Financial Report
As at 30 June 2022

Board of Directors of 26 July 2022

Unofficial translation of the French-language "*Rapport financier au 30 juin 2022*" of Solocal Group, for information purposes only.

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Solocal Group
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Nanterre Trade and Companies Register 552 028 425

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1. Activity report as at 30 June 2022

1.1. Overview

The Solocal Group operates in the "Digital" sector, which generated revenue for continued activities of 201.2 million euros over the first half of 2022. It can be broken down as follows:

- The Connect offer allows VSEs and SMEs to control their digital presence over the 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 72.4 million euros over the first half of 2022 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 and represents revenue of 98.3 million euros over the first half of 2022.

- 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 30.5 million euros over the first half of 2022.

  Intended for VSE/SMEs, the Connect and Booster ranges are also available for large network accounts.

1.2. Commentary on the results as at 30 June 2022

In the presentation of its 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 30 June 2022 and as at 30 June 2021

Million euros	As at 30 June 2022					As at 30 June 2021					Change Recurring 2021 / 2020
	Consolidated	Divested activities	Continued activities			Consolidated	Divested activities	Continued activities			
			Total	Recurring	Non recurring			Total	Recurring	Non recurring	
Revenues	**201,2**	**-**	**201,2**	**201,2**	**-**	**214,6**	**-**	**214,6**	**214,6**	**-**	**-6,2%**
Net external expenses	(55,2)	-	(55,2)	(55,1)	(0,1)	(58,8)	-	(58,8)	(58,6)	(0,1)	-6,1%
Staff expenses	(90,3)	-	(90,3)	(90,3)	-	(100,0)	-	(100,0)	(99,4)	(0,6)	-9,1%
Restructuring costs	0,9	-	0,9	-	0,9	6,7	-	6,7	-	6,7	
EBITDA	**56,6**	**-**	**56,6**	**55,8**	**0,8**	**62,5**	**-**	**62,5**	**56,5**	**5,9**	**-1,3%**
As % of revenues	*28,1%*	*0,0%*	*28,1%*	*27,7%*		*29,1%*	*0,0%*	*29,1%*	*26,3%*		*1,4 pts*
Gains and losses from disposals	-		-	-							
Depreciation and amortization	(27,8)	-	(27,8)	(27,8)	-	(28,2)	-	(28,2)	(28,2)	-	-1,7%
Operating income	**28,8**	**-**	**28,8**	**28,0**	**0,8**	**34,2**	**-**	**34,2**	**28,3**	**5,9**	**-0,9%**
As % of revenues	*14,3%*	*0,0%*	*14,3%*	*13,9%*		*16,0%*	*0,0%*	*16,0%*	*13,2%*		*0,8 pts*
Gain from debt restructuring	-	-	-	-	-	-	-	-	-	-	
Financial income	0,5	-	0,5	0,5	-	0,2	-	0,2	0,2	-	147,7%
Financial expenses	(14,9)	-	(14,9)	(14,9)	-	(14,2)	-	(14,2)	(14,2)	-	4,5%
Financial income	**(14,4)**	**-**	**(14,4)**	**(14,4)**	**-**	**(14,0)**	**-**	**(14,0)**	**(14,0)**	**-**	**2,3%**
Income before tax from continued activities	**14,5**	**-**	**14,5**	**13,7**	**0,8**	**20,2**	**-**	**20,2**	**14,3**	**5,9**	**-4,0%**
Corporate income tax	(3,8)	-	(3,8)	(3,6)	(0,2)	(8,7)	-	(8,7)	(7,0)	(1,7)	-48,7%
Net Income from continued activities	**10,6**	**-**	**10,6**	**10,1**	**0,5**	**11,5**	**-**	**11,5**	**7,2**	**4,3**	**39,4%**
Net Income from discontinued activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Net Income for the period	**10,6**	**-**	**10,6**	**10,1**	**0,5**	**11,5**	**-**	**11,5**	**7,2**	**4,3**	**39,4%**

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 30 June 2022, the amount of non-recurring items stands at an income of 0.8 million euros compared with 5.9 million euros at 30 June 2021.

1.2.1. Analysis of the order backlog for continued activities

Revenues

Total revenues at 30 June 2022 amount to 201.2 million euros, down 6.2% compared to revenue for the first half of 2021.

Digital revenues already secured for the year 2022 amount to 339.4 million euros.

Order backlog

In million of euros	As at 30 June 2022	As at 31 December 2021
Total order backlog - end of period	**239,9**	**243,5**

The order backlog total amounts to €239,9 million on 30 June 2022, down 1,48% compared to 31 December 2021. This stability is explained by the order intake recorded in second quarter 2022 comparable with revenue booked over the same period.

Performance indicators of Solocal

	Q2 2021	Q2 2022	Change	H1 2021	H1 2022	Change
% order intake generated by autorenewal	46%	60%	+14 pts	45%	46%	+1 pts
Traffic : number of searches PagesJaunes - *in million*	437	407	-7.0%	861	819	-4.9%

In total over the first half 2022, 46% of order intake were subscription – based, i.e. an increase of +1 pts compared to the first half of 2021, 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. 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.

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. 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.

For these reasons, the group no longer communicates its « total traffic » figure but now the number of « searches ». The total number of searches thus stands at 819 million in the first half of 2022 vs. 861 million in the first half of 2021 i.e. a decrease of -4.9%.

1.2.2. Analysis of recurring EBITDA

Recurring EBITDA reaches 55.8 million euros in the first half of 2022, flat compared to the first half of 2021 (-1.3%). The recurring EBITDA margin in relation to revenue thus amounts to 27.7%, up +1.4pts compared to the first half of 2021. This increase is mainly linked to the reduction in personnel expenses of -9.1 million euros in H1 2022 compared to H1 2021, which mainly comes from the decrease in salesforce capacity (higher turnover than anticipated).

Recurring external expenses thus amounts to 55.1 million euros in the first half of 2022 almost down -6.1% compared to the first half of 2021. This decrease is explained by a mechanical effect of reduction in variable costs including "media spend" linked to the booster ranges and websites (c.3 million euros) as well as by the continued costs control.

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 in 2022 and 2021:

Million euros	As at 30 June 2022 Consolidated	Divested activities	Continued activities Total	Recurring	Non recurring	As at 30 June 2021 Consolidated	Divested activities	Continued activities Total	Recurring	Non recurring	Change Recurring 2021 / 2020
EBITDA	**56,6**	**-**	**56,6**	**55,8**	**0,8**	**62,5**	**-**	**62,5**	**56,5**	**5,9**	**-1,3%**
As % of revenues	*28,1%*	*0,0%*	*28,1%*	*27,7%*		*29,1%*	*0,0%*	*29,1%*	*26,3%*		*1,4 pts*
Gains and losses from disposals	-		-	-							
Depreciation and amortization	(27,8)	-	(27,8)	(27,8)	-	(28,2)	-	(28,2)	(28,2)	-	-1,7%
Operating income	**28,8**	**-**	**28,8**	**28,0**	**0,8**	**34,2**	**-**	**34,2**	**28,3**	**5,9**	**-0,9%**
As % of revenues	*14,3%*	*0,0%*	*14,3%*	*13,9%*		*16,0%*	*0,0%*	*16,0%*	*13,2%*		*0,8 pts*

As at 30 June 2022, the amount of non-recurring items stands at 0.8 million euros and is primarily comprised of reversed provisions booked in the framework of the Group's transformation.

Impairment and amortisation amounted to (27.8) million euros as at 30 June 2022, and are stable compared to the first half of 2021.

The Group’s operating income for continued activities stands at €28.8 million compared to 34.2 million euros in the first half of 2021.

Net income for the period

The table below shows the Group’s net income for continued activities as at 30 June 2022 and 2021:

Million euros	As at 30 June 2022 Consolidated	Divested activities	Continued activities Total	Recurring	Non recurring	As at 30 June 2021 Consolidated	Divested activities	Continued activities Total	Recurring	Non recurring	Change Recurring 2021 / 2020
Operating income	**28,8**	**-**	**28,8**	**28,0**	**0,8**	**34,2**	**-**	**34,2**	**28,3**	**5,9**	**-0,9%**
As % of revenues	*14,3%*	*0,0%*	*14,3%*	*13,9%*		*16,0%*	*0,0%*	*16,0%*	*13,2%*		*0,8 pts*
Gain from debt restructuring	-	-	-	-	-	-	-	-	-	-	
Financial income	0,5	-	0,5	0,5	-	0,2	-	0,2	0,2	-	147,7%
Financial expenses	(14,9)	-	(14,9)	(14,9)	-	(14,2)	-	(14,2)	(14,2)	-	4,5%
Financial income	**(14,4)**	**-**	**(14,4)**	**(14,4)**	**-**	**(14,0)**	**-**	**(14,0)**	**(14,0)**	**-**	**2,3%**
Income before tax from continued activities	**14,5**	**-**	**14,5**	**13,7**	**0,8**	**20,2**	**-**	**20,2**	**14,3**	**5,9**	**-4,0%**
Corporate income tax	(3,8)	-	(3,8)	(3,6)	(0,2)	(8,7)	-	(8,7)	(7,0)	(1,7)	-48,7%
Net Income from continued activities	**10,6**	**-**	**10,6**	**10,1**	**0,5**	**11,5**	**-**	**11,5**	**7,2**	**4,3**	**39,4%**
Net Income from discontinued activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Net Income for the period	**10,6**	**-**	**10,6**	**10,1**	**0,5**	**11,5**	**-**	**11,5**	**7,2**	**4,3**	**39,4%**

Financial income amounts to (14,4) million euros as at 30 June 2022. Financial expenses remained stable over the period, to (14.2) million euros as at 30 June 2021 to (14.9) million euros as at 30 June 2022.

The consolidated pre-tax operating income for continued activities amounts to 14.5 million euros as at 30 June 2022 and 20.2 million euros as at 30 June 2021.

The corporation tax charge recorded as at 30 June 2022 is (3.8) million euros. This expense included a CVAE (Corporate value added contribution) expense of (1.1) million euros and an income tax expense of (2.7).

The Group consolidated net income is positive as at 30 June 2022 and stands at 10.6 million euros compared to 11.5 million euros as at 30 June 2021.

1.2.4. Consolidated cash flow presentation

Cash flow statement	As at 30 June 2022	As at 30 June 2021
In million of euros		
Recurring EBITDA	**55,8**	**56,5**
Non monetary items included in EBITDA and other	0,2	2,8
Net change in working capital	(14,9)	(8,1)
of which change in receivables	*(2,3)*	*(0,8)*
of which change in payables	*(5,3)*	*(7,9)*
of which change in other WCR items	*(7,4)*	*0,6*
Acquisition of tangible and intangible fixed assets	(15,4)	(16,9)
Recurring operating free cash flow	**25,6**	**34,3**
Non recurring items	(1,6)	(7,3)
Disbursed financial result	(9,2)	(5,4)
Corporate income tax paid	(2,2)	0,1
Others	0,1	(0,6)
Free Cash flow	**12,8**	**21,1**
Increase (decrease) in borrowings	(2,0)	-
Capital increase	-	0,7
Others	(8,6)	(12,2)
Net cash variation	**2,1**	**9,6**
Net cash and cash equivalents at beginning of period	80,2	61,4
Net cash and cash equivalents at end of period	**82,3**	**71,0**

The change in working capital requirements amounts to -14.9 million euros in the first half of 2022 compared to -8.1 million euros in the first half of 2021. This working capital need comes from:

- a slight delay of cash collection vs. revenue recognition (-2.7 million euros) in a context of decreasing activity over the first half of 2022,

- a change in payables similar to the first half of 2021,

- a negative change in « others WCR » of -7.4 million euros coming the reimbursement of part of the tax and social liabilities over the period (4 million euros in H1 2022) compared to H1 2021 which included a VAT credit of c. +4 million euros received beginning of 2021.

The amount of CAPEX is 15.4 million euros in the first half of 2022, down 8.9% compared to the first half of 2021 due to refocusing on investments on targeted programs.

Disbursed financial expenses amount to -9.2 million euros over the first half of 2022, they correspond to the payment of bonds' interests in cash of 7.6 million euros (100% of interest are now paid in cash), the annual interest on the of RCF of 44 million euros and the annual interests of the €13 million BPI loan. In the first half of 2021, the financial expenses paid amounted to -5.4 million euros as the group only paid 50% of its bonds' coupons in cash, the remaining 50% were capitalised.

The Group's consolidated Free Cash Flow is therefore positive, at +12.8 million euros in the first half of 2022, compared to +21.1 million euros in the first half of 2021 coming from a more negative change in working capital in the first half of 2022 than previous year.

The decrease of borrowings of -2 million euros corresponds to the scheduled amortisation of the BPI loan.

The change in "Others" of -8.6 million euros 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 c. 20 million euros per year).

The Group's net change in cash is therefore positive at +2.1 million euros in H1 2022. As at 30 June 2022, the Group had a net cash position of 82.3 million euros, compared to 80.2 million euros as at 31 December 2021.

1.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the cash flows for continued activities of the Group as at 30 June 2022 and as at 30 June 2021:

In million of euros	**As at 30 June 2022**	**As at 31 December 2021**	**As at 30 June 2021**
Net cash from operations	28,0	78,7	38,7
Net cash used in investing activities	(15,3)	(34,8)	(17,6)
Net cash provided by (used in) financing activities	(10,6)	(25,1)	(11,4)
Net increase (decrease) in cash position	**2,1**	**18,9**	**9,7**

The net cash from operations stood at 28 million euros as at 30 June 2022 compared to 38.7 million euros as at 30 June 2021.

The net cash from operations used in investment activities amounted to (15.3) million euros as at 30 June 2021 compared to (17.6) million euros as at 30 June 2020, representing a change of +2.3 million euros.

The net cash used in financing activities represents a disbursement of (10.6) million euros as at 30 June 2022 compared to a net collection of (11.4) million euros as at 30 June 2021.

The table below shows the changes in the Group's consolidated net cash position and debt as at 30 June 2022, and as at 31 December 2021:

(in thousands of euros)	**As at 30 June 2022**	**As at 31 December 2021**
Cash equivalents	20 390	397
Cash	61 954	79 833
Gross cash	**82 344**	**80 230**
Bank overdrafts	-	-
Net cash	**82 344**	**80 230**
Nominal value of bond loans	191 647	187 880
Fair value of hedging instruments	(16 937)	(16 937)
Nominal value of revolving credit facilities drawn	44 000	44 000
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	7 387	4 533
Other loans	13 000	15 000
Accrued interest not yet due on loans	4 518	8 297
Lease liability	0	0
Factoring	0	0
Others	80	80
Current and non current financial liabilities	239 621	238 779
Long-term and short-term liabilities	68 387	74 307
Gross financial debt	**308 008**	**313 086**
of which current	*27 437*	*27 161*
of which non-current	*280 570*	*285 925*
Net debt	**225 664**	**232 856**
Net debt of consolidated group	**225 664**	**232 856**

Net financial debt amounts to 170.9 million euros at 30 June 2022 (excluding IFRS 16), slightly down compared to 175 million euros at December 31 2021 It consists in Bonds with a 2025 maturity (two Bonds of respectively 173 million euros and 18 million euros), the fully drawn RCF for 44 million euros with a 2023 tenor, the 13 million euros “Prêt ATOUT” loan, the accrued interests for €4.5 million and a net cash position of 82.3 million euros. In accordance with the commitments made during the 2020 financial restructuring, the group will repay 10 million euros from its revolving credit line on 30 September 2022, fully in cash.

The application of IFRS 16 impact on net financial debt is +67 million euros as at 30 June 2022, 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 bonds documentation 1.60x as at 30 June 2022 (to which IFRS 16 does not apply). The EBITDA to interest expenses ratio4 (ISCR) amounts to 5.25x.

The group complies with the financial covenants requested by the Bonds documentation, with respectively 54% and 75% of headroom.

1.4. Investment expense

In million of euros	As at 30 June 2022	As at 31 December 2021	As at 30 June 2021
Acquisition of tangible and intangible fixed assets	15,3	34,3	16,9
Right-of-use assets related to leases	3,1	1,0	1,7
Current investments	**18,5**	**35,3**	**18,6**

1.5. Perspectives for the year 2022

Secured revenue for 2022 already amounts to 339.4 million euros. As announced by the Group on 21 October 2021 during the 3-year roadmap presentation, 2022 is a year of consolidation marked more particularly by the overhaul of the commercial approach and the return to the trust of all stakeholders. With the intensification of recruitments and commercial stimulus measures, Solocal is maintaining its strategic plan and adjusting its financial outlook for 2022.

- 2022 revenue, down -5% vs. 2021 revenue,
- Continued cost control in order to generate 2022 recurring EBITDA slightly lower than 2021 recurring EBITDA (c. -5%),
- Operating free cash flows of c. 30 million euros in 2022.

Despite longer time taken to implement the business model and the economic uncertainty, Solocal's mid-term strategic plan remains unchanged. Mid term objectives will be updated at year-end.

1.6. Events subsequent to the closing date of 30 June 2022

None.

1.7. Additional information

1.7.1. Transactions with related parties

There were no new transactions with related parties during the first half of 2022. Key management as related parties as at 30 June 2022 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 key management.

1.7.2. 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. At the date of the publication of thus report, this description remains valid and makes it possible to assess the main risks and uncertainties for the remaining six months of the 2022 financial period.

1.7.3. Definitions

Audiences: indicator of visits and of access to the content over a given period of time.

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 correspond to restructuring expenses: these are costs 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 L in IAS 37.

Growth KPI : Indicator to monitor the evolution of the contribution of order intake for a given period to revenue for the following 12 months

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.

Sales: taking of orders by the sales force, that gives rise to a service performed by the Group for its customers.

Searches : Number of times Solocal positions one or more professionals following a request from an Internet user.

Secured turnover: This is the sum, on the one hand, of the revenues recognized over the period, and on the other hand, of the recognition of future income from sales or renewal of commitments as validated and committed by customers to date (net of cancellations already recorded) and which should would have led to a future service over the current financial year.

2. Condensed consolidated accounts as at 30 June 2022

Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)	Notes	**As at 30 June 2022**	**As at 30 June 2021**
Revenues	5.1	201 204	214 572
Net external expenses		(55 170)	(58 770)
Personnel expenses		(90 345)	(100 010)
Restructuring costs		883	6 687
EBITDA		**56 572**	**62 479**
Depreciation and amortization	4	(27 760)	(28 232)
Result of loss of control		-	-
Operating income		**28 812**	**34 247**
Net gain from debt restructuring		-	-
Financial income		535	216
Financial expenses		(14 888)	(14 247)
Financial income	6.1	**(14 353)**	**(14 031)**
Income before tax from continued activities		**14 459**	**20 216**
Corporate income tax	9	(3 832)	(8 730)
Net Income from continued activities		**10 627**	**11 487**
Net Income from discontinued activities	3.1	**-**	**-**
Net Income for the period		**10 627**	**11 487**
Income from continued activities for the period attributable to:			
- Shareholders of SoLocal Group		10 627	11 487
- Non-controlling interests		-	-
Income from discontinued activities for the period attributable to:			
- Shareholders of SoLocal Group		-	-
- Non-controlling interests		-	-
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 number of shares			
- basic	10	0,08	0,09
- diluted		0,08	0,09
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 number of shares			
- basic	10	-	-
- diluted		-	-

Statement of comprehensive income

(Amounts in thousands of euros)	Notes	**As at 30 June 2022**	**As at 30 June 2021**
Income for the period report		**10 627**	**11 487**
ABO reserves :			
- Gross	7	16 713	5 638
- Deferred tax		(4 358)	(1 457)
- Net of tax		**12 355**	**4 181**
Exchange differences on translation of foreign operations		-	(17)
Other comprehensive income		**12 355**	**4 164**
Total comprehensive income for the period, net of tax		**22 982**	**15 651**
Total comprehensive income for the period attributable to:			
- Shareholders of SoLocal Group		22 982	15 651
- Non-controlling interests		-	-

Statement of consolidated financial position

(thousand euros)	Notes	As at 30 June 2022	As at 31 December 2021	As at 30 June 2021
Assets				
Net goodwill		86 489	86 489	86 489
Net intangible fixed assets		65 669	69 252	74 667
Net tangible fixed assets		12 926	13 702	14 763
Right-of-use assets related to leases		47 742	51 828	59 960
Other non-current financial assets		8 324	7 187	7 860
Net deferred tax assets	9	38 897	43 359	53 964
Total non-current assets		**260 046**	**271 817**	**297 703**
Net trade accounts receivable	5.2	58 589	56 328	61 124
Other current assets		24 996	22 753	26 643
Current tax receivable		4 699	5 342	1 704
Prepaid expenses		5 372	1 932	5 438
Other current financial assets		-	1 363	1 473
Cash and cash equivalents	6.2	82 344	80 230	71 039
Total current assets		**175 999**	**167 946**	**167 421**
Total assets		**436 047**	**439 763**	**465 125**
Liabilities				
Share capital		131 716	131 694	129 860
Issue premium		1 042 010	1 039 995	1 038 841
Reserves		(1 361 669)	(1 382 603)	(1 383 155)
Income for the period attribuable to shareholders of Solocal Group		10 627	22 869	11 487
Other comprehensive income		(34 068)	(46 441)	(50 999)
Own shares		(5 454)	(5 496)	(5 557)
Equity attributable to equity holders of the SoLocal Group	10	**(216 838)**	**(239 982)**	**(259 523)**
Non-controlling interests		-	-	-
Total equity		**(216 838)**	**(239 982)**	**(259 523)**
Non-current financial liabilities	6.2	224 789	228 958	231 550
Long-term lease liabilities		50 781	56 967	66 921
Employee benefits - non-current		57 626	76 646	84 794
Provisions - non-current		1 105	1 417	6 620
Deferred tax liabilities		-	-	-
Total non-current liabilities		**334 301**	**363 988**	**389 884**
Current financial liabilities	6.2	14 831	9 821	9 457
Short-term lease liabilities		17 606	17 340	17 924
Provisions - current	7	25 830	26 540	20 929
Contract liabilities		101 375	100 408	110 246
Trade accounts payable	8	51 537	51 209	56 241
Employee benefits - current		36 129	41 989	41 791
Other current liabilities		70 171	67 261	75 774
Corporation tax		1 106	1 188	2 402
Total current liabilities		**318 584**	**315 757**	**334 763**
Total liabilities		**436 047**	**439 763**	**465 124**

Statement of changes in consolidated equity

	Number of shares in circulation	Share capital	Issue premium	Income and reserves	Actuarial differences	Translation reserve	Own shares	Group equity	Non-controlling interests	Total equity
Balance as at 1 January 2021	**129 498 018**	**129 505**	**1 038 184**	**(1 383 083)**	**(54 509)**	**(654)**	**(5 548)**	**(276 104)**	**(0)**	**(276 104)**
Total comprehensive income for the period (*)				22 869				**22 869**	-	**22 869**
Other comprehensive income								**8 722**	**-**	**8 722**
Total comprehensive income for the period, net of tax								**31 591**	**-**	**31 591**
Share-based payment	31 255	31		763				**794**		**794**
Distribution de dividendes										
Mandatory Convertible Bonds	2 938	3	276	(279)				**-**		**-**
Shares of the consolidating company net of tax	(302 067)						52	**52**		**52**
Others				(4)	-	-		**(4)**	**-**	**(4)**
Balance as at 31 December 2021	**131 384 582**	**131 694**	**1 039 994**	**(1 359 734)**	**(45 768)**	**(673)**	**(5 496)**	**(239 982)**	**(0)**	**(239 982)**
Balance as at 1 January 2022	**131 384 582**	**131 694**	**1 039 994**	**(1 359 734)**	**(45 768)**	**(673)**	**(5 496)**	**(239 982)**	**(0)**	**(239 982)**
Total comprehensive income for the period				10 627				**10 627**	-	**10 627**
Other comprehensive income								**12 374**	**-**	**12 374**
Total comprehensive income for the period, net of tax				**10 627**				**23 000**	**-**	**23 000**
Share-based payment	-	-		101				**101**		**101**
Operations concerning capital	-	-	-	-				**-**		**-**
Mandatory Convertible Bonds	21 389	21	2 015	(2 036)				**-**		**-**
Shares of the consolidating company net of tax	(28 079)						42	**42**		**42**
Others					-	-		**-**	**-**	**-**
Balance as at 30 June 2022	**131 377 892**	**131 715**	**1 042 009**	**(1 351 042)**	**(33 413)**	**(655)**	**(5 454)**	**(216 838)**	**(0)**	**(216 840)**

(*) The 2021 result has been restated for the impact of the IFRIC IC decision on accounting for SAAS contracts

Consolidated cash flow statement

(thousand euros)	Notes	As at 30 June 2022	As at 31 December 2021	As at 30 June 2021
Net income		**10 626**	**22 869**	**11 487**
Depreciation and amortization of fixed assets		26 485	60 798	29 144
Change in provisions		(1 686)	(11 462)	(10 773)
Fair value items		2 661	2 924	2 190
Share-based payment		101	789	238
Capital gains or losses on asset disposals		418	416	141
Interest income and expenses	6	10 836	22 237	10 036
Tax charge for the period	9	3 939	19 499	9 258
Decrease (increase) in trade accounts receivable		(3 223)	3 286	3 712
Increase (decrease) in liabilities item on contracts		968	(8 505)	1 333
Decrease (increase) in other receivables		(2 814)	18 490	14 716
Increase (decrease) in trade accounts payable		(5 271)	(11 492)	(7 894)
Increase (decrease) in other payables		(3 783)	(23 671)	(19 635)
Net change in working capital	2.1.4	**(14 122)**	**(21 892)**	**(7 767)**
Interest paid and rate effect of net derivatives		(9 062)	(12 311)	(5 383)
Corporation tax paid		(2 166)	(6 013)	142
Net cash from operations		**28 032**	**77 854**	**38 712**
Acquisition of tangible and intangible fixed assets	2.1.5	(15 269)	(34 041)	(17 628)
Acquisitions / disposals of investment securities and subsidiaries, net of cash		(14)	93	-
Net cash used in investing activities		**(15 283)**	**(33 948)**	**(17 628)**
Increase (decrease) in borrowings		(2 000)	(4 000)	-
Movements in own shares		-	700	-
Other cash from financing activities o/w own shares		-	-	700
Cash outflows as part of the debt reduction on rental obligations		(8 694)	(19 653)	(10 048)
Other cash from financing activities o/w own shares		50	(2 110)	(2 067)
Net cash provided by (used in) financing activities		**(10 644)**	**(25 063)**	**(11 414)**
Impact of changes in exchange rates on cash		12	6	(9)
Net increase (decrease) in cash position		**2 117**	**18 851**	**9 660**
Net cash and cash equivalents at beginning of period		80 229	61 379	61 379
Net cash and cash equivalents at end of period	6	**82 344**	**80 230**	**71 039**

Notes to the condensed consolidated financial statements as at 30 June 2022

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 condensed consolidated financial statements at 30 June 2022 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 26 July 2022.

The condensed consolidated financial statements are denominated in euros and rounded to the nearest thousand.

1.1 Accounting methods and principles

Pursuant to European regulation 1606/2002 of 19 July 2002, the condensed consolidated financial statements of the Solocal Group as at 30 June 2022 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.

The condensed half-year consolidated financial statements as at 30 June 2022 are drawn up in accordance with IAS 34 "Interim financial reporting" which makes it possible to present a selection of notes. These condensed consolidated financial statements must therefore be read jointly with the consolidated financial statements for 2021.

All of the standards and interpretations adopted by the European Union as at 30 June 2022 are available on the website of the European Commission at the following address:
https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002

1.2 IFRS standards

The accounting policies applied in preparing the consolidated financial statements as at 30 June 2022 are identical to those used in the consolidated financial statements as at 31 December 2021.

1.2.1 New standards, amendments or interpretations mandatory from 1 January 2022

- Amendments to IAS 16, Property, Plant and Equipment - Amounts received before bringing items 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 the requirements thereof.

1.2.2 Application of the change of method following the IFRIC IC agenda decision on recognition of costs for configuration and customisation of software under a software as a service contract.

The decision relating to SaaS contracts prompted the Group to change the method of accounting for customisation and configuration costs when they do not meet the criteria for capitalisation under IAS 38 (when the Group does not control the SaaS solution) and when they do not relate to the development of an interface (middleware) with this SaaS solution. These costs are now recognised as an expense (a) either when they are incurred if the developments are carried out internally or by a third party integrator (not linked to the SaaS solution publisher), or (b) spread over the period of the SaaS contract if the developments are carried out by the SaaS solution publisher or by its subcontractor.

This decision was applied in drawing up the consolidated accounts as at 30 June 2022. For SaaS solutions implemented before 1 January 2022, the impact is estimated at €0.6m after tax and mainly covers H2. Consequently, the 2021 consolidated accounts have been restated to reflect this decision.

1.3 Other information

Seasonal variations
The Group's activities are not subjected to seasonal effects.

Estimates and judgements
The drawing up of the condensed consolidated financial statements as at 30 June 2022 in accordance with the IFRS standards led the Group's management to conduct estimates and issue judgements, which can affect the amounts booked as assets and liabilities on the date the financial statements were prepared and have an offset in the income state.

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.
- Determining fair value of liabilities.

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:

- 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.

The items estimated during H1 2022 are of the same nature as those described at 31 December 2021 in the consolidated financial statements. The Management revises these estimates when it identifies new events to be taken into account or in case of a change in the circumstances on which these hypotheses were based.

1.4 Key events during the year

None.

1.5 Continuity of operation

At 30 June 2022, the Group’s cash position stood at €82m.

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 30 June 2022, 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 million of euros	As at 30 June 2022	As at 31 December 2021	As at 30 June 2021
Digital	243,5	284,2	284,2
Total order backlog - beginning of period	**243,5**	**284,2**	**284,2**
Digital	197,3	385,8	197,4
Total order intake	**197,3**	**385,8**	**197,4**
Digital	0,4	6,0	2,1
Non recurring	0,0	(4,7)	(3,2)
Cancellation	**0,4**	**1,3**	**(1,1)**
Digital	(201,2)	(428,0)	(214,6)
Total revenues	**(201,2)**	**(428,0)**	**(214,6)**
Digital	239,9	243,5	266,0
Total order backlog - end of period	**239,9**	**243,5**	**266,0**

The order backlog as at 30 June 2022 will roll into revenue according to the following schedule:

Digital Backlog 30/06/2022

In million of euros	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total
Conversion into revenues	**79,8**	**62,9**	**42,4**	**23,5**	**13,0**	**8,9**	**5,8**	**2,8**	**0,6**	**0,1**	**239,9**
	33,3%	26,2%	17,7%	9,8%	5,4%	3,7%	2,4%	1,2%	0,3%	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 H1 2022, non-recurring items amounted to net income of €0.8m versus an expense of €5.9m for H1 2021;

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.

For H1 2022, the Group’s recurring EBITDA stood at €55.8m and accounted for 27.7% of Group turnover versus €56.5m (26.3% of turnover) during H1 2021.

2.1.3 Gross margin from continuing operations

In million of euros	As at 30 June 2022	As at 30 June 2021	Change
Revenues	201,2	214,6	-6,2%
Staff expenses	-6,8	-6,5	4,6%
External expenses	-14,2	-17,8	-20,2%
Total variable cost	-20,9	-24,3	-14,0%
Gross margin	**180,3**	**190,3**	**-5,2%**
	89,6%	88,7%	

2.1.4 Working capital requirement

In million of euros	As at 30 June 2022	As at 31 December 2021	As at 30 June 2021
+ Net trade accounts receivable	58,6	56,3	61,1
+ Other current assets	25,0	22,8	26,6
+ Prepaid expenses	5,4	1,9	5,4
- Contract liabilities	(101,4)	(100,4)	(110,2)
- Trade accounts payable	(51,5)	(51,2)	(56,2)
- Other current liabilities	(103,5)	(107,8)	(115,5)
Working capital	**(167,4)**	**(178,4)**	**(188,8)**

2.1.5 Current investment

In million of euros	As at 30 June 2022	As at 31 December 2021	As at 30 June 2021
Acquisition of tangible and intangible fixed assets	15,3	34,3	16,9
Right-of-use assets related to leases	3,1	1,0	1,7
Current investments	**18,5**	**35,3**	**18,6**

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. This is the “Digital” segment which generated revenue for continued activities amounting to €201.2m during H1 2022. 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 €72.4m over H1 2022 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 turnover of €98.3m over H1 2022.

- 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 turnover €30.5m over H1 2022.

  The Connect and Booster ranges are also available for key accounts with networks

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 million of euros	As at 30 June 2022	As at 30 June 2021	Change
Connect range	72,4	61,8	17,1%
Booster range	98,3	121,4	-19,0%
Websites	30,5	31,3	-2,6%
Total sales	**201,2**	**214,6**	**-6,2%**

In reporting turnover, management has opted for a breakdown by product range as a means of analysing business operations.

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 30 June 2022**	**As at 30 June 2021**
Revenues	**201,2**	**214,6**
- France	201,2	214,5
- Others	0,0	0,1
Assets	**436,0**	**465,1**
- France	431,0	459,7
- Others	5,0	5,4

Note 3 – Consolidation principles

3.1 Control analysis

Subsidiaries which are controlled by the Group, directly or indirectly, are fully consolidated.

Investments not controlled by the Group but over which the Group exercises significant influence are accounted for using the equity method. The Group does not hold any interest without control in 2022 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.

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.

2022
Page Jaunes Finance & Co is in the process of liquidation. This company was deconsolidated during the year. The impact is not significant as at 30 June 2022.

2021
None

Note 4 – Depreciation of fixed assets

In accordance with IAS 36 "Impairment of Assets", the value in use of property, plant and equipment and intangible assets is tested as soon as there is an indication that they may be impaired.

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.

As at 30 June 2022, there has been no impairment on tangible and intangible fixed assets.

Note 5 – Turnover and trade receivables

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, Booster and the internet Sites.

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 30 June 2022 amounted to €201.2m compared to €214.6m as at 30 June 2021.

Revenues are recognised according to the IFRS 15 standard that the Solocal Group has been applying since 1 January 2018. With the exception of our range of sites, on which we identify two performance obligations, all other products are covered by only one obligation.

The offers from the Solocal Group are grouped into two major families:
- 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 range

- “Digital services (non-Site)” range:

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" range:

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 30 June 2022**	**As at 31 December 2021**
Gross trade debtors	75 972	72 885
Provisions for impairment	(17 384)	(16 557)
Net trade debtors	**58 589**	**56 328**

Additionally, a provision for credit notes to be issued was recognised under other operating liabilities, amounting to €2.1m at 30 June 2022 compared to €2.8m at 31 December 2021.

Trade debtors were due as follows:

(in thousands of euros)	**Total**	**Not due**	**Overdue**					
			< 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	**75 972**	32 711	4 822	3 258	2 388	4 764	5 691	22 338
Provisions for impairment	**-17 384**	-248	-59	-40	-29	-1 694	-3 676	-11 638
Net trade debtors as at 30 June 2022	**58 588**	32 462	4 763	3 218	2 359	3 070	2 015	10 700

(in thousands of euros)	**Total**	**Not due**	**Overdue**					
			< 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 31 December 2021	**56 328**	34 776	2 875	3 277	1 854	485	2 020	11 042

The Group’s portfolio of trade receivables does not present a significant risk of concentration.

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, impairments of trade receivables have been recognised in the half-yearly accounts based on the age of the receivables, historical statistics or information provided by credit agencies.

Bad debt losses remain low, with a net impairment rate to turnover of 1% during H1 2022 that remains stable compared to 2021.

5.3 Other current assets

Other current assets mainly include VAT receivable at 30 June 2022. The movements in the item compared to 31 December 2021 are mainly due to reimbursement of VAT credits received during the period.

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 €101.4m as at 30 June 2022 compared to €100.4m as at 31 December 2021.

Note 6 – Cash, debt and financial instruments

6.1 Net financial income

The net financial income is made up as follows:

(Amounts in thousands of euros)	**As at 30 June 2022**	**As at 30 June 2021**
Interest and similar items on financial assets	535	216
Dividends received	-	-
Financial income	**535**	**216**
Interest on financial liabilities	(13 878)	(13 952)
Other financial expenses & fees excluding financial restructuring [1]	(627)	(133)
Accretion cost [2]	(383)	(162)
Financial expenses	**(14 888)**	**(14 247)**
Gain (loss) on exchange	-	-
Financial income	**(14 353)**	**(14 031)**

[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

6.2 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 30 June 2022**	**As at 31 December 2021**
Cash equivalents	20 390	397
Cash	61 954	79 833
Gross cash	**82 344**	**80 230**
Bank overdrafts	-	-
Net cash	**82 344**	**80 230**
Nominal value of bond loans	191 647	187 880
Fair value of hedging instruments	(16 937)	(16 937)
Nominal value of revolving credit facilities drawn	44 000	44 000
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	7 387	4 533
Other loans	13 000	15 000
Accrued interest not yet due on loans	4 518	8 297
Lease liability	0	0
Factoring	0	0
Others	80	80
Current and non current financial liabilities	239 621	238 779
Long-term and short-term liabilities	68 387	74 307
Gross financial debt	**308 008**	**313 086**
of which current	*27 437*	*27 161*
of which non-current	*280 570*	*285 925*
Net debt	**225 664**	**232 856**
Net debt of consolidated group	**225 664**	**232 856**

The change in par value of the bond represents the capitalisation of interest.

Cash and cash equivalents

As at 30 June 2022, the amount of cash and cash equivalents amounted to €82.3m, primarily comprised of non-blocked, remunerated, fixed-deposit accounts.

The “Cash equivalent” item is mainly composed of the “My Money Bank” term account of €20m.

Change in the liabilities stemming from financing activities

(in thousand euros)		Cash flows		Non cash variations				
	As at 31 December 2021	In	Out	Other Variations	Interests	IFRS 16	Reclass & changes in scope	As at 30 June 2022
Bond loans	179 889	-	(7 660)	-	9 881	-	-	182 110
Revolving credit	43 804	-	(1 034)	-	1 649	-	-	44 419
Other bank borrowing	15 056	-	(2 350)	-	348	-	-	13 054
Lease liabilities	74 307	-	(8 694)	834	1 940	-	-	68 387
Others	30	-	(18)	-	-	-	-	9
Total Liabilities fron financing activities	313 086	0	(19 756)	834	13 818	0	0	307 979

Issuing of bonds

Following the completion of the financial restructuring process in 2020, the par value of the Group’s residual gross debt was scaled down to €168.4m, rearranged into a bond issue of 334,125,321 bonds with a face value of €0.5041647472146 each, which was settled on 5 October 2021, reserved for creditors under the Credit Agreement, and the main terms and conditions being as follows and remaining unchanged during 2022:

Interests:

- Euribor with 3-month Euribor rate floored at 1% + 7% spread payable quarterly at due date on 15 March, 15 June, 15 September and 15 December, in cash in full from 1 January 2022
- 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

All covenants were fulfilled as at 30 June 2022.

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 €16m.

The new 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 3-month Euribor rate floored at 1% + 7% spread payable quarterly at due date on 15 March, 15 June, 15 September and 15 December, in cash in full from 1 January 2022

Maturity: 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 €15,0m 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.

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 2022, 30 September 2022, 30 September 2023
- **Margin**:
  - Until 15 September 2021:
    - Tranche of €15m: 4.5%
    - Tranches at €25m and €10m: 5%
  - Starting on 15 September 2021: 5% for all the tranches
- **Maturity**: 29 September 2023
- **Depreciation:**
  - September 2021: €6,0m payable in cash to the tune of 3 million euros and in shares to the tune of 3 million euros.
  - September 2022: 5 to 10 million euros 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 €5,0m and €10,0m in cash or in shares for it.

Additional payments on acquisition or transfer of securities

Following the sale of Mappy in October 2020, Solocal received a price supplement of €0.3m in April 2022.

Financial instruments in the balance sheet

As at 30 June 2022		Breakdown according to IFRS 9		Breakdown by level in IFRS 13		
(in thousands of euros)	Carrying amount in balance sheet	Fair value recognised in profit or loss	Amortised cost	Level 1 and Treasury	Level 2	Level 3
Other non-current financial assets	8 324	1 293	7 031	-	8 324	-
Net trade accounts receivable	58 589	-	58 589	-	58 589	-
Other current financial assets	-	-	-	-	-	-
Cash equivalents	20 390	-	20 390	20 390	-	-
Cash	61 954	-	61 954	61 954	-	-
Financial assets	**149 257**	**1 293**	**147 964**	**82 344**	**66 913**	**-**
				-	-	-
Non-current financial liabilities and derivatives	224 789	-	224 789	224 789	-	-
Current financial liabilities and derivatives	14 831	-	14 831	-	14 831	-
Trade accounts payable	51 537	-	51 537	-	51 537	-
Financial liabilities	**291 156**	**-**	**291 156**	**224 789**	**66 367**	**-**

As at 31 December 2021		Breakdown according to IFRS 9		Breakdown by level in IFRS 13		
(in thousands of euros)	Carrying amount in balance sheet	Fair value recognised in profit or loss	Amortised cost	Level 1 and Treasury	Level 2	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**	**-**

On the date of issue, the fair value of the bond loan and of the mini-bond represent €169.4m, compared to a nominal value of €186.3m:

(in thousands of euros)	Nominal value	Quotes as at 30/06/2022	Market value	Current	Non-current						
				-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years	Total Non-current	Total
Bond loan	168 454	89,95%	151 517	0	0	0	168 454	0	0	168 454	168 454
Mini Bond	17 778	0,00%	-	0	0	0	17 778	0	0	17 778	17 778
Atout Bank borrowing	13 000			4 000	4 000	4 000	1 000	0	0	9 000	13 000
Revolving credit - facility (RCF) *	44 000			10 000	34 000	0	0	0	0	34 000	44 000
Loans	**243 232**		**151 517**	**14 000**	**38 000**	**4 000**	**187 232**	**-**	**-**	**229 232**	**243 232**
Accrued interest not yet due on loans	4 518	NA		751	0	0	3 767	0	0	3 767	4 518
Others	80	NA		0	0	0	0	0	80	80	80
Lease liabilities	68 387	NA		16 925	15 556	16 321	14 639	1 473	2 281	51 462	68 387
Current financial liabilities and derivatives	**281 502**			**17 676**	**15 556**	**16 321**	**18 406**	**1 473**	**2 361**	**55 309**	**72 985**

(*) The Group has indicated that the September 2022 maturity of the RCF will be paid in cash for an amount of €10m.

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)

Note 7 – 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:

(thousand 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)	1 344	-	-	(450)	-	894
Restructuring provisions (2018)	2 420	-	(728)	(168)	-	1 524
Restructuring provisions (2014)	1 417	-	-	(311)	-	1 106
Provisions for social (*)	19 709	2 741	(847)	(1 568)	-	20 035
Other provisions for risks	3 067	511	(91)	(110)	-	3 377
Total provisions	**27 957**	**3 252**	**(1 666)**	**(2 607)**	**-**	**26 936**
- of which non current	*1 417*	*-*	*-*	*(311)*	-	*1 106*
- of which current	*26 540*	*3 252*	*(1 666)*	*(2 296)*	-	*25 830*

(*) 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.

<u>Retirement benefits and similar commitments</u>

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).

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. This rate was updated in 2021.

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.

Impact on financial statements of 30 June 2022

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 €12m at 30 June 2022. The discount rate retained in the assessment of the commitments as at 30 June 2022 compared to 31 December 2021, amounts to 3.22% 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).

As at 30 June 2022, net income of €1.8m was recognised in respect of fixed-contribution pension schemes.

The total amount of the provision in the balance sheet stood at €58.5m as at 30 June 2022 compared to €77.9m as at 31 December 2021.

Note 8 – Trade creditors

As at 30 June 2022, 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 9 – Corporate tax

Corporate income tax for H1 2022 was calculated by applying the projected effective tax rate at the end of the 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:

(thousand euros)	As at 30 June 2022	As at 31 December 2021	As at 30 June 2021
Pretax net income from business	**14 458**	**42 807**	**20 216**
Statutory tax rate	25,83%	28,41%	28,41%
Theoretical tax	**(3 734)**	**(12 161)**	**(5 743)**
Earnings from not integrated companies & Foreign subsidiaries	68	(395)	(562)
Foreign subsidiairies - differences in tax rates	2	155	(26)
Share-based payment	110	864	268
Corporate value added contribution (after tax)	(1 101)	(2 382)	(1 294)
Difference between the carrying amount of the financial liability extinguished and the amount of the fair value of the equity instruments issued	-	-	-
Ceiling of interest expense deductibility	-	-	-
Other non-taxable / non-deductible items	823	(5 394)	(1 346)
Effective tax	**(3 832)**	**(19 290)**	**(8 730)**
of which current tax (CVAE excluded)	*(2 627)*	*(1 845)*	*(1 362)*
of which CVAE	*(1 101)*	*(2 382)*	*(1 294)*
of which deferred tax	*(104)*	*(15 063)*	*(6 074)*
Effective tax rate (deferred tax excluded)	**25,8%**	**9,9%**	**13,1%**
Effective tax rate	**26,5%**	**45,1%**	**43,2%**

Net deferred tax assets in the balance sheet stood at 38.9 million euros as at 30 June 2022 compared to 43.4 million euros as at 31 December 2021. The deferred tax as mainly comprise compose deferred tax on tax loss carryforwarded, which amounted to 111.9 millions euros at 30 june and deferred tax on retirement benefits.

Deferred taxes are reviewed at each balance sheet date to take into account the impact of changes in tax laws and the recovery outlook. 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.

Note 10 - Equity and earnings per share

10.1 Share capital

Solocal Group’s share capital is composed of 131,715,854 shares with a par value of €1 each, giving a total amount of 131,715,854 euros (before deduction of treasury shares).

10.2 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 incorporates the conversion into ordinary shares of dilutive instruments outstanding at the closing date (options not yet exercised, bonus 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 30 June 2022	As at 30 June 2021
Weighted average		
Share capital	131 707 374	129 575 087
Treasury shares from liquidity contract	(242 224)	(12 906)
Number of basic shares	**131 465 150**	**129 562 181**
Free share plans	1 259 801	1 083 596
Mandatory Convertible Bonds	8 483	21 462
Equity line program	0	0
Number diluted Equity	**132 733 434**	**130 667 240**
Additional information (average)		
Number of existing basic shares as of 30 June	131 381 238	129 668 547
Number of existing diluted shares as of 30 June	132 759 682	130 361 085

	As at 30 June 2022	As at 30 June 2021
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 year end number of existing shares (as at 30 June)		
- basic	0,08	0,09
- diluted	0,08	0,09
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	-	-
- diluted	-	-

Note 11 – Information on related parties

There were no new related party transactions during H1 2022. 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 2 June 2022.

Key management as related parties as at 30 June 2022 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 12 – Disputes, contingent assets and liabilities

12.1 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 protection plan 2014

As at 30 June 2022, he residual provision amounts to €1.1m versus €1.4m at 31 December 2021. No material change in this dispute compared to 2021 closing.

12.2 Contractual commitments not recognised / contractual commitments and off-balance-sheet commitments

There were no new significant commitments during H1 2022.

Note 13 - Events subsequent to the closing date of 30 June 2022

None

3 Declaration of the person responsible for the report

"I certify that, to the best of my knowledge, the condensed consolidated financial statements for the half year ended have been prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial situation and results of the Company and all of the companies included within the consolidation, and that the management report included in Part 1 of the report is a true reflection of the major events that have occurred during the period, of their impact on the accounts and of the main transactions between related parties, as well as a description of the main risks and main uncertainties for the remaining six months in the financial period. "

Boulogne-Billancourt, 26 July 2022
Hervé Milcent
Chief Executive Officer