



Further substantial growth in H1 revenue: €234 million, up + 68% (+22% at constant scope)

- New market share wins for FreePrints apps in the United States, United Kingdom and France
- Successful first integration phase for the personalized gifts business

This press release presents unaudited consolidated revenue, prepared in accordance with IFRS

Paris, France – February 11, 2020. Claranova group confirmed its strong growth trajectory in H1 2019-2020 (July-December 2019) with a **+68% increase in consolidated revenue to €234.3 million**, including €63.9 million from the personalized gifts business Personal Creations® acquired in August 2019. **At constant scope, H1 revenue growth remained robust at +22%** and +19% at constant exchange rates.

(In € million)	Jul. to Dec. 2019 (6 months)	Jul. to Dec. 2018 (6 months)	Var.	Var. at constant scope	Var. at constant scope and exchange rates
Mobile	186.2	97.8	90%	25%	22%
Internet	45.9	40.1	14%	14%	12%
IoT ¹	2.2	1.7	28%	28%	24%
Revenue	234.3	139.6	68%	22%	19%

Strengthening of FreePrints positions in leading countries

The Mobile division's business, combining photo product and personalized gift apps and websites, virtually doubled in size on the previous year, amounting to **€186.2 million in H1 2019-2020, i.e. a +90% increase** period-on-period. Excluding the acquired business, Mobile division revenue totaled €122.3 million, i.e. up +25% period-on-period.

The division continued to strengthen its positioning in its three main countries (United Kingdom, United States and France) where FreePrints achieved **new market share wins**.

After Belgium and the Netherlands, **the Group pursued its targeted geographical coverage strategy** with the launch of its FreePrints and FreePrints Photobooks mobile apps in **Poland** and **Austria**. These are the third and fourth European countries to deploy the apps in 2019. While these new markets are relatively small at this stage, they constitute attractive growth vectors for the Group. These four countries represent over 10% of smartphone users in Europe². This penetration into new geographical areas illustrates the Group's desire

¹ IoT: Internet of Things

² Sources: Statista & eMarketer

to boost its development in Europe, despite the draw on short-term resources (initial marketing investments required to convince, build loyalty and establish brand reputation among new customers).

Successful first integration phase for the personalized gifts business

The Mobile division's robust growth was also driven by the **successful integration of Personal Creations®**. This new personalized gift business **exceeded Group expectations**, generating revenue of **€63.9 million** in only five months³.

<i>(In € million)</i>	Jul. to Dec. 2019 (6 months)	Jul. to Dec. 2018 (6 months)	<i>Var.</i>
Mobile (excluding Personal Creations®)	122.3	97.8	25%
Personal Creations®	63.9		
Mobile	186.2	97.8	90%

With this first integration phase now finalized (team relocation, product portfolio strategic review, start of back office pooling, etc.), the division's teams will focus on creating technical and commercial synergies between the historical printing activity and the new personalized gifts business.

This is however a seasonal business, as generally the first half of the year (July-December) far outshines the second half (January-June) in terms of revenue and profitability.

The integration of Personal Creations® and the H1 technical and marketing investments that temporarily weighed on the Mobile division's profitability, form part of Claranova's growth strategy and should drive future profitability growth.

Ongoing transition towards a repeat revenue software publishing model

The Internet division, which brings together the Claranova group's software publishing (PDF, security, photo) and traffic monetization activities, **posted H1 revenue of €45.9 million, up + 14%**.

This division has finalized the global integration of the teams. They were reorganized between the software publishing and distribution activities to improve the efficiency of customer capture and retention measures, while continuing to invest in new product and service development in the PDF, security, photo and fintech sectors.

The transition to a repeat revenue software publishing model should help to build with time a more recurring and profitable business but has required investments directly impacting the division's short-term growth and profitability.

³ Relevant information on this business' revenue trends cannot be provided due to the specific nature of the deal (company subject to Chapter 11 proceedings in the United States) and the absence of audited accounts for this period.

Commercial roll-out of the IoT division

Claranova's IoT division reported a 28% increase in H1 2019-2020 revenue to €2.2 million, including €1 million from its partnership with the US telecommunications operator Sprint. Claranova also recently announced the deployment of its multi-network panic button technology, *No Dead Zone™*, to US hotel chains. The first revenues generated by this technology will contribute to the division's H2 revenue.

The Group's financial position remains extremely solid with an undiminished financing capacity enabling further growth.

Pierre Cesarini, Chief Executive Officer of Claranova, said *"With record first-half revenue, Claranova furthers its position as a leading French technological group, capable of achieving a critical size of over €230 million in six months and pursuing tremendous international growth while recording profits. And all this in less than five years. We rapidly integrated Personal Creations, which largely contributed to our first-half growth. We are currently transforming our Internet division's business model to make it more recurring and profitable, and the commercial ramp-up of our IoT division has begun. All these developments should enable us to continue growing profitably in the future."*

Financial calendar:

Half-year results 2019-2020: March 31, 2020

About Claranova:

Claranova is a Euronext-listed French technology group operating in three distinct markets: Internet, Mobile and IoT. In recent years, Claranova has stood out for its command of major technological issues and its ability to make each of its businesses a resounding success. Boosted by these achievements, for the past four years Claranova has enjoyed an average annual growth trajectory of +30% while improving its profitability, both through organic and external growth. Claranova reports annual revenue of €262 million (FY 2018-2019), up 62%, with operating profitability of 6.1%.

For more information on the Claranova group:

<https://www.claranova.com> or https://twitter.com/claranova_group