






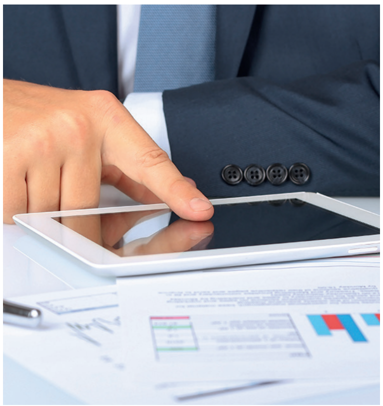

#2018

NOTICE OF MEETING

ORDINARY GENERAL SHAREHOLDERS' MEETING
SOLOCAL GROUP

25 June 2018 at 2:30 p.m.

PALAIS BRONGNIART - 28 Place de la Bourse - 75002 PARIS

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WELCOME

TO THE SOLOCAL GROUP'S ORDINARY GENERAL SHAREHOLDERS' MEETING

25 June 2018 at 2:30 p.m.

at PALAIS BRONGNIART
28 Place de la Bourse
75002 PARIS

Informal translation from the French. For information purposes only.

SOLOCAL GROUP

Public limited company with a capital of €58,334,187.70
Commercial and Companies Register Nanterre 552 028 425

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

HOW TO PARTICIPATE IN THE GENERAL MEETING

SoLocal Group's Ordinary General Shareholders' Meeting will be held on:

Monday 25 June 2018
at 2:30 p.m.
PALAIS BRONGNIART - 28 Place de la Bourse
75002 PARIS

You can attend the Meeting in person or vote by post, by Internet (electronically) or by proxy.

Regardless of how you choose to participate, you must provide evidence of your SoLocal Group shareholder status.

PROVIDING EVIDENCE OF SHAREHOLDER STATUS

- **If you hold registered shares:** your shares must be registered in your name (whether managed by a financial intermediary or by the SoLocal Group) no later than the second business day preceding the General Meeting, i.e. **21 June 2018 at 00:00** *(Paris time)*.
- **If you hold bearer shares:** have a shareholder certificate drawn up as soon as possible certifying that your shares are registered, no later than the second business day preceding the General Meeting, i.e. **21 June 2018 at 00:00** *(Paris time)*, in the securities account held by your financial intermediary (bank, stockbroker or online brocker). To be taken into account, this certificate must reach BNP Paribas Securities Services, the bank acting as the centralising agent for the SoLocal Group General Meeting, no later than 22 June 2018 at 3:00 p.m. *(Paris time)*.

OBTAINING INFORMATION

- **By telephone:**

  N°Vert 0 800 81 84 54

  (freephone number) if calling from France

  or **+33 (1) 55 77 35 00** if calling from abroad, from 9:00 a.m. to 7:00 p.m., Monday to Friday.
- **Online:**

  www.solocalgroup.com
- **By email:**

  actionnaires@solocalgroup.com
- **By post:**

  SoLocal Group
  Relations actionnaires (Shareholder Relations)
  204 Rond-point du Pont de Sèvres
  92649 Boulogne-Billancourt Cedex

VOTING

If you are a SoLocal Group shareholder on the date of the Meeting, you may exercise your voting right in three ways:

- **in person attend the General Meeting;**
- **grant proxy to the Chairman of the Meeting (the Chairman of the Board of Directors) or to a third party;**
- **vote by post or online.**

IF YOU WISH TO ATTEND THE GENERAL MEETING IN PERSON

Shareholders wishing to attend the General Meeting in person may apply for an admission card as follows:

APPLY FOR AN ADMISSION CARD BY POST

IF YOU HOLD REGISTERED SHARES

(whether your shares are managed by SoLocal Group or your financial intermediary)

- Tick **box** A on the paper form *(see template on page 5)*.
- Date and sign at the bottom of the form.
- Return the form to BNP Paribas Securities Services using the postage-free envelope provided.

BNP Paribas Securities Services must receive your form **no later than 22 June 2018 at 3:00 p.m.** *(Paris time)*.

IF YOU HOLD BEARER SHARES

- Tick **box** A on the paper form *(see template on page 5)*.
- Date and sign at the bottom of the form.
- Return the form as soon as possible to the financial intermediary that holds your account (bank, stockbroker or online broker).

Your financial intermediary will forward the form, together with a shareholder certificate certifying that the shares are registered to you, to:

BNP Paribas Securities Services – CTS Assemblées
Grands Moulins de Pantin
9, rue du Débarcadère - 93761 Pantin Cedex
In order to be taken into account, the form and certificate must reach BNP Paribas Securities Services **no later than 22 June 2018 at 3:00 p.m.** *(Paris time)*.

BNP Paribas Securities Services will send you your admission card

APPLY FOR AN ADMISSION CARD ONLINE

Shareholders wishing to participate in the General Meeting in person may also apply for an admission card electronically as follows:

FOR HOLDERS OF REGISTERED SHARES (WHETHER MANAGED BY A FINANCIAL INTERMEDIARY OR BY THE SOLOCAL GROUP):

Holders of pure or managed registered shares may apply for an admission card online on the VOTACCESS secure platform via the Planetshares website accessible at **https ://planetshares.bnpparibas.com**.

Access to the website is protected by username and password. Data exchanges are encrypted to ensure confidentiality. The Planetshares website will be available from **8 June 2018.** The option of applying for an admission card online will end on **22 June 2018 at 3:00 p.m.** *(Paris time)*.

Holders of pure registered shares must access the Planetshares website with their login details. Holders of managed registered shares must access the Planetshares website using their username which can be found in the top right-hand corner of their voting form. Shareholders who no longer have their username and/or password may contact the Freephone number **0 800 818 454** made available to them.

After logging on, holders of registered shares should follow the instructions given on screen to access the VOTACCESS platform and to apply for an admission card.

FOR BEARER SHAREHOLDERS:

Holders of bearer shares should find out if their account keeper is connected to the VOTACCESS platform.

If the account keeper is connected to the VOTACCESS platform, the shareholder should identify himself on his account keeper's Internet portal with his usual login details. Then follow the instructions given on screen to access the VOTACCESS platform and apply for an admission card.

IF YOU DO NOT HAVE YOUR ADMISSION CARD ON THE DATE OF THE MEETING

If your admission card application reaches BNP Paribas Securities Services after 22 June 2018 or if you have not applied for your admission card:

- if you are a registered shareholder, you can attend the General Meeting by presenting an identity document at the counter set up for such purpose at the Meeting entrance;
- if you are a bearer shareholder, you can attend the General Meeting by presenting a shareholder certificate drawn up by your financial intermediary certifying that your shares were registered no later than **21 June 2018 at 00:00** *(Paris time)*, together with an identity document, at the counter set up for such purpose at the Meeting entrance.

IF YOU WISH TO VOTE BY POST OR BE REPRESENTED BY A PROXY AT THE GENERAL MEETING

WITH THE PAPER FORM (see template on page 5)

TO VOTE BY POST

- Please tick "I am voting by post" **box** 1 and place your vote.
- If you wish to vote "no" on a resolution or if you wish to "abstain" *(abstentions are counted as "no" votes)*, mark the box below the number of the appropriate resolution.
- Do not mark any box if you wish to vote "for" all resolutions.
- Date and sign at the bottom of the form.

TO GRANT A PROXY TO THE CHAIRMAN

- Please tick "I am granting a proxy to the Chairman" **box** 2.
- Date and sign at the bottom of the form.
- Do not mark any box.
- Your votes will be "for" the draft resolutions submitted or approved by the Board of Directors, and "against" all other draft resolutions.

TO GRANT A PROXY TO ANOTHER SHAREHOLDER OR TO ANY OTHER INDIVIDUAL OR LEGAL ENTITY OF YOUR CHOICE

- Please tick "I am granting a proxy" **box** 3.
- Provide the identity details *(name, surname and address)* of the person who will represent you.
- Date and sign at the bottom of the form.

You have voted

IF YOU HOLD REGISTERED SHARES

Return the form to BNP Paribas Securities Services using the postage-free envelope provided.

BNP Paribas Securities Services must receive your form no later than **22 June 2018 at 3:00 p.m.** *(Paris time)*.

IF YOU HOLD BEARER SHARES

Return the form as soon as possible to the financial intermediary that holds your account *(bank, stockbroker or online broker)*.

Your financial intermediary will send the form, together with a shareholder certificate certifying that the shares are registered to you, to:

BNP Paribas Securities Services – CTS Assemblées
Grands Moulins de Pantin
9, rue du Débarcadère – 93761 Pantin Cedex

The form and certificate must reach BNP Paribas Securities Services no later than **22 June 2018 at 3:00 p.m.** *(Paris time)*.

TO VOTE OR TO APPOINT/REVOKE A PROXY VIA THE INTERNET

FOR HOLDERS OF (PURE OR MANAGED) REGISTERED SHARES

Holders of pure or managed registered shares may vote or appoint/revoke a proxy online on the VOTACCESS secure platform via the Planetshares website accessible at **https://planetshares.bnpparibas.com**.

This option is an additional means of participation offered to shareholders who may benefit from all the options available on the form. Access to the website is protected by username and password. Data exchanges are encrypted to ensure confidentiality. The Planetshares website will be available from **8 June 2018**. The option of voting or designating/revoking a proxy online will end on **22 June 2018 at 3:00 p.m.** *(Paris time)*. However, in order to prevent potential congestion on the Internet site dedicated to voting prior to the General Shareholders' Meeting, shareholders are recommended not to wait until the day before the Meeting to vote.

Holders of pure registered shares must access the Planetshares website with their login details. Holders of managed registered shares must access the Planetshares website using their username which can be found in the top right-hand corner of their voting form. Shareholders who no longer have their username and/or password may contact the Freephone number made available to them.

N°Vert 0 800 81 84 54

After logging on, holders of registered shares should follow the instructions given on screen to access the VOTACCESS platform and to vote or to appoint/revoke a proxy. You will also have the option, via this same site, of accessing the official documents of the General Meeting.

FOR BEARER SHAREHOLDERS

You must ascertain whether the institution that holds your securities account is connected to the VOTACCESS platform and, if it is, whether access thereto is subject to specific conditions of use.

Only bearer shareholders whose account keeper is connected to the VOTACCESS platform may vote or appoint/revoke a proxy online. Failing this, the bearer shareholder must take measures to vote by post.

If the institution that holds your securities account is connected to the VOTACCESS website, you must identify yourself with the account keeper institution, using your usual login details. Then, click on the icon on the line for your SoLocal Group shares and follow the instructions displayed onscreen to access the VOTACCESS website and vote or designate/revoke a proxy. You will also have the option, via this same site, of accessing the official documents of the General Meeting.

If the institution that holds your securities account is not connected to the VOTACCESS website, in accordance with Article R. 225-79 of the French Commercial Code, notice of the appointment or revocation of a proxy may also be given electronically by following the procedures below:

- the shareholder should send an email to: **paris.bp2s.france.cts.mandats@bnpparibas.com.** This email must contain the following information: the name of the relevant company, the Meeting date, the first and last name, address and bank details of the principal, as well as the first and last name and, if possible, the address of the proxy holder;
- you must request the financial intermediary that manages your securities account to send a written confirmation to **Services Assemblées Générales de BNP Paribas Securities Services – CTS Assemblées Générales – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex.**

Only notices appointing or revoking proxies may be sent to the e-mail address above. Any other request or notice about other matters will not be taken into account and/or processed.

In order for electronic appointments or revocations of proxies to be validly taken into account, the confirmations must be received no later than the day before the Meeting of **22 June 2018 at 3:00 p.m.** *(Paris time)*. Appointments or revocations of proxies made using a paper form must be received no later than the day before the Meeting, i.e. **22 June 2018 at 3:00 p.m.** *(Paris time)*. The VOTACCESS dedicated secure website will be available from **8 June 2018.**

HOW TO COMPLETE THE FORM INCLUDED WITH THIS DOCUMENT

Do not send the form directly to SoLocal Group.

All operations in relation to the General Meeting are handled by BNP Paribas Securities Services, the bank acting as the centralising bank for the SoLocal Group General Meeting.

To be taken into account, your form must reach BNP PARIBAS SECURITIES SERVICES **by 22 June 2018 before 3.00 p.m. at the latest.**

BNP Paribas Securities Services
CTS Services des Assemblées
Grands Moulins de Pantin
9, rue du Débarcadère – 93761 Pantin Cedex

If you want to attend the meeting and receive your admission card: please tick **box A.**

If you hold bearer shares: send this form to the institution that holds your securities account which will forward it accompanied by a shareholder certificate to BNP PARIBAS SECURITIES SERVICES.

IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - ***Important : Before selecting please refer to instructions on reverse side***
Quelle que soit l'option choisie, noircir comme ceci ■ la ou les cases correspondantes, dater et signer au bas du formulaire - ***Whichever option is used, shade box(es) like this ■, date and sign at the bottom of the form***
A. **Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire** / ***I wish to attend the shareholders' meeting and request an admission card : date and sign at the bottom of the form.***
B. **J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes** / ***I prefer to use the postal voting form or the proxy form as specified below.***

SOLOCAL GROUP

S.A. au capital de 58 334 187,70 €
Siège social : 204, rond-point du pont de Sèvres
92100 BOULOGNE BILLANCOURT
552 028 425 RCS Nanterre

L'Assemblée Générale Ordinaire des actionnaires de SoLocal Group se tiendra lundi 25 juin 2018, à 14 heures 30,

Palais Brongniart
28 place de la bourse
75002 Paris

CADRE RÉSERVÉ À LA SOCIÉTÉ - *FOR COMPANY'S USE ONLY*
Identifiant - *Account*
Nombre d'actions - *Number of shares*: Nominatif - *Registered* (Vote simple - *Single vote* / Vote double - *Double vote*); Porteur - *Bearer*
Nombre de voix - *Number of voting rights*

1 **JE VOTE PAR CORRESPONDANCE / *I VOTE BY POST***
Cf. au verso (2) - *See reverse (2)*

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à **l'EXCEPTION** de ceux que je signale en noircissant comme ceci ■ la case correspondante et pour lesquels **je vote NON** ou je m'abstiens.

*I vote **YES** all the draft resolutions approved by the Board of Directors **EXCEPT** those indicated by a shaded box - like this ■, for which I vote NO or I abstain.*

1 2 3 4 5 6 7 8 9
10 11 12 13 14 15 16 17 18
19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36
37 38 39 40 41 42 43 44 45

Sur les projets de résolutions <u>non agréés</u> par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ■ la case correspondant à mon choix.

On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

	Oui / Yes	*Non/No Abst/Abs*		*Oui / Yes*	*Non/No Abst/Abs*
A			F		
B			G		
C			H		
D			J		
E			K		

2 **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**
Cf. au verso (3)

I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
See reverse (3)

3 **JE DONNE POUVOIR A :** Cf. au verso (4)

I HEREBY APPOINT : *See reverse (4)*

M., Mme ou Mlle, Raison Sociale / *Mr, Mrs or Miss, Corporate Name*

Adresse / *Address*

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : *if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.*

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

FORMULAIRE DEDIE AUX SOCIETES FRANCAISES / *FORM RELATED TO FRENCH CO*

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / *In case amendments or new resolutions are proposed during the meeting*
- Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / *I appoint the Chairman of the general meeting to vote on my behalf* ......
- Je m'abstiens (l'abstention équivaut à un vote contre). / *I abstain from voting (is equivalent to vote NO)* ....
- Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom .... / *I appoint [see reverse (4)] Mr, Mrs or Miss, Corporate Name to vote on my behalf* ....

Pour être prise en considération, toute formule doit parvenir au plus tard :
In order to be considered, this completed form must be returned at the latest

sur 1ère convocation / *on 1st notification*: vendredi 22 juin 2018
sur 2ème convocation / *on 2nd notification*

à / *to* BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin – 93761 PANTIN Cedex

Date & Signature

Whatever you decide, sign and date it here.

To vote by post, please tick **box 1.**

To give a proxy to the Meeting's Chairman, please tick **box 2.**

Sign and date the bottom of the form without completing anything.

To give a proxy to a designated person: please tick **box 3** and enter this person's details.

WRITTEN QUESTIONS

Written questions should be sent by registered letter with acknowledgement of receipt to the Company's registered office, marked for the attention of the Chairman of the Board of Directors at the latest on the fourth business day prior to the date of the General Meeting i.e. at the latest on **19 June 2018**.

Letters whereby written questions are raised shall include a shareholder certificate certifying that your shares are registered with the Company in your name or are held in a bearer securities account held with a financial intermediary.

In accordance with the laws in force, a written question will be deemed to have been answered if answer thereto is included in the "Questions and Answers" section of the Company's website.

SECURITIES LENDING AND BORROWING

In accordance with Article L. 225-126 I of the French Commercial Code, any person who holds, either alone or jointly, in respect of one or more temporary transfer transactions relating to the Company's shares or any transaction granting it the right or imposing on it the obligation to resell or return those shares to the transferor, a number of shares representing more than 0.5% of the voting rights, must inform the Company and the French Financial Markets Authority (AMF), no later than the second business day prior to the Meeting, i.e. by **21 June 2018, at 00:00** *(Paris time)*, and if the contract organising this transaction is still in force at that date, of the total number of shares it temporarily holds.

This declaration must include, besides the number of shares acquired in respect of one of the aforesaid transactions, the identity of the transferor, the date and the maturity of the contract relating to the transaction and, where appropriate, the voting agreement.

The persons concerned must e-mail the Autorité des marchés financiers the information stipulated to the following address: **declarationpretsemprunts@amf-france.org.**

They must email the same information to the Company to the following address: **actionnaires@solocalgroup.com.**

If the Company and the Autorité des marchés financiers are not provided with any information under the aforementioned conditions, the shares acquired in respect of the temporary transactions concerned will not carry voting rights for the General Meeting to be held on 25 June 2018 or at any Shareholders' Meeting to be held until the resale or return of the aforementioned shares.

INFORMATION AND DOCUMENTS MADE AVAILABLE TO SHAREHOLDERS

All documents and information required by Article R. 225-73-1 of the French Commercial Code may be viewed on the Company's website: **http://www.solocalgroup.com.**

NOTICE OF MEETING

ORDINARY ITEMS

- Board of Directors' reports submitted to the General Shareholders' Meeting, including the Management Report;
- Statutory Auditors' reports on the financial statements for the year ended on 31 December 2017;
- Statutory Auditors' special report on the agreements within the scope of Article L. 225-38 of the French Commercial Code;
- Approval of the company financial statements for the financial year ended on 31 December 2017;
- Approval of the consolidated financial statements for the financial year ended on 31 December 2017;
- Appropriation of the net income for the financial year ended on 31 December 2017, as shown in the company financial statements;
- Approval of the agreements within the scope of Article L. 225-38 of the French Commercial Code;
- Granting of authorisation to the Board of Directors to buy or transfer SoLocal Group shares;
- Powers.

BRIEF OVERVIEW OF THE SOLOCAL GROUP'S SITUATION DURING THE PAST FINANCIAL YEAR

OVERVIEW

SoLocal Group generated revenues of €755.8 million in 2017 (for the scope of continued activities excluding the entities divested in 2017), its Internet and Print & Voice activities representing respectively 84% and 16% of Group revenues. The Internet activity is driven by the two main digital activities, which are Local Search and Digital Marketing.

INTERNET

In 2017, SoLocal Group recorded €635.8 million Internet revenues, representing 84% of Group revenues.

- Firstly, the Group offers digital services and solutions to companies to increase their visibility and expand their contacts at the local level: in 2017, this Local Search activity recorded revenues of €461.3 million thanks to a sustainable and highly qualitative audience generated through our own brands (PagesJaunes, Mappy, Ooreka) and our privileged partnership (Google, Bing (Microsoft), Yahoo!, Apple and Facebook).
- Secondly, the Group creates and makes available to internet users the best local and personalised content on professionals: in 2017, this Digital Marketing activity represented revenues of €174.5 million. These highly differentiating technologies have been created over the last five years and have generated rapid growth (+18.1% in 2017 compared to 2016). They include the sites & content, local programmatic and transactional services.

PRINT & VOICE

The Print & Voice activities generated €120.0 million in 2017. This segment includes the Group's activities dedicated to the publishing, distribution and sales of advertizing space in the PagesJaunes and PagesBlanches print directories (PagesJaunes, PagesBlanches), as well as other activities of the Group called "Voice", including telephone directory and reverse directory services.

COMMENTS ON THE 2017 FULL-YEAR RESULTS

During the 2017 financial year, the Group disposed of two non-strategic activities ("disposed activities"):

- avendrealouer.fr site, real estate classifieds business;
- Chronoresto, online food ordering.

The accounts published by the Group as at 31 December 2017 are the following:

EBITDA as at 31 December 2017 is -€2.7 million compared to -€2.1 million as at 31 December 2016.

In the presentation of its results and financial review, SoLocal Group 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.

The financial statements published by the Group as at 31 December 2017 are made up as follows.

CONSOLIDATED INCOME STATEMENT FOR CONTINUED ACTIVITIES FOR YEARS ENDING 31 DECEMBER 2017 AND 31 DECEMBER 2016

	As at 31 December 2017					As at 31 December 2016*				
		Activities					Activities			
	Consoli-dated	Divested	Continued	Continued		Consoli-dated	Divested	Continued		Continued
(in millions of euros)			Total	Recurring	Non recurring			Total	Recurring	Non recurring
Revenues	764.9	9.1	755.8	755.8	-	812.3	11.0	801.3	801.3	-
Net external expenses	(201.5)	(6.2)	(195.3)	(192.4)	(2.9)	(215.8)	(7.4)	(208.4)	(207.4)	(1.0)
Staff expenses	(383.5)	(5.6)	(377.9)	(367.5)	(10.4)	(372.6)	(5.7)	(366.9)	(362.9)	(4.0)
EBITDA	**180.0**	**(2.7)**	**182.7**	**196.0**	**(13.3)**	**223.9**	**(2.1)**	**226.0**	**231.0**	**(5.0)**
Depreciation and amortisation	(53.5)	10.7	(64.2)	(64.2)	-	(59.2)	(2.6)	(56.6)	(56.6)	-
OPERATING INCOME	**126.5**	**8.0**	**118.5**	**131.8**	**(13.3)**	**164.6**	**(4.7)**	**169.4**	**174.4**	**(5.0)**
Net gain from debt restructuring at 13 March 2017	265.8	-	265.8	-	265.8	-	-	-	-	-
Financial income	0.4	-	0.4	0.4	-	1.4	-	1.4	1.4	-
Financial expenses	(28.6)	-	(28.6)	(28.6)	-	(75.2)	-	(75.2)	(75.2)	-
FINANCIAL INCOME	**237.6**	**-**	**237.6**	**(28.2)**	**265.8**	**(73.8)**	**-**	**(73.8)**	**(73.8)**	**-**
INCOME BEFORE TAX	**364.1**	**8.0**	**356.1**	**103.6**	**252.5**	**90.8**	**(4.7)**	**95.5**	**100.5**	**(5.0)**
Corporation tax	(28.6)	(1.5)	(27.1)	(44.1)	17.0	(41.8)	(0.1)	(41.8)	(43.5)	1.7
INCOME FOR THE PERIOD	335.5	6.6	329.0	59.5	269.5	49.0	(4.8)	53.8	57.0	(3.3)

** Restated for the retrospective application of IAS 20 concerning research tax credits and Turnover Tables.*

Non-recurring items of continued activities primarily concern exceptional personnel expenses for securing the continuity of the business, severance costs for people not being replaced and items related to new corporate governance, and especially in 2017 items related to the financial restructuring.

DETAILS ON THE REVENUES AND RECURRING EBITDA OF CONTINUED ACTIVITIES, AS AT 31 DECEMBER 2017 AND 31 DECEMBER 2016

(in millions of euros)	As at 31 December 2017	As at 31 December 2016	Change 2017/2016
Internet	635.8	637.8	-0.3%
Print & Voice	120.0	163.5	-26.6%
REVENUES	**755.8**	**801.3**	**-5.7%**
Internet revenues as % of total revenues	*84.1%*	*79.6%*	
Internet	170.4	187.6	-9.2%
Print & Voice	25.6	43.4	-41.0%
RECURRING EBITDA	**196.0**	**231.0**	**-15.2%**
As % of revenues			
Internet	*26.8%*	*29.4%*	
Print & Voice	*21.3%*	*26.5%*	

1. ANALYSIS OF REVENUES

REVENUES

In 2017, revenues stood at €755.8 million, down -5.7% compared to 2016:

- Internet revenues of €636 million in 2017 were stable (-0.3%) compared with 2016 and accounted for 84% of total revenues in 2017. The growth of the Digital Marketing business (+18.1%) offset the decrease in the Local Search (-5.8%), which was due to the negative impact of the financial restructuring on sales and to the slower than expected ramp-up of the new Search products;
- Audience growth: Internet visits in 2017 were up +2% to 2.4 billion compared with 2016. The mobile audience increased by +12%, and accounted for 40% of the total audience;
- Local Search revenues: -5.8% to €461.3 million in 2017 compared with 2016:
  - Local Search ARPA: -1% to €984 in 2017 compared with 2016. This slowdown is mostly due to the impact on sales of the financial restructuring finalisation in Q4 2016, especially with large accounts,
  - Number of customers: -5% to 469 thousand in 2017 compared with 2016;
- Digital Marketing revenues: revenues increased by +18.1% to €174.5 million in 2017 compared with 2016, thanks to an acceleration of the Group's innovative offerings, including websites (Premium and Privilege websites) and AdWords (Booster Contact offering). Digital Marketing revenues accounted for 23% of total revenues in 2017;
- Print & Voice revenues, which amounted to €120 million in 2017, were down -26.6% compared with 2016, as customers and users continued to migrate to digital offerings. This business accounted for 16% of total revenues in 2017.

2. ANALYSIS OF RECURRING EBITDA

NET EXTERNAL EXPENSES

Net external expenses decreased by -7.3%, or -€15.1 million, to -€192.4 million in 2017 compared to -€207.4 million in 2016. External expenses represented 25.5% of revenues in 2017.

The decrease was primarily attributabe to a reduction in the Group's communication expenses, as well as reduced production costs of the Print & Voice activities and cost control of our field sales.

STAFF EXPENSES

Staff expenses increased by +1.3% to -€367.5 million in 2017 compared to -€362.9 million in 2016. Staff costs represented 48.6% of revenues in 2017.

RECURRING EBITDA

Recurring EBITDA amounted to €196.0 million in 2017, down -15.2% versus 2016, mainly due to the decrease in revenues partially offset by the decrease in net external expenses.

The EBITDA to revenues margin reached 25.9% in 2017, a limited decrease of 2.9 points versus 2016.

Internet recurring EBITDA decreased by -9.2%, or -€17.2 million, to €170.4 million in 2017 compared to €187.6 million in 2016. Print & Voice recurring EBITDA decreased by -41.0%, or -€17.8 million, to €25.6 million in 2017 compared to €43.4 million in 2016.

3. ANALYSIS OF OTHER LINE ITEMS IN THE INCOME STATEMENT

RECURRING OPERATING INCOME

The table below shows the Group's recurring operating income for continued activities as at 31 December 2017 and as at 31 December 2016:

	Continued activities						
	As at 31 December 2017			As at 31 December 2016*			
Solocal Group (in millions of euros)	**Total**	**Recurring**	**Non-recurring**	**Total**	**Recurring**	**Non-recurring**	**Change recurring 2017/2016**
EBITDA	**182.7**	**196.0**	**(13.3)**	**226.0**	**231.0**	**(5.0)**	**-15.2%**
As % of revenues	*24.2%*	*25.9%*	-	*28.2%*	*28.8%*	-	
Depreciation and amortisation	(64.2)	(64.2)	-	(56.6)	(56.6)	-	+13.4%
OPERATING INCOME	**118.5**	**131.8**	**(13.3)**	**169.4**	**174.4**	**(5.0)**	**-24.4%**
As % of revenues	*15.7%*	*17.4%*	*-1.8%*	*21.1%*	*21.8%*	*-0.6%*	

** Restated for the retrospective application of IAS 20 concerning research tax credits and Turnover Tables.*

Depreciation and amortization for the Group stood at -€64.2 million in 2017 compared to -€56.6 million in 2015, an increase of-€7.6 million (+13.4%). This increase resulted from the increase in depreciation charges resulting from capital expenditures from previous financial years.

The Group's recurring operating income decreased by -24.4% compared to 2016 to €131.8 million. This decrease is primarily due to the -€35.0 million change in recurring EBITDA and to the increase in depreciation and amortization of -€7.6 million.

NET INCOME

The table below shows the Group's net income for continued activities as at 31 December 2017 and 31 December 2016:

	Continued activities						
	As at 31 December 2017			As at 31 December 2016*			
SoLocal Group (in millions of euros)	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Change recurring 2017/2016
OPERATING INCOME	**118.5**	**131.8**	**(13.3)**	**169.4**	**174.4**	**(5.0)**	**-24.4%**
Net gain from debt restructuring at 13 March 2017	265.8	-	265.8	-	-	-	-
Financial income	0.4	0.4	-	1.4	1.4	-	-71.4%
Financial expenses	(28.6)	(28.6)	-	(75.2)	(75.2)	-	-62.0%
FINANCIAL INCOME	**237.6**	**(28.2)**	**265.8**	**(73.8)**	**(73.8)**	**-**	**-61.8%**
INCOME BEFORE TAX	**356.1**	**103.6**	**252.5**	**95.5**	**100.5**	**(5.0)**	**+3.1%**
Corporate income tax	(27.1)	(44.1)	17.0	(41.8)	(43.5)	1.7	+1.4%
INCOME FOR THE PERIOD	**329.0**	**59.5**	**269.5**	**53.8**	**57.0**	**(3.3)**	**+4.4%**

** Restated for the retrospective application of IAS 20 concerning research tax credits and Turnover Tables.*

NET FINANCIAL EXPENSES

Net financial expenses of the Group amounted to -€28.6 million as at 31 December 2017, down -62.0%, mainly due to the financial restructuring of 2017. Although the average interest rate of the Group's debt increased from 5.4% in 2016 to 7.6% in 2017 (calculated over the nine months period following the closing of the financial restructuring from 15 March to 31 December 2017), the amount of the Group's indebteness decreased from €1,187.8 million as of December 31, 2016 to €417.8 million as of December 31, 2017, thereby resulting in a significant decrease interest expenses for 2017.

RECURRING INCOME FOR THE PERIOD

The corporation income tax amounted to -€44.1 million in 2017, an increase of 1.4% compared to 2016. The effective tax rate stood at 42.6%, down -0.7 point compared to 2016.

The recurring operating income for continued activities amounted to +€59.5 million in 2017, up +4.4% compared to 2016.

NON-RECURRING ITEMS

The net income for non-recurring items amounted to +€269.5 million compared to -€3.3 million in 2016. This increase was mainly attributable to the one-off net gain of +€265.8 million from the financial restructuring (+€278.2 million including tax) and non-recurring items included in EBITDA for -€13.3 million (-€8.7 million including tax):

- non recurring items included in EBITDA for -€13.3 million which comprised -€8 million of staff expenses for not replaced departures, -€2 million for the 2017 charge of the 2016 retention plan;
- non-monetary financial income of +€298.0 million resulting from the difference between the book value of the debt converted into equity instruments and the fair value amount of those instruments in application of IFRIC 19 (cf. note 10.5);
- accelerated amortization of the expenses associated with the issue of previous financing for an amount of -€10.5 million related to the restructuring of the debt in March 2017 which resulted in the extinguishment of the previous debt;
- expenses related to the financial restructuring that was fully recognised in the income statement for an amount of -€24.7 million;
- income of +€2.2 million on the partial repurchase of the bond.

INCOME FOR THE PERIOD

The result for continued activities of the Group reached +€329.0 million in 2017. Excluding financial income related to the restructuring of the debt (€265.8 million, or €278.2 million net of tax), the result for continued activities of the Group would be +€50.8 million, representing a decrease of -5.6% compared to 2017.

4. RESULTS OF THE 2018 FIRST QUARTER

REVENUES, SALES AND ORDER BACKLOG

The revenues under IFRS 15, sales and order backlog of SoLocal Group in Q1 2018 are as follows:

In millions of euros	Q1 2017	Q1 2018	Change
Digital revenues[1]	150	152	+1%
Print revenues[2]	26	16	-37%
TOTAL REVENUES	**176**	**168**	**-4%**
Digital sales[1]	166	153	-8%
Print sales[2]	29	21	-28%
TOTAL SALES	**195**	**174**	**-11%**
Digital order backlog[1]	398	394	-1%
Print order backlog[2]	75	55	-27%
TOTAL ORDER BACKLOG[3]	**473**	**449**	**-5%**

Note: scope of continued activities

The Group recorded **total revenues[4]** of €168 million in Q1 2018, down -4% vs Q1 2017.

The **digital revenues[4]** of €152 million in Q1 2018 increased by +1% compared to Q1 2017 driven by the success of Premium websites, Booster Contact offerings and Pack Presence. The digital business accounts for 90% of total revenues this quarter.

The **print revenues[4]** of €16 million in Q1 2018 decreased by -37% compared to Q1 2017, as clients and users are continuing to migrate towards digital supports. The print business accounts for 10% of total revenues this quarter. The Group decided to terminate publishing a few directories of PagesJaunes for non-profitable and advanced digitalized geographic areas, i.e. in Ile-de-France, and in three large urban departments (Rhône, Bouches-du-Rhône and Nord) after the 2018 edition. For other departments, the edition of paper directories will continue. The Group will review each year, department by department, the opportunity to continue or not the directory publishing. In parallel, tests are underway to assess new concepts of "printed" guide highlighting the know-how of professionals and which make the link with digital content through augmented reality.

Total sales[4] amounted to €174 million in Q1 2018 down -11% compared to Q1 2017.

Digital sales declined by €13 million, or -8%, while the print sales are down by €8 million, or -28% in Q1 2018 vs Q1 2017.

In a context of profound and rapid transformation, at least three factors affected significantly the sales dynamics:

- the calendar involving, in the first quarter of 2018, both fewer days worked and more employee vacation time than in 2017 due to the timing of school holidays, has an estimated impact of €6 million,
- the two strike days triggered in February and March following the announcement of the redundancy plan ("PSE"), combined with a higher level of absenteeism than in 2017, resulted in a shortfall of at least €5 million,
- a significant decline in overall productivity affecting the whole company.

The **order backlog[4]** reached €449 million in Q1 2018, down -5%. This decrease is mainly due to the strong decline of the print business (-27% decrease in Q1 2018 vs Q1 2017). The digital order backlog is slightly eroding by -1% due to a heterogeneous revenue recognition pattern of products sold.

The operational KPIs of SoLocal Group in Q1 2018 are as follows:

	Q1 2017	Q1 2018	Variation
Number of visits (in millions)	614	600	-2%
Evergreen sales (as of % of total sales)	9%	17%	+8pts

Note: scope of continued activities

(1) The new digital scope is similar to the old Internet scope
(2) The new print scope is similar to the old Print & Voice scope
(3) Order backlog corresponds to the outstanding portion of revenues still to be recognized as of 31 March from sales orders validated and engaged by our clients. Regarding evergreen contracts, only the current commitment period is taken into account
(4) Scope of continued activities

The Internet visits(1) are down -2% and stood at 600 million in Q1 2018 compared to Q1 2017; the audience of the PagesJaunes media is stable over the period. Furthermore, the contacts generated for our clients increased by +5%. Those visits are generated through our own brands (PagesJaunes, Mappy, Ooreka), our continued SEO optimization (Q1 double digit audience growth) and our privileged partnerships (Bing (Microsoft), Yahoo!, Apple...). The slight erosion in number of visits is mainly driven by the increased competition on Ooreka's health and housing markets, as well as the decline in non-mobile visits on Mappy. Meanwhile, the mobile audience increased by +5% and now represents 41% of the total audience.

The evergreen sales(1) in percentage of total sales reached 17% and increased by +8 points in Q1 2018. This increase is driven by the growth of Premium sites, the launch of an offer created to retain our customers with low ARPA and the rise of Presence Management.

IMPACTS OF THE IFRS 15 ADOPTION ON REVENUES

	Q1 2017		2017	
In millions of euros	IAS 18	IFRS 15	IAS 18	IFRS 15 (2)
Digital revenues	160	150	636	610
Print revenues	26	26	120	121
TOTAL REVENUES	**186**	**176**	**756**	**730**

Note: scope of continued activities

The adoption of IFRS 15 in the Group's accounts has led to a change in the path of revenue recognition, with a greater spread over time. The recognition of revenues is thus slightly delayed compared to the previous method under IAS 18.

FURTHER IMPLEMENTATION OF "SOLOCAL 2020" STRATEGIC AND TRANSFORMATION PROJECT AND COST-CUTTING PLAN

Eric Boustouller, Chief Executive Officer of SoLocal Group, presented on 15 February his strategic plan "SoLocal 2020", approved on 12 February by the Board of Directors. It focuses on three value-creating drivers and a cost-cutting plan. This plan aims at making SoLocal one of the digital services champions in France.

1. DEVELOP A NEW AND BROAD OFFERING OF DIGITAL SERVICES FOR ALL BUSINESSES

As the digital needs of small and medium-sized businesses and network groups are changing, SoLocal aims to be the digital reference platform for all businesses, integrating a digital coaching approach adapted to each market segment. This new offering is being structured around five service ranges: Digital Presence, Digital Advertising, Digital Website, Digital Solutions and Print to Digital. In Q1 2018, SoLocal launched new offerings for network accounts via the Pack Presence and for the VSBs via the new Facebook offerings.

The roll-out of the new range of simplified, richer and packaged services will begin in the next fall 2018.

2. REINVENT PAGESJAUNES MEDIA

The revamping of PagesJaunes has two priorities: enhance the relevance of local search for users by offering greater customization and increase their engagement through new services (reviews, recommendations, appointments, etc.). During the month of April, PagesJaunes took an important step towards the modernization of its service with the launch of the single field search.

Other features aiming at improving the UX (user experience) and UI (user interface) are under development and will be launched by the end of the first half of 2018:

- loyalty program
- bookings through partnerships
- reshaping of basic content
- conversational – natural language

3. SIMPLIFY THE ORGANIZATION

To better meet the needs of our customers, gain agility and efficiency, and strengthen our competitiveness, the organizational structure would be redesigned around, in particular, the removal of Business Units, the centralization of support functions, the rationalization of locations, the simplification of the management line and the consolidation of selected activities.

The information and consultation process with employee representatives will carry on until 21 June 2018.

4. COST-CUTTING PLAN

The Group continues its efforts to reduce its cost base.

- Cautious management of the workforce illustrated by the non-replacement of employees leaving the company and a hiring freeze.
- Non-staff costs: procurement under control (ongoing diagnostic on all purchases), priorization and optimization of IT expenditures and cut in seminar and event costs.
- Divestment : disposal of Netvendeur, on 9 March, a company specialized in the estimation of real estate prices. Launched in 2014, following an intrapreneurial initiative, Netvendeur has developed a sales lead business model for real estate agencies. The impact of the sale of Netvendeur on the Group's consolidated financial accounts is not significant.

(1) Scope of continued activities

(2) Being currently reviewed by the auditors

STRATEGIC PARTNERSHIP WITH GOOGLE

SoLocal and Google announced a strengthening of their strategic partnership on 23 April 2018.

Initiated back in 2013 with the distribution by SoLocal of its first Google offer, this new 2-year agreement will double the resources devoted by both partners to drive online growth for French VSEs, SMEs and networks.

Through its online services Booster Site, Booster Contact and Booster Réseaux, SoLocal is offering a whole series of guaranteed performance products to enable businesses to optimize their visibility on Google.

The digital advertizing campaigns (over 20,000 generated in 2017) are managed across a proprietary platform combining the expertise of certified media traders and the efficiency of algorithms that continually work on multiple indicators: key-words, auctions, etc. This unique association of industrialization and customization results in more traffic to the customer's website, online appointments, telephone calls or visits to the store depending on the customer's choice.

This partnership underpins SoLocal's ambition to achieve annual growth on Google products of +50% over the period 2017-2020.

OUTLOOK FOR 2018

The Group confirms for 2018 its outlook of stabilization of recurring EBITDA.

CONSOLIDATED REVENUES IN IFRS 15

	Q1 2017 [1]			Q1 2018			Change in continued activities
In millions of euros	Consolidated	Discontinued activities	Continued activities	Consolidated	Discontinued activities	Continued activities	
REVENUES	**178**	**3**	**176**	**168**	**0**	**168**	**-4%**
Digital revenues	153	3	150	152	0	152	+1%
Print revenues	26	-	26	16	-	16	-37%

(1) Q1 2017 figures restated in IFRS 15

PRESENTATION OF THE RESOLUTIONS

TO BE SUBMITTED TO THE ORDINARY MEETING OF 25 JUNE 2018

A presentation of the resolutions appears in the Board of Directors' report on pages 19 et seq. of this document.

DRAFT RESOLUTIONS

TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING OF 25 JUNE 2018

ORDINARILY

FIRST RESOLUTION

(APPROVAL OF COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2017)

The General Meeting, ruling according to quorum and majority conditions as required for ordinary general meetings, after having read the Board of Directors' management report and the Auditors' report on financial statements, approves the annual accounts of SoLocal Group for the financial year ending 31 December 2017, including the balance sheet, profit and loss account and annex, as presented, as well as the operations shown in these accounts and summarised in these reports. It approves the profits for the financial year, as resulting from said accounts.

The General Meeting approves the total amount of expenses and costs indicated by the provisions set forth under Article 39(4) of the General Tax Code for the financial year ending 31 December 2017, which show a total of €59,126, and takes due note that the tax burden for these same expenses and costs stand at a total of €20,357.

SECOND RESOLUTION

(APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2017)

The General Meeting, ruling according to quorum and majority conditions as required for ordinary general meetings, after having read the Board of Directors' management report and the Auditors' report on financial statements, approves the consolidated annual accounts for the financial year ending 31 December 2017, including the balance sheet, profit and loss account and annex, as presented, as well as the operations shown in these accounts and summarised in these reports.

THIRD RESOLUTION

(ASSIGNMENT OF PROFIT/LOSS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2017, AS RESULTING FROM THE ANNUAL FINANCIAL STATEMENTS)

The General Meeting, ruling according to quorum and majority conditions as required for ordinary general meetings, after having read the Board of Directors' report,

- observes that the profit for the financial year ending 31 December 2017 stands at €21,001,929.21;
- decides to deduct from the profit for the financial year ending 31 December 2017 a total of €204,752.92 for assignment to the "legal reserve" of which the total credit balance after assignment will be €5,824,448;
- observes that, given the previous amount to be carried forward which stands at €8,639,384.40 and amounts to be assigned to the legal reserve, distributable profits stand at €29,436,560.69;
- decides to assign in full the distributable profits to the "carried forward" account of which the total credit balance after assignment stands at €29,436,560.69.

It is hereby recalled that no dividend was distributed for the past three financial years.

FOURTH RESOLUTION

(AGREEMENTS INDICATED UNDER ARTICLE L. 225-38 OF THE COMMERCIAL CODE)

The General Meeting, ruling according to quorum and majority conditions required for ordinary general meetings, after having read the special report published by the auditors on the conventions indicated by Article L. 225-38 of the Commercial Code, takes due note of the conclusions of this report and approves the agreements concluded during the financial year ending 31 December 2017 as outlined therein.

FIFTH RESOLUTION

(AUTHORISATION TO GRANT POWER TO THE BOARD OF DIRECTORS TO PURCHASE OR SELL SOLOCAL GROUP SHARES)

The General Meeting, ruling according to quorum and majority conditions as required for ordinary general meetings, after having read the Board of Directors' report:

- ends, with immediate effect, for the unused fraction, the authorisation granted by the mixed general meeting of 13 June 2017 in its sixth resolution to purchase Company shares;
- authorises the Board of Directors, pursuant to Articles L. 225-209 et seq of the Commercial Code, to purchase Company shares, according to the terms and conditions set forth hereunder and up to the limit of 10% of the share capital:
  - the maximum purchase price should not exceed €1.50 per share, with it being indicated that in the event of any operations concerning capital, notably by way of incorporation of reserves and the assignment 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 takeover program stands at €87,402,666;
  - this authorisation is valid for a period of 18 months;
  - acquisitions made by the Company by virtue of this authorisation may under no circumstances lead the Company to hold, directly or indirectly, at any time whatsoever, over 10% of shares comprising the commercial capital on the given date, with this percentage being applicable to a capital value adjusted in line with operations affecting it subsequent to the present general meeting; with it being indicated that the number of shares acquired with a view to their conservation and subsequent issue in the framework of a merger, demerger or contribution may not exceed 5% of the commercial capital value;
  - the acquisition, sale or transfer of shares may be undertaken, within the limits authorised by legislative and regulatory provisions in force, by all means, notably on regulated markets, multilateral trading systems, with systematic internalisers or privately, including by way of acquisition or sale of blocks (without limiting the portion of the takeover program to be

undertaken by this means), by a public offer for purchase or exchange, or by the use of options or other long-term financial instruments negotiated on regulated markets, multilateral trading systems, with systematic internalisers or agreed privately;

- acquisitions or transfers of shares may be undertaken at any time, except during any period of a public offer concerning Company shares, whilst respecting legislative or regulatory provisions.

These share purchases may be undertaken with a view to any assignment permitted by law, with the overall purpose of this share purchase program being:

- to implement and respect the obligations pertaining to share option programs or other assignments of shares to employees of the Company or associated companies and notably to assign shares to SoLocal employees in the framework of (i) profit sharing of the company and (ii) any share purchase plan, options plan or free assignment of shares (including the sale of shares indicated under Article L. 3332-24 of the Labour Code) for employees and company representatives or some of these, as well as to undertake any hedging operations pertaining to these operations;
- to guarantee the cash flow of SoLocal Group shares by an investment service provider in the framework of a liquidity agreement pursuant to the Code of Ethics as recognised by the Financial Market Authorities;
- to retain shares for subsequent issue (as an exchange; payment or otherwise) in the framework of potential external growth operations;
- to implement and respect obligations pertaining to convertible liabilities as owned shares and notably to issue shares at the time of exercising rights attached to securities granting access by all means immediately or in the long-term to shares, as well as to perform all hedging operations for SoLocal Group shares pertaining to these securities.

The General Meeting delegates to the Board of Directors, in the event of any nominal modification of the share, capital increase by incorporation of reserves, free allocation of shares, division or grouping together of shares, distribution of reserves or other assets, amortisation of capital, or any other operation concerning share equity, the power to adjust the aforementioned maximum purchase price in order to take due account of the effect of these operations over the share value.

The General Meeting confers all powers upon the Board of Directors, with the option of delegation, so that it may decide on and implement the present authorisation, in order to indicate where necessary the terms and determine the conditions, so as to issue all instructions to the stock exchange, sign all agreements, publish all documents and notably information, undertake assignments and, where applicable, reassign shares acquired for various purposes, perform all formalities and make all declarations with all bodies, and more widely, do all that is necessary.

SIXTH RESOLUTION

(POWERS FOR FORMALITIES)

The General Meeting grants all powers to the person bearing an original copy, copy or abstract of the minutes of the present General Meeting with a view to performing all legal or administrative formalities and to undertake all deposits and publicity for which provision is made by legislation in force.

FIVE-YEAR SUMMARY OF FINANCIAL RESULTS

(ARTICLES R. 225-81(3) AND R. 225-83(6) OF THE FRENCH COMMERCIAL CODE)

Type of information (with the exception of share capital, all amounts are in thousands of euros)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1. FINANCIAL POSITION AT YEAR-END					
a) Share capital	56,196,951	232,345,434	233,259,384	233,259,384	58,244,480
b) Number of outstanding ordinary shares	280,984,754	1,161,727,170	38,876,565	38,876,565	582,444,800
2. KEY FINANCIAL FIGURES					
a) Revenues excl. Tax[1]	10,345	9,071	13,047	24,080	24,709
b) Earnings before tax, profit-sharing, depreciation, amortisation and provisions	77,276	(142,015)	(152,278)	(98,531)	(4,788)
c) Corporate income tax	(57,839)	(56,153)	14,089	(51,474)	(54,667)
d) Employee profit-sharing owed for the year	-	-	-	-	-
e) Earnings after tax, depreciation, amortisation and provisions	(51,438)	(132,193)	(1,785,325)	8,640	21,002
f) Earnings distributed in n+1[2]	-	-	-	-	-
3. KEY FINANCIAL FIGURES PER SHARE (in euros)					
a) Earnings after tax & profit-sharing but before depreciation, amortisation and provisions	0.48	(0.07)	(4.28)	(1.21)	0.09
b) Earnings after tax, profit-sharing, depreciation, amortisation and provisions	(0.18)	(0.11)	(45.92)	0.22	0.04
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 year	45	43	43	38	2
b) Total payroll	8,721	7,536	8,107	7,986	805
c) Employment benefits paid	4,216	5,791	3,997	3,833	328

(1) The amounts entered under Revenues excl. tax include all operating income.
(2) Or submitted to the General Shareholders' Meeting for the last financial year (before deduction of treasury shares).

BOARD OF DIRECTORS' REPORT

TO THE SOLOCAL GROUP ORDINARY GENERAL MEETING OF 25 JUNE 2018

RESOLUTIONS SUBMITTED TO THE SHAREHOLDERS' VOTE

RESOLUTIONS INCUMBENT UPON THE ORDINARY GENERAL SHAREHOLDERS' MEETING

- Board of Directors' reports submitted to the General Shareholders' Meeting, including the Management Report;
- Statutory Auditors' reports on the financial statements for the year ended on 31 December 2017;
- Statutory Auditors' special report on the agreements within the scope of Article L. 225-38 of the French Commercial Code;
- approval of the company financial statements for the financial year ended on 31 December 2017;
- approval of the consolidated financial statements for the financial year ended on 31 December 2017;
- appropriation of the net income for the financial year ended on 31 December 2017, as shown in the company financial statements;
- approval of the agreements within the scope of Article L. 225-38 of the French Commercial Code;
- granting of authorisation to the Board of Directors to buy or transfer SoLocal Group shares;
- Powers.

Ladies and Gentlemen,

We have brought you together for the Annual Ordinary General Shareholders' Meeting as required by law and the Articles of Association of our Company to submit the following to your vote:

- approval of the company financial statements for the financial year ended on 31 December 2017;
- approval of the consolidated financial statements for the financial year ended on 31 December 2017;
- appropriation of the net income for the financial year ended on 31 December 2017, as shown in the company financial statements;
- approval of the agreements within the scope of Article L. 225-38 of the French Commercial Code;
- granting of authorisation to the Board of Directors to buy or transfer SoLocal Group shares.

The required notices were sent to you as required by law and all documents and items required by the regulations in effect were made available to you within the legal time-frames.

RESOLUTIONS INCUMBENT UPON THE ORDINARY GENERAL SHAREHOLDERS' MEETING (FIRST TO SIXTH RESOLUTIONS)

APPROVAL OF THE COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2017 (FIRST AND SECOND RESOLUTIONS)

Under the terms of the first and second resolutions, we ask that you approve the company financial statements (first resolution) and the consolidated financial statements (second resolution) of the Company for the financial year ended on 31 December 2017.

The comments on the company and consolidated financial statements are provided in detail in the Board of Directors' reports.

In addition, we ask that you approve the overall amount of expenses and charges within the scope of the provisions of 4 of Article 39 of the French Tax Code for the financial year ended on 31 December 2017 in the amount of €59,126 and that you acknowledge the fact that taxes incurred for these expenses and charges amount to €20,357.

APPROPRIATION OF THE NET INCOME FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2016 (THIRD RESOLUTION)

Under the terms of the third resolution, we ask that you:

- note that the profit for the financial year ended on 31 December 2017 was €21,001,929.21;
- agree to deduct from the profit of the financial year ended on 31 December 2017, the amount of €204,752.92 for appropriation to the "statutory reserve fund", which, after the appropriation, will have a credit balance of €5,824,448;
- acknowledge that, given prior retained earnings in the amount of €8,639,384.40 and the amounts to be carried over to the statutory reserve fund, the distributable profit is €29,436,560.69;
- agree to allocate all of the distributable profit to the "retained earnings" item, the credit balance of which, after this appropriation, will be €29,436,560.69.

Note that no dividend was distributed for the preceding three financial years.

A table showing the results of the Company over the past five financial years is appended to the Board of Directors' Management Report pursuant to Article R. 225-102 of the French Commercial Code.

APPROVAL OF THE AGREEMENTS WITHIN THE SCOPE OF ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE (FOURTH RESOLUTION)

Under the terms of the fourth resolution, we ask that you approve the related-party agreements signed during the financial year ended on 31 December 2017 in application of Articles L. 225-38 et seq. of the French Commercial Code.

A list of the agreements, as well the agreements signed during previous financial years which continued in effect during the financial year ended on 31 December 2017, is provided in the Statutory Auditors' special report. They are also provided in Part III of the Board of Directors' Corporate Governance report and the terms and conditions of the agreements are provided in detail in chapter 7 of the SoLocal Group's 2017 Reference Document.

GRANTING OF AUTHORISATION TO THE BOARD OF DIRECTORS TO BUY OR TRANSFER SOLOCAL GROUP SHARES (FIFTH RESOLUTION)

We ask that you grant the Board of Directors authorisation, for another 18-month period, to implement a Company share buy-back programme and thereby authorise the Company, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to buy back its own shares up to a maximum of 10% of its share capital.

The maximum purchase price may not exceed €1.50 per share. In the event of capital transactions, including incorporation of reserves, allotment of free shares and/or stock splits or reverse splits, this price will be adjusted accordingly. The maximum amount of the provisions intended for the buy-back programme stands at €87,402,666.

The reasons for the share buy-back programme are as follows:

- to implement and meet all obligations with respect to stock option programmes or other allocations of shares to employees of the Company and of related companies and, notably, to allocate shares to the employees of the SoLocal Group as part of (i) Company profit-sharing plans and of (ii) any purchase, purchase option and free share allotment plans (including all share disposals provided for in Article L. 3332-24 of the Labour Code) for the benefit of employees and the corporate officers, or some of them, and to carry out all hedging transactions related to these transactions;
- to ensure the SoLocal Group's liquidity via an investment services provider under a liquidity agreement conforming to the Professional Ethics Charter recognised by the French Financial Markets Authority;
- to retain shares for later allocation (exchange, payment or other) as part of potential acquisitions;
- to implement and meet the obligations related to debt securities convertible into equity securities and, notably, to provide shares at the time of exercise of the rights attached to transferable securities providing access by all means, immediately or in the future, to shares and to carry out all hedging transactions for the SoLocal Group's obligations related to the transferable securities.

Renewal of this authorisation will enable the Company to maintain the liquidity agreement which has been in place for several years.

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Your Board asks that you approve the resolutions it has submitted to your vote.

Prepared in Boulogne-Billancourt, 24 April 2018

The Board of Directors

STATUTORY AUDITORS' REPORT

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2017

At the General Shareholders Meeting of SoLocal Group,

OPINION

In execution of the mission entrusted to us by your general shareholders' meeting, we have audited SoLocal Group's consolidated financial statements for the year ended 31 December 2017, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the results of the operations for the past financial year as well as the financial position and net income at the end of the financial year, of the consolidated companies and entities included in the consolidation, in accordance with IFRS standards as adopted in the European Union.

The opinion set out above is consistent with our Audit Committee report.

BASIS FOR THE OPINION

AUDIT GUIDELINES

We conducted our audit in accordance with the professional standards applicable in France. We believe that the information we collected is sufficient and appropriate to serve as a basis for our opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the statutory auditors concerning the audit of the consolidated financial statements" section of this report.

INDEPENDENCE

We carried out our audit mission in accordance with the rules of independence applicable to us, from 1 January 2017 to the date of our report, and in particular we did not provide services prohibited by Article 5 (1) of (EU) Regulation No. 537/2014 or the Code of Ethics for the profession of Statutory Auditor.

Moreover, the services other than the certification of the accounts that we provided during the financial year to your company and the entities it controls that are not mentioned in the management report or the notes to the consolidated financial statements are the following:

Issuance of a comfort letter in connection with the Group's financial restructuring operations, various certificates issued at the Company's request for accounting data, and specific work for the implementation of IFRS 15, conducted by BEAS and Auditex.

JUSTIFICATION OF ASSESSMENTS - KEY POINTS OF THE AUDIT

In application of the provisions 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 points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most important for the audit of the consolidated financial statements for the financial year, as well as the responses we provided to these risks.

The assessments thus made fall within the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on items in these consolidated financial statements in isolation.

Key point of the audit	Handling the key point of the audit
Accounting for Internet revenues according to IAS 18 Consolidated revenues at 31 December 2017 amounted to €765 million, of which €645 million related to Internet activities accounted for 84% of group revenues, compared with 80% at 31 December 2016. Notes 1.2.1 and 4.1 of the notes to the consolidated financial statements set out the procedures for recognising revenues under IAS 18. Concerning Internet revenues, the accounting is based on significant judgements and estimates that may be subject to errors or fraud. Concerning Internet offers, the revenues are accounted for partly from the beginning of the contract, either to the extent of the result of the transaction if it is reliably estimable, or up to the costs incurred for the establishment of the service and deemed recoverable. The residual revenues are spread out in a linear fashion over the term of the contract when it is put online. Since invoicing is faster than revenue recognition, a significant amount of deferred income is recognised. Internet revenues is a key point in the audit, taking into account the importance of the management's estimates and judgements used to determine the rate of revenues recognition.	We reviewed the process implemented by the group to determine the criteria for revenues recognition. We tested the functioning of the controls put in place by the group to ensure the quality of this process. Our work consisted of, in particular: • assessing the principles and methods for determining the revenues recognition related to these offers with regard to IAS 18; • for the main typologies of internet offers, obtaining the descriptions, the revenue recognition method, the analysis and justification of the costs incurred and deemed recoverable as well as the configuration in the information systems; • implementing audit procedures on the IT systems and input data used in determining the revenues of the group's main subsidiary. Our teams specialising in information systems have recalculated revenues and deferred income. We have also examined the appropriateness of the information presented in Notes 1.2.1 and 4.1 to the consolidated financial statements.

Key point of the audit	Handling the key point of the audit

Recognition of development costs on the assets side
The net carrying amount of intangible assets amounted to €118.8 million at 31 December 2017, of which €106.1 million for capitalised development costs, or 15% of the group's total assets.
As described in Note 8.1 to the consolidated financial statements, the Group recognises as intangible assets the costs of developing the applications, software, platforms, websites and infrastructures required for its Internet business when IAS 38 criteria are met, in particular when the technical feasibility and commercial profitability of these investment projects are ensured.
Capitalised development costs are amortised on a straight-line basis over their useful life, generally not exceeding three years.
Determining projects and costs that meet the recognition criteria of IAS 38 requires significant judgements and estimates, which may have a significant impact on the consolidated financial statements.
	We reviewed the process implemented by the group to determine the criteria for recognition of development costs on the assets side. Our work consisted of, in particular:
	• for the costs related to internal developments recognised as intangible fixed assets during the period:
	  – comparing amounts recorded in the books with data from operational time tracking systems charged to development projects,
	  – analysing and testing the main projects and amounts capitalised during the period under the IAS 38 criteria;
	• for the main development projects put into production during the year, comparing the commissioning date with the commissioning minutes drawn up and the useful life with the explanations of the operational staff;
	• for projects from previous years, examining the indicators of impairment and their possible consequences on the net book value of the assets;
	• for projects in progress at 31 December 2017, determining whether the expected economic benefits are sufficient to justify the amounts capitalised in the balance sheet.

Key point of the audit	Handling the key point of the audit
Financial restructuring In the first quarter of 2017, SoLocal Group implemented the financial restructuring decided at the General Shareholders' Meeting of 15 December 2016, which divided its debt by three, by contracting a new debt of €398 million, and increased its shareholders' equity by €780 million, including the issuance of convertible bonds ("MCB") classified as equity under IFRS standards. The accounting impact of these transactions is described in Notes 10.4 and 10.5 to the consolidated financial statements. Taking into account the amounts and complexity of the refinancing activities, and the specific nature of the accounting treatments required by IFRS standards, we considered that accounting for the financial restructuring as a whole was a key point in our audit.	We reviewed the detailed terms and conditions of each transaction involved in the financial restructuring. Our work consisted of, in particular: ● analysing all the legal documentation relating to each transaction: capital increases, extinguishment of debts, issuance of new debt and MCBs; ● examining the proper accounting of transactions in the consolidated financial statements, in particular the recognition of the fair value of equity instruments and debt issued; ● examining the compliance of the accounting treatment in the income statement with the difference between this fair value and the carrying value of pre-existing debts under IFRIC 19; ● examining by samples the costs incurred in these transactions and the appropriateness of the portion deducted from the equity. We have also examined the appropriateness of the information presented in Notes 10.4 and 10.5 to the consolidated financial statements.

VERIFICATION OF THE GROUP MANAGEMENT REPORT

In accordance with the professional standards in France, we also carried out the specific verification required by law on the information concerning the group provided in the management report.

We have no matters to report regarding the fair presentation of this information or its consistency with the consolidated financial statements.

INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of SoLocal Group by the general shareholders' meeting of 19 October 2016 for the firm BEAS, an entity of the Deloitte network, and for the firm Auditex, a member of the Ernst & Young Global Limited network.

As at 31 December 2017, the firms BEAS and Auditex were in the second uninterrupted year of their mission.

Deloitte & Associés and Ernst & Young Audit previously served as SoLocal Group's Statutory Auditors from 2003 to 2015 and from 2004 to 2015 respectively, including 12 years for both of these firms since the Company's securities were admitted to trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND CORPORATE GOVERNANCE OFFICERS IN THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with the IFRS as adopted in the European Union, as well as to implement the internal control that it deems necessary for the preparation of consolidated financial statements containing no material misstatements, 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, to present in these accounts, if applicable, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is intended to wind up the company or cease trading.

The Audit Committee is responsible for following the process of preparing financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, if applicable, internal audit, with respect to procedures relating to the preparation and processing of accounting and financial information.

The approval of the consolidated financial statements is the Board of Directors' responsibility.

RESPONSIBILITIES OF THE STATUTORY AUDITORS IN RELATION TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OBJECTIVE AND APPROACH

We are responsible for preparing a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance means a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatement. Anomalies may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that account users take in their business based on such anomalies.

As specified by Article L. 823-10-1 of the French Commercial Code, our mission of certification of accounts is not to guarantee the viability or the quality of your company's management.

Within an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises their professional judgement throughout this audit. In addition:

- they identify and assess the l risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, defines and implements audit procedures to address these risks, and collects sufficient and appropriate elements to base its opinion. The risk of not detecting a material misstatement from fraud is higher than that of a material misstatement resulting from an error, as the fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumventing internal control;
- they review the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of the internal control;
- they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as their information provided in the consolidated financial statements;
- they assess the appropriateness of management's application of the going concern accounting policy and, depending on the evidence gathered, the existence or not of significant uncertainty related to events or circumstances likely to impact the company's ability to continue as a going concern. This assessment is based on the information gathered up to the date of their report, but it is recalled that subsequent circumstances or events could jeopardise the continuity of operations. If they conclude that there is significant uncertainty, they draw the attention of readers of their report to the information provided in the consolidated financial statements about this uncertainty or, if this information is not provided or is not relevant, they issue a qualified certification or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view of them;
- concerning the financial information of the persons or entities included in the scope of consolidation, they collect information that they deem sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and execution of the audit of the consolidated financial statements as well as the opinion expressed on these statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee, which outlines the scope of the audit mission and the work programme implemented, as well as the conclusions arising from our mission. We also inform them, if applicable, of the significant weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to have been the most important for the audit of the consolidated financial statements for the financial year and which therefore constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of (EU) Regulation No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of ethics for the profession of statutory auditor. If applicable, we discuss with the Audit Committee the risks on our independence and the safeguard measures applied.

Paris-La Défense and Neuilly-sur-Seine, on 19 February 2018

The Statutory Auditors,

AUDITEX
Member of the Ernst & Young Global Limited network
Vincent de La Bachelerie

BEAS
An entity of the Deloitte network
Joël Assayah

REPORT BY THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended 31 December 2017

To the General Meeting of the Shareholders of SoLocal Group,

OPINION

Pursuant to the task that was entrusted to us by your General Shareholders' Meeting, we have audited the annual financial statements of SoLocal Group for the financial year ended 31 December 2017, as they are appended hereto.

We certify that the annual financial statements are, under French accounting principles and rules, correct and true and fairly present the results of the past financial year's transactions and the Company's financial position, assets and liabilities at the end of that year.

The opinion set forth above is consistent with the content of our report to the Audit Committee.

BASIS OF THE OPINION

TERMS OF REFERENCE

We have carried out our audit in accordance with the professional standards of practice applicable in France. We believe that the information we collected is sufficient and appropriate to serve as a basis for our opinion.

The responsibilities incumbent upon us pursuant to these standards are set out in the section "Responsibilities of Statutory Auditors relating to audits of annual financial statements" of this report.

INDEPENDENCE

We have carried out our audit mission in compliance with the rules of independence that are applicable to us, covering the period from 1 January 2017 to the date of issue of our report and, in particular, we have not provided services precluded by Article 5, paragraph 1, of (EU) rule No. 537/2014 or by the Code of Ethics for the profession of Statutory Auditor.

The non-audit services that we have provided during the year to your Company and to the entities that it controls and which are not mentioned in the management report or in the notes to the consolidated financial statements are:

- Issue of a letter of intent in relation to the Group's financial restructuring operations, various certificates prepared at the Company's request regarding accounting data, and work specific to the application of IFRS 15, carried out by consultancy firms BEAS and Auditex.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code on the justification of our assessments, your attention is drawn to a number of key audit matters dealing with the risks of material misstatement which, according to our professional judgement, have been most important for the audit of the annual financial statements for the year, together with our responses to these risks.

These assessments were made within the context of our overall audit of the annual financial statements and therefore served as a basis for our opinion, as expressed above. We express no opinion on elements of these annual financial statements taken in isolation.

Key audit matter	Handling the key audit matter
Valuation of equity interests and related receivables As at 31 December 2017, equity interests are posted in the balance sheet at a net book value of €2,301 million, i.e. 95.1% of total assets. Related receivables account for €2 million. As stated in Note 2.2 to the annual financial statements, impairment is recognised if its value is higher than the recoverable value as determined by SoLocal Group's management, while taking into account each equity interest's specific characteristics of on the basis of various criteria: market value, calculated on the basis of revenue multiples or the EBITDA of comparable companies, or the value in use determined by discounting cash flows ("DCF") adjusted for net debt. Key assumptions for DCF valuations include: growth and profitability outlooks, as well as cash flows from business plans that cover a sufficiently long period, which is generally 5 years. Beyond this period, cash flows are extrapolated using a perpetual growth rate that reflects the forecast long-term growth rate of the market for each specific business activity, the cash flows being discounted by using rates appropriate to the nature of the business and the country of operation. Given the value of the equity interests in the balance sheet, the complexity of the models used and their sensitivity to variations of the data and assumptions on which the estimates are based, notably the discounted cash flows, we have considered the correct valuation of the recoverable value of the equity interests as a key audit matter.	We have noted the process used by the Company to assess the recoverable value of equity interests and the controls put in place. Our work in particular consisted in: • obtaining activity and cash flow forecasts, as well as other data and parameters supporting the valuations (discounting rates, revenue multiples and EBITDA for comparable companies, DCF, etc.); • reviewing consistency with the economic environment of the assumptions made by Management, in association with our valuation experts; • comparing the data used in carrying out impairment tests on equity interests with the source data for each entity; • ensuring the arithmetic accuracy of the recoverable value calculations adopted by the Company. We have also assessed the appropriateness of the information set out in Note 3.2 to the annual financial statements.

Key audit matter	Handling the key audit matter
Financial restructuring During the first quarter of 2017, SoLocal Group implemented the financial restructuring decided during the General Shareholders' Meeting of 15 December 2016, as a result of which the Group's debt was divided by three. Following this restructuring, the share capital and issue premiums were increased by €762 million. The Company also issued mandatory convertible bonds ("MCB") in an amount of €18 million, classified as financial liabilities. The accounting implications of these operations are described in Notes 3.4 and 3.5 to the financial statements. Given the amounts and the complexity of the refinancing operations, and the special character of the accounting processes required by French standards, we considered that the financial restructuring overall represented a key audit matter.	We noted the detailed conditions of each of the operations involved in the financial restructuring. Our work in particular consisted in: • analysing all the legal documentation relating to each of the operations: capital increases, debt cancellation, issue of new debt and the MCB; • reviewing the correct entry of the operations in the annual financial statements; • reviewing, on a test basis, the costs incurred for these operations, and the appropriateness of the portion deducted from equity. We also reviewed the appropriateness of the information set out in Note 3.4 of the notes to the annual financial statements.

VERIFICATION OF THE MANAGEMENT REPORT AND OTHER DOCUMENTS SENT TO SHAREHOLDERS

In accordance with professional standards in France, we also carried out the specific verifications required by law.

INFORMATION PROVIDED IN THE MANAGEMENT REPORT AND IN OTHER DOCUMENTS SENT TO SHAREHOLDERS CONCERNING THE FINANCIAL POSITION AND THE ANNUAL FINANCIAL STATEMENTS

We have no matters to report regarding the fair presentation and consistency of the annual financial statements with the information provided in the management report from the Board of Directors and in the documents provided to shareholders on the financial position and the annual financial statements.

OTHER INFORMATION

In accordance with French law, we have ensured that the required information on the identity of the holders of share capital and voting rights have been provided in the management report.

INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors for the SoLocal Group by the General Shareholders' Meeting of 19 October 2016 for the BEAS partnership, an entity of the Deloitte network, and for the Auditex partnership, a member of the Ernst & Young Global Limited network.

As at 31 December 2017, BEAS and Auditex were in the second year of their mission without interruption.

Deloitte & Associés and Ernst & Young Audit have acted as Statutory Auditors for the SoLocal Group previously, from 2003 to 2015 and from 2004 to 2015 respectively, i.e. for 12 years for these two partnerships, since the Company's shares were listed for trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND OF THE PERSONS RESPONSIBLE FOR CORPORATE GOVERNANCE IN TERMS OF THE ANNUAL FINANCIAL STATEMENTS

It is the responsibility of management to prepare annual financial statements that present a true and fair view of the Company in accordance with French accounting rules and principles, and to set up the internal control that it deems necessary for the preparation of annual financial statements that do not contain any material misstatements, whether these originate from fraud or are the result of errors.

When preparing annual financial statements, it is the duty of management to assess the ability of the Company to continue operations and to present in these financial statements, if need be, the necessary going concern information and apply the going concern accounting policy, unless it is intended to wind up the Company or cease trading.

It is the duty of the Audit Committee to monitor the process of compiling financial information and to monitor effectiveness of the internal control and risk management systems, and, where relevant, of the internal audit system in terms of the procedures for compiling and processing accounting and financial information.

Approval of the annual financial statements is the responsibility of the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS CONCERNING THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

AUDIT OBJECTIVE AND APPROACH

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements overall do not contain any material misstatements. Reasonable assurance equates to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice will always detect any material misstatement. Misstatements may originate from fraud or be the result of errors and are considered as material if there is a reasonable expectation that they could, taken individually or cumulatively, have an impact on economic decisions that users of the financial statements will take based on the latter.

As specified by Article L. 823-10-1 of the French Commercial Code, our mission to audit the annual financial statements does not include guaranteeing the viability or quality of the management of your Company.

In an audit carried out in accordance with the standards of professional practice applicable in France, the Statutory Auditor exercises their professional judgement throughout this audit. In addition:

- the auditor identifies and assesses the risks that the annual financial statements include material misstatements, whether these originate from fraud or are the result of errors, defines and implements audit procedures to deal with these risks, and collects the documentary evidence that they deem sufficient and appropriate to form their opinion. The risk of not detecting a material misstatement originating from fraud is higher than that of failing to detect a material misstatement resulting from an error, as fraud may involve collusion, falsification, deliberate omissions, false statements or bypassing internal audit;
- the auditor takes note of the internal control system relating to the audit in order to define audit procedures that are appropriate in the circumstances, and not with the aim of expressing an opinion on the effectiveness of internal audit;
- they assess the appropriateness of the accounting methods adopted and the reasonableness of accounting estimates made by management, as well as information concerning these provided in the annual financial statements;
- the auditor assesses the appropriateness of the application by management of the going concern accounting principle and, according to the elements collected, the existence or otherwise of significant uncertainty related to events or circumstances likely to compromise the Company's ability to continue operations. This assessment is based on the evidence collected up to the date of his report, it being recalled, however, that later events could compromise the continuity of operations. If the auditor concludes that significant uncertainty exists, they draw the attention of readers of their report to the information supplied in the annual financial statements on the subject of this uncertainty or, if this information is missing or inadequate, issues a qualified or disclaimer opinion;
- they assess the overall presentation of the annual financial statements and whether these reflect the underlying transactions and events so as to give a true and fair view of the Company.

REPORT TO THE AUDIT COMMITTEE

We present a report to the Audit Committee, which outlines the scope of the audit work and the work program implemented, as well as the conclusions arising from our work. We also bring to its notice, where appropriate, any significant weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit Committee are, where applicable, the risks of material misstatement which we consider to have been most important for the audit of the annual financial statements for the year and which therefore represent the key audit matters which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration stipulated by Article 6 of (EU) rule No. 537-2014 confirming our independence within the meaning of the rules applicable in France as laid down in particular by the Articles L. 822-10 to L. 822-14 of the French Commercial Code and in Code of Ethics of the audit profession. If necessary, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Paris-La Défense and Neuilly-sur-Seine, on 20 April 2018

The Statutory Auditors,

AUDITEX
Member of the Ernst & Young Global Limited network
Vincent de La Bachelerie

BEAS
An entity of the Deloitte network
Joël Assayah

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

General Shareholders' Meeting for the approval of the financial statements for the financial year ended 31 December 2017

To the General Meeting of the Shareholders of SoLocal Group,

In our capacity as your Company's auditors, we present below our report on regulated agreements and commitments.

Based on the information provided, we are required to report to shareholders on the characteristics, main terms and conditions of and the grounds for the Company's interest in the agreements and commitments that have been disclosed to us or which were brought to light as a result of our assignment, without commenting on their relevance or substance and without determining whether other such agreements or commitments exist. Under Article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments 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 and commitments 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 AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

No agreements or commitments were 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 AND COMMITMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

A. AGREEMENTS AND COMMITMENTS APPROVED IN PAST FINANCIAL YEARS, SOME OF WHICH WERE EXECUTED DURING THE FINANCIAL YEAR

In accordance with Article R. 225-30 of the French Commercial Code, we were informed of the continuation of the following agreements and commitments, approved by shareholders in prior years, some of which were executed during the financial year just ended.

1. WITH MR JEAN-PIERRE RÉMY, YOUR COMPANY'S CHIEF EXECUTIVE OFFICER UNTIL 30 JUNE 2017

NATURE AND PURPOSE

The Board of Directors, meeting on 17 May 2009 and 10 March 2014, authorised the terms and conditions, including financial, of the appointment as Chief Executive Officer of Mr Jean-Pierre Rémy, which included a certain number of commitments made to his advantage and the benefits granted.

Mr Jean-Pierre Rémy resigned from his office as Chief Executive Officer in May 2017 and left his position on 30 June 2017.

TERMS AND CONDITIONS

SEVERANCE PAYMENT

The commitment stipulated severance pay that Mr Rémy may receive were he forced to leave the Company as a result of a change in its control or strategy, or of a change in the execution of its strategy. The amount of this severance pay was to be equivalent to his gross annual all-inclusive remuneration (both fixed and variable with targets achieved), provided that Mr Jean-Pierre Rémy achieved at least 80% of his objectives over the last three years. The severance payment would be made only after the Board of Directors verified that Mr Remy's performance obligation had been achieved.

Your Board of Directors, meeting on 22 May 2017, noted the resignation of Mr Jean-Pierre Rémy from his office as Chief Executive Officer, the latter having expressly waived receiving any severance pay related to his departure.

NON-COMPETITION OBLIGATION

A non-competition obligation was to have been placed on Mr Jean-Pierre Rémy in the event of termination of his office as Chief Executive Officer. This obligation would not have exceeded twenty-four months and would have covered all of France.

Your Company had the option to release Mr Rémy from this non-competition clause by informing him of its decision to do so no later than fifteen calendar days after the Board of Directors' meeting where the termination of Mr Remy's term of office as Chief Executive Officer was acknowledged or decided.

After meeting on 30 May 2017, the Board of Directors decided to release Mr Jean-Pierre Rémy from his non-competition obligation and consequently not to make the severance payment.

SUPPLEMENTARY PENSION SCHEME

Mr Jean-Pierre Rémy also benefits from the defined-contribution supplementary retirement plan (Article 83 of the French Tax Code) resulting in a contribution of 5.5% applied to remuneration tranches B and C. The Company pays 60% of this contribution, i.e. 3.3%, with the remaining 40% being payable personally by the Chief Executive Officer, i.e. 2.2%.

The employer's contribution paid by your Company for the financial year 2017 was €4,531.

2. WITH MR CHRISTOPHE PINGARD, THE COMPANY'S DEPUTY CHIEF EXECUTIVE OFFICER UNTIL 15 DECEMBER 2017

NATURE AND PURPOSE

The Board of Directors, in its meetings on 26 October 2011 and 13 December 2016, had authorised the terms and conditions, including financial, of the appointment as Deputy CEO of Mr Christopher Pingard, which included a certain number of commitments made to his advantage and the benefits granted.

The Combined Shareholders' General Meeting of 9 March 2018 repeated its approval, given previously during the Combined Shareholders' General Meeting on 13 June 2017, of commitments made in favour of Mr Christophe Pingard, given the extension until 15 December 2017 of his appointment as Deputy CEO, which was not renewed by decision of the Board of Directors at its meeting on 11 October 2017. These commitments related to the award of severance pay, payment of which was subject to certain conditions, including performance and a non-competition obligation.

TERMS AND CONDITIONS

SEVERANCE PAYMENT

The commitment stipulated a severance payment which could be made to Mr Christophe Pingard in the event of a forced departure from the Company and related to a change of control or strategy, or the implementation of this strategy, the amount of said severance pay being equal to twelve months' remuneration, calculated on the basis of the average total gross monthly remuneration (fixed and variable) for the last twelve months of his term of office.

As Mr Christophe Pingard left his office on 15 December 2017, the Board of Directors, meeting the same day, noted that the conditions for claiming severance pay (in particular the performance condition) had been met. Consequently, Mr Christophe Pingard received severance pay, the amount of which, determined under the abovementioned conditions, was €595,903.

NON-COMPETITION OBLIGATION

A non-competition obligation would have been implemented in the event of termination of office of Mr Christophe Pingard for any reason and in any form whatsoever. This obligation would not have exceeded twenty-four months and would have covered all of France.

The commitment stipulated appropriate severance pay to be paid in consideration for observing this non-competition obligation for twenty-four months would be twelve months of remuneration at the average monthly rate of the total gross remuneration over the last twelve months of Mr Christophe Pingard's term of office as Deputy Chief Executive Officer.

When Mr Pingard's employment was terminated, your Company could waive the non-competition obligation (in which case it would not have to pay the corresponding severance pay).

The Board of Directors, meeting on 15 December 2017, decided not to pay Mr Christophe Pingard severance pay amounting to €595,903 and consequently to release the latter from his non-competition obligation.

SUPPLEMENTARY PENSION SCHEME AND OTHER BENEFITS

Mr Christophe Pingard also benefited from the defined-contribution supplementary retirement plan (Article 83 of the French Tax Code) resulting in a contribution of 5.5% applied to remuneration tranches B and C. The Company pays 60% of this contribution, i.e. 3.3% of the applicable remuneration tranches, with the remaining 40% being payable personally by the Deputy Chief Executive Officer, i.e. 2.2%.

The employer's contribution paid by the Company for the financial year 2017 was €8,684.

B. AGREEMENTS AND COMMITMENTS APPROVED SINCE THE END OF THE LAST FINANCIAL YEAR

We would remind you that the following commitments, authorised and signed off during the past financial year, were the subject of our special report of 14 February 2018, which was presented at the Combined Shareholders' General Meeting of 9 March 2018, and which the latter approved.

WITH MR ERIC BOUSTOULLER, YOUR COMPANY'S CHIEF EXECUTIVE OFFICER WITH EFFECT FROM 11 OCTOBER 2017

NATURE AND PURPOSE

The Board of Directors, meeting on 11 July 2017, authorised the terms and conditions, including financial, for the appointment as Chief Executive Officer of Mr Eric Boustouller, on a proposal by the Remuneration Committee. Among the commitments made by your Company, Mr Eric Boustouller will receive (i) under certain conditions, severance pay and/or compensation as consideration for a non-competition clause, as well as, by way of a benefit in kind, (ii) enrolment in a defined-contribution supplementary retirement plan.

TERMS AND CONDITIONS

SEVERANCE PAYMENT

In the event of a forced departure from your Company, in other words any departure other than following a resignation or a revoking of his

term of office for gross misconduct, except, as regards resignation, if this is attributable to a change of control of your Company or a change of strategy decided by your Board of Directors, severance pay will be paid to the Chief Executive Officer under the conditions listed below:

- the amount of compensation will be equal to 18 months of the Chief Executive Officer's gross annual all-inclusive remuneration (fixed and variable with targets achieved);
- payment of the compensation will be subject to the following performance condition: the Chief Executive Officer must have achieved an average of at least 80% of his annual targets during the last three years. If his departure occurs less than 3 years after assuming office, the annual targets taken into account will be those which were applicable during the time he served at the Company;
- compensation will be paid only after the Board of Directors finds that the performance condition has been fulfilled.

NON-COMPETITION CLAUSE

The Chief Executive Officer will be subject to a non-competition obligation in the event of termination of his office, for any reason and in any form whatsoever, under the conditions listed below:

- the ban on competition will be limited to a period of 12 months commencing on the day he actually leaves office;
- the corresponding compensation will be equal, based on a period of non-competition of 12 months, to 6 months' total remuneration calculated based on the monthly average of his total gross remuneration for the last 12 months in office.

The Company may, on his leaving office, (i) waive the non-competition commitment (in which case it will not be required to pay the corresponding compensation) or (ii) reduce the period, scope of activities and/or the geographic area of said commitment (in which case the non-competition compensation amount will be reduced pro rata).

The accumulation of the severance pay and non-competition obligation cannot exceed two years of remuneration, fixed and variable.

SUPPLEMENTARY PENSION SCHEME

The Chief Executive Officer will benefit from a defined-contribution supplementary retirement plan (Article 83 of the French Tax Code), resulting in a contribution of 5.5% applied to remuneration tranches B and C, it being specified that 60% of this contribution will be paid by your Company, i.e. 3.3% of the applicable remuneration tranches, with the remaining 40% being payable personally by the Chief Executive Officer, i.e. 2.2%.

The employer's contribution paid by your Company for the financial year 2017 was €2,039.

Neuilly sur Seine and Paris La Défense, 20 April 2018

The Statutory Auditors

AUDITEX
Member of the Ernst & Young Global Limited network
Vincent de La Bachelerie

BEAS
An entity of the Deloitte network
Joël Assayah

NOTES

REQUEST FOR DOCUMENTS

ORDINARY GENERAL SHAREHOLDERS' MEETING OF SOLOCAL GROUP

to be held on 25 June 2018

PALAIS BRONGNIART
28 Place de la Bourse
75002 PARIS

Return this document, duly completed and signed, directly to:

SOLOCAL GROUP – RELATIONS ACTIONNAIRES (shareholder relations)

**204 ROND-POINT DU PONT DE SÈVRES
92649 BOULOGNE-BILLANCOURT CEDEX**

Mr ☐ Mrs ☐ Miss ☐

First and last names: ....

Adress : ....

Postcode: .... Town/City: ....

E-mail address: .... @ ....

Registered account number: ....

In accordance with the provisions of Article R. 225-88 of the French Commercial Code, I request that SoLocal Group send me all the documents and information concerning the Ordinary General Meeting to be held on 25 June 2018, as they are listed in Article R. 225-83 of the French Commercial Code.

- In my capacity as an owner of registered shares, I also request that a proxy form and the documents and information referred to in Articles R. 225-81 and R. 225-83 of the French Commercial Code be sent to me at the time of each subsequent Shareholders' Meeting.
- In my capacity as an owner of shares, all in bearer form *(this section should not be completed by shareholders who hold registered shares).*

I represent that these shares are registered in an account held by:

Name and address of your financial intermediary:

....

....

authorised intermediary, and that the certificate issued by such intermediary certifying that the shares were registered no later than **21 June 2018 at 00:00** *(Paris time),* was filed with SoLocal Group, the depositary designated in the Notice of Meeting (Article R. 225-85 and R. 225-88 of the French Commercial Code).

Signed in: ...., on 2018

Signature:

NOTES

Solocal GROUP

REQUEST FOR DOCUMENTS TO BE SENT ELECTRONICALLY

DOCUMENTS FOR PARTICIPATING IN GENERAL SHAREHOLDERS' MEETING TO BE SENT TO HOLDERS OF REGISTERED SHARES(1)

Solocal group is aware of its responsibilities with respect to the environment and has decided to limit, to the extent possible, the use of paper in its communications.

That is why this form has been sent to you.

We hope that many of you will join us in this socially responsible measure.

Form to be sent to:

BNP PARIBAS SECURITIES SERVICES, CTS ASSEMBLÉES

GRANDS MOULINS DE PANTIN
9 RUE DU DÉBARCADÈRE – 93761 PANTIN CEDEX

You may register directly on our dedicated Planetshares website (**https://planetshares. bnpparibas.com**) to request any documents you wish.

❑ I request that, with effect from the Annual Ordinary General Meeting held in 2018, you send to me by email, at the email address stated below, my Notice of Meeting and the documents required to participate in SoLocal Group General Meetings.

❑ I expressly authorise SoLocal Group (or its representative if applicable) to send me by e-mail all communications concerning SoLocal Group corporate matters.

Mr ❑ Mrs ❑ Miss ❑

First and last names: ....

Adress: ....

Postcode: .... Town/City: ....

E-mail address: .... @ ....

Registered account number:..

Signed in .... , on 2018

Signature:

If at any time you decide that you once again wish to receive your Notice of Meeting and the documents for participating in General Meetings by post, please inform us by registered letter with acknowledgement of receipt.

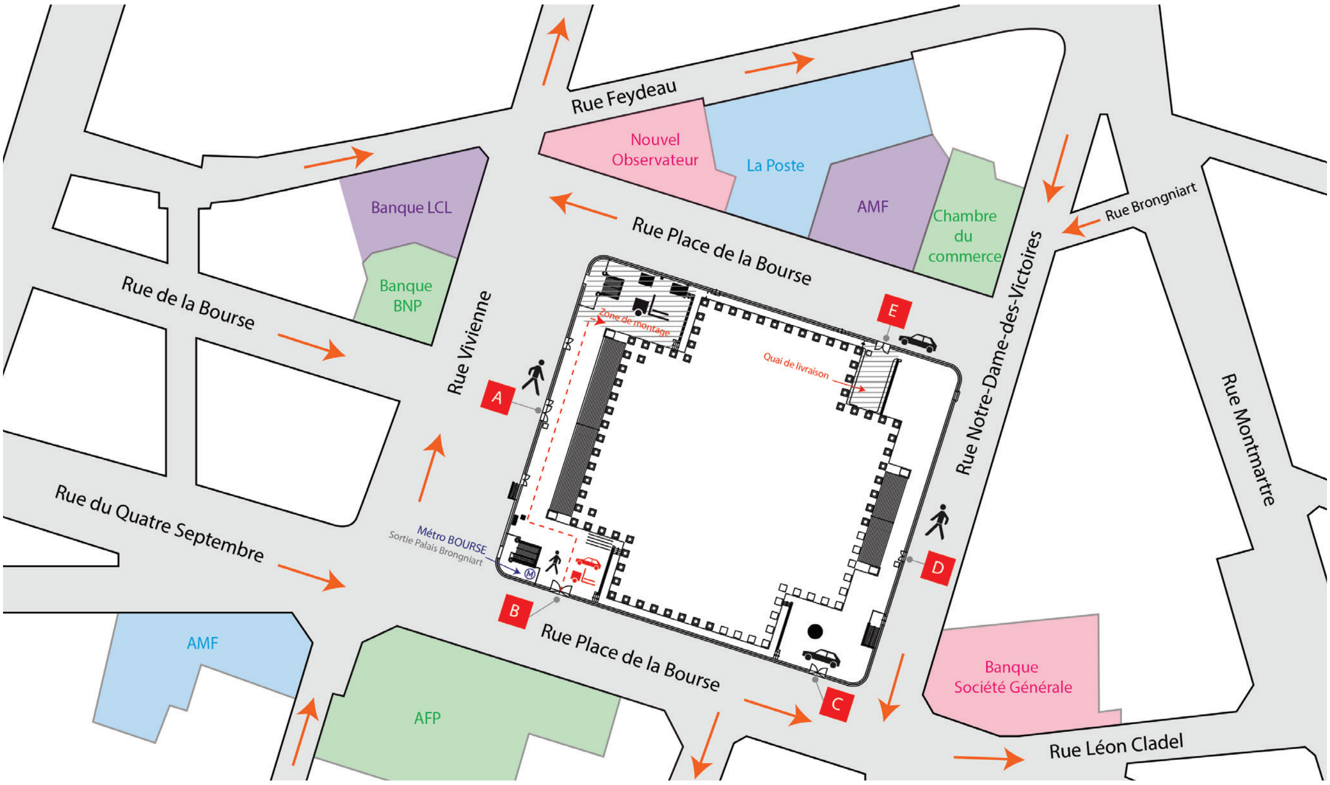
Registered office: 204 Rond-Point du Pont de Sèvres – 92649 Boulogne-Billancourt Cedex

Telephone: N°Vert 0 800 81 84 54

E-mail address: **actionnaires@solocalgroup.com – www.solocalgroup.com**

(1) This possibility is available only to registered shareholders of SoLocal Group.

HOW TO GET TO THE GENERAL MEETING?



ORDINARY GENERAL SHAREHOLDERS' MEETING SOLOCAL GROUP

of 25 June 2018

PALAIS BRONGNIART
28 Place de la Bourse
75002 PARIS

- **Bourse**
- **Station:**
  M 3 Bourse
  M 8 M 9 Grands Boulevards
  RER A Auber, Châtelet les Halles
  RER B RER D Châtelet les Halles
- **Bus:**
  20, 39, 48, 67, 74, 85 - Stop Bourse
- **Autolib' and Velib':**
  Bourse, Saint Marc

GPS:
Latitude: 48.868897 | Longitude: 2.340201

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SOLOCAL GROUP

Public limited company with a capital €58,334,187.70
Commercial and Companies Register Nanterre 552 028 425

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