H1 2023-2024 results
A record performance

- **H1 2023-2024 revenue of more than €300m**
- **EBITDA[1] up 67% at constant exchange rates to €27.5m with an EBITDA margin[2] of 9.1%**
- **Return to positive net income of €2.2m**
- **Growth in cash flow to €29m and strong net cash inflows from operating activities of €72m**
- **EBITDA margin target confirmed at around 10% for FY 2023-2024.**

This press release presents Group consolidated figures prepared on the basis of IFRS.
The statutory auditors are in the process of carrying out a limited review of the consolidated financial statements for H1 2023-2024.
The Board of Directors will meet on March 26, 2024, to approve the Group's interim financial statements.

"H1 2023-2024 results are a testimony to the tremendous work accomplished by our teams over the past two years and the strength of our businesses, which have all, without exception, succeeded in significantly improving their profitability. This momentum resulted in a record performance by the Group with growth in EBITDA of 67% at constant exchange rates to €27.5m and a return to net profit.

These excellent results demonstrate the strength of the Group's business model. Our focus on profitability is also reflected in our cash flow generation performance, with cash flow from operating activities up €24m to €72m.

This positive trend for first-half results enables us to confirm our EBITDA margin target[2] at around 10% for FY 2023-2024. "

Pierre Cesarini,
Chief Executive Officer of Claranova

[1] EBITDA (earnings before interest, taxes, depreciation, and amortization) is a non-GAAP aggregate used to measure the operating performance of the businesses. It is equal to Recurring Operating Income before depreciation, amortization and share-based payments including related social security expenses and the IFRS 16 impact on the recognition of leases. Details on the calculation of EBITDA are provided in the Appendix.
[2] EBITDA as a percentage of revenue.

Paris, France - March 20, 2024, 6:00 PM p.m. (CET). Claranova reported strong sales of €301m for H1 2023-2024 (July 2023 to December 2023) (+1% at constant exchange rates and -4% at actual exchange rates).

As previously announced, based on the higher-margin revenues generated by the PlanetArt division, combined with strong growth in the Avanquest and myDevices divisions, EBITDA rose to €27.5m at December 31, 2023, up from €17.4m one year earlier, or 67% at constant exchange rates (+58% at actual exchange rates).

This performance boosted the Group's EBITDA to an all-time high of 9.1% (compared to 5.5% for H1 2022-2023). Results benefited from the optimization of PlanetArt's operating expenses, the generation of high value-added revenues by Avanquest and myDevices' accelerating sales.

Net income also improved significantly with a return to profit of €2.2m, compared with a loss of €4.5m one year earlier, and this despite a net financial expense of €13.5m for the first half.

The Group's financial position has also improved, with a cash position of €97m, boosted by a twofold increase in cash flow to €29m and a sharp rise in operating cash flow to €72m driven by the year-end holiday season. Financial debt[3] was reduced by €42m to €137m (down from €180m last year), bringing pre-IFRS 16 net debt to €41m at December 31, 2023.

By leveraging its strong base of diversified activities, Claranova intends to pursue their development, with a focus on continuing to improve its profitability.

In €m	**H1 23-24** *Review in progress*	**H1 22-23**
Revenue	301	315
EBITDA	27	17
EBITDA margin (% of Revenue)	*9.1%*	*5.5%*
Recurring Operating Income	24	14
Net financial income (expense)	**(14)**	**(12)**
Net Income	**2.2**	**(4.5)**
Net cash flow from (used in) operating activities	**72**	**48**
Cash flow from operations before changes in working capital	29	15
Closing cash position	**97**	**121**

PlanetArt: 37% growth in H1 EBITDA

PlanetArt, the personalized objects e-commerce subsidiary, reported H1 revenue of €235m (-3% at constant exchange rates or -8% at actual exchange rates), which, despite the adverse currency effect, highlights the division's efforts to improve profitability.

The division's transformation and diversification of its marketing investments have enabled it to address the challenges posed by the introduction of ATT[4] features, with customer acquisition costs now under control, particularly on the mobile side. In addition, by leveraging the multiple acquisition channels now in place and optimizing operating costs over the first half, PlanetArt was able to achieve higher-margin sales over the period. PlanetArt also benefited from the stabilization of raw material and shipping costs, which returned to normal price levels.

These different factors all contributed to a significant improvement in EBITDA, which rose to €17m at December 31, 2023, up 37% at constant exchange rates from H1 2022-2023 (31% at actual exchange rates).

[3] Excluding the IFRS 16 impact on the accounting of leases
[4] Apple's App Tracking Transparency feature introducing a consent mechanism for mobile users.

This in turn led to an EBITDA margin of 7.1% or an increase of more than two points compared to H1 2022-2023.

In €m	**H1 23-24** *Review in progress*	H1 22-23	**Change** H1 23-24 vs. H1 22-23
Revenue	235	255	- 8%
EBITDA	**17**	**13**	**+ 31%**
EBITDA %	*7%*	*5%*	*+ 2 pts*

Avanquest: Significant improvement in the EBITDA margin to 18%

Avanquest's software publishing division generated revenue of €61m in H1 2023-2024, up 14% at constant exchange rates year-on-year (+7% at actual exchange rates).

With revenue from core businesses up 26% at constant exchange rates (18% at actual exchange rates), the division is fully benefiting from the maturity of its SaaS sales model for its proprietary software offering for Security (40% year-on-year), PDF (9%) and Photo (13%) applications. SaaS sales today account for more than 88% of the division's total revenue and is contributing to the increasing share of recurring revenue in Avanquest's revenue mix, which reached 74% at the end of December 2023.

Bolstered by higher-margin revenues from SaaS sales and the disposal of non-core activities in Europe, the division's EBITDA rose by 85% to €11m (+72% at actual exchange rates). As a result, the division's EBITDA margin registered an improvement of 7 points versus H1 2022-2023 to 18%. With this positive momentum expected to continue in the second half, the division's profitability is set to improve over the full year.

In €m	**H1 23-24** *Review in progress*	H1 22-23	**Change** H1 FY 24 vs. H1 FY 23
Revenue	61	57	+ 7%
EBITDA	**11**	**6**	**+ 73%**
EBITDA %	*18%*	*11%*	*+ 7 pts*

myDevices: Revenue growth and a break-even operating performance

The IoT (Internet of Things) division, myDevices reported revenue of €5m in H1 2023-2024 or an increase of 78% at constant exchange rates (66% at actual exchange rates).

This sharp rise in revenue is being driven by large-scale deployments of the division's IoT solutions with partner companies combined with the acceleration in sale of sensors as well as the related installation and commissioning services.

By the end of December, myDevices had 217 partners who are gradually rolling its solutions, multiplying the number of use cases. Over the period, the division's annual recurring revenue (ARR) rose to €3.4m, up 24% (+15% at actual exchange rates) from H1 2022-2023.

As with the other divisions, myDevices' profitability improved by reaching breakeven for EBITDA compared with a €1.6m loss one year earlier. Growth in sensor sales and installations in the first half should lead to an improvement in recurring revenues over the full year.

To support business development in Europe, the Group created myDevices Europe, a wholly owned subsidiary of myDevices, which going forward will drive growth outside the US.

In €m	**H1 23-24** *Review in progress*	H1 22-23	**Change** H1 FY 24 vs. H1 FY 23
Revenue	5	3	+ 66%
EBITDA	**0**	**(1.6)**	**- 98%**
EBITDA %	*-1%*	*-55%*	*+ 54 pts*

Group capital resources and cash flow highlights

Claranova ended H1 2023-2024 with a positive cash position of €96.5m, even after an outflow of €29m to repay the ORNANE bond. Cash and cash equivalents rose by nearly €30m compared with June 30, 2023, and despite a €1.8m loss from net foreign exchange differences during the period.

The business benefited in particular from net inflows from operating activities of €71.8m, including €29.3m from operations and €49.3m from changes in working capital, in relation to June 30, 2023.

This increase in working capital reflects the seasonal nature of PlanetArt's businesses (significant activity during year-end festivities generating an exceptional peak in cash flow at the end of December) and the specific business model of its activities (BtoC[5] distribution which mechanically generates negative WCR).

Net cash flows used in investing activities represented an outflow of €1.1m at 31 December 2023.

Net cash used in financing activities represented an outflow of €39.0m at the end of December 2023 which included the €29m repayment of ORNANE bonds.

[5] Business-to-Consumer.

In €m	H1 23-24 *Review in progress*	H1 22-23
Cash flow from operations before changes in working capital	29.3	14.9
Change in working capital requirements[6]	49.3	37.1
Taxes and net interest paid	(6.8)	(4.2)
Net cash flow from (used in) operating activities	**71.8**	**47.8**
Net cash flow from (used in) investing activities	**(1.1)**	**(25.0)**
Net cash flow from (used in) financing activities	**(39.0)**	**2.8**
Change in cash[7]	31.7	25.6
Opening cash position on July 1	**66.6**	**100.3**
Effects of exchange rate fluctuations on cash and cash equivalents	(1.8)	(4.8)
Closing cash position	**96.5**	**121.2**

Financial position, borrowing conditions and financing structure

At December 31, 2023, Claranova had cash and cash equivalents of €96.6m and pre-IFRS 16 financial debt of €137.4m, compared with €66.8m and €178.8m respectively at the end of June 2023.

On that basis, the Group's net debt was reduced significantly to €40.8m at the end of December 2023, compared with €112m at June 30, 2023.

As announced, the Group is pursuing discussions to restructure its OCEANE bond debt, subscribed in August 2021, which provides for a prepayment option for €93m at the investor's initiative exercisable on the 3rd anniversary date of the issue, i.e. August 16, 2024. At the date of publication of these estimated half-year results, these discussions were still underway, and the Group remains particularly confident about the outcome.

In €m	**12/31/24** *Review in progress*	**06/30/23**
Bank debt	36.0	41.0
Bonds	99.4	118.8
Other financial liabilities	-	14.5
Accrued interest	2.0	4.3
Bank account overdrafts	0.1	**0.2**
Total financial liabilities[8]	**137.4**	178.8
Available unpledged cash	96.6	66.8
Net debt	**40.8**	**112.0**

[6] Change in Working Capital Requirements in relation to the opening cash for the fiscal period.
[7] Change in cash in relation to the opening cash position for the fiscal period.
[8] Excluding lease liabilities resulting from the adoption of IFRS 16.

Availability of the Half-Year Financial Report

Claranova's Half-Year Financial Report for the six-month period ended December 31, 2023, is scheduled to be filed with the *Autorité des Marchés Financiers* (AMF) by the end of March. The Financial Report will be available on the Company's website on the same date: https://www.claranova.com/publications

H1 results will be presented today at 6:30 p.m. by videoconference. Claranova's H1 2023-2024 results presentation will be available on the Company's website: https://www.claranova.com/publications

Financial calendar:
April 5, 2024: Combined Ordinary and Extraordinary Annual General Meeting
May 7, 2024: Q3 2023-2024 revenue

About Claranova:

As a diversified global technology company, Claranova manages and coordinates a portfolio of majority interests in digital companies with strong growth potential. Supported by a team combining several decades of experience in the world of technology, Claranova has acquired a unique know-how in successfully turning around, creating and developing innovative companies.

Claranova has proven its capacity to turn a simple idea into a worldwide success in just a few short years. Present in 15 countries and leveraging the technology expertise of its 800+ employees across North America and Europe, Claranova is a truly international group, with 95% of its revenue derived from international markets.

Claranova’s portfolio of companies is organized into three unique technology platforms operating in all major digital sectors. As an e-commerce leader in personalized objects, Claranova also stands out for its technological expertise in software publishing and the Internet of Things, through its businesses PlanetArt, Avanquest and myDevices. These three technology platforms share a common vision: empowering people through innovation by providing simple and intuitive digital solutions that facilitate everyday access to the very best of technology.

For more information on Claranova Group:
https://www.claranova.com

Disclaimer:

All statements other than statements of historical fact included in this press release about future events are subject to (i) change without notice and (ii) factors beyond the Company’s control. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company’s control that could cause the Company’s actual results or performance to be materially different from the expected results or performance expressed or implied by such forward-looking statements.

Appendices

Appendix 1: Consolidated Income Statement

In €m	H1 23-24 *Review in progress*	H1 22-23
Revenue	**300.9**	**314.6**
Raw materials and purchases of goods	(85.9)	(98.2)
Other purchases and external expenses	(134.9)	(146.2)
Taxes, duties and similar payments	(0.5)	(0.1)
Employee expenses	(39.3)	(40.6)
Depreciation, amortization and provisions (net of reversals)	(6.0)	(5.3)
Other recurring operating income and expenses	(10.5)	(10.5)
Recurring Operating Income	**23.9**	**13.8**
Other operating income and expenses	(1.9)	(2.2)
Operating Profit	**21.9**	**11.6**
Net financial income (expense)	**(13.5)**	**(12.4)**
Tax expense	(6.2)	(3.6)
Net Income	**2.2**	**(4.5)**
Net income attributable to owners of the Company	**1.7**	**(3.9)**

Appendix 2: Calculation of EBITDA and Adjusted net income

EBITDA and Adjusted net income are non-GAAP measures and should be viewed as additional information. They do not replace Group IFRS aggregates. Claranova's Management considers these measures to be relevant indicators of the Group's operating and financial performance. It presents them for information purposes, as they enable most non-operating and non-recurring items to be excluded from the measurement of business performance.

The transition from Recurring Operating Income to EBITDA is as follows:

In €m	H1 23-24 *Review in progress*	H1 22-23
Recurring Operating Income	**23.9**	**13.8**
Impact of IFRS 16 on leases expenses	(2.7)	(2.1)
Share-based payments, including social security expenses	0.3	0.5
Depreciation, amortization, and provisions	6.0	5.3
EBITDA	**27.5**	**17.4**

Appendix 3: Simplified Statement of Financial Position

The size of Claranova's balance sheet remains limited given the technological profile and mainly fabless nature of the Group's operations. Claranova's total assets increased from €264.4million to €291.9 million between June 30, 2023, and December 31, 2023. This increase of €27.5 million reflects mainly the significant growth in cash and cash equivalents of €29.8 million generated by the Group's operations in the first half in relation to June 30, 2023.

The increase in liabilities is largely the result of the seasonal nature of PlanetArt's business, which generates a sharp rise in trade payables at the end of the calendar year, though offset by a reduction in financial liabilities following the repayment of the ORNANE bond issue.

Group balance sheet highlights:

In €m	**12/31/23** *Review in progress*	**06/30/23**
Goodwill	95.9	97.1
Other non-current assets	39.1	41.8
Right-of-use lease assets	13.9	12.9
Current assets (excl. cash)	46.3	44.3
Cash and cash equivalents	96.6	66.8
Assets held for sale	0.0	1.5
Total assets	**291.9**	**264.4**
Equity	1.1	(16.4)
Financial liabilities	137.4	178.8
Lease liabilities	14.4	13.2
Other non-current liabilities	9.6	11.1
Other-current liabilities	129.4	76.1
Liabilities held for sale	0.0	1.6
Total equity and liabilities	**291.9**	**264.4**