 0.25% in the discount rate leads to an increase in the commitment of about 3.3%, i.e. around €2.4 million.

## Sensitivity of the discount rate on other long-term benefits (long-service awards)

A 0.25% increase in the discount rate leads to a decrease in the commitment of about 2.3%, or around €0.1 million, while a decrease of 0.25% in the discount rate leads to an increase in the commitment of roughly 2.4%, i.e. around €0.2 million.

## NOTE 12. Trade creditors

As at 31 December 2021, trade creditors are due in less than one year. Amounts owed to suppliers bear no interest and are payable in principle between 30 and 60 days.

## NOTE 13. Equity and earnings per share

### 13.1 Share capital

Solocal Group's share capital is composed of 131,694,468 shares with a par value of 1 euro each, giving a total amount of 131,694,468 euros (before deduction of treasury shares).

### 13.2 Other reserves and other comprehensive income

The difference between the individual equity of Solocal Group and the consolidated equity of Solocal Group is that different accounting methods are applied.

This impact mainly concerns the other consolidated reserves item and other comprehensive income, which are negative to the tune of €1,467.0 million as at 31 December 2021, compared to a negative amount of €1,492.7 million as at 31 December 2020, mainly comprising:

- the portion of distributions in excess of the income for the year, mainly relating to the exceptional distribution of €2,519.7 million in November 2006 by Solocal Group (formerly PagesJaunes group);
- actuarial differences relating to retirement benefits (IAS 19) for a negative amount of €45.8 million;
- the matching entry for the share-based payment expense corresponding to the portion settled in equity instruments in a negative amount of €66 million;
- the matching entry of the gain representing the difference between the net book value in the balance sheet of the derecognised original bond debt and the fair value of shares issued on the day of the debt restructuring amounting to €48 million.

### 13.3 Treasury shares

Under IAS 32, purchases of treasury shares are recorded as a decrease in equity for the amount of their acquisition cost. If treasury shares are disposed of, the profits or losses are recognised in the consolidated reserves for their amounts less tax.

Through the liquidity contract, the Company held 309,885 treasury shares at 31 December 2021, valued at €0.4 million, compared to 7,818 treasury shares (giving 567,596 treasury shares before the share consolidation performed in November 2020) at 31 December 2020, and recognised as an equity decrease for the amount of their acquisition cost.

### 13.4 Dividends

Solocal Group did not distributed any dividends in 2021 or in 2020.

### 13.5 Earnings per share

The Group discloses both basic earnings per share and diluted earnings per share. The number of shares used to calculate diluted earnings per share takes into account the conversion into ordinary shares of dilutive instruments outstanding at the period-end (unexercised options, free shares). If the basic earnings per share are negative, diluted loss per share represents the same amount as the basic loss. Treasury stock deducted from consolidated equity is not taken into account in the calculation of earnings per share.

| | As at 31/12/2021 | As at 31/12/2020 |
|---|---|---|
| Share capital | 129,754,826 | |
| Treasury shares from liquidity contract | (36,298) | |
| **Number of basic shares** | **129,718,528** | |
| **Number diluted equity** | **130,785,735** | |
| Additional information (average) | | |
| Number of existing basic shares as of 30 June | 130,097,851 | |
| Number of existing diluted shares as of 30 June | 131,175,158 | |
| **Net earnings from discontinued activities for the period per share to Solocal Group shareholders *(in euros)*** | | |
| Net earnings per share of the consolidated Group based on a year end number of existing shares (as at 30 June) | | |
| – basic | 0.18 | 1.27 |
| – diluted | 0.18 | 1.26 |
| **Net earnings from discontinued activities for the period per share to Solocal Group shareholders *(in euros)*** | | |
| Net earnings per share of the consolidated Group based on a year end number of existing shares (as at 30 June) | | |
| – basic | - | 0.59 |
| – diluted | - | 0.59 |

## NOTE 14. Stock options and free shares

### 14.1 Share-based payments

In accordance with IFRS 2 "Share-Based Payment", stock options, employee share issues and free shares granted to employees of the Group are valued on the date they are granted.

The value of stock options is determined in particular by reference to the exercise price, the life of the options, the current price of the underlying shares, the expected share price volatility, expected dividends and the risk-free interest rate over the life of the options. The amount so determined (under the share-based payment heading) is recognised in personnel expenses on a straight-line basis over the period between the grant date and the exercise date – corresponding to the vesting period – and in equity for equity-settled plans or in liabilities to employees for cash-settled plans. The Group has opted for retrospective application of IFRS 2 to equity – and cash-settled plans. The new plans are valued in accordance with IFRS 2 using a binomial model.

The fair value of a free share is the market price of the share on the grant date after adjustment to take account of the loss of dividends expected during the vesting period. This expense is recorded on a straight-line basis over the vesting period and, if necessary, is adjusted to take account of the likelihood that the performance conditions will be fulfilled.

### 14.2 Description of the plans

#### 14.2.1 Stock-options

No stock option plans have been granted by Solocal Group or by any of its subsidiaries over the last two years.

#### 14.2.2 Free shares

As a reminder, a share consolidation by exchanging one hundred old shares for one new share was carried out on 24 November 2020. In addition, the number of new shares to be issued was adjusted in terms of each free allocation of shares right for 2,109 new shares. For the 2019 plan, all the items mentioned hereunder are before consolidation.

### 2019 plan

In 2019, the shareholders of Solocal Group, in a mixed General Meeting on 11 April 2019, authorised the Board of Directors to grant free shares to all employees in the French entities of the Solocal Group within the meaning of Articles L. 225-197-1 and following of the Commercial Code. This authorisation limits the maximum number of free shares that can be granted to 400,000. Under this plan for all, the attribution of free shares is restricted to employees who have been with the Company for at least one year. No so-called lock-up period will be imposed on beneficiaries.

Furthermore, in the mixed General Meeting on 11 April 2019, the shareholders of Solocal Group also authorised the Board of Directors to grant performance shares to certain executives and employees of the Company and the companies linked to it within the meaning of Articles L. 225-197-1 and following of the Commercial Code. This authorisation limits the maximum number of performance shares that can be granted free of charge to 5,500,000 company shares, of which a maximum of 1,500,000 shares for the Chief Executive Officer.

Under this plan, 5,345,000 performance shares were granted to 96 beneficiaries, including 1,500,000 performance shares to the Chief Executive Officer. Under this plan, these performance shares will only be definitively acquired after a so-called vesting period of three years. No so-called lock-up period will be imposed on beneficiaries.

The definitive attribution of the shares will be subject to a condition of presence in the Company and a performance condition which will be based on the extent to which an objective is achieved concerning the Free Cash Flow aggregate and the Company's share price.

The Chief Executive Officer and the members of the Executive Committee will be obliged to keep at least 30% of the shares definitively granted to them, and this until they cease being a Member of the Comex or Chief Executive Officer of the Company.

### 2021 plan

In 2021, the shareholders of Solocal Group, in a Combined General Meeting on 27 November 2020, authorised the Board of Directors to implement a performance shares plan within the meaning of Articles L. 225-197-1 and following of the Commercial Code, in favour of certain executives and employees of the Company and those companies linked to it.

This authorisation limits the maximum number of performance shares that can be granted free of charge under this plan to 1,295,087 Company shares, of which a maximum of 431,695 shares for the Company's corporate officers.

Under this plan, 1,066,000 performance shares were granted to 64 beneficiaries on 2 June 2021, including 275,000 performance shares to the Chief Executive Officer. Under this plan, these performance shares will only be definitively acquired after a so-called vesting period of three years for the CEO, and by tranches of one, two and three years for the other beneficiaries. These shares must be kept for a minimum of four years (including the vesting period) except for the CEO, who must keep part of these shares as long as he performs his duties within the Company.

The definitive attribution of the shares will be subject to a condition of presence in the Company and a performance condition which will be based on the extent to which an objective is achieved concerning the Free Cash Flow aggregate and the Company's share price.

## 14.3 Changes to stock option and free share allocation plans

| | Total 31/12/2020 | Granted | Cancelled/ lapsed | Total 31/12/2021 | Exercise price |
|---|---|---|---|---|---|
| **Free share plans** | **144,763** | **969,000** | **(144,763)** | **969,000** | **Final vesting date** |
| – June 2021 | - | 969,000 | - | 969,000 | 3/31/2024 |
| – June 2019 | 58,695 | - | (58,695) | - | 6/18/2022 |
| – April 2018 | 86,068 | - | (86,068) | - | 4/24/2021 |

At 31 December 2021, the options in the 2018 plan had lapsed. The shares in the 2019 plan had all been cancelled, as the performance requirements had not been fulfilled.

### 14.4 Expenses relating to stock option and free share allocation plans

The impact on the income statement for financial year 2021 represented an expense of €0.9 million compared to an expense of €0.2 million in 2020.

## NOTE 15. Information on related parties

There were no new transactions with related parties during 2021. Hervé Milcent will apparently be subjected to a non-competition obligation in the event of termination of his term of office as Chief Executive Officer for any reason and in any form whatsoever in the conditions mentioned hereinafter: competition prohibition shall be limited to a period of 12 months commencing on the day on which his duties actually come to an end; the corresponding compensation shall amount, based on a non-competition period of 12 months, to 6 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior preceding the termination of his duties.

On termination of the term of office, the Company may, (i) renounce the benefit of the non-competition agreement (in which case it will not have to pay the corresponding compensation) or (ii) reduce the duration, the field of activities and/or the geographical scope of said commitment (in which case the amount of the non-competition compensation will be reduced accordingly).

The accumulation of the severance pay and non-competition obligation cannot exceed two years of remuneration, fixed and variable. Moreover, the payment of a non-competition compensation is excluded if the beneficiary has the possibility to exercise their retirement rights. In any case, no indemnity can be paid after the age of 65 years. These arrangements were approved by the Shareholders' Meeting of 3 June 2021.

Key management as related parties as at 31 December 2021 are the members of the Board of Directors including the Chief Executive Officer and the members of the Executive Committee.

Solocal does not have any related parties other than its key management and Directors.

## NOTE 16. Disputes, contingent assets and liabilities

### 16.1 Disputes – significant changes for the period

In the ordinary course of business, the Group entities may be involved in a number of legal, arbitration and administrative proceedings. Provisions are only constituted for expenses that may result from such proceedings where they are considered likely and their amount can be either quantified or estimated within a reasonable range. The amount of the provisions is based on an assessment of the risk on a case-by-case basis and largely depends on factors other than the particular stage of proceedings, although events occurring during the proceedings may call for a reassessment of this risk.

With the exception of the proceedings described below, the Group does not consider itself party to any legal or arbitration proceedings whose likely outcome could have a materially negative impact on its results, activities or consolidated financial position.

#### Job safeguarding plan 2014

In 2013, Solocal undertook a further reorganisation – a majority agreement on accompanying social measures was signed on 20 November 2013 and approved by the French Regional Department of Enterprise, Competition, Consumer Affairs, Labour and Employment (DIRECCTE) on 2 January 2014. However, 311 employees declined to have their employment contracts amended as a result of the reorganisation undertaken at the end of 2013, and 280 of them were laid off.

One employee of the Company decided to dispute the validation of the collective agreement relating to the job safeguarding plan before the administrative courts. The Versailles Administrative Court of Appeal, in a judgement of 22 October 2014 notified on 5 November, cancelled the validation by the DIRECCTE. On 22 July 2015, the Conseil d'État rejected the recourse of Solocal and the Minister of Labour. Consequently, multiple proceedings were initiated with the administrative as well as judicial courts. The proceedings brought before the administrative courts are now terminated.

Nearly 200 decisions have been rendered based on merit, as a first-instance or appeal. For a very large majority, these decisions reject the requests concerning the nullity of the redundancy and the fixed compensation consequences that stem from this, observing that the redundancy is based on a real and serious cause and rejecting the requests concerning the challenging of the economic reason, (but pronouncing sentences for payment based on Article L. 1235-16 of the Labour Code at a level close to the compensation floor provided by this text, i.e. between six and seven months wages). One court of appeal in particular accepted the application of the statute of limitations claimed by the Company and fully dismissed the claimants (35 dossiers). These decisions were referred to the Cour de Cassation by the claimants. The Cour de Cassation handed down two initial rulings in September 2020 accepting the Company's position with respect to the one-year limitation. The cases pending before the Cour de Cassation on this matter were adjudicated in 2021 and the decision not to convict was upheld.

Finally, a few dossiers are also pending before the Cour de Cassation at the initiative of Solocal for questions other than limitation. Some of the decisions have been rendered, confirming decisions concerning additional conventional compensation and applying Article L. 1235-16 systematically in all the dossiers. Moreover, a series of decision from the Cour de cassation quashed the decisions that had retained management misconduct. The time limits for bringing matters to the referral courts are still running.

As at 31 December 2021, the remaining provision on the statements is €1.4 million compared to €6.8 million as at 31 December 2020.

## 16.2 Contractual commitments not recognised/contractual commitments and off-balance-sheet commitments

There were no new significant commitments during fiscal 2021.

Significant off-balance-sheet commitments are as follows:

| | As at 31/12/2021 | | | | |
|---|---|---|---|---|---|
| | | Payments due per period | | | |
| **Contractual obligations** *(in thousands of euros)* | Total | Less than 1 year | In 1 to 5 years | In more than 5 years | **As at 31/12/2020 Total** |
| **Operating leases** | **755** | **21** | **734** | **0** | **1,000** |
| Other services | 11,106 | 10,055 | 1,051 | 0 | 9,647 |
| **Commitments for purchases of goods and services** | **11,106** | **10,055** | **1,051** | **0** | **9,647** |
| **TOTAL** | **11,861** | **10,076** | **1,785** | **0** | **10,647** |

The "Other services" section includes all firm orders placed as at 31 December 2021 for goods and services deliverable from 1 January 2022.

### Leases

Leases with a duration of over one year are restated in line with IFRS 16.

### Other commitments given

The bond loan is indirectly guaranteed by a pledge of the securities of Solocal SA held by Solocal Group.

Solocal is committed to continuing its business relations with Mappy over three years as from 2020.

### Other commitments received

The other significant off-balance-sheet commitments received are as follows:

| | As at 31/12/2021 | | | | |
|---|---|---|---|---|---|
| | | Payments due per period | | | |
| **Contractual obligations** *(in thousands of euros)* | Total | Less than 1 year | In 1 to 5 years | In more than 5 years | **As at 31/12/2020 Total** |
| Operation leases – lessor | 923 | 744 | 179 | 0 | 0 |
| Other services | 156,173 | 141,655 | 14,518 | 0 | 175,224 |
| **TOTAL** | **157,096** | **142,399** | **14,697** | **0** | **175,224** |

The other services correspond to the share of the order backlog yet to be recognised in sales and not yet billed.

## NOTE 17. Events subsequent to the closing date of 31 December 2021

The annual consolidated financial statements at 31 December 2021 were approved by the Board of Directors during its meeting on 22 February 2022. There are no material events to report between the balance sheet date and the Board of Directors meeting date.

## NOTE 18. Scope of consolidation

| | | As at 31/12/2021 | | As at 31/12/2020 | |
|---|---|---|---|---|---|
| Entities | Country | Interest | Voting rights | Interest | Voting rights |
| Solocal Group (consolidating) | France | 100% | 100% | 100% | 100% |
| Solocal SA | France | 100% | 100% | 100% | 100% |
| SOMS | France | 100% | 100% | 100% | 100% |
| Leadformance | France | 100% | 100% | 100% | 100% |
| Effilab | France | 100% | 100% | 100% | 100% |
| PagesJaunes Outremer | France | 100% | 100% | 100% | 100% |
| GIE | France | 100% | 100% | 100% | 100% |
| PagesJaunes Finance & Co | Luxemburg | 100% | 100% | 100% | 100% |
| Yelster Digital | Austria | 100% | 100% | 100% | 100% |
| Orbit Interactive | Morocco | 100% | 100% | 100% | 100% |
| Solocal Interactive | Rodrigues | 100% | 100% | 100% | 100% |

## NOTE 19. Auditors' fees

| | Beas/Deloitte et Associés | | | | Auditex/Ernst & Young | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount | | In% of fees | | Amount | | In% of fees | |
| *(amounts in thousand of euros)* | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Certification of individual and consolidated accounts and limited review | 456 | 371 | 99% | 46% | 412 | 323 | 99% | 69% |
| – Including Solocal Group | 176 | 175 | 38% | 22% | 168 | 150 | 40% | 32% |
| – Including fully consolidated subsidiaries | 280 | 196 | 61% | 25% | 244 | 173 | 59% | 37% |
| Other services excluding certification of accounts | 7 | 427 | 1% | 54% | 3 | 146 | 1% | 31% |
| – Including Solocal Group | 7 | 427 | 1% | 54% | 3 | 146 | 1% | 31% |
| – Including fully consolidated subsidiaries | – | – | 0% | 0% | – | – | 0% | 0% |
| **TOTAL** | **463** | **798** | **100%** | **100%** | **415** | **469** | **100%** | **100%** |

Services other than the certification of accounts, with respect to BEAS/Deloitte and Auditex/Ernst & Young, are services delivered as part of the preparation of an attestation and report provided for by the legal and regulatory texts.

## 5.2.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31st December 2021

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the annual General Meeting of Solocal Group,

### Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Solocal Group for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

#### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

### Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

## Revenue recognition

| | |
|---|---|
| **Identified risk** | The Group's activities regroup numerous commercial products which evolve regularly and a large volume of data to be processed. These products are grouped into 2 main classes:<br>● sales of websites that are designed and made available to customers for a contractual period of 12 or 24 months;<br>● products related to digital services, such as digital presence or advertising proposed for a renewable period of 12 or 24 months and digital advertising products which refer to one-off services or campaigns.<br>The revenue recognition principles related to these products, disclosed in Note 5.1 "Revenue" of the footnotes of the consolidated financial statements, are different depending on the nature of the products or services sold.<br>Depending on the class of product proposed by Solocal Group, one or two performance obligations are identified:<br>● for the class “Digital services excluding websites” the application of IFRS15 leads to revenue being recorded on a straight-line basis as the transfer of control of the services is continuous.<br>● two separate performance obligations are observed for the websites class:<br>– website conception over the conception period (between 30 and 120 days depending on the product). Revenue is recognized over the duration of the conception, i.e. from the start of the creation of the site (recognition on a percentage of completion basis),<br>– hosting and updating of the site over the contractual hosting period comprised between 12 and 24 months. Revenue is recognized over the duration of the contractual hosting period.<br>Considering the high volume of transactions processed and the importance of automated processing in accounting for revenue recognition, we considered revenue recognition as a key audit matter. |
| **Treatment of the key audit matter during the audit** | We have examined the revenue recognition process, from ordering to invoicing and reception of payments and closing entries.<br>We have involved in our team specialists with data analysis skills.<br>Our main procedures performed were:<br>● to analyze, for the main offers, the consistency between the contractual data and the configuration of revenue recognition in the information systems and the revenue recognition rules according to IFRS 15;<br>● reconcile data from order entry modules with source documents for a sample of transactions;<br>● reconcile the data from the order modules with the data from the invoicing modules in order to assess the completeness of the revenue recorded;<br>● recalculate the turnover for the year from the invoicing module according to the accounting rules set up in the systems. |

## Going concern

| | |
|---|---|
| **Identified risk** | As of December 31, 2021, the Group has negative equity of 239 million euros, 315 million euros of current liabilities and 168 million euros of current assets. On the same date, available cash amounts up to 80 million euros.<br><br>As disclosed in Notes 1.3 "Other information" and 1.5 "Going concern" in the consolidated financial statements, the Group has not identified any items that would compromise its ability to continue as a going concern with regard to the cash flow forecasts examined by the Board of Directors on 22 February 2022 for the next 12 months in the context of the Covid-19 crisis described in the notes 1.4.1 of the financial statements.<br><br>As a consequence, we consider that the assessment of the going concern, on the basis of which the consolidated accounts were prepared, is subject to the judgment of management, in particular with regard to:<br>● the perspectives of future operational activity underlying the budget adopted by the board, give that, as indicated in note 1.4.1 "Covid-19 Crisis" to the notes, the health crisis related to Covid-19 will continue without any significant worsening or improvement throughout the entire 2022 financial year;<br>● the related estimates of future cash flows.<br><br>For these reasons, we considered the assessment of the going concern as a key audit matter. |
| **Treatment of the key audit matter during the audit** | We have obtained an understanding of the process implemented by management to assess the Group's ability to continue operating over a period of 12 months from the closing date.<br><br>Our work mainly consisted in:<br>● examining the budget and cash flow forecasting process;<br>● examining the operational assumptions underlying the budget and including managements assumptions of the impact of the Covid 19 crisis on the Group's commercial activity;<br>● examining the correct implementation of budgetary data into the cash flow forecast model;<br>● reconciling the starting point of the cash flow forecast model with the cash position disclosed in the financial statements as at December 31, 2021;<br>● analyzing the correct configuration of the cash flow simulation file underlying the monthly cash flow forecasts for the next 12 months and in particular by examining the consistency of conversion from sales to cash rates by type of product according to their payment terms;<br>● inquiring of management about its knowledge of events or circumstances subsequent to the close which could impact these forecasts, notably in the context of the Covid-19 crisis.<br><br>We have also assessed the appropriateness of the information relating to the going concern disclosed in Note 1.5 on the consolidated financial statements. |

## Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Directors' Report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

## Report on other legal and regulatory requirements

### Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with the professional standards applicable in France on the due diligence of statutory auditors about the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended for inclusion in the annual financial report referred to in I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*), which have been prepared under the supervision of the Managing Director. As these are consolidated financial statements, our work includes verifying that the mark-up of these financial statements complies with the format defined by the above-mentioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the consolidated financial statements that will be effectively included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

### Appointment of Statutory Auditors

We were appointed as statutory auditors of Solocal Group by the annual general meeting of 19 October 2016 for BEAS, an entity of the DELOITTE network and for AUDITEX, a member of the ERNST & YOUNG Global Limited network.

Following a partial contribution of assets by B.E.A.S. the Solocal Group mandate continues within DELOITTE & ASSOCIÉS until its expiry date.

As of 31 December 2021, the mandate of B.E.A.S. within DELOITTE & ASSOCIÉS and that of AUDITEX were in their sixth year without interruption.

DELOITTE & ASSOCIÉS and ERNST & YOUNG Audit served as statutory auditors for Solocal Group from 2003 to 2015 and from 2004 to 2015 respectively, including twelve years for each firm since securities of the Company were admitted to trading on a regulated market.

## Responsibilities of Management and those charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## Statutory Auditors Responsibilities for the Audit of the Consolidated Financial Statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

## Report to the Audit Committee

We submit to the Audit a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

French language original signed at Paris-La Défense, on 1 March 2022

By the Statutory Auditors

| Deloitte & Associés | AUDITEX |
|---|---|
| | *Member of the Ernst & Young Global Limited network* |
| Stéphane Rimbeuf | Jeremy Thurbin |

# 5.3 Company financial statements as at 31 December 2021

## 5.3.1 BALANCE SHEET

| *(in thousands of euros)* | Notes | Balance sheet at 31 December Gross | Depreciations, amortisation and provisions | 2021 Net | 2020 Net | Change |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Intangible fixed assets | 5.1 | 424 | (424) | 0 | - | - |
| Tangible fixed assets | 5.1 | 17,373 | (9,652) | 7,721 | 9,426 | (1,705) |
| Participating interests and other investments | 5.2 | 3,005,592 | (2,333,692) | 671,900 | 674,322 | (2,422) |
| Receivables from participating interests | 5.2 | - | - | 0 | - | - |
| Other financial fixed assets | | 5,599 | - | 5,599 | 5,793 | (194) |
| **TOTAL FIXED ASSETS** | | **3,028,988** | **(2,343,768)** | **685,220** | **689,541** | **(4,321)** |
| Advances and payments on account | | 404 | | 404 | 19 | 386 |
| Trade debtors | 5.3 | 269 | | 269 | 1,747 | (1,477) |
| Tax and social security receivables | 5.3 | 8,641 | | 8,641 | 9,233 | (592) |
| Amounts owed by subsidiaries (tax consolidation) | 5.10 | 2,378 | | 2,378 | 1,716 | 662 |
| Subsidiaries' current accounts | 5.4 | 201,330 | (7,902) | 193,428 | 194,674 | (1,247) |
| Sundry receivables | | 0 | | 0 | 915 | (915) |
| Short-term investments and treasury shares | 5.4 | 377 | - | 377 | 20 | 357 |
| Cash and cash equivalents | 5.4 | 32,267 | | 32,267 | 48,622 | (16,355) |
| Prepaid expenses | 5.3 | 4,607 | | 4,607 | 101 | 4,506 |
| **PREPAYMENTS TOTAL CURRENT ASSETS** | | **250,274** | **(7,902)** | **242,372** | **257,047** | **(14,675)** |
| Bond redemption premium | | 1,248 | | 1,248 | 1,636 | (388) |
| **TOTAL ASSETS** | | **3,280,510** | **(2,351,670)** | **928,840** | **948,224** | **(19,384)** |
| **Liabilities** | | | | | | |
| Capital | | | | 131,694 | 129,506 | 2,189 |
| Issue premium | | | | 1,024,270 | 1,022,459 | 1,811 |
| Statutory reserve | | | | 5,824 | 5,824 | - |
| Other reserves | | | | 38,043 | 38,075 | (31) |
| Retained profit or loss | | | | (603,770) | (37,297) | (566,473) |
| Profit or loss for the period | | | | (9,885) | (566,473) | 556,588 |
| Tax-related provisions | | | | 1,215 | 1,211 | 4 |
| **SHAREHOLDERS' EQUITY** | **5.5** | | | **587,393** | **593,305** | **(5,912)** |

| *(in thousands of euros)* | Notes | Balance sheet at 31 December Gross | Depreciations, amortisation and provisions | 2021 Net | 2020 Net | Change |
|---|---|---|---|---|---|---|
| Provisions for risks and charges | | | | 280 | 594 | (314) |
| **PROVISION FOR RISKS AND CHARGES** | **5.7** | | | **280** | **594** | **(314)** |
| **Financial liabilities** | **5.8** | | | **310,491** | **296,883** | **13,608** |
| Bank loans | | | | 44,000 | 54,054 | (10,054) |
| Borrowings and other financial liabilities | | | | 198,186 | 186,775 | 11,411 |
| Subsidiaries' current accounts | | | | 68,304 | 56,054 | 12,250 |
| Operating liabilities | | | | 29,597 | 36,655 | (7,057) |
| Trade creditors and related accounts | | | | 28,744 | 32,628 | (3,884) |
| Tax and social security payable | 5.9 | | | 853 | 4,026 | (3,173) |
| **Other debts** | | | | **1,079** | **20,787** | **(19,708)** |
| Amounts owed to subsidiaries (tax consolidation) | 5.10 | | | 972 | 20,683 | (19,711) |
| Sundry payables | | | | 107 | 104 | 3 |
| **TOTAL DEBT** | | | | **341,167** | **354,325** | **(13,158)** |
| **TOTAL LIABILITIES** | | | | **928,840** | **948,224** | **(19,384)** |

## 5.3.2 INCOME STATEMENT

| *(in thousands of euros)* | Notes | 2021 | 2020 | Change |
|---|---|---|---|---|
| Turnover | 5.11 | 15,910 | 19,027 | (3,117) |
| Reversals of provisions and transfers of expenses | | 54 | - | 54 |
| Other income | | 1 | 179 | (178) |
| **Operating income** | | **15,965** | **19,206** | **(3,241)** |
| Purchases and provision of services | | 1,461 | 2,072 | (611) |
| Purchases of materials and supplies not stocked | | 58 | 54 | 5 |
| External services | | 15,356 | 15,216 | 140 |
| Other external services | | 4,886 | 24,162 | (19,276) |
| Taxes, duties and similar payments | | 1,554 | 1,116 | 438 |
| Salaries | | 764 | 715 | 48 |
| Social charges | | 397 | 315 | 83 |
| Other expenses | | 523 | 764 | (241) |
| Depreciation and amortisation and transfers to provisions for current assets | | 1,709 | 1,704 | 5 |
| Transfers to provisions for risks and charges | | 35 | 36 | (1) |
| **Operating expenses** | **5.12** | **26,743** | **46,154** | **(19,410)** |
| **OPERATING INCOME** | | **(10,779)** | **(26,948)** | **16,169** |
| Income from participating interests – dividend | | 14,047 | 15,359 | (1,312) |
| Financial income from short-term investments and loans | | 195 | 8,087 | (7,891) |
| Other financial income | | - | - | - |
| Reversals of provisions | | - | 130,071 | (130,071) |
| Realised exchange gains | | 0 | - | 0 |
| **Financial income** | | **14,242** | **153,516** | **(139,274)** |
| Interest and similar expenses | | 17,549 | 43,826 | (26,278) |
| Other financial expenses | | 114 | 399 | (286) |
| Transfers to provisions | | 8,847 | 516,154 | (507,307) |
| Realised exchange losses | | 90 | - | 90 |
| **Financial expenses** | | **26,600** | **560,380** | **(533,780)** |
| **FINANCIAL INCOME** | **5.13** | **(12,357)** | **(406,864)** | **394,506** |
| **INCOME BEFORE EXCEPTIONAL ITEMS AND TAXES** | | **(23,136)** | **(433,812)** | **410,676** |
| Exceptional income from operations | | - | - | - |
| Exceptional income from capital transactions | | - | 1,394 | (1,394) |
| Reversal of provisions and transfers of expenses | | 1,691 | 1,411 | 280 |
| **Exceptional income** | | **1,691** | **2,806** | **(1,114)** |
| Exceptional expenses from operations | | 901 | 3,803 | (2,903) |
| Exceptional expenses from capital transactions | | 57 | 143,264 | (143,207) |
| Depreciation and amortisation and transfers to provisions | | 207 | 58 | 149 |
| **Exceptional expenses** | | **1,164** | **147,125** | **(145,961)** |
| **OTHER ITEMS** | **5.14** | **527** | **(144,320)** | **144,847** |
| Legal employee profit-sharing | | - | - | - |
| Profits tax (+ income/- expense) | 5.10 | 12,724 | 11,659 | 1,065 |
| **NET INCOME** | | **(9,885)** | **(566,473)** | **556,588** |

## 5.3.3 APPENDIX

## NOTE 1. Description of the business

Solocal Group is a holding company. As such, it owns subsidiaries that specialise in offering digital services and solutions to its customers in order to raise their visibility by creating and updating the best professional and personalised local content for users.

The financial statements detailed below cover a period of 12 months from 1 January 2021 to 31 December 2021.

## NOTE 2. Highlights

The key highlights of 2021 were as follows:

### Chairmanship of the Solocal Group Board of Directors and General Management

Following the departure of Eric Boustouller in 2020 and at the end of a selection process, the Solocal Board of Directors has decided to appoint Hervé Milcent as CEO of Solocal Group effective 6 April 2021.

After four years as Chairman of the Solocal Group Board of Directors and six months as Chairman and CEO between 4 October 2020 and 6 April 2021, Pierre Danon informed the Solocal Group Board of Directors of his intention to resign as Chairman of the Board and as a Director. This resignation took place with an effective date of 30 June 2021.

The Board of Directors announced the co-optation of Philippe Mellier as Director on 30 June 2021 and his designation as Chairman of the Board on that date, which Mr Mellier has accepted.

### Penetration attempt of the information systems

In the night between 17 and 18 February 2021, Solocal's IT departments detected a penetration attempt on the Company's internal network. In accordance with the Company's information systems security management procedures, the IT teams took the required prevention measures in order to:

- preserve the Group's information system;
- block the penetration attempt;
- ensure that no damage was done to the Group's tools and data;
- protect all the sensitive data of the Group and of its customers.

None of our customers' or users' data was compromised. The Company's main platforms (PagesJaunes, Solocal Manager, Solocal.com) for companies and users were not affected and remained.

The measures taken gave rise to a temporary slowdown in the Group's activity between the penetration attempt and the evening of 23 February, date on which the information systems were re-established. The activity resumed normally, with the Group's network access remaining under surveillance.

The Group is also covered for this type of risk. Discussions continue between the insurance company and the Group regarding the business interruption. In this context, no item relating to this compensation has been included in the financial statements as of 31 December 2021.

### Partial repayment of the RCF on 30 September 2021 amounting to €6 million

Solocal Group allocated €6 million as partial amortisation of the loan agreement codenamed Super Senior Facility Agreement signed on 29 March 2019, and amended on 12 July 2019, 6 October 2020 and 17 December 2020 (referred to as the "RCF"), by disbursing €3 million in cash and issuing shares worth €3 million to creditors with RCF-related claims, who agreed to receive partial reimbursement in the form of shares (and their affiliates, assigns or successors).

### Increase in the means of the liquidity contract with Natixis ODDO BHF

On 9 July 2021, Solocal Group and Natixis ODDO BHF SCA signed an addendum to the liquidity contract signed on 4 July 2018 to increase the means of the liquidity contract by €0.5 million.

### Capital increase reserved for employees

On 24 July 2020, the General Meeting of Shareholders delegated to the Board of Directors its authority to decide to increase the share capital by issuing shares reserved for employees who are members of a company savings plan.

By decision dated 3 May 2021, the Chief Executive Officer noted the completion of the capital increase reserved for employees of 319,730 euros, by issuing 319,730 new shares and by recording an issue premium of €380,478.70.

## NOTE 3. Going concern

At 31 December 2021, the Group's cash position stood at €80.2 million, which exceeds the internal targets the Group had set for itself.

Additionally, the Group routinely reviews its cash flow projections in light of its year-to-date sales performance and the latest order intake expectations. This review is based on sales as at 31 December 2021, the cash position at that date and the latest operating forecasts. On this basis, the Group has not identified any items that may compromise its ability to continue as going concern.

## NOTE 4. Accounting methods and principles

Solocal Group's annual financial statements were prepared under the authority of the Chairman and CEO, and approved by the Board of Directors on 22 February 2022.

Solocal Group's annual financial statements were prepared pursuant to the legal and regulatory provisions applicable in France, and in compliance with ANC regulation 2014-03, which has been updated by all regulations that subsequently amended it, on the understanding that the presentation of the balance sheet and income statement has been tailored to reflect the Company's holding activities.

The accounting conventions have been applied in compliance with the principle of prudence in accordance with the basic assumptions of continuing operation, permanence of accounting methods from one year to the next and independence of financial years, in accordance with the general rules for the preparation and presentation of financial statements.

The method primarily used for valuing items recorded in the accounts is the historical cost method.

## NOTE 5. Additional information relating to the balance sheet and income statement

### 5.1 Intangible and tangible assets

Intangible fixed assets comprise computer software, which is amortised on a pro rata basis over three years.

Tangible assets comprise office equipment and furniture, depreciated over 10 years, computer equipment over 3 years, and assets under construction.

The change in intangible and tangible assets is analysed as follows:

| Gross | 31/12/2020 | Acquisition | Decrease | 31/12/2021 |
|---|---|---|---|---|
| Software | 424 | - | - | 424 |
| Fixtures | 13,046 | 51 | - | 13,097 |
| Computer equipment | 158 | - | - | 158 |
| Furniture | 4,087 | - | - | 4,087 |
| Current fixed assets | 77 | - | 47 | 30 |
| **GROSS TOTAL** | **17,793** | **51** | **47** | **17,797** |

| Amortisation | 31/12/2020 | Allowances | Reversals | 31/12/2021 |
|---|---|---|---|---|
| Software | 424 | - | - | 424 |
| Fixtures | 5,909 | 1,301 | - | 7,210 |
| Computer equipment | 149 | 2 | - | 151 |
| Furniture | 1,884 | 407 | - | 2,291 |
| **TOTAL AMORTISATION** | **8,367** | **1,709** | **-** | **10,076** |

| Net | 31/12/2020 | 31/12/2021 |
|---|---|---|
| Software | - | - |
| Fixtures | 7,137 | 5,887 |
| Computer equipment | 9 | 8 |
| Furniture | 2,203 | 1,797 |
| Current fixed assets | 77 | 30 |
| **TOTAL NET** | **9,426** | **7,721** |

## 5.2 Investments in and loans to participating interests

Equity interests are stated at the historical cost of acquisition by Solocal Group, which includes any expenses directly attributable to the transaction.

A provision for impairment is recognised if this value exceeds the value in use as assessed by the Management of Solocal Group on the basis of various criteria such as the market value, the prospects for development and profitability and shareholders' equity, taking into account the specific nature of each participating interest.

Where the value in use is determined on the basis of discounted cash flows adjusted for net debt, the latter are determined as follows:

- the cash flows are those of the 2022 budget and the 2023-2024 plans;
- cash flow projections beyond the three-year period are extrapolated by applying a growth rate to perpetuity reflecting the expected long-term growth in the market and specific to the activity;
- the terminal flow is determined on the basis of the 2026 flow extrapolated by applying a perpetual growth rate;
- the cash flow is discounted at a rate appropriate to the nature of the Group's activities.

The change in investments in and loans to participating interests is analysed as follows:

| | Year ended 31 December | | | | |
|---|---|---|---|---|---|
| | 2021 | | | | 2020 |
| *(in thousands of euros)* | % interest | Value Gross | Provision | Net book value | Net book value |
| **Participating interests** | | | | | |
| Solocal SA | 100% | 2,937,063 | (2,286,458) | 650,605 | 650,605 |
| Solocal Marketing Services | 100% | 7,275 | - | 7,275 | 7,275 |
| Yelster Digital | 100% | 14,997 | (14,100) | 897 | 897 |
| Solocal Outre-mer | 100% | 76 | - | 76 | 76 |
| Cristallerie 5 | 100% | 20 | - | 20 | 20 |
| Effilab | 100% | 20,532 | (7,832) | 12,700 | 12,700 |
| Leadformance | 100% | 25,301 | (25,301) | (0) | 2,422 |
| Orbit Interactive | 100% | 76 | - | 76 | 76 |
| GIE Solocal | 15.75% | 2 | - | 2 | 2 |
| Alliance Gravity | 11% | 250 | - | 250 | 250 |
| **TOTAL** | | **3,005,592** | **(2,333,692)** | **671,900** | **674,322** |
| **TOTAL PARTICIPATING INTERESTS AND OTHER INVESTMENTS** | | **3,005,592** | **(2,333,692)** | **671,900** | **674,322** |

In 2021, Leadformance shares were fully depreciated by €2.4 million.

In 2020, impairments were recognised on the following securities:

- the shares of Solocal SA were depreciated in the amount of €495.5 million in order to align the value of Solocal SA shares with the enterprise value retained by Finexsi as part of the financial restructuring in July 2020. Solocal SA's cash and borrowings have been restated to this enterprise value. The net book value of the shares amounts to €650.6 million, taking into account the merger with ClicRDV and Fine Média which took place on 1 June 2020 with retroactive effect to 1 January 2020;
- the Leadformance shares were depreciated by €10.9 million following a capital increase by capitalising a receivable amounting to €8 million carried out in December 2020, bringing the net book value of the shares to €2.4 million;
- Effilab shares were depreciated by €7.8 million, bringing their net book value to €12.7 million.

This impairment charge results from the normal process of asset valuation tests carried out every year and does not affect business cash. It is based on shareholders' equity and the discounted cash flow method, as restated for net debt.

## 5.3 Trade receivables, impairment of receivables and sundry receivables

| | Year ended 31/12 | |
|---|---|---|
| *(in thousands of euros)* | 2021 | 2020 |
| Gross trade debtors | 269 | 1,747 |
| Impairment | - | - |
| **NET TRADE DEBTORS** | **269** | **1,747** |

These receivables include those associated with services invoiced by Solocal Group to its subsidiaries, as well as re-invoicing of premises.

All trade debtors and sundry receivables are due within less than one year.

Tax receivables and social at €8.6 million in 2021, compared to €9.2 million in 2020. These receivables include VAT on invoices (€4.9 million) and income tax (€3.8 million).

In 2021, prepaid expenses amounted to €4.6 million. They mainly consist of rents for the firts quarter of 2022 (counterparty accounted in trade paybales).

## 5.4 Cash and cash equivalents, short-term investments, current accounts and financial liabilities

The cash and cash equivalents as at 31 December 2021 comprise immediately available liquidities and short-term investments maturing within three months of their acquisition date.

A provision is recognised in respect of treasury shares on the basis of the average price over the final month of the financial year.

| | Year ended 31/12 | |
|---|---|---|
| *(in thousands of euros)* | 2021 | 2020 |
| **Net current asset accounts** | **193,428** | **194,674** |
| Own shares | 377 | 20 |
| Cash and cash equivalents | 32,267 | 48,622 |
| Bond redemption premium | 1,248 | 1,636 |
| **Cash and cash equivalents, short-term investments and current accounts** | **227,319** | **244,952** |
| Revolving credit line drawn (RCF) | 44,000 | 50,000 |
| **SUB-TOTAL OF BORROWINGS AND FINANCIAL LIABILITIES WITH CREDIT INSTITUTIONS** | **44,000** | **50,000** |
| Borrowings from and financial liabilities to Group companies | 48 | - |
| MCB convertible bond | 2,037 | 2,317 |
| Non-convertible bonds | 186,103 | 186,232 |
| Accrued interest not yet due on non-convertible bonds | 9,999 | 2,276 |
| ICNE CICE | - | 4 |
| **SUB-TOTAL OF BORROWINGS AND FINANCIAL LIABILITIES** | **198,186** | **190,829** |
| **Current liability accounts** | **68,304** | **56,054** |
| **GROSS FINANCIAL DEBT** | **310,491** | **296,883** |
| *Due in less than one year* | *81,573* | *60,112* |
| *Due in more than one year* | *228,918* | *236,771* |
| **NET CASH (DEBT)** | **(83,171)** | **(51,931)** |
| Financial liabilities | 310,491 | 296,883 |
| Bank loans | 44,000 | 54,054 |
| Borrowings and other financial liabilities | 198,186 | 186,775 |
| Subsidiaries' current accounts | 68,304 | 56,054 |
| **Subsidiaries' current accounts** | **(193,428)** | **(194,674)** |
| **Short-term investments and treasury shares** | **(377)** | **(20)** |
| **Cash and cash equivalents** | **(32,267)** | **(48,622)** |
| **Bond redemption premium** | **(1,248)** | **(1,636)** |
| **NET CASH ON BALANCE SHEET** | **(83,171)** | **(51,931)** |

## Non-convertible bonds ("The Bond")

Following the realisation of the financial restructuring in 2020, the par value of the Group's residual gross debt was reduced to €168.4 million, redeveloped in the form of issuing bonds for 334,125,321 euros of a face value of €0.5041647472146 each for which the settlement-delivery took place on 5 October 2020, reserved for creditors under the Credit Agreement, and of which the main details are as follows (starting on 1 October 2020.

At the end of 2021, the par value amounts to €169.8 million following the capitalisation of interest.

**Interest:**

- Euribor with Euribor 3-month rate floored at 1% + 7% spread payable in arrears on a quarterly basis on 15 March, 15 June, 15 September and 15 December, according to the following terms: half is payable in cash, and the other half via capitalisation at the principle amount until 15 December 2021;
- Euribor with 3-month Euribor floor 1% + 7% fully payable in cash thereafter ;
- late payment interest: 1% increase in interest rate applicable.

**Financial commitments:**

- the Consolidated Net Leverage Ratio (Consolidated Leverage/Consolidated EBITDA) must be less than 3.5:1;
- the interest hedging ratio (Consolidated EBITDA/ Consolidated Net Interest Expense), must be greater than 3.0:1;
- and if the Consolidated Net Leverage Ratio exceeds, on 31 December of the preceding year, 1.5:1, investment expense (excluding growth operations) (Capital Expenditure) concerning Solocal Group and its Subsidiaries are limited to 10% of consolidated revenue of Solocal Group and its Subsidiaries.

**Maturity date:** 15 March 2025.

**Listing:** listing on the official listing of the Luxembourg Stock Exchange and admission for trading on the Euro MTF market.

**Early repayment or repurchasing:**

Solocal Group can at any time and in several times, reimburse all or a portion of the Bonds at a reimbursement price equal to 100% of the principal amount plus, during a period of 2.5 years, an early repayment penalty referred to as non-call corresponding to the interest due ranging from 6 August 2020 to 6 February 2023).

Moreover, the Bonds must be the object of a mandatory early reimbursement (subject to certain exceptions) entirely or in part, in the case of the occurrence of certain events, such as a Change of Control, Assets Sale or Net Debt Proceeds or Net Receivables Proceeds. Compulsory early repayments are equally foreseen via funds from a percentage of excess cash flows, in relation to the Consolidated Net Leverage Ratio of the Company.

The Terms & Conditions of the Notes moreover contain certain prohibitions, which prohibit Solocal Group and its Subsidiaries, apart from certain exceptions, in particular to:

- take on additional financial debt;
- give pledges;
- proceed with payment of dividends or carry out distributions to shareholders; by derogation the payment of dividends or distributions to shareholders are permitted if the Consolidated Net Leverage Ratio does not exceed 1.0:1.

The bond loan is indirectly guaranteed by a pledge of the securities of Solocal SA held by Solocal Group.

**Mini Bond:**

Following the adoption of the Amended Safeguard Plan and of the approval of a conciliation protocol by the Tribunal de commerce of Nanterre, Solocal Group on 14 August 2020 issued a bond loan for a total amount in principle of 17,777,777 euros, carried out with a discount of 10% for a subscription amount of about €16 million.

At the end of 2021, the par value amounts to €18 million following the capitalisation of interest.

The bonds, with a nominal value of one (1) euro, have essentially the same characteristics as Bond. The main terms include in particular:

**Interest:**

- Euribor with Euribor 3-month rate floored at 1% + 7% spread payable in arrears on a quarterly basis on 15 March, 15 June, 15 September and 15 December, according to the following terms: half is payable in cash, and the other half via capitalisation at the principle amount until 15 December 2021;
- Euribor with 3-month Euribor floor 1% + 7% fully payable in cash thereafter.

**Maturity date:** 15 March 2025.

**Listing:** listing on Euronext.

The amounts owed in terms of these bonds are guaranteed by a fifth-rank securities account pledge concerning the securities issued by Solocal SA held by Solocal Group.

A revolving credit facility of fifteen million euros was signed in February 2020 with two banking partners. The Company worked on increasing this credit facility, which increased by 25 million on 12 July 2020, then 10 million on 6 December 2020 reaching 50 million. This revolving credit facility was fully drawn down and repaid in the amount of €6 million.

This RCF remains identical in amount, however its particulars are modified:

- **Interest:** Euribor floor 1% + margin
- **Facility fee:** 3.5% annual payable on 15 September 2021, 30 September 2022, 30 September 2023.
- **Margin:**
- – Until 15 September 2021:
  - – tranche of €15 million: 4.5%,
  - – tranches at 25 million and €10 million: 5%;
- – starting on 15 September 2021:
  - – 5% for all the tranches.
- **Maturity:** 29 September 2023.
- **Amortisation:**
- – September 2021: €6 million payable in cash to the tune of €3 million and in shares to the tune of €3 million;
- – September 2022: 5 to €10 million payable in cash or shares for a variable number of equity instruments for Solocal;
- – September 2023: Reimbursement of the residual debt in cash or shares for a variable number of equity instruments for Solocal. If Solocal were to reimburse a part of the residual balance of the RCF in shares, each creditor can choose to extend the maturity by one year in order to be reimbursed in cash in September 2024. In this case, Solocal would depreciate the RCF for an amount between €5 million and €10 million in cash or in shares for it.

### MCB convertible bond

0.3 million worth of bonds were converted into share premiums and shares in 2021, leaving a residual amount of €2 million at 31 December 2021.

### Statement of due dates of receivables

All the net receivables associated with the current accounts (€193.4 million) are due in more than one year.

| | Year ending 31/12/2021 | | |
|---|---|---|---|
| *(in thousands of euros)* | Gross amount | Up to 1 year | More than 1 year |
| Bond redemption premium | 1,248 | 1,248 | - |
| **SUBTOTAL FINANCIAL RECEIVABLES** | **1,248** | **1,248** | **-** |
| **Current accounts** | **193,428** | **-** | **193,428** |
| Receivables | 269 | 269 | - |
| Tax and social receivables | 8,641 | 8,641 | - |
| Receivables from subsidiaries | 2,378 | 2,378 | - |
| Others receivables | 201,330 | 201,330 | - |
| **TOTAL** | **407,295** | **213,867** | **193,428** |

## 5.5 Issued capital and change in shareholders' equity

### Share capital

The social capital of Solocal Group is comprised of 131,694,468 shares with a par value of 1 euro each, giving a total amount of 131,694,468 euros.

| Date | Description | Number of shares | Unit value | Capital in € |
|---|---|---|---|---|
| **31 December 2021** | **Issued capital at end of year** | **131,694,468** | **1.00** | **131,694,468** |
| 31 December 2020 | Issued capital at end of year | 129,505,837 | 1.00 | 129,505,837 |
| 31 December 2019 | Issued capital at end of year | 619,541,466 | 0.10 | 61,954,147 |

## Change in the shareholders' equity

The change in the shareholders' equity of Solocal Group in the 2021 financial year is as follows:

| *(in thousands of euros)* | Number of shares | Share capital | Issue premium | Statutory reserve | Other reserves | Retained profit or loss | Income | Tax-related provisions | Share-holders' equity |
|---|---|---|---|---|---|---|---|---|---|
| **As at 31 December 2020** | **129,505,838** | **129,506** | **1,022,459** | **5,824** | **38,075** | **(37,297)** | **(566,473)** | **1,211** | **593,305** |
| Capital increase | 1,834,708 | 1,835 | 1,154 | - | | - | - | - | 2,988 |
| MCB conversion | 2,937 | 3 | 277 | - | - | - | - | - | 280 |
| Offer for employees only | 319,730 | 320 | 380 | - | - | - | - | - | 700 |
| Free shares | 31,255 | 31 | - | - | (31) | - | - | - | - |
| Appropriation of income | - | - | - | - | - | (566,473) | 566,473 | - | - |
| 2021 result | - | - | - | - | - | - | (9,885) | - | (9,885) |
| Allowance for tax-related provisions | - | - | - | - | - | - | - | 4 | 4 |
| **AS AT 31 DECEMBER 2021** | **131,694,468** | **131,694** | **1,024,270** | **5,824** | **38,043** | **(603,770)** | **(9,885)** | **1,215** | **587,393** |

During the financial year, Solocal Group's issued capital rose from €129.5 million in 2020 to €131.7 million (for 131,694,468 shares) in 2021.

This capital increase is linked to the reimbursement of RCF loans for an amount of 1,834,708 euros, to the conversions of MCBs for 2,938 euros, to the offer reserved for employees for 319,730 euros and to free shares for 31,255 euros.

## 5.6 Stock options and free shares

### Stock options

No stock option plans have been granted by Solocal Group or by any of its subsidiaries over the last two years.

### Free shares

#### 2019 PLAN

In 2019, the shareholders of Solocal Group, in a mixed General Meeting on 11 April 2019, authorised the Board of Directors to grant free shares to all employees in the French entities of the Solocal Group within the meaning of Articles L. 225-197-1 and following of the Commercial Code. This authorisation limits the maximum number of free shares that can be granted to 400,000. Under this plan for all, the attribution of free shares is restricted to employees who have been with the Company for at least one year. No so-called lock-up period will be imposed on beneficiaries.

Furthermore, in the mixed General Meeting on 11 April 2019, the shareholders of Solocal Group also authorised the Board of Directors to grant performance shares to certain executives and employees of the Company and the companies linked to it within the meaning of Articles L. 225-197-1 and following of the Commercial Code. This authorisation limits the maximum number of performance shares that can be granted free of charge to 5,500,000 Company shares, of which a maximum of 1,500,000 shares for the Chief Executive Officer.

Under this plan, 5,345,000 performance shares were granted to 96 beneficiaries, including 1,500,000 performance shares to the Chief Executive Officer. Under this plan, these performance shares will only be definitively acquired after a so-called vesting period of three years. No so-called lock-up period will be imposed on beneficiaries.

The definitive attribution of the shares will be subject to a condition of presence in the Company and a performance condition which will be based on the extent to which an objective is achieved concerning the Free Cash Flow aggregate and the Company's share price.

The Chief Executive Officer and the members of the Executive Committee will be obliged to keep at least 30% of the shares definitively granted to them, and this until they cease being a Member of the Comex or Chief Executive Officer of the Company.

#### 2021 PLAN

In 2021, the shareholders of Solocal Group, in a Combined General Meeting on 27 November 2020, authorised the Board of Directors to implement a performance shares plan within the meaning of Articles L. 225-197-1 and following of the Commercial Code, in favour of certain executives and employees of the Company and those companies linked to it.

This authorisation limits the maximum number of performance shares that can be granted free of charge under this plan to 1,295,087 Company shares, of which a maximum of 431,695 shares for the Company's corporate officers.

Under this plan, 1,066,000 performance shares were granted to 64 beneficiaries on 2 June 2021, including 275,000 performance shares to the Chief Executive Officer. Under this plan, these performance shares will only be definitively acquired after a so-called vesting period of three years. No so-called lock-up period will be imposed on beneficiaries.

The definitive attribution of the shares will be subject to a condition of presence in the Company and a performance condition which will be based on the extent to which an objective is achieved concerning the Free Cash Flow aggregate and the Company's share price.

## 5.7 Provisions for risks and charges

In 2021, no provision for end-of-career and long-service awards was recorded in the accounts since the Company's headcount only comprises a corporate officer.

The other provisions for risks are based on the best possible estimate of the risk incurred by Solocal Group.

A provision of €6.7 million had been set aside as of 31 December 2018 to cater for the cost of renting the unoccupied premises of Citylights and restoration costs following the implementation of the Employment Protection Plan by Solocal Group. At 31 December 2021, the provision amounted to €0.3 million.

## 5.8 Debt maturity schedule

| *(in thousands of euros)* | Year ending 31/12/2021 Gross amount | Up to 1 year | More than 1 year |
|---|---|---|---|
| Bank loans | 44,000 | 5,000 | 39,000 |
| ICNE CICE | 8,221 | 8,221 | - |
| MCB convertible bond | 2,037 | - | 2,037 |
| Borrowings and financial debts from Group companies | 48 | 48 | |
| Non-convertible bonds | 187,881 | - | 187,881 |
| **SUB-TOTAL OF BORROWINGS AND FINANCIAL LIABILITIES** | **242,187** | **13,269** | **228,918** |
| **Current accounts** | **68,304** | **68,304** | **-** |
| Trade creditors and related accounts | 28,744 | 16,234 | 12,511 |
| Tax and social security payable | 853 | 853 | - |
| Amounts owed to subsidiaries (tax consolidation) | 972 | 972 | - |
| Sundry payables | 107 | 107 | - |
| **TOTAL** | **341,167** | **99,739** | **241,428** |

Trade payables due in more than one year mainly comprise the impact of smoothing of rent-free periods obtained for the Citylights premises at Boulogne-Billancourt, as well as the settlement fees paid in respect of City3.

## 5.9 Income receivable and charges payable

| Income receivable *(in thousands of euros)* | Year ended 31/12 2021 | 2020 |
|---|---|---|
| Trade receivables – Invoices to be issued | 239 | - |
| Tax and social security receivables – Corporate tax | 3,791 | 245 |
| Tax and social security receivables – VAT | 3,951 | 8,591 |
| Sundry receivables – Financial income receivable | - | - |
| **TOTAL** | **7,981** | **8,836** |

| **Charges payable** *(in thousands of euros)* | Year ended 31/12 2021 | 2020 |
|---|---|---|
| Financial liabilities – Accrued interest not yet due | 9,999 | 4,054 |
| Trade creditors and related accounts | 23,121 | 30,312 |
| Tax and social security payable – VAT, tax, salaries and social charges | 853 | 1,202 |
| Sundry payables | – | – |
| **TOTAL** | **33,972** | **335,567** |

## 5.10 Corporate income tax

### Tax consolidation

By means of an option dated 3 December 2004, Solocal Group placed itself under the tax regime for groups of companies provided for in Articles 223A et seq. of the General Tax Code for a tacitly renewable five-year period effective from 1 January 2005. Through this option, Solocal Group assumed sole liability for corporate tax on the profits of the whole Group formed by itself and the companies in which it directly or indirectly holds at least 95% of the capital and which have agreed to be members of the Group.

For accounting purposes, Solocal Group recognises:

- under "Tax consolidation current accounts for assets", with matching entry in the income tax account, the tax amount payable by the beneficiary companies that belong to the tax consolidation group;
- under "Tax consolidation current accounts for liabilities", with matching entry in the income tax account, the tax amount payable by the tax consolidation group.

In addition to Solocal Group, which is the controlling company, the tax group comprised six companies as at 31 December 2021. The tax-consolidated subsidiaries are Solocal SA, Solocal Marketing Services, Solocal Outre-mer, Leadformance, Cristallerie 5 and Effilab.

Under the tax consolidation agreement between Solocal Group and its subsidiaries belonging to the tax group, the tax savings are recognised by Solocal Group, the controlling company, as income for the year.

The net corporate income tax receivable in respect of the companies for the 2021 financial year, after charging tax credits, amounted to €3.8 million.

As of December 2021, losses carried back amounted to €4.2 million.

### Balance sheet positions

| *(in thousands of euros)* | Year ended 31/12 2021 | 2020 |
|---|---|---|
| Tax consolidation current accounts – assets | 2,378 | 1,716 |
| Statement – Corporate tax receivable | 3,791 | 245 |
| Tax consolidation current accounts – liabilities | (972) | (20,683) |
| **NET BALANCE SHEET POSITION – ASSET (LIABILITY)** | **5,196** | **(18,722)** |
| Group corporate tax payable after tax credit | 3,791 | 245 |
| **GROUP NET CORPORATE TAX DEBT (CREDIT)** | **3,791** | **245** |

Tax consolidation current accounts with subsidiaries showed a net receivable of €5.2 million at 31 December 2021. This balance reflected the share of 2021 corporate income tax payable by each of the subsidiaries under the tax consolidation agreements and losses carried back.

### Deferred taxation

| **Relief from future tax liability** *(in thousands of euros)* | Gross |
|---|---|
| Depreciation/amortisation for tax purposes | 1,215 |
| Deferrable losses | 4,177 |
| **TOTAL** | **5,392** |

## 5.11 Breakdown of revenues

Revenues amounted to €15.9 million in 2021, compared to €19 million in 2020. They were made up as follows:

| | Year ended 31 December | |
|---|---|---|
| *(in thousands of euros)* | 2021 | 2020 |
| Assistance to subsidiaries | 1,151 | 1,646 |
| Rebilling of real estate services | 14,760 | 17,381 |
| **REVENUES** | **15,910** | **19,027** |

Revenues mainly included real estate services charged to subsidiaries.

## 5.12 Operating expenses

Personnel costs stood at €1.2 million in 2021 compared to €1 million in 2020, with an average headcount of one person in 2021 and 0.92 in 2020.

Other operating expenses decreased from €45.1 million in 2020 compared to €25.6 million in 2021. The 19.5 million euro decrease stemmed mostly from lower financial fees for restructuring in 2020.

They consist mainly of depreciation allowances and expenses related to external services.

Solocal Group's operating income for 2021 showed a loss of €10.8 million, reflecting the same trend from 2020 that had equally recorded a loss of €26.9 million.

## 5.13 Financial performance

| *(in thousands of euros)* | 2021 | 2020 |
|---|---|---|
| Dividends | 14,047 | 15,359 |
| Other financial income | 195 | 8,087 |
| Reversals of provisions | - | 130,071 |
| **FINANCIAL INCOME** | **14,242** | **153,516** |
| Interest on borrowings and sundry financial liabilities | 17,549 | 36,509 |
| Other financial expenses | 114 | 399 |
| Transfers to financial provisions | 8,847 | 516,154 |
| Gross value of assigned claims | - | 7,317 |
| **FINANCIAL EXPENSES** | **26,600** | **560,380** |
| **FINANCIAL INCOME** | **(12,357)** | **(406,864)** |

Financial income stood at €14.2 million in 2021 compared to €153.5 million in 2020. It mainly comprised dividends received from Solocal Marketing Services SA in the amount of €14 million.

Financial expenses mainly included:

- €17.5 million in interest;
- €8.8 million in depreciation of current accounts and Leadformance securities.

## 5.14 Extraordinary income

| | Year ended 31/12 | |
|---|---|---|
| *(in thousands of euros)* | 2021 | 2020 |
| Income from disposal | - | 1,394 |
| Reversal of provision and impairments | 515 | 1,411 |
| Other income | 1,176 | - |
| **EXCEPTIONAL INCOME** | **1,691** | **2,806** |
| Net book value of assigned assets | 57 | 143,264 |
| Depreciation/amortisation for tax purposes | 4 | 58 |
| Allowances for exceptional provisions | 203 | - |
| Other expenses | 901 | 3,803 |
| **EXCEPTIONAL EXPENSES** | **1,164** | **147,125** |
| **OTHER ITEMS** | **527** | **(144,320)** |

Extraordinary profits stood at €0.5 million in 2021 compared to €144.3 million in 2020.

Extraodinary income amounted to €1.7 million, composed of income related to previous years for €0.7 million, €0.4 million related to the subletting of offices, as well as a reversal of provision related to these same offices for €0.5 million.

Extraodinary expenses amounted to €1.2 million in 2021, composed of the classification of the property charges for Citylight 3 as extraodinary income.

# NOTE 6. Others

## 6.1 Off-balance-sheet commitments

### Pledge of securities

Bond loans are directly guaranteed by a pledge of Solocal SA securities held by Solocal Group.

The Company has also undertaken to pledge to the lending banks a financial instrument account relating to the securities of any subsidiary which becomes a material subsidiary according to the criteria laid down in the bond indenture, as collateral in respect of all sums owed by the Company (including principal, interest, commission, charges and ancillary costs).

Solocal Group undertakes not to request reimbursement of the current account of its subsidiairies in the next 12 months.

### Leases

Solocal Group subscribed to commercial lease contracts with two separate investors, for premises located in the towers of a real estate complex known as Citylights, located in Boulogne-Billancourt.

The lease contracts were irrevocably signed for a firm period of 10 years, as Solocal Group has waived its 3-year termination right until the end of the firm period of the lease contracts. The leases came into force on 9 May 2016 and shall expire on 8 May 2026.

On 31 December 2019, Solocal Group signed an agreement with the lessor of Citylights to terminate the lease for the unoccupied premises. As a result, the premises leased by Solocal Group on behalf of its entities have a surface area of 30,489 m2, for a total commitment for these two contracts amounting to €49.3 million (excluding expenses and rent indexing) as at 31 December 2021. Almost all of this space is re-invoiced to the Group's subsidiaries as real estate services.

Security deposits for an amount of €3.6 million were paid subsequent to moving into the premises at Boulogne-Billancourt.

In 2021, the Company sublet part of the premises to OPCO (5,000 square meter).

## 6.2 Directors' fees and remuneration of corporate officers

Directors' fees amounted to €0.5 million for 2021 and €0.5 million for 2020.

The gross remuneration paid to the corporate officer amounted to €1 million in 2021 and €1 million in 2020.

## 6.3 Workforce

| Average full-time equivalents | 2021 | 2020 |
|---|---|---|
| Managerial staff | 1.0 | 1.0 |
| Employees | - | - |
| **TOTAL** | **1.0** | **1.0** |

## 6.4 Events subsequent to the closing date

None.

## 6.5 Table of subsidiaries and participating interests

| Subsidiaries and participating interests *(in thousands of euros)* | Capital | Shareholders' equity excl. capital & before appropriation of income | Share of capital held *(in%)* | Carrying value of securities held Gross | Carrying value of securities held Net | Loans & advances granted by the Company, not yet reimbursed (excl. current accounts) | Amount of guarantees or sureties given by the Company | Revenues of last financial year ended | Net Income of last financial year ended | Dividends collected by the Company during the financial year |
|---|---|---|---|---|---|---|---|---|---|---|
| **Detailed information on subsidiaries and participating interests** | | | | | | | | | | |
| **1/ Subsidiary: >50% held by the Company** | | | | | | | | | | |
| **Solocal SA**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 444,212,955 | 881,108 | (464,317) | 100% | 2,937,063 | 650,605 | - | - | 362,782 | 38,795 | - |
| **SoMS SA**<br>25 quai Gallieni<br>92150 Suresnes<br>SIREN: 422,041,426 | 7,275 | 1,252 | 100% | 7,275 | 7,275 | - | - | 76,142 | 21,496.00 | - |
| **Solocal Outre-mer SA**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 420,423,477 | 75 | 510 | 100% | 76 | 76 | - | - | 2,254 | (756) | - |
| **Yelster Digital GmbH**<br>Linke Wienzeile 8, Top 9<br>1060 Vienna – Austria<br>RCS Vienna: FN 298562 m | 44 | 8,273 | 100% | 14,997 | 897 | | | 7,984 | 2,992 | - |

| Subsidiaries and participating interests *(in thousands of euros)* | Capital | Share-holders' equity excl. capital & before appro-priation of income | Share of capital held *(in%)* | Carrying value of securities held | | Loans & advances granted by the Company, not yet reimbursed (excl. current accounts) | Amount of guarantees or sureties given by the Company | Revenues of last financial year ended | Net Income of last financial year ended | Dividends collected by the Company during the financial year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Gross | Net | | | | | |
| **Orbit Interactive**<br>Nearchore Park – 1100 boulevard El Qods<br>11000 Casablanca Sidi Maarouf<br>RC Casablanca: 268969 | 78 | (307) | 100% | 76 | 76 | - | - | 0 | (234) | - |
| **Leadformance SAS**<br>19 rue du Lac St André<br>73375 Le Bourget-du-Lac<br>SIREN: 440,743,763 | 8,250 | (10,817) | 100% | 25,301 | 0 | | - | 1,252 | (3,956) | - |
| **Effilab**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 531,205,565 | 2 | 30 | 100% | 20,532 | 12,700 | | | 8,612 | (81) | - |
| **Cristallerie 5**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 809,343,734 | 20 | 10 | 100% | 20 | 20 | | | 0 | 5 | |
| **Solocal Interactive Ltd**<br>62, ICT Avenue 1st Floor<br>The Core Cybercity<br>Ebene – MAURITIUS<br>Business Registration Number C20170476 | 1 | 30 | 100% | 0 | 0 | | | 1,739 | 140 | |
| **2/Participating interests (between 10 and 50%)** | | | | | | | | | | |
| **GIE Solocal**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 809,343,734 | 10 | 0 | 16% | 2 | 2 | | | 5,016 | (62) | |
| **Alliance Gravity Data Media SAS**<br>10 boulevard de Grenelle<br>75015 Paris<br>SIREN: 830,408,803 | | | | 250 | 250 | | | | | |

## 5.3.4 MANAGEMENT REPORT ON THE ANNUAL FINANCIAL STATEMENTS

### Board of Directors' report to the Solocal Group Annual General Shareholders' Meeting

**Annual financial statements for the financial year ended 31 December 2021**

Ladies and gentlemen,

We have called this General Shareholders' Meeting in accordance with the provisions of the law and the Company's Articles of Association to report to you on the Company's activity during the financial year beginning on 1 January 2021 and ending on 31 December 2021 and to submit the annual and consolidated financial statements for that year to you for approval.

## I. Highlights of the financial year

### Covid-19 crisis

The assumptions and business plans used in the preparation of the financial statements have been validated by management and take into account the impact of the health crisis. These plans assume that the current health crisis will continue without significantly worsening or improving during the whole of 2022.

### Chairman of the Solocal Group Board of Directors and senior management

Following the departure of Éric Boustouller in 2020 and after a selection process, Solocal's Board of Directors decided to appoint Hervé Milcent as Chief Executive Officer of Solocal Group from 6 April 2021.

After four years as Chairman of the Solocal Group Board of Directors and six months as Chief Executive Officer between 4 October 2020 and 6 April 2021, Pierre Danon notified the Solocal Group Board of Directors of his intention to step down from the Board as Chairman and member. His resignation took effect on 30 June 2021.

The Board of Directors announced the co-option of Philippe Mellier as a Director on 30 June 2021 and his appointment as Chairman of the Board on that date, which Mr Mellier has accepted.

### Intrusion attempt into the information systems

On the night of 17 to 18 February 2021, Solocal's IT department detected an intrusion attempt into the Company's internal network. In accordance with the Company's information systems security management procedures, the IT teams took the necessary preventive measures to:

- preserve the Group's information systems;
- block the intrusion attempt;
- ensure that no damage had been done to the Group's systems and data;
- protect all sensitive data of the Group and its customers.

No customers' or users' data have been compromised. The Company's main platforms for businesses and users (PagesJaunes, Solocal Manager, Solocal.com) were not impacted and have remained safely accessible to everyone in France.

The measures taken resulted in a temporary slowdown in the Group's activity between the date of the intrusion attempt and the evening of 23 February 2021, when the information systems were restored. Normal business activity resumed, and access to the Group's networks continues to be monitored.

In addition, the Group is covered for this type of risk. Discussions are continuing between the insurance company and the Group concerning the business interruption. In this context, no item relating to this indemnity has been retained in the financial statements as of 31 December 2021.

### Partial repayment of the RCF on 30 September 2021 in the amount of €6 million

Solocal Group made a partial repayment of €6 million of the principal of the loan taken out under the Super Senior Facility Agreement entered into on 29 March 2019, as amended on 12 July 2019, 6 October 2020 and 17 December 2020 (the "RCF"). €3 million was paid in cash and €3 million in shares issued to creditors holding claims under the RCF who had accepted partial repayment in shares (and their affiliates, assignees or beneficiaries).

### Increase in the resources allocated to the liquidity agreement with Natixis ODDO BHF

On 9 July 2021, Solocal Group and Natixis ODDO BHF SCA signed an amendment to the liquidity agreement signed on 4 July 2018 in order to increase the resources allocated to the liquidity agreement by €0.5 million.

### Capital increase reserved for employees

On 24 July 2020, the Shareholders' Meeting delegated to the Board of Directors its authority to decide to increase the share capital by issuing shares reserved for employees who are members of a company savings plan.

By a decision dated 3 May 2021, the Chief Executive Officer recorded the completion of the capital increase reserved for employees of 319,730 euros, through the issue of 319,730 new shares and the recognition of an issue premium of €380,478.70.

## II. Activity of Solocal Group/income/presentation of Company financial statements

Solocal Group is a holding company and, as such, owns subsidiaries, whose mission is to "publicise local know-how everywhere and boost local business". The Group offers its customers digital services and solutions to increase their visibility and develop their local contacts and creates and updates the best professional local content customised for users.

### Operating income

Solocal Group posted revenues of €15.9 million in 2021, compared with €19 million in 2020. These revenues consisted mainly of invoicing to subsidiaries for real estate services.

### Operating expenses

Staff expenses totalled €1.2 million in 2021 compared with €1 million in 2020, for an average workforce of one person in 2021 and 0.92 in 2020.

Other operating expenses fell from €45.1 million in 2020 to €25.6 million in 2021. This drop of €19.5 million is mainly due to the decrease in financial fees related to the restructuring in 2020.

Solocal Group recorded operating losses of €10.8 million in 2021 and also showed a loss of €26.9 million in 2020.

### Financial income

In 2021, financial income consisted mainly of dividends received from Solocal Marketing Services SA of €14 million.

The net financial expense was €12.4 million in 2021, compared with a net financial expense of €406.9 million in 2020.

### Exceptional income/expenses

Exceptional items produced net income of €0.5 million in 2021 compared with a net expense of €144.3 million in 2020.

Exceptional income totalling €1.7 million mainly comprised the reversal of the provision for the Citylights 3 premises.

Exceptional expenses amounted to €1.2 million in 2021. They consisted mainly of rental expenses for Citylights 3.

### Corporate income tax

On 3 December 2004, Solocal opted to comply with the rules that apply to tax groups pursuant to Articles 223 A et seq. of the French Tax Code, for a renewable period of five years. In doing so, Solocal made itself solely liable for the corporate income tax on all of the earnings of the tax consolidation group formed by itself and the companies in which it directly or indirectly holds at least 95% of the share capital and which agreed to join this group.

As at 31 December 2021, the subsidiaries included in the tax consolidation group are Solocal SA, Solocal Marketing Services, Solocal Outre-mer, Cristallerie 5, Leadformance and Effilab.

Solocal Group thus recorded tax income of €12.7 million in 2021 mainly from the tax consolidation gain. In 2020, this tax income was €11.7 million.

### Net Income

Solocal posted a net loss of €9.9 million in 2021, compared with a net loss of 566.5 million in 2020 (due in 2020 to impairment of Solocal SA's securities).

In accordance with Article R. 225-102 of the French Commercial Code, a table of our Company's earnings over the last five completed financial years is appended to this report.

## III. Share capital – Breakdown

The table below shows the breakdown of Solocal Group's share capital at 31 December 2021:

| | Number of shares | % of share capital | Available voting rights | % of the voting rights |
|---|---|---|---|---|
| GoldenTree AM | 30,616,919 | 23.2% | 30,616,919 | 23.3% |
| DNCA Finance | 13,369,434 | 10.2% | 13,369,434 | 10.2% |
| Melqart AM | 9,118,617 | 6.9% | 9,118,617 | 6.9% |
| Credit Suisse AM | 7,684,520 | 5.8% | 7,684,520 | 5.8% |
| Public | 70,277,263 | 53.4% | 70,331,711 | 53.5% |
| Solocal Group employees(1) | 317,830 | 0.2% | 317,830 | 0.2% |
| Treasury shares held(2) | 309,885 | 0.2% | - | - |
| **TOTAL** | **131,694,468** | **100.00%** | **131,439,031** | **100.00%** |

*(1) As part of the Solocal Group Savings Plan (PEG).*

*(2) 309,885 treasury shares are held under the liquidity agreement.*

No subsidiary of Solocal Group owns any interests in Solocal Group.

## IV. Corporate governance report

In accordance with Article L. 225-37 of the French Commercial Code, the corporate governance report is appended to this report.

## V. Compensation and benefits in kind granted to Solocal Group corporate officers by Solocal Group

### For executive corporate officers

Information on the terms and conditions for applying the variable portion of the Chief Executive Officer's compensation is described in the corporate governance report.

| | 2021 financial year | | 2020 financial year | |
|---|---|---|---|---|
| | Amounts awarded | Amount paid | Amounts awarded | Amount paid |
| **Pierre Danon, Chairman and CEO (1 January 2021 to 5 April 2021)** | | | | |
| Compensation for his office as Chief Executive Officer | 39,204 | 39,204 | | |
| Compensation for his duties as Director, Chairman of the Board of Directors and Committee member (formerly Directors' fees) | 43,108 | 43,108 | 150,000 | 150,000 |
| Benefits in kind | – | – | – | – |
| **TOTAL** | **82,312** | **82,312** | **150,000** | **150,000** |
| **Pierre Danon, Chairman of the Board of Directors (6 April 2021 to 29 June 2021 inclusive)** | | | | |
| Compensation for his duties as Director, Chairman of the Board of Directors and Committee member (formerly Directors' fees) | 39,892 | 39,892 | 117,689 | 117,689 |
| Benefits in kind | – | – | – | – |
| **TOTAL** | **39,892** | **39,892** | **117,689** | **117689** |
| **Philippe Mellier, Chairman of the Board of Directors (30 June 2021 to 31 December 2021)** | | | | |
| Compensation for his duties as Director, Chairman of the Board of Directors and member of Committees (formerly Directors' fees) | 75,000 | 75,000 | | |
| Benefits in kind | – | – | – | – |
| **TOTAL** | **75,000** | **75,000** | **-** | **-** |
| **Hervé Milcent, Chief Executive Officer (6 April 2021 to 31 December 2021)** | | | | |
| Fixed compensation | 332,386 | 332,386 | | |
| Annual variable compensation | 203,721 (2) | | | |
| Exceptional compensation | - | - | - | - |
| Severance payment | | | - | - |
| Compensation for his directorship (formerly Directors' fees) | - | - | - | - |
| Benefits in kind (1) | 30,340 | 30,340 | | |
| **TOTAL** | | | | |
| **TOTAL** | **566,447** | **362,726** | **-** | **-** |

(1) *Excluding civil liability insurance, the premium for which is non-individualised.*

(2) *Amount approved by the Board of Directors at its meeting of 22 February 2022 on a pro rata basis and on the basis of 62.1% of the Chief Executive Officer's variable compensation. The amount of Hervé Milcent's variable compensation is subject to the prior approval of the General Shareholders' Meeting of 2 June 2022.*

## For non-executive officers

All compensation received by the non-executive officers* for the office held during the past year is presented in the table below:

| Non-executive officers | Amounts due in 2021 | Amounts due in 2020* |
|---|---|---|
| **David Amar** | | |
| Compensation for duties as Director | 40,100 | 44,875 |
| Other compensation | - | - |
| **David Eckert**(1) | | |
| Compensation for duties as Director | 42,500 | 10,625 |
| Other compensation | - | - |
| **Delphine Grison** | | |
| Compensation for duties as Director | 53,700 | 48,917 |
| Other compensation | - | - |
| **Anne-France Laclide** | | |
| Compensation for her duties as Director | 55,700 | 46,871 |
| Other compensation | - | - |
| **Marie Christine Levet** | | |
| Compensation for duties as Director | 42,500 | 38,784 |
| Other compensation | - | - |
| **Catherine Robaglia**(2) | | |
| Compensation for duties as Director | - | - |
| Other compensation | 97,619 | 91,266 |
| **Paul Russo**(3) | | |
| Compensation for duties as Director | 43,500 | 10,875 |
| Other compensation | - | - |
| **Sophie Sursock** | | |
| Compensation for duties as Director | 43,500 | 41,230 |
| Other compensation | - | - |

* *The amounts shown do not take into account the withholding tax of 30% for foreign tax residents and 21% for French tax residents.*

(1) *David Eckert was co-opted at the Board of Directors' meeting of 2 October 2020 and his co-option was ratified at the General Shareholders' Meeting of 27 November 2020.*

(2) *Catherine Robaglia was elected as Director representing employees on 15 October 2020. Compensation payable by a company within the Solocal Group scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code.*

(3) *Paul Russo was co-opted at the Board of Directors' meeting of 2 October 2020 and his co-option was ratified at the General Shareholders' Meeting of 27 November 2020.*

he Code of Conduct is available on the Solocal corporate website

In addition, Jacques-Henri David received compensation of €37,700 and Bruno Guillemet received compensation of €9,425 for their duties as Non-Voting Directors. These amounts were not included in the Directors' fees budget.

The Company has not put in place any specific supplementary retirement plans for its corporate officers.

The Combined General Shareholders' Meeting of 11 June 2015 set the annual amount of directorship compensation awarded to Board members at 490,000 for the 2015 financial year and subsequent financial years, and until further decision by the General Shareholders' Meeting.

The rules for allocating this amount between the Directors are adopted, revised and implemented by decision of the Board of Directors based on the recommendations made by the Remuneration and Appointments Committee.

In accordance with the rules adopted by the Board of Directors based on the recommendations of the Remuneration and Appointments Committee, the rules for allocating the budget of €490,000 budget, defined to take account of changes in the nature and composition of the Committees and to reward the work carried out in accordance with the practices currently in force within digital sector companies, are as follows[1]:

- €150,000 per annum for the Chairman;
- equal allocation for the Directors, i.e. €37,700 per annum for each Director, based on the assumption of attendance at all meetings of the Board of Directors and the Committees of which they are members;
- an €18,000 annual lump-sum payment for the Chairman of the Audit Committee;
- a €5,800 annual lump-sum payment for the members of the Audit Committee;
- a €16,000 annual lump-sum payment for the Chairman of the Remuneration and Appointments Committee;
- a €4,800 annual lump-sum payment for the members of the Remuneration and Appointments Committee;
- a €16,000 annual lump-sum payment for the Chairman of the Customer Satisfaction Committee;
- a €4,800 annual lump-sum payment for the members of the Customer Satisfaction Committee.

With, however, three exceptions:

- allocation on a pro-rata basis for Directors who resigned during the year;
- a reduction in the amount paid for Directors who have been absent from a significant proportion of meetings given the assumption of attendance at all meetings of the Board of Directors and the Committees of which they are members;
- no compensation for internal Directors (Director representing employees, Chief Executive Officer (if the duties of the Chief Executive Officer and the Chairman of the Board of Directors are separated)).

As in previous years, the payment of directorship compensation for 2021 was made in two instalments: the first to cover meetings of the Board of Directors and Committees up to 30 June 2021 and the second for meetings held between 1 July 2021 and 31 December 2021.

## VI. Solocal Group share subscription or purchase options and performance share allotments

### Allotments of share subscription or purchase options

#### 2005 plan

The Company implemented a share subscription option plan on 28 June 2005 which expired on 28 June 2015 and was cancelled.

#### 2007 plan

Similarly, the Company implemented a second share subscription plan on 20 December 2007 which expired on 19 December 2017 and was cancelled.

#### 2009 plan

In 2009, the Company implemented three share subscription plans on 23 July 2009, 29 October 2009 and 17 December 2009. These three plans expired on 22 July 2019, 28 October 2019 and 16 December 2019 respectively and were cancelled.

#### 2010 plan

In 2010, the Company implemented two share subscription plans on 27 July 2010 and 16 December 2010 which expired on 26 July 2020 and 15 December 2020 respectively and were cancelled.

*(1) The next General Shareholders' Meeting will asked to review the aggregate compensation allocated to members of the Board of Directors (for further details, see section 4.2.3 Part I of the corporate governance report).*

In accordance with Article L. 225-184 of the French Commercial Code, information on the granting and exercise of Company stock options in 2021 is provided below:

### Share subscription or purchase options awarded during the 2021 financial year to each executive corporate officer by the issuer or by any Group company

| Name of the executive corporate officer | Plan no. and date | Type of option (purchase or subscription) | Valuation of options according to the method used for the consolidated financial statements | Number of options granted during the financial year | Strike price | Exercise period |
|---|---|---|---|---|---|---|
| Pierre Danon[(1)] | - | - | - | - | - | - |
| Hervé Milcent[(2)] | - | - | - | - | - | - |
| Philippe Mellier[(3)] | - | - | - | - | - | - |

*(1) Chairman of the Board of Directors and Chief Executive Officer for the period from 5 October 2020 to 6 April 2021 – Chairman of the Board of Directors until 30 June 2021.*

*(2) Chief Executive Officer since 6 April 2021.*

*(3) Chairman of the Board of Directors since 30 June 2021.*

### Share subscription or purchase options exercised during the 2021 financial year by each executive corporate officer

| Name of the executive corporate officer | Plan no. and date | Number of options exercised during the financial year | Strike price |
|---|---|---|---|
| Pierre Danon[(1)] | - | - | - |
| Hervé Milcent[(2)] | - | - | - |
| Philippe Mellier[(3)] | - | - | - |

*(1) Chairman of the Board of Directors and Chief Executive Officer for the period from 5 October 2020 to 6 April 2021 – Chairman of the Board of Directors until 30 June 2021.*

*(2) Chief Executive Officer since 6 April 2021.*

*(3) Chairman of the Board of Directors since 30 June 2021.*

### Share subscription or purchase options granted to and exercised by the top ten non-corporate officer beneficiaries

| Share subscription or purchase options granted to and exercised by the top ten non-corporate officer beneficiaries in 2021 | Total number of options granted/ shares subscribed for or purchased | Average weighted price |
|---|---|---|
| Options granted during the year by the issuer and by the companies included in the stock option plan, to the ten employees of the issuer or of the said companies who received the highest number of options (general information) | None | - |
| Options held in the issuer and in the aforementioned companies that were exercised during the year by the ten employees of the issuer or of the said companies who purchased or subscribed for the highest number of options (general information) | None | - |

## Allotments of performance shares

### 2006 and 2008 plans

The Board of Directors was authorised by the Extraordinary General Meeting of 19 April 2006 to set up, in favour of certain senior executives and employees of the Group, a performance share plan, as defined in Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, in order to give them a greater stake in the Company's development. This authorisation was granted for a period of 38 months and the total number of free shares awarded under this resolution may not represent more than 0.5% of the Company's share capital as at the date of that General Shareholders' Meeting, i.e. 1,393,948 shares.

The Board of Directors approved the terms of an initial performance share plan on 30 May 2006. Under this plan, an initial allotment of 602,361 shares was made to 591 Group employees on 30 May 2006. As the performance conditions were not met, the right for beneficiaries to receive these shares free of charge was forfeited.

A second performance share plan was approved on 20 November 2006 and led to the allotment of 778,638 shares to 611 Group employees. Given the failure to meet the performance conditions over one of the two years concerned, only 50% of these shares were vested to the beneficiaries on 20 November 2008.

A third plan was approved on 14 February 2008, leading to the allotment of 12,940 shares to 15 Group employees. As the performance conditions were not met, the right for beneficiaries to receive these shares free of charge was forfeited.

### 2011, 2012 and 2013 plans

The shareholders of Solocal Group, meeting at the Combined General Shareholders' Meeting of 7 June 2011, authorised the Board of Directors to set up, in favour of certain senior executives and employees of Solocal Group and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code.

Under this plan, an initial allotment of 1,226,000 shares was made to 41 Group employees on 26 October 2011. A second performance share plan was approved on 16 December 2011 and led to the allotment of 84,000 shares to three Group employees. Given the partial fulfilment of the performance conditions of these two plans, approximately 45% of these shares were fully vested to the beneficiaries on 31 March 2014.

A third performance share plan was approved on 11 December 2012 and led to the allotment of 2,624,000 shares to 47 beneficiaries. A new performance share plan was approved on 11 December 2013 and led to the allotment of 280,000 shares to 10 beneficiaries.

For the performance shares awarded under the plans of 11 December 2012 and 11 December 2013, the Board of Directors decided, at its meeting of 19 June 2014, to make adjustments to take into account the impact of the capital increase in cash with preferential subscription rights maintained.

Given the partial fulfilment of the performance conditions of these two plans, approximately 70.7% of these shares were fully vested to the beneficiaries. This rate corresponds to 74.6% achievement of the performance conditions relating to the change in revenues (two-thirds weighting) and 63.0% achievement of the performance conditions relating to the change in the GOM (one-third weighting)

### 2014 and 2015 plans

The shareholders of Solocal Group, meeting at the Extraordinary General Shareholders' Meeting of 29 April 2014, authorised the Board of Directors to set up, in favour of certain senior executives and employees of Solocal Group and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 et seq. of the French Commercial Code.

On 19 June 2014, 45,221,000 shares were awarded to 112 beneficiaries under this plan. A second performance share plan was approved on 9 February 2015 and led to the allotment of 2,305,000 shares to 12 Group employees.

Adjustments were made to these plans in 2015 and 2017 to take account of the reverse stock split carried out in 2015 and the capital increase completed on 14 March 2017.

As the performance conditions were not met, the right for beneficiaries to receive these shares free of charge was forfeited.

### 2018 plan

The shareholders of Solocal Group, meeting at the Extraordinary General Shareholders' Meeting of 9 March 2018, authorised the Board of Directors to set up, in favour of certain senior executives and employees of the Company and affiliated companies, a performance plan as defined in Articles L. 225-197-1 et seq. of the French Commercial Code.

Under this authorisation, the maximum number of performance shares that can be awarded free of charge is 9,200,000 Company shares, including a maximum of 2,300,000 shares for the Company's corporate officers.

On 24 April 2018, 9,050,000 performance shares were awarded to 73 beneficiaries under this plan, including 2,300,000 performance shares to the former Chief Executive Officer, Éric Boustouller, it being specified that:

- the performance shares are subject to a three-year vesting period. The beneficiaries are not subject to any retention period;

- the vesting of the shares is subject to a continued employment condition and a performance condition based on the level of achievement of an objective concerning EBITDA minus CAPEX and on changes in the Company's share price;
- The Chief Executive Officer and the members of the Company's Executive Committee are required to retain at least 30% of the vested shares awarded to them for so long as they continue to hold office;
- adjustments were made to this plan further to the Company's financial restructuring and reverse stock split completed respectively in October and November 2020, with:
  - one performance share conferring entitlement to 2.109 new Company shares (if fractional shares are created, the number of new shares will be rounded down to the nearest whole number of shares),
  - one performance share conferring entitlement to 0.021 of a new Company share (if fractional shares are created, the number of new shares will be rounded down to the nearest whole number of shares).

None of the 2,300,000 performance shares awarded to Éric Boustouller on 24 April 2018 had vested as of the date on which he stood down from his duties as Chief Executive Officer of Solocal Group due to the condition of presence not having been met.

The Board of Directors' meeting of 15 April 2021 approved the adjustment of the target price of the share from €1.98 to €198 to take account of the reverse stock split associated with the financial restructuring.

Given the partial fulfilment of the performance conditions, on 15 April 2021, 30% of these shares were vested to beneficiaries in the "Executive Committee" category and 45% to those in the "top manager" category, corresponding to the delivery of 31,255 shares.

### 2019 plan

The shareholders of Solocal Group, meeting at the Combined General Shareholders' Meeting of 11 April 2019, authorised the Board of Directors to set up, in favour of certain senior executives and employees of the Company and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 et seq. of the French Commercial Code.

Under this authorisation, the maximum number of performance shares that can be awarded free of charge is 5,500,000 Company shares, including a maximum of 1,500,000 shares for the Company's corporate officers.

On 19 June 2019, 5,435,000 performance shares were awarded to 53 beneficiaries under this plan, including 1,500,000 performance shares to the former Chief Executive Officer, Éric Boustouller.

It is specified that none of the 1,500,000 performance shares awarded to Éric Boustouller on 24 April 2018 had vested as of the date on which he stood down from his duties as Chief Executive Officer of Solocal Group due to the condition of presence not having been met.

Furthermore, as the performance conditions were not met, the right for beneficiaries to receive these shares free of charge was forfeited: the Board of Directors' meeting of 15 April 2021, noted that none of the performance conditions had been met and therefore recorded that no allotment of shares had been made.

### 2021 plan

The shareholders of Solocal Group, meeting at the Combined General Shareholders' Meeting of 27 November 2020, authorised the Board of Directors to set up, in favour of certain senior executives and employees of the Company and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 et seq. of the French Commercial Code.

Under this authorisation, the maximum number of performance shares that can be awarded free of charge is 1,295,087 Company shares, including a maximum of 431,695 shares for the Company's corporate officers.

On 21 January 2021, 811,000 performance shares were granted to 61 beneficiaries under this plan, including 731,000 under the "Classic" LTI plan and 80,000 under the "Booster" LTI plan. On 2 June 2021, the Board of Directors approved an additional allotment of 97,000 performance shares to 13 beneficiaries.

On the same date, the Board of Directors approved an allotment of 10,000 shares to two beneficiaries under the "Classic 2" LTI plan.

For the "Classic", "Classic 2" and "Booster" LTI plans, the performance condition is assessed over three years and based on two criteria:

- an off-market criterion: the level of achievement of the free cash flow targets during the Reference Period; and
- a market criterion: the change in Solocal's share price during the Reference Period.

The "Booster" plan also carries an additional investment condition.

The two criteria are applied as follows for these plans:

(i) first criterion: 80% of the final award at the end of the plan period will depend on the achievement of the annual free cash flow objectives during the three years of the plan period;

(ii) second criterion: 20% of the final award will depend on the Solocal Group share price at the end of the plan period with a target of €4.41.

- If the share price is greater than or equal to €4.41 at the end of 2023 (based on the average share price over the preceding twenty trading days), all of the shares allotted in respect of this criterion will vest.

- If the share price is less than or equal to €3 at the end of 2023 (based on the average share price over the preceding twenty trading days), no shares (of this sub-total of 20%) will vest.
- If the share price is greater than €3 but less than €4.41 at the end of 2023 (based on the average share price over the preceding twenty trading days), the number of performance shares vested in respect of this criterion will be determined on a linear basis between 0% and 100%. Of this 20% sub-total.

The vesting period is three years and the beneficiaries are not subject to any retention period.

In addition, on 15 April 2021, the Board of Directors approved an allotment of 275,000 performance shares to the Chief Executive Officer, 130,000 under a "Classic" plan and 145,000 under a "Booster" plan.

For the LTI plans that apply to the Chief Executive Officer, the performance condition is assessed over three years and based on two criteria:

- an off-market criterion: the level of achievement of the free cash flow targets during the Reference Period; and
- a market criterion: the change in Solocal's share price during the Reference Period.

The "Booster" plan also carries an additional investment condition.

The two criteria are applied as follows for these plans:

(i) first criterion: 80% of the final award at the end of the plan period will depend on the achievement of the annual free cash flow objectives during the three years of the plan period;

(ii) second criterion: 20% of the final award will depend on the Solocal Group share price at the end of the plan period with a target of €4.41.

- If the share price is greater than or equal to €4.41 at the end of 2023 (based on the average share price over the preceding twenty trading days), a maximum of 25,000 performance shares will vest in respect of this criterion, it being specified that if Solocal's share price is greater than €3 but less than €4.41, the number of performance shares vested will be determined on a linear basis between 0 and 25,000 shares (of this 50% sub-total).
- A maximum of 10,000 additional shares will vest if Solocal's share price is equal to €5, it being specified that if Solocal's share price is greater than €4.41 but less than €5, the number of additional performance shares vested in respect of this criterion will be determined on a linear basis between 0 and 10,000 additional shares.
- If the share price is greater than or equal to €3 at the end of 2023 (based on the average share price over the preceding twenty trading days), no shares allotted in respect of this criterion will vest.

### Performance shares awarded to each executive corporate officer during the 2021 financial year

| Performance shares awarded by the General Shareholders' Meeting during the financial year to each executive corporate officer by the issuer and by any Group company (list of names) | Plan no. and date | Number of shares awarded during the financial year | Valuation of shares according to the method used for the consolidated financial statements | Vesting date | End of lock-up period | Performance conditions |
|---|---|---|---|---|---|---|
| Pierre Danon(1) | - | - | - | - | - | - |
| Hervé Milcent(2) | 15 April 2021 | 275,000 | €245,092 | 15/04/2021 | 15/04/2025 | See criteria above |
| Philippe Mellier(3) | - | - | - | - | - | - |

*(1) Chairman of the Board of Directors and Chief Executive Officer for the period from 5 October 2020 to 6 April 2021 – Chairman of the Board of Directors until 30 June 2021.*

*(2) Chief Executive Officer since 6 April 2021.*

*(3) Chairman of the Board of Directors since 30 June 2021.*

### Performance shares having vested during the 2021 financial year for each executive corporate officer

| Performance shares having vested for each executive corporate officer | Plan date | Number of shares having vested during the financial year | Vesting conditions |
|---|---|---|---|
| Pierre Danon[(1)] | - | - | - |
| Hervé Milcent[(2)] | - | - | - |
| Philippe Mellier[(3)] | - | - | - |

*(1) Chairman of the Board of Directors and Chief Executive Officer for the period from 5 October 2020 to 6 April 2021 – Chairman of the Board of Directors until 30 June 2021.*

*(2) Chief Executive Officer since 6 April 2021.*

*(3) Chairman of the Board of Directors since 30 June 2021.*

| | Solocal Plan |
|---|---|
| Number of performance shares awarded during financial year 2021 to the top ten non-corporate officer Group beneficiaries | 490,000 |

## VII. List of transactions involving Solocal Group securities carried out by corporate officers

The table below shows all transactions involving Solocal Group securities declared to the French Financial Markets Authority (AMF) and carried out during the 2021 financial year by the corporate officers[(1)] and related persons[(2)], in accordance with Article 223-26 of the AMF General Regulation.

| Person concerned | Financial instrument | Transaction type | Transaction date | Number of transactions | Number of securities | Average unit price | Transaction value |
|---|---|---|---|---|---|---|---|
| **Hervé Milcent**<br>Chief Executive Officer | Shares | Acquisition | 24/09/2021 | 1 | 30,000 | €1.6910 | €50,730 |
| **Philippe Mellier**<br>Chairman of the Board of Directors | Shares | Acquisition | 10/09/2021 | 1 | 10,000 | €1.6700 | €16,700 |
| **Philippe Mellier**<br>Chairman of the Board of Directors | Shares | Acquisition | 09/09/2021 | 1 | 23,200 | €1.6784 | €38,938.88 |
| **Philippe Mellier**<br>Chairman of the Board of Directors | Shares | Acquisition | 08/092021 | 1 | 6,800 | €1.7000 | €11,560 |

*(1) Entities defined in accordance with Article L. 621-18-2 of the French Monetary and Financial Code.*

*(2) Related entities as defined in Article R. 621-43-1 of the French Monetary and Financial Code.*

## VIII. Transactions carried out by Solocal Group in relation to its own securities during the financial year

### Summary of transactions carried out as part of the programme approved by the General Shareholders' Meeting

| | |
|---|---|
| **Number of shares comprising the share capital of Solocal Group as at 31/12/2020** | **129,505,837** |
| **Treasury shares held directly or indirectly as at 01/01/2021** | **7,818** |
| Number of shares purchased in 2021 | 936,884 |
| **Average weighted price of shares purchased in 2021** | **€1.6614** |
| Number of shares sold in 2021 | 634,817 |
| **Average weighted price of shares sold in 2021** | **€1.7708** |
| **Treasury shares held directly or indirectly as at 31/12/2021** | **309,885** |
| Book value (valued at cost) as at 31/12/2021 | €376,880.52 |
| **Market value of the portfolio as at 31/12/2021** | **€380,662.73** |
| Performance shares transferred | 31,255 |
| Performance shares cancelled | 342,338 |

At 31 December 2021, the 309,885 shares held by the Company were all held in relation to the liquidity objective.

## IX. Significant post-closing events

None.

## X. Employment report

At 31 December 2021, Solocal Group had no employees. All Solocal Group employees were transferred in 2017 to an economic interest group called "GIE Solocal" whose purpose is, in particular, to pool the human and material resources of certain general services and support functions between the members of the EIG in order to divide the corresponding costs. At 31 December 2021, the EIG had six members including Solocal Group and five Group subsidiaries. At the end of December 2021, GIE Solocal had eight employees.

All of Solocal Group's employment information is set out in the 2021 Statement on Non-Financial Performance appended to this report.

## XI. Employee profit-sharing

In accordance with Article L. 225-102 of the French Commercial Code, we report that of the 131,694,468 shares comprising the share capital as at 31 December 2021, 317,830 shares are held by employees of the Group.

## XII. Research and development

At the forefront of its industry, Solocal Group is involved in high-performance research and innovation activities through its teams and numerous partnerships. These teams are made up of the best specialists in their respective areas of expertise in order to foster innovation and excellence.

## XIII. Environmental impacts of the Company's business – Sustainable development commitments

All information is included in the Company's social and environmental responsibility information set out in an appendix to this report.

## XIV. Diversity and anti-discrimination policies

All information is included in the Company's social and environmental responsibility information set out in an appendix to this report.

# XV. Internal control and risk management procedures

## 1. Internal control and risk management framework – objectives and scope

### 1.1. Internal control and risk management framework

Solocal has set forth and implemented general guidelines for internal control that are largely based on the guidance published in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on the framework and recommendations published by the AMF. The following description of its internal control and risk management procedures is based on this framework. It also draws on the discussions that took place as part of the work of the IFACI, the French Internal Control and Audit Institute.

### 1.2. Definition and objectives of the internal control function

Internal control at Solocal is a set of processes and measures that are defined by senior management, implemented by employees and which serve to meet the following objectives:

- compliance with laws and regulations;
- observance of the Board of Directors' instructions and guidelines;
- prevention and control of operational risks, financial risks and the risk of error and fraud;
- proper operation of internal processes, especially those pertaining to the safeguarding of assets;
- reliability of financial information;
- while also contributing to the successful operation of its businesses, operational effectiveness and the efficient use of resources.

These principles are underpinned by:

- the identification and analysis of risk factors that could compromise the achievement of the Company's objectives;
- an organisation and procedures designed to ensure the implementation of senior management's strategies;
- the periodic review of control activities and a continuous effort to improve.

It should be noted that the rules and principles implemented cannot provide absolute assurance that all risks will be eliminated or controlled.

### 1.3. Internal control scope

The policies described below apply to all subsidiaries.

The internal control measures employed within each entity (i.e. department or subsidiary) involve implementing the Company's procedures and specifying and implementing procedures that are specific to each business line, in accordance with the entity's organisation, culture, risk factors and operational characteristics.

## 2. Control environment

### 2.1. Code of Conduct and ethics applicable to all employees

Solocal bases its development on a set of **corporate values** (courage, team spirit, proximity and engagement), **ethical principles** (trust, integrity, transparency and respect) and standards of responsible behaviour in business, taken mainly from its **Code of Conduct,** that govern interactions with its employees and as well as its stakeholders, i.e. customers, shareholders, suppliers, partners, users, competitors, etc.

The Code of Conduct provides a set of personal and collective rules that are essential to the responsible and sustainable development of the business. The corporate values and principles should inform every action within the Group, in order to build trust and collective engagement. They are aligned with a broader framework of international, European and/or French legislation, principles and rules, including:

- the standards set out in the Universal Declaration of Human Rights and the International Labour Organization (particularly with regard to the prohibition of child and forced labour);
- OECD directives (particularly to combat corruption);
- Sapin II (French Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy).

These values and principles guide the manner in which all members of staff are expected to perform their roles, both externally, i.e. with all Company stakeholders (customers, suppliers, partners, etc.) and internally. They provide a framework regardless of the activities and responsibilities involved. It is therefore up to everyone, and especially the senior managers of the Company and its subsidiaries, to follow, promote and implement these values and principles.

Solocal also participates in the **United Nations Global Compact** in support of the achievement of the UN's Sustainable Development Goals (SDGs), particularly on the protection of human rights, working conditions, the fight against corruption, and environmental protection. The commitments and indicators tracked by the Company are disclosed each year in our Communication on Progress and made publicly available on the Global Compact website.

The Code of Conduct is available on the Solocal corporate website at https://www.solocal.com/and on the Company's intranet. It covers, among other things, Solocal's values; the Company's ethical actions and principles; the manner in which individuals are expected to behave towards customers and suppliers and with regard to the protection of the Company's assets, the protection of whistleblowers, conflicts of interests, representation of interests and ethical stock trading.

A **Securities Trading Code of Conduct** supplements the Company's Code of Conduct on specific issues relating to stock market ethics. Its main purpose is to increase awareness among employees and Directors of Solocal companies of the rules and principles that govern the trading of securities, of the need for strict compliance with these rules, and of the various preventive measures that have been implemented to enable all employees to make an investment in the Company's listed securities within a secure framework.

In this context, and to reduce risk, Solocal has a non-disclosure letter signed by all employees whose work involves sensitive information, particularly when they work with people outside the Company who may not already be bound by a confidentiality obligation under their own Code of Conduct. The Code also reminds employees that the Legal or Finance department must be informed immediately if any inside information about the Group is revealed (e.g. at a conference or an internal or external meeting).

Any permanent or occasional insider who has doubts or questions about any transaction that he or she plans to carry out involving securities issued by Solocal companies, or the content of the information which may be disclosed, must refer to his or her line manager or the Legal department or, if he or she is a Director, to the Chairman of the Board of Directors.

### 2.2. Senior management's responsibilities and commitments

A risk management policy has been put in place within the Company, under the supervision of senior management. Yearly reviews are carried out with the various subsidiaries and divisions of the Company. The updating of risk factors and the monitoring of the associated actions are consolidated and then presented to the Executive Committee.

A "Risk" Officer is appointed in each subsidiary and division of Solocal. These officers (around 50 within the Company) are coordinated by the Compliance division (Ethics, Risk and Insurance) within the General Secretariat.

### 2.3. Human resources policy and skills management

Solocal's performance is directly linked to the skills of its employees and the adaptation of its resources. The Human Resources department works in close partnership with the operational teams. It develops, proposes and implements a human resources management policy designed to help implement the Company's strategy. To better meet the needs of employees and managers, the HR department is organised around four divisions: HR Operations, HR Development, Compensation & Benefits (personnel management) and Employee Relations.

The role of the HR Operations division is to provide HR support to the managers of the divisions and departments within its remit and to manage the employees in these areas. It provides expert knowledge of the division's structure, composition and mission, as well as the Company's business units.

The HR Development division is focused on developing HR policies and improving processes. It deploys the Company's HR policy and resources to the HR Operations division and to regional and local HR managers in particular, providing them with the tools and advice they need for the optimal performance of their tasks.

A full description of these actions can be found in chapter 3 of the Universal Registration Document.

### 2.4. Information systems

The Company's various information systems are composed of:

- operational business software, particularly sales, creation and storage tools for digital content and dedicated website tools;
- business management software: e.g. accounting and financial applications;
- communication software such as messaging and collaborative tools (Intranet).

The IS division (which manages the information systems) and the Technical department are largely responsible for supervising the Company's information systems and in particular for ensuring that they will enable the Company to achieve its long-term objectives. They work closely with the Compliance division (Ethics, Risk and Insurance) attached to the General Secretariat, which manages IT risks with reference to reliability and business continuity objectives, legal and regulatory compliance and operational targets. Actions directly linked to risk and security control are reviewed annually by the Compliance division (Ethics, Risk and Insurance) in partnership with the IT department and the relevant operations teams.

## 3. Risk monitoring and management

### 3.1. Organisational framework

Like any company, Solocal is exposed to a set of risks in the performance of its activities. The main areas of exposure to risk identified are described in the "Risk factors" chapter of this Universal Registration Document. Risk management is a priority for the Company, and is conducted both at subsidiary level and at the level of the parent entity, which provides an overall picture of the risk landscape.

Risk management serves to:

- develop a comprehensive, systematic, integrated and flexible method of identifying, assessing, analysing and managing risks and for promoting risk control;
- develop risk management best practices;
- prevent risks that threaten the Company and mitigate their consequences.

The risk management policy applies to all Solocal entities. Solocal has established a risk governance system centred on the Compliance division (Ethics Risk & Insurance) within the General Secretariat and a network of around 50 risk officers.

### 3.2. Risk identification and analysis process

Certain Company procedures contribute to the identification of risks. In particular, they cover the following elements:

- a risk assessment and classification method that has been in place and in use since 2005. This method is based on a risk mapping approach that ranks the main risks to which the Company may be exposed in terms of severity and probability of occurrence and assesses the level of coverage;
- annual risk reviews;
- a network of officers responsible for the operational implementation of the risk management policy coordinated by a dedicated governance unit;
- a risk management system involving the description of risks and the follow-up of associated coverage actions. This system also includes a dashboard with action plan monitoring to minimise risks.

## 4. Control activities

Solocal has three lines of control in place: operational management, risk management and internal control, and internal audit. The objective of the three lines of control is to combine regulatory measures (instructions and directives), organisational measures (organisational charts and processes) and technical measures (particularly IT and communication) based on certain fundamental principles.

The Company's internal audit and control system is monitored continuously by the Audit and Internal Control team, which reports directly to the Finance department and functionally to the Audit Committee. This system serves to provide the Company's management and its Board of Directors with reasonable but not absolute assurance that the Company's risks are controlled.

In the course of their work on reviewing the internal control system and in reporting on the financial statements of the Company and the Group, the Statutory Auditors report any significant weaknesses in internal control with respect to the accounting and financial reporting procedures and thereby also help to strengthen the Group's control systems.

### 4.1. Internal audit

The Internal Audit team, which is attached to the Finance department, ensures that the internal control system is mature by evaluating its effectiveness and efficiency, while encouraging its continuous improvement. On the basis of a risk assessment, the Internal Audit team evaluates the internal control system's relevance and effectiveness by assessing the quality of the Company's control environment, the performance of internal governance bodies, the reliability and integrity of financial and operational information, operational effectiveness and efficiency, asset protection, and legal, regulatory and contractual compliance. The Internal Audit Charter, approved by the Chief Executive Officer and the Audit Committee, provides the frame of reference that all entities must follow with respect to internal audit matters.

Group Internal Audit is responsible for carrying out the assignments established at the beginning of the year in the internal audit plan based on the Group risk assessment. This plan is presented to the Executive Committee and approved annually by the Audit Committee.

Internal Audit may perform three types of audit:

- audits on the compliance and effectiveness of processes and activities;
- audits on the maturity of internal control;
- audits on the compliance or performance of specific themes selected by the Audit Committee.

### 4.2. Internal control

The internal control system consists of the various policies and procedures implemented by an entity's management in order to ensure the rigorous and effective management of its activities. The first level of control is the one exercised by the functional and operational departments using standard procedures and processes. The internal control system involves the whole Company, from board level to every single member of staff. The Internal Control Charter provides the frame of reference for Solocal's internal control system and is the basis of the internal control framework for all Group entities.

### 4.3. Contribution of the Statutory Auditors

The work of the Statutory Auditors includes a limited interim Group level review and, toward the end of the year, a pre-closing review followed by a full audit of the financial statements at 31 December. The Statutory Auditors also perform limited reviews on the internal control systems of Solocal's main subsidiaries, in accordance with an audit plan submitted to the Internal Audit unit and the Audit Committee. The main recommendations are presented to the Finance departments and the Audit Committee.

Generally speaking, efforts to continuously improve processes and standards serve to enhance operational control, effectiveness and efficiency.

## 5. Internal control procedures relating to the preparation and processing of accounting and financial information

Solocal's Finance department is responsible for preparing the accounting and financial information.

To increase the reliability of published accounting and financial information, a set of bodies, rules, procedures, controls and a skills management policy have been implemented along with an ongoing process to improve procedures.

Specific internal control procedures for accounting and financial information have therefore been introduced into:

- the Company's accounting and management organisational structures;
- unified accounting and management reporting;
- the common accounting standards and methods within the Company;
- the planning of year-end accounting procedures within the Company;
- financial communication.

### 5.1. Accounting and management control

Under the authority of the Group Chief Financial Officer, the Accounting and Consolidation department, the Management Control department and the Investor Relations, Treasury, Purchasing and Financing department play a key role in ensuring the consistency of Solocal's financial data.

Their tasks thus include:

- preparing Solocal's Company financial statements and consolidated financial statements within the time constraints of financial markets, legal and regulatory requirements and contractual obligations;
- managing the budgeting and forecasting process and preparing the monthly management report as quickly as possible, while ensuring that data is consistent;
- preparing the documents necessary to communicate financial results and to enable Solocal's management to prepare its management report;
- designing and implementing Solocal's accounting and management methods, procedures and guidelines;
- identifying and overseeing any changes to Solocal's accounting and management information systems that may be necessary.

### 5.2. Unified accounting and management reporting

The Company's business management cycle has four basic components:

- the three-year strategic plan;
- the budget process;
- monthly review of key metrics;
- business and financial performance reviews.

#### A. THE BUSINESS PLAN

Each year, Solocal updates the business plan for the next three years. The business plan takes into account the Company's strategic priorities and any changes in market trends, business segments or the competitive environment.

#### B. THE BUDGET PROCESS

The budget process covers Solocal and its subsidiaries. It involves the following steps:

- in autumn, the budget for the current year is updated and monthly and annual budgets for the following year are prepared for each product;
- in spring, the initial budget forecast for the year is updated and this updated budget is used to prepare the strategic plan;
- in summer, the budget for the second half of the year is updated on the basis of the results of the previous six months.

To improve the management and monitoring of performance, an ongoing reforecasting process has been implemented.

#### C. MONTHLY REVIEW OF KEY METRICS

The monthly review of key metrics is a major component of the financial information and control system. It is the main tool that Solocal's management uses to monitor trends and performance and make decisions going forward. This reporting comprises several documents that are prepared by the Management Control and Accounting and Consolidation departments, and communicated to Solocal's management.

The monthly review of key metrics includes quantified data, commentary on trends, and performance indicators.

The Management Control and Accounting and Consolidation departments use a unified consolidation tool to ensure that budgeted figures, actual figures and reforecasts are reported in a consistent and uniform manner.

D. FINANCIAL PERFORMANCE REVIEWS

Monthly financial performance reviews are conducted with all members of the Executive Committee and are a key component of Solocal's management and control system. Their main objective is to ensure that the actions undertaken are aligned with the Company's priorities and long-term goals. They are also used to check that costs are kept within budget throughout the year.

### 5.3. Common accounting standards and methods within the Company

The Company prepares its provisional and actual consolidated financial statements in accordance with the "unification principle". This involves:

- uniform accounting methods, standards and consolidation rules;
- standardised presentation formats;
- the use of consolidation software that is shared across the Company;

Solocal uses a single accounting framework that standardises the reporting of all consolidated items, including off-balance sheet commitments. All consolidated entities have adopted this framework. Solocal prepares its consolidated financial statements in accordance with IFRS (European regulation 1606/2002 of 19 July 2002).

The consolidated accounting documents are prepared in accordance with local accounting principles and are restated to comply with Company standards and with IFRS as adopted by the European Union and the IASB. Guidance notes from the Finance department specifying the process and the closing schedule for each closing date are distributed within the Company.

### 5.4. Planning of year-end accounting procedures within the Company

In order to meet short reporting deadlines and enable the Board of Directors to publish consolidated financial statements as early as February, the Company has established a detailed planning programme for its year-end accounting work. This programme includes:

- budget monitoring processes;
- the preparation of pre-closing accounts;
- documented closing processes;
- advance processing of estimates and complex accounting transactions.

The progress that Solocal has made in preparing year-end accounts can largely be attributed to greater coordination between Company divisions and functions, more accurate forecasts, better control over financial processes, and better preparation and speedier execution of account-closure processes.

### 5.5. Financial communication

The preparation and control of financial information are organised in a manner that is consistent with the Company's management organisation and systems. This ensures the integrity, accuracy, quality and consistency of this information and its compliance with applicable legal and regulatory requirements and professional standards.

In order to ensure the quality and reliability of financial information, the Chief Executive Officer and the Chief Financial Officer are involved in the preparation of all financial information to be disclosed to the public and systematically examine and approve it prior to review by the Board of Directors. This review covers, among other things, press releases containing financial information and presentations to investors.

The Investor Relations department, within the Finance department, in collaboration with Management Control and the Legal department, is responsible for drawing up the following periodic and permanent information documents and distributing them to regulatory authorities, the financial market authority (the AMF) and other intended recipients:

- financial press releases both periodic (quarterly, half-yearly and annual results) and occasional (e.g. to announce transformation and restructuring projects, external growth transactions, divestments, acquisitions or disposals, governance changes, strategic partnerships, etc.);
- presentations used as supports for analyst meetings and for investors;
- the Universal Registration Document;
- presentation to the General Shareholders' Meeting.

Solocal is committed to providing intelligible, relevant, stable and reliable information. The Company ensures compliance with stock market regulations and corporate governance principles.

## 6. Information and communication

All of the Company's press releases and major regulatory documents are posted on the Solocal intranet, which all employees can access.

Collaborative tools and other applications available on the intranet also ensure efficient distribution of information to everyone throughout the Company.

## XVI. Main risks and uncertainties

- Foreign exchange risk
  See Note 10 to the consolidated financial statements.
- Liquidity risk
  See Note 10 to the consolidated financial statements.
- Interest rate risk
  See Note 10 to the consolidated financial statements.
- Counterparty (credit) risk
  See Note 10 to the consolidated financial statements.
- Equity risk
  See Note 10 to the consolidated financial statements.

## XVII. Non tax-deductible expenditures

In accordance with Article 223 quater of the French Tax Code, we hereby inform you that the expenses and costs referred to in paragraph 4 of Article 39 of said Code for the 2021 financial year totalled €14,997.

## XVIII. Supplier payment times

All trade accounts payable recorded on the balance sheet at 31 December 2021, which total €5,623,676 (excluding accrued expenses); outstanding trade accounts receivable amounted to €30,797.

| | Article D. 441 I. 1: Overdue invoices received but not paid at the end of the period | | | | | | Article D. 441 I. 2: Overdue invoices issued not paid at the end of the period | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0 days (indicative) | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days or more | Total (1 day or more) | 0 days (indicative) | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days or more | Total (1 day or more) |
| **(A) RANGE OF PAYMENT DELAYS** | | | | | | | | | | | | |
| Number of invoices concerned | | | | | | 145 | | | | | | 4 |
| Total value of invoices concerned (including VAT) | 5,622,651 | 509 | 0 | 0 | 516 | 5,623,676 | 0 | 30,797 | 0 | 0 | 0 | 30,797 |
| Percentage of the total amount of purchases for the year (including VAT) | 14.39% | 0.00% | 0.00% | 0.00% | 0.00% | 14.39% | | | | | | |
| Percentage of revenue for the year (including VAT) | | | | | | | 0% | 0.19% | 0% | 0% | 0% | 0.19% |
| **(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNISED PAYABLES AND RECEIVABLES** | | | | | | | | | | | | |
| Number of invoices excluded | | | | | | | | | | | | |
| Total value of invoices excluded | | | | | | | | | | | | |
| **(C) STANDARD PAYMENT PERIODS USED** | | | | | | | | | | | | |
| | Statutory periods | | | | | | Statutory periods | | | | | |

This table only includes invoices that had been received but not paid at the end of the period. It does not take account of sundry accounting entries such as accruals for invoices not received.

## XIX. Business development outlook

The Group reviewed its roadmap and announced its three-year ambitions on 21 October 2021.

The year 2022 will be a year of consolidation of the overhaul of the commercial approach, mainly on the field, which is the sales channel that contributes the most to the Group's activity.

Solocal will capitalize on the efforts made in terms of customer relationship efficiency in order to adopt a much more proactive approach to supporting its customers.

These actions will gradually bear fruit over 2022 and will be associated with strict control of fixed costs, which will enable the delivery in 2022 of revenue, EBITDA and operating cash flow comparable to 2021, followed by a return to growth of these same indicators by 2023.

## XX. Loans of less than two years granted by Solocal

In accordance with Article L. 511-6 3) bis of the French Monetary and Financial Code, we inform you that Solocal Group has not, as an ancillary activity to its main activity, granted loans due in less than two years to micro-enterprises, SMEs or intermediate-sized companies with which it has economic ties justifying such loans.

## XXI. Branches

Solocal Group had no branches as at 1 January 2022.

## XXII. Business performance of the main subsidiaries

The Solocal Group generated revenues of €428 million from its continuing operations in the Digital sector in 2021. The Digital activity can be broken down as follows:

- the Connect offer enables VSEs and SMEs to manage their digital presence on PagesJaunes and over the entire web (several dozen media in total, including Google, Facebook, PagesJaunes, Bing, Tripadvisor, Instagram, etc.) in just a few clicks, in real time and autonomously, via a single mobile app, or a web interface. This offer also facilitates the management of interactions between professionals and their customers thanks to several relational functions (instant messaging, online quotations, appointment booking, Click & Collect, etc.). Connect generated revenues of €126.6 million in 2021 and is sold on a subscription basis with auto-renewal;
- the Booster offer enables businesses to augment their digital visibility beyond their natural online presence by tapping into markets at the local level. This offer includes the Priority Ranking service launched in the third quarter of 2019 and generated revenues of €238.3 million in 2021;
- Solocal's Website range takes care of the creation and ranking of customers' websites. It is adapted to various budgets and sold on a subscription basis with auto-renewal. The Website range generated revenues of €63.2 million in 2021.

The Connect and Booster ranges are designed for VSEs/SMEs and are also available for large network accounts.

The financial statements published by the Group at 31 December 2021 break down as follows:

| | As at 31 December 2021 | | | | | As at 31 December 2020 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Continued activities | | | | | Continued activities | | | |
| *(in millions of euros)* | Consoli-dated | Divested activities | Total | Recur-ring | Non recur-ring | Consoli-dated | Divested activities | Total | Recur-ring | Non recur-ring | Change Recur-ring 2021/2020 |
| **Revenues** | **428.0** | **-** | **428.0** | **428.0** | **-** | **437.4** | **4.6** | **432.8** | **432.8** | **-** | **-1.1%** |
| Net external expenses | (121.2) | - | (121.2) | (121.6) | 0.5 | (125.0) | (3.8) | (121.2) | (120.7) | (0.5) | 0.8% |
| Staff expenses | (184.3) | - | (184.3) | (184.9) | 0.6 | (200.8) | (4.7) | (196.0) | (196.3) | 0.2 | -5.8% |
| Restructuring costs | 8.2 | - | 8.2 | - | 8.2 | 4.5 | - | 4.5 | - | 4.5 | |
| **EBITDA** | **130.8** | **-** | **130.8** | **121.5** | **9.3** | **116.2** | **(3.9)** | **120.0** | **115.8** | **4.2** | **4.8%** |
| *As % of revenues* | *30.6%* | *0.0%* | *30.6%* | *28.4%* | | *26.6%* | *0.0%* | *27.7%* | *26.8%* | | *1.6 pts* |
| Gains and losses from disposals | - | - | - | - | - | (2.2) | - | (2.2) | (2.2) | - | |
| Depreciation and amortization | (59.5) | - | (59.5) | (59.5) | - | (64.6) | (2.8) | (61.8) | (61.8) | - | -3.7% |
| **Operating income** | **71.3** | **-** | **71.3** | **62.0** | **9.3** | **49.3** | **(6.7)** | **56.0** | **51.8** | **4.2** | **19.5%** |
| *As % of revenues* | *16.7%* | *0.0%* | *16.7%* | *14.5%* | | *11.3%* | *0.0%* | *12.9%* | *12.0%* | | *2.5 pts* |
| Gain from debt restructuring | - | - | - | - | - | 63.2 | - | 63.2 | 63.2 | - | |
| Financial income | 0.2 | - | 0.2 | 0.2 | - | 0.4 | 0.0 | 0.4 | 0.4 | - | -35.6% |
| Financial expenses | (28.7) | - | (28.7) | (28.7) | - | (61.5) | 0.1 | (61.6) | (61.6) | - | -53.4% |
| **Financial income** | **(28.5)** | **-** | **(28.5)** | **(28.5)** | **-** | **2.0** | **0.1** | **1.9** | **1.9** | **-** | **-1591.5%** |
| **Income before tax from continued activities** | **42.8** | **-** | **42.8** | **33.5** | **9.3** | **51.3** | **(6.6)** | **57.9** | **53.8** | **4.2** | **-37.7%** |
| Corporate income tax | (19.3) | - | (19.3) | (16.9) | (2.4) | (6.5) | 0.4 | (6.9) | (5.6) | (1.3) | 201.1% |
| Net Income from continued activities | 23.5 | - | 23.5 | 16.6 | 6.9 | 44.8 | (6.2) | 51.0 | 48.2 | 2.8 | -65.5% |
| Net Income from discontinued activities* | - | - | - | - | - | 20.8 | 20.8 | - | - | - | |
| **Net Income for the period** | **23.5** | **-** | **23.5** | **16.6** | **6.9** | **65.6** | **14.6** | **51.0** | **48.2** | **2.8** | **-65.5%** |

* *IFRS 5 was applied to Print activity, classified as discontinued in 2020.*

Boulogne-Billancourt, 22 February 2022

**The Board of Directors**

### Financial performance over the past five financial years (pursuant to Articles R. 225-81, 3° and R. 225-83, 6° of the French Commercial Code)

| Nature of the information<br>*(excluding capital, amounts in thousands of euros)* | Financial year 2017 | Financial year 2018 | Financial year 2019 | Financial year 2020 | Financial year 2021 |
|---|---|---|---|---|---|
| **1 - Financial position at year-end** | | | | | |
| a) Share capital | 58,244,480 | 58,363,037 | 61,954,147 | 129,505,837 | 131,694,468 |
| b) Number of existing ordinary shares | 582,444,800 | 583,630,365 | 619,541,466 | 129,505,837 | 131,694,468 |
| **2 - Total income from operations** | | | | | |
| a) Revenues excl. tax[(1)] | 24,709 | 20,312 | 18,419 | 19,027 | 15,910 |
| b) Earnings before tax, profit-sharing, depreciation, amortisation and provisions | (4,788) | (5,167) | (47,565) | (191,661) | (12,325) |
| c) Corporate income tax | (54,667) | (5,665) | (11,547) | (11,659) | (12,724) |
| d) Employee profit-sharing due for the financial year | - | - | - | - | - |
| e) Earnings after tax, depreciation, amortisation and provisions | 21,002 | (14,381) | (52,353) | (566,473) | (9,885) |
| f) Profits distributed in n+1[(2)] | - | - | - | - | - |
| **3 - Earnings per share *(in euros)*** | | | | | |
| a) Earnings after tax & profit-sharing but before depreciation, amortisation and provisions | 0.09 | (0.02) | 0.05 | 0.00 | 0.00 |
| b) Earnings after tax, profit-sharing, depreciation, amortisation and provisions | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 |
| c) Dividend paid per share in n+1[(2)] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **4 - Personnel** | | | | | |
| a) Average number of salaried employees during the financial year | 2 | 1 | 1 | 1 | 1 |
| b) Total payroll | 805 | 977 | 936 | 715 | 748 |
| c) Amount of employment benefits paid | 328 | 589 | 389 | 315 | 397 |

*(1) The amounts recorded as Revenue excluding tax include all operating income.*
*(2) Or submitted to the General Shareholders' Meeting for the last financial year (before deduction of treasury shares).*

## Table of subsidiaries and equity investments

| Subsidiaries and equity investments *(in thousands of euros)* | Capital | Shareholders' equity excluding capital and before allocation of income | Share of capital held as% | Book value of securities held | | Loans and advanced granted by the Company, not yet repaid (excluding current accounts) | Value of any guarantee or endorsements given by the Company | Revenues for the last completed financial year | Net income for the last completed financial year | Dividends received by the Company during the financial year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Gross | Net | | | | | |
| **DETAILED INFORMATION ON SUBSIDIARIES AND EQUITY INVESTMENTS** | | | | | | | | | | |
| **1/SUBSIDIARIES: OVER 50% HELD BY THE COMPANY** | | | | | | | | | | |
| **Solocal SA**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 444 212 955 | 881,108 | (464,317) | 100% | 2,937,063 | 650,605 | - | - | 362,782 | 38,795 | - |
| **SoMS SA**<br>25 quai Gallieni<br>92150 Suresnes<br>SIREN: 422 041 426 | 7,275 | 1,252 | 100% | 7,275 | 7,275 | - | - | 76,142 | 21,496 | 14,047 |
| **Solocal Outre-mer SA**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 420 423 477 | 75 | 510 | 100% | 76 | 76 | - | - | 2,254 | (756) | - |
| **Yelster Digital GmbH**<br>Linke Wienzeile 8, Top 9<br>1060 Vienna, Austria<br>Vienna Commercial Register: FN 298562 m | 44 | 8,273 | 100% | 14,997 | 897 | | | 7,984 | 2,992 | - |
| **Orbit Interactive**<br>Nearchore Park –<br>1100 boulevard El Qods<br>11000 Casablanca Sidi Maarouf<br>Casablanca Commercial Register: 268969 | 78 | (307) | 100% | 76 | 76 | - | - | 0 | (234) | - |
| **Leadformance SAS**<br>19 rue du Lac St André<br>73375 Le Bourget-du-Lac<br>SIREN: 440 743 763 | 8,250 | (10,817) | 100% | 25,301 | 0 | | - | 1,252 | (3,956) | - |
| **Effilab**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 531 205 565 | 2 | 30 | 100% | 20,532 | 12,700 | | | 8,612 | (81) | - |
| **Cristallerie 5**<br>204 RPT du Pont de Sèvres<br>92100 Boulogne-Billancourt<br>SIREN: 809 343 734 | 20 | 10 | 100% | 20 | 20 | | | 0 | 5 | |
| **Solocal Interactive Ltd**<br>62, ICT Avenue 1st Floor<br>The Core Cybercity<br>Ebene – Mauritius<br>Business Registration Number C20170476 | 1 | 30 | 100% | 0 | 0 | | | 1,739 | 140 | |
| **2/EQUITY INVESTMENTS (BETWEEN 10% AND 50%)** | | | | | | | | | | |
| **GIE Solocal**<br>**204 RPT du Pont de Sèvres**<br>92100 Boulogne-Billancourt<br>SIREN: 809 343 734 | 10 | 0 | 16% | 2 | 2 | | | 5,016 | (62) | |
| **Alliance Gravity Data Media SAS**<br>10 boulevard de Grenelle<br>75015 Paris<br>SIREN: 830 408 803 | 0 | 0 | 11% | 250 | 250 | | | 0 | 0 | |

## 5.3.5 STATUTORY AUDITOR'S REPORT ON THE 2021 FINANCIAL REPORT

Year ended 31 December 2021

*This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Annual General Meeting of Solocal Group SA,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the financial statements of Solocal Group SA for the year ended 31st December 2021, as attached to this report.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at the end of that year and of the results of its operations for the year then ended.

The opinion expressed above is consistent with our report to the Audit Committee.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of our report headed "Responsibilities of the Statutory Auditors for the audit of the financial statements".

#### Independence

We conducted our audit in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors for the period from 1st January 2021 to the issue date of our report, and, in particular, we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

### Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to risks of material misstatement which, in our professional judgement, were of most significance for the audit of the financial statements for the period, together with our responses to those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific elements of the financial statements.

### Going concern

| | |
|---|---|
| **Identified risk** | As of 31st December 2021, the Company reported a net loss of €9.9 million, along with equity of €587.4 million, current liabilities of €341.2 million and current assets of €242.4 million. As at the same date, available cash was €32.6 million.<br><br>It is stated in note 3 to the financial statements "Continuity of operations" that the Company has not identified any factors that could compromise its ability to continue as a going concern.<br><br>We therefore believe that assessment of the going concern assumption, on the basis of which the financial statements have been prepared, is based on management's judgement, specifically as regards:<br>● the assumptions and business plans used by management to prepare the budget adopted by the Board of Directors;<br>● the related estimates of future cash flow.<br><br>For these reasons, we considered assessment of the going concern assumption to be a key audit matter. |
| **Treatment of the key audit matter during the audit** | We reviewed the process implemented by management to assess the Company's ability to meet its liquidity needs and those of its subsidiaries for the next 12 months.<br><br>Our work consisted in particular in:<br>● reviewing the process for preparing the budget and cash flow forecasts;<br>● reviewing the operational assumptions underlying the budget and including management's assumptions regarding the impact of the Covid-19 crisis on the Group's commercial activity;<br>● checking that the budget data flowed through effectively into the cash flow forecasting spreadsheet;<br>● comparing the starting point of the cash flow forecasting spreadsheet with the cash position as recorded in the accounts as of 31st December 2021;<br>● examining the parameters of the cash receipts simulation file underpinning the monthly cash flow forecasts for the next 12 months by, in particular by testing the consistency of the cash flow rate by product type according to their payment terms;<br>● interviewing management regarding its knowledge of any events or circumstances that occurred subsequent to the year-end that might cast doubt on those estimates.<br><br>We also verified the appropriateness of the information relating to going concern presented in note 3 to the financial statements. |

## Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by laws and regulations.

### Information given in the management report and other documents on the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and the other documents about the financial position and the financial statements provided to the shareholders.

We attest that the information on payment terms referred to in Article D. 441-6 of the French Commercial Code is fairly presented and consistent with the financial statements.

### Information on corporate governance

We attest that the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code is set out in the Board of Directors' corporate governance report.

We have verified that the information provided pursuant to Article L. 22-10-9 of the French Commercial Code on the remuneration and benefits paid or awarded to the corporate officers and any other commitments made in their favor is consistent with the financial statements, or with the underlying information used to prepare those financial statements and, where appropriate, with the information obtained by your Company from the entities it controls that are included in the scope of consolidation. Based on these procedures, we attest that this information is accurate and fairly presented.

We have verified that the information provided pursuant to Article L. 22-10-11 of the French Commercial Code on matters that your Company considered liable to have an impact on a public purchase or exchange offer conforms to the documents disclosed to us from which it is derived. Based on these procedures, we have no matters to report on this information.

### Other information

In accordance with French law, we have verified that the various items of information on the identity of shareholders or holders of voting rights have been disclosed to you in the management report.

## Other verifications or information required by laws and regulations

### Format for the presentation of financial statements intended to be included in the annual financial report

In accordance with the professional standards applicable in France on the due diligence of statutory auditors about the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended for inclusion in the annual financial report referred to in I of Article L. 451-1-2 of the French Monetary and Financial Code (Code monétaire et financier), which have been prepared under the supervision of the Managing Director.

Based on our work, we conclude that the presentation of the annual accounts to be included in the annual financial statement complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

### Appointment of the Statutory Auditors

We – B.E.A.S, a member firm of DELOITTE, and AUDITEX, a member firm of ERNST & YOUNG Global Ltd – were appointed as Statutory Auditors of SOLOCAL GROUP SA by the General Meeting held on 19th October 2016.

Following a partial contribution of assets by B.E.A.S. the SOLOCAL GROUP mandate continues within DELOITTE & ASSOCIÉS until its expiry date.

As of 31st December 2021, B.E.A.S. and AUDITEX were in their fifth uninterrupted year of engagement.

DELOITTE & ASSOCIES and ERNST & YOUNG Audit previously served as Solocal Group's Statutory Auditors from 2003 to 2015 and from 2004 to 2015 respectively, including twelve years for both firms since the Company's securities were admitted to trading on a regulated market.

## Responsibilities of Management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of financial statements that comply with French accounting principles and for such internal control as it determines is necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing, where applicable, matters related to its continuation as a going concern and for using the going concern basis of accounting unless it is expected to liquidate the Company or cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, internal audit, with respect to the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Responsibilities of the statutory auditors for the audit of the financial statements

### Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of your company or the quality of the management of your Company's affairs.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement in the financial statements, whether due to fraud or error, designs and performs audit procedures in response to those risks and obtains audit evidence that the auditor considers to be sufficient and appropriate to provide a basis for his/her opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that for one resulting from error, as fraud may involve collusion, falsification, intentional omissions, misrepresentation or the overriding of internal control;
- obtains an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of the accounting policies used and the reasonableness of the accounting estimates by management and the related disclosures in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, attention must be drawn in the audit report to the relevant disclosures in the financial statements, or, if such disclosures are not provided or are inadequate, a qualified opinion or adverse opinion must be issued;
- evaluates the overall presentation of the financial statements and assesses whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Audit Committee

We submit to the Audit Committee a report which presents in particular the scope of the audit and the audit program followed, as well as the results of our work. We also report significant deficiencies, if any, in internal control that we have identified with respect to the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements for the period and which are therefore the key audit matters we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the audit committee the risks to our independence and the safeguards applied.

French language original signed at Paris-La Défense, on 1 March 2022

By the Statutory Auditors

**AUDITEX**
Jeremy THURBIN

**DELOITTE & ASSOCIÉS**
Stéphane RIMBEUF

# Information on the Company and its capital

# 6.1 General information on the Company

## 6.1.1 CORPORATE NAME AND TRADING NAME

The name of the Company is "Solocal Group".

The Group has undergone a profound transformation in order to adapt to technological and societal changes. The name "Solocal Group" expresses our current strength: local and digital services.

## 6.1.2 REGISTRATION LOCATION AND NUMBER

Trade and Companies Register number: RCS Nanterre 552 028 425.

LEI number: 9695005U38X1SF184325

APE code: 7010 Z.

## 6.1.3 DATE OF INCORPORATION AND TERM (ARTICLE 5 OF THE ARTICLES OF ASSOCIATION)

The Company was incorporated on 12 January 1897 and registered on 21 February 1955. Based on Article 5 of its Articles of Association, the Company is incorporated for a term of 99 years, which began on 31 December 1954 and will run until 31 December 2053, unless it is dissolved earlier or extended as provided for in the Articles of Association.

## 6.1.4 REGISTERED OFFICE, LEGAL FORM AND LEGISLATION

Head Office of the Company and a large part of the subsidiaries of the Group: 204, Rond-Point du Pont-de-Sèvres, 92100 Boulogne-Billancourt.

Telephone: +33 (0)1 46 23 30 00.

Company's country of origin: France.

Solocal Group is a public limited company with a Board of Directors subject to the provisions of Articles L. 210-1 et seq. of the French Commercial Code.

# 6.2 Memorandum and Articles of Association

## 6.2.1 CORPORATE PURPOSE

In accordance with Article 3 of the Articles of Association, the Company's corporate purpose, in France and abroad, is to:

- acquire and hold shares, interests or other securities in French or foreign legal entities, to define the policies to be implemented by subsidiary companies and to provide any and all services to companies in which it holds shares;
- acquire by any means, without exception or reservation, to hold by any means and in any capacity, to manage and, if appropriate, to transfer by any means, without exception or reservation, all or part of any majority or minority interests that may be directly or indirectly related to the Company's corporate purpose and to any similar or ancillary purpose.

In addition, the Company's purpose, in France and abroad, directly or indirectly, is to:

- publish, on its own behalf or on behalf of third parties, all directories using any current or future publication processes and means, to provide information services by any current or future processes and means and to carry on the business of advertising in all its forms, by any method and for any purpose;
- advise, research, design, produce, update and maintain all services related to any type of information distribution system on an open or closed network, whether connected via computer or telephone, wire-based, satellite, cable or other methods, as well as any other activity related to such services, and especially to internet or intranet sites;

- collect, acquire, enhance, manage, process, market, or host data and files of any kind;
- perform all activities related, directly or indirectly, to such services or which represent a prerequisite or accessory, the condition or extension of such services or which are likely to encourage or develop them; and
- in general, to undertake any industrial, commercial, financial, civil, movable property or real estate transactions that may be directly or indirectly related to any of the aforementioned purposes or to any similar or related corporate purposes.

## Provisions in the Articles of Incorporation, Articles of Association and the Internal Regulations concerning the administrative and management bodies

The Company is administered by a Board of Directors composed of 3 to 18 members (subject to legal exceptions in the event of a merger). There are currently nine Directors on the Board.

Directors are elected by the shareholders at Ordinary General Shareholders' Meetings. Each Director must hold at least one Company share. Pursuant to the Company's Articles of Association, each Director is elected for a four-year term. There is no limit to the number of times a Director may be re-elected.

The Board of Directors includes a Director who represents the Company's employees as well as the employees of its direct or indirect subsidiaries (within the meaning of Article L. 225-27 of the French Commercial Code) whose registered office is located on French territory.

This Director is elected in two rounds by majority vote. All staff members who meet the conditions set by law are eligible to vote and stand for election. Each candidacy must include, in addition to the candidate's name, the name of a substitute who may replace him or her in the event of absence for any reason.

The Director representing employees is elected for a four-year term. The first Director representing employees shall assume his or her position on the Board at the first meeting of the Board of Directors, held after publication of the complete results of the first elections. The next Director representing employees shall assume his or her position on expiry of the term of the outgoing Director representing employees.

If a Director representing employees ceases to be a member of staff, his or her responsibilities as a Director are terminated.

The Board of Directors elects a Chairman from among its members. The Chairman is elected for his or her entire term as a Director, and may be re-elected.

Board of Directors' meetings are convened by the Chairman. Meetings may be convened by any means, including verbally in an emergency, and as often as the Chairman deems necessary. They may be held at the registered office or any other location indicated in the Notice of Meeting.

When the Board of Directors has not met for more than two months, at least one-third of the Board members may ask the Chairman at any time to call a Board meeting based on a specific agenda. The Chief Executive Officer may also ask the Chairman at any time to call a meeting of the Board of Directors based on a given agenda.

The Board of Directors' deliberations are valid only if at least half of its members are present.

Subject to legal and regulatory provisions, meetings of the Board of Directors may be held by means of videoconference or any other means of telecommunication. Any Director participating in a Board meeting by means of videoconference or other means of telecommunication is deemed to be in attendance for the purposes of quorum and majority. The Board of Directors sets out the overall strategic direction for the Company's business activities and ensures it is implemented. Subject to any powers expressly granted to Shareholders' Meetings and within the limits of the corporate purpose, the Board deals with all matters relating to the proper functioning of the Company and governs the Company's business through its deliberations.

The Board of Directors may carry out any controls and checks it deems appropriate.

The Chairman or the Company's Chief Executive Officer is required to provide each Director with all documents and information they need to fulfil their duties.

Decisions of the Board of Directors are taken by a majority vote of the members who are present or represented. In the event of a split vote, the Chairman of the meeting shall have a decisive vote. Notwithstanding the foregoing, the General Shareholders' Meeting of 3 June 2021 amended Article 16 of the Company's Articles of Association by adding a list of decisions requiring the Board of Directors' prior approval, with at least three quarters (3/4) of the members present or represented voting in favour, at least one third (1/3) of whom must be independent members other than the Chairman of the Board of Directors. The amended Articles of Association are available on the Company's website at www.solocal.com under Investor Relations. This enhanced decision-making process within the Board of Directors is justified by the special circumstances associated with the turnaround of the Group that began on 2 July 2020 under the restructuring agreement of the same date requiring an enhanced majority for certain significant decisions within the remit of the Board of Directors and by the corresponding modification of the governance of the Company.

## Internal regulations

Internal regulations based on those recommended in the AFEP-MEDEF Corporate Governance Code were adopted by the Board of Directors at its meeting of 23 September 2004 and amended on 2 October 2020. These internal rules specify the guiding principles for the operation of the Board and the rights and duties of the Directors.

The main provisions of the Board of Directors' internal regulations are summarised in this section.

## Preparation and organisation of the work of the Board of Directors

### Strategic direction

Pursuant to Article 17 of the Articles of Association, the Board of Directors determines the overall strategic orientation of the Company's activities and ensures it is implemented.

This means that the Board makes all decisions related to the Company's major strategic, economic, social, financial and technological objectives and ensures that these decisions are implemented.

The medium-term objectives for the Group's activities are defined, each year, in a strategic plan, which is prepared and presented by the Chief Executive Officer to the Board of Directors for approval. This draft includes projected trends for the Group's key operational and financial indicators in particular. The Chief Executive Officer presents a draft annual budget based on these objectives.

The Chief Executive Officer is responsible for implementing the objectives set out in the strategic plan.

The Chief Executive Officer informs the Board of Directors of any problems or, more generally, any matter which may affect the achievement of any of the objectives of the strategic plan.

### Committees of the Board of Directors

In order to prepare its work, the Board of Directors has set up two Committees within the Company, namely an Audit Committee and a Remuneration and Appointments Committee. The operating conditions and remits of each Committee are stipulated in the Charters of these Committees, which are approved by the Board of Directors.

At its meeting of 2 June 2021, the Board of Directors decided to discontinue the Customer Satisfaction Committee.

In addition, an ad hoc Board Committee closely monitored the financial restructuring process in 2020. This Committee was created on 13 March 2020 and was dissolved at the end of the General Shareholders' Meeting of 24 July 2020. After a more informal consultation phase, the Committee met six times between 22 June 2020 and 3 July 2020 with 100% attendance.

Finally, an Ad Hoc Board Committee was set up by the Board at its meeting of 14 April 2021 in preparation for the discussion and negotiation by the Board of the details of transition and succession (meetings, dates, rules and communication) and to manage the process of selecting a new Chairman of the Board of Directors and organising the succession. This Committee was dissolved on 30 June 2021. The Committee met 12 times between 19 April 2021 and 23 June 2021 with 99% attendance.

## Duties and responsibilities of the Directors

### Directors' duty of confidentiality

Directors are bound by an absolute obligation of confidentiality with regard to the content of discussions and deliberations by the Board and its Committees and any information presented to them.

### Directors' duty of independence

In carrying out the mandate entrusted to them, Directors must make all decisions independently of any interest other than that of the Company.

All Directors are required to inform the Chairman of any situation affecting them that could create a conflict of interest with the Company or any Group company. Where appropriate, the Chairman may seek the opinion of the Remuneration and Appointments Committee.

At the end of this process, it is the responsibility of the Director in question to act accordingly, under the terms of the applicable legislation.

### Duties of Directors with regard to securities of the Company

Each Director must hold at least one Company share.

Any Company shares held by Directors at the time they join the Board must be registered in their own names, as must any shares they acquire during their term of office.

Directors are prohibited from:

- executing any transaction on the securities of the listed companies of the Group as long as they hold privileged information;
- making short sales on these securities directly or indirectly.

The first prohibition applies in particular during the period of preparing and presenting the Group's annual and semi-annual results and quarterly information.

It also applies during special periods when projects or transactions that warrant such a prohibition are being prepared.

The Ethics Charter, which specifies the rules relating to inside information, applies to the Directors.

### Directors' duty of care

In accepting the office entrusted to them, Directors agree to fully assume all their responsibilities and, in particular, to:

- devote whatever time is required to study matters dealt with by the Board and, if applicable, any Committees of which they are members;

- request all additional information they consider necessary;
- ensure that these regulations are applied;
- freely form their opinion before any decision, considering only the Company's interest;
- actively participate in all Board meetings, unless they are unable to do so;
- make all proposals to improve the working conditions of the Board and its Committees.

The Board constantly seeks to improve the information communicated to shareholders. Each Director must play a part in achieving this goal, particularly through his or her contribution to the work of the Board's Committees.

Directors agree to tender their resignation to the Board when they believe, in good faith, that they are no longer able to fully assume their responsibilities.

## Ethics Charter

At its meeting of 23 September 2004, the Board of Directors adopted a Professional Ethics Charter.

This Charter sets out the Group's values and presents its principles for dealing with customers, shareholders, employees, suppliers, and competitors, and with respect to the environment and the countries in which it operates.

In addition, it stipulates a number of principles of personal conduct that each Group employee, Director and executive must respect, and which encourage honest and ethical conduct on their part, as well as accurate, complete and timely communication of published information.

The Professional Ethics Charter refers to the principles and rules applicable to stock market ethics and the requirement to comply with them scrupulously. It imposes certain preventive measures including closed periods when "permanent insiders", such as members of the Board of Directors and other executives, are not permitted to trade in the Company's shares.

The Professional Ethics Charter applies to each member of the Board of Directors and to all of the Group's senior executives and employees.

## Chairman of the Board of Directors and Management

The Chairman of the Board of Directors is an individual elected by the Board from among its members. Furthermore, the Board of Directors may decide whether to separate or combine the positions of Chairman of the Board and Chief Executive Officer. If the decision is taken to separate these roles, the Board of Directors appoints the Chief Executive Officer.

The Board of Directors elects a Vice-Chairman from among its independent members. The Vice-Chairman is elected for his or her entire term as a Director, and may be re-elected.

The Vice-Chairman:

- shall exercise the powers of the Chairman in the event of the incapability, absence or unavailability of the Chairman, under the same conditions as the Chairman;
- shall be available for and may meet and listen to the Company's shareholders;
- shall be available and listen to the Directors of the Company to discuss the proper functioning of the Board of Directors.

David Amar was elected Vice-Chairman by the Board of Directors at its meeting of 14 February 2018.

On 5 November 2014, the Board of Directors opted to separate the roles of Chairman of the Board of Directors and Chief Executive Officer in line with corporate governance best practice. During the change in governance in 2017, the Board of Directors decided to keep the two roles separate. The choice of governance model is largely due to the Company's wish to make a clear distinction between responsibility for strategic guidance and oversight, which lies with the Board of Directors, and the Chief Executive Officer's operational and executive powers. This governance model also enables the Group to benefit from the complementary skills and experience of the Chief Executive Officer and the Chairman of the Board of Directors.

In the context of the financial restructuring of the Company and owing to the forced departure of Éric Boustouller from his duties as Chief Executive Officer, the Board of Directors decided on 28 August 2020 to recombine the positions of Chairman of the Board and Chief Executive Officer of Solocal Group and to appoint Pierre Danon as Chairman of the Board and CEO with effect from 5 October 2020, so that the Company could benefit from his skills, knowledge of the business and experience in the sector during the transitional period of seeking a new Chief Executive Officer.

On 8 January 2021, following a selection process launched and managed by the Remuneration and Appointments Committee and with the active participation of Pierre Danon and Paul Russo in the recruitment process for a new Chief Executive Officer, the Solocal Board of Directors decided to appoint Hervé Milcent as Chief Executive Officer of the Company with effect from 6 April 2021. On that date, the Company reverted to a split governance structure, with Pierre Danon becoming Chairman of the Board of Directors again.

Following the resignation of Pierre Danon from his duties as Chairman and member of the Board of Directors, Philippe Mellier was co-opted as a Director and appointed Chairman of the Board of Directors with effect from 30 June 2021.

The Chief Executive Officer, subject to the powers expressly granted to Shareholders' Meetings and the Board of Directors, and within the limits of the corporate purpose, is vested with the widest powers to act, in all circumstances, in the name of the Company, with the following stipulations:

(i) the Chief Executive Officer must present a draft strategic plan to the Board of Directors each year defining the Group's medium-term business objectives, including projected trends for the Group's key operational and financial indicators, in addition to a draft annual budget;

(ii) the following decisions are subject to prior approval by the Board of Directors:
  - approval of the annual budget and any significant changes thereto,
  - approval of the annual and three-year business plans,
  - any acquisition or disposal of a business by Solocal or any of its subsidiaries that is not included in the annual budget, the total amount of which, including all liabilities and other off-balance sheet commitments, exceeds €10 million per year,
  - any investments or divestments not included in the annual budget and involving fixed assets of an amount, including all liabilities and other off-balance sheet commitments, greater than €10 million,
  - amendments to the employment contract, hiring/ appointment or dismissal/removal of the Chief Financial Officer of the Company; any amendment to the employment contract, hiring/appointment or dismissal/removal of the Group's Human Resources Director and the Secretary to the Board of Directors shall not require prior authorisation by the Board of Directors, but shall require the prior agreement of the Remuneration and Appointments Committee,
  - any increase in the total indebtedness of Solocal Group or any of its subsidiaries that exceeds the amount authorised under the financing or loan agreements previously authorised by Solocal Group's Board of Directors,
  - the execution of any agreement in order to create a joint-venture with a third party, not included in the annual budget and generating a commitment for Solocal or any of its subsidiaries for a total amount greater than €10 million over the duration of the joint-venture,
  - any decision to have the securities of Solocal or any of its subsidiaries listed on a regulated exchange and any operation with a view to the listing of additional securities of Solocal or any of its subsidiaries subsequent to the original listing on a regulated exchange,
  - any decision to delist or buy back shares (except share purchases under liquidity agreements previously authorised by the Board of Directors),
  - the acquisition or subscription, by Solocal or any of its subsidiaries, of shares, other equity securities or any securities giving access to the capital of any company (x) of a value, including all liabilities and other off-balance sheet commitments, greater than €10 million if the liability of Solocal or its subsidiaries is limited and the transaction is not already included in the annual budget, or (y) irrespective of the amount invested if Solocal or any of its subsidiaries is acting as an unlimited liability partner in such a company,
  - any diversification of the business activities of Solocal or any of its subsidiaries that is unrelated to previous business activities, or any diversification that is related to previous business activities but is not included in the annual budget and involves a financial commitment that exceeds €10 million,
  - any sale, transfer or termination of a major business activity of Solocal or any of its subsidiaries that is not included in the annual budget or the three-year business plan,
  - the implementation of any incentive plan (as defined under French labour law or any similar legislation in another country, with the exception of a mandatory or standard voluntary profit-sharing plan) within Solocal or its subsidiaries, or any measure that encourages employees to directly or indirectly acquire shares in Solocal or its subsidiaries,
  - any authorisation or instruction given to a Solocal subsidiary, to examine or undertake any of the transactions referred to in this appendix,
  - the execution of any agreement not included in the annual budget involving payments or the supply of goods or services by Solocal or its subsidiaries for a total amount greater than €10 million per year,
  - any decision relating to plans for the merger or demerger of a Solocal Group subsidiary, the spin-off of the assets of a Solocal subsidiary, or a long-term agreement to manage a Solocal subsidiary, that is not included in the annual budget or the three-year business plan, excluding internal reorganisation that has no material impact on Solocal's position,
  - any transfer or sale in order to provide collateral, any decision to grant a security interest or pledge by Solocal or any of its subsidiaries, in order to meet debts or honour guarantees given to third parties not included in the annual budget for a total amount greater than €10 million per year,

– any loans granted by Solocal or any of its subsidiaries which in total exceed €5 million and are not included in the annual budget.

## Deputy Chief Executive Officer

At the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals charged with assisting the Chairman, with the title of Deputy Chief Executive Officer. The maximum number of Deputy Chief Executive Officers is five. In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and duration of powers given to Deputy Chief Executive Officers.

## Non-Voting Director

In accordance with Article 12 of the Company's Articles of Association which allows the Board of Directors to appoint one or more Non-Voting Directors, who participate in Board meetings but are not entitled to vote at those meetings, the Board of Directors decided, at its meeting of 19 June 2019, to appoint Philippe Besnard as a Non-Voting Director to represent the views of individual shareholders to the Board. Mr Besnard resigned from his duties on 7 July 2020.

At its meeting of 23 July 2020, the Board of Directors decided to appoint Jacques-Henri David as a Non-Voting Director, since his term of office as a Director was due to expire at the General Shareholders' Meeting of 24 July and he was not seeking its renewal.

Bruno Guillemet was also appointed as Non-Voting Director by the Board of Directors at its meeting of 11 October 2021.

## Rights, preferences and restrictions attaching to each class of the existing shares

Fully paid-up shares may be in registered or bearer form, at the shareholder's discretion. They must be registered until they are fully paid up. They are registered in the Company's records or with an authorised intermediary under the terms and conditions set out in law.

In order to be able to identify bearer shares, under current legal and regulatory conditions and subject to applicable legal or regulatory penalties, the Company may, among other things, request any organisation or intermediary, including the central custodian of financial instruments, for information required by law or regulations enabling the identification of holders of Company shares giving immediate or future voting rights at Shareholders' Meetings and, in particular, the number of shares held by each of them and, if applicable, any restrictions that may apply to those shares.

Any intermediary registered on behalf of an owner who is not resident within France is required, under the terms set out in Article L. 228-1 of the French Commercial Code, to reveal the identity of the owners of such shares within 10 days, on request by the Company or its legal representative at any time.

Where the Company has reason to believe that holders of registered or bearer shares who are known to the Company are holding those shares on behalf of third-party shareholders, it is entitled to request those holders to reveal the identities of the owners of said shares under the terms set out above.

Where a person to whom a request is made in accordance with the above provisions does not provide the requested information within the legal and regulatory time limits, or provides incomplete or incorrect information relating either to his or her capacity or to the identity of the shares' owners, the shares or securities providing immediate or future entitlement to share capital for which that person is the registered account holder shall have no voting rights at any Shareholders' Meetings until such time as all matters relating to identity are settled, and payment of any corresponding dividends shall be deferred until that date.

In addition, if a person registered as a holder of shares knowingly disregards the above provisions, the Court in whose jurisdiction the Company's registered office is located may, at the request of the Company or one or more shareholders, holding at least 5% of the capital, order the full or partial withdrawal, for a total period not exceeding five years, of any voting rights attached to the shares in question and, possibly for the same period, the right to any corresponding dividends.

Where any legal entity owns shares in the Company and has a holding of more than one-fortieth of the capital or voting rights, the Company may ask that entity to disclose the identities of any persons who directly or indirectly hold more than one-third of the entity's share capital or voting rights exercised at the entity's General Shareholders' Meetings.

## Actions required to modify shareholders' rights

At the registration date of this Universal Registration Document, the Articles of Association contain no provisions stricter than those set out in the law relating to changes to shareholders' rights.

## 6.2.2 GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 11 AND ARTICLES 25 TO 31 OF THE ARTICLES OF ASSOCIATION)

### Access, participation and voting at General Shareholders' Meetings

General Shareholders' Meetings are made up of all shareholders whose shares have been fully paid up and whose entitlement to participate in General Shareholders' Meetings has been evidenced by the registration of the shares either in the name of the shareholder or, if the shareholder is not domiciled in France, of the intermediary registered on the shareholder's behalf, on the second working day prior to the General Shareholders' Meeting at 12 midnight (Paris time).

In order to attend, vote remotely, or be represented at General Shareholders' Meetings, owners of bearer shares or shares registered in an account not held by the Company must file a certificate prepared by the intermediary holding their account, indicating that the shares will not be transferable before the date of the General Shareholders' Meeting, at the place indicated in the Notice of Meeting, no later than 3 p.m. (Paris time) on the day prior to the General Shareholders' Meeting.

In order to attend, vote remotely or be represented at General Shareholders' Meetings, owners of shares registered in an account held by the Company must have their shares registered in their account held by the Company by no later than 3 p.m. (Paris time) on the day prior to the General Shareholders' Meeting.

Access to the General Shareholders' Meeting is open to its members with proof of their status and identity. The Board of Directors may, if it considers it appropriate, arrange for shareholders to be sent personal admission cards bearing their names and require these cards to be shown at the General Shareholders' Meeting.

Owners of Company shares, who are not residents of France, may be registered in the accounts and represented at General Shareholders' Meetings by any intermediary who is registered on their behalf and holds a general securities management mandate, provided that such intermediaries have previously declared themselves as intermediaries holding shares on behalf of third parties at the time the account is opened with the Company or the account-holding financial intermediary, in accordance with legal and regulatory provisions.

The Company is entitled to ask any intermediary who is registered on behalf of shareholders not residing in France and who holds a general mandate to provide a list of the shareholders they represent and whose rights are to be exercised at the meeting.

Each member of a General Shareholders' Meeting has as many votes as the number of shares he or she owns or represents, provided that his or her voting rights have not been withdrawn.

Any shareholder may also, subject to legal and regulatory conditions, vote remotely or issue powers of attorney to any person of his or her choice in order to be represented and vote at a General Shareholders' Meeting.

Remote voting is carried out under the terms and conditions provided for in applicable laws and regulations. Voting forms must be received by the Company no later than 3 p.m. (Paris time) on the day before the General Shareholders' Meeting.

Powers of attorney and postal voting forms and certificates of non-transferability of shares may be submitted in electronic form duly signed under the conditions provided for in applicable laws and regulations.

Shares are indivisible with regard to the Company. Joint owners of shares must arrange for one of them to act as their representative with the Company, who shall be considered to be the sole owner and representative. In the event of failure to agree, the sole representative may be appointed by the Court at the request of the first joint owner to so request. Unless the Company is properly notified of any agreement to the contrary, beneficial owners have the right to vote at Ordinary General Shareholders' Meetings and bare owners have the right to vote at Extraordinary General Shareholders' Meetings.

General Shareholders' Meetings may be held by videoconference or by any other means of telecommunication, including the internet, which enables shareholders to be identified under the conditions set out in applicable laws and regulations.

If the Board of Directors so decides at the time of convening the meeting, forms may be completed and signed electronically directly on a site set up by the Company. This site must use a process including a username and password, in accordance with the terms set out in the first sentence of paragraph two of Article 1316-4 of the French Civil Code, or any other process which meets the conditions set out in the first sentence of paragraph two of Article 1316-4 of the French Civil Code.

The proxy form or ballot submitted in this way prior to the meeting by such electronic means, and any receipts which are provided for them, shall be considered to be fully enforceable, irrevocable written records, subject to the points set out below. By derogation, in the event of a sale of shares occurring prior to 12 midnight (Paris time) on the second working day preceding the meeting, the Company shall invalidate or alter accordingly, as the case may be, the proxy form or ballot submitted prior to the meeting, using the electronic means set up by the Board of Directors.

Owners of Company shares, who are not residents of France, may be registered in the accounts and represented at the meeting by any intermediary who is registered on their behalf and holds a general securities management mandate, provided such intermediaries have previously declared themselves as intermediaries holding shares on behalf of others at the time shares are registered in the accounts held with the Company or the account-holding financial intermediary, in accordance with applicable laws and regulations.

The Company is entitled to ask any intermediary who is registered on behalf of shareholders not residing in France and who holds a general mandate to provide a list of the shareholders they represent and whose rights are to be exercised at the meeting.

### Ordinary General Shareholders' Meetings

Ordinary General Shareholders' Meetings are called to make all decisions that do not amend the Articles of Association. They are held at least once a year within six months of the end of the financial year, to approve the financial statements for the previous financial year, unless this period is extended by Court order.

Ordinary General Shareholders' Meetings cannot validly deliberate, on the first Notice of Meeting, unless shareholders present, represented or voting remotely, hold at least one-fifth of shares with voting rights. Upon a second Notice of Meeting, no quorum is required. Decisions are made by majority vote of the shareholders who are present, represented or have voted remotely.

For the purposes of calculating quorum and majority, shareholders are deemed to be present if they take part in an Ordinary General Shareholders' Meeting by videoconference or any other means of telecommunication enabling them to be identified, the nature and terms of use of which are defined by applicable laws and regulations.

### Extraordinary General Shareholders' Meetings

Only Extraordinary General Shareholders' Meetings are authorised to amend any provisions of the Articles of Association. However, they may not increase shareholders' commitments except through transactions resulting from a properly executed share consolidation.

Subject to legal stipulations applicable to share capital increases by the incorporation of reserves, profits or issue premiums, Extraordinary General Shareholders' Meetings cannot validly deliberate unless shareholders present, represented or voting remotely hold, on the first Notice of Meeting, at least one-quarter or, on the second Notice of Meeting, one-fifth of the shares with voting rights. If the latter quorum cannot be reached, the second meeting may be reconvened up to two months after the original date, at which point a one-fifth quorum is again required.

Subject to the same conditions, decisions are made by a two-thirds majority vote of shareholders who are present, represented or have voted remotely.

For the purposes of calculating quorum and majority, shareholders are deemed to be present if they take part in an Extraordinary General Shareholders' Meeting by videoconference or any other means of telecommunication enabling them to be identified, the nature and terms of use of which are defined by applicable laws and regulations.

## Forms and deadlines for Notices of Meeting (Article 27 of the Articles of Association)

The Board of Directors calls General Shareholders' Meetings under the conditions provided for by law.

Otherwise, General Shareholders' Meetings may also be called by the Statutory Auditors or by any person authorised for this purpose.

A notice informing shareholders of the next General Shareholders' Meeting is published at least 35 days prior to the meeting in the French bulletin of mandatory legal announcements (BALO).

Except where provided for legally, notices are issued at least fifteen full days before the scheduled date of a General Shareholders' Meeting. This period is reduced to ten full days for General Shareholders' Meetings held after a second Notice of Meeting and for reconvened General Shareholders' Meetings.

The Notices of Meetings are issued by a notice in a newspaper publishing legal announcements in the department where the registered office is located, and in the French bulletin of mandatory legal announcements (BALO). Moreover, shareholders who have held registered shares for at least one month prior to the Notice of Meeting are summoned to the General Shareholders' Meeting by ordinary letter. They may ask to be notified by registered post, provided they pay the registered postage fee to the Company.

The meetings shall take place at the date, time and place stated in the Notice of Meeting.

Notices of Meeting must include the agenda for the meeting.

## Officers of General Shareholders' Meetings (Article 29 of the Articles of Association)

General Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a Director appointed by the Board for this purpose. Failing this, the General Shareholders' Meeting elects its own Chairman.

The duties of scrutineers are performed by the two members of the General Shareholders' Meeting with the greatest number of votes and who are willing to perform these duties.

The officers of a General Shareholders' Meeting appoint a secretary, who is not required to be a shareholder.

## Agenda

The Agenda of General Shareholders' Meetings is drawn up by the convenor of the meeting.

One or more shareholders representing the percentage of capital required by applicable regulatory provisions and acting in accordance with legal conditions and time limits may request that draft resolutions be added to the agenda.

Requests for draft resolutions to be added to the agenda must be sent by registered letter with recorded delivery as of publication of the Notice of Meeting in the French bulletin of mandatory legal announcements (BALO), and up to 25 days prior to the meeting (however, if the notice is published more than 45 days prior to the meeting, draft resolutions must be sent within 20 days of publication of the notice). The authors must provide proof that they possess or represent the required proportion of share capital, prior to transmission of the request, by registering the shareholders on the Company registers.

Only matters on the agenda may be discussed at General Shareholders' Meetings. Nevertheless, the General Shareholders' Meeting may, under any circumstances, dismiss and replace one or more members of the Board of Directors.

The agenda may not be amended where a second Notice of Meeting has been issued, or in the event of a meeting being reconvened.

### Conditions for exercising voting rights

At all General Shareholders' Meetings, each shareholder has as many votes as the number of shares he or she owns or represents, with no limitations other than those which may arise from legal provisions or the Articles of Association, subject to a Court order in certain cases. The provisions of the Articles of Association stipulating the existence of a double voting right, are presented in section 6.3 of this document.

## 6.2.3 SALE AND TRANSFER OF THE SHARES (ARTICLE 9 OF THE ARTICLES OF ASSOCIATION)

Shares are freely negotiable, subject to applicable legal and regulatory provisions. They are registered in an account and transferred under the terms and conditions set out in the applicable legal and regulatory provisions.

## 6.2.4 SHAREHOLDING DISCLOSURE THRESHOLDS (ARTICLE 9 OF THE ARTICLES OF ASSOCIATION)

In addition to the legal requirement to inform the Company when certain percentages of capital or voting rights have been exceeded or are not met, any person acting alone or in concert who comes to hold or ceases to hold, directly or indirectly, a fraction of the capital, voting rights or securities giving future rights to the Company's share capital that is equal to or greater than 1% or a multiple of this fraction, will be required, no later than before the close of trading on the fourth trading day after the day this threshold was exceeded or not met, to notify the Company, by registered letter with acknowledgement of receipt, of the total number of shares, voting rights or securities giving equity rights which it holds, directly or indirectly, alone or in concert.

This notification must be renewed under the aforementioned conditions whenever a new 1% threshold is reached or crossed, upwards or downwards, for any reason whatsoever, including above the 5% threshold.

In the event of non-compliance with the aforementioned requirements, and if one or more shareholders holding at least 1% of the share capital so requests from the General Shareholders' Meeting, the shareholders in question shall, without prejudice to potential suspensions of voting rights decided by a court, under the conditions and limits specified by law, be deprived of the voting rights for the shares exceeding the thresholds subject to declaration.

## 6.2.5 CHANGE IN CAPITAL CLAUSE

As at the registration date of this Universal Registration Document, the Articles of Association contain no provisions stricter than those set out in the law relating to changes in capital.

# 6.3 Share capital

### Rights and obligations attached to shares (Article 10 of the Articles of Association)

Each share entitles the holder to a share in the profits, ownership of Company assets and in the liquidation dividend, in a proportion equal to the share of capital it represents. In addition, each share entitles its holder to vote and be represented at General Shareholders' Meetings, in accordance with the law and the Articles of Association. Ownership of shares automatically implies full adherence to the Company's Articles of Association and to decisions taken at the General Shareholders' Meeting.

Shareholders are liable for losses only in the amount of their contribution to capital.

The heirs, creditors, assignees or representatives of a shareholder may not request that the Company's assets, securities or shares be placed under seal, divided or put up for public auction, nor may they interfere in the Company's management. In order to exercise their rights, they must refer to corporate inventories and decisions taken at General Shareholders' Meetings.

Where exercising a particular right requires ownership of several shares, shareholders who do not own the required number of shares must form a group and, where appropriate, purchase or sell shares as necessary.

The provisions of the Articles of Association stipulating the existence of a double voting right, as adopted by the General Shareholders' Meeting of 7 June 2011, became effective on 1 May 2013. A double voting right is attributed to all fully paid-up registered shares of the Company that have been registered in the name of the same holder for at least two years.

In the event that the capital is increased by incorporation of reserves, profits or issue premiums, this double voting right will apply, as soon as they are issued, to new shares allotted to a shareholder on the basis of existing shares for which he or she already holds this right. Any share converted to a bearer share or for which ownership is transferred will lose the double voting right, subject to exceptions provided for by law. These provisions entered into effect on 1 May 2013.

## 6.3.1 SHARE CAPITAL

As of the date of this document, the share capital amounts to €131,715,854 divided into 131,715,854 fully paid-up shares, each with a par value of €1, all of the same class.

### Authorised but unissued capital (current delegations of authority granted to the Company's Board of Directors)

The Combined General Shareholders' Meeting of the Company held on 3 June 2021 delegated authority to the Board of Directors for the following purposes, under the conditions set out below:

| Securities concerned | Term of the authorisation and expiration | Maximum amount of debt securities | Maximum nominal amount of capital increase |
|---|---|---|---|
| 1. Purchase or transfer of shares within the limit of 10% of the share capital (tenth resolution) | 18 months<br>3 January 2023 | - | Repurchase programme ceiling: €90,656,090 |
| 2. Free allotment of Company shares to employees or corporate officers of Solocal Group, with a waiver by the shareholders of their preferential subscription rights (fifteenth resolution) | 24 months<br>3 June 2023 | - | 1.5% of the share capital of which a maximum of 0.3% in favour of the corporate officers |
| 3. Delegation of authority to the Board of Directors to increase the share capital, with retention of shareholders' preferential subscription rights, by issuance of shares and/or equity securities granting access to other equity securities and/or granting entitlement to the allotment of debt securities and/or securities granting access to equity securities to be issued (sixteenth resolution) | 26 months<br>3 August 2023 | €300,000,000 | Ceiling: €38,852,610<br>Overall ceiling for issues 3, 4 and 5: €51,803,480 |

| Securities concerned | Term of the authorisation and expiration | Maximum amount of debt securities | Maximum nominal amount of capital increase |
|---|---|---|---|
| 4. Delegation of authority to the Board of Directors to increase the share capital, with cancellation of shareholders' preferential subscription rights, by issuance of shares and/or equity securities granting access to other equity securities and/or granting entitlement to the allotment of debt securities and/or securities granting access to equity securities to be issued, within the framework of public offerings (seventeenth resolution) | 26 months<br>3 August 2023 | €300,000,000 | Ceiling: €12,950,870<br>Overall ceiling of issues 4 and 5: €12,950,870 |
| 5. Delegation of authority to the Board of Directors to increase the share capital, with cancellation of shareholders' preferential subscription rights, by issuance of shares and/or equity securities granting access to other equity securities and/or granting entitlement to the allotment of debt securities and/or securities granting access to equity securities to be issued, in favour of qualified investors or a small circle of investors (eighteenth resolution) | 26 months<br>3 August 2023 | €300,000,000 | Ceiling: €12,950,870 |
| 6. Authorisation given to the Board of Directors to increase the number of securities to be issued, in the event of a capital increase with or without cancellation of shareholders' preferential subscription rights (nineteenth resolution) | 26 months<br>03 August 2023 | - | Regulatory ceiling |
| 7. Delegation of authority to the Board of Directors to increase the Company's share capital by incorporation of reserves, profits or premiums (twentieth resolution) | 26 months<br>3 August 2023 | - | €12,950,870 |
| 8. Share capital increase, with cancellation of shareholders' preferential subscription rights, reserved for members of a group savings plan (twenty-first resolution) | 26 months<br>3 August 2023 | - | €1,295,087 |
| 9. Delegation of authority to the Board of Directors to carry out a capital increase in cash by issuance of new ordinary shares, with cancellation of shareholders' preferential subscription rights, in favour of a category of persons meeting specified characteristics (twenty-second resolution) | 18 months<br>3 January 2023 | - | €20,000,000 |

The Board of Directors, at its meeting of 27 July 2021, made use, for the purposes of the partial repayment of the RCF, of the delegation of authority granted to it under the twenty-second resolution of the Company's Combined General Shareholders' Meeting of 3 June 2021, pursuant to which it increased the Company's share capital on 30 September 2021 by a nominal amount of one million eight hundred and thirty-four thousand seven hundred and eight euros (€1,834,708).

## Other securities giving rights to capital

On 13 March 2017, the Company issued to the creditors, as part of its first financial restructuring plan, 9,067,200 mandatory convertible bonds (MCBs) for a nominal amount of €18.13 million, granting entitlement to the allotment of 9,067,200 shares upon the conversion of all the MCBs, i.e. 1.55% of the Company's share capital. As of the date of this document, no MCBs remain outstanding, the MCBs having reached their maturity date, which was five years from their issue date, and the outstanding MCBs having been redeemed in full on 14 March 2022.

On 27 November 2019, the Company decided to authorise the setting up of an equity line financing arrangement and the associated issuance of up to 58,000,000 ordinary share warrants ("Warrants") to Kepler Cheuvreux. Kepler Cheuvreux has exercised, up to 31 January 2020, 41,915,190 Warrants resulting in the issuance of 4,191,519 shares.

The line is no longer usable as of 28 November 2021.

## 6.3.2 NON-EQUITY SHARES

As at the registration date of this Universal Registration Document, there were no non-equity shares.

## 6.3.3 ACQUISITION BY THE COMPANY OF ITS OWN SHARES

In accordance with Articles L. 22-10-62 et seq. of the French Commercial Code, the Combined General Shareholders' Meeting of 3 June 2021 authorised the Board of Directors to purchase Company shares, up to a maximum of 10% of the existing share capital as of the date when the authorisation takes effect, under the following conditions:

- the maximum purchase price should not exceed €7 per share, it being specified that in the event of any transactions involving the capital, notably by way of incorporation of reserves and the allotment of free shares, and/or division or grouping together of shares, this price will be adjusted accordingly;
- the maximum total amount of funds intended for the repurchase programme stands at €90,656,090;
- this authorisation is valid for an 18-month period;
- shares may be acquired or transferred at any time, except during the period of a takeover bid, in compliance with legal or regulatory requirements, by any method, in particular, on the market, on multi-lateral trading facilities or over-the-counter, including block purchases or sales, and by the use of derivative financial instruments traded in regulated markets, multi-lateral trading facilities, or over-the-counter services.

At the General Shareholders' Meeting called to approve the 2022 financial statements, the shareholders will be asked to vote on the renewal of this share repurchase programme.

## 6.3.4 OTHER INFORMATION

### Option plans and performance share grants

Information on option plans and performance share grants is described in section 6.4.3 of this document.

### Convertible securities, exchangeable securities or equity warrants

As of the registration date of this Universal Registration Document, there were no convertible or exchangeable securities or equity warrants other than convertible option bonds redeemable for shares and share warrants issued in connection with the equity line (see section 6.3.1 of this document).

### Information on the conditions governing any acquisition rights and/or obligations attached to capital subscribed but not paid up

Information relating to authorisations to issue shares given to the Board of Directors by the General Shareholders' Meeting is set out in section 6.3.1 of this document.

### Information on the capital of any of the Group's members subject to an option or a conditional or unconditional agreement

As at the registration date of this Universal Registration Document, no member of the Group had any option or agreement of this type.

## 6.3.5 HISTORY OF SHARE CAPITAL AND VOTING RIGHTS

Information on the ownership of the Company's share capital is provided in section 6.4 of this document.

### Statement of change in share capital

| Date | Operation | Number of shares issued | Maximum nominal amount of capital increase | Issue premium per share | Total amount of the issue premium | Successive amounts of capital | Number of shares | Par value |
|---|---|---|---|---|---|---|---|---|
| Combined General Shareholders' Meeting of 27 May 2004 | Stock split | 274,050,000 | - | - | - | €54,810,000 | 274,050,000 | €0.20 |
| Initial Public Offering July 2004 | Capital increase reserved for employees of France Télécom | 4,739,610 | €947,922 | €11.10 | €52,609,671 | €55,757,922 | 278,789,610 | €0.20 |
| 15 January 2007 | Recognition of the capital increase resulting from share subscription options exercised in 2006 | 1,477,170 | €295,434 | €17.60 | €25,990,960.40 | €56,053,356 | 280,266,780 | €0.20 |
| 15 January 2008 | Recognition of the capital increase resulting from share subscription options exercised in 2007 | 377,670 | €75,534 | €11.52 | €4,350,758.40 | €56,128,890 | 280,644,450 | €0.20 |
| 25 February 2009 | Recognition of the capital increase resulting from allotments of performance shares in 2008 | 340,304 | €68,060.80 | – | – | €56,196,950.80 | 280,984,754 | €0.20 |
| 6 June 2014 | Capital increase with preferential subscription rights and reserved capital increase | 880,742,416 | €440,371,208 | €0.50 | €264,222,724 | €232,345,434 | 1,161,727,170 | €0.20 |
| 29 April 2015 | Capital increase reserved for current and former employees of Solocal Group | 4,569,773 | €913,954.60 | €0.36 | €921,266.37 | €233,259,388.60 | 1,166,296,943 | €0.20 |
| 26 October 2015 | Reverse stock split by allotment of one (1) new ordinary share with a par value of €6 for thirty (30) existing ordinary shares, each with a par value of €0.20 | – | – | – | – | €233,259,384 | 38,876,564 | €6 |
| 2 February 2017 | Capital reduction by way of a reduction in the par value of each share | – | – | – | – | €3,887,656.40 | 38,876,564 | €0.10 |
| 13 March 2017 | Free share allotments at a ratio of 3 free shares for 2 shares held at 10 March 2017 | 58,314,846 | €5,831,484.60 | – | – | €9,719,141 | 97,191,410 | €0.10 |
| 13 March 2017 | Capital increase with preferential subscription rights | 398,484,781 | €39,848,478.10 | €0.90 | €358,636,303 | €49,567,619.10 | 495,676,191 | €0.10 |
| 13 March 2017 | Reserved capital increase | 80,542,087 | €8,054,208.70 | €4.41 | €355,190,603.67 | €57,621,827.80 | 576,218,278 | €0.10 |
| 7 April 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 619,504 | €61,950.40 | €1.90 | €1,177,057.60 | €57,683,778.20 | 576,837,782 | €0.10 |
| 4 May 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 2,552,365 | €255,236.50 | €1.90 | €4,849,493.50 | €57,939,014.70 | 579,390,147 | €0.10 |
| 9 June 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 2,140,432 | €214,043.20 | €1.90 | €4,066,820.80 | €58,153,057.90 | 581,530,579 | €0.10 |

| Date | Operation | Number of shares issued | Maximum nominal amount of capital increase | Issue premium per share | Total amount of the issue premium | Successive amounts of capital | Number of shares | Par value |
|---|---|---|---|---|---|---|---|---|
| 10 July 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 441,771 | €44,177.10 | €1.90 | €839,364.90 | €58,197,235 | 581,972,350 | €0.10 |
| 2 August 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 68,127 | €6,812.70 | €1.90 | €129,441.30 | €58,204,047.70 | 582,040,477 | €0.10 |
| 7 September 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 4,307 | €430.70 | €1.90 | €8,183.30 | €58,204,478.40 | 582,044,784 | €0.10 |
| 6 October 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 160,014 | €16,001.40 | €1.90 | €304,026.60 | €58,220,479.80 | 582,204,798 | €0.10 |
| 6 November 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 75,528 | €7,552.80 | €1.90 | €143,503.20 | €58,228,032.60 | 582,280,326 | €0.10 |
| 4 December 2017 | Recognition of the capital increase resulting from the redemption of MCBs | 164,474 | €16,447.40 | €1.90 | €312,500.60 | €58,244,480 | 582,444,800 | €0.10 |
| 8 February 2018 | Recognition of the capital increase resulting from the redemption of MCBs | 239,640 | €23,964 | €1.90 | €455,316 | €58,268,444 | 582,684,440 | €0.10 |
| 6 April 2018 | Recognition of the capital increase resulting from the redemption of MCBs | 634,564 | €63,456.40 | €1.90 | €1,205,671.60 | €58,331,900.40 | 583,319,004 | €0.10 |
| 7 May 2018 | Recognition of the capital increase resulting from the redemption of MCBs | 22,873 | €2,287.30 | €1.90 | €43,758.70 | €58,334,187.70 | 583,341,877 | €0.10 |
| 6 July 2018 | Recognition of the capital increase resulting from the redemption of MCBs | 31,687 | €3,168.70 | €1.90 | 60,205.30 | €58,337,356.40 | 583,373,564 | €0.10 |
| 28 January 2019 | Recognition of the capital increase resulting from the redemption of MCBs | 256,801 | €25,680.10 | €1.90 | €487,921.90 | €58,363,036.50 | 583,630,365 | €0.10 |
| 7 March 2019 | Recognition of the capital increase resulting from the redemption of MCBs | 157 | €15.70 | €1.90 | €298.30 | €58,363,052.20 | 583,630,522 | €0.10 |
| 9 May 2019 | Recoanition of the capital increase resultina from the redemption of MCBs | 491,368 | €49,136.80 | €1.90 | €933,599.20 | €58,512,189 | 585,121,890 | €0.10 |
| 2 October 2019 | Recognition of the capital increase resulting from the redemption of MCBs | 4,386 | €438.60 | €1.90 | €8,333.40 | €58,512,627.60 | 585,126,276 | €0.10 |
| At 31 December 2019 | Capital increase resulting from the issuance of shares under the equity line | 34,415,190 | €3,441,519 | €0.41233 | €14,190,415.30 | €61,954,146.60 | 619,541,466 | €0.10 |
| At 31 January 2020 | Capital increase resulting from the issuance of shares under the equity line | 7,500,000 | €750,000 | €0.4021 | €3,015,750 | €62,704,146.60 | 627,041,466 | €0.10 |
| 7 August 2020 | Capital reduction for reasons other than losses | – | – | – | – | €6,270,414.66 | 627,041,466 | €0.01 |

| Date | Operation | Number of shares issued | Maximum nominal amount of capital increase | Issue premium per share | Total amount of the issue premium | Successive amounts of capital | Number of shares | Par value |
|---|---|---|---|---|---|---|---|---|
| 9 September 2020 | Capital increase with cancellation of shareholders' preferential subscription rights in favour of GoldenTree and Financière de la Clarée | 131,286,950 | 1,312,869.50 | €0.07 | €9,190,086.50 | €7,583,284.16 | 758,328,416 | €0.01 |
| 6 October 2020 | Capital increase by issuance of free shares in favour of shareholders who have proof that their shares are registered in an account | 625,912,878 | €6,259,128.78 | – | – | €13,842,412.94 | 1,384,241,294 | €0.01 |
| 6 October 2020 | Capital increase with shareholders' preferential subscription rights | 11,198,586,929 | €111,985,869.29 | €0.02 | €223,971,738.58 | €125,828,282.23 | 12,582,828,223 | €0.01 |
| 6 October 2020 | Reserved capital increase with cancellation of shareholders' preferential subscription rights in favour of members of the ad hoc Bondholders' Committee or their affiliates, successors or assigns | 367,231,638 | €3,672,316.38 | €0.0254 | €9,327,683.60 | €129,500,598.61 | 12,950,059,861 | €0.01 |
| 16 October 2020 | Recognition of the capital increase resulting from the redemption of MCBs | 1,651 | €16.51 | €0.94 | €1,549.50 | €129,500,615.12 | 12,950,061,512 | €0.01 |
| 5 November 2020 | Free allotment of shares under the Universal Plan | 522,270 | €5,222.70 | – | – | €129,505,837.82 | 12,950,583,782 | €0.01 |
| 27 November 2020 | Reverse split of Company shares at a parity of one hundred (100) ordinary shares, each with a par value of €0.01 in exchange for one (1) new share, each with a par value of one euro (€1) | – | – | – | – | €129,505,837* | 129,505,837 | €1 |
| 18 January 2021 | Recognition of the capital increase resulting from the redemption of MCBs | 2,863 | €2,863 | €94.25 | €269,843 | €129,508,700 | 129,508,700 | €1 |
| 30 April 2021 | Recognition of the capital increase resulting from the redemption of MCBs | 42 | €42 | €95.95 | €4,030 | €129,508,742 | 129,508,742 | €1 |
| 3 May 2021 | Recognition of the capital increase reserved for employees | 319,730 | €319,730 | €1.19 | €380,479.70 | €129,828,472 | 129,828,472 | €1 |
| 4 May 2021 | Recognition of the capital increase resulting from allotments of performance shares made in 2018 | 31,255 | €31,255 | – | – | €129,859,727 | 129,859,727 | €1 |
| 29 June 2021 | Recognition of the capital increase resulting from the redemption of MCBs | 33 | €33 | €93.88 | €3,099 | €129,859,760 | 129,859,760 | €1 |
| 30 September 2021 | Recognition of the capital increase resulting from the partial repayment of the claims of certain RCF creditors | 1,834,708 | €1,834,708 | €0.64 | €1,165,290 | €131,694,468 | 131,694,468 | €1 |
| 22 February 2022 | Recognition of the capital increase resulting from the redemption of MCBs | 29 | €29 | €94.24 | €2,733 | €131,694,497 | 131,694,497 | €1 |

| Date | Operation | Number of shares issued | Maximum nominal amount of capital increase | Issue premium per share | Total amount of the issue premium | Successive amounts of capital | Number of shares | Par value |
|---|---|---|---|---|---|---|---|---|
| 10 March 2022 | Recognition of the capital increase resulting from the redemption of MCBs | 215 | €215 | €94.32 | €20,279 | €131,694,712 | 131,694,712 | €1 |
| 15 March 2022 | Recognition of the capital increase resulting from the redemption of MCBs | 238 | €238 | €94.56 | €22,506 | €131,694,950 | 131,694,950 | €1 |
| 15 March 2022 | Recognition of the capital increase resulting from the redemption in full of the outstanding amount of the MCBs following the maturity of the MCBs | 20,904 | €20,904 | €94.24 | €1,970,024 | €131,715,854 | 131,715,854 | €1 |

* *The Company waived the reverse split of 82 existing treasury shares forming fractional shares.*

## Comments on material changes in the breakdown of the Company's share capital during the last three years

Recent changes in the breakdown of the Company's share capital are described in section 6.4.1 of this Universal Registration Document.

## Pledges

See section 6.4.7 of this document.

### Market for Company shares

| Euronext (FP) | Low (in euros) | High (in euros) | Last price (in euros) | Volume traded | Capital |
|---|---|---|---|---|---|
| Jan-21 | 2.5300 | 3.2655 | 2.6440 | 12,570,075 | 35,767,786 |
| Feb-21 | 2.6000 | 3.6835 | 3.1150 | 20,454,413 | 65,210,570 |
| Mar-21 | 2.7700 | 3.2320 | 2.8790 | 12,804,920 | 38,330,553 |
| Apr-21 | 2.7245 | 3.1650 | 2.8125 | 7,749,605 | 22,787,226 |
| May-21 | 2.3035 | 2.8400 | 2.4905 | 6,706,479 | 16,975,684 |
| Jun-21 | 1.7840 | 2.5180 | 1.8096 | 9,685,155 | 19,902,614 |
| Jul-21 | 1.4528 | 2.0780 | 1.5938 | 9,088,669 | 15,212,074 |
| Aug-21 | 1.4610 | 1.7290 | 1.7452 | 5,423,831 | 8,627,116 |
| Sept-21 | 1.5450 | 1.9900 | 1.7452 | 7,860,928 | 13,631,480 |
| Oct-21 | 1.2600 | 1.7628 | 1.3050 | 9,264,264 | 13,879,792 |
| Nov-21 | 1.1074 | 1.3690 | 1.1458 | 8,487,802 | 10,535,004 |
| Dec-21 | 1.0500 | 1.3180 | 1.2284 | 10,137,739 | 12,157,044 |

| All markets (EU) | Low (*in euros*) | High (*in euros*) | Last price (*in euros*) | Volume traded | Capital |
|---|---|---|---|---|---|
| Jan-21 | 2.5870 | 3.1705 | 2.6440 | 12,570,058 | 33,235,233 |
| Feb-21 | 2.7065 | 3.5940 | 3.1150 | 20,454,384 | 63,715,406 |
| Mar-21 | 2.8370 | 3.1370 | 2.8790 | 12,804,918 | 36,865,359 |
| Apr-21 | 2.7400 | 3.0760 | 2.8125 | 7,749,605 | 21,795,764 |
| May-21 | 2.3300 | 2.7615 | 2.4905 | 6,706,479 | 16,702,486 |
| Jun-21 | 1.8096 | 2.4880 | 1.8096 | 9,685,149 | 17,526,246 |
| Jul-21 | 1.4902 | 1.9096 | 1.5938 | 9,088,660 | 14,485,506 |
| Aug-21 | 1.5112 | 1.7000 | 1.7000 | 5,423,831 | 9,220,513 |
| Sept-21 | 1.5642 | 1.9200 | 1.7452 | 7,860,928 | 13,718,892 |
| Oct-21 | 1.3050 | 1.7240 | 1.3050 | 9,264,260 | 12,089,859 |
| Nov-21 | 1.1350 | 1.3598 | 1.1458 | 8,487,802 | 9,725,324 |
| Dec-21 | 1.0786 | 1.3004 | 1.2284 | 10,137,729 | 12,453,186 |

### 6.3.6 RELATIONS WITH SHAREHOLDERS

See "Shareholder structure" section of the Integrated Report.

# 6.4 Main shareholders

## 6.4.1 OWNERSHIP STRUCTURE HISTORY

### Breakdown of the Company's share capital

At 31 December 2021, and on the basis of information known to the Company, Solocal's ownership structure was as follows:

| | 31 December 2021 | | | |
|---|---|---|---|---|
| | Number of shares | % of share capital | Available voting rights | % of voting rights |
| GoldenTree Asset Management, L.P. (U.S.) | 30,616,919 | 23.2% | 30,616,919 | 23.3% |
| DNCA Finance S.A. | 13,369,434 | 10.2% | 13,369,434 | 10.2% |
| Melqart Asset Management (UK) Ltd | 9,118,617 | 6.9% | 9,118,617 | 6.9% |
| Credit Suisse Asset Management | 7,684,520 | 5.8% | 7,684,520 | 5.8% |
| Public | 70,277,263 | 53.4% | 70,331,711 | 53.5% |
| Solocal Group employees (1) | 317,830 | 0.2% | 317,830 | 0.2% |
| Treasury shares held (2) | 309,885 | 0.2% | - | - |
| **TOTAL** | **131,694,468** | **100.0%** | **131,439,031** | **100.0%** |

(1) *Under the Solocal Group Savings Plan.*
(2) *309,885 treasury shares are held under a liquidity agreement implemented on 2 December 2012.*

Previously, and on the basis of information known to the Company, Solocal's ownership structure was as follows:

**Shareholder structure as at 31 December 2020**

| | 31 December 2020 | | | |
|---|---|---|---|---|
| | Number of shares | % of share capital | Voting rights | % of voting rights |
| GoldenTree Asset Management, L.P. (U.S.) | 30,319,100 | 23.41% | 30,319,100 | 23.41% |
| DNCA Finance S.A. | 15,204,000 | 11.74% | 15,204,000 | 11.74% |
| Melqart Asset Management (UK) Ltd | 8,332,300 | 6.43% | 8,332,300 | 6.43% |
| Credit Suisse Asset Management | 8,205,847 | 6.34% | 8,205,847 | 6.34% |
| Public | 67,410,081 | 52.05% | 67,434,076 | 52.06% |
| Solocal Group employees (1) | 26,691 | 0.02% | 26,691 | 0.02% |
| Treasury shares held (2) | 7,818 | 0.01% | – | – |
| **TOTAL** | **129,505,837** | **100.00%** | **129,522,014** | **100.00%** |

*(1) Under the Solocal Group Savings Plan.*
*(2) 7,818 treasury shares are held under a liquidity agreement implemented on 2 December 2012.*

**Shareholder structure as at 31 December 2019**

| | 31 December 2019 | | | |
|---|---|---|---|---|
| | Number of shares | % of share capital | Available voting rights | % of voting rights |
| J O Hambro Capital Management Ltd | 53,841,590 | 8.7% | 51,745,304 | 8.1% |
| DNCA Finance S.A. | 53,481,000 | 8.6% | 53,481,000 | 8.4% |
| Family Office Amar | 40,000,264 | 6.5% | 40,000,264 | 6.3% |
| River and Mercantile AM & Alliance Trust | 37,295,642 | 6.0% | 37,295,642 | 5.9% |
| Edmond de Rothschild AM | 30,460,928 | 4.9% | 30,460,928 | 4.8% |
| Public | 433,707,697 | 70.0% | 452,299,201 | 71.2% |
| Solocal Group employees (1) | 647,677 | 0.1% | 654,933 | 0.1% |
| Treasury shares held (2) | 567,596 | 0.1% | – | – |
| **TOTAL** | **619,541,466** | **100.0%** | **635,476,344** | **100.0** |

*(1) Under the Solocal Group Savings plan (PEG).*
*(2) 567,596 treasury shares are held under a liquidity agreement implemented on 2 December 2012.*

### Shareholding disclosure thresholds

- In a letter received on 2 March 2021, Amiral Gestion[1] (103 rue de Grenelle, 75007 Paris), acting on behalf of the funds under its management, reported that on 25 February 2021, it had exceeded the thresholds of 5% of the share capital and voting rights of Solocal Group and that it held, on behalf of the said funds, 6,549,819 Solocal Group shares and the same proportion of voting rights, or 5.06% of the share capital and voting rights in the Company[2]. These thresholds were crossed as the result of an on-market purchase of Solocal Group shares.
- In a letter received on 19 March 2021, Amiral Gestion[1] (103 rue de Grenelle, 75007 Paris), acting on behalf of the funds under its management, reported that on 17 March 2021, it had fallen below the thresholds of 5% of the share capital and voting rights of Solocal Group and that it held, on behalf of the said funds, 6,473,325 Solocal Group shares and the same proportion of voting rights, or 4.998% of the share capital and 4.997% of the voting rights in the Company[3]. These thresholds were crossed as a result of an on-market sale of Solocal Group shares.

## 6.4.2 CONTROL OF THE ISSUER

No person or entity, directly or indirectly, jointly or in concert, exercises, to the knowledge of the Company, control over it.

## 6.4.3 SHAREHOLDING, SHARE SUBSCRIPTION OR PURCHASE OPTIONS, PERFORMANCE SHARE GRANTS

### Shareholdings

On the date this Document was filed, and to the Company's knowledge, the members of the Board of Directors held the following number of Solocal Group shares:

| Director | Number of shares |
|---|---|
| Mr Philippe Mellier, Chairman of the Board of Directors | 40,000 |
| Mr David Amar and related persons | 958,585 |
| Ms Delphine Grison | 5,929 |
| Ms Marie-Christine Levet | 839 |
| Ms Catherine Robaglia | 54 |
| Ms Anne-France Laclide | 897 |
| Ms Sophie Sursock | 1,678 |
| Mr David Eckert | 1,376 |
| Mr Paul Russo | 1,376 |

### Ordinary share warrants issued in connection with the equity line

At its meeting of 27 November 2019, the Company's Board of Directors made use of the delegation of authority granted by the Combined General Shareholders' Meeting of 9 March 2018, pursuant to its fifteenth resolution and decided to authorise the setting up of an equity financing line and the associated issuance by the Company of a maximum of 58,000,000 ordinary share warrants ("Warrants").

Kepler Cheuvreux has exercised, up to 31 January 2020, 41,915,190 Warrants giving rise to the issuance of 4,191,519 shares (See Statement of change in share capital, section 6.3.5).

The line is no longer usable as of 28 November 2021.

*(1) Controlled by Julien Lepage. Amiral Gestion SAS declares that it acts independently of the person who controls it, under the terms set out in Articles L. 233-9 II of the French Commercial Code and 223-12 and 223-12-1 of the General Regulation.*

*(2) Based on a capital of 129,508,700 shares representing 129,556,219 voting rights, pursuant to the second paragraph of Article L. 223-11 of the General Regulation.*

*(3) Based on a capital of 129,508,700 shares representing 129,556,260 voting rights, pursuant to the second paragraph of Article L. 223-11 of the General Regulation.*

## Allotments of share subscription or purchase options

### 2005 plan

The Company implemented a share subscription option plan on 28 June 2005 which expired on 28 June 2015 and was cancelled.

### 2007 plan

Similarly, the Company implemented a second share subscription plan on 20 December 2007 which expired on 19 December 2017 and was cancelled.

### 2009 plan

In 2009, the Company implemented three share subscription plans, on 23 July 2009, 29 October 2009 and 17 December 2009. These three plans expired on 22 July 2019, 28 October 2019 and 16 December 2019 respectively and were cancelled.

### 2010 plan

In 2010, the Company implemented two share subscription plans, on 27 July 2010 and 16 December 2010 which expired on 26 July 2020 and 15 December 2020 respectively and were cancelled.

In accordance with Article L. 225-184 of the French Commercial Code, information on the granting and exercise of Company stock options in 2021 is provided below:

### Share subscription or purchase options granted during the 2021 financial year to each executive corporate officer by the issuer or by any Group company

| Name of executive corporate officer | Plan No. and date | Type of options (purchase or subscription) | Valuation of options according to the method used for the consolidated financial statements | Number of options granted during the year | Strike price | Exercise period |
|---|---|---|---|---|---|---|
| Pierre Danon (1) | - | - | - | - | - | - |
| Hervé Milcent (2) | - | - | - | - | - | - |
| Philippe Mellier (3) | - | - | - | - | - | - |

(1) *Chairman of the Board of Directors and Chief Executive Officer for the period from 5 October 2020 to 5 April 2021 inclusive - Chairman of the Board of Directors until 29 June 2021 inclusive.*

(2) *Chief Executive Officer since 6 April 2021.*

(3) *Chairman of the Board of Directors since 30 June 2021.*

### Share subscription or purchase options exercised during the 2021 financial year by each executive corporate officer

| Name of the executive corporate officer | Plan no. and date | Number of options exercised during the year | Strike price |
|---|---|---|---|
| Pierre Danon (1) | - | - | - |
| Hervé Milcent (2) | - | - | - |
| Philippe Mellier (3) | - | - | - |

(1) *Chairman of the Board of Directors and Chief Executive Officer for the period from 5 October 2020 to 5 April 2021 inclusive - Chairman of the Board of Directors until 29 June 2021 inclusive.*

(2) *Chief Executive Officer since 6 April 2021.*

(3) *Chairman of the Board of Directors since 30 June 2021.*

### Share subscription or purchase options granted to and exercised by the top ten non-corporate officer beneficiaries

| Share subscription or purchase options granted to and exercised by the top ten non-corporate officer beneficiaries in 2020 | Total number of options granted/ shares subscribed for or purchased | Average weighted price |
|---|---|---|
| Options granted during the year by the issuer and by the companies included in the stock option plan, to the ten employees of the issuer or of the said companies who received the highest number of options (general information) | None | – |
| Options held in the issuer and in the aforementioned companies that were exercised during the year by the ten employees of the issuer or of the said companies who purchased or subscribed for the highest number of options (general information) | None | – |

## History of share subscription or purchase option allotments

### Information on share subscription or purchase options

| Shareholder's Meeting | 11 June 2009 | 11 June 2009 | 11 June 2009 | 11 June 2009 | 11 June 2009 |
|---|---|---|---|---|---|
| Board meeting and name of plan | 23 July 2009 | 29 Oct. 2009 | 17 Dec. 2009 | 27 July 2010 | 16 Dec. 2010 |
| Total number of shares that could be subscribed for or purchased at 31 December 2020 | 0 | 0 | 0 | 0 | 0 |
| Of which the number available for subscription by corporate officers (1) | – | – | – | – | – |
| Start date for option exercise/share vesting | 23 July 2012 | 29 Oct. 2012 | 17 Dec. 2012 | 27 July 2013 | 16 Dec. 2013 |
| Expiry date | 23 July 2019 | 29 Oct. 2019 | 17 Dec. 2019 | 27 July 2020 | 16 Dec. 2020 |
| Subscription or purchase price | €38.79 | – | €45.21 | €49.64 | €41.01 |
| Terms of exercise (if plan comprises multiple tranches) | – | – | – | – | – |
| Number of shares subscribed | 0 | 0 | 0 | 0 | 0 |
| Number of cancelled or lapsed share subscription or purchase options | 0 | 0 | 0 | 0 | 0 |
| Number of share subscription or purchase options remaining at the end of FY 2021 | 0 | 0 | 0 | 0 | 0 |

(1) *No Director holds any share subscription or purchase options granted by the Company*

## Performance share allotments

### 2006 and 2008 plans

The Board of Directors was authorised by the Extraordinary General Shareholders' Meeting of 19 April 2006 to set up, in favour of certain senior executives and employees of the Group, a performance share plan, as defined in Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, in order to give them a greater stake in the Company's development. This authorisation was granted for a period of 38 months and the total number of free shares awarded under this resolution may not represent more than 0.5% of the Company's share capital as at the date of that General Shareholders' Meeting, i.e. 1,393,948 shares.

The Board of Directors approved the terms of an initial performance share plan on 30 May 2006. Under this plan, an initial allotment of 602,361 shares was made to 591 Group employees on 30 May 2006. As the performance conditions were not met, the right for beneficiaries to receive these shares free of charge was forfeited.

A second performance share plan was approved on 20 November 2006 and gave rise to the allotment of 778,638 shares to 611 Group employees. Given the failure to meet the performance conditions over one of the two years concerned, only 50% of these shares were vested to the beneficiaries on 20 November 2008.

A third plan was approved on 14 February 2008, leading to the allotment of 12,940 shares to 15 Group employees. As the performance conditions were not met, the right for beneficiaries to receive these shares free of charge was forfeited.

### 2011, 2012 and 2013 plans

The shareholders of Solocal Group, meeting at the Combined General Shareholders' Meeting of 7 June 2011, authorised the Board of Directors to set up, in favour of certain senior executives and employees of Solocal Group and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code.

Under this plan, an initial allotment of 1,226,000 shares was made to 41 Group employees on 26 October 2011. A second performance share plan was approved on 16 December 2011 and led to the allotment of 84,000 shares to three Group employees. Given the partial fulfilment of the performance conditions of these two plans, approximately 45% of these shares were fully vested to the beneficiaries on 31 March 2014.

A third performance share plan was approved on 11 December 2012 and led to the allotment of 2,624,000 shares to 47 beneficiaries. A new performance share plan was approved on 11 December 2013 and led to the allotment of 280,000 shares to 10 beneficiaries.

For the performance shares awarded under the plans of 11 December 2012 and 11 December 2013, the Board of Directors decided, at its meeting of 19 June 2014, to make adjustments to take into account the impact of the capital increase in cash with retention of preferential subscription rights. Given the partial fulfilment of the performance conditions of these two plans, approximately 70.7% of these shares were fully vested to the beneficiaries. This rate corresponds to 74.6% achievement of the performance conditions relating to the change in revenues (two-thirds weighting) and 63.0% achievement of the performance conditions relating to the change in the GOM (one-third weighting).

### 2014 and 2015 plans

The shareholders of Solocal Group, meeting at the Extraordinary General Shareholders' Meeting of 29 April 2014, authorised the Board of Directors to set up, in favour of certain senior executives and employees of Solocal Group and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 et seq. of the French Commercial Code.

On 19 June 2014, 45,221,000 shares were awarded to 112 beneficiaries under this plan. A second performance share plan was approved on 9 February 2015 and led to the allotment of 2,305,000 shares to 12 Group employees.

Adjustments were made to these plans in 2015 and 2017 to take account of the reverse stock split carried out in 2015 and the capital increase completed on 14 March 2017.

As the performance conditions were not met, the right for beneficiaries to receive these shares free of charge was forfeited.

### 2018 plan

The shareholders of Solocal Group, meeting at the Extraordinary General Shareholders' Meeting of 9 March 2018, authorised the Board of Directors to set up, in favour of certain senior executives and employees of the Company and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 et seq. of the French Commercial Code.

Under this authorisation, the maximum number of performance shares that can be awarded free of charge is 9,200,000 Company shares, including a maximum of 2,300,000 shares for the Company's corporate officers.

On 24 April 2018, 9,050,000 performance shares were awarded to 73 beneficiaries under this plan, including 2,300,000 performance shares to the Chief Executive Officer.

Under this plan, performance shares are subject to a three-year vesting period. The beneficiaries are not subject to any retention period.

The vesting of the shares is subject to a continued employment condition and a performance condition based on the level of achievement of an objective concerning EBITDA minus CAPEX and on changes in the Company's share price.

The Chief Executive Officer and the members of the Company's Executive Committee are required to retain at least 30% of the shares vesting to them until the end of their duties.

Adjustments were made to this plan following the financial restructuring and the Company's reverse stock split carried out in October and November 2020 respectively:

- the Chief Executive Officer, making use of the powers granted to him by the Board of Directors of the Company, decided on 9 October 2020 to adjust the number of performance shares awarded as follows: one performance share shall grant entitlement to 2.109 new Company shares (in the event of fractional shares, the number of new shares shall be rounded down to the nearest whole number of new shares);
- the Chief Executive Officer, making use of the powers granted to him by the Board of Directors of the Company, decided on 27 November 2020 to adjust the number of performance shares awarded as follows: one performance share shall grant entitlement to 0.021 new Company shares (in the event of fractional shares, the number of new shares shall be rounded down to the nearest whole number of new shares).

In addition, it is specified that none of the 2,300,000 performance shares (valued at €0) awarded to Éric Boustouller on 24 April 2018 following the authorisation given by the Company's shareholders at the General Shareholders' Meeting of 9 March 2018 had yet vested as of the date of Mr Boustouller's departure from his position as Solocal Group's Chief Executive Officer since the performance conditions had not been met. The Board of Directors' meeting of 15 April 2021 approved the adjustment of the target share price from €1.98 to €198 to take account of the reverse stock split associated with the financial restructuring as well as the delivery of 31,255 shares.

## 2019 plan

The shareholders of Solocal Group, meeting at the Combined General Shareholders' Meeting of 11 April 2019, authorised the Board of Directors to set up, in favour of certain senior executives and employees of the Company and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 et seq. of the French Commercial Code.

Under this authorisation, the maximum number of performance shares that can be awarded free of charge is 5,500,000 Company shares, including a maximum of 1,500,000 shares for the Company's corporate officers.

On 19 June 2019, 5,435,000 performance shares were awarded to 53 beneficiaries under this plan, including 1,500,000 performance shares to the former Chief Executive Officer, Éric Boustouller.

It is specified that none of the 1,500,000 performance shares awarded to Éric Boustouller had vested as of the date on which he stood down from his duties as Chief Executive Officer of Solocal Group due to the performance conditions having not been met.

Furthermore, as the performance conditions were not met, the right for beneficiaries to receive these shares free of charge was forfeited: the Board of Directors' meeting of 15 April 2021 indeed noted that none of the performance criteria had been satisfied and thus recorded that no allotment of shares had been made.

## 2021 plan

The shareholders of Solocal Group, meeting at the Combined General Shareholders' Meeting of 27 November 2020, authorised the Board of Directors to set up, in favour of certain senior executives and employees of the Company and affiliated companies, a performance share plan as defined in Articles L. 225-197-1 et seq. of the French Commercial Code.

Under this authorisation, the maximum number of performance shares that can be awarded free of charge is 1,295,087 Company shares, including a maximum of 431,695 shares for the Company's corporate officers.

On 21 January 2021, 811,000 performance shares were granted to 61 beneficiaries under this plan, including 731,000 under the "Classic" LTI plan and 80,000 under the "Booster" LTI plan. On 2 June 2021, the Board of Directors approved an additional allotment of 97,000 performance shares to 13 beneficiaries.

On the same date, the Board of Directors approved an allotment of 10,000 shares to two beneficiaries under the "Classic 2" LTI plan.

For the "Classic", "Classic 2" and "Booster" LTI plans, the performance condition is assessed over three years and based on two criteria:

- an off-market criterion: the level of achievement of the free cash flow targets during the Reference Period; and
- a market criterion: the change in Solocal's share price during the Reference Period.

The "Booster" plan also carries an additional investment condition.

The two criteria are applied as follows for these plans:

(i) first criterion: 80% of the final award at the end of the plan period will depend on the achievement of the annual free cash flow objectives during the three years of the plan period;

(ii) second criterion: 20% of the final award will depend on the Solocal Group share price at the end of the plan period, with a target of €4.41.

- If the share price is greater than or equal to €4.41 at the end of 2023 (based on the average share price over the preceding twenty trading days), all of the shares allotted in respect of this criterion will vest;
- If the share price is less than or equal to €3 at the end of 2023 (based on the average share price over the preceding twenty trading days), no shares allotted in respect of this criterion will vest;
If the share price is greater than €3 but less than €4.41 at the end of 2023 (based on the average share price over the preceding twenty trading days), the number of performance shares vested in respect of this criterion will be determined on a linear basis between 0% and 100%.

The vesting period is three years and the retention period is three years for tranche 1, two years for tranche 2 and three years for tranche 3.

In addition, on 15 April 2021, the Board of Directors approved an allotment of 275,000 performance shares to the Chief Executive Officer, 130,000 under a "Classic" plan and 145,000 under a "Booster" plan.

For the LTI plans that apply to the Chief Executive Officer, the performance condition is assessed over three years and based on two criteria:

- an off-market criterion: the level of achievement of the free cash flow targets during the Reference Period; and
- a market criterion: the change in Solocal's share price during the Reference Period.

The "Booster" plan also carries an additional investment condition.

The two criteria are applied as follows for these plans:

(i) first criterion: 80% of the final award at the end of the plan period will depend on the achievement of the annual free cash flow objectives during the three years of the plan period;

(ii) second criterion: 20% of the final award will depend on the Solocal Group share price at the end of the plan period, with a target of €4.41.

- If the share price is greater than or equal to €4.41 at the end of 2023 (based on the average share price over the preceding twenty trading days), a maximum of 24,000 performance shares will vest in respect of this criterion, it being specified that if Solocal's share price is greater than €3 but less than €4.41, the number of performance shares vested will be determined on a linear basis between 0 and 24,000 shares;
- A maximum of 10,000 additional shares will vest if Solocal's share price is equal to €5, it being specified that if Solocal's share price is greater than €4.41 but less than €5, the number of additional performance shares vested in respect of this criterion will be determined on a linear basis between 0 and 10,000 additional shares;
- If the share price is less than or equal to €3 at the end of 2023 (based on the average share price over the preceding twenty trading days), no shares awarded in respect of this criterion will vest.

### Performance shares awarded to each executive corporate officer during the 2021 financial year

| Performance shares awarded by the General Shareholders' Meeting during the financial year to each executive corporate officer by the issuer and by any Group company (list of names) | Plan no. and date | Number of shares awarded during the financial year | Valuation of shares according to the method used for the consolidated financial statements | Vesting date | End of lock-up period | Performance conditions |
|---|---|---|---|---|---|---|
| Pierre Danon (1) | - | - | - | - | - | - |
| Hervé Milcent (2) | 15 April 2021 | 275,000 | 245,092 | 15 April 2021 | 15 April 2025 | Free cash flow and change in share price |
| Philippe Mellier (3) | - | - | - | - | - | - |

*(1) Chairman of the Board of Directors and Chief Executive Officer for the period from 5 October 2020 to 5 April 2021 inclusive - Chairman of the Board of Directors until 29 June 2021 inclusive.*

*(2) Chief Executive Officer since 6 April 2021.*

*(3) Chairman of the Board of Directors since 29 June 2021 inclusive.*

### Performance shares having vested during the 2021 financial year for each executive corporate officer

| Performance shares having vested for each executive corporate officer | Plan date | Number of shares having vested during the financial year | Vesting terms |
|---|---|---|---|
| Pierre Danon [(1)] | - | - | - |
| Hervé Milcent [(2)] | - | - | - |
| Philippe Mellier [(3)] | - | - | - |

*(1) Chairman of the Board of Directors and Chief Executive Officer for the period from 5 October 2020 to 5 April 2021 inclusive - Chairman of the Board of Directors until 29 June 2021 inclusive.*

*(2) Chief Executive Officer since 6 April 2021.*

*(3) Chairman of the Board of Directors since 30 June 2021.*

| | Solocal Plan |
|---|---|
| Number of performance shares awarded during the 2021 financial year to the top ten non-corporate officer Group beneficiaries | 490,000 |

## History of performance share allotments [(1)]

### Information on performance shares

| Shareholder's Meeting | 9 March 2018 | 11 April 2019 | 27 Nov. 2020 | 27 Nov. 2020 | 27 Nov. 2020 |
|---|---|---|---|---|---|
| Board meeting | 24 April 2018 | 19 June 2019 | 21 January 2021 | 15 April 2021 | 2 June 2021 |
| Total number of shares awarded | 86,068 [(2)] | 63,525 [(2)] | 908,000 | 275,000 | 10,000 |
| *of which number awarded to corporate officers* | | | | | |
| *Catherine Robaglia* | - | - | - | - | - |
| *Hervé Milcent* | – | – | – | *275,000* | – |
| Share vesting date | 24 April 2021 | 19 June 2022 | 21 January 2024 | 15 April 2024 | 2 June 2024 |
| Retention period end date | - | - | 21 January 2024 | 15 April 2025 | 2 June 2024 |
| Performance conditions | EBITDA - CAPEX and change in share price | Free cash flow and change in share price | Free cash flow and change in share price | Free cash flow and change in share price | Free cash flow and change in share price |
| Number of shares vested | 31,255 | – | – | – | – |
| Number of shares cancelled or lapsed during the financial year | 54,813 | 63,525 | 224,000 | – | – |
| Performance shares remaining at year-end | 0 | 0 | 684,000 | 275,000 | 10,000 |

*(1) Plans still in vesting period in 2021.*

*(2) Balance at 31 December 2020 after adjustments following the financial restructuring and the Company's reverse stock split carried out in October and November 2020 respectively.*

The exercise of all 1,018,464 share subscription options awarded and of all 969,000 free shares awarded may potentially lead to the creation of 990,388 new shares (following the reverse split of Company shares carried out in 2020). The total number of shares comprising the share capital would thus increase from 131,694,470 shares to 132,684,858 shares, i.e. a maximum potential dilution of 0.75% It should be noted that share subscription options are out of the money. As at 31 December 2021, there were 257,087 unallocated options and free shares authorised by the Solocal Group General Shareholders' Meeting.

## 6.4.4 VOLUNTARY AND MANDATORY PROFIT-SHARING AGREEMENTS

### Mandatory profit-sharing

The Group signed a mandatory profit-sharing agreement on 26 June 2006 with five trade unions (CFE/CGC, CFDT, FO, CGT and the independent PagesJaunes union). This agreement covers the Group's French companies in which the Company's interest exceeds 50%.

The Group's special mandatory profit-sharing reserve is the total of the special profit-sharing reserves of each participating subsidiary, which are calculated using a specific formula.

The special mandatory profit-sharing reserve is allocated to the beneficiaries as follows: 30% in proportion to length of service and 70% in proportion to gross annual salary. Individual allotments may either be invested in the Group Savings Plan and locked in for five years, or in the Group Retirement Savings Plan and locked in until retirement if the beneficiaries choose to invest (the money may also be received directly without being tied up).

The table below shows the gross mandatory profit-sharing distributed or to be distributed for the last three financial years:

| **Group agreement** *(in millions of euros)* | **Gross mandatory profit-sharing to be distributed to Group employees** |
|---|---|
| 2021 | 1.9 |
| 2020 | 2.0 |
| 2019 | 2.0 |

### Voluntary profit-sharing

There are no longer any voluntary profit-sharing agreements within the Group:

| *(in thousands of euros)* | **Voluntary profit-sharing in 2020 paid in 2021** | **Voluntary profit-sharing in 2019 paid in 2020** | **Voluntary profit-sharing in 2018 paid in 2019** |
|---|---|---|---|
| Voluntary profit-sharing paid in the Group | 0 | 0 | 0 |

### Company Savings Plan

On 12 February 2007, Management and trade unions signed an agreement to set up a Group Savings Plan. On 17 September 2019, Management and four trade unions signed a new agreement to change the financial management of the scheme and the intermediary holding the account.

### Universal Free Share Plan

As part of the Solocal 2020 project and in order to give the employees a stake in the Group's strategic and economic objectives, the Company's Board of Directors, at its meeting of 4 November 2019, made use of the authorisation granted by the Combined General Shareholders' Meeting of 11 April 2019, pursuant to its thirteenth resolution, and decided to award 100 free shares for each employee of the Group's French companies, i.e. a total award of 321,600 shares. These shares vested on 4 November 2020 (one year from the date on which they were awarded), subject to the continued employment condition. In connection with the Company's financial restructuring and the capital increase, on 9 October 2020, in accordance with the subdelegation of authority granted by the Board of Directors on 2 October 2020, an adjustment was made to the number of new shares to be issued in respect of each entitlement to the free allotment of shares under the "Universal Plan" at a ratio of 2.109 new shares for each "Universal Plan" share. On 5 November 2020, 522,270 shares were awarded under this plan (after adjustments related to restructuring operations).

### Supplementary retirement scheme

On 22 November 2007, Management and trade unions signed an agreement to implement a supplementary retirement scheme. This agreement provided for:

- a PERCO (Collective Retirement Savings Plan) that tops up employee contributions with an employer contribution of €502 gross for an employee contribution of €1,500.
- a defined-contribution supplementary retirement plan, pursuant to Article 83 of the French Tax Code, for Group subsidiary managerial staff ("cadres") with effect as of 1 January 2008. Membership of this plan is compulsory and requires a contribution of 5.50% of the employee's tranche B and C compensation (i.e. above the maximum tranche A compensation limit of €3,377 per month in 2019). Employees pay 40% of this contribution (2.20%) and the

Company pays the remaining 60% (3.30%). An amendment was signed on 29 October 2013 to allow the participating employees to make additional and voluntary contributions into the supplementary retirement plan, pursuant to Article 163 quater vicies of the French Tax Code. A new amendment was signed on 31 March 2015 to change the management of the Article 83 scheme.

The PERCO is no longer part of the Group agreement signed on 22 November 2007. It is covered by a new agreement signed on 17 September 2019 by Management and four trade unions. The employer contribution arrangement is unchanged.

### 6.4.5 VOTING RIGHTS

All registered shares in the Company that are fully paid up and have been registered in the name of the same shareholder for at least two years carry a double voting right (see section 6.2).

### 6.4.6 SHAREHOLDER AGREEMENTS

To the Company's knowledge, no shareholder agreement is in effect as of the date of this document.

### 6.4.7 PLEDGES

In connection with the issue of the Bonds (see Note 9.5 to the consolidated financial statements and Notes 5.4 and 6.1 to the Company annual financial statements in chapter 5 of this document), the Company has created a pledge of financial securities in favour of the bondholders covering all Solocal shares that it holds as collateral for all amounts due (in principal, interest, commissions, fees and expenses) by the Company in respect of the Bonds.

## 6.5 Dividend distribution policy

The Company has not paid dividends since the General Shareholders' Meeting of 7 June 2011, which approved the payment of a dividend of €0.58 per share.

The Solocal Group Board meeting decided to propose to the Annual General Shareholders' Meeting held to approve the 2021 financial statements that a dividend not be paid for the 2021 financial year.

## 6.6 Main related party transactions

### 6.6.1 SERVICE AGREEMENTS

No members of the Board of Directors and no Chief Executive Officers have a service agreement with the Company or with any of its subsidiaries that provides for benefits upon contract termination.

### 6.6.2 RELATED PARTY TRANSACTIONS

Information on the regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code is provided in the Statutory Auditors' Special Report on regulated agreements reproduced below.

## 6.6.3 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

To the General Shareholders' Meeting of Solocal Group,

In our capacity as your Company's auditors, we present below our report on regulated agreements.

Based on the information provided, we are required to report to shareholders on the characteristics, main terms and conditions of and the reasons justifying the appropriateness for the Company of the agreements that have been disclosed to us or which were brought to light as a result of our engagement, without commenting on their relevance or substance and without determining whether other such agreements exist. Under Article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We are also required to report to you the information set out in Article R. 225-31 of the French Commercial Code regarding operations carried out during the past financial year under agreements approved by shareholders in previous years.

We have performed those duties deemed necessary by us in accordance with the professional guidelines of France's national auditing body, the CNCC, as applicable to this engagement. These duties consisted of verifying the consistency of the information given to us with the contents of the source documents.

### Agreements submitted for the approval of the General Shareholders' Meeting

We were not informed of any agreement authorised and signed during the past financial year to be submitted for the approval of the General Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

### Agreements already approved by the General Shareholders' Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed that the execution of the following agreements, already approved by the General Shareholders' Meeting in previous years, continued during the past financial year.

**Securities account pledge agreement relating to the shares issued by Solocal SA, entered into between Solocal SA, Aether Financial Services and your company**

#### Person concerned

Hervé Milcent, Chief Executive Officer of your company since 6 April 2021 and Chairman of the Board and CEO of Solocal SA since 26 July 2021.

#### Nature

The Board of Directors, at its meeting of 7 August 2020, gave prior approval to the fifth-rank securities account pledge agreement relating to the Solocal SA shares held by your company, as security for the bond issue of a principal amount of €17.8 million (the "Secured Bonds") issued by your company on 14 August 2020. This pledge agreement was signed on 13 August 2020.

#### Terms and conditions

The amounts due in respect of such bonds are secured by a fifth-rank securities account pledge, documented by a securities account pledge agreement governed by French law, drafted in English and entitled "Financial Securities Account Pledge Agreement", between your company, as Pledgor, Solocal SA, as Financial Securities Account Holder and Aether Financial Services, as (i) Security Agent and (ii) representative of the holders of the Secured Bonds (Representative).

This agreement shall remain in force until the expiry date of the Security Period, i.e. the date on which the Secured Bonds have been fully repaid.

Paris-La Défense, 1 March 2022

The Statutory Auditors

| DELOITTE & ASSOCIÉS | AUDITEX |
|---|---|
| | *Member of the Ernst & Young Global Limited network* |
| Stéphane Rimbeuf | Jeremy Thurbin |

# 6.7 Material contracts

The Company has entered into a bank financing arrangement whose principal terms are presented in Note 9 to the consolidated financial statements and in Notes 2 and 5 to the Company financial statements presented in chapter 5 of this document.

As at this date, the Company has not signed any major contracts, other than those signed in the normal course of its business, that create a major obligation or commitment for the whole Group.

# 6.8 Legal proceedings

In the ordinary course of business, Group entities may be involved in a number of legal, arbitration and administrative proceedings. Provisions for the potential costs of such proceedings are only made where it is probable that the expense will be incurred and the amount can be either quantified or estimated within a reasonable range. The amount of the provisions is based on an assessment of the risk on a case-by-case basis and largely depends on factors other than the particular stage of proceedings, although events occurring during the proceedings may call for a reassessment of this risk.

With the exception of the proceedings described below and in the notes to the consolidated financial statements (Note 16 "Disputes, contingent assets and liabilities"), the Company does not consider that it is party to any legal or arbitration procedure that could reasonably be believed to have a material adverse effect on its earnings, operations or consolidated financial position.

In 2013, Solocal had to undertake further reorganisation to ensure its sustainability in the face of a constantly changing and highly competitive business environment. Proposed changes to Solocal's business model and organisation were presented to the staff representation bodies beginning in September 2013. At the same time, Management negotiated with the trade unions to reach a majority agreement on employee support measures. This agreement was signed on 20 November 2013. Following completion of these negotiations with the employee representatives, this plan provided for restructuring combined with changes in the employment contracts of the entire salesforce, and a plan without compulsory redundancies which would ultimately create 48 additional jobs within the Company. This agreement received validation via a ruling of the DIRECCTE on 2 January 2014.

A total of 311 employees refused the amendment to their employment contract linked to this reorganisation implemented at the end of 2013 and 280 of them were made redundant. One employee of the Company contested the decision to validate the collective agreement relating to the Employment Protection Plan before the administrative courts. The Versailles Administrative Court of Appeal, in a judgment dated 22 October 2014 and notified on 5 November 2014, annulled the validation decision by DIRECCTE. On 22 July 2015, the Council of State rejected the appeal brought by Solocal and the Minister of Employment.

Consequently, multiple proceedings are in progress with the administrative as well as judicial courts. The administrative proceedings are now terminated.

With regard to the proceedings before the ordinary courts, more than 200 legal proceedings were brought before employment tribunals by employees invoking the consequences of the annulment by the Versailles Administrative Court of Appeal of the administrative decision validating the collective agreement relating to the Employment Protection Plan, which enabled them to claim compensation.

As of the date of this document, all of the cases had been pleaded at first instance.

Nearly 200 substantive decisions had been issued at first instance and/or in the appeal courts. The vast majority of these decisions rejected the claims for the invalidity of the redundancies and the implications for compensation arising therefrom, deeming that the redundancies had a real and serious basis and rejected claims challenging the economic basis (but handed down payment orders based on Article L. 1235-16 of the French Labour Code at a level close to the compensation floor provided by this legislation, i.e. between six and seven months' wages). One particular Court of Appeal upheld the Company's argument that the claims were time-barred, and dismissed all of the claimants' claims (35 cases). These decisions were appealed to the Court of Cassation by the claimants. In September 2019, the Court of Cassation issued two rulings which upheld the Company's arguments regarding the one-year time bar. The same reasoning was applied to the other cases pending before the Court of Cassation on the same matter in 2021.

Furthermore, certain decisions covered ancillary claims: some relating to particular situations (dispute over the duration or conditions of implementation of redeployment leave, claims for retroactive commissions covering periods prior to the plan), and others concerning the payment of a supplement to the contractual redundancy compensation paid in the final settlement for all accounts and some different positions.

Finally, a number of cases regarding other matters have been appealed to the Court of Cassation by Solocal and are currently pending. The rulings handed down in these cases have been favourable to the Company.

In the consolidated financial statements for 2015, Solocal recognised the exceptional impact of the court decisions that cancelled DIRECCTE's validation of the Employment Protection Plan (PSE). An additional provision of €35 million was recognised in the consolidated financial statements for that year. This was based on a prudent assumption in a context of great legal uncertainty, increased recently by conflicting decisions of employment tribunals. As at 31 December 2021, the remaining provision in the financial statements was €1.4 million compared with €6.8 million as at 31 December 2020.

Solocal continued to roll out its reorganisation plan and in 2016 launched a new PSE procedure for employees who could not be made redundant during the previous procedure because it had been deemed invalid.

A request for claims for the loss caused by the state to Solocal due to incorrect validation of its PSE is underway. Solocal initially requested compensation from the state for the loss arising from the payment of compensation following the cancellation of the DIRECCTE decision, then sought an order from the Cergy-Pontoise Administrative Court in July 2017 to have the state pay this sum to the Company. On 16 June 2020, the Cergy-Pontoise Administrative Court refused the application submitted by Solocal, which has appealed this decision.

Solocal strengthened its procedures and systems for the detection and qualification of potential classified information within the Company, as well as its Securities Trading Code of Conduct, which is available to all employees.

In common with other companies in the sector, Solocal is frequently the subject of court proceedings brought in relation to errors in the publication of directories and other media. Generally, the financial risk represented by each of these proceedings is relatively limited. However, an increase in their number may constitute a significant risk for the Company. As at 31 December 2021, there were fourteen such proceedings ongoing, for a total amount of claims of approximately €0.2 million In these proceedings, the Solocal entities endeavour to negotiate out-of-court compensation, which significantly reduces the final total cost of such proceedings. However, no guarantee can be given that these proceedings will not have an adverse impact on the Company's financial position.

The Legal department monitors the risks connected with the most significant disputes, in liaison with senior management and the subsidiaries and assisted by law firms.


# Additional information

# 7.1 Persons responsible for the Universal Registration Document

## 7.1.1 RESPONSIBILITY FOR THE UNIVERSAL REGISTRATION DOCUMENT

Responsibility for this document is assumed by Mr Philippe Mellier, Chairman of the Board of Directors, and Mr Hervé Milcent, Chief Executive Officer of Solocal Group.

## 7.1.2 ATTESTATION OF THE PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT INCLUDING THE ANNUAL FINANCIAL REPORT

We hereby attest that the information in this Universal Registration Document is, to the best of our knowledge, accurate and contains no omissions which could limit the scope of its relevance.

We hereby attest that, to the best of our knowledge, the financial statements were prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial position and net income of the Company and of all the consolidated companies, and that the elements of the management report included in this document and listed in the cross-reference table in section 7.5 present an accurate reflection of the development of the business activities, performance and financial position of the Company and of all the consolidated companies, and that it describes the main risks and uncertainties they face.

Boulogne-Billancourt, 19 April 2022

**Mr Philippe Mellier**
Chairman of the Board of Directors of Solocal Group

**Mr Hervé Milcent**
Chief Executive Officer of Solocal Group

# 7.2 Statutory Auditors

### Deloitte & Associés

Represented by Stéphane Rimbeuf – 6, place de la Pyramide 92908 Paris-La Défense Cedex. Member of the compagnie régionale de Versailles et du Centre

The term of office of B.E.A.S. appointed as Co-Statutory Auditor of the Company by a decision of the Combined General Shareholders' Meeting of 19 October 2016 continued at Deloitte & Associés, following a legal restructuring at the beginning of 2022, for a term of six years expiring at the end of the General Shareholders' Meeting to be held in 2022 to approve the financial statements for the financial year ended 31 December 2021.

The General Shareholders' Meeting called to approve the 2021 financial statements will be asked to reappoint Deloitte & Associés for a term of six years until the end of the General Shareholders' Meeting to be held in 2028 to approve the financial statements for the financial year ending 31 December 2027.

### Auditex, member of the Ernst & Young Global Limited network

Represented by Jeremy Thurbin – Tour First 1, place des Saisons 92400 Courbevoie Paris-La Défense 1. Member of the compagnie régionale de Versailles et du Centre

Appointed Co-Statutory Auditor of the Company by decision of the Combined General Shareholders' Meeting on 19 October 2016 for a term of six years expiring at the end of the General Shareholders' Meeting to be held in 2022 to approve the financial statements for the financial year ended 31 December 2021.

The General Shareholders' Meeting called to approve the 2021 financial statements will be asked to reappoint Auditex for a term of six years until the end of the General Shareholders' Meeting to be held in 2028 to approve the financial statements for the financial year ending 31 December 2027.

The Statutory Auditors' fees are presented in Note 19 to the consolidated financial statements.

## 7.3 Documents on display

The Articles of Association, minutes of General Shareholders' Meetings, Statutory Auditors' reports and other corporate documents may be consulted at the Company's registered office. Moreover, all regulatory information provided for under Article 221-1 of the General Regulation of the AMF (the French financial markets authority), certain information on the Group's organisation and business activities, and an up-to-date version of its Articles of Association are available on the Group's website at www.solocal.com.

## 7.4 Provisional financial calendar

| Date | Event |
|---|---|
| 27 April 2022 | Publication of Group revenues for the first quarter of 2022 |
| 2 June 2022 | Annual General Shareholders' Meeting |

# 7.5 Cross-reference tables

## Cross-reference table with the headings in Annex 1 to EU Delegated Regulation No. 2019/980

The cross-reference table below identifies within this document the information referred to in the various headings in the URD schedule.

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| 2.7 | Employee ownership of the share capital | 5.4.3 | 227 |
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| 2.9 | Table of earnings for the past five financial years | 5.4.3 | 245 |
| 2.10 | Net income for the financial year and proposed appropriation of net income | See the documentation to be provided to the shareholders as part of the invitation to attend the 2022 Annual General Shareholders' Meeting | |
| 2.11 | Issue of securities giving access to the capital:<br>– information about the calculation of the adjustment; and<br>– results of this adjustment | 6.3.4 | 263 |
| 2.12 | Amount of dividends distributed for the previous three financial years | 6.5 | 278 |
| 2.13 | Amount of non tax-deductible expenses and costs | 5.3.4 | 242 |
| 2.14 | Payment terms and breakdown of outstanding trade accounts payable and receivable by due date | 5.3.4 | 242 |
| 2.15 | Injunctions or fines for anti-competitive practices | N/A | N/A |
| 2.16 | Information on regulated agreements remaining in effect during the financial year (AMF Recommendation to follow) | | |
| 2.17 | Securities acquired by employees in connection with the buy-out of a company by its employees | N/A | N/A |
| 3.1 | In the event of an allotment of stock options, mention of the information on which the Board of Directors based its decision either to:<br>– prohibit executives from exercising their options prior to the termination of their duties; or<br>– require them to hold in registered form all or some of the shares issued as a result of options already exercised until the termination of their duties (specifying the proportion set) | N/A | N/A |
| 3.2 | Summary statement of transactions by executives and related persons involving the Company's securities | 5.4.3 | 235 to 236 |
| 3.3 | In the event of an allotment of free shares, mention of the information on which the Board of Directors based its decision either to:<br>– prohibit executives from selling the shares that were awarded to them free of charge prior to the termination of their duties; or<br>– set the quantity of shares that they are required to hold in registered form until the termination of their duties (specifying the proportion set) | N/A | N/A |

| Themes | | Chapters | Page |
|---|---|---|---|
| **4** | **Company CSR information** | **Integrated Report & Chapter 3** | **20, 21 and 77** |
| 4.1 | Statement of Non-Financial Performance | 3.2 | 82 to 97 |
| 4.2 | Information on hazardous installations | N/A | N/A |
| **5** | **Other information** | | |
| 5.1 | Amount of loans due in less than two years granted by the Company, as an ancillary activity to its main business, to micro-enterprises, SMEs or intermediate-sized companies with which it has economic ties justifying such loans | N/A | N/A |
| 5.2 | Information on payments made to the authorities of each state or territory in which the Company conducts the following activities: exploration, prospecting, discovery, development or extraction of hydrocarbons, anthracite and lignite, metallic minerals, stone, sand and clay, chemical minerals and mineral fertilisers, peat, salt or other mineral resources or the logging of primary forests | N/A | N/A |
| 5.3 | Information relating to the use of the CICE tax credit | N/A | N/A |
| 5.4 | Special report on share subscription or purchase options granted to corporate officers and employees | 5.4.3 | 230 to 235 |
| 5.5 | Special report on allotments of free shares made to corporate officers and employees during the financial year | 5.4.3 | 230 to 235 |
| 5.6 | Vigilance plan<br>– risk mapping for the purposes of identifying, analysing and prioritising risk factors<br>– processes for regularly assessing the situation of subsidiaries, subcontractors or suppliers with whom there is an established commercial relationship, vis-à-vis the risk mapping;<br>– tailored actions to mitigate risks or prevent severe impacts<br>– an alert and reporting mechanism to report risks or actual incidents, developed in consultation with the representative unions in the said company<br>– a system for monitoring measures taken and evaluating their effectiveness | 5.3.4 | 237 to 241 |

The cross reference table below identifies the main information provided for in the financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the AMF General Regulation.

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the following information is included in this Registration Document by reference:

- in respect of the financial year ended 31 December 2020, the consolidated financial statements and the annual financial statements, the related Statutory Auditors' Reports as well as the Statutory Auditors' Special Report on Regulated Agreements and the Management Report presented on pages 174 to 219, 220 to 266, and 298 and 240 to 262 respectively of the Universal Registration Document filed on 29 April 2021 under No. D.21-0394 and available in the Investors section of the Company's website www.solocal.com;
- in respect of the financial year ended 31 December 2019, the consolidated financial statements and the annual financial statements, the related Statutory Auditors' Reports as well as the Statutory Auditors' Special Report on Regulated Agreements and the Management Report presented on pages 172 to 216, 217 to 260, and 288, and 234 to 255 respectively of the Universal Registration Document filed on 30 April 2020 under No. D.20-0429 and available in the Investors section of the Company's website.

Chapters of the 2020 and 2019 Registration Documents that are not referred to above are either irrelevant to investors or covered elsewhere in this Universal Registration Document.

## Cross-reference table with the information required in the corporate governance report

The cross-reference table below identifies within the Universal Registration Document the information contained in the corporate governance report in accordance with applicable laws and regulations and in particular Articles L. 225-100 et seq. of the French Commercial Code

| Themes | | Chapters | Page |
|---|---|---|---|
| 1 | List of offices and duties held by each corporate officer in any company during the financial year | 4.1.1 | 108 |
| 2 | Agreements entered into, directly or through an intermediary, between a corporate officer or a shareholder that holds more than 10% of voting rights of a company and another company in which the former owns more than 50% of the capital. | 4.2 | 135 |
| 3 | Summary table of current delegations of authority granted by the General Shareholders' Meeting regarding capital increases and disclosing the use made of these delegations of authority during the financial year | 4.2 | 135 |
| 4 | Choice of a management structure | 4.1 | 111 |
| 5 | Compensation policy for executives and directors (Say on Pay) | | |
| | – ex-ante vote: draft resolutions drawn up by the Board of Directors on the compensation policy for executives and directors that must be submitted to shareholders for approval, and the items of compensation concerned | 4.2.3 | 119 |
| | – decision process followed to calculate compensation and the criteria used to determine the breakdown and allocation of the fixed, variable and exceptional items of total compensation and benefits in kind awarded to executives | 4.2 | 123 |
| | – criteria used to determine the breakdown of the fixed annual sum awarded to the directors by the General Shareholders' Meeting | 4.3.1 | 150 |
| | – ex-post vote on the variable or exceptional compensation paid or awarded during the past financial year | 4.2.3 | 124 |

| Themes | | Chapters | Page |
|---|---|---|---|
| 6 | Information on corporate officers' compensation | | |
| | – Total compensation and benefits in kind that each corporate officer holding at least one office in a company whose securities are admitted to trading on a regulated market received during the financial year from the Company, the companies that it controls and the company that controls it | 4.2.3 | 120 |
| | – Commitments of any kind and the terms and conditions thereof, made by that company alone in favour of its corporate officers (only those that also hold an office in a listed company in the same group), corresponding to items of compensation, indemnities or benefits payable or potentially payable as a result of the commencement, termination or change of duties or subsequent to the performance thereof, particularly pension commitments and other lifetime benefits | 4.2.3 | 130 |
| 7 | Pay ratio and disclosure of pay differentials between corporate officers and employees | 4.2.3 | 131 |
| 8 | Disclosures concerning pension commitments and other lifetime benefits | 4.2.3 | 129 |
| 9 | Composition, preparation and organisation of the Board's work | 4.2.3 | 136 |
| 10 | Any restrictions placed on the powers of the Chief Executive Officer by the Board of Directors | 4.2.3 | 141 |
| 11 | Corporate governance code chosen and any provisions of the code that have not been adopted | 4.2.1 | 118 |
| 12 | Special terms and conditions for attendance at General Shareholders' Meetings | 4.2.3 | 143 |
| 13 | Disclosure of factors likely to have an impact in the event of a public tender offer | 4.2.3 | 145 |
| 14 | Application of the principle of balanced representation of men and women on the Board of Directors or Supervisory Board | 4.2.3 | 141 |
| 15 | Observations of the Supervisory Board on the Executive Committee's Management Report and on the financial statements for the year | | |

## Cross-reference table with the information required in the annual financial report

The cross-reference table below identifies within this Universal Registration Document the information contained in the annual financial report in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation

## Cross-reference table of employee-related, environmental and societal information

**Statement of Non-Financial Performance**

| | Themes | Chapters | Page |
|---|---|---|---|
| **1** | Presentation of the business model of the Company or Group | Integrated Report & chapter 3 | 8 and 9 / 78 and 79 |
| **2** | Description of the main risks associated with the activity of the Company or all consolidated companies in terms of social, environmental and human rights matters, the fight against corruption and tax evasion, including where relevant and proportionate, and the risks arising from its business relationships, products and services | 3.2.2 | 82 and 83 |
| **3** | Description of the policies applied by the Company or all consolidated companies including, where appropriate, due diligence procedures to prevent, identify and mitigate the occurrence of risks | 3.2.3 | 84 to 97 |
| **4** | Results of these policies, including key performance indicators | 3.2.3 | 84 to 97 |
| **5** | The statement must cover the following topics: | | |
| | – the climate impact of the Company's business and of the use of the goods and services that it produces; | 3.2.3.4.1 | 96, 97 |
| | – societal commitments to: | | |
| | – sustainable development, | 3.2.3.4.1 | 96, 97 |
| | – the circular economy, | 3.2.3.4.1 | 97, 97 |
| | – the fight against food waste, | N/A | N/A |
| | – the fight against food insecurity, | N/A | N/A |
| | – the safeguarding of animal welfare, | N/A | N/A |
| | – responsible, fair and sustainable nutrition; | N/A | N/A |
| | – collective agreements entered into within the Company and their impacts on its economic performance and the working conditions of employees | 3.2.3.3 | 92 to 96 |
| | – diversity and anti-discrimination actions | 3.2.3.3 | 92 to 96 |
| | – disability measures | 3.2.3.3 | 92 to 96 |
| **6** | Mention of the framework followed and the recommendations of the said framework | N/A | N/A |

# 7.6 Glossary

**Display**: display is the online advertising market segment that is showing the fastest growth. It includes banners, online videos and social media promotions.

**ARPA (Average Revenue Per Advertiser)**: total sales for the period under review divided by the average number of customers for the period.

**Audience/Traffic**: indicator of visits and access to content over a given period.

- direct: audiences that are the result of users' expressed intent to access the site or the PagesJaunes application (direct access and brand research on a search engine);
- SEO: audiences on the PagesJaunes site and application that come from search engines (SEO – search engine optimisation);
- affiliates: audiences on the PagesJaunes site and application that come from affiliated partners (MSN, Nosibay, Free and Alice, Planet, L'internaute);
- syndication: audiences on PagesJaunes content, excluding the PagesJaunes site or application (through partnerships such as Apple, Bing, Yahoo!, etc.).

**Order backlog**: outstanding portion of revenue still to be recognised at the end of a period from order intake validated and committed by customers. For income from subscriptions, only the current commitment period is considered.

**Recurring net external expenses:**

- including external purchases: primarily the costs of databases, operating expenses and information system development expenses, communication and marketing expenses, and fixed costs; and
- also including other operating income and expenses: mainly comprised of duties and taxes, of certain provisions for risks, and provisions for customer risks.

**Digital revenues**: the sum of revenues from the Presence, Digital Advertising, Websites and New Solutions activities.

**Presence revenues**: the Presence range helps VSEs/SMEs manage their digital presence across the web (several media, including Google, Facebook, PagesJaunes, Bing, Tripadvisor, Waze, Instagram, etc.) in a few clicks, in real time and entirely independently through a single mobile application.

**Digital Advertising revenues**: the Digital Advertising range helps businesses capture relevant contacts year-round from customers in their catchment area, through different types of products based on the customers' needs: improvement in search engine rankings, increase in web traffic or prospects, or brand awareness on the web and social networks.

**Website revenues**: through the Websites range, Solocal builds customers' websites and e-commerce sites and optimises them for search engines, at prices that fit different budgets, on a subscription basis with automatic renewal.

**New Solutions revenues**: Solocal also offers a New Solutions range that consists of additional, high value-added features for its customers, such as online appointment scheduling, restaurant or salon reservations, hotel bookings and also more specialised services, such as digital consulting in the area of search engine optimisation.

**Print revenues**: revenues from the Printed Directories activities related to the publication, distribution and sale of advertising space in the printed directories (PagesJaunes).

**Group consolidated revenues**: Group revenues taking into account continued and divested activities as of the reporting date.

**Churn**: number of lost customers compared to the total number of customers at the beginning of period.

**Cookie**: a small text file stored on an internet user's computer when the user visits a web page.

**SNFP** (statement of non-financial performance): includes social and environmental information, replacing CSR reporting measures.

**EBITDA**: (earnings before interest, taxes, depreciation and amortisation): an alternative performance indicator presented in the income statement with regard to operating income before depreciation and amortisation.

**Recurring EBITDA**: recurring EBITDA corresponds to EBITDA before non-recurring items.

These non-recurring items concern income and expenses that are very limited in quantity, unusual, abnormal and infrequent in nature, and of a particularly significant amount. For the most part they include:

- capital gains or losses on disposals of assets;
- restructuring costs: costs related to programmes that are planned and controlled by management, and which materially change either the scope of activity of the company, or the way this activity is managed, as defined by IAS 37 criteria.

**Publisher**: the individual or legal entity that assumes responsibility for the content it publishes.

**Net financial debt**: total gross financial debt, less cash and cash equivalents.

**Group**: refers to Solocal Group SA and its entities.

**Consolidated Group**: the consolidated Group refers to the group of companies formed by the Company, all of its subsidiaries and the Solocal EIG.

**Intranet**: a local network that uses the same protocols and technologies as the internet, but which privately connects computers, i.e. without being open to all internet users. Examples: corporate intranet, community intranet, etc.

**Sponsored links**: payment made for the clicks and text links that appear in the search results for specific keywords.

**MaaS (Mobility as a Service)**: Mobility as a Service encompasses the public and private mobility services provided to the end user through a single service interface.

**MarTech (marketing technology)**: marketing companies whose services are connected mainly to marketing software technology or developments.

**Number of customers**: average number of customers for the period who have a Solocal service.

**Number of unique visitors to a site**: number of internet/mobile/tablet users who have visited a site over a given month.

**NPS (Net Promoter Score)**: index that measures satisfaction with a brand, product or service.

**PagesJaunes**: PagesJaunes is the company's proprietary media with the highest volume of traffic, with nearly 1.9 billion visits in 2020. PagesJaunes comprises several sites and products, including the website PagesJaunes.fr, a mobile app and syndicated content that is posted on its partners' websites.

**PagesJaunes SA**: former name of the current company Solocal SA. The company name was changed on 18 March 2019.

**Order intake**: orders booked by the salesforce that give rise to a service performed by the Group for its customers.

**Unique visitor:** concept used to measure the audience of a website. It refers to the number of individual internet users that visit a website in a given period. Note that an internet user may make several visits to the website during that period but will be counted as only one unique visitor.

**Reach (of a website)**: reach is the coverage of an advertising campaign, site or network. It measures the ability to capture a broad audience.

It is the number of unique visitors of a website, expressed as a percentage of a reference population during a given month.

**Search**: search advertising is the influence that can be exerted so that an advertiser's web page appears in the results of the searches carried out by visitors using search engines, by associating it with terms, phrases or keywords used in internet searches.

**Advertising representative**: an individual or legal entity responsible for selling advertising space in content produced by a third party, and whose rights and obligations are defined by an advertising representation contract.

**GDPR (General Data Protection Regulation)**: European Union legal framework that governs the collection and processing of users' personal data.

**ROI (Return on Investment)**: a financial ratio that measures the money gained on an investment relative to money invested. It can represent the return on a past or current investment or the estimated return on a future investment.

**SaaS (Software as a Service)**: a software distribution model in which a third-party provider hosts the applications and makes them available for its customers via the internet.

**Salaries and charges**: include personnel expenses for all Solocal personnel categories, but exclude legal employee profit-sharing, share-based payments and restructuring costs (i.e. the "PSE" Employment Protection Plan).

**SEA (Search Engine Advertising)**: payments made to guarantee that a web page is indexed by a search engine.

**SEO (Search Engine Optimisation)**: search engine optimisation is the improvement of a web page's attributes in order to boost its visibility in free search engine results.

**Company**: refers to the holding company Solocal Group SA.

**Solocal**: refers to Solocal Group SA and its entities.

**Solocal SA**: refers to Solocal SA, a subsidiary controlled by Solocal Group SA.

**Migration rate**: number of customers migrated towards new Presence and Priority Ranking digital services vs. addressable customer base (excluding Large Accounts).

**Development rate**: increase in customer budget on the new range vs. budget for the equivalent old range.

**Winback**: acquisition of a customer who has been lost in the previous 12 months.

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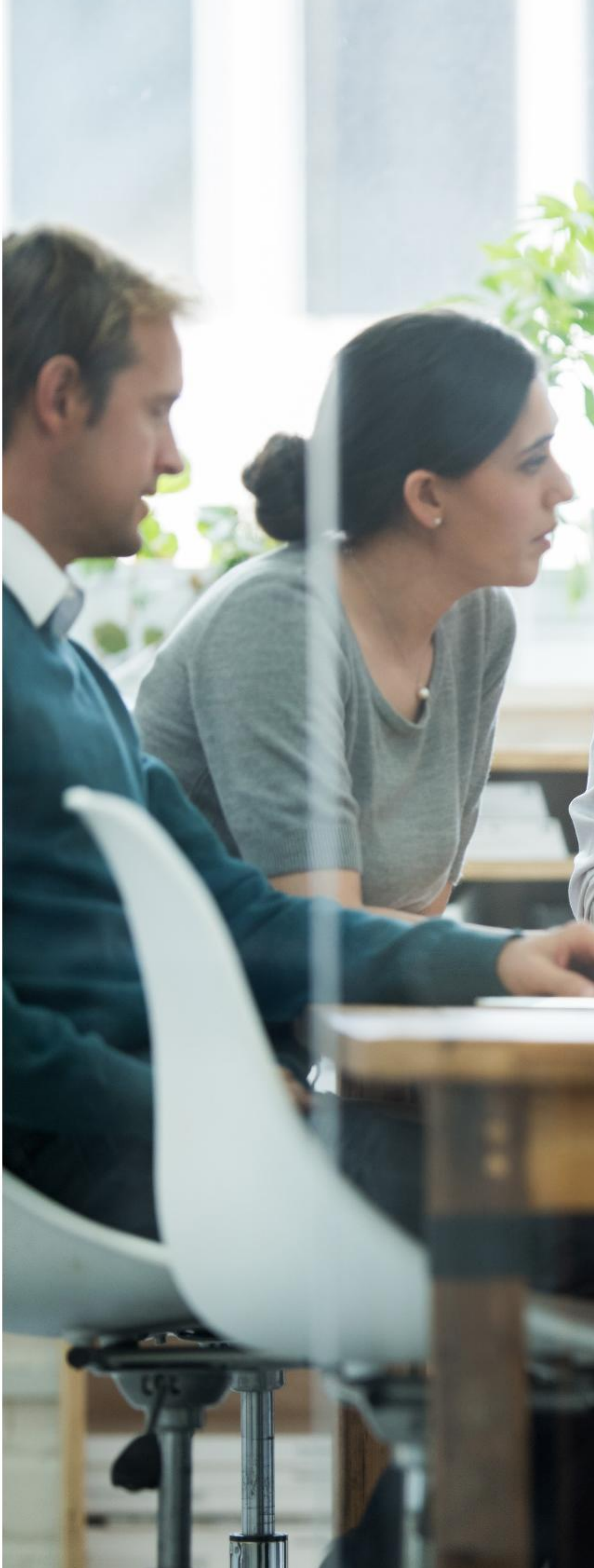

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