claranova

A new financial dynamic
Refinancing the OCEANE debt and strengthening the cash position
Signature of a €108m bullet loan agreement

Paris, France - April 2, 2024, 8:15 p.m. (CET). Claranova announces the signature on Monday, April 1, 2024, of a new €108m facility agreement with funds managed by Cheyne Capital Management and Heights Capital Management. This new financing will enable the company to refinance all its OCEANE bonds, strengthen its balance sheet and extend the maturity of its debt by four years.

"*After several months of hard work and negotiations, the signature of this financing agreement is a source of enormous satisfaction for the Group and its teams. This agreement represents a decisive step in our continued development by enabling us to refinance a debt that has weighed on our financial structure. As a result of this new liquidity and the rescheduling of our debt, we are today in a much better position to pursue our development under more secure and sustainable conditions.*

I wish to thank our management team and our financial partners who contributed to the successful completion of this agreement. Their commitment and expertise played a vital role in bringing this complex process to a successful conclusion.

This newly reinforced financial structure will allow us to devote our full energies to developing our business and continuing to focus with determination and transparency on maximizing value creation for the Group and its shareholders.”

Pierre Cesarini
Chief Executive Officer

In addition to refinancing the "OCEANE" debt, Claranova will use the net proceeds from this new financing arrangement to prepay the bullet portion (Tranche B) of the existing debt of the SaarLB banking pool and pay transaction-related costs. The remaining cash will be used to finance Claranova's day-to-day operating needs. This transaction is in line with the Group's financial strategy designed to strengthen its cash position and optimize its debt maturity profile.

Financing terms and conditions

The new €108m facility agreement is underwritten by the Group's subsidiary Claranova Development SARL and has a 4-year maturity with bullet repayment on April 4, 2028. It is subject to quarterly interest payments of 6.5% p.a. plus the 3-month Euribor benchmark rate.

This financing also provides for additional compounded quarterly interest of 3.75% p.a., repayable at maturity, as well as an option by Claranova to pay interest in cash payments at 3.25% p.a. on each due date.

The closing of the transaction, which is subject to the customary conditions precedent, is scheduled for April 4, 2024.

Refinancing of the SaarLB debt

Prior to this financing agreement, the existing debt of the SaarLB banking pool, classified under the heading of borrowings (the latter totaling €36.1m at 12/31/2023), amounted to €17.5m, maturing on July 1, 2028. This financing includes a Tranche A of €12.5m repayable in installments, and a Tranche B of €5m repayable at maturity.

As part of this transaction, the Group will repay Tranche B in full and refinance the amortizable portion of the SaarLB banking pool debt in the amount of €12.5m. This debt will be refinanced at the level of Claranova Development SARL, over a 4.5-year term maturing on July 1, 2028, at 6-month Euribor + 3.50% margin. The repayment schedule has also been modified as follows: €3m on 07/01/24, €4m on 01/01/25, €2.5m on 07/01/2025, €1m on 07/01/26, €1m on 07/01/27 and €1m on 07/01/28.

Additional information

These two refinancing operations include the customary acceleration provisions providing for early repayment in the event of non-compliance.

These events of default include compliance by the Company with a series of financial ratios tested quarterly, and notably a net debt ratio evolving over time (3.6x at 06/30/24, 3.5x at 09/30/24, 2.5x from 12/31/24 to 09/30/25 and 2.25x until maturity of the loan), an interest coverage ratio (greater than 2.0x) and a minimum cash position of €10m.

Non-compliance with the financial covenants would constitute an event of default and, if necessary, trigger prepayment of the loans.

These ratios highlight the Group's ability to grow its business while respecting the highest financial standards.

These two refinancing arrangements (i) rank *pari passu*, (ii) benefit from guarantees from certain Group entities and (iii) are secured by Group assets[1].

[1] Off-balance sheet commitments related to the refinancing are described in the FY 2023-2024 Interim Financial Report.

Composition of the Group's financial debt: pre- and post-refinancing

In €m	12/31/2023	Debt Increment / OCEANE prepayment	Debt before refinancing	Refinancing	OCEANE redemption	*Other flows*	Total Restated post refinancing	*Of which short-term*
ORNANE bonds	*0.0*		*0.0*				*0.0*	
Euro PP bond	*19.6*		*19.6*				*19.6*	*19.6*
OCEANE bonds	79.8	*+13.2*	93.0	(48.0)	(45.0)		0.0	
Bonds	***99.4***	***+13.2***	***112.6***	***(48.0)***	***(45.0)***	**+0.0**	***19.6***	***19.6***
New loan[2]	0.0		0.0	+108.0			108.0	
Existing borrowings	*36.1*		*36.1*			*(5.0)*	*31.1*	*10.2*
Interest not yet due	*2.0*		*2.0*				*2.0*	*2.0*
Total gross financial debt	**137.5**	**+13.2**	**150.7**	**60.0**	**(45.0)**	***(5.0)***	**160.7**	***31.8***
Cash	***96.6***		***96.6***	**+60.0**	**(45.0)**	***(5.0)***	***106.6***	***106.6***
Net financial debt	**40.9**	**+13.2**	**54.1**	**+0.0**	**+0.0**	***+0.0***	**54.1**	***-74.8***

In addition, the Company confirms its commitment to repay future installments from its available cash, including in particular the repayment of Euro PP bondholders during FY 2023-2024.

Backed by a solid, sustainable financial structure, Claranova will now focus all its efforts on developing its Avanquest, PlanetArt and myDevices divisions with the priority of continuing to improve the profitability of its activities.

Bryan, Garnier & Co acted as Debt advisor and Hogan Lovells acted as legal advisor to the Company for this transaction.

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

[2] New Gross Debt of €108m (of which Cheyne Capital Management for €60m and Heights Capital Management for €48m).