

2019-2020 Half-Year Results



March 2020



claranova™

- **Developing brands and innovative products**
FreePrints, myDevices, Cayenne, SodaPDF, Adaware, Payaware, etc.
- **B2C* customer acquisition on the Internet**
Over 25 million customers currently use our products around the world
- **Freemium business model converted to repeat payments**
50% of traditional revenue from returning customers



Mobile

Global leader in the distribution of personalized objects



Software

Publishing and distribution of B2C software



IoT*

Connected devices management platform



Claranova in figures: H1 2019-2020

234 M€

Revenue

+68%

Growth

+19%

Organic growth

+91%

Cash flow from
operations

11.2 M€

Operating
profitability*

56 & 10 M€

Marketing & R&D
investment

95%

Revenue
generated outside
France

91 M€

Available cash

2019-2020 Half-Year Results



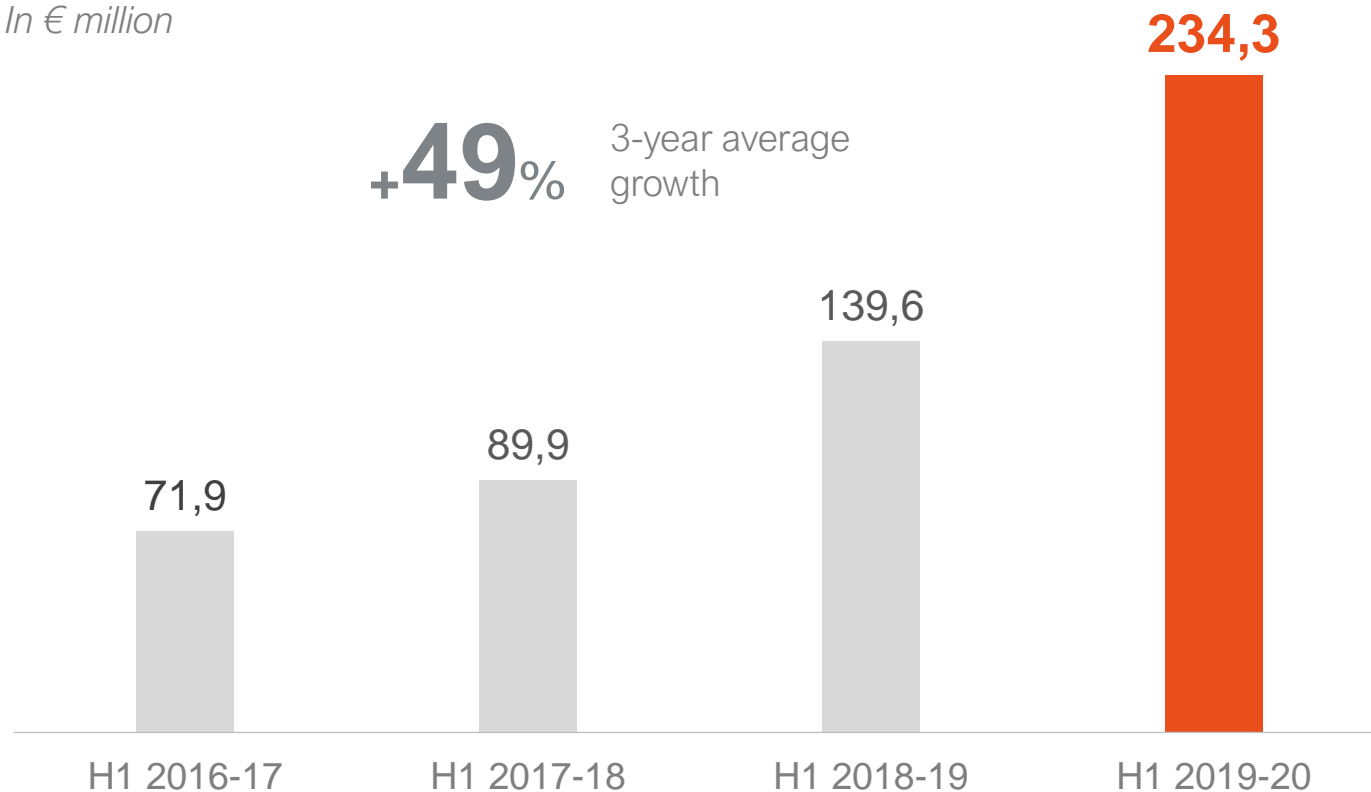
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Ongoing high growth trajectory...

Revenue

In € million



+68%

H1 2019-2020 growth

+19%

Organic growth:

+44%

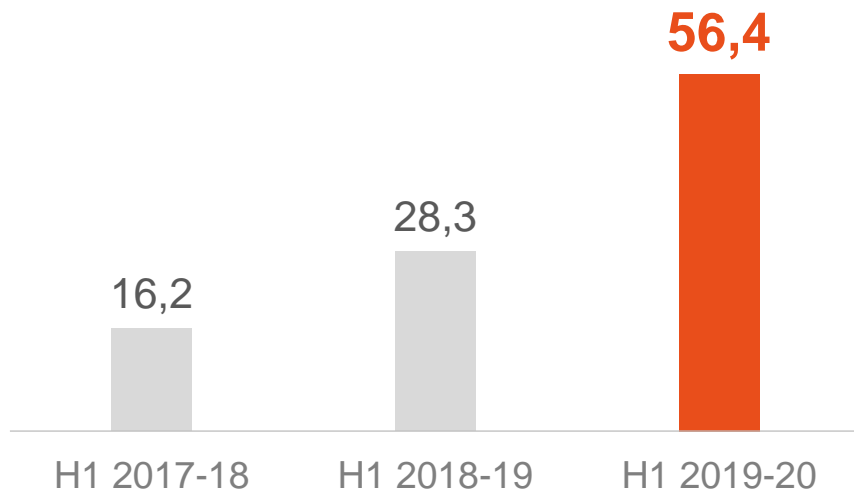
Scope impact*



... and increased investment to support the Group's long-term development

Marketing investment

In € million

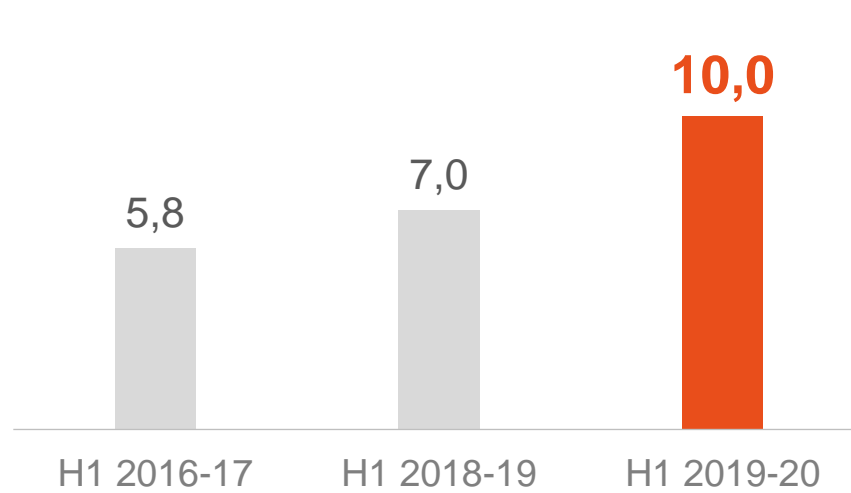


+99% (+23% at constant scope)

Growth in marketing expenditure

R&D investment

In € million



+42% (+23% at constant scope)

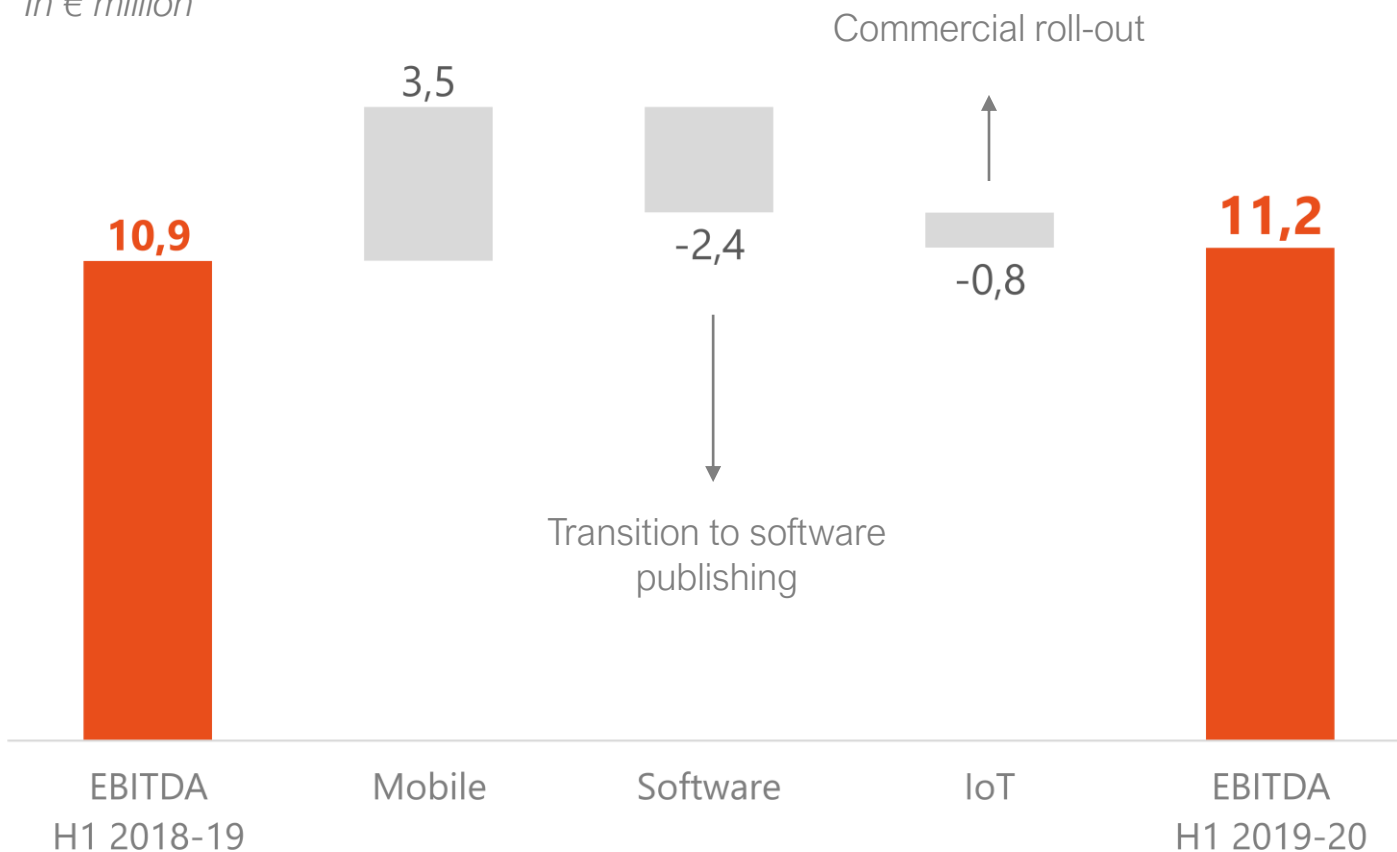
Growth in Research & Development expenditure



With improved operating profitability for mobile printing activities...

EBITDA*

In € million



4.8%

Operating profitability*

7.4% (vs. 6.8%)

Mobile printing operating profitability



H1 2019-2020 Results

<i>In € million</i>	2019-2020 (6 months)	2018-2019 (6 months)	Δ
Revenue	234.3	139.6	68%
EBITDA*	11.2	10.9	3%
<i>EBITDA as a % of Revenue</i>	4.8%	7.8%	-3 pts
Recurring Operating Income	9.7	10.7	- 10%
Net income/(loss)	1.5	1.5	- 3%
Adjusted net income*	4.3	6.6	- 35%
Net income, Group share	1.2	1.6	- 24%
Adjusted net income, Group share*	4.0	6.7	- 40%

The Group's improved performance is masked by higher marketing investment and the change in business model:

- Integration of Personal Creations®
- Further geographic expansion of FreePrints
- Transition of the Software division to a subscription-based proprietary software sales model
- Ramp-up of IoT activities



+91% increase in cash flow from operating activities to €37 million

<i>In € million</i>		12/31/2019	12/31/2018
Cash flow from operations		9.1	9.6
Changes in working capital requirements	1	33.7	11.6
Taxes and net interest paid		(5.7)	(1.8)
Cash flow from operating activities		37.0	19.4
Cash flow used in investing activities	2	(32.4)	(10.9)
Cash flow from (used in) financing activities	3	9.7	(2.7)
Increase (decrease) in cash		14.3	5.8
Opening cash position		75.4	65.7
Effect of exchange rate fluctuations on cash		1.7	0.5
Closing cash position		91.4	72.0

1

Cash flow generated by WCR:

- Mobile division growth (organic and external)
- Seasonal nature of activities
- Business model (B2C* distribution)

2

Acquisition of Personal Creations® (€16.5 million) and settlement of the residual deferred payment for the acquisition of Adaware, SodaPDF and Upclick (€15.1 million)

3

Acquisition of Personal Creations® partially loan-financed



Financial position: undiminished development capacity

<i>In € million</i>		12/31/2019	06/30/2019
Bank debt	1	14.2	2.7
Bonds		47.9	48.4
Other financial liabilities		0.5	0.8
Accrued interest		1.3	0.0
Total financial liabilities*		63.9	51.9
Available unpledged cash		91.4	75.4
Net debt	2	(27.5)	(23.5)

1

Increase in bank debt tied to Personal Creations® acquisition financing

2

Negative net debt providing undiminished development capacity



IFRS 16: limited impact on the income statement and balance sheet, nil impact on cash

<i>In € million</i>		Dec. 31, 2019
Cancellation of lease expenses		1.6
Depreciation of right-of-use assets		(1.4)
Interest on lease liabilities		(0.3)
Impact on net income	1	(0.2)
<hr/>		
Non-current lease assets		10.2
Impact on total assets		10.2
<hr/>		
Non-current lease liabilities (payable > 1 year)		7.4
Current lease liabilities (payable < 1 year)		2.8
Impact on total liabilities	2	10.2
<hr/>		
Impact on closing cash	3	0.0

1

Limited impact on the income statement (-€0.2 million) for the first 6 months of application of the standard

2

Balance Sheet impact: €10.2 million

3

Nil impact on Group cash

Division performance



Mobile Printing Revenue and EBITDA trends *(historical scope)*

<i>In € million</i>	2019-2020 (6 months)	2018-2019 (6 months)	Δ
Revenue	122.3	97.8	25%
EBITDA*	9.1	6.6	38%
<i>EBITDA as a % of Revenue</i>	7.4%	6.8%	+0.7pt

Breakdown of Mobile division Revenue and EBITDA

<i>In € million</i>	Mobile	Mobile Printing	Personal Creations
Revenue	186.2	122.3	63.9
EBITDA*	10.1	9.1	1.0
<i>EBITDA as a % of Revenue</i>	5.4%	7.4%	1.6%

Continued strong PlanetArt growth

Driven by the successful integration of Personal Creations

- Profitable organic growth of + 25%
- FreePrints launched in Polish and Austrian markets
- Strengthening of key market share: USA, UK, FR
- Personal Creations revenue above expectations for the first half-year of integration
- Product, commercial and geographic synergies still to be developed in between Personal Creations and historical business.



Soda PDF

Convert, edit and securely sign your PDF documents



InPixio

Transform your best memories into perfect photos



Adaware

Secure, repair and optimize your IT tools and Internet searches



PayAware

Shopping online securely, quickly and privately with one-time only virtual credit cards

Refocusing our activities on our proprietary brands

Continued transition towards a subscription-based model

- Focus on PDF, Photo, IT security and Online payment
- High potential sectors that are continuing to grow
- Proprietary brands: SodaPDF, InPixio, Adaware, PayAware, etc.
- Ongoing discontinuation of the division's "non-strategic" activities
- Focus on transition from a license-based model to a SaaS model with growth in subscription revenues from 35% to 42% this semester
- Short-term impact on Recurring Operating Income for a better return in the future



Time Monitoring
SimplySense.com



Panic Buttons
PushandProtect.com



Predictive Maintenance
BobSensor.com



Door Barricades
NightLock.com



Road Weather
FrostControlSys.com

Significant increase in customer numbers New vertical IoT solutions

- 463 customers deploying myDevices solutions at the end of March 2020
- Panic Button solution sold to over 100 hotels and installed in over 10,000 rooms between January and March 2020
- New partners: BASF, Eolane, Henry Schein....
- New vertical solutions in important sectors such as predictive maintenance (BOB assistant)
- Continuation and strengthening of partnership with Sprint
- Merger with T-Mobile to be finalized in the coming weeks, with both entities to propose myDevices solutions to their customers



Covid-19 – Impacts and risks identified to date for the Group's activities

Impacts on our activities to date*

- **Mobile:** Temporary shut-down of a Personal Creations plant in Illinois, United States. Personal Creations continues to take orders with delivery deferred
- **Software:** Closure of specialized stores for a limited number of products sold retail in France and Germany. Low impact due to few remaining products
- **IoT:** Slowdown in sales in hotels (Panic Buttons). Diversification in other verticals such as preventive maintenance industrial solutions

Main identified risks*

- Slowdown in the production of Photo products managed by sub-contractors in Europe and the United States
- Slowdown in deliveries in certain areas where we distribute personalized digital printing offers
- Change in purchasing behavior



A primarily digital Group with low exposure to Covid-19

- **Nearly all our activities are online sales**
Little impact due to lockdown
- **Systematic home working for all employees since the beginning of the lockdown**
Minimum organizational impact on the management of our activities globally
- **Digital, B2C, Freemium business models**
B2C customer acquisition on the Internet
Freemium model approved in the crisis period, conversion to small amounts
- **International Group with risk exposure spread across several countries and activities**
- **Strong financial position (cash of €91 million at end December)**



- **Significant increase in revenue over the half-year, while preserving profitability**
- **All financial indicators are positive and strong financial position (cash of €91 million as of 12/31/19)**
- **Development prospects remain high for all businesses**
- **A primarily digital Group with limited exposure to Covid-19**

Appendix



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Consolidated Income Statement

<i>In € million</i>	2019-2020 (6 months)	2018-2019 (6 months)
Revenue	234.3	139.6
Raw materials and purchases of goods	(73.5)	(39.4)
Other purchases and external expenses	(113.1)	(64.0)
Taxes, duties and similar payments	(0.3)	(0.1)
Employee expenses	(26.8)	(17.8)
Depreciation and provisions (net of reversals)	(3.0)	(0.4)
Other recurring operating income and expenses	(7.9)	(7.1)
Recurring Operating Income	9.7	10.7
Other operating income and expenses	(3.0)	(4.2)
Operating income	6.8	6.6
Net financial income (expense)	(2.3)	(2.4)
Tax expense	(2.9)	(2.7)
Net income/(loss)	1.5	1.5
Net income, Group share	1.2	1.6



Earnings per share

In euros	2019-2020 (6 months)	2018-2019 (6 months)
Number of shares outstanding* (in units)	39,200,753	39,119,254
Number of shares outstanding after potential dilution (in units)	39,905,820	39,905,823
Net income per share	€0.04	€0.04
Adjusted net income* per share	€0.11	€0.17
Net income, Group share, per share	€0.03	€0.04
Adjusted net income*, Group share, per share	€0.10	€0.17
Net income per share after potential dilution	€0.04	€0.04
Adjusted net income* per share after potential dilution	€0.11	€0.17
Net income per share, Group share, after potential dilution	€0.03	€0.04
Adjusted net income*, Group share, per share after potential dilution	€0.10	€0.17



Calculation of EBITDA* and Adjusted net income*

<i>In € million</i>	2019-2020 (6 months)	2018-2019 (6 months)
Recurring Operating Income	9.7	10.7
IFRS 16 Leases	(1.6)	
Share-based payments, including social security expenses	0.0	(0.3)
Depreciation and amortization	3.0	0.4
EBITDA*	11.2	10.9
Net income/(loss)	1.5	1.5
IFRS 16 Leases	0.2	
Share-based payments, including social security expenses	0.0	(0.3)
Fair value remeasurement of financial instruments	(0.3)	1.2
Other operating income and expenses	3.0	4.2
Adjusted net income*	4.3	6.6



Simplified Statement of Financial Position

<i>In € million</i>	12/31/2019	06/30/2019
Goodwill	64.3	63.0
Other non-current assets	32.0	12.1
Current assets (excl. cash)	37.1	25.5
Cash and cash equivalents	91.4	75.4
Total assets	224.8	176.1
Equity	67.1	63.6
Financial liabilities	63.9	51.9
Lease liabilities	10.2	
Non-current liabilities	2.7	2.8
Current liabilities	80.9	57.8
Total equity and liabilities	224.8	176.1

Contact analysts & investors

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- **B2C:** Business-to-Consumer. A direct commercial relationship between a company and a private individual.
- **IoT:** Internet of Things
- **Adjusted net income:** Adjusted net income is equal to Net income before the impact of share-based payments, including the related social security expenses, other operating income and expenses and fair value remeasurement of financial instruments and excluding the IFRS 16 impact on the recognition of leases (€0.2 million in Adjusted net income in H1 2019-2020). The Adjusted net income calculation is presented in the Appendix to this presentation
- **EBITDA:** Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP aggregate used to measure the operating performance of the businesses. It corresponds to earnings before depreciation, amortization and share-based payments (including related social security expenses), and the IFRS 16 impact on the recognition of leases. The EBITDA calculation is presented in the Appendix to this presentation