



## Claranova tops €400 million in annual revenue and pursues its strong growth trajectory

- Annual revenue of €409 million<sup>1</sup>, up 56%, including 20% organic growth<sup>2</sup>
- Strong business resilience in the COVID-19 context, driven by FreePrints and online software sales: 52% Group growth in Q4 2019-2020, including 34% organically
- Group growth for the 14<sup>th</sup> quarter running<sup>3</sup>

**Paris, France – August 11, 2020.** The Claranova group continues its strong growth trajectory and closed the 2019-2020 fiscal year (July 2019 – June 2020) with consolidated revenue of €409 million, up 56% year-on-year, including 20% organic growth.

Revenue trends by division for fiscal year 2019-2020 were as follows:

In € million	July 2019 to June 2020 (12 months)	July 2018 to June 2019 (12 months)	Var.	Var. at constant scope	Var. at constant scope and exchange rates
PlanetArt	314	176	+78%	+29%	+26%
Avanquest	90	83	+8%	+8%	+6%
myDevices	5	3	+51%	+51%	+46%
<b>Revenue</b>	<b>409</b>	<b>262</b>	<b>+56%</b>	<b>+22%</b>	<b>+20%</b>

In an economic and health environment disrupted by the COVID-19 pandemic, Claranova reported revenue of €101 million in Q4 2019-2020 (April – May 2020) alone, up 52%, including 34% organic growth. Driven by the PlanetArt FreePrints apps and online sales of Avanquest proprietary software (PDF and Photo), the Group demonstrated its business resilience and the complementary nature of its business models in the final quarter, marking its 14<sup>th</sup> consecutive quarter of growth<sup>3</sup>.

<sup>1</sup> This press release presents unaudited Group consolidated revenue, prepared in accordance with IFRS.

<sup>2</sup> Organic growth is equal to the increase in revenue at constant consolidation scope and exchange rates.

<sup>3</sup> Quarter-on-quarter.

Division revenue trends in Q4 2019-2020 (April – June 2020) were as follows:

In € million	Apr. to June 2020 (3 months)	Apr. to June 2019 (3 months)	Var.	Var. at constant scope	Var. at constant scope and exchange rates
PlanetArt	78	43	+80%	+54%	+53%
Avanquest	22	23	-3%	-3%	-5%
myDevices	1	1	+149%	+149%	+145%
<b>Revenue</b>	<b>101</b>	<b>66</b>	<b>+52%</b>	<b>+35%</b>	<b>+34%</b>

### PlanetArt: massive increase in the use of FreePrints apps during lockdown

PlanetArt, which encompasses the Group's personalized e-commerce activities, posted annual revenue of €314 million, up 78%. This figure includes additional revenue of €88 million generated by the Personal Creations<sup>4</sup> personalized gift business acquired in August 2019. Excluding the scope impact, the division maintained annual growth of around 30% driven by its ongoing geographical expansion and the ramp-up of its mobile offerings (FreePrints, Photo Tiles and FreePrints Cards).

PlanetArt revenue trends in fiscal year 2019-2020 were as follows:

In € million	July 2019 to June 2020 (12 months)	July 2018 to June 2019 (12 months)	Var.
PlanetArt (excluding Personal Creations)	227	176	+29%
Personal Creations	88		
<b>Revenue</b>	<b>314</b>	<b>176</b>	<b>+78%</b>

Q4 2019-2020 was marked by a massive increase in the use of FreePrints apps during lockdown. With revenue of €67 million in the last three months of the year, PlanetArt delivered 54% growth at constant scope compared to 20% in the first nine months of the year.

Following an initial year of integration for Personal Creations, the Group will focus its efforts on developing commercial synergies with the division's traditional activities. In July, Claranova therefore announced the US launch of FreePrints Gifts a new mobile app dedicated to personalized gifts. This expanding worldwide market is worth over \$26 billion, twice as large as the photo market.

<sup>4</sup> Acquired on August 2, 2019.

**Avanquest: nearly 50% increase in repeat revenue activities and COVID-19 impact limited to non-strategic activities**

Avanquest, which encompasses the Group's software publishing activities, reported revenue of €90 million in fiscal year 2019-2020, i.e. annual growth of 8%. This improvement includes a slight decline in Q4 2019-2020 due to the limited impact of the COVID-19 pandemic on the division's non-strategic activities: residual physical software sales (10% of the division's annual revenue) and the sale of security software via external partner networks. The decline in these activities had already started prior to the COVID-19 crisis, enabling the division to refocus more quickly on the direct sale of subscription-based proprietary software.

This trend was confirmed in the last quarter with the excellent performance of Photo (InPixio) and PDF (SodaPDF) proprietary software sales driven by the boost in e-commerce during lockdown and the greater use of productivity, electronic signature and photo editing solutions. Both software, which are 75% sold through subscription offers<sup>5</sup>, posted double-digit growth in Q4 2019-2020 (83% and 42%, respectively).

While this business model transition to a subscription-based sales model creates a short-term negative price impact<sup>6</sup>, it offers considerable leverage for the division's future growth and profitability. In one year, Avanquest's percentage of repeat revenue jumped from 35% to 46%.

In fiscal year 2019-2020, Avanquest invested heavily in R&D<sup>7</sup> in keeping with its proprietary product development strategy: inPixio Studio Photo 10 was launched on March 25, 2020, Adaware Antivirus on August 4, 2020, Soda PDF 12 on August 5, 2020 and Adaware Protect, a new tool designed to protect users, their identity and online habits, will be launched in the coming weeks.

**myDevices: ongoing commercial roll-out with around 500 clients and 5,000 sites deployed at the end of June 2020**

myDevices encompasses activities in the Internet of Things sector. It reported annual revenue of €5 million, up 51% compared to fiscal year 2018-2019.

The IoT<sup>8</sup> division delivered robust business growth, despite the slowdown in roll-outs due to the COVID-19 pandemic, with about 500 clients and over 5,000 sites worldwide at the end of June 2020.

Major companies such as Sodexo, Engie, Chevron, P&G, Rio Tinto, Tivoli, State Farm Arena, Hilton, St. Luke's and Kaiser Permanente have rolled out IoT solutions with the myDevices platform. Still in the test phase, these apps demonstrate the relevance of our IoT approach to providing unique solutions for large-scale roll-outs.

myDevices offers IoT solutions in a wide variety of sectors with a catalog comprising several hundreds of connected devices. In this fiscal year alone, myDevices developed seven vertical sites for its clients and partners in the cold chain management [SimplySense.com](https://www.simplysense.com), security [PushandProtect.com](https://www.pushandprotect.com); [PushandCall.com](https://www.pushandcall.com); [LockdownAlert.com](https://www.lockdownalert.com), occupancy and space utilization [Countario.com](https://www.countario.com) predictive maintenance [PredictAlert.com](https://www.predictalert.com) and water conservation [WaterSaveSensor.com](https://www.watersavesensor.com) sectors.

In addition, the merger of our historical partner Sprint with the telecommunications operator T-Mobile further boosted our US market expansion prospects, as both companies now offer their clients myDevices IoT solutions.

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<sup>5</sup> In Q4 2019-2020.

<sup>6</sup> The unitary price of software sold by subscription is lower than that of software sold under a perpetual license.

<sup>7</sup> Research and Development.

<sup>8</sup> Internet of Things.

Pierre Cesarini, CEO of the Claranova group, said: *“In a complex environment, fiscal year 2019-2020 has confirmed our growth strategy and the Group’s robustness. Our teams successfully overcame the operational and financial challenges of the past twelve months: integration of Personal Creations, transition of our software activities business model, commercial ramp-up of our IoT solutions, etc. This year was of course marked by a totally unprecedented health situation. However, the digital dimension of our activities and our Freemium and B2C<sup>9</sup> business models enabled us to weather this period with confidence and join the elite group of companies capable of maintaining a strong growth trajectory during this pandemic.”*

#### Financial calendar:

September 30, 2020: Publication of the 2019-2020 annual results

#### About Claranova:

A high-growth technological group, Claranova is an international player that is firmly positioned in the long term, drawing on resilient business models for high-growth potential markets. As the leader in personalized e-commerce (PlanetArt), Claranova also sets itself apart through its technological expertise in software publishing (Avanquest) and the Internet of Things (myDevices). These three business divisions share a common vision: simplify access to new technologies using reliable solutions, combining innovation and ease of use. Drawing on this vision, for the past five years Claranova has enjoyed an average annual growth trajectory of over 30% while improving its profitability, both through organic and external growth.

For more information on the Claranova group:

<https://www.claranova.com> or [https://twitter.com/claranova\\_group](https://twitter.com/claranova_group)

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<sup>9</sup> *Business-to-Consumer*, a direct commercial relationship between a company and a private individual.