

Claranova Reverse Stock Split

FAQ



claranova™

CLARANOVA

French limited liability company with a Board of Directors (*Société anonyme à Conseil d'administration*)
with a share capital of €39,442,878.80

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RCS Nanterre 329 764 625

Reverse stock split key dates

- Start date of reverse stock split transactions: **July 1, 2019**
 - Deadline for purchasing or selling existing fractional shares: **July 31, 2019**
 - Delisting date of old shares: **July 31, 2019 at market close**
 - Effective date of the reverse stock split (and listing date of the new shares): **August 1, 2019**
 - Disposal date of fractional shares performed automatically by account holder financial intermediaries: **August 1, 2019**
 - Distribution by account holder financial intermediaries of the proceeds from the disposal of fractional shares: **within 30 days of August 1, 2019**
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1. What is a reverse stock split?

A reverse stock split consists in exchanging several existing shares for one new share, without changing the total amount of the Company's share capital.

In practice, this transaction has the following impacts:

- the number of shares outstanding in the market is reduced in proportion to the exchange parity, or divided by ten in Claranova's case;
- the par value is increased in proportion to the exchange parity;
- consequently, the individual share price is also increased in proportion to the exchange parity or multiplied by ten in Claranova's case.

2. What is the objective of the Claranova reverse stock split?

The reverse stock split is part of measures to support improved Claranova stock market performance, in line with the Company's new profitable growth momentum, ambitions and outlook.

The loss of "penny stock"¹ status aims to improve institutional and international investors' perception of Claranova. It should also help reduce volatility in the Claranova share price caused by the current low unit share price.

3. What is the proposed exchange parity?

The exchange parity is one for ten. In other words, one new share with a par value of €1 will be granted in exchange for ten old shares with a par value of €0.10.

The par value of a share is the value set on issue. It is an "accounting value" and should not be confused with the share price.

¹ Penny Stock: a share valued at less than one monetary unit (<1\$ or <1£ or <1€ in the case of Claranova)

4. What will be the impact on the share price?

Alongside the division of the number of shares by ten (one new share for ten existing shares), the share price will be automatically multiplied by ten (all other things being equal and excluding any change in the share price).

The reverse stock split does not change either the portfolio value of shares held by shareholders, or the Company's stock market capitalization.

5. Why was an exchange parity of one new share for ten existing shares chosen?

The exchange parity of one new share for ten existing shares will enable Claranova to lose its status as a "penny stock". It also has the advantage of simplicity.

6. When will the reverse stock split take effect?

In accordance with the terms of the notice published in the French Journal of Mandatory Legal Announcements (BALO) on June 14, 2019, the reverse stock split will take effect on August 1, 2019, one month after the start of reverse stock split transactions set at July 1, 2019.

7. Will the reverse stock split be performed automatically?

In practice, the reverse stock split is performed automatically for shares representing an exact multiple of ten. Where this is the case, shareholders are not required to take any action. The old shares representing an exact multiple of ten will be automatically exchanged by their financial intermediary.

The shares remaining after the division of the total number of old shares by ten are known as "fractional shares".

8. What are fractional shares? What will happen when the number of shares held by a shareholder is not a multiple of ten?

Fractional shares are the old shares remaining after deduction of the total number of shares representing a multiple of ten.

Shareholders have two options for the treatment of fractional shares: either purchase the additional number of shares necessary to possess an exact multiple of ten and obtain an additional new share or sell the excess shares. If a shareholder has not sold the fractional shares by July 31, 2019, at the latest, or purchased within the same period the additional shares necessary to obtain an exact multiple of ten, the fractional shares will be sold on the market by his/her financial intermediary and the shareholder will receive the corresponding proceeds within 30 days of August 1, 2019. Shareholders should contact their financial intermediary for further information.

Example:

- *A shareholder has a portfolio of 36 shares before the reverse stock split.*
- *He will receive 3 new shares ($3 \times 10 = 30$) and be left with six old shares that cannot be exchanged.*
- *He can choose to sell these six shares. If he does not sell these shares before July 31, 2019, they will be automatically sold on the market by his financial intermediary and the shareholder will receive the corresponding proceeds.*

- *The shareholder may also choose, up until July 31, 2019 and before the reverse stock split has been performed, to buy four existing shares in order to hold a portfolio of 40 existing shares and receive four new shares.*
- *Therefore, if the shareholder has not sold the six fractional shares before July 31, 2019, or purchased within the same period four additional shares (which, added to the six fractional shares could be exchanged for one new share), the six fractional shares will be automatically sold on the market by his financial intermediary and the shareholder will receive the corresponding proceeds from his financial intermediary within 30 days of August 1, 2019.*

9. How will the proceeds from the sale of the fractional shares be paid?

Beginning August 1, 2019, the fractional shares will be automatically sold by share block on the market by the financial intermediaries under the new ISIN code. The financial intermediaries will make the proceeds from the sale available to their shareholder clients within 30 days.

Shareholders should contact their financial intermediary for further information.

10. What are the costs associated with the reverse stock split?

The reverse stock split does not generate any costs for shares representing a multiple of ten.

For fractional shares, the costs associated with any purchase or sale order will depend on the shareholders' agreement with his/her financial intermediary. Shareholders should therefore contact their financial intermediary for further information.

11. What impact will the reverse stock split have on the number of voting rights held by shareholders?

Each new share will confer one voting right.

If, at the date of the reverse stock split, the shares held enjoy double voting rights, the new shares after exchange will immediately benefit from double voting rights, provided they continue to be held in registered form.

Where the shares exchanged have been held in registered form since different dates, the period considered when assessing double voting rights for the new shares will be deemed to commence at the most recent date at which existing shares were recorded in registered form.

12. Will the par value of the share be changed by the reverse stock split?

Yes. The par value of the share will increase in proportion to the exchange parity, i.e. it will be multiplied by ten. The par value of a new share after the reverse stock split will therefore be €1 (compared with €0.10 for existing shares).

13. Will the number of shares outstanding be changed by the reverse stock split?

Yes. The number of shares comprising the share capital will be reduced in proportion to the exchange parity, i.e. it will be divided by ten.

14. Does a reverse stock split change the share price?

Yes. The share price will increase automatically following the reverse stock split, with an increase in the par value of each share and a decrease in the number of shares outstanding, all in proportion to the exchange parity. Therefore, alongside the division of the number of Claranova shares by ten (one new share for ten existing shares), the share price will be automatically multiplied by ten (all other things being equal and excluding any change in the share price).

15. Does a reverse stock split change the value of a shareholder's portfolio?

No. The value of a shareholder's portfolio will not be changed by the reverse stock split. After the transaction, shareholders will hold fewer shares but the value of the shares will increase in proportion. Therefore, the situation for a shareholder with 100 shares with an indicative share price of €0.80 per share, would be as follows:

	BEFORE the transaction	AFTER the transaction
Number of shares held	100	10
Indicative share price (excluding share price fluctuations)	€0.80	€8.00
Portfolio value (excluding share price fluctuations)	€80	€80

16. Will the share be suspended?

No. The existing Claranova shares (ISIN code: FR0004026714) will be listed until July 31 and will be replaced by the new Claranova shares (ISIN code: FR0013426004) from August 1, 2019.

Existing shares not consolidated will be delisted following the end of the reverse stock split period.

17. Will the securities granting access to the share capital be suspended?

Yes. In accordance with Articles L. 225-149-1 and R. 225-133 of the French Commercial Code (*Code de commerce*), exercise of all of the Company's share subscription warrants, options and ORNANE convertible bonds will be suspended from July 20 to July 31, 2019, inclusive. This suspension will be lifted automatically at the end of this period.

18. Will the ISIN code of the shares change?

Yes. The new shares will have a new ISIN code. The existing shares' compartment will be maintained for fractional shares until the date of their effective delisting, i.e. at the end of the reverse stock split period on July 31.

19. What will be the ISIN code and ticker symbol for the new shares after the reverse stock split?

The existing Claranova shares (ISIN code: FR0004026714) will be delisted from the Euronext market on July 31, 2019 and will be replaced by the new Claranova shares (ISIN code: FR0013426004) from August 1, 2019. The ticker symbol (CLA) will remain unchanged and the shares will continue to be listed in compartment B of Euronext Paris.

20. When will the new shares be listed?

The new shares will be listed under ISIN code FR0013426004 on August 1, 2019, the effective date of the reverse stock split.

21. What will happen to buy and sell limit orders?

As the old shares will be delisted, the orders relating to these shares will be automatically cancelled. The order book will be automatically cleared of all buy and sell orders on July 31, 2019 at market close.

A new order book will be set up at August 1, 2019 and the new shares will be linked to the new ISIN code.

22. When will the old shares be delisted?

The old shares will be delisted on July 31, 2019 at market close.

23. Will the new shares be eligible for the Long-Only Deferred Settlement Service?

Yes. The new shares will be eligible for the Long-Only Deferred Settlement Service from their listing date, August 1, 2019.

Regarding the old shares, in accordance with the Euronext notice published on June 18, 2019 (number PAR_20190618_06747_EUR), and following marketplace regulations, the order book will be purged after the market close on June 25 as shares submitted to reverse split are not eligible for Long-Only Deferred Settlement Service during one month before the effective date.