

Boulogne-Billancourt, 6th November 2018

Dear shareholder,

I have had the honour to chair Solocal's Board of Directors for a year now. Every day I can see the quality of the work carried out by the new management team and staff members as they roll out the highly ambitious "Solocal 2020" strategic plan. Everything is being done to deeply transform the company and strengthen the value proposition we can now make to the 460,000 VSBs/SMEs and large accounts that Solocal supports in their digital communication.

Numerous initiatives have been implemented since 13 February 2018, when the management team unveiled its strategic project. The management team carried out an initial and unprecedented transformation phase which enabled us to **deliver on our commitment to stabilise our recurring EBITDA** at 170 million euros for 2018, as it was announced at the start of the year. This was a crucial first step for the company after nine consecutive years of EBITDA decline.

This target will be achieved while the company is going through a transition period that impacts its year end business performance. Everything is being done to boost our business activity and ensure all our new digital offers are fully deployed at the start of the year: the Presence offer will be launched in November, the new Websites range was introduced in September and the Social offer has been deployed since June...

The 2018 legacy will therefore have both a positive impact in 2019 in terms of cost savings, estimated at approximately 60 million euros in 2018, but also a negative one due to the level of sales recorded at the end of 2018 and that will impact our revenues in 2019. **However, we remain confident that the work undertaken will enable us to grow our digital sales and the group's recurring EBITDA in 2019.**

The reasons to be optimistic are numerous for much has already been accomplished: the cost structure has been streamlined, all new offers are being deployed, the omni-channel sales organisation has been put in place, a new customer journey accompanied by a digital coach has been devised, "marketing automation" campaigns and large scale advertising campaigns are being launched, technological platforms are being migrated to the cloud...

In these conditions and at this stage, through ongoing cost savings and greater control over our cash, we believe we can avoid any refinancing operation that would not be aligned with the interests of our shareholders.

While fully aware of the challenges that remain ahead, I wish to reassert my belief in Solocal's future. I am confident in our strategic choices and in the ability of the management team to deliver on our strategy.

We are on a growing market with huge opportunities, our vision and strategy are right, our new range of digital products supported by a digital coach and mobile app puts us apart from the competition and meets our customers' needs, our new omni-channel approach is offensive, our ability to innovate and invest has been restored, our leaders are highly experienced...

The in-depth work carried out in 2018 and that will continue in 2019 is required to ensure the company succeeds over the long term. This belief has led me, and other company directors, to further invest in our company's capital.

We are now looking to 2019 to continue to consolidate the foundations of the new Solocal.

I wish to thank you for renewing your trust and for your commitment to the company during this period of profound transformation. Yours faithfully,

Pierre DANON
Chairman of the Board of Directors