



€65 million strategic investment from US & Australian institutional investors to fund the purchase of Avanquest's minority interests

- Investment fully subscribed by Heights Capital Management and Ophir Asset Management, creating for the first time in the company's history a group of cornerstone shareholders
- Investment combining a reserved capital increase of €15m and a reserved issuance of convertible bonds of €50 million priced at a c. 86% conversion premium
- Proceeds to be allocated to the acquisition of Avanquest's minority interests, to strengthen the Group's capital structure
- Binding agreement with minority shareholders providing a c. €153 million equity valuation for the Avanquest division excluding its fintech activities, or c. €98 million for all minority interests, to be paid through a mix of cash and newly issued Claranova shares

Paris, France – August 11, 2021, 8:00 a.m. (CEST) – Claranova (Euronext Paris: FR0013426004 – CLA) (the "Company" or the "Group"), today announces an agreement with institutional investors Heights Capital Management ("Heights") and Ophir Asset Management ("Ophir" and together with Heights, the "Investors"), for a strategic investment of €65 million (the "Investment") to fund the acquisition of Avanquest's minority interests (the "Acquisition").

The Investment hails a new major milestone in Claranova's development. Besides giving Claranova new substantial financial resources to simplify its capital structure through the Acquisition, it creates for the first time in the company's history a group of cornerstone shareholders to stabilize its shareholder structure and support the Group's long-term development. Through this transaction, the Investors also demonstrate their confidence in the Group's fundamentals, strategy and potential.

The Investment will be carried out in the form of a reserved capital increase of €15 million (the "Capital Increase") and a reserved issuance of €50 million of senior, unsecured bonds convertible into new shares and/or exchangeable for existing shares (*obligations convertibles échangeables en actions nouvelles ou existantes* - OCEANE) (the "Convertible Bonds").

The Capital Increase will be subscribed by Ophir for €10 million and by Heights for €5 million. It will consist in the issuance of 2,142,857 new shares at €7.00 per share, representing 5.39% of the Group's current share capital (the "New Shares"). The Convertible Bonds will be fully subscribed by Heights and will be issued at a c. 86% conversion premium.

At this stage, the Investment does not change the guidance previously announced for annual revenue of €700 million and operating profitability above 10%¹ by the end of fiscal year 2023.

¹ In terms of EBITDA margin.

Pierre Cesarini, CEO of Claranova, declared: *“This new record funding marks a major turning point in Claranova’s development. Beyond strengthening our investment capacity and enabling us to simplify the group structure, this transaction demonstrates the confidence in the Group’s future perspectives, as recognized by leading investment firms specialized in supporting companies with a strong growth potential. Through this investment, Claranova is partnering with long-term investors, able to support the Group in pursuing its ambitious development plan. With still considerable potential in each of our activities, an enhanced investment capacity and the long-term support of major international investment firms, Claranova has more than ever all the assets to ensure its change in dimension.”*

Use of proceeds of the Investment: buy-out of Avanquest’s minority interests under the Acquisition

In conjunction with the Investment, the Company has entered into a binding agreement with Avanquest’s minority shareholders in relation to the acquisition of their interests in Claranova’s Software Publishing division. The agreement provides a \$180² million equity valuation for the whole division excluding Lastcard, Avanquest’s fintech activities, which will remain a separate activity from the rest of Avanquest and under the joint ownership of existing Avanquest shareholders

The consideration for the Acquisition amounts to c. \$115 million³, and will be paid through (i) the issuance⁴ of 4,100,000 new Claranova shares issued at €7.00 representing c. 9.79% of the share capital of the Company after the completion of the Capital Increase (ii) the payment of c. \$55 million in cash and (iii) the issuance of several promissory notes of c. \$27 million of aggregate principal amount with maturities ranging from 12 months to 10 years. An independent appraiser (commissaire aux apports) will be appointed in accordance with French law to issue a report on the value of the assets being contributed and on the fairness of the consideration paid by Claranova..

The new Claranova shares will be subject to a 12-month lock-up from the completion date of the Acquisition.

By holding the entire share capital of the entities comprising the Avanquest’s division, Claranova will be able to benefit fully from the ramp-up of its Software Publishing division and receive the entire net income generated by their roll-out.

The implementation of the Acquisition is expected to be finalized on or prior to September 30, 2021. Claranova will inform the market of the Acquisition implementation progress.

Key Characteristics of the Investment

- **Main Terms of the Capital Increase**

The 2,142,857 New Shares will be issued for €15 million in total, representing 5.39% of the number of shares outstanding prior to the Investment as of June 30, 2021. The subscription price of the New Shares was set at €7.00, corresponding to the closing price (no discount) of August 10th, 2021. The Capital Increase will be subscribed by Ophir for €10 million and Heights for €5 million, which will hold respectively 3.41% and 1.71% of the share capital, and 3.29% and 1.65% of the voting rights post-Investment and prior to the execution of the Acquisition (on a non-diluted basis).

The New Shares will be issued through a capital increase without shareholders’ preferential subscription right pursuant to the 16th resolution of the Extraordinary General Shareholders’ Meeting of 17 December 2020

² Circa €153 million, converted at a EUR/USD rate of 1.1722 as of August 10, 2021.

³ Circa €98 million on the basis of the above conversion rate.

⁴ These 4,100,000 new shares will be issued in accordance with the 18th resolution of the Extraordinary General Shareholders’ Meeting of 17 December 2020, pursuant to which the Shareholders have granted to the Company board of directors the authority to increase the company’s share capital in consideration for asset contributions.

granting a delegation to the Board of Directors of the Company to implement a capital increase reserved to a category of beneficiaries in accordance with article L.225-138 of the French Commercial Code.

The New Shares will carry dividend rights, and will give right, from their issuance, to all distributions decided by the Company as of that date, will be admitted to trading on Euronext under the same ISIN code FR0013426004 – CLA on or about August 13, 2021, and will be fully fungible with the Company's existing shares.

- **Main Terms of the Convertible Bonds**

The Convertible Bonds will be issued for €50 million in total and will bear interest at 4.5% per annum, payable in cash semi-annually in arrears on January 30th and July 30th each year, commencing on January 30th, 2022.

The par value of the Convertible Bonds will be set at €13.00, corresponding to a conversion premium of 85.7% to the closing price of August 10, 2021. The Convertible Bonds will be fully subscribed by Heights. 3,846,154 Convertible Bonds will be issued, corresponding to up to 3,846,154 new shares which may be issued upon conversion/exchange of the Convertible Bonds, representing 9.68% of the number of shares outstanding prior to the Investment as of June 30, 2021.

The Convertible Bonds will be issued at par and will be redeemable at par on the fifth (5th) anniversary date of the issuance date (the "Maturity Date") unless previously converted, exchanged, redeemed or purchased and cancelled.

The Convertible Bonds holder will be granted a conversion/exchange right of the Convertible Bonds into new and/or existing shares of the Company (the "Conversion/Exchange Right") which they may exercise at any time after the second (2nd) anniversary date of the issuance date (inclusive) up to the seventh (7th) business day (inclusive) preceding the Maturity Date or the relevant early redemption date, as the case may be. The initial conversion/exchange ratio is set at one share per Convertible Bond, subject to standard adjustments, including anti-dilution and dividend protections, as detailed in the terms and conditions of the Convertible Bonds. Upon exercise of their Conversion/Exchange Right, the Convertible Bonds holder will receive at the option of the Company new and/or existing Company's shares carrying all rights attached to the existing shares as from the date of delivery.

The Convertible Bonds holder will also be granted an option to require the Company to redeem all, but not less, of its Convertible Bonds at any time after the third (3rd) anniversary date of the issuance date (inclusive) up to the seventh (7th) business day (inclusive) preceding the Maturity Date for a total redemption amount generating a maximum overall investment return of 2.00x for the Convertible Bonds holder (the "Maximum Return"), such redemption amount being in any event capped in order for the Company to remain within the limits of a financial debt to EBITDA ratio of 3.5x.

Upon a change of control of the Company, certain significant evolutions of the free-float shareholding or a delisting of the shares of the Company (each, a "Liquidity Event"), the Convertible Bonds holder will have the option to require the Company to redeem all, but not less, of its Convertible Bonds for a total redemption amount corresponding to the Maximum Return.

The Company may force the conversion of the Convertible Bonds from the third (3rd) anniversary date of the issuance date until Maturity Date, for all Convertible Bonds outstanding, provided that for 30 consecutive trading days, the closing price of the shares multiplied by the conversion ratio in effect at each date exceeds €27.00.

The Company may also require the early redemption of the Convertible Bonds at a redemption amount equal to the maximum of (i) the principal amount plus any accrued and unpaid interests as of the early redemption date and (ii) 1.75x, 2.00x or 2.25x the initial principal amount for any early redemption effected, respectively, prior to the second anniversary date of the issuance date, between the second and the third anniversary date of the issuance date, or after the third anniversary date of the issuance date.

The issue of the Convertible Bonds will be carried out without preferential subscription rights or shareholders' subscription priority periods pursuant to the 16th resolution of the Extraordinary General Shareholders' Meeting of 17 December 2020 granting a delegation to the Board of Directors of the Company to implement a capital increase reserved to a category of persons in accordance with article L.225-138 of the French Commercial Code.

The Convertible Bonds will not be subject of an application for admission to trading on any market and will not be listed.

The new shares resulting from the Convertible Bonds will carry current dividend rights, give right, from their issuance, to all distributions decided by the Company as of that date and will be admitted to trading on Euronext under the same ISIN code FR0013426004 – CLA.

- **Lock-up agreements**

The Company has agreed to a lock-up undertaking on the issuance or sale of shares or of securities giving access to the share capital, for a period of 90 calendar days from the delivery-settlement of the Capital Increase, subject to certain customary exceptions.

Impact of the Investment and the Acquisition on the share capital⁵

Following settlement and delivery, the New Shares resulting from the Capital Increase will represent 5.1% of the share capital of the Company and the Company's total share capital will be EUR 41,871,511 divided into 41,871,511 shares. For illustration purposes, a shareholder holding 1.00% of the Company's share capital prior to the Capital Increase, will hold 0.95% of the Company's share capital upon completion of the Capital Increase (or 0.94% on a fully diluted basis).

(%) Ownership interest ⁽¹⁾	On a non-diluted basis	On a fully diluted basis
Before the Capital Increase, the conversion of the Convertible Bonds and the issuance of the New Shares under the Acquisition	1.00%	0.99%
After the Capital Increase only	0.95%	0.94%
After conversion of the Convertible Bonds only	0.91%	0.90%
After issuance of the new shares under the Acquisition only	0.91%	0.90%
After the Capital Increase, the conversion of the Convertible Bonds and the issuance of the new shares under the Acquisition	0.80%	0.79%

(1) Assuming the issuance of 2,142,857 New Shares under the Capital Increase and of 3,846,154 new shares upon conversion of the Convertible Bonds (based on the initial conversion/exchange ratio)

⁵ The dilution impacts presented in this section do not take into account the June 2018 ORNANE bond issue, the redemption modalities of which have not been decided yet by the Company. These 26,363,636 ORNANE bonds (among which 455,000 are held by the Company) mature on July 1st, 2023. As of June 30, 2021, no ORNANE bond has been converted.

Evolution of the shareholding structure following the Investment and the Acquisition

The shareholding structure of the Company prior to the Capital Increase, the issuance of the Convertible Bonds and the Acquisition is set forth below.

Shareholders	Number of shares on a non-diluted basis ⁶	% of capital on a non-diluted basis	% of voting rights on a non-diluted basis	% of capital on a fully-diluted basis	% of voting rights on a fully-diluted basis
Executives, managers and directors	2,636,773	6.6%	8.7%	7.6%	9.6%
Free Float ⁷	36,849,756	92.8%	91.3%	91.8%	90.4%
Treasury shares	242,125	0.6%	0.00%	0.6%	0.0%
Total	39,728,654	100.0%	100.0%	100.0%	100.0%

Following the Capital Increase, the issuance of the Convertible Bonds and the Acquisition, the share capital and voting rights of the Company will be as follows:

Shareholders	Number of shares on a non-diluted basis	% of capital on a non-diluted basis	% of voting rights on a non-diluted basis	% of capital on a fully-diluted basis	% of voting rights on a fully-diluted basis
Executives, managers and directors	2,636,773	5.7%	7.6%	6.1%	7.8%
New Institutional funds	2,142,857	4.6%	4.5%	11.9% ⁸	11.6% ⁸
Avanquest minority shareholders	4,100,000	8.9%	8.6%	8.2%	7.9%
Free Float	36,849,756	80.1%	79.3%	73.3%	72.7%
Treasury shares	242,125	0.5%	0.00%	0.5%	0.0%
Total	45,971,511	100.0%	100.0%	100.0%	100.0%

Information available to the public and risk factors

- Risk factors relating to the Investment

The main risk factors in relation to the Investment are the following:

The Company could face cash-flow difficulties which would prevent it from facing its payment obligations under the terms and conditions of the Convertible Bonds.

⁶ As at June 30, 2021.

⁷ Including some institutional investors with individual holdings below 5% of the total share capital.

⁸ Taking into account the conversion of €50m Convertible Bonds for a maximum of 3,846,154 new shares.

The Company shareholders participation would incur a dilution in case of exercise of the bondholder's conversion right, should the Company decide to issue new Company shares in this context.

The Convertible Bonds conversion, as the case may be, may have an adverse impact on the Company shares stock price and their volatility and liquidity could also be affected.

- **General risk factors**

Detailed information regarding the Company, including its business, financial information, results, prospects and related risk factors are contained in the Company's 2019-2020 Universal Registration Document filed with the French Autorité des marchés financiers ("AMF") on October 21, 2020 under number D. 20-0890. This document, as well as other regulated information and all of the Company's press releases, are available on the website of the Company (www.claranova.com).

Your attention is drawn to the risk factors related to the Company and its activities presented in chapter 4 of its 2019-2020 Universal Registration Document. The 2019-2020 Universal Registration Document is available on the websites of the Company (www.claranova.com) and the AMF (www.amf-france.org).

The Investment will not give rise to the filing of a prospectus with the *Autorités des Marchés Financiers*.

This press release does not constitute a prospectus under the Prospectus Regulation (as defined below) or an offer of securities to the public.

Indicative timetable and Legal Information regarding the Investment

- August 11, 2021 – Publication of the press release announcing the Investment
- August 13, 2021 – Settlement and delivery of the Capital Increase

Advisors

Bryan, Garnier & Co. is acting as Sole Financial Advisor to Claranova and Sole Global Coordinator in connection with the Investment. Hogan Lovells LLP is acting as Legal Advisor to Claranova in connection with the Investment. Jeantet is acting as Legal Advisor to Heights Capital Management in connection with the Investment. Baker McKenzie is acting as Legal Advisor to Claranova in connection with the Acquisition.

About Claranova

Claranova is a global technology company, home of digital brands and services acclaimed by millions of users across the world. With average annual growth of more than 40% over the last three years and revenue of 472 million euros in FY2020-2021, 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 700+ employees across North America and Europe, Claranova is a truly international company, with 95% of its revenue derived from international markets.

As a leader in personalized e-commerce, 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> or https://twitter.com/claranova_group

Forward Looking Statements

This press release may contain certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, all statements other than statements of historical fact included in this press release about future events are subject to, without limitation, (i) change without notice, (ii) factors beyond the Company's control, (iii) clinical trial results, (iv) regulatory requirements, (v) increased manufacturing costs, (vi) market access, (vii) competition and (viii) potential claims on its products or intellectual property. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "objective," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. A description of these risks, contingencies and uncertainties can be found in the documents filed by the Company with the AMF, including the 2019-2020 Universal Registration Document, as well as in the documents that may be published in the future by the Company. Furthermore, these forward-looking statements, forecasts and estimates are made only as of the date of this press release. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update any forward-looking statements, forecasts or estimates to reflect any subsequent changes that the Company becomes aware of, except as required by law.

This press release has been prepared in French and English. In the event of any differences between the texts, the French language version shall supersede.

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This announcement is an advertisement and not a prospectus within the meaning of the Regulation (EU) 2017/1129, as amended (the “Prospectus Regulation”).

With respect to the Member States of the European Economic Area (including France) (the “Member States”), no action has been or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any Member State. As a result, the securities of the Company may not and will not be offered in any Member State except in accordance with the exemptions set forth in Article 1(4) of the Prospectus Regulation, or under any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 1 of the Prospectus Regulation and/or to applicable regulations of that relevant Member State.

For the purposes of the provision above, the expression “offer to the public” in relation to any shares of the Company in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State.

This document does not constitute an offer to the public in France and the securities referred to in this press release can only be offered or sold in France pursuant to Article L. 411-2, 1° of the French Monetary and Financial Code (Code monétaire et financier) to qualified investors (investisseurs qualifiés) acting for their own account, as defined in Article 2 point (e) of the Prospectus Regulation. In addition, in accordance with the authorization granted by the general meeting of the Company’s shareholders dated 17 December 2020, only the persons pertaining to the categories specified in the 16th resolution of such general meeting may subscribe to the offering of New Shares.

This document may not be distributed, directly or indirectly, in or into the United States. This document does not constitute an offer of securities for sale nor the solicitation of an offer to purchase securities in the United States or any other jurisdiction where such offer may be restricted. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities of the Company have not been and will not be registered under the Securities Act, and the Company does not intend to make a public offering of its securities in the United States.

The distribution of this document (which term shall include any form of communication) is restricted pursuant to Section 21 (Restrictions on “financial promotion”) of Financial Services and Markets Act 2000 (“FSMA”). This document is only being distributed to and directed at qualified investors as defined in Article 2 point (e) of the Prospectus Regulation as it forms part of the domestic law by virtue of the European Union (Withdrawal) Act 2018 who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Financial Promotion Order”), (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iv) are persons to whom this communication may otherwise lawfully be communicated (all such persons referred to in (i), (ii), (iii) and (iv) above together being referred to as “Relevant Persons”). This document must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons, and will be engaged in only with such persons in the United Kingdom.

The securities referred to in this press release may not and will not be offered, sold or purchased in Australia, Canada or Japan. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada or Japan.

Prohibition of sales to European Economic Area retail investors

No action has been undertaken or will be undertaken to make available any securities to any retail investor in the European Economic Area. For the purposes of this provision:

- a) *the expression "retail investor" means a person who is one (or more) of the following:*
- i. *a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or*
 - ii. *a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or*
 - iii. *not a "qualified investor" as defined in the Prospectus Regulation; and*
- b) *the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities.*

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail Investors

No action has been undertaken or will be undertaken to make available any securities to any retail investor in the United Kingdom ("UK"). For the purposes of this provision:

- a) *the expression "retail investor" means a person who is one (or more) of the following:*
- i. *a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or*
 - ii. *a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or*
 - iii. *not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and*
- b) *the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities.*

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.