

claranova

Q3 2021-2022 revenue: Steady business momentum over the first 9 months

- **Q3 revenue: €91 million, contracting 5% at constant exchange rates (-14% like-for-like¹)**
- **Solid Q3 performance given the high comparison base for personalized e-commerce activities (+45% in Q3 2020-2021) and continuing iOS-related constraints on marketing**
- **Nine-month sales remained steady at actual exchange rates at €371 million (-1%, of which -8% like-for-like)**

This press release presents unaudited Group consolidated revenue, prepared in accordance with IFRS.

“Maintaining the trend of H1, Claranova’s revenue remained stable over the first nine months of FY 2021-2022 at €371 million, with a marginal decline of 1% as marketing investments were forced to adapt to the transformation of customer acquisition channels after the introduction of Apple’s App Tracking Transparency feature. Difficulties encountered by our partner Facebook since the introduction of this new feature continue to impact growth momentum of some of the activities of the PlanetArt division, the largest contributor to Group revenues. However, internal adjustments to the marketing strategy are starting to produce results even though this gradual improvement remains partly offset by the high comparison base in relation to last year’s Q3 45% growth. On that basis, PlanetArt registered a 12% decline in revenue in Q3 at actual exchange rates and a 5% drop for the first nine months.

As for Avanquest, it is continuing to deliver strong profitable growth momentum, with Q3 revenue up 13% at actual exchange rates, or 19% growth over the first nine months.

Finally, the commercial rollout of our IoT² activities is building momentum, with the myDevices platform currently counting 167 corporate subscribers and 45% growth in Q3 revenue at actual exchange rates, fueled by an increase in ARR³ of 87% at end of March 2022 versus March 2021.

In this challenging environment, we however continue to be confident in the prospects and potential of each of our businesses. On that basis, we expect to see the return to growth announced in conjunction with the publication of H1 results by year end”, commented Pierre Cesarini, CEO of Claranova.

Paris, France - May 10, 2022, 6:00 p.m. (CET). Claranova reported revenue of €91 million for Q3 2021-2022 (January-March 2022), contracting 5% year-on-year(-14% like-for-like). This trend reflects the continuing effects of tight constraints on marketing investments in PlanetArt’s activities within Apple’s iOS ecosystem, in addition to a tougher comparison base resulting from the division’s 45% growth in last year’s third-quarter. The slower pace of growth by PlanetArt was partly offset by good momentum from Avanquest and myDevices, that grew respectively 13% and 45% at actual exchange rates. For the first nine months of the period, the Group reported revenue of €371 million, contracting 1% at actual exchange rates.

¹ Like-for-like (organic) growth equals the increase in revenue at constant consolidation scope and exchange rates.

² Internet of Things

³ Annual Recurring Revenue.

Revenue trends by division for Q3 2021-2022:

In €m	Jan. to Mar. 2022 (3 months)	Jan. to Mar. 2021 (3 months)	Var.	Var. at con- stant exchange rates	Var. at con- stant consoli- dation scope	Var. at con- stant scope and exchange rates
PlanetArt	64	72	-12%	-19%	-14%	-21%
Avanquest	26	23	13%	7%	13%	7%
myDevices	1.2	0.8	45%	36%	45%	36%
Revenue	91	96	-5%	-12%	-7%	-14%

Revenue trends by division for the first 9 months 2021-2022:

(in € million)	Jul. 2021 to March 2022 (9 months)	Jul. 2020 to March 2021 (9 months)	Var.	Var. at con- stant exchange rates	Var. at con- stant consoli- dation scope	Var. at con- stant scope and exchange rates
PlanetArt	291	306	-5%	-9%	-9%	-12%
Avanquest	77	65	19%	14%	19%	14%
myDevices	3.5	3.0	16%	12%	16%	12%
Revenue	371	373	-1%	-5%	-4%	-8%

PlanetArt: a tougher comparison base and continuing marketing challenges within the iOS ecosystem

PlanetArt had revenue in Q3 2021-2022 of €64 million, down 12% at actual exchange rates (-21% like-for-like). On this basis, revenue for the Group's personalized e-commerce division stood at €291 million for the first nine months, down 5% at actual exchange rates (-12% like-for-like).

This development reflects continuing marketing constraints on the customer targeting process within Apple's iOS mobile ecosystem. These constraints caused by the introduction of the App Tracking Transparency (ATT) feature have been contributing to higher customer acquisition costs for apps and websites with the greatest exposure to Facebook as the acquisition channel most impacted by this new feature. PlanetArt's US activities, less dependent on the social media network, were less affected by this development than in Europe/ The division's US websites (SimplyToImpress, PhotoAffections, CanvasWorld and others) thus registered double-digit growth for the quarter.

Adjustments made since the introduction of Apple's ATT to diversify and circumvent these new constraints are gradually producing results, though this sequential improvement was overshadowed in this last quarter by the high comparison base from the division's 45% growth in Q3 2020-2021. The personalized e-commerce business is expected to return to growth in the last quarter in response to the positive impact of new internal marketing initiatives and Facebook's upcoming updates to improve the effectiveness of marketing campaigns on the platform.

Avanquest: double-digit growth remains on track in Q3

The Group's software publishing division reported Q3 revenue of €26 million, up from €23 million in the same quarter last year or 13% at actual exchange rates (+7% at constant exchange rates). For the first nine months, Avanquest reported revenue of €76 million, up 19% at actual exchange rates (+14% at constant exchange rates).

This growth was driven by gains in recurring revenue - that includes new subscriptions and renewals - and occupying an increasing share of the division's revenue mix. In this last quarter, recurring revenue thus accounted for 63% of Avanquest's total revenue, up from 60% in the same quarter of the previous year⁴.

myDevices: revenue momentum confirmed in Q3

The Group's IoT division has continued to display good growth momentum since the end of the health crisis, with Q3 2021-2022 revenue of €1.2 million, up 45% at real exchange rates (+36% at constant exchange rates). For the first nine months, myDevices had revenue of €3.5 million, representing growth of 16% at actual exchange rates (+12% at constant exchange rates). After adjusting for exceptional items linked to the partnership with T-Mobile booked in H1 2020-2021, revenue for the first nine months 2021-2022 grew 47% at actual exchange rates.

This positive momentum is driven by growth in new corporate subscribers to the myDevices platform, which increased 17% between the end of December 2021 and the end of March 2022 to a total of 167. This increase is in turn contributing to growth in annual recurring revenue, with ARR of €2.2 million at the end of March 2022, up 87% from one year earlier at actual exchange rates.

Resignation of Jean-Yves from his functions as Deputy CEO and member of the Board of Directors

Mr. Jean-Yves Quentel submitted his resignation to the Chairman and Chief Executive Officer from his functions of Deputy CEO and member of the Board of Directors, positions he held has respectively since his appointment in August 2020 and the ratification of his co-option by the General Meeting of December 1, 2021.

Financial calendar:

August 3, 2022: FY 2021-2022 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.

With average annual growth of more than 40% over the last three years and revenue of €472 million in FY 2020-2021, 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 nearly 800 employees across North America and Europe, Claranova is a truly international company, 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 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

⁴ Based on management reporting

Disclaimer:

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