

**This press release does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129.**

**solocal**

**PRESS RELEASE**

**Boulogne-Billancourt, 29 July 2024**

**RESULTS OF THE CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS FOR c. 18 MILLION EUROS AS PART OF THE COMPANY'S FINANCIAL RESTRUCTURING PROCESS**

**SETTLEMENT-DELIVERY OF NEW ORDINARY SHARES SCHEDULED FOR 31 JULY 2024**

Rights issue with preferential subscription rights for a total amount of €18,012,629.271 (including issue premium) via the issue of 6,004,209,757 new ordinary shares at a unit price of three thousandths of a euro (€0.003) per new ordinary share (i.e. one thousandth of a euro (€0.001) par value and two thousandths of a euro (€0.002) issue premium per new ordinary share), with subscriptions allocated as follows:

- **Irreducible subscriptions:** 3,259,635,652 new ordinary shares, for a total subscription amount of €9,778,906.96, were subscribed on an irreducible basis (*à titre irréductible*).
- **Reducible subscriptions:** 668,864,029 new ordinary shares, for a total subscription amount of €2,006,592.09, were subscribed on a reducible basis (*à titre réductible*).
- **Voluntary subscriptions:** 129,832,973 new ordinary shares, for a total subscription amount of €389,498.92, were subscribed on a voluntary basis (*à titre libre*).

As the total number of new ordinary shares subscribed on an irreducible basis (*à titre irréductible*), on a reducible basis (*à titre réductible*) and on a voluntary basis (*à titre libre*) does not cover the total amount of the rights issue with preferential subscription rights, the Chief Executive Officer of the Company, acting on delegation granted by the Board of Directors, has decided on 26 July 2024 that the number of 1,945,877,103 new ordinary shares not absorbed by the irreducible, reducible and voluntary subscriptions will be distributed and allocated to Ycor and each of the Backstopping Bondholders, on a *pari passu* basis, and without solidarity between them, in proportion to their respective backstop subscription commitments, in accordance with the amendment to the Company's accelerated financial safeguard plan (itself initially approved on 9 May 2014 by the Nanterre Commercial Court, amended a first time by judgment of 22 December 2016 and a second time by judgment of 6 August 2020) approved by a judgment of the Nanterre Commercial Court dated 27 June 2024 (the "**Amended AFS Plan**"):

- **Subscription by Ycor under its backstop commitment:** 1,405,734,662 new ordinary shares, for a total subscription amount of €4,217,203.99.
- **Subscription by the Backstopping Bondholders under their backstop commitment:** 540,142,441 new ordinary shares, for a total subscription amount of €1,620,427.34.



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## **Implementation of the rights issue with preferential subscription rights**

Solocal Group (the "**Company**") today announces the result of the share capital increase with shareholders' preferential subscription rights for a gross amount, including issue premium, of €18,012,629.271 (the "**Rights Issue**"), the launch of which was decided by the Company's Board of Directors on 3 July 2024, pursuant to a delegation of authority granted by the Company's Combined General Meeting of Shareholders held on first call on 19 June 2024 (the "**CGM**").

It is reminded that the completion of this Rights Issue forms part of the Amended AFS Plan, which also provides for:

- the issue and listing on Euronext Paris of a maximum number of 7,180,666,667 new ordinary shares (the "**Bondholders Shares**") as part of a share capital increase, for a maximum gross amount (including issue premium) of €195,601,690.78, with waiver of shareholders' preferential subscription rights in favor of holders of Bonds (as defined below), to be subscribed and paid up by way of set-off against receivables, at a subscription price of approximately €0.027240046 (including issue premium) per new ordinary share (the "**Bondholders Reserved Capital Increase**");
- the issue and listing on Euronext Paris of 8,333,333,333 new ordinary shares (the "**Ycor Shares**") in the context of a share capital increase, for a gross amount (including issue premium) of €24,999,999.999, with waiver of shareholders' preferential subscription rights in favor of Ycor, to be subscribed and paid up exclusively in cash, at a subscription price of three thousandths of a euro (€0.003) (including share premium) per new ordinary share (the "**Ycor Reserved Capital Increase**" and, together with the Bondholders Reserved Capital Increase, the "**Reserved Capital Increases**");
- the issue and listing on Euronext Paris of 11,666,666,666 new ordinary shares (the "**Regicom Contribution Shares**") as part of a capital increase, for a gross amount (including contribution premium) of €34,999,999.998 to Ycor in consideration for the contribution in kind of all the shares comprising the share capital of Regicom Webformance SAS ("**Regicom**") by Ycor to the Company, at a subscription price of three thousandths of a euro (€0.003) (including contribution premium) per new ordinary share (the "**Regicom Contribution Capital Increase**");
- the listing on Euronext Paris of 1,868,807,116 new ordinary shares (the "**Ycor Additional Shares**"), which may be issued upon exercise of 1,868,807,116 share warrants awarded free of charge by the Company to Ycor, in the context of an issue with waiver of shareholders' preferential subscription rights in favor of Ycor, at an exercise price of one thousandth of a euro (€0.001) per new ordinary share (the "**Ycor Warrants**");
- the listing on Euronext Paris of a maximum number of 718,074,371 new ordinary shares (the "**Backstopping Bondholders Additional Shares**" and, together with the Ycor Additional Shares, the "**Additional Shares**"), which may be issued upon exercise of a maximum of 718,074,371 share warrants awarded free of charge by the Company to the Backstopping Bondholders (as this term is defined below), in accordance with the Amended AFS Plan, as

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part of an issue with waiver of shareholders' preferential subscription rights in favor of the Backstopping Bondholders, at an exercise price of one thousandth of a euro (€0.001) per new ordinary share (the "**Backstopping Bondholder Warrants**" and, together with the Ycor Warrants, the "**Warrants**");

- the issue to the holders of Bonds (as defined below) of perpetual deeply subordinated notes (the "**TSSDI**") in a total maximum principal amount of €5,000,000, by conversion of the remaining principal amount of the Bonds which will not be converted into capital under the Bondholders Reserved Capital Increase.

In accordance with the Amended AFS Plan, these transactions form an indivisible whole, so that if one of them could not be carried out, none of them would be carried out.

"**Backstopping Bondholders**" means the holders of Bonds who committed to *backstop* the Rights Issue up to an aggregate amount of €5,000,000.001 pursuant to the *Restructuring Term Sheet* dated 12 April 2024 and the Amended AFS Plan.

"**Bonds**" means the bonds in an aggregate principal amount of €176,689,747.06 (as of 31 December 2023) bearing interests at Euribor rate (three-month Euribor rate floored at 1%) + 7% spread, issued by Solocal Group on 14 March 2017 (ISIN: FR0013237484) and with maturity date at 15 March 2025.

"**Ycor**" refers to Ycor S.C.A., a limited partnership with shares (*société en commandite par actions*) registered under Luxembourg law, whose registered office is at 28, Boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg, registered in the Luxembourg Trade and Companies Register under number B221692.

## **Results of the rights issue with preferential subscription rights**

At the end of the subscription period, which ended on 24 July 2024:

- the number of new ordinary shares subscribed on an irreducible basis (*à titre irréductible*) amounted to 3,259,635,652 new ordinary shares, for a total subscription amount of €9,778,906.96;
- the number of new ordinary shares subscribed on a reducible basis (*à titre réductible*) amounted to 668,864,029 new ordinary shares for a total subscription amount of €2,006,592.09;
- the number of new ordinary shares subscribed on a voluntary basis (*à titre libre*) amounted to 129,832,973 new ordinary shares, for a total subscription amount of €389,498.92.

Consequently, in accordance with the Amended AFS Plan, the Chief Executive Officer of the Company, acting on delegation granted by the Board of Directors, has decided on 26 July 2024 that the number of 1,945,877,103 new ordinary shares not absorbed by the irreducible, reducible and voluntary subscriptions will be distributed and allocated to Ycor and each of the Backstopping Bondholders, on a *pari passu* basis, and without solidarity between them, in proportion to their respective backstop subscription commitments, according to the following breakdown:

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- the number of new ordinary shares to be subscribed by Ycor is equal to 1,405,734,662 new ordinary shares, for a total subscription amount of €4,217,203.99;
- the number of new ordinary shares to be subscribed by the Backstopping Bondholders is equal to 540,142,441 new ordinary shares, for a total subscription amount of €1,620,427.34.

## **Public information**

The Company reminds that the issue of the new ordinary shares was the subject of a prospectus approved by the AMF on July 3, 2024 under number 24-264 (the "**Prospectus**") comprising (i) the Company's 2023 universal registration document filed with the AMF on 2 May 2024 under number D.24-0389, (ii) a first amendment to the Company's 2023 universal registration document filed with the AMF on 4 June 2024 under number D.24-0389-A01 (the "**First Amendment to the Universal Registration Document**"), (iii) a second amendment to the Company's 2023 universal registration document filed with the AMF on 3 July 2024 under number D.24-0389-A02, and (iv) a securities note (including a summary of the Prospectus), are available free of charge at the Company's registered office (204 Rond-Point du Pont de Sèvres - 92649 Boulogne-Billancourt), on the Company's website ([www.solocal.com](http://www.solocal.com)) and on the website of the Autorité des marchés financiers ([www.amf-france.org](http://www.amf-france.org)).

It is specified that the admission to trading of the new ordinary shares to be issued in connection with the Reserved Capital Increases and the Additional Shares on the regulated market of Euronext Paris have been subject to a separate prospectus approved by the AMF on 5 June 2024 under number 24-196. It should also be noted that the Regicom Contribution Capital Increase was the subject of an exemption document made available to the Company's shareholders on 4 June 2024.

Investors are invited to carefully consider the risk factors relating to Solocal Group described in chapter 2 of the Company's 2023 Universal Registration Document and in the "Risk Factors" section (page 7) of the First Amendment to the Universal Registration Document and the risk factors relating to the transaction mentioned in section 2 "Market risk factors relating to the transaction that may materially affect the securities offered" of the securities note.

## **Use of proceeds**

The Rights Issue is intended to partially implement the Amended AFS Plan.

The proceeds from the Rights Issue and the Ycor Reserved Capital Increase will enable the Company to (i) partially repay the RCF for 20 million euros, (ii) pay transaction costs and (iii) for the balance, build up a cash reserve to finance new projects and capital expenditure.

"**RCF**" refers to the senior revolving credit facility in a principal amount of €34,000,000 bearing interest at Euribor (with Euribor rate floored at 0%) + 5% margin.

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## **Other securities issues**

In his decision dated 26 July 2024, and following receipt by the Company of the definitive allocation of the Bondholders Shares among the Bondholders, the Company's Chief Executive Officer, acting under a delegation of authority granted by the Company's board of directors:

- noted that this allocation does not create fractional shares; and
- determined the final number of Bondholders Shares to be issued, i.e. 7,180,666,667 Bondholder Shares, and, consequently, that the final amount of the Bondholders Reserved Capital Increase will be equal to €195,601,690.33 (including issue premium).

In his decision dated 26 July 2024, the Company's Chief Executive Officer, acting under a delegation of authority granted by the Company's board of directors, also:

- approved the list of beneficiaries of the Backstopping Bondholder Warrants; and
- consequently, determined the definitive number of Backstopping Bondholder Warrants to be allocated to the Backstopping Bondholders, i.e. 718,074,371 Backstopping Bondholder Warrants, corresponding to 718,074,371 Backstopping Bondholders Additional Shares upon exercise of said Backstopping Bondholder Warrants (subject to subsequent adjustments).

Consequently, the total number of new ordinary shares to be issued by the Company under the Amended AFS Plan is equal to 35,771,757,910, of which:

- 6,004,209,757 new ordinary shares in connection with the Rights Issue;
- 7,180,666,667 Bondholders Shares;
- 8,333,333,333 Ycor Shares;
- 11,666,666,666 Regicom Contribution Shares;
- 1,868,807,116 Ycor Additional Shares upon exercise of Ycor Warrants (subject to subsequent adjustments); and
- 718,074,371 Backstopping Bondholders Additional Shares upon exercise of Backstopping Bondholders Warrants (subject to subsequent adjustments).

## **Settlement and delivery**

The settlement-delivery of the new shares resulting from the Rights Issue and of the new ordinary shares of the Company resulting from the Reserved Capital Increases and the Regicom Contribution Capital Increase, the issuance of the TSSDIs and the issuance and allocation of the Warrants will take place simultaneously on **31 July 2024**.

All these new ordinary shares will carry dividend rights and will be immediately assimilated to the Company's existing shares. They will be traded on the same quotation line under the same ISIN code FR0014000609.

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Following the settlement-delivery of the ordinary shares resulting from the Reserved Capital Increases, the Rights Issue, the Regicom Contribution Capital Increase, the issuance of TSSDI and the issuance and award of Warrants under the Amended AFS Plan, the following will take place:

- (i) a reverse stock-split, whereby one thousand (1,000) ordinary shares with a par value of one thousandth of a euro (€0.001) each will be exchanged for one (1) new ordinary share with a par value of one euro (€1) each, and then upon completion of the reverse stock-split,
- (ii) a reduction in the Company's share capital not due to losses, by reducing the par value of the Company's shares from one euro (€1) to one euro cent (€0.01).

At the date of this press release, the Company's share capital equals to €131,960.654, divided into 131,960,654 fully subscribed and paid-up ordinary shares with a par value of one thousandth of a euro (€0.001) each.

For information purposes, the breakdown of share capital and voting rights following the Reserved Capital Increases, the Rights Issue, the Regicom Contribution Capital Increase and the exercise of all the Warrants, would be as follows:

<b>Shareholders</b>	<b>Number of shares</b>	<b>% of capital</b>	<b>Number of exercisable voting rights</b>	<b>% of exercisable voting rights</b>
Existing shareholders	131,960,654	0.4 %	132,078,304	0.4 %
Market	4,058,332,654	11.3 %	4,058,332,654	11.3 %
Ycor	23,274,541,777	64.8 %	23,274,541,777	64.8 %
Bondholders	7,180,666,667	20.0 %	7,180,666,667	20.0 %
Backstopping Bondholders	1,258,216,812	3.5 %	1,258,216,812	3.5 %
<b>Total</b>	<b>35,903,718,564</b>	<b>100 %</b>	<b>35,903,836,214</b>	<b>100 %</b>

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This press release is not a promotional communication and does not constitute a prospectus within the meaning of Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing the Prospectus Directive 2003/71/EC (the "**Prospectus Regulation**").

The information contained in this press release is for informational purposes only and does not purport to be complete, and no person should rely for any purpose on the information contained herein or its accuracy, precision or completeness. Any purchase of securities must be made solely on the basis of the information contained in the Prospectus approved by the AMF published on the Company's website and on the AMF website.

***European Economic Area***

With respect to member states of the European Economic Area other than France (the "**Member States**"), no action has been or will be taken to permit a public offering of securities requiring the publication of a prospectus in any of the Member States. Consequently, any offer of Solocal Group's securities may only be made in any of the Member States (i) to qualified investors within the meaning of the Prospectus Regulation, (ii) to less than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) per Member State, or (iii) in any other case exempting Solocal Group from publishing a prospectus in accordance with Article 1(4) of the Prospectus Regulation.

***United States of America***

With respect to the United States of America, Solocal Group's securities have not been, and will not be, registered under the *U.S. Securities Act* of 1933, as amended, hereinafter the "**U.S. Securities Act**."

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***United Kingdom***

The Prospectus is being distributed and is intended only for persons who (i) are located outside the United Kingdom, (ii) are "investment professionals" (i.e. persons with professional experience in matters relating to investments) within the meaning of Article 19(5) of the *Financial Services and Markets Act 2000 (Financial Promotion) Order 2005* (the "**Order**"), or (iii) are high net worth companies or any other person referred to in Article 49(2)(a) to (d) of the Order ("*high net worth companies*", "*unincorporated associations*", etc.) (together the "**Relevant Persons**"). The securities are only available to Relevant Persons, and any invitation, offer or agreement to purchase the Company's shares may only be made to or entered into with Relevant Persons. Shares in the Company referred to in the Prospectus may not be offered to persons in the United Kingdom other than Relevant Persons. Persons other than Relevant Persons must not act or rely on the Prospectus or any of the information contained therein.

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### **Forward-looking statements**

This press release includes forward-looking statements based on current beliefs and expectations about future events. Such forward-looking statements may include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and/or expectations with respect to future financial results, events, operations and services and product development, as well as statements, regarding performance or events. Forward-looking statements are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates”, “plans”, “projects”, “may”, “would”, “should” or the negative of these terms and similar expressions. Forward looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about Solocal Group and its subsidiaries and investments, trends in their business, future capital expenditures and acquisitions, developments in respect of contingent liabilities, changes in economic conditions globally or in Solocal Group’s principal markets, competitive conditions in the market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn materially affect expected results. Actual results may differ materially from those projected or implied in these forward- looking statements. Any forward-looking statement contained in this press release is made as of the date of this press release. Other than as required by applicable law, Solocal Group does not undertake to revise or update any forward-looking statements in light of new information or future events. For further information on these risks and uncertainties, please refer to the documents filed by Solocal Group with the Autorité des marchés financiers and, in particular, the Universal Registration Document registered by the Autorité des marchés financiers on 2 May 2024 and the Prospectus.

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