Full-Year Results & New Strategic Plan

FY 2023-2024

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Eric Gareau
Chief Executive Officer
Claranova and Avanquest

- 20 years' experience in the Tech and Software sector
- Former Sales Manager for Canada with L'Oréal
- Chief Executive Officer of Lulu Software since 2009
- Joined the Group with the acquisition of Lulu Software in 2018
- Chief Executive Officer of Avanquest since 2021
- Appointed Chief Executive Officer of Claranova on April 14, 2024

Agenda

1. FY 2023-2024 financial results

2. “One CLARANOVA” strategic plan

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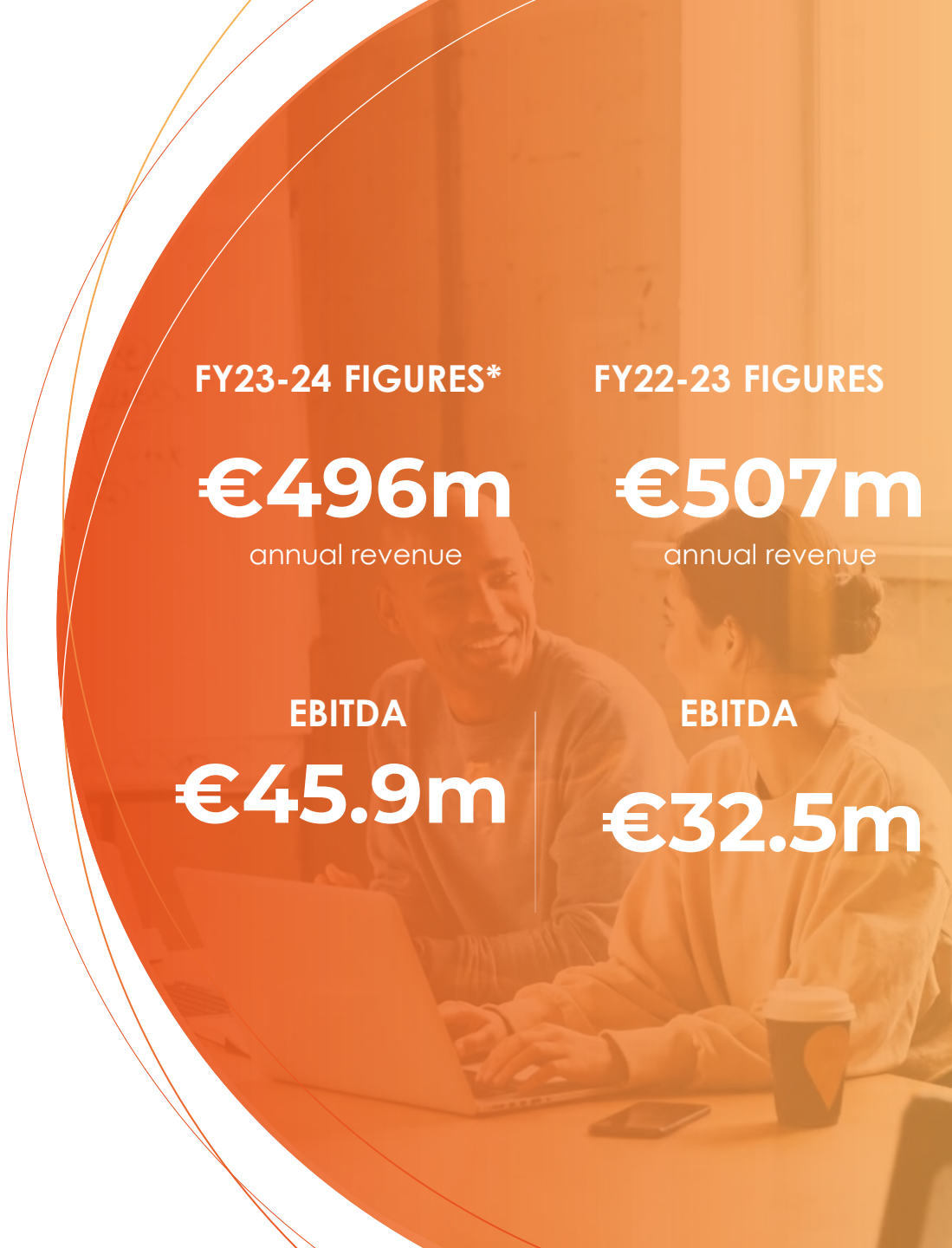
1. Annual sales largely stable accompanied by growth in higher-margin recurring revenue

2. EBITDA of **€46m** , up **41%** on FY22-23

3. Strong growth by Avanquest
   Return to growth by PlanetArt



** Audited financial statements. Report in progress*

Key figures

FY 2024

Audited financial statements.
Report in progress.

€496m
(-2%)
Annual revenue

+ 0.1%
Growth change at constant exchange rates

1%
Like-for-like growth

95%
Share of international revenue

€46m (+41%)
EBITDA*

9.3%
EBITDA margin** (%)

-€12m
Net loss

€37m
Cash and cash equivalents

** EBITDA (Earnings before interest, taxes, depreciation and amortization) is a non-GAAP aggregate used to measure the operating performance of the businesses. It equals Recurring Operating Income before the impact of IFRS 2 (share-based payment expenses), depreciation and amortization, and the IFRS 16 impact on the recognition of leases.*
*** EBITDA as a percentage of sales*

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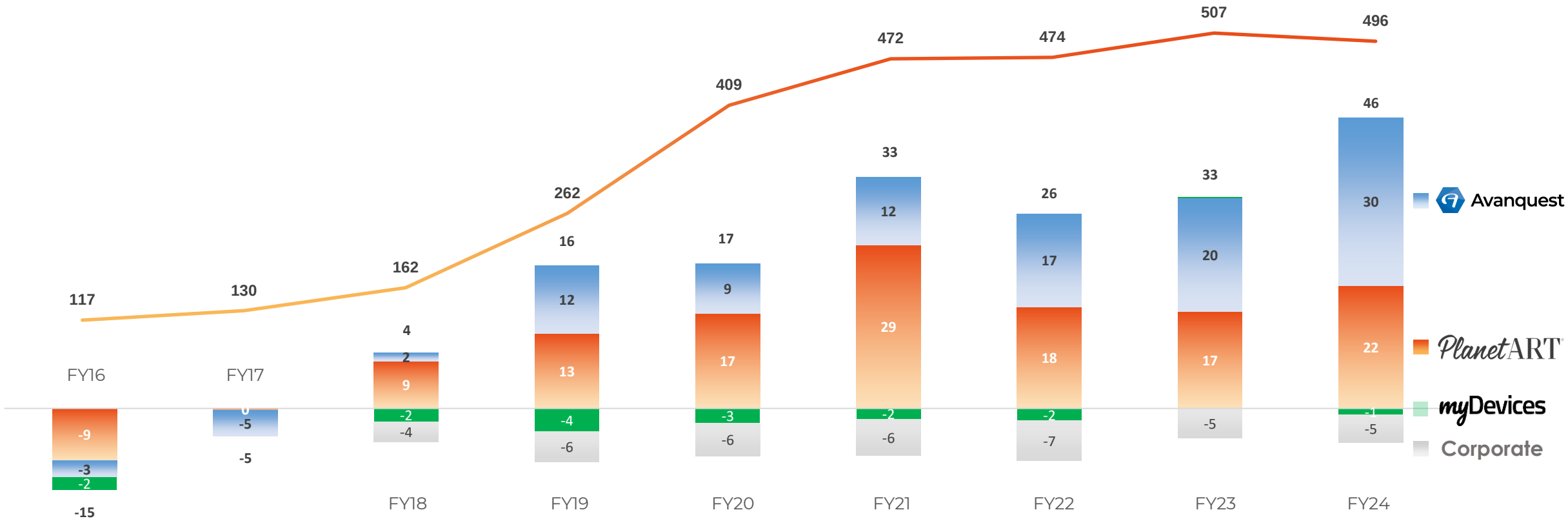
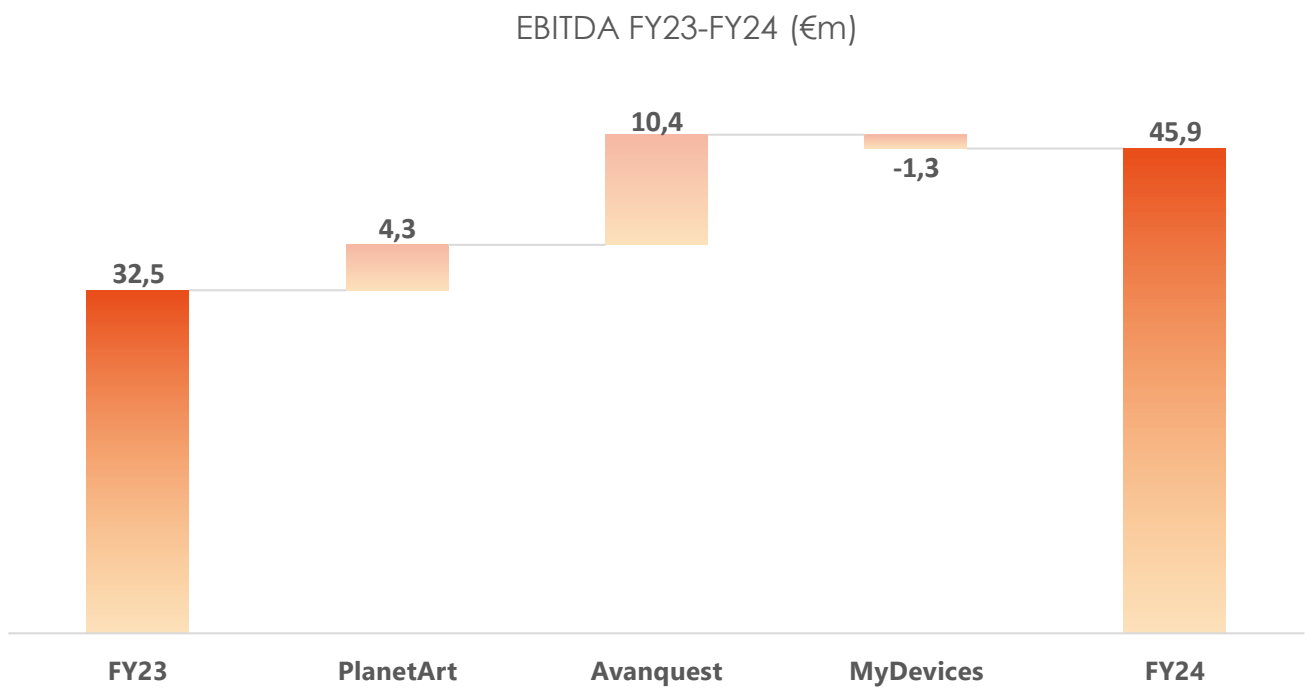
Revenue and EBITDA by BU (M€)



- The transformation of **Avanquest** into a SaaS provider began in FY18, with strong growth momentum since FY21
- **PlanetArt** reports its highest operating margin at highest since FY21, driven by renewed customer acquisition capabilities, a strong business model and operational efficiencies
- **myDevices** breaks even in FY23 with delayed rollouts in FY24 negatively impacting operating income

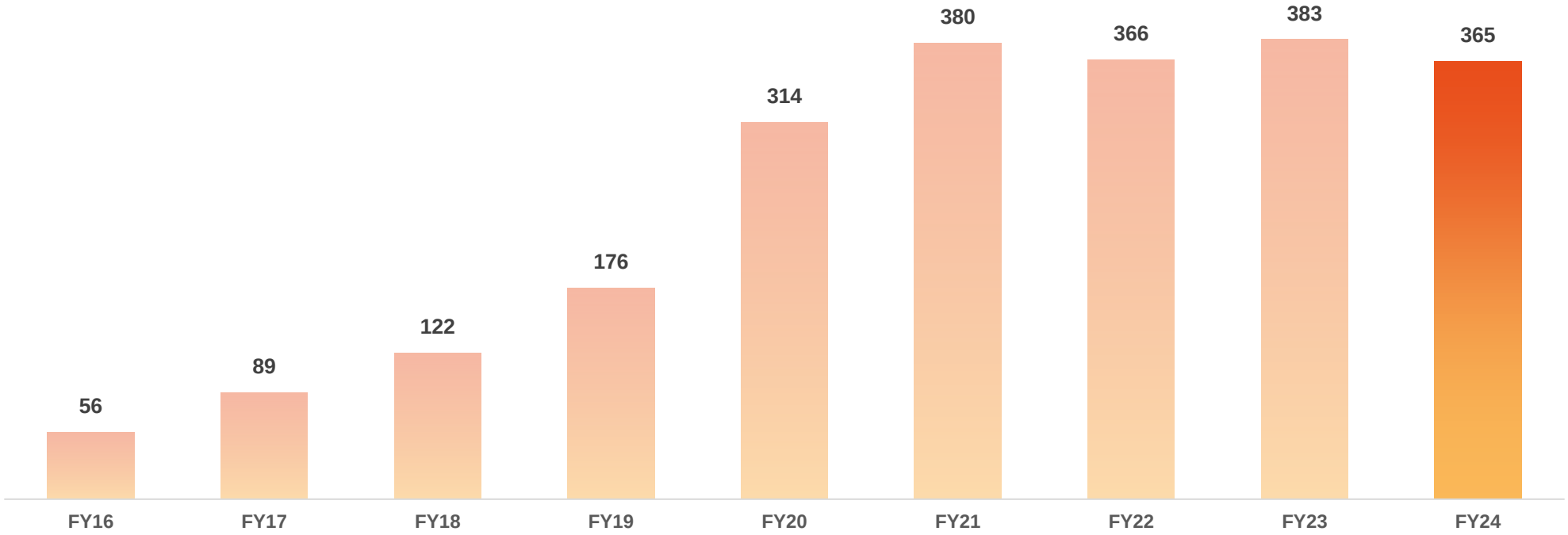
Strong growth in Group EBITDA



The **€13.4m** change in EBITDA (**+41%**) is attributable to:

- +€4.3 M€ on PlanetArt
- +€10.4 M on Avanquest
- -€1.3m for myDevices

PlanetART A marginal decline in revenue (€m)



- Full-year sales of **€365m**, down 4.7% at actual exchange rates (-3% like-for-like)
- Unfavorable currency effects for the year (-2% from exchange rate changes)
- Several new initiatives launched to drive growth in the years ahead
  - Several AI deployments to better meet customer needs and improve cross-selling
  - Improved marketing efficiencies with the launch of new content and promotions
  - Strengthened relations with our logistics partners

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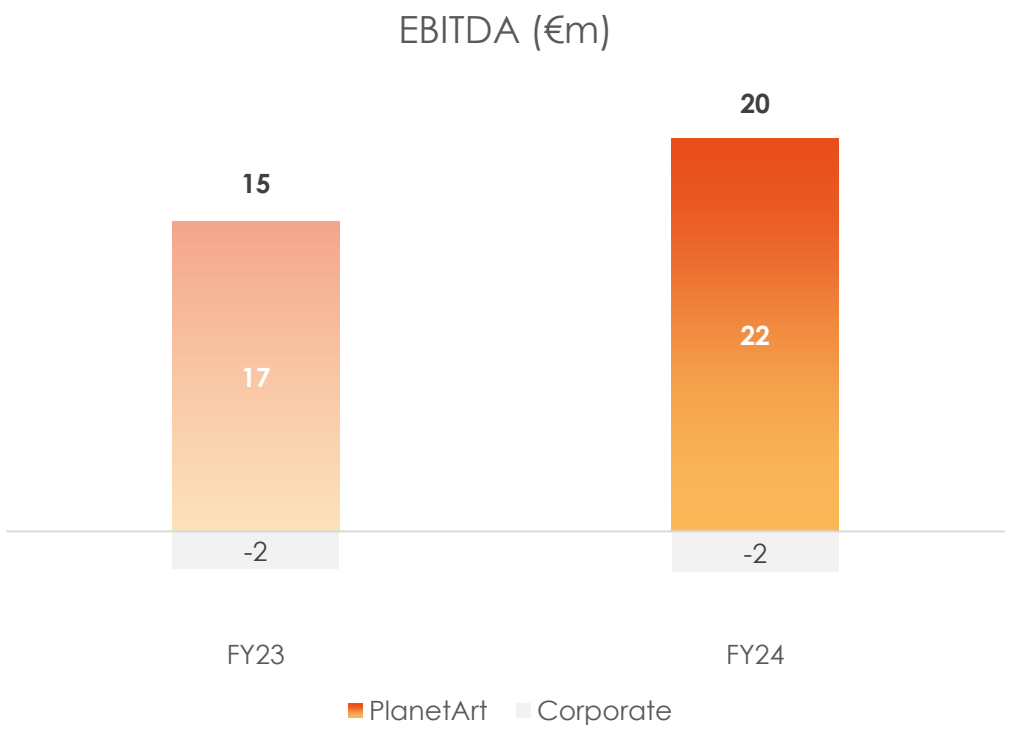
PlanetART Strong rise in FY23-FY24 EBITDA (€m)



- A year focused on increasing the margin, with **significant growth in EBITDA** (+28%)
- **Increased efficiency of marketing investments (ROI**) as costs return to pre-ATT levels *(Apple App Tracking Transparency)*
- **Optimizing our cost structure**
  - Improving production and logistics
  - Improving organizational structures
  - Integrating AI into our processes which reduces customer service costs

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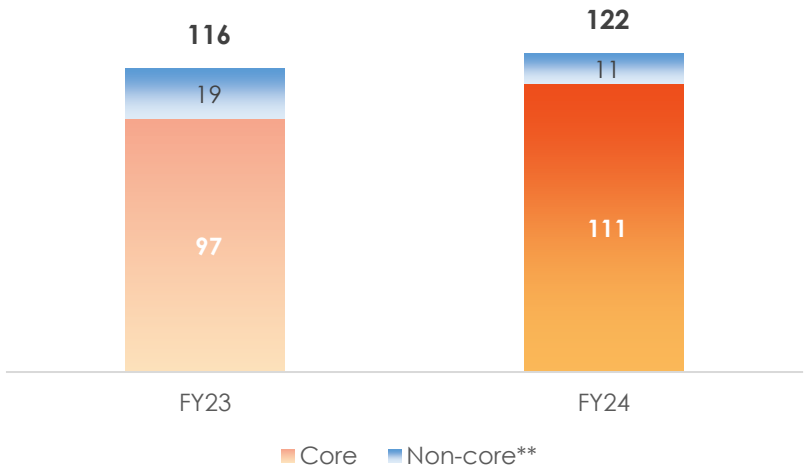
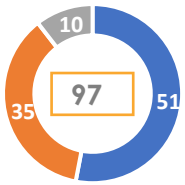
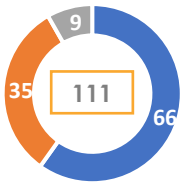
Avanquest Revenue up 5% FY23-FY24 (€m)







Adaware

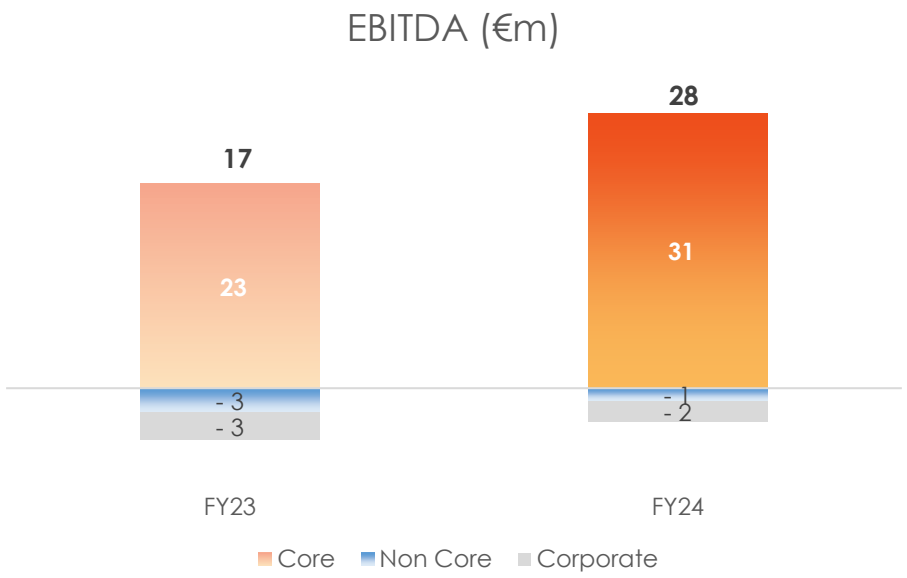
soda PDF ANYWHERE

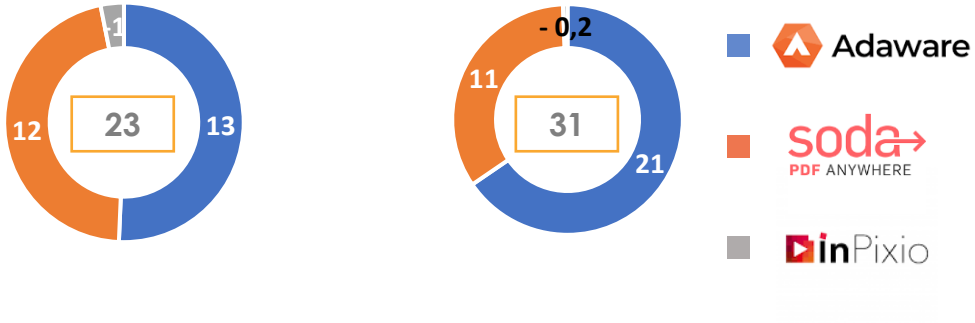
InPixio

- Healthy growth in the Group's software businesses with **annual revenue of €122m** , **up +5%** year-on-year
- A mature **B2C SaaS business** with our 3 proprietary brands (Soda, Adaware & InPixio), **accounting for 91% of revenue**
- Very good growth momentum* for Security (+28% vs. FY23), stable for PDF and down for Photo (-10%) following a realignment of customer acquisitions towards "prosumer" targets
- **Solid growth drivers**:
  - Growth in recurring revenues from 67% in FY23 to **75% in FY23-24**
  - Double-digit growth (+11%) in active customers

*Unaudited management data

Avanquest Very strong growth in EBITDA FY23-FY24 (€m)





- **65% growth in (€m)**
- **Utilities (Adaware)*:** 65% growth in EBITDA over the full year
- **PDF (Soda)*:** Stable Recurring Operating Income and focus on product development to increase renewal rates and capture new markets
- **Photo (inPixio)* :** EBITDA close to breakeven, up shortly on FY22-23.

FY 2023-2024 business performance

*Unaudited management data (excl. corporate costs)

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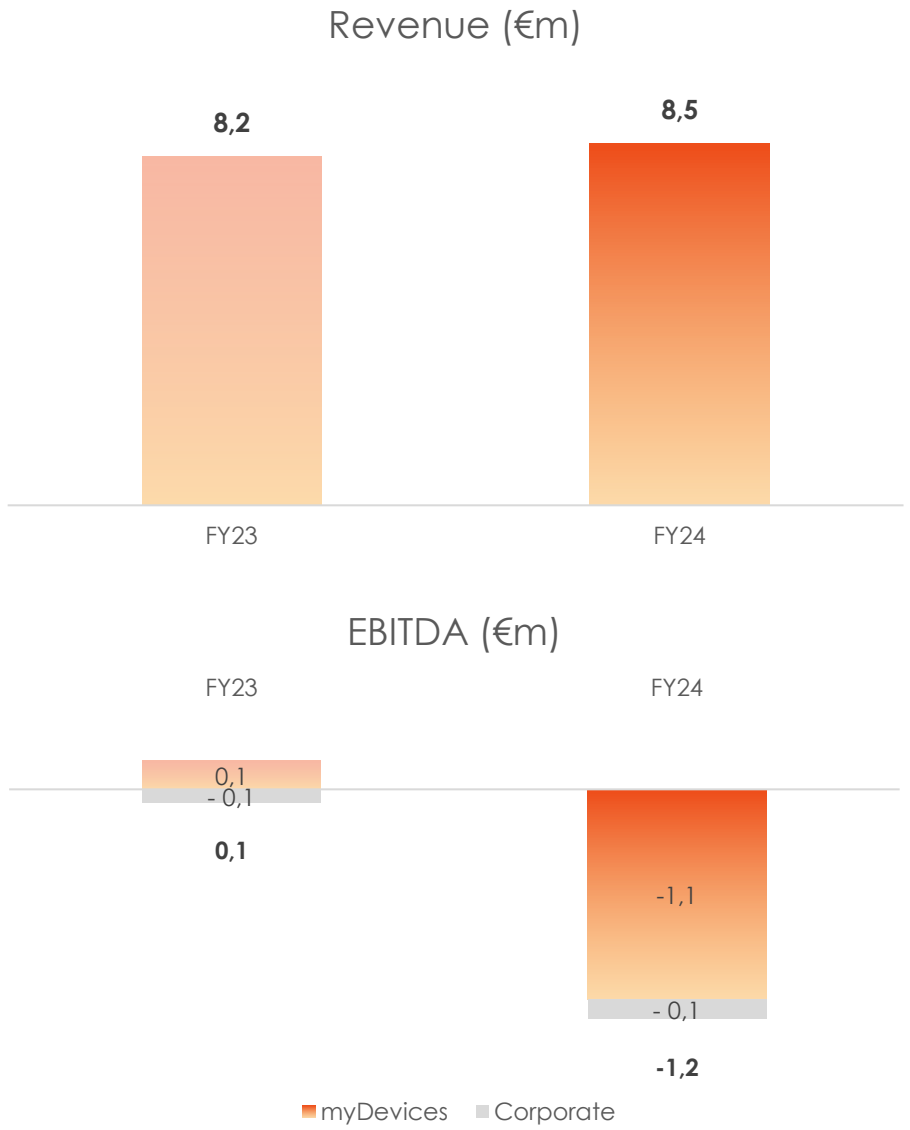
myDevices Sales growth, negative EBITDA in FY23-24



- Revenue of **€8.5m** , up 8% on a like-for-like basis, with **ARR of €3.4m**, stable like-for-like
- **Negative EBITDA of -€1.2m** attributable to a reduction in capitalized R&D expenditures (US$1.94m) and delays in certain rollouts.
- **Major improvements to the "platform" to prepare for growth in FY24-25:**
  - Integration of automated processes and the addition of advanced reporting capabilities and self-serve functions
  - Preparing for expansion into vertical solutions and new distribution channels such as Amazon to increase ARR

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Financial results

FY 2023-2024

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FY 2023-2024 consolidated income statement

In €m	FY23-24	FY22-23
Revenue	**496**	**507**
Raw materials and purchases of goods	(136)	(152)
Other purchases and external expenses	(218)	(231)
Taxes, duties and similar payments	(0)	2
Employee expenses	(71)	(77)
Depreciation, amortization and provisions (net of reversals)	(12)	(12)
Other recurring operating income and expenses	(19)	(14)
Recurring Operating Income	**39**	**25**
Other operating income and expenses	(8)	(5)
Operating Profit	**31**	**19**
Net financial income (expense)	**(34)**	**(28)**
Tax expense	(8)	(2)
Net Income	**(12)**	**(11)**
Net income attributable to owners of the Company	**(11)**	**(11)**

1. **Revenue largely stable at €496m** like-for-like

2. **Operating income recurring of €39m** (compared with EBITDA of €46m - see next slide for detail), up **56%**

3. **Net income (attributable to owners of the of the Company) down €11m**, heavily impacted by net financial expense

FY 2023-2024 Net Income

In €m		FY23-24	FY22-23
EBITDA*	1	**46**	**33**
Net IFRS 16 impact on lease expenses		0.6	0.8
Share-based payments including social security contributions)		(0.5)	(0.9)
Depreciation, amortization and provisions		(7.4)	(7.7)
Recurring Operating Income		**39**	**25**
Other operating income and expenses	2	(8)	(5)
Operating Profit		**31**	**19**
Net financial income (expense)	3	**(34)**	**(28)**
Tax expense		(8)	(2)
Net Income	4	**(12)**	**(11)**
Net loss attributable to owners of the Company		**(11)**	**(11)**

1. **EBITDA** up **56%to €46m**

2. **Non-current expenses** mainly related to termination benefits, project bonuses and legal fees

3. **Net financial income /(expense) largely impacted by:**
   - Amortization and extinction of OCEANE bonds: -€23m
   - Foreign exchange losses of €2m
   - Interest expense: -€7m

4. **Net loss: -€12m**

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Breakdown of net financial expense

In €m		FY23-24	FY22-23
OCEANES bonds	1	(23.3)	(17.0)
Residual amortization		*(19.6)*	*(13.5)*
Interest expense		*(1.2)*	*(2.3)*
Amortization of borrowing fees		*(2.5)*	*(1.2)*
Foreign exchange gains/(losses)	2	(2.0)	(6.6)
Other interest expense (excl. OCEANE)	3	(7.4)	(5.3)
Other financial expenses		(1.3)	0.8
Net financial income (expense)		**(34.0)**	**(28.0)**

1 **OCEANE (nominal value €93m) FY23-24 impact of -€23.3m**

- Residual amortization : -€19.6m
- Interest expense: -€1.2m
- Expenses to be amortized: -€2.5m

2 **Foreign exchange loss of** -€2m (vs. €6.6m in FY23)

3 **FY23-24 interest expense**(excluding OCEANE) **at -€7m** (of which Cheyne for -€3.7m, Euro PP for -1.1m, Pool SaarLB -€0.8m).

The estimated Cheyne interest expense for FY24-25 will be €11m and FY25-26 €15m

Cash position at June 30, 2024

In €m		FY23-24	FY22-23
Cash flow from operations before working capital changes, tax and financial charges		42	30
Change in working capital requirements		8	(15)
Taxes and net interest paid		(10)	(6)
Net cash flow from (used in) operating activities	1	**40**	**9**
Net cash flow from (used in) investing activities	2	**(5)**	**(32)**
Net cash flow from (used in) financing activities	3	**(65)**	**(10)**
Increase (decrease) in cash		**(30)**	**(33)**
Opening cash position on July 1		67	100
Effects of exchange rate fluctuations on cash and cash equivalents		0.3	(1.2)
Closing cash position on June 30	4	**37**	**67**

1. **€40m in cash flows from (used in) operating activities**, bolstered by cash flow (before working capital changes, tax and financial charges) of €42m

2. **-€5m in cash flows from operating activities** linked to capitalized R&D investments (€3.3m)

3. **-€65m in cash flows from financing activities** related to repayment of cash debt (ORNANE and Euro PP: c. €50m) and refinancing of OCEANE bonds

4. Robust cash position at **€37m**, after a year major debt restructuring (€50m repayment for a €30m decrease in cash)

Decrease in net debt at June 30, 2024

In €m		FY23-24	FY22-23
Bank debt	1	135	41
Bonds	2	0	119
Other financial liabilities	3	0	15
Accrued interest		4	4
Total financial liabilities(1)		**139**	**179**
Available unpledged cash		37	67
Net debt	4	**102**	**112**

1. Increase linked to OCEANE bonds refinancing
2. Redemption of all our other bonds (ORNANE, Euro PP)
3. LIH promissory notes offset in capital increase on July 17, 2023
4. **Net debt** down €10m **to €102m**

(1) Excluding lease liabilities resulting from the adoption of IFRS 16.

Simplified statement of financial position Slight improvement in shareholders' equity

In €m	FY23-24	FY22-23
Goodwill	96	97
Other non-current assets	37	42
Right-of-use lease assets	12	13
Current assets (excl. cash)	46	44
Cash and cash equivalents	1 37	67
Assets held for sale	0	2
Total assets	**228**	**264**
Equity	2 (8)	(16)
Financial liabilities	3 139	179
Lease liabilities	13	13
Other non-current liabilities	4	5
Other-current liabilities	81	83
Liabilities held for sale	0	2
Total equity and liabilities	**228**	**264**

1 **Decrease in cash flow** linked to debt repayments

2 **Shareholders' equity down to -€8 M€**

- Recognition of a €12m loss for the year.
- **Return to negative: €1m** at the end of the half year prior to refinancing

3 **Lower indebtedness**

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Corporate Social and Environmental Responsibility

Fully committed to a proactive CSR approach

Claranova is continuing its efforts to **strengthen its CSR approach** and improve its environmental, social and governance practices.

- Highlights in FY 2023-2024 included **strengthening CSR governance**, **data protection** and **anti-corruption practices**, and the completion of the **1st carbon assessment**.
- Claranova is also actively **preparing for compliance with the CSRD directive** by initiating **double materiality analysis** and continuing to **strengthen its sustainability reporting**.
- This long-term commitment to sustainability is illustrated by **the Greenly Gold rating for its carbon footprint** and the significant improvement in its **EthiFinance ESG Ratings**.

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EthiFinance

greenly 2023 Or Climate Strategy Rating TOP 5%

Agenda

1. FY 2023-2024 financial results

2. **“One CLARANOVA” strategic plan**

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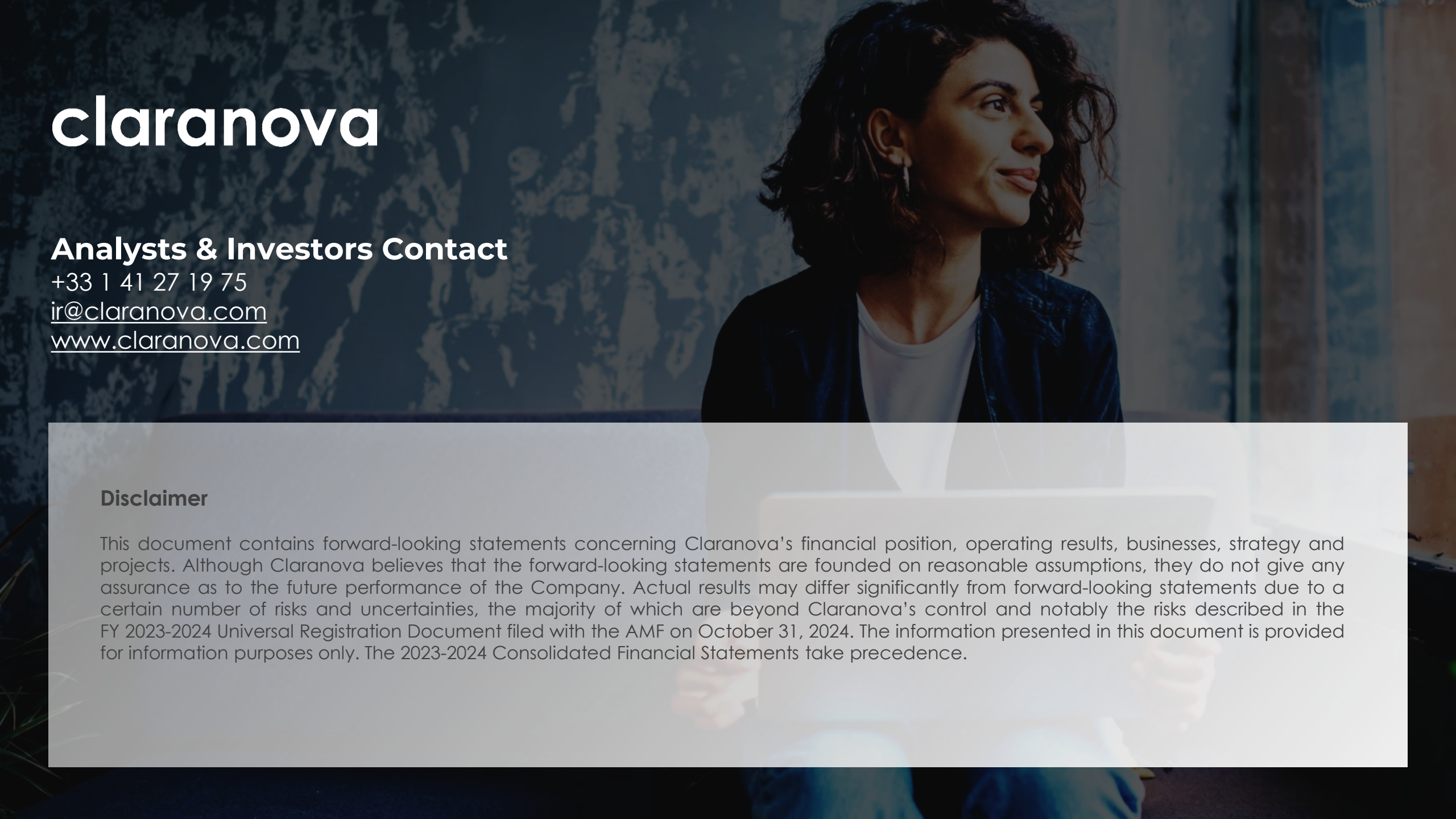

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