claranova™

Registration Document

as of June 30, 2018
including the annual financial report

2017 - 2018

Contents

Items in the annual financial report are identified in the contents using the AFR symbol AFR

Registration Document

for the year ended June 30, 2018

including the annual financial report

2017-2018

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The French version of this Registration Document was filed with the *Autorité des Marchés Financiers* (AMF, French Financial Markets Authority) on October 2, 2018 in accordance with Article 212-13 of the AMF General Regulations. It may be used in connection with a financial transaction if it is supplemented by a prospectus (*note d'opération*) approved by the AMF. This document has been prepared by the issuer and is binding on its signatories.

This Registration Document constitutes the annual financial report for the fiscal year ended June 30, 2018, as required by Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations.

Pursuant to Article 28 of Commission Regulation (EC) no. 809/2004, the following information is incorporated by reference in this Registration Document:

- The Claranova (formerly Avanquest) Consolidated Financial Statements for fiscal year 2015-2016, prepared in accordance with IFRS, and the Group Auditors' report thereon, presented in Sections 20.2.1 and 20.2.2, respectively, of the Registration Document filed with the AMF on October 28, 2016 under the number D. 16-0931;
- The Claranova Consolidated Financial Statements for fiscal year 2016-2017, prepared in accordance with IFRS, and the Group Auditors' report thereon, presented in Sections 6.1 to 6.3 of the Registration Document filed with the AMF on October 3, 2017 under the number D. 17-0964.

Copies of this Registration Document are available free of charge from Claranova (89-91, boulevard National, 92250 La Garenne-Colombes Cedex) and on its website (**http://www.claranova.com**), as well as on the AMF's website (**http://www.amf-france.org**).

In this Registration Document, the term **"Group"** refers to Claranova and its subsidiaries, while the terms **"Claranova"** and the **"Company"** refer to Claranova as an entity.

This Registration Document contains information about the Company's objectives and development strategy. Such information may be identified by the use of the future and conditional tenses and by forward-looking terms such as "consider", "envisage", "think", "target", "expect", "intend", "should", "aim", "estimate", "believe", "wish" and "may" or, in certain cases, the negative form of these terms, or similar expressions.

The reader's attention is drawn to the fact that these objectives and development strategy depend on circumstances and events which may or may not occur.

These objectives and development strategy are not historical data and should not be considered to give any assurance that the stated events and data will occur, the assumptions confirmed, or the objectives attained. By their nature, these objectives may not be achieved and the statements and information presented in this Registration Document may prove incorrect, without the Company being required in any way to provide an update, subject to applicable regulations and particularly the AMF General Regulations.

This Registration Document also contains information about the Company's business and the market and industry in which it operates. This information notably stems from studies conducted by internal and external sources (analysts' reports, specialized studies, sector publications, and any other information published by market research firms, companies and government agencies). The Company considers that this information presents a true and fair view of the market and industry in which it operates and accurately reflects its competitive position. However, while this information is considered reliable, it has not been independently verified by the Company.

The English language version of this report is a free translation of the original document prepared in French. Only the French version of the Registration Document has been filed with the AMF. It is therefore the only legally binding version.

CHAIRMAN'S MESSAGE

Pierre CESARINI

Our Group has changed name for Claranova a year ago, and has become one of the very rare French "technology" groups targeting all sectors: the Internet, Mobile services and the Internet of Things (IoT).

With our three businesses, we cover the main technological revolutions of the last 20 years, the Internet and mobile technology - which still have a bright future before them – and of the next 20 years with the up-and-coming IoT.

The Internet is now 30 years old and this market has reached maturity. Claranova's vision in this sector focuses on "monetizing traffic", adopting a unique position to create maximum value. The challenges of the future are no longer to launch better search engines, software or e-commerce, download or content sites, but to combine these approaches to maximize and efficiently monetize Internet traffic. Our strategy is therefore to bring together the best companies in these areas and create a large-scale player able to generate maximum profit. We launched this strategy last July with the acquisition of three Canadian businesses, enabling us to nearly double the size of our Avanquest division (from €36 million to €67 million[1] in fiscal year 2017-2018) and, above all, significantly increase profits (from €1 million to €6 million[1]). We will continue this acquisition strategy in the future, to build a major player in this sector.

(1) Unaudited figures.

"2017-2018 was a major turning point for our Group"

The advent of the smartphone, marked by the launch of the iPhone in 2007, definitively changed our daily lives and how we consume. Our lives have fundamentally changed, and it is difficult to remember the world before smartphones! With PlanetArt, we were the first to bring together printing services and the mobile phone with the creation of FreePrints. This application is both the simplest and least expensive in the world for ordering photo prints directly from your smartphone. In just four years, we have created a profitable business generating revenue of over €120 million. With nearly 10 million customers worldwide, we have printed over 1.5 billion photos to-date! Few French companies can boast a similar success in the mobile sector and yet we still have great potential for growth, with the deployment of our existing applications in new countries and the launch of new applications. After starting in the United States and the United Kingdom, we strengthened our position in continental Europe this year (France, Germany, Italy, and Spain) and plan to roll them out in Asia, with the launch of FreePrints in India in September 2018. On the products side, after photos and photobooks, we have just launched a new application in the interior design sector with FreePrints Photo Tiles.

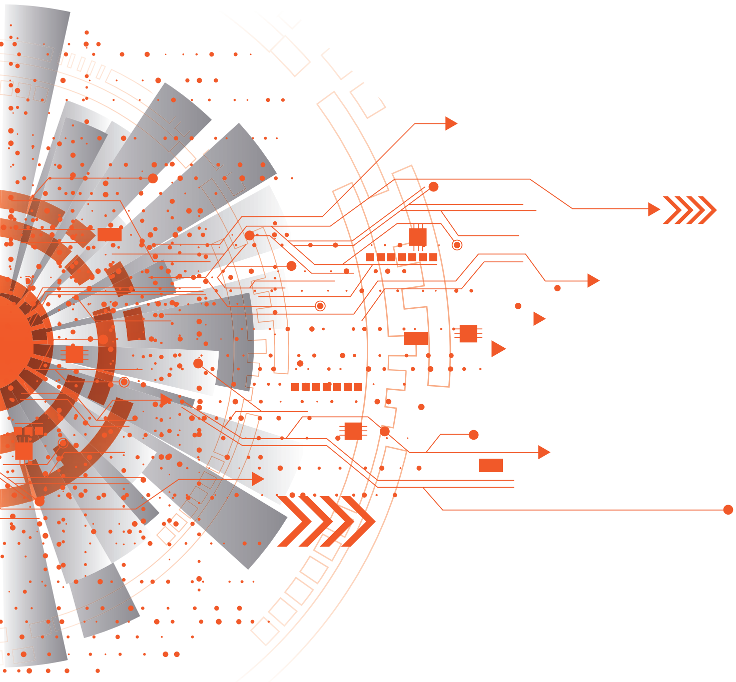
The Internet of Things (IoT) will be the next major technological revolution after the Internet and mobile devices. IoT will transform our lives even more than mobile technology. It is hard to realize today as the market does not yet exist– as was the case in the mid-1990's for the Internet or at the beginning of the 2000's for the mobile. Over three years ago, we made the bet of becoming a major player in this emerging market by developing myDevices, a platform simplifying the Internet of Things. In this budding market, we gathered a community of almost 600,000 developers, who use our development tools around the world. More recently, international groups, such as Semtech, Sprint, Ingram Micro and Alibaba, have chosen our technology to build IoT solutions and roll them out to their customers. These marks of confidence validate the uniqueness of our solution, which should be a major growth driver for the Claranova group in the coming years.

Similar to leading sector players, diversifying our activities allows us to multiple our sources of revenue and profits and foresee future development/changes, positioning ourselves on stronger markets. 2017-2018 was a major turning point for our Group. Thanks to our strategy and unique positioning, we report revenue of over €160 million, up 32%(2) and, above all, profits(3), with EBITDA of €3.9 million (compared with an operating loss of €5 million last year). The market also accompanied and rewarded our growth with a +110% rise in our share price in just one year.

The Claranova group's teams are proud of these results and convinced that the best is still to come. We will continue to grow and create value for all our shareholders, who give us their trust and support.

Pierre CESARINI
Chairman of the Management Board

(2) At constant exchange rates.
(3) In terms of EBITDA, see glossary.



claranova

Claranova is a French technology group operating in three major business sectors: mobile services through its PlanetArt division, Internet of Things (IoT) through its myDevices division and monetizing Internet traffic through its Avanquest division. A truly global internet and mobile player, Claranova reports annual revenue in excess of €160 million, generated over 90% internationally.

PlanetART YOUR WORLD. PERSONALIZED.

Global leader in photo printing from mobile devices

myDevices

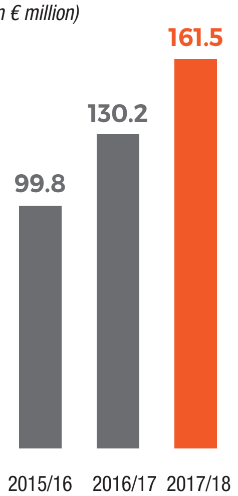
Future benchmark for the development of IoT solutions

Avanquest

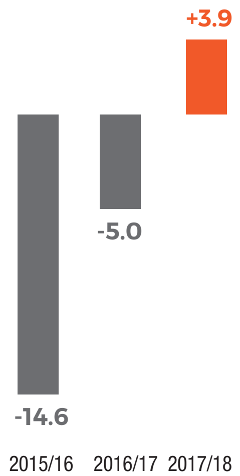
Aiming to become a major player in Internet traffic monetization

KEY FIGURES 2017-2018

ANNUAL REVENUE AT CONSTANT SCOPE
(in € million)

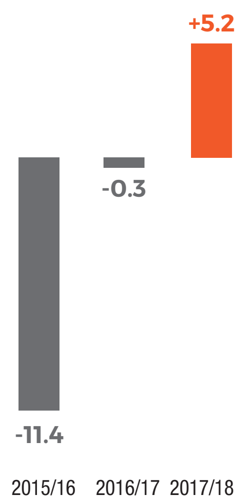


EBITDA*
(in € million)

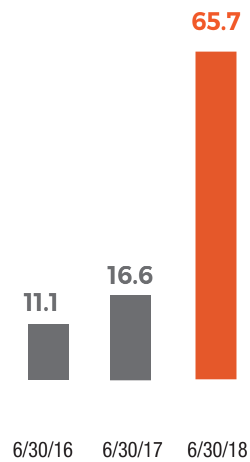


**EBITDA: Earnings before the deduction of interests, taxes and duties, depreciation (but after provisions related to inventories and trade receivables), amortization and share-based payments, including related social security expenses.*

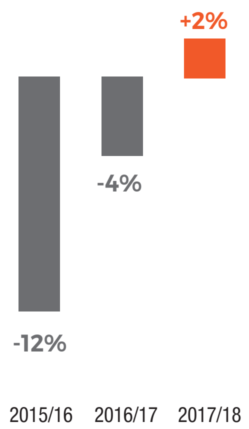
CASH FLOW FROM OPERATIONS
(in € million)



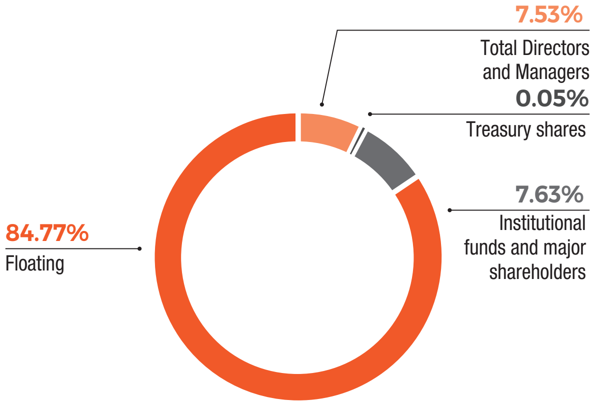
NET CASH
(in € million)



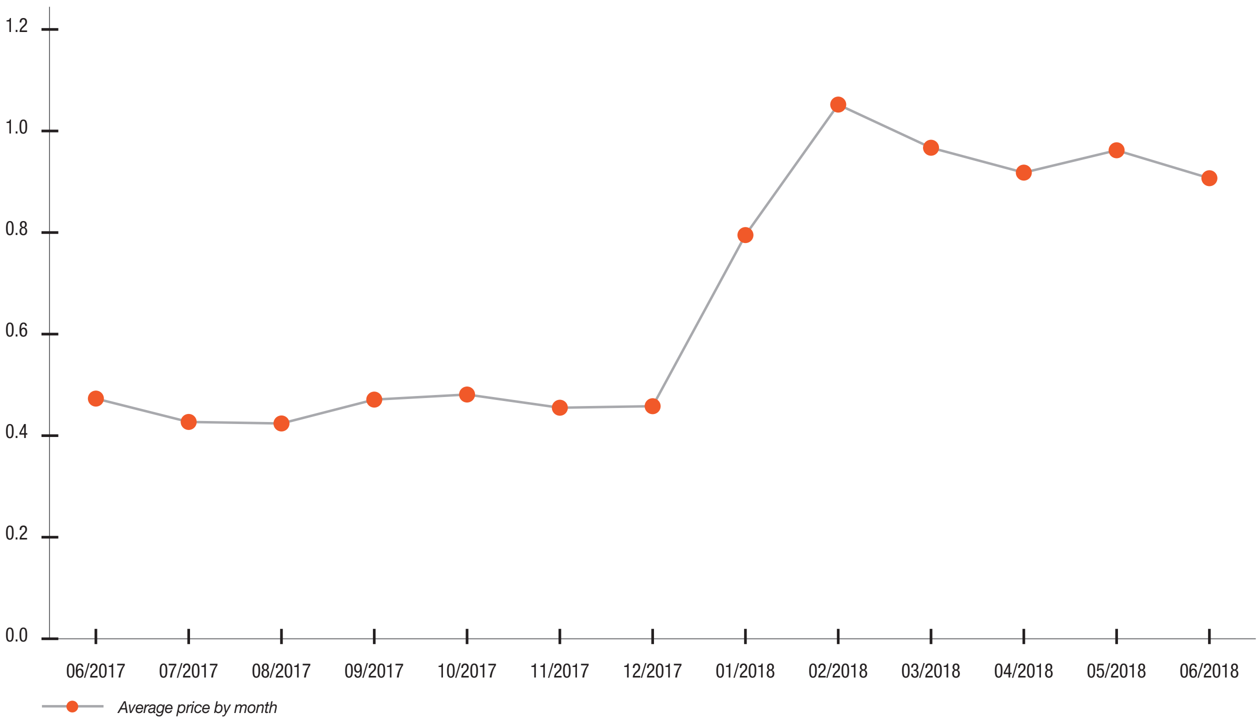
RECURRING OPERATING MARGIN
(EBITDA as a % of revenue)



SHAREHOLDER BASE ESTIMATED AS OF JUNE 30, 2018
(in %)



SHARE PRICE TRENDS IN 2017-2018
(in €)



PlanetART
YOUR WORLD. PERSONALIZED.

Global leader in digital printing on mobile devices

With its FreePrints, FreePrints Photobooks and FreePrints Photo Tiles applications, Claranova revolutionized photo printing, inventing the concept of printing from mobile devices.

FreePrints is the least-costly, simplest and quickest solution for printing photos from your smartphone or tablet. Users receive dozens free photos each month, paying only a nominal shipping and handling charge.

FreePrints Photobooks operates on the same principle as FreePrints. Users receive a free photo album each month and can order a wide range of *premium* albums of all sizes at highly competitive prices.

FreePrints Photo Tiles provides a free photo tile each month that can be stuck to walls, unstuck and moved as often as you wish.

In just over three years, the **PlanetArt** division reported annual sales in excess of €120 million, while proving its profitability. Already present in the United States and Europe, PlanetArt launched its business in India in September 2018, extending its presence to three continents.

PlanetArt snapshot

- Proven and profitable business model
- Global leader
- Sizeable market with dramatic potential in Asia
- Critical size reached, allowing for profitable growth

myDevices

The future benchmark for the development of IoT solutions

Drawing on its knowhow and knowledge of the technology sector, Claranova created **myDevices** to accelerate IoT development and participate in the next digital revolution.

myDevices developed Cayenne – the world's first drag-and-drop IoT project builder. Cayenne enables engineers, manufacturers and network operators to quickly and easily develop and deploy IoT solutions across a wide variety of verticals. With close to 600,000 developers, Cayenne is the world's number one IoT community.

Driven by the desire to make this technology accessible and available to as many people as possible, myDevices announced two partnerships with leading telecoms operators during the fiscal year: Dr. Peng in China and Sprint in the United States. My Devices will assist these operators with the creation and management of their IoT offerings that are based on its "IoT in a Box" concept. In May 2018, Sprint opened its "Sprint IoT Factory" marketplace, marking the commercial launch of myDevices offerings to millions of its users. myDevices also signed partnership agreements with leading players such as Ingram Micro and Alibaba Cloud for the distribution of its offerings via their reseller networks.

myDevices snapshot

- Unique technology in the world of IoT
- Close to 600,000 developers for Cayenne, the standard in IoT development tools
- Aim to become a major player in the next technology revolution
- Monetization started in the first half of 2018, thanks to strategic partnerships with leading telecoms operators like Sprint in the United States
- New partnerships signed in Q3 2018 with distribution giants Alibaba Cloud and Ingram Micro

A HISTORY GOING BACK MORE THAN 30 YEARS

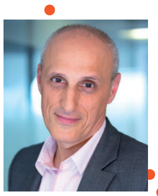
1984
Creation of BVRP Software

1996
Listed on the Stock Exchange

2005
BVRP becomes Avanquest

From 2007 to 2012
Development through multiple acquisitions

2013



Arrival of Pierre Cesarini.
Implementation of a new development strategy around three distinct businesses

From 2013 to 2016
Implementation of a new growth strategy and sale of subsidiaries that were no longer in line with the Group's future and vision (Arvixe, ProcessFlows, Avanquest Software Publishing Ltd, Emme).

Launch of the **FreePrints** offer in the United States and the United Kingdom (over 1 billion photos sold to date)

Aiming to become a major player in Internet traffic monetization

With over 30 years' experience, **Avanquest** is an established leader in software development, marketing and online sales. Its software offers are sold in over 100 countries and cover a wide range of applications: system utilities, website development tools, home graphics, digital imaging, lifestyle and education. Avanquest also has significant digital marketing expertise, enabling it to develop its online traffic monetization business.

Avanquest aims to become a highly profitable, major online player and achieve critical size. This strategy focuses on "monetizing Internet traffic": generating maximum traffic (online visitor volume on our websites, number of downloads, etc.) and efficiently monetizing it through the sale of products, solutions and services, advertising space, etc.

To accelerate its transition to this new business model, on July 1, 2018, Avanquest purchased the Canadian businesses Upclick (management of e-commerce transactions), SodaPDF (document management and PDF applications) and Adaware (internet security and antivirus solutions). With the integration of these profitable, high-growth acquisitions, Avanquest will be able to scale-up and launch a virtuous cycle generating increased revenue and profit.

Avanquest snapshot

- New business model focused on monetizing Internet traffic
- Scale-up in 2018-2019
- Acquisition strategy initiated with its first significant operation on July 1st, 2018.

MOBILE DEVICES

INTERNET OF THINGS

INTERNET

2015

Launch of the myDevices platform and then Cayenne (2016), with a community of close to 600,000 developers to date

2015

Restructuring of the Group's finances: deleveraging and recapitalisation

Business Model Proven. Positive EBITDA, market opening on 3 continents (North America, US, Europe) and new applications.

2017

Avanquest becomes Claranova. Complete legal reorganization; the Group becomes profitable*.

* *In terms of EBITDA.*

Monetization of Cayenne

First revenue from the partnership with Sprint (US), new partnerships with the distributors Alibaba Cloud (China) and Ingram Micro (US).

Business Model refocused on monetization of traffic; the division's strategy takes form with the acquisition of the Canadian businesses Upclick, SodaPDF and Adaware.

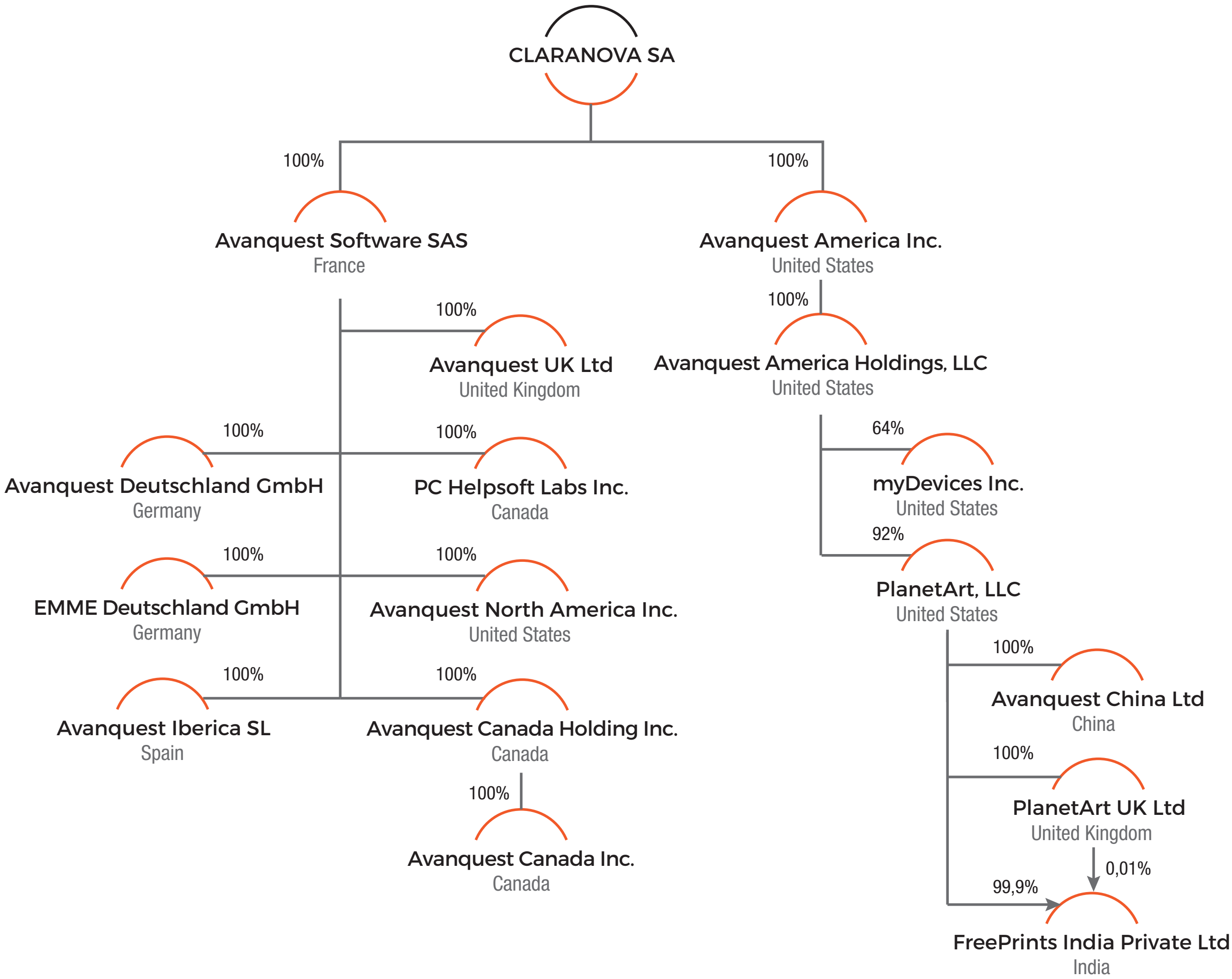
2018

The Group's strategy is launched and achieved for the three divisions.

ORGANIZATION

Legal organization chart as of June 30, 2018

Subsidiaries are wholly-owned (share capital and voting rights) unless otherwise stated.



1
COMMENTS REGARDING THE FISCAL YEAR

1.1 Selected financial information and other data on the fiscal year ended on June 30, 2018

Consolidated data *(in € million)*	**2017-2018 fiscal year**	**2016-2017 fiscal year**	**2015-2016 fiscal year**
Revenue	**161.5**	**130.2**	**117.4**
EBITDA[(1)]	**3.9**	**(5.0)**	**(14.6)**
Recurring Operating Income	(3.7)	(10.6)	(16.1)
Operating income[(2)(3)]	(6.1)	(10.1)	(26.1)
Pre-tax net income and net income of companies accounted for using the equity method	(6.3)	(11.0)	(27.8)
Net income, Group share	(7.9)	(11.0)	(28.6)
Earnings per share *(in €)*	(0.02)	(0.03)	(0.10)
Equity, Group share	12.5	1.2	2.1
Borrowings and other financial liabilities	28.2	1.1	1.3
Available cash	65.7	17.1	11.1
Ratio net financial liabilities/equity (gearing ratio)	(3.0)	(13.3)	(4.7)
Cash flow from operations	5.2	(0.4)	(11.4)
Cash flow from investments	14.0	3.5	(1.2)
Cash flow from financing activities	29.6	3.0	(6.6)

(1) EBITDA = Recurring Operating Income before the impact of share-based payments, including related social security expenses, and depreciation and amortization. This aggregate corresponds to the adjusted EBITDA used previously plus the impact of retirement benefits.
(2) Of which impairment of goodwill for -€4.8 million in 2015-2016.
(3) Of which an expense related to share-based payments of -€7.1 million in 2017-2018, compared to -€4.8 million in 2016-2017 and -€0.1 million in 2015-2016.

The breakdown of revenue by business is as follows:

(in € million)	**2017-2018**	**2016-2017**	**Δ**
PlanetArt	122.0	88.9	37%
myDevices	3.7	2.8	31%
Avanquest Software	35.8	38.5	-7%
REVENUE	**161.5**	**130.2**	**24%**

The breakdown by region is as follows:

(in € million)	**2017-2018**	%	**2016-2017**	%
France	11.2	7%	9.5	7%
United States	95.9	59%	84.3	65%
United Kingdom	35.4	22%	24.4	19%
Germany	10.5	6%	6.1	5%
Other countries in Europe	5.2	3%	3.7	3%
Rest of the world	3.4	2%	2.2	2%
REVENUE	**161.5**		**130.2**	

The Group's revenue is still mostly generated abroad, just under 60% of which in the United States. Sales in the United States rose by 14%, primarily thanks to the strong growth recorded by PlanetArt (whose business activities *via* websites takes place almost exclusively in the United States, as well as a significant part of the income from mobile applications). Activity in Europe grew strongly (+42%), notably through the development of FreePrints activities in Europe, with a stronger business in the United-Kingdom and in France, and the launch of FreePrints in Ireland.

The Group's EBITDA improved, representing a profit for the first time in several years, rising from a loss of €5.0 million in the 2016-2017 fiscal year to a profit of €3.9 million over fiscal year 2017-2018, marking the Group's return to profitability. The improvement in EBITDA is spread over the three activities of the Group, with PlanetArt showing the strongest increase, moving to EBITDA that is highly positive.

Recurring Operating Income (ROI) was negative at -€3.7 million, compared to a negative ROI of -€10.6 million for the previous fiscal year, and was up €6.9 million. The ROI for fiscal year 2017-2018 includes share-based payments expenses of €7.1 million (€4.1 million of IFRS 2 expense and €3.0 million of social security charges) related to the valuation of the free shares and stock option plan (see Note 21 to the Consolidated Financial Statements). There was a very strong improvement compared to the previous fiscal year, notably thanks to the PlanetArt business, for which EBITDA improved by €6.7 million between fiscal years 2016-2017 and 2017-2018 to become clearly positive.

The operating result also improved, standing at -€6.8 million against -€10.1 million during the previous fiscal year. The above improvement in ROI was slightly offset by the occurrence of other operational expenses related to the restructuring of the Group (legal and operational) and the acquisition of Canadian companies on July 1, 2018. See Section 1.2 below for more information.

Net income, Group share amounted to a loss of €8.2 million, compared to a loss of €11.0 million for the previous fiscal year. This loss, mainly due to IFRS impacts not related to the business, had no cash impact.

A cash flow analysis is presented in Section 1.4 of this Registration Document.

FINANCIAL POSITION

(in € million)	6/30/2018	6/30/2017	6/30/2016
Goodwill	0.0	0.0	0.0
Other non-current assets	1.3	2.0	3.0
Current assets (excl. cash)	13.4	11.0	14.4
Cash and cash equivalents	65.7	17.1	11.1
TOTAL ASSETS	**80.5**	**30.0**	**28.5**

(in € million)	6/30/2018	6/30/2017	6/30/2016
Equity	14.3	1.3	2.1
Non-current liabilities	29.0	0.7	1.4
Current liabilities	37.2	28.1	25
TOTAL LIABILITIES	**80.5**	**30.0**	**28.5**

1.2 Significant events having affected the activity of the Group over the fiscal year

New investors in myDevices

On August 16, 2017, myDevices Inc. signed a strategic capital partnership with a major Chinese Telecoms & Media operator in the Asian market.

This agreement provides for the distribution and localization, under license, of the Cayenne platform on Chinese territory, the quality of myDevices technology being validated once again by a major market player. The Chinese operator also acquired a $3.5 million minority interest in myDevices. This investment was part of the round of funding announced in January 2017, when semiconductor specialist Semtech Corporation, owner of the LoRa™ technology and a benchmark in the world of the Internet of Things, acquired a stake in myDevices.

A marginal capital increase also took place in November 2017 following an investment by employees.

Investors take an equity interest in PlanetArt LLC

On September 7, 2017, Claranova announced that industrial investors, including CapInvest, family office of the Riccobono group, a print industry manufacturer, had acquired a US$13.2 million equity interest in its subsidiary, PlanetArt LLC.

These funds were raised on the basis of a pre-money valuation of PlanetArt of €185 million, or €196.4 million (over $225 million) after the US$13.2 million capital increase, which increase can be extended to reach US$17.4 million, and an additional subscription of US$1.3 million in April 2018. The total subscription thus amounts to US$14.5 million or €12.2 millions

This transaction is a reflection of the interest shown by industrial investors in the strong growth demonstrated by the business and its development potential.

Release of the "IoT in a Box" Offer and partnership between myDevices and Chinese operator Dr. Peng

On December 13, 2017, plans were announced for Dr. Peng to market myDevices' "IoT in a Box" offer and to launch the Cayenne platform. Dr. Peng is China's largest private telecom operator, and its 4th largest overall. It is a member of the LoRa™ global alliance dedicated to the IoT, and its founding member in China.

myDevices' "IoT in a Box" offer will be marketed across the entire Dr. Peng network, targeting companies and individuals. Dr. Peng will be able to offer ready-to-use vertical solutions for a range of applications: connected solutions for monitoring the cold chain, smart parking, connected appliances, air, soil or water quality tests, *etc*.

This announcement marks a major step in myDevices' international development by enabling it to take a compelling strategic position in China.

Partnership between myDevices and US operator Sprint and launch of the "IoT Factory"

On January 10, 2018, myDevices announced the launch of the "Sprint IoT Factory" offer in partnership with Sprint, the fourth-largest mobile operator in the United States, using Cayenne technology. This offer will enable IoT component manufacturers, developers, service companies and other players to develop IoT solutions in a wide range of industries, and was presented at CES in Las Vegas in January 2018. myDevices is thus supporting Sprint in managing its IoT strategy, enabling these IoT solutions to be distributed to millions of Sprint customers.

Following this partnership, on May 17, 2018, Sprint announced the launch of the Sprint IoT Factory. This innovative e-commerce platform offers companies a vast selection of complete and ready-to-use solutions based on the power of the Internet of Things (IoT), to help them to best manage their professional activities.

As well as selling directly to final customers through the intermediary of the Sprint IoT Factory platform, Sprint and myDevices will also serve other indirect distribution channels – value-added resellers, distributors, IT services companies, *etc*. – which will be able to buy and distribute these IoT solutions as resellers.

Announcement of the takeover of a group of companies in the Internet sector

On March 26, 2018, Claranova announced the signing of an agreement for a group of companies to be taken over by the Avanquest division.

Based in Canada, these companies specializing in the Internet sector are present in over 200 countries and are positioned in the following three activities:

- e-commerce transaction management through Upclick, one of the most modern platforms in the world;
- PDF applications and document management with Lulu Software, one of the world's major players for PDF solutions through its SodaPDF product line;
- Internet security with Adaware anti-virus and security solutions, known worldwide.

Avanquest and these companies have already been working together for a number of years and their staff have a great deal of experience of working as a team. This operation will bring together both groups' existing offers: Avanquest's software product, emailing, cashback and website offerings, and solutions in the field of security services (Adaware), PDF tools (Lulu) and e-commerce platforms (Upclick).

This agreement is in line with the Group's strategy to turn Avanquest into a European leader in monetizing Internet traffic, with the aim of this division achieving short/medium-term revenue of €100 million with profitability of 15% to 20%.

This acquisition was finalized on July 1, 2018, following the lifting of all conditions precedent and the signature of the final agreement for the takeover, by Avanquest, of the Canadian group holding the activities Upclick, Lulu Software and Adaware.

As an illustration, over the fiscal year 2017-2018 (from July 2017 to June 2018), the Avanquest division including the new Canadian activities would have shown* revenue of €65.7 million (+83% increase compared to Avanquest alone) for €6.5 million in EBITDA (multiplied by 10 compared to Avanquest alone), representing 9.9% of operating margin (against 2.0% currently).

2017-2018 *(in € million)*	**Avanquest division alone**	**Avanquest division post-transaction ***	**Impact of acquisitions in %**
Revenue	35.8	65.7	83%
EBITDA	0.7	6.5	
EBITDA/revenue in %	*2.0%*	*9.9%*	

* *Figures related to the Canadian entities included here were subject to a limited review by RCGT, the auditors of the entities hosting Upclick, SodaPDF and Adaware. They have not been subject to an audit by the Group auditors.*

The significant events of the fiscal year that are not related to the activity of the Group or its divisions are presented in Note 1 to the Consolidated Financial Statements in Chapter 2 of this Registration Document.

1.3 Economic information and the financial performance of the Group

Activities during the 2017-2018 fiscal year

A global Internet and mobile player, Claranova is one of the few French companies in this sector to post sales of over €160 million, more than half of which is generated in the United States. Claranova focuses its strategy on three areas of business – digital printing through the Group's PlanetArt division, management of the Internet of Things (IoT) *via* the myDevices division and monetization of traffic through the Avanquest division:

PlanetART
YOUR WORLD. PERSONALIZED.

PlanetArt, strong growth and profitability

Mobile applications

PlanetART
YOUR WORLD. PERSONALIZED.

Websites

FreePrints

FreePrints photobooks

FreePrints PHOTO TILES

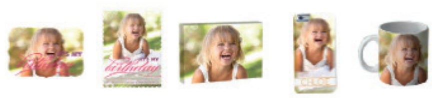
Photo prints, albums and repositionable frames

.photo affections.

CanvasWorld

{simplytoimpress}
UNIQUE. AFFORDABLE. SIMPLY IMPRESSIVE.

MyCustomCase



Customizable photo objects: Invitation cards, announcements, decorations, phone cases...

This division represents Claranova's vision in the digital printing sector, especially for printing on mobiles. With PlanetArt, Claranova aims to create the reference player at the worldwide level in this sector, while focusing on strong and profitable growth. PlanetArt's activity is spread over two main sectors, websites (SimplytoImpress, Photo Affections, CanvasWorld and MyCustomCase) and mobile applications, with FreePrints, FreePrints Photobooks and FreePrints Photo Tiles.

InfoTrends estimates than around 1.2 trillion photos were taken in 2017, with around 85% taken with mobile phones and 5% with tablets, *i.e.* a growth in the number of pictures taken of 9% compared to 2016. The majority of these photos sit on phones or on photo-sharing websites such as Flickr or Instagram. Future Market Insight estimates that the global market for photo printing and customized objects will be worth around US$16.9 billion in 2018, up approximately 2.6% per year to reach US$22 billion by 2028. This growth is likely to come with a shift in the distribution channels, as online services are expected to grow around 3.9% per year, from 45% of transactions in 2018 to 55% of transactions in 2028.

In the light of today's trends, PlanetArt also expects a shift from web-based transactions to mobile app-based transactions, and was one of the first players to position itself in this market with its FreePrints offer. PlanetArt has a leading position in the two geographies on which it is positionned today, namely the United-States and Europe, and the opening process of the Asian market is in progress, with the launch of FreePrints in India in September 2018.

In the United-States and Europe, an average of 8-9% of the market is currently equipped with photo printing applications, which leaves substantial scope for future growth (source: Invest Securities). In the United States, the target market is roughly 170 million users (population aged between 15 and 64 equipped with a smartphone) (source: World Bank). In Europe, the target market is estimated at around 168 million users, with an average of 8% of the market equipped to date. Even in countries such as the United Kingdom and France, where equipment of this nature is more widespread than in other European countries, the installation of photo printing applications continues to grow at a brisk pace, implying that the market is not yet saturated. Photo printing applications are much less common in other European countries. In Germany, for instance, only 5% of potential users are equipped.

Finally, PlanetArt has just entered the Asian market, which shows huge potential. China and India alone could each represent a 130 million user market, just considering the upper- and middle-classes totaling 10% of the population (source : World Bank).

Since its launch, PlanetArt shows continuous growth year after year, with revenue multiplied by 3.7 in three years (€122 million in fiscal year 2017-2018 versus €32.9 million in fiscal year 2014-2015). This dramatic growth is to be correlated with the success of the FreePrints mobile applications.

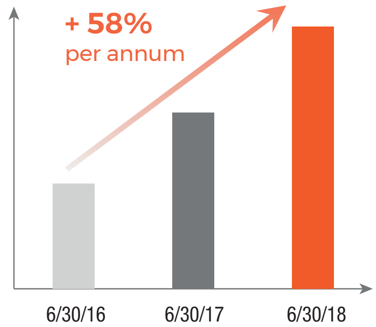
Following the global success of its first application, FreePrints, PlanetArt continued to monetize its customer base with the launch of a second application FreePrints Photobooks (early 2016), and then of FreePrints Photo Tiles (in June 2018). With this application, customers can easily order photo tiles that can be stuck, unstuck and moved on walls as often as they want. PlanetArt is continuing its expansion with the launch of new high-margin products that can be distributed at very low marketing cost to its vast customer base.

The successful development of FreePrints Photobooks has already enabled PlanetArt to greatly improve its profitability, while FreePrints Photo Tiles' first results have not had yet a significant impact on the division's results as of June 30, 2018.

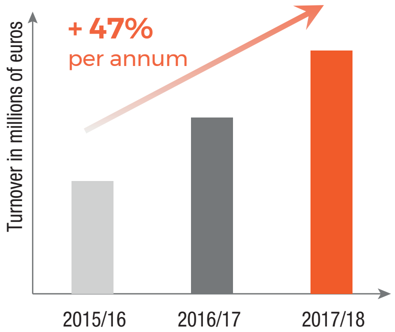
For the first time since the creation of the division, PlanetArt has posted positive EBITDA, reaching €6.4 million in 2017-2018 versus -€0.3 million in 2016-2017. PlanetArt has now passed break-even, and the development of its business through new offers and new geographies should be profitable from now on, in spite of marketing expenses that will stay high. Benefiting from these upcoming developments, the Group has confirmed its dual-objective strategy for this division: maintain a high rate of business growth with increasing profitability through the launch of new high-margin products and the opening of new geographies.

PlanetArt at a glance:

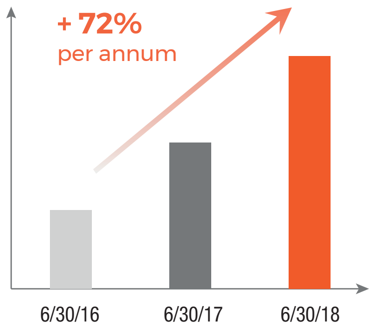
Very strong growth in client base



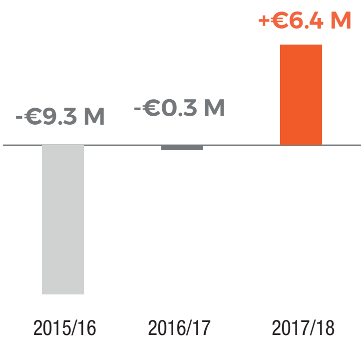
Almost 50% growth per annum for 3 years



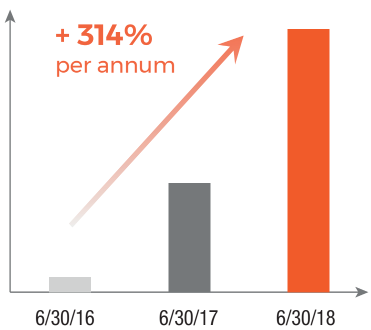
Almost twice as many photos printed every year



Positive EBITDA



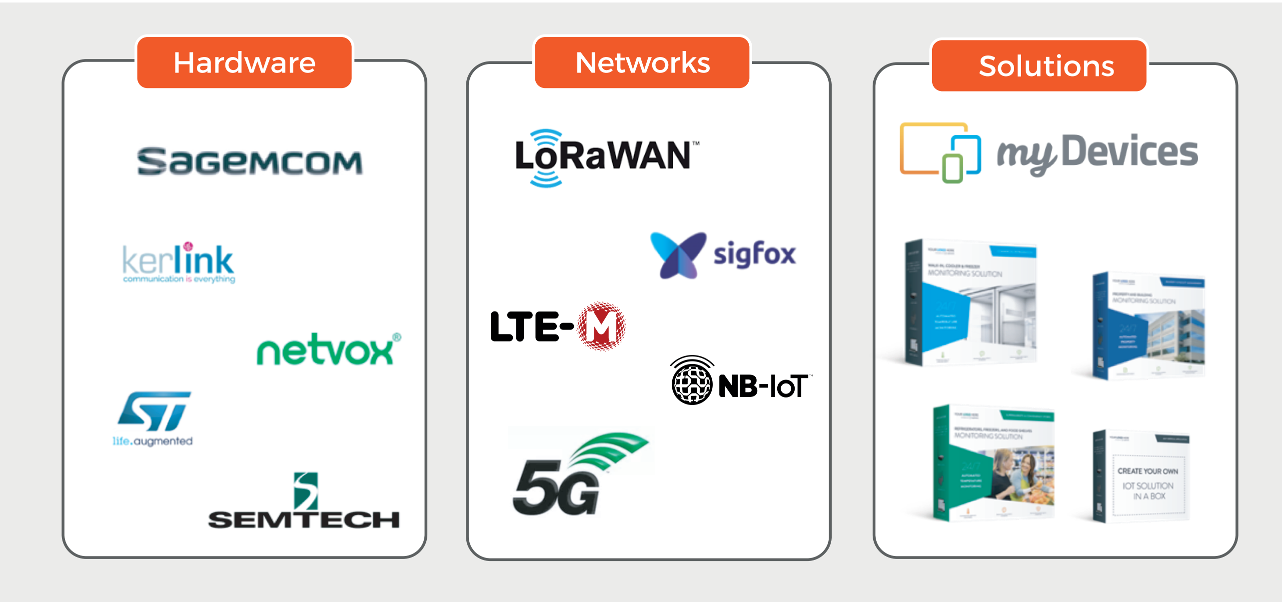
Dazzling success of Photobooks number of impressions



	Year ended		
(in € million)	6/30/2018	6/30/2017	*Var.*
Revenue	122.0	88.9	*+37%*
EBITDA	**6.4**	**(0.3)**	***n.a.***
% of revenue	*5.2%*	*-0.3%*	

The start of monetization

After micro-computing, Internet and mobile, the Internet of Things (IoT) is the next revolution. Claranova's aim is to roll out vertical solutions for the IoT, built on unique myDevices technology enabling IoT solutions to be easily and quickly built, to millions of users through its partnerships with the major telecoms operators.



According to a study by IDC, the total spending on IoT hardware, software, services and connectivity amounted to around UD$800 billion, a figure that is likely to grow by 15% per year, reaching US$1.4 trillion in 2021. This IoT market is for the main part composed of industrial companies in the manufacturing, automotive, logistics and services sectors. The IoT customer market mainly includes wearables (such as connected watches or wristbands) and domestic automation (temperature control, home security, *etc*.). It should be stressed that all market studies expect the number of sensors connected throughout the world, whether for the customer or industrial markets, to amount to tens of billions, clearly showing the market stakes for all those involved. The sharp reduction in sensor size and price, the increase in microchip capacities and the acceleration in uses will impact the entire economy. Numerous studies (CIGREF, Oliver Wyman, IDC) show that all industries will be impacted by this mass movement. The value added of the IoT is estimated at €400 billion, and should be multiplied five-fold by 2020 to reach a potential €1,800-2,200 billion.

A BCG study forecasts incremental spending by companies on IoT of €250 billion by 2020, an amount significantly higher than normal technology spending. BCG expects that of this, €15 billion will be spent on IoT platforms, which will have to offer application management (in order to customize solutions), connectivity management (to automatically connect devices and networks) and data management and storage. In this fast growing market, there is no dominant actor. Indeed, BCG had counted more than 400 different IoT platform providers in 2017, of which only 50 offered all three features.

myDevices aims to be a pioneer in the IoT software market, and offers a unique set of technologies to create many IoT solutions quickly and easily, through its own platform.

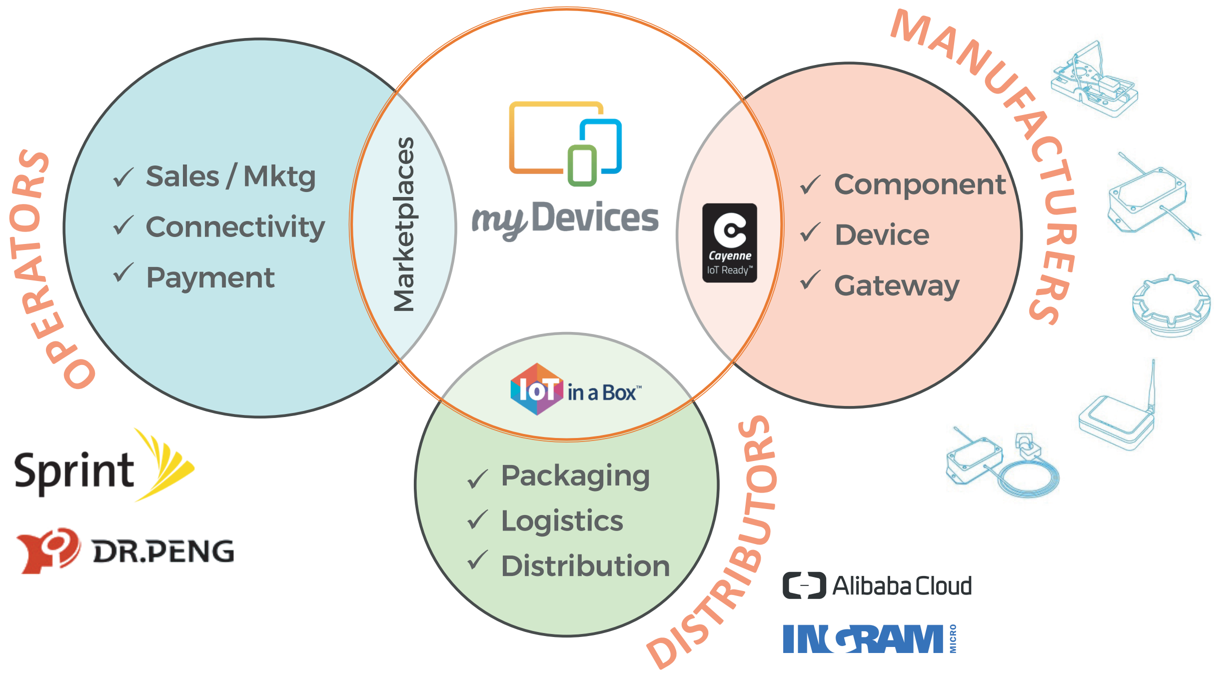
myDevices integrates an application that allows all connected objects to be recognized, whatever their components, their communication networks (Wi-Fi, Bluetooth, Sigfox, LoRa™, *etc*.) and device types (smartphones, computers, tablets, domestic appliances, thermostats, *etc*.). Once recognized, the devices can be managed by the platform and usage data can be collected. Thanks to myDevices, the user benefits from a unique platform to manage all their connected devices, accessible via a web interface or mobile application, and create his/her own customized management solutions. In spite of revenue that is still not significant to date, myDevices currently brings together a community of close to 600,000 developers around its Cayenne technology, compared to 300,000 only a year ago.

Over the 2017-2018 fiscal year, myDevices underwent a significant investment phase, supported by the entry into the capital of a major Chinese player in Telecoms & Media in August 2017 (see Section 1.2 above), preceded by the American group Semtech Corporation in January 2017. With the signature of a partnership for the launch of vertical offers ("IoT in a Box") with major Telecoms & Media partners, Dr. Peng in China in December 2017 and Sprint in the United States in January 2018 (see Section 1.2), myDevices has established the monetization of its offer for the year 2018. The division is partnering with major operators to help them manage their IoT strategy by offering vertical offers and a marketplace.

The business model for the monetization of "IoT in a Box" offers is based on the creation of a marketplace by the operator, which funds its development, followed by income from the sales of solutions, based on the Cayenne technology and produced by myDevices, shared between the operator and myDevices.

In addition to this agreement, myDevices has just launched an "IoT in a Box" offer intended for resellers, in order to extend its development on this market. They can now order their "IoT in a Box" offers directly online and have them delivered in less than 48 hours for them to be marketed to their customers.

myDevices also announced in September 2018 new partnerships with Alibaba Cloud (in China) and Ingram Micro (in the United-States), to offer its own IoT turnkey solutions to their distribution networks, system integrators and solution providers. Thanks to these partnerships, myDevices will deploy massively its ready-to-use IoT solutions in China and in the United-States, in the healthcare, hospitality, food, distribution and education sectors.



This strategy is proving to be a winner, with the launch at the beginning of May 2018, of the "Sprint IoT Factory" marketplace. During the fiscal year, the division received the first income generated by this agreement, showing strong revenue growth. Over the fiscal year, it will have generated revenue of more than US$2 million.

myDevices

	Year ended		
(in € million)	6/30/2017	6/30/2017	*Var.*
Revenue	3.7	2.8	*31%*
EBITDA	**(3.1)**	**(4.7)**	***33%***
% of revenue	*-85.3%*	*-167.9%*	

Avanquest®

The division achieved the first step towards its consolidation strategy

The Internet has now been around for more than 20 years, and the market has reached maturity. While it is dominated by a number of undisputed leaders, there are also hundreds of profitable companies that are still undervalued. More precisely, the software market comprises major solutions commercialized by a few global giants (Microsoft's Office Suite, Adobe's Acrobat Reader, Symantec's Norton anti-virus), a large number of very small software publishers or vendors who often struggle to monetize their products, and a few middle-sized companies specialized in online sale of customer software.

That said, the model is changing, resulting in a shift in strategy and outlook. IAC (InterActiveCorp), an American giant, was the first anticipate this shift, and focused its strategy on monetization of traffic, allowing the ability to monetize Internet traffic to be pooled. There is no equivalent player in Europe today.

Avanquest aims to be the first European player to develop this new vision of the Internet, through a build-up strategy geared towards forging a global and integrated model, while consolidating overall profitability by obtaining the greatest amount of synergies possible. The division has significantly developed its business model, from merely distributing software towards the monetization of traffic. This traffic, either organic *via* our Internet sites or acquired from partners, can be monetized either by selling products (internal or developped by third-parties), by selling advertising spaces, or *via* search engines.

Avanquest achieved the first step in its consolidation strategy, aiming to become a European leader in traffic monetization, with the closing, on July 1st, 2018, of the acquisition of a Canadian group, active in the Internet sector and present in most countries, positioned in the following three activities (see paragraph 1.2 of this Registration Document):

- E-commerce processing through Upclick, one of the most modern platforms in the world;
- Document management and PDF applications with Lulu Software, one of the world's leading players for PDF solutions with its SodaPDF products;
- Internet security with the Adaware anti-virus and security solutions, known worldwide.

The Canadian businesses of Upclick, SodaPDF and Adaware were acquired on July 1, 2018 and did not therefore contribute to the Avanquest division's revenue for the year. Revenue slipped slightly compared to fiscal year 2016-2017 as the division focused on profitability, while EBITDA increased.

This acquisition is the first step in the realization of Avanquest's medium-term ambition to become a European player reaching the €100 million revenue milestone, with profitability of 15% to 20%.

Avanquest®

	Year ended		
(in € million)	6/30/2018	6/30/2017	*Var.*
Revenue	35.8	38.5	-7%
EBITDA	**0.7**	**0.0**	***n.a.***
% of revenue	*2.0%*	*0.0%*	

Development costs

The Group's expenditure on development activities for the 2017-2018 fiscal year amounted to €7.4 million, of which €1.1 million in the French entities (compared to €1.4 million for the 2016-2017 fiscal year), €3.9 million in the US subsidiaries (compared to €3.8 million for the 2016-2017 fiscal year) and €2.4 million in the Chinese subsidiary (compared to €2.3 million for the 2016-2017 fiscal year).

The tax credits recognized for these expenditures totaled €0.8 million, all for the French subsidiaries.

There were no capitalized development costs in the fiscal year.

Changes in scope

The changes in scope are those relative to the reorganization of the American subsidiaries and the creation of the subsidiaries Avanquest Canada Inc., Avanquest Canada Holding Inc. and FreePrints India Private Ltd, as described in Notes 1 and 29 to the Consolidated Financial Statements.

1.4 Debt and cash

1.4.1 Cash flow sources and amounts

(in € million)	6/30/2018	6/30/2017
Cash flow position	(1.5)	(7.1)
Cash flow from operations	**5.2**	**(0.4)**
Net cash flow related to investment	**14.0**	**3.5**
Net cash flow related to financing	**29.6**	**3.0**
Net cash from discontinued operations	-	-
Changes in cash position	***48.8***	***6.1***
Opening net cash position	**16.6**	**11.1**
Impact from variation in exchange rates on cash and cash equivalents	0.3	(0.6)
Closing net cash position	**65.7**	**16.6**

Cash flows demonstrate the significant improvement in the Claranova group's financial position, with a positive change in the cash position, excluding foreign exchange effects, of €48.8 million versus €6.1 million for the previous fiscal year.

This strong increase is mainly due to the issue of bonds with the option for redemption in cash and/or new shares and/or existing shares (ORNANE, see Note 23.1 to the Consolidated Financial Statements) in June 2018 for a nominal amount of €29.0 million and a cash impact (after deduction of associated expenses) of €27.7 million, affecting the cash flow related to financing. The cash flow related to investment was also strongly positive following the entry of external investors into the capital of PlanetArt and myDevices.

1.4.2 Borrowing conditions and financing structure

(in € million)	6/30/2018	6/30/2017
Bank debt	0.1	1.1
Bonds	27.8	0.0
Other financial liabilities	0.3	0.0
Accrued interest	0.0	0.0
TOTAL FINANCIAL LIABILITIES	**28.2**	**1.1**
Available unsecured cash flow	65.7	17.1
NET DEBT	**(37.5)**	**(16)**

The Group's indebtedness was €28.3 million on June 30, 2018, following the issue of the aforementioned ORNANE. Without this issue, the Group's cash would nevertheless be high at €38.0 million, which explains the Group's very negative net debt (*i.e.* a cash surplus compared to financial debt).

1.4.3 Restrictions on the use of capital resources

No restrictions on the use of the Claranova group's capital resources had, have or could have a direct or indirect material impact on the Group's operations.

1.4.4 Expected sources of financing

Currently, and following the issue of ORNANE in June 2018, the Company considers that it is able to finance its organic and external growth development. However, the Group does not rule out the option of going to the market for a specific transaction that is not currently anticipated, if necessary.

1

1.5 Trends and objectives

Main trends affecting the Group's business since the end of the last fiscal year

The PlanetArt division has undergone strong growth over the fiscal year, supported by the entry of external investors into the capital in September 2017. PlanetArt has strengthened its position in Europe, notably with the launch of its FreePrints and FreePrints Photobooks applications in Ireland, and continued its strategy of monetization of its existing customer base, launching a new application, FreePrints Photo Tiles, in June 2018.

myDevices has been working to increase the monetization of its offerings. Following the entry of two industrial investors in January and August 2017, myDevices announced two strategic partnerships with leading operators to roll out vertical IoT solutions. This strategy has proved profitable, with the launch in May 2018 of the "IoT Factory" marketplace from Sprint, the American partner of myDevices, and the beginning of monetization of the "IoT in a Box" offers, for an amount of $2 million over the fiscal year.

Concerning the Avanquest Software division, it has transitioned towards the monetization of traffic, firstly by working on its offers and products internally, and secondly by closing the acquisition of the Canadian activities Upclick, Lulu Software (SodaPDF) and Adaware.

Trends identified for the current fiscal year, forecasts and outlook

The Group aims to confirm its strategy built around the three divisions PlanetArt, myDevices and Avanquest over the coming half-year and future years.

The PlanetArt division is continuing to expand, firstly with the first income from FreePrints Photo Tiles launched in June 2018, and secondly with the launch in September 2018 of the FreePrints applications in India, for which a subsidiary was created at the end of the 2017-2018 fiscal year. PlanetArt will continue to pursue a policy of strong growth by strengthening its current positions, lauching new applications on its existing markets and expanding into new geographic markets.

Backed by the launch of its "IoT in a Box" offers over the 2017-2018 fiscal year, myDevices will continue to develop its vertical offers and their monetization through agreements with telecom operators, while continuing its policy of encouraging developer adoption and community development around its Cayenne platform. The 2018-2019 fiscal year started with the announcements of partnerships with the Retail giants Alibaba Cloud (in China) and Ingram Micro (in the United-States) and should see the first results from the commercial partnership with the Chinese operator Dr. Peng.

The 2018-2019 fiscal year will begin with the integration by Avanquest of the Upclick, SodaPDF and Adaware activities, enacting the restructuring of this division and its transition towards the monetization of traffic. Avanquest will mainly work on the integration of these new activities and the development of synergies with the new entities acquired, while continuing to study possible strategic options around the improvement of profitability and the strengthening of its international position.

1.6 Economic information and financial and social performance

KEY FIGURES

(Parent company data in € million)	2017-2018	2016-2017
Revenue	1.2	14.4
Operating income	(5.9)	(5.0)
Current income before tax	(4.0)	52.6
Extraordinary profit/(loss)	(0.6)	0.4
Net income	**(4.6)**	**53.3**
Equity	**79.4**	**82.0**
Bank debt	0.0	0.0
Other financial liabilities	29.1	0.3
Available cash	19.4	1.9

Activities during the 2017-2018 fiscal year

Revenue

Claranova SA had revenue of €1.2 million during the fiscal year ended on June 30, 2018, against €14.4 million during the previous fiscal year. This reduction is due to the creation of the company Avanquest Software SAS on June 1, 2017, to which all operational activities were transferred by Claranova SA.

Current income before tax

The very significant drop in current income before tax is mainly related to the drop in the financial result, going from €57.6 million over fiscal year 2016-2017 to €1.9 million over fiscal year 2017-2018. This is mainly due to the reversal of impairment on equity interests in the American subsidiary Avanquest America for €56.3 million during the previous fiscal year.

Bank debt and other financial liabilities

Claranova did not contract any bank debt during the fiscal year and did not have any such debt as of June 30, 2018.

Other financial liabilities mainly comprise the debt corresponding to the issue of ORNANE, for €29.0 million.

Research and development costs

Claranova SA incurred no research and development expenses for fiscal year 2017-2018, against expenditure of €1.4 million during the previous fiscal year.

There were no capitalized development costs in the fiscal year.

Activities by subsidiaries and equity interests

Claranova SA is the Group's parent company. It operates as a lead holding company for the entire Group (Executive Management, finance, communication, strategy, disposals and acquisitions, *etc.*).

Various Group entities are responsible for research & development. More generally, software is owned by the entity that develops it, with the other subsidiaries paying royalties according to sales volumes.

Avanquest America Inc., United States has a holding activity and holds the equity interests of Avanquest America Holding. This entity ended the fiscal year with no revenue, as was also the case the previous year. Net income amounted to a loss of €60.3 million compared to a loss of €0.3 million the previous year.

Avanquest America Holding LLC, United States is a new entity created on July 1, 2017 as part of the legal restructuring in the United States. It has a holding activity and holds the equity interests of PlanetArt LLC and myDevices Inc. This entity ended the fiscal year with nil revenue. Net income showed a loss of €0.1 million.

Avanquest activity

Avanquest Software SAS, France

Avanquest Software is the French entity created on June 1, 2017 in order to manage the Avanquest operations in Europe. This entity ended the fiscal year with revenue of €15.4 million, against €1.4 million during the previous fiscal year, which lasted only one month. Net income showed a loss of €5.2 million against a loss of €0.1 million during the previous fiscal year. On June 30, 2018, this entity also held the securities of the subsidiaries of the Avanquest activity.

Avanquest North America Inc., United States

This entity is the result of the merger of eight companies acquired or created in the United States since 2000. Avanquest North America Inc. is based in California and on June 30, 2018, managed the Software activity in the United States. This entity ended the fiscal year with revenue of €16.1 million compared to €84.5 million the previous year. Net income amounted to a profit of €0.8 million compared to a loss of €3.7 million the previous fiscal year. It should be noted that during fiscal year 2016-2017, Avanquest North America hosted the activities of PlanetArt in the United States, which explains the significant drop in revenue.

Avanquest Deutschland GmbH, Germany

Avanquest Deutschland oversees Retail operations in Germany. This entity ended the fiscal year with revenue of €5.1 million compared to €4.2 million the previous year. Net income amounted to a loss of €0.3 million compared to a loss of €0.1 million the previous year. This entity mainly concentrates on Retail sales with its distribution network in Germany.

EMME Deutschland GmbH, Germany has no activity.

Avanquest UK Ltd, United Kingdom

Avanquest UK manages the technical aspects of the e-commerce platform. This entity ended the fiscal year with revenue of €2.7 million compared to €3.3 million the previous year. Net income amounted to a loss of €0.3 million compared to a loss of €0.3 million the previous year. This entity mainly provides online services.

PC Helpsoft Labs Inc., Canada

PC Helpsoft Labs Inc., based in Canada, was acquired in 2011 and hosts part of the Software operations in North America. This entity ended the fiscal year with revenue of €0.9 million compared to €1.2 million the previous year. It mainly manages an online sales site. Net income amounted to a loss of €0.1 million compared to a loss of €0.1 million the previous year.

Avanquest Canada Holding Inc., Canada is a new entity created in April 2018 in the context of the acquisition of the Canadian entities running the Upclick, SodaPDF and Adaware activities. It has a holding activity and holds the equity interests of Avanquest Canada Inc. This entity ended the fiscal year with nil revenue. Net income showed a loss of €0.0 million.

Avanquest Canada Inc., Canada is a new entity created in April 2018 in the context of the acquisition of the Canadian entities running the Upclick, SodaPDF and Adaware activities. It has a holding activity and is intended to hold the securities of the Canadian companies acquired on July 1, 2018. This entity ended the fiscal year with nil revenue. Net income showed a loss of €0.7 million.

Avanquest Iberica SL, Spain

This entity did not have any activity over the fiscal year.

PlanetArt activity

PlanetArt US LLC, United States, hosts the PlanetArt activity in the United States and holds the securities of PlanetArt Ltd, Avanquest China Ltd and FreePrints India Private Ltd. Roger Bloxberg and Todd Helfstein have the option to make a 20% equity investment in PlanetArt US LLC's capital. This entity closed the fiscal year with revenue of €77.5 million and positive net income of €0.5 million. The company had no activity during the previous fiscal year.

PlanetArt Ltd, United Kingdom, hosts the commercial activities of PlanetArt in Europe. This entity ended the fiscal year with revenue of €46.6 million compared to €26.2 million the previous year. Net income amounted to a profit of €5.1 million compared to a loss of €2.1 million the previous fiscal year.

Avanquest China Ltd, China, located in Shanghai, is one of the Claranova group's R&D divisions for PlanetArt's business. This entity ended the fiscal year with revenue of €1.4 million compared to €1.7 million the previous year. Net income amounted to a loss of €1.3 million compared to a loss of €1.0 million the previous year.

FreePrints India Private Ltd, India.

This entity was created in April 2018 in order to host the PlanetArt activities, and more particularly, the FreePrints applications, in India for the launch in Asia in the second half of 2018. It had no activity over the fiscal year.

myDevices activity

myDevices Inc., United States, hosts the Group's "Internet of Things" activity. As of June 30, 2018, this company was held indirectly by Claranova SA at 64%. This entity ended the fiscal year with revenue of €4.0 million, against €1.4 million during the previous fiscal year. Net income showed a loss of €1.7 million against a loss of €2.4 million during the previous fiscal year.

2

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Article 28 of Regulation (EC) No. 809/2004, the following information is incorporated by reference in this Registration Document:

- the Consolidated Financial Statements of Claranova for 2015-2016, prepared in accordance with IFRS, and the Statutory Auditors' report thereon, contained in sections 20.2.1 and 20.2.2, respectively, of the Registration Document filed with the AMF on October 28, 2016 (D. 16-0931);
- the Consolidated Financial Statements of Claranova for 2016-2017, prepared in accordance with IFRS, and the Statutory Auditors' report thereon, contained in Sections 6.1 to 6.3, of the Registration Document filed with the AMF on October 3, 2017 (D. 17-0964);

All these documents are available on the Company's website at www.claranova.com.

2.1 Statement of comprehensive income

Comprehensive income of €0.5 thousand may be reclassified subsequently under profit or loss.

(in € million)	Notes	2017-2018	2016-2017
NET REVENUE	**Note 6**	**161.5**	**130.2**
Raw materials and purchases of goods		(53.7)	(42.5)
Other purchases and external expenses		(69.6)	(58.1)
Taxes, fees and similar payments		(0.2)	(0.2)
Employee expenses	Note 7	(34.4)	(32.0)
Depreciation and provisions (net of reversals)		(0.5)	(0.8)
Other Recurring Operating Income and expenses	Note 8	(6.9)	(7.2)
RECURRING OPERATING INCOME		**(3.7)**	**(10.6)**
Other operating income and expenses	Note 9	(2,4)	0.4
OPERATING INCOME		**(6.1)**	**(10.1)**
Net borrowing costs		(0.0)	(0.0)
Other financial expenses		(2.5)	(1.2)
Other financial income		2.2	0.3
FINANCIAL INCOME	**Note 11**	**(0.3)**	**(0.9)**
Tax expense	Note 12	(1.8)	(0.4)
Share of profit or loss of associates		-	0.0
NET INCOME FROM CONTINUING OPERATIONS		**(8.2)**	**(11.4)**
NET INCOME FROM DISCONTINUED OPERATIONS		**-**	**-**
NET INCOME		**(8.2)**	**(11.4)**
Share of equity owners of the parent company		(7.9)	(11.0)
Share of non-controlling interests		(0.2)	(0.3)
EARNINGS PER SHARE	**Note 14**		
Earnings per share, Group share *(in €)*		(0.02)	(0.03)
Earnings per share, Group share, after potential dilution *(in €)*		(0.02)	(0.03)
NET INCOME		**(8.2)**	**(11.4)**
OTHER ITEMS OF COMPREHENSIVE INCOME		**-**	**-**
Translation adjustments for foreign operations		0.5	0.7
Translation adjustments on net investments in foreign operations		(0.0)	(0.1)
Actuarial gains and losses on post-employment obligations		(0.0)	(0.1)
TOTAL OTHER COMPREHENSIVE INCOME		**0.5**	**0.5**
COMPREHENSIVE INCOME		**(7.7)**	**(10.9)**
Share of equity owners of the parent company		(7.5)	(10.5)
Share of non-controlling interests		(0.2)	(0.3)

2.2 Statement of financial position

(in € million)	Notes	6/30/2018	6/30/2017
Goodwill		-	-
Intangible assets	Note 15	0.5	0.9
Property, plant and equipment	Note 16	0.2	0.3
Financial assets		0.4	0.4
Equity interests in associates		-	-
Other non-current receivables		0.2	0.3
Deferred tax assets	Note 13	-	-
NON-CURRENT ASSETS		**1.3**	**2.0**
Financial assets – Less than one year		-	-
Work-in-progress		3.7	3.7
Trade receivables	Note 18	4.9	4.3
Current tax assets	Note 12	1.0	1.1
Other current receivables	Note 19	3.8	1.8
Cash and cash equivalents	Note 20	65.7	17.1
CURRENT ASSETS		**79.1**	**28.1**
TOTAL ASSETS		**80.5**	**30.0**

(in € million)	Notes	6/30/2018	6/30/2017
Share capital		39.4	37.5
Share premium and consolidated reserves		(18.9)	(25.3)
Net income, Group share		**(7.9)**	**(11.0)**
EQUITY – SHARE OF EQUITY OWNERS OF THE PARENT COMPANY		**12.5**	**1.2**
Non-controlling interests		1.8	0.1
TOTAL EQUITY	**Note 21**	**14.3**	**1.3**
Non-current financial liabilities	Note 23	28.1	(0.0)
Deferred tax liabilities	Note 13	0.0	-
Non-current provisions	Note 22	0.1	0.1
Other non-current liabilities	Note 24	0.8	0.6
TOTAL NON CURRENT LIABILITIES		**29.0**	**0.7**
Current provisions	Note 22	0.1	0.1
Current financial liabilities	Note 23	0.1	1.1
Trade payables		23.7	21.8
Current tax liabilities	Note 12	1.7	0.3
Other current liabilities	Note 25	11.6	4.7
CURRENT LIABILITIES		**37.2**	**28.1**
TOTAL LIABILITIES		**80.5**	**30.0**

2.3 Consolidated statement of cash flows

(in € million)	Notes	2017-2018 12 months	2016-2017 12 months
Operating activities		-	-
Consolidated net income		(8.2)	(11.4)
Share of profit or loss of associates		-	(0.0)
Elimination of items with no impact on the cash position or not related to operations:		-	-
■ Net depreciation and provisions (excluding current provisions)		0.5	0.1
■ Share-based payments (IFRS 2) and other restatements	Note 21	4.1	4.6
■ Net borrowing costs recognized		0.0	0.0
■ Gains/(losses) on disposal[1]		(0.0)	(1.1)
■ Tax expense (including deferred taxes) recognized		1.8	0.4
■ Other items with no cash impact		0.2	0.2
Cash flow position		***(1.5)***	***(7.1)***
Changes in working capital requirements		7.9	6.8
Taxes paid		(1.2)	(0.0)
Net financial interest paid		0.0	(0.0)
Cash flow from operations		**5.2**	**(0.4)**
Investment transactions		-	-
Acquisitions of intangible assets		(0.0)	(0.0)
Acquisitions of property, plant and equipment		(0.1)	(0.1)
Disposals of property, plant and equipment and intangible assets		0.0	0.0
Acquisitions of financial assets		(0.0)	(0.2)
Disposals of financial assets		0.0	0.2
Impact of changes in scope[2]		14.2	3.6
Net cash flow related to investment		**14.0**	**3.5**
Financing transactions		-	-
Capital increase	Note 21	2.0	-
Dividends received from companies accounted for using the equity method		-	-
Share buyback	Note 21	(0.0)	1.9
Proceeds from borrowings	Note 23	28.7	2.1
Disbursements related to borrowings	Note 23	(0.5)	(1.1)
Other flows related to financing[3]		(0.6)	-
Net cash flow related to financing		**29.6**	**3.0**
Net cash from discontinued operations		-	-
Changes in cash position		***48.8***	***6.1***
Opening net cash position[4]	Note 20	16.6	11.1
Impact from variation in exchange rates on cash and cash equivalents		0.3	(0.6)
Closing net cash position[5]	Note 20	65.7	16.6

(1) *2016/17: Mediaclip disposal loss €0.2 million, recycling of the Arvixe translation adjustment €1.3 million.*
(2) *See below for table presenting changes in scope.*
(3) *2017/18: Other flows linked to financing correspond to a guarantee on the loan contracted for the acquisition of the Canadian companies on July 1, 2018.*
(4) *Cash and cash equivalents = €17.1 million.*
Bank account overdrafts = €0.5 million.
(5) *Cash and cash equivalents = €65.7 million.*
Bank account overdrafts = €0.0 million.

The impact of changes in scope is analyzed below:

(in € thousand)	2017-2018 12 months	2016-2017 12 months
Cash impact resulting from the sale of Avanquest Publishing Ltd	0.1	0.8
Cash impact resulting from the entry of external investors in the capital of PlanetArt*	10.7	-
Cash impact resulting from the entry of external investors in the capital of myDevices	3.3	2.7
Cash impact resulting from the creation of FreePrints India (expense)	(0.0)	-
Cash impact resulting from the disposal of Mediaclip	-	0.1
Impact of changes in scope, net of dividends paid to minority shareholders	**14.2**	**3.6**

* *In the form of a net investment of €12.2 million, less €1.0 million in transaction costs and €0.5 million yet to be paid.*

2.4 Statement of changes in consolidated equity

(in € million)	Notes	Capital	Share premium	Translation reserves	Consolidated reserves	Net income	Group share	Non-controlling interests	Total
AS OF JUNE 30, 2016		**37.5**	**120.6**	**(2.4)**	**(125.1)**	**(28.6)**	**2.1**	**-**	**2.1**
Actuarial gains and losses on post-employment obligations		-	-	-	(0.1)	-	(0.1)	-	(0.1)
Translation adjustments		-	-	0.6	-	-	0.6	(0.0)	0.6
Other items of comprehensive income		**-**	**-**	**0.6**	**(0.1)**	**-**	**0.5**	**(0.0)**	**0.5**
Income for the period		-	-	-	-	(11.0)	(11.0)	(0.3)	(11.4)
Comprehensive income		**-**	**-**	**0.6**	**(0.1)**	**(11.0)**	**(10.5)**	**(0.3)**	**(10.9)**
Treasury shares		-	-	-	3.7	-	3.7	-	3.7
Capital increase		-	-	-	-	-	-	-	-
Appropriation of retained earnings		-	-	-	(28.6)	28.6	-	-	-
Share-based payments		-	-	-	4.8	-	4.8	-	4.8
Changes in scope		-	-	(1.3)	-	-	(1.3)	-	(1.3)
Transaction between shareholders		-	-	-	2.4	-	2.4	0.5	2.9
Distribution of dividends		-	-	-	-	-	-	-	-
AS OF JUNE 30, 2017		**37.5**	**120.6**	**(3.1)**	**(142.9)**	**(11.0)**	**1.2**	**0.1**	**1.3**
Actuarial gains and losses on post-employment obligations		-	-	-	(0.0)	-	(0.0)	-	(0.0)
Translation adjustments		-	-	0.5	-	-	0.5	0.0	0.5
Other items of comprehensive income		**-**	**-**	**0.5**	**(0.0)**	**-**	**0.4**	**0.0**	**0.5**
Income for the period		-	-	-	-	(7.9)	(7.9)	(0.2)	(8.2)
Comprehensive income		**-**	**-**	**0.5**	**(0.0)**	**(7.9)**	**(7.5)**	**(0.2)**	**(7.7)**
Treasury shares		-	-	-	(0.0)	-	(0.0)	-	(0.0)
Capital increase	Note 21	1.8	0.2	-	-	-	2.0	-	2.0
Appropriation of retained earnings		-	-	-	(11.0)	11.0	-	-	-
Share-based payments	Note 21	-	-	-	4.1	-	4.1	0.0	4.1
Changes in scope		-	-	-	-	-	-	-	-
Transaction between shareholders	Note 1	-	-	(0.0)	12.7	-	12.7	1.9	14.6
Distribution of dividends		-	-	-	-	-	-	-	-
AS OF JUNE 30, 2018		**39.4**	**120.9**	**(2.7)**	**(137.1)**	**(7.9)**	**12.5**	**1.8**	**14.3**

2.5 Notes to the consolidated financial statements

Contents

Claranova's securities are listed on Euronext Paris - Eurolist Compartment B.

The 2017-2018 consolidated financial statements and notes were finalized by the Management Board on September 28, 2018 and reviewed by the Supervisory Board on the same day.

Note 1 Highlights of the period

The highlights of the period impacting the business of the Group and its subsidiaries are described in Section 1.2 of this Registration Document. Other highlights include:

1.1 Legal restructuring of the US branch

To harmonize the Group's legal organization with its operating segments, restructuring occurred in 2017 and was finalized on July 1, 2017, resulting in the transfer of all equity interests in the US entity Avanquest North America Inc, to Avanquest Software SAS.

The Claranova group is now in good working order for new phases in its development. The legal restructuring, with the grouping of the subsidiaries in the divisions Avanquest, PlanetArt and myDevices, as well as the change of Group name, mean that differentiated strategies can be used for each individual division.

1.2 Grant of free shares

On November 13, 2017, pursuant to the delegation of authority granted by the shareholders at the General Shareholder's Meeting of June 7, 2017, Claranova SA announced the grant of free shares to certain employees and corporate officers of the Company and its subsidiaries. A total of 18,760,000 shares were awarded. Their vesting is subject to the achievement of performance conditions (linked to the share price or annual revenue growth until June 30, 2020), as well as a continued employment condition of one year. Moreover, in accordance with French legal provisions, in the event that the vesting period is less than two years, beneficiaries will be subject to a lock-up period so that the cumulative duration of the vesting period and the lock-up period is no less than two years.

As of the date of this financial report, the performance condition linked to the share price had been achieved.

In application of IFRS 2, "Share-based Payment", and taking into account the probability of achieving the performance conditions set at the grant date, this plan resulted in employee expenses of €4.1 million over the period as well as €3.0 million in social security expenses, without cash impact as of June 30, 2018.

1.3 Grant of Claranova subscription warrants

On November 13, 2017, pursuant to the delegation of authority granted by the shareholders at the General Shareholder's Meeting of June 7, 2017, Claranova SA announced the grant of 3,752,224 subscription warrants to a specified category of persons (members of the Supervisory Board, consultants, and the Company's senior management team). The warrants have a unit price of €0.36, and each warrant will entitle the holder to subscribe for one ordinary share at a unit price of €0.61. This grant of warrants did not generate any expense in the Consolidated Financial Statements at June 30, 2018.

For more details, please see Note 21 to the Consolidated Financial Statements in this Registration Document.

1.4 Grant of myDevices subscription warrants

myDevices signed an agreement with one of its commercial partners that would grant share subscription warrants to the partner, each of which would give the right to myDevices share at a price of US$3.125, the share price at the last myDevices investment round. The number of warrants to be granted is based on the actual turnover, limited to 1,010,000 subscription warrants. These warrants may be exercised until March 31, 2021 inclusive.

At June 30, 2018, no subscription warrants had been acquired by the partner.

For more details, please see Note 21 to the Consolidated Financial Statements in this Registration Document.

1.5 Issue of Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE)

On June 15, 2018, Claranova issued 26,363,636 Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE), for a nominal amount of €28,999,999.60.

These ORNANE were admitted for trading on the Euronext Access market of Euronext Paris on June 19, 2018.

For more details, please see Note 23 to the Consolidated Financial Statements in this Registration Document.

1.6 Launch of a share buyback program

On June 28, 2018, Claranova implemented a share buyback program in accordance with the authorization granted by the General Shareholders' Meeting of November 30, 2017. The 11th resolution of this General Shareholders' Meeting authorizes the Company to buy back its own ordinary shares for a maximum of either seven million shares or €5 million, with a maximum price of €1 per share, over a period of 18 months from the day of the General Shareholders' Meeting, *i.e.* until May 29, 2019.

Under this program, Claranova signed an agreement with an investment services provider to buy back the shares of the Company. According to the terms of this agreement, the service provider may buy back a maximum of 7 million shares of the Company at a maximum unit price of €1, for a maximum amount of €5 million, at the dates that it considers appropriate in accordance with applicable regulations, for the duration of the share buyback program. As of June 30, 2018, 55,000 shares were acquired under this program, for a total amount of €48 thousand.

1.7 Creation of two subsidiaries in Canada

On April 25, 2018, the Group created two subsidiaries in Canada, Avanquest Canada Inc. and Avanquest Canada Holding Inc., in order to prepare for the acquisition of the Canadian group hosting the Upclick, SodaPDF and Adaware businesses, which was finalized on July 1, 2018. The shares of the said companies are held since this date by Avanquest Canada Inc., as indicated in Note 29 to the Consolidated Financial Statements on events after the reporting period.

Note 2 Scope of consolidation as of June 30, 2018

Companies	Country	% control	% interest	Consolidation method
Claranova SA 89/91, boulevard National 92257 La Garenne-Colombes Cedex SIRET No. 329 764 625 00078	France			Parent company
Avanquest Software SAS 89/91, boulevard National 92257 La Garenne-Colombes Cedex SIRET No. 830 173 381 00013	France	100%	100%	Fully consolidated
Avanquest America Inc. 7031 Koll Center Parkway 150 Pleasanton, CA 94566	United States	100%	100%	Fully consolidated
Avanquest America Holding LLC 23801 Calabasas Road, Suite 2005 Calabasas CA 91302-1547	United States	100%	100%	Fully consolidated
Avanquest North America Inc. 23801 Calabasas Road, Suite 2005 Calabasas CA 91302-1547	United States	100%	100%	Fully consolidated
Avanquest Deutschland GmbH Lochhamer Str. 9 82152 Planegg b. Munich	Germany	100%	100%	Fully consolidated
Avanquest Iberica SL Calle Peru 6, Edificios Twin Golf 28290 Las Matas, Madrid	Spain	100%	100%	Fully consolidated
PC Helpsoft Labs Inc. 300 – 848 Courtney Street Victoria BC V8W 1C4	Canada	100%	100%	Fully consolidated
EMME Deutschland GmbH Lochhamer Str. 9 82152 Planegg b. Munich	Germany	100%	100%	Fully consolidated
Avanquest UK Ltd International House, George Curl Way Southampton – Hampshire SO18 2RZ	United Kingdom	100%	100%	Fully consolidated
Avanquest Canada Inc. 1750-1055 West Georgia Street, PO BOX 11125 Vancouver BC V6E 3P3	Canada	100%	100%	Fully consolidated
Avanquest Canada Holding Inc. 1750-1055 West Georgia Street, PO BOX 11125 Vancouver BC V6E 3P3	Canada	100%	100%	Fully consolidated
PlanetArt LLC 23801 Calabasas Road, Suite 2005 Calabasas CA 91302-1547	United States	92.2%	92.2%	Fully consolidated
FreePrints India Private Ltd H-23A, Office No. 204 S/F, Kamal Tower Near Sai Baba Mandir, Laxmi Nagar, DELHI East Delhi DL 110092	India	100%	92.2%	Fully consolidated
Avanquest China Ltd Room 1201, Huitong Building 569# East Jin Ling Road Shanghai 200021	China	100%	92.2%	Fully consolidated
PlanetArt Ltd Gateway House, Tollgate, Chandler's Ford, Eastleigh Southampton – Hampshire SO53 3GT	United Kingdom	100%	92.2%	Fully consolidated
myDevices Inc. 3900 W Alameda Ave Suite 1200 Burbank, CA 91505	United States	64.3%	64.3%	Fully consolidated

Note 3 Accounting principles, rules and methods

The accounting principles used for the preparation of the consolidated financial statements are consistent with IFRS and their interpretations as adopted by the European Union on June 30, 2018 and available at http://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX%3A02008R1126-20160101.

These accounting policies are consistent with those used to prepare the annual consolidated financial statements for the year ended June 30, 2017, excluding the application of new standards and interpretations that are mandatory for periods beginning on or after July 1, 2017.

The new standards and interpretations which must be applied as of July 1, 2017 are the following:

- amendments to IAS 7, “Statement of Cash Flows – Disclosure Initiative”;
- amendments to IAS 12, “Income Taxes– Recognition of Deferred Tax Assets for Unrealized Losses”;
- amendment to IFRS 12, “Disclosure of Interests in Other Entities”;
- annual improvements, 2014-2016 cycle.

The application of these standards is without significant impact on the financial statements for the period.

The standards, interpretations and amendments published for mandatory application after June 30, 2018, and that may have an impact on the Group’s financial statements, are as follows:

- IFRS 9, “Financial Instruments” and related amendments “Prepayment Features with Negative Compensation”

  On July 24, 2014, the IASB published a new standard on financial instruments to replace the majority of the existing IFRS provisions, in particular, IAS 39. The new standard, adopted by the European Union, is applicable to annual periods beginning on or after January 1, 2018. The impact of applying this standard on the Group’s financial statements should not be significant;
- IFRS 15, “Revenue from Contracts with Customers”

  On May 28, 2014, the IASB published a new standard on the recognition of revenue to replace the majority of the existing IFRS provisions, in particular, IAS 11 and IAS 18. The new standard, adopted by the European Union, is applicable to annual periods beginning on or after January 1, 2018. For more details, please refer to note 3.17 below;
- IFRS 16, “Leases”

  On January 13, 2016, the IASB published a new standard on the recognition of leases. This standard, which will replace IAS 17 and its interpretations, will result in most leases being recognized on the lessee’s balance sheet, in accordance with a single lessee accounting model, in the form of a “right-of-use asset” and a “lease liability” (the distinction between operating and finance leases is eliminated for lessees). This new standard, not yet adopted by the European Union, is applicable to annual periods beginning on or after January 1, 2019. Work to analyze and measure the impact of this standard is under way as well as the choice of options for first-time adoption;
- amendments to IFRS 10/ IAS 28, "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture;
- amendments to IAS 28, “Investments in Associates and Joint Ventures” - Long-term Interests in Associates and Joint Ventures;
- amendments to IAS 40, "Investment Property" – Transfers of Investment Property;
- amendments to IAS19, “Employee Benefits” - Plan amendment, curtailment or settlement;
- annual improvements, 2014-2016 cycle applicable to annual periods beginning on or after January 1, 2017 or January 1, 2018, depending on the date of adoption by the European Union;
- annual improvements, 2015-2017 cycle;
- amendments to IFRS 2, “Clarification and Measurement of Share-Based Payment Transactions”, applicable to annual periods beginning on or after January 1, 2018;
- IFRIC 22, “Foreign Currency Transactions and Advance Consideration”, applicable to annual periods beginning on or after January 1, 2018;
- IFRIC 23, “Uncertainty over Income Tax Treatments”, applicable to annual periods beginning on or after January 1, 2019;
- IFRIC 17 ,“Insurance Contracts”.

The impact of applying these amendments and interpretations, published by the IASB and not yet adopted by the European Union, on the Group’s financial statements is in the process of being evaluated.

The consolidated financial statements are presented in accordance with the historical cost base convention, with the exception of items valued at fair value.

3.1 Scope of consolidation

All subsidiaries included in the scope of consolidation close their statutory accounts on June 30 of each year. Subsidiaries are consolidated from the time the Group takes control and until the date on which such control is transferred outside the Group.

The consolidated financial statements reflect the financial position of the Company and its subsidiaries as well as the Group’s interests in any associates and joint ventures.

Companies in which the Group directly or indirectly holds the majority of voting rights (subsidiaries) are fully consolidated. Companies in which the Group has a stake of less than 50% but over which it exercises significant influence (associates) are consolidated by the equity method.

The full list of companies included in the scope of consolidation as of June 30, 2018 and the related consolidation methods is given in Note 2 to the Consolidated Financial Statements.

3.2 Internal transactions within the Group

Intragroup transactions between consolidated companies are eliminated, as are any gains resulting from those transactions.

3.3 Foreign currency transactions

Foreign currency transactions are converted into the functional currency at the exchange rate prevailing on the transaction date. At the closing date, monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate. The Group does not use cryptocurrencies.

Exchange gains and losses, realized or unrealized, are recognized in financial income.

Non-monetary assets and liabilities denominated in foreign currencies are recognized and maintained at the historical cost that applied on the transaction date.

3.4 Translation of the financial statements of foreign companies

The consolidated financial statements are prepared in euros.

The assets and liabilities of consolidated companies whose functional currency is not the euro are translated into euros at the fiscal year-end exchange rate.

The income, expenses and cash flows of these companies are translated into euros at the average exchange rate for the period.

All resulting translation differences are recognized as a separate component of equity ("Translation adjustments"). When a foreign entity leaves the Group, the accumulated translation differences are recognized in the income statement as a component of the gain or loss on disposal.

Any goodwill and fair value adjustment resulting from the acquisition of a foreign entity are recognized as an asset or liability of the acquiree. Therefore, they are denominated in the currency of the foreign operation and translated at the year-end exchange rate.

3.5 Net investment in a foreign operation

Receivables due from or payables due to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation; the related translation differences are recorded initially in a separate component of equity and taken to profit or loss on disposal of the net investment.

3.6 Intangible assets and goodwill

3.6.1 Goodwill

Business combinations since July 1, 2011 are accounted for using the acquisition method. The acquisition cost is determined as the fair value of the consideration transferred at the acquisition date, plus non-controlling interests in the acquiree. For each acquisition, the Group measures non-controlling interests either at fair value or as a share of net identifiable assets. Acquisition-related costs are expensed.

Contingent consideration is recognized at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as assets or liabilities are recognized in income.

At the acquisition date, the excess of the consideration transferred plus non-controlling interests over the fair value of the net assets acquired is recognized in goodwill.

Goodwill is subsequently measured at cost less any accumulated impairment losses. It is allocated to cash-generating units and is not amortized, but is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired.

If the goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with that operation is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill disposed of is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.6.2 Research and development costs

Expenses related to research activities aimed at developing scientific knowledge and new techniques are recognized as expenses for the year. Product development costs are capitalized when the following conditions are simultaneously met:

- the technical feasibility necessary for completing the intangible asset with a view to its commissioning or sale is established;
- the Group intends to complete the intangible asset and has the intent and the ability to use or sell it;
- it is probable that the intangible asset will generate future economic benefits. In the case of an asset to be used internally, its utility must be recognized;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset is guaranteed;
- the expenses attributable to the intangible asset during its development are measured reliably and separately.

Development costs that do not meet all of the above criteria are recognized as expenses for the period in which they are incurred.

Development costs are amortized over a period based on their useful life, or a maximum of five years from their effective commercialization.

Claranova and its subsidiaries periodically assess the commercial prospects and useful life of each development. Should these estimates be questioned, the residual value of capitalized development costs is subjected to an impairment charge.

3.6.3 Other intangible assets

Software packages and technologies acquired are measured at their acquisition cost and amortized according to the straight-line method over their useful lives, not to exceed five years.

3.7 Property, plant and equipment

Valuation

Property, plant and equipment are measured at their acquisition cost (purchase price plus related costs).

Depreciation

Economically justified depreciation is determined based on the estimated useful life. Depreciation starts from the in-service date of the asset. When property, plant and equipment have significant components with different useful lives, these are recognized separately.

Maintenance and repair costs are expensed during the period when they are incurred.

The depreciable lives used are:

	Amortization	
Asset	**Method**	**Period**
Fixtures and fittings	Straight-line	10 years
Office furniture	Straight-line	10 years
Computer hardware	Straight-line	3, 4 and 5 years
Vehicles	Straight-line	4 years

Additional depreciation is booked in the event of loss of value or a change in the useful life. In the event of a change in the estimated useful life, the depreciation period is also adjusted and the annual depreciation changed as a result.

3.8 Investments in associates

Equity interests in companies over which Claranova has a significant influence (associates) are measured according to the equity method: they are initially recorded at cost and then adjusted for changes in the Group's share in the net assets of these companies. The resulting amount is reported under balance sheet assets. Any change during the period is taken to the income statement (share of income of associates).

3.9 Financial assets

Financial assets are initially recognized at cost, which corresponds to the fair value of the price paid and which includes acquisition costs.

3.10 Available-for-sale assets

According to IAS 39, available-for-sale financial assets comprise financial assets other than loans and receivables issued by the Company (other financial assets), investments held to maturity or financial assets held for trading (investment securities). Securities held in non-consolidated companies are considered as such. After initial recognition, investments classified as "Assets available for sale" are recognized at fair value at the closing date. Changes in fair value are recognized in a separate section of equity until the effective disposal of the securities. However, unrealized capital losses are immediately recognized in the income statement if the impairment loss is permanent.

Unrealized gains or losses recognized in equity are taken to profit or loss on disposal of the investments. If the fair value cannot be determined reliably, equity investments in non-consolidated companies are recognized at cost.

Loans and deposits

Loans and deposits are recognized at amortized cost. If necessary, they may be subject to an impairment charge. The impairment corresponds to the difference between the net carrying amount and the recoverable amount, and is recognized in the income statement. A provision may be reversed if there is a favorable change in the recoverable amount.

Held-for-trading assets

These are non-derivative financial assets with fixed and determinable payments and a fixed maturity, which the Group has the intent and the ability to hold to maturity. The disposal of a portion of these assets before maturity is remeasured at amortized cost.

Marketable securities are classified as held-for-trading financial assets and are therefore recognized at fair value. Gains and losses are recognized in income.

3.11 Impairment of assets

The carrying amounts of assets (finite life or indefinite life), other than inventories, deferred tax assets, assets arising from employee benefits and financial assets within the scope of IAS 32, are tested for impairment at each reporting date. When there is evidence of impairment, and at least once a year for goodwill and non-amortized assets, the recoverable amount of the asset is estimated.

In accordance with IAS 36, impairment is recognized when the carrying amount of the asset or the cash-generating unit to which it belongs exceeds its recoverable amount.

The recoverable amount of a cash-generating unit is the higher of its fair value (usually the market price), less costs of disposal, and its value in use.

This process requires key assumptions and judgments to be used to identify trends in the markets where the Group operates.

Impairment losses reduce the profit/loss for the period in which they are recorded. Except for goodwill, impairment losses recorded in previous years are reversed when there is a change in the estimates used.

The carrying amount of an asset increased by a reversal of an impairment loss may not exceed the carrying amount that would have been determined (net of depreciation, amortization or impairment) had no impairment loss been recognized for this asset in prior periods.

3.12 Work-in-progress

Stocks of raw materials and supplies are measured at their purchase price, plus procurement costs. Raw materials and supplies are measured at the lower of purchase cost (according to the weighted average price method) and net realizable value.

Goods in inventory are measured at their weighted average price. A provision for impairment is booked when this cost price is higher than the estimated net realizable value.

Finished products and works-in-progress are measured at the lower of their production cost and net realizable value. Production costs include the direct costs of raw materials, labor, and a proportion of direct overheads, excluding general administrative expenses.

The net realizable value of raw materials and other inventories takes into account depreciation for the obsolescence of inventory with a low rate of turnover.

3.13 Trade and other operating receivables

Trade and other operating receivables are current assets recognized at nominal value. Where relevant, a provision for impairment is recognized to take account of collection difficulties that may arise.

3.14 Prepaid royalties

Where an advance on royalties is paid under a publishing or co-publishing contract, the amount is recorded in assets in the statement of financial position. The amount corresponding to royalties due on completed sales is then deducted from the prepaid royalties account and expensed for the year.

If sales forecasts suggest that prepaid royalties will not be fully utilized, a risk provision is recorded in liabilities.

3.15 Cash and cash equivalents

Cash comprises cash at bank and in hand.

Cash equivalents include money market securities and bonds and mutual fund units invested over a short-term investment horizon.

They are recognized at fair value, while changes in fair value are recognized in profit or loss.

For quoted instruments, the Company uses the closing price and the net asset value for cash assets invested in mutual funds.

3.16 Treasury shares

When treasury shares are purchased, irrespective of the reasons, the amount paid and the directly attributable transaction costs are recorded as a change in equity.

The shares acquired are deducted from total equity until their subsequent sale or cancellation.

The impact of any disposals is not taken into account in consolidated profit or loss but in changes in equity.

3.17 Revenue

The Group's consolidated revenue is mainly composed of the revenue of its operating segments, Avanquest (software publishing and distribution, monetization of traffic), PlanetArt (mobile applications, *via* its FreePrints applications, and websites), and myDevices (management of connected devices).

At June 30, 2018, the Group accounted for this consolidated revenue in accordance with IAS 18. The methods for the recognition of revenue and related expenses depend on the type of contracts entered into with customers:

- software license fee revenue is recognized in revenue when the risk is transferred to the customer. The transfer takes place on the date the product is shipped or downloaded from the Internet. When the software license includes a warranty period, the portion of revenue allocated to the warranty is recognized pro rata over the warranty period;
- revenue from maintenance and hosting services is recognized on a prorated basis over the term of the contract;
- revenue from digital printing activities is recognized at the time of performance of the service or delivery.

Commission paid to business getters for certain customer support activities is recognized on the basis of the partner's monthly activity statements.

Impacts expected from the first application of IFRS 15 on the Consolidated Financial Statements of the Claranova group

IFRS 15, "Revenue from Contracts with Customers" is applicable to the Claranova group starting from July 1, 2018.

IFRS 15 constitutes the frame of reference used to determine whether the revenue must be recognized, for what amount and at what date. This new standard replaces the existing provisions on the accounting of revenue, in particular IAS 18, "Revenue from Contracts", IAS 11, "Construction Contracts" and IFRIC 13, "Customer Loyalty Programs".

In the 2017-2018 fiscal year the Claranova group launched a transition program in order to apply IFRS 15 starting July 1, 2018. This project is mainly composed of the following:

- a first phase of diagnosis and identification of potential differences arising from the application of new rules and their quantification;
- followed by a second phase of implementation of potential changes.

The phase of diagnosis and identification of differences led to a mapping of the revenue at March 31, 2018 by the type of revenue. Each of the types of revenue was then analyzed according to the methodology proposed by IFRS 15 in order to identify the expected impacts in the Group's consolidated financial statements.

Free products or services

On some of its activities, the Group can offer products or services free of charge to its customers. The analyses carried out did not identify any significant difference between the current handling used by the Group to recognize revenue from the contracts including free services in the provisions of IFRS 15.

Sales with right of return

As part of some contracts, the Group transferred the control of a product to its customers, while giving them a right to return the product and receive a partial or total repayment of the amount paid. IFRS 15 specifies that to take into account the products with the right of return, the entity must account for:

- income from ordinary activities for the products provided, for an amount equal to the amount of the payment for which it is expecting to have the right;
- liabilities for future repayments;
- an asset (and the corresponding adjustment to cost of sales) representing its right to recover the products held by the customer when settling a debt as repayment.

The analyses conducted did not identify any material impacts related to the methods of accounting for the sales with the right of return.

Agreements containing multiple performance obligations

The agreements managed within the myDevices business may include multiple performance obligations whose specific price cannot be directly observed.

In these agreements, the application of IFRS 15 may involve the recognition of revenue different from that which would be made in compliance with IAS 18. However, taking account of the still small proportion of revenue generated by the myDevices activity and analyses conducted on the agreements in progress at the date of transition, the Group believes that the impact of the first application of IFRS 15 on these complex agreements will not be material.

Principal or Agent

The Group has analyzed the nature of its relations with customers in order to determine whether it is acting as principal or as agent. In application of IFRS 15, the Group will act as principal if it controls the goods or services before transferring them to the customer. The analysis conducted does not lead to re-qualification of the Group's transactions.

The Group has chosen to apply the partial retrospective method for the first application of IFRS 15.

Grant of equity instruments

The Group and its subsidiaries can grant equity instruments to commercial partners. Following IFRS 15, these instruments will be identified in the accounts as discounts on revenue and will be deducted from the turnover on the period.

3.18 Other financial income and expenses

Other financial income and expenses mainly include exchange gains and losses and investment income.

3.19 Income tax

The Group computes its income taxes in accordance with tax legislation in force in the countries where the income is taxable.

3.20 Deferred taxes

In accordance with IAS 12, deferred tax is recognized for each reporting entity for temporary differences between the carrying amount of the assets and liabilities recorded and their corresponding tax base, depending on the tax legislation in each of the countries concerned.

Deferred tax assets are only recognized when it seems probable that future taxable profit will be available to the Group against which tax loss carry-forwards can be utilized. Tax assets are not generally recognized for companies that have made tax losses in previous fiscal years.

3.21 Research tax credit (CIR)

The research tax credit is considered to be within the scope of IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance". The portion of the research tax credit that can be allocated to development costs recognized as intangible assets is deducted from the asset and the amortization schedule modified accordingly. Income from the research tax credit relating to research costs and any development costs that do not meet the capitalization criteria is recognized as a deduction from employee expenses as and when the expenses are incurred.

3.22 Regional economic contribution

Corporate property tax (*cotisation foncière des entreprises* – CFE) is recorded in operating expenses.

The value-added contribution for businesses (*cotisation sur la valeur ajoutée des entreprises* – CVAE) is recognized in income tax.

3.23 Earnings per share

Undiluted earnings per share correspond to the Group share of net income divided by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary treasury shares held.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to take into account the dilutive effect of equity instruments issued by the Company, such as stock options, subscription warrants or free shares.

3.24 Provisions

Provisions are recognized when the Group has a present obligation, as a result of a past event, which will probably require an outflow of resources, the amount of which can be reliably estimated. The amount recognized as a provision should be the best estimate of the outflow necessary to settle the present obligation at the reporting date. It is discounted when the effect is material and the maturity is more than one year.

Provisions for restructuring costs are recognized when the Group has a detailed formal plan and the interested parties have been informed.

Current provisions are provisions that are directly related to the operating cycle of each business line, irrespective of their estimated term.

Non-current provisions are provisions not directly related to the operating cycle and whose term is greater than one year. They include provisions for litigation.

3.25 Off-balance sheet commitments

Claranova has reviewed all of its subsidiaries with regard to warranty commitments given and received.

3.26 Stock options, free shares and subscription warrants

The fair value of options and bonus shares granted to employees, to executive officers of the Company or its affiliates or to third parties is recognized in employee expenses over the vesting period, in accordance with IFRS 2.

The Black & Scholes options pricing model was used to estimate the fair value of the options and bonus shares granted. The valuation of these instruments was carried out by an outside expert. The estimates and profit/loss evaluated by this third party have been reviewed by the Group Finance Department. When these equity instruments have a mandatory holding period, their fair value takes into account the cost of the holding period. Where appropriate, the inability to collect dividends is also taken into account in the fair value calculation.

3.27 Borrowings

Borrowings are initially recorded at cost, which corresponds to the fair value of the amount received net of issuance costs. For convertible bonds, in accordance with IAS 32, the Company measures the “liability” component and the “equity” component of these borrowings.

After initial recognition, borrowings are measured at amortized cost using the effective interest rate method. This takes into account all issuance costs and any haircut or redemption premium.

3.28 Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE)

In accordance with the IFRS, the ORNANE are viewed as a bond debt including two components:

- a bond component accounted for at amortized cost;
- an equity component (derivative) accounted for as "mark-to-market" debt.

The financial costs related to the issuance of the bonds were offset with the debt in Liabilities. The split between the bond and derivative components was calculated by an external expert. The valuation of the debt component was achieved through a multi-criteria analysis pertaining the calculation of the credit spread (average “Banque de France” rate and credit analysis specific to Claranova).

Le bond component is calculated by discounting the future cash flows by the effective interest rate (risk-free rate plus credit spread).

Change in fair-value of the derivative is accounted for in a separate line in the financial result "Change in fair-value of the ORNANE derivative". This accounting method has no cash impact. The fair-value of the derivative is calculated by the external expert according to the Cox, Ross and Rubinstein method.

Moreover, the ORNANE allows the Company to limit the number of shares to be issued on the conversion date.

3.29 Hedging instruments

The Group may use financial derivatives such as currency hedges. These financial derivatives are measured at fair value.

Once they qualify for hedge accounting, a distinction should be made between:

- fair value hedges, which hedge exposure to changes in fair value of a recognized asset or liability;
- cash flow hedges, which hedge exposure to variability in future cash flows.

For fair value hedges, any gain or loss on remeasurement of the hedge to fair value is recognized immediately in the income statement. At the same time, any gain or loss on the hedged item modifies the carrying amount of this item with a corresponding impact on the income statement.

For future cash flow hedges, the portion of the gain or loss realized on the hedging instrument that is determined as an effective hedge is recognized directly in equity. The ineffective portion is recognized immediately in profit or loss. Gains and losses that have been recognized in equity are reported in the income statement for the period in which the firm commitment hedged affects profit or loss.

For derivatives that do not qualify for hedge accounting, any gain or loss resulting from fluctuations in their fair value is recognized directly in the income statement for the period.

As of june 30, 2018, no hedging instrument has been set up by the Group.

Note 4 Main judgments and estimates used for the closing of the annual financial statements

The financial statements were prepared on a going concern basis. The conditions underlying this principle are detailed in Note 23 to the Consolidated Financial Statements including liquidity risk.

The preparation of the Group's financial statements requires management to use judgments, estimates, and assumptions which have an impact on the amounts recognized in the financial statements as assets, liabilities, income and expenses, as well as disclosures concerning contingent liabilities.

The Group's Management regularly reviews its estimates and assessments based on past experience, as well as other factors it considers reasonable, which constitute the basis for its assessments of the carrying amount of assets and liabilities. These estimates are prepared using information available at the time of preparation. The estimates can be revised if new information becomes available. Actual results may differ from these estimates if actual experience or conditions are different from the assumptions made.

The main assumptions and estimates that had an impact on the financial statements for the 2017-2018 fiscal year are the following:

- the measurement of costs associated with IFRS 2;
- the evaluation and accounting handling of myDevices share subscription warrants granted under an agreement with a commercial partner.
- the measurment of the ORNANE derivative and bond portions;
- the deferred tax accounting in the United-States affiliales.

Note 5 Operating segments

In application of IFRS 8, "Operating Segments", the information presented is based on internal reporting, used by the Group's Management for the evaluation of the performance of the various sectors. The benchmark segment aggregate is the EBITDA. This aggregate takes the corporate expenses into account between the various operating segments.

The Group's three operating segments as of June 30, 2018 were:

- **PlanetArt:** A world leader in mobile printing, specifically via its FreePrints and FreePrints Photobooks applications – the cheapest and simplest solutions in the world for printing photos and creating photo albums from a smartphone;
- **myDevices:** a global platform for IoT (Internet of Things) management, myDevices allows its partners to commercialize turnkey solutions ("IoT in a Box") to their customers. Ready-to-use solutions are available for roll-out in the medical, hotel, food and beverage, retail and education sectors thanks to these offerings;
- **Avanquest:** a specialist in monetizing Internet traffic through cross-cutting solutions, Avanquest boosts its customer impact through cross-selling offerings that maximize Internet traffic while ensuring the most efficient monetization possible.

	PlanetART YOUR WORLD. PERSONALIZED.		myDevices		Avanquest	
	Year ended		Year ended		Year ended	
(in € million)	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Revenue	122.0	88.9	3.7	2.8	35.8	38.5
EBITDA*	**6.4**	**(0.3)**	**(3.1)**	**(4.7)**	**0.7**	**0.0**
% of revenue	*5%*	*0%*	*-85%*	*-168%*	*2%*	*0%*
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.3	0.6	0.0	0.0	0.2	0.3
TOTAL INTANGIBLE ASSETS	**0.3**	**0.6**	**0.0**	**0.0**	**0.2**	**0.3**

* *EBITDA: earnings before the deduction of interests, taxes and duties, depreciation (but after provisions related to inventories and trade receivables), amortization and share-based payments, including related social security expenses.*

	claranova	
	Year ended	
(in € million)	6/30/2018	6/30/2017
Revenue	161.5	130.2
EBITDA	**3.9**	**(5.0)**
Depreciation and amortization	*(0.5)*	*(0.8)*
Share-based payments, including social security expenses	*(7.1)*	*(4.8)*
RECURRING OPERATING INCOME	**(3.7)**	**(10.6)**

The PlanetArt division is enjoying strong growth, buoyed by the sharp increase in mobile business and the confirmation of excellent Photobooks performance. PlanetArt confirms the trend shown in the first half of the year and continues to show very strong EBITDA, confirming the strategy implemented by the Group. The launch, in June 2018, of a new application in the United States, FreePrints Photo Tiles, should enable this division to continue sustaining its margins by strengthening the monetization of its existing and recurring customer base through products with higher gross margins.

Revenue of myDevices was up sharply in the 2017-2018 fiscal year, benefiting from the start of the monetization of its partnership with the American telecommunications giant Sprint, for more than US$2 million at June 30, 2018. EBITDA of the division was also noticeably higher, while remaining negative, since myDevices continued its investment, in particular to put in place the solutions marketed by Sprint and the “Sprint IoT Factory”, launched on May 4, 2018.

The Avanquest division continued its transition towards monetization of Internet traffic over the fiscal year, while rationalizing its costs and implementing its external growth strategy. This strategy has shown to be effective in both cases, on the one hand the division is showing higher EBITDA in spite of expected loss of revenue, and on the other hand, it signed an agreement in March 2018 to take control of a group of Canadian companies composed of the Upclick, SodaPDF and Adaware businesses. As the final acquisition of these companies took place on July 1, 2018, they did not contribute to Avanquest's results in the 2017-2018 fiscal year, which offers a good outlook for the future.

Notes to the income statement

Note 6 Revenue

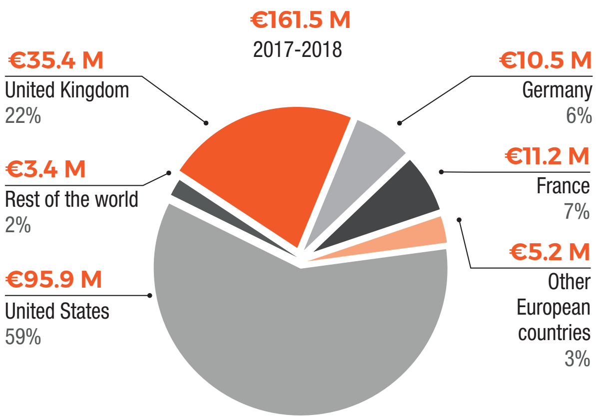
ANALYSIS OF THE DISTRIBUTION OF REVENUE

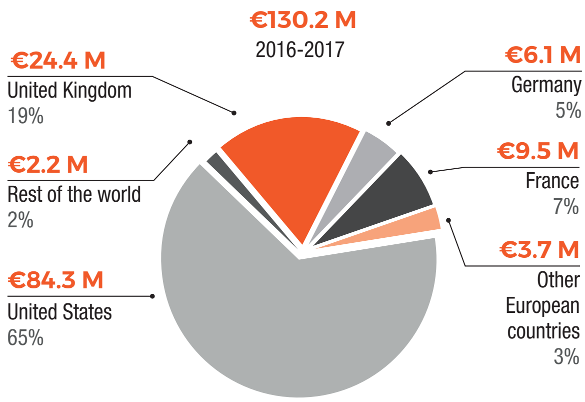
(in € million)	2017-2018	2016-2017	Δ
PlanetArt	122.0	88.9	37%
myDevices	3.7	2.8	31%
Avanquest Software	35.8	38.5	-7%
Revenue	**161.5**	**130.2**	**24%**

The Claranova group’s consolidated revenue for the year ended June 30, 2018 grew by 24% to €161.5 million.

REVENUE BY GEOGRAPHICAL REGION

Revenue
(in € millions)





Note 7 Employee expenses

For the year ended June 30, 2018, employee expenses totaled €34.4 million compared with €32.0 million in the previous year. The €2.4 million increase is mainly due to the IFRS 2 expense recognized in the year for employee expenses in the amount of €4.1 million accompanied by employer premiums of €3.0 million, corresponding to the Group's bonus share plans and stock option plans, for a total expense of €7.1 million compared with €4.8 million for the previous fiscal year.

Note 8 Other current operating income and expenses

This item mainly corresponds to royalties paid under publishing contracts (€6.7 million).

Note 9 Other operating income and expenses

Other operating income and expenses, which amount to a loss of €2.4 million, consist mainly of the following:

- expenses related to the acquisition of the Group's Canadian entities Upclick-SodaPDF-Adaware for €0.7 million;
- operating restructuring expenses totaling €0.6 million;
- financial intermediary fees totaling €0.4 million;
- costs related to a change in delivery mode in the United-States for €0.4 million
- legal restructuring expenses totaling €0.2 million.

Note 10 Retirement benefits

Retirement benefits, calculated using the retrospective method (projected unit credit method), amounted to €0.6 million for French employees (€0.1 million for Claranova and €0.5 million for Avanquest Software SAS) as of June 30, 2018. They are fully funded. The impact on the period is a gain of €0.1 million, consisting of a current service cost of €0.04 million and a gain linked to reductions/terminations of €0.1 million. The actuarial assumptions used are:

- discount rate: 1.55%;
- retirement age: 65;
- rate of salary increase: 2%-5%, depending on age.

There is no specific pension plan for employees of non-French subsidiaries.

Note 11 Analysis of net financial income

The financial loss stood at €0.3 million, €0.2 million of which originated, in the period 2017-2018, from the portion of the financial guarantee on loan, contracted for the acquisition of the Canadian companies, and for €0.1 million in unfavorable net exchange rate differences (proceeds of €2.2 million and loss of €2.3 million).

Note 12 Income taxes

The net income tax expense for the period amounted to €1.8 million, compared with €0.4 million for the previous year.

(in € million)	2017-2018 12 months	2016-2017 12 months
Taxable profit	**(6.3)**	**(11.0)**
Theoretical tax (33.33%)	2.1	3.7
Actual income tax expense	**(1.8)**	**(0.4)**
Effective tax rate	-28.9%	-3.7%
Difference	(3.9)	(4.1)
Of which		
Goodwill amortization*	0.2	1.1
Non-recognition of deferred tax assets	(3.6)	(4.8)
Other permanent differences	(1.4)	(0.9)
Differences between local rates and parent company rate	0.9	0.5
Other differences	(0.1)	0.1

* *Corresponds to the amortization of goodwill in the individual financial statements of the US subsidiaries.*

In the balance sheet, the current tax assets of €1.0 million correspond mainly to a research tax credit (CIR) of €0.7 million and a Competitiveness and employment tax credit (CICE) of €0.2 million while waiting for repayment on the French entities.

The tax liability of €1.6 million was mainly the €1.0 million for the income tax provision in PlanetArt Ltd, and the €0.6 million for the income tax provision in Avanquest North America Inc.

Note 13 Deferred taxes

Given the tax losses incurred by the Group entities in their operating countries, and following new tax reforms in the United-States, Claranova is currently investigating the precise amount from the tax deficit that could be used in the future to offset tax payments, and has commissioned a study from external tax consultants. This study, mainly focused on the US entities, is still ongoing at the date of this Registration Document.

In France, after the partial transfer of assets, Claranova filed application to transfer its €56.1 million deficit to be carried forward to its then new subsidiary Avanquest Software SAS. The French tax administration has not yet ruled on this request. Claranova's tax deficit now amounts to €6.3 million and corresponds to the losses realised by the Company since fiscal year 2016-2017. Only Claranova, whose activities as holding company should not generate taxable profit, will be able to use these tax losses.

For all these reasons, and following the principle of prudence, the Group did not capitalize any deferred tax assets as of June 30, 2018.

Note 14 Earnings per share

	2017-2018 12 months	2016-2017 12 months
Numerator *(in € million)*		
Net income, Group share (a)	(7.9)	(11.0)
Denominator		
Number of shares outstanding at June 30, 2018 (b)	393,613,788	375,318,555
Dilutive effect of stock options, bonus shares and stock warrants	22,952,918	-
Theoretical weighted number of shares at June 30, 2018 (c)	416,566,706	375,318,555
Basic earnings per share *(in €)* (a/b)	**(0.02)**	**(0.03)**
Diluted earnings per share *(in €)* (a/c)	**(0.02)**	**(0.03)**

It should be noted that the dilutive effect does not take into account the issue of the ORNANE in June 2018 (see Note 23 to the Consolidated Financial Statements) since, at the date of this Registration Document, the Company had not decided on the method of paying back the bonds. Moreover, at June 30, 2018, in view of the share price, if the early conversion of the ORNANE had been requested by the subscribers, Claranova would have been required to pay them back in cash.

Additional information pertaining to balance sheet assets

Note 15 Intangible assets

The intangible assets, which have a low net value, mainly comprise development and software expenses.

The periodic evaluation of projects in development or already completed can lead Claranova to question the commercial prospects of various projects.

No development costs were capitalized in the 2017-2018 fiscal year.

Changes in intangible assets were as follows:

(in € million)	Gross June 2017	Acquisitions	Disposals/Transfer between items	Scope changes/ Changes in foreign exchange rates	Gross June 2018	Amort., depr. and provisions 6/30/2018	Net June 2018
Development and software costs	12.2	0.0	(2.1)	(0.1)	9.9	(9.7)	0.2
Customer portfolios	0.5	-	-	(0.0)	0.5	(0.2)	0.3
Deposits	0.0	-	-	-	0.0	-	0.0
Other	1.1	-	(0.0)	(0.0)	1.1	(1.0)	0.0
TOTAL	**13.8**	**0.0**	**(2.2)**	**(0.1)**	**11.5**	**(10.9)**	**0.5**

Note 16 Property, plant and equipment

Changes in property, plant and equipment were as follows:

(in € million)	Gross June 2017	Acquisitions	Disposals/Transfer between items	Scope changes/ Changes in foreign exchange rates	Gross June 2018	Amort., depr. and provisions 6/30/2018	Net June 2018
Fixtures, improvements to land and facilities	1.0	0.1	(0.4)	(0.0)	0.6	(0.5)	0.1
Transportation equipment	-	-	-	-	-	-	-
Office and IT furniture and equipment	1.4	0.0	(0.3)	0.0	1.2	(1.1)	0.1
TOTAL	**2.4**	**0.1**	**(0.6)**	**(0.0)**	**1.9**	**(1.6)**	**0.2**

Note 17 Depreciation and amortization

Changes in depreciation and amortization were as follows:

(in € million)	Cum. amort. at 6/30/2017	Depreciation and amortization for the fiscal period	Disposals/Transfer between items	Scope changes/Changes in foreign exchange rates	Cumul. amort. at 6/30/2018
Development and software costs	11.6	0.3	(2.2)	(0.1)	9.7
Customer portfolios	0.2	-	-	-	0.2
Other	1.0	-	-	(0.0)	1.0
Total intangible assets	**12.9**	**0.3**	**(2.2)**	**(0.1)**	**10.9**
Property, plant and equipment	**2.1**	**0.2**	**(0.6)**	**(0.0)**	**1.6**
TOTAL	**14.9**	**0.5**	**(2.7)**	**(0.1)**	**12.6**

Note 18 Schedule of trade receivables

All trade receivables are recognized as current assets.

(in € million)	Trade receivables (gross values)	Not past due	Less than 90 days past due	More than 90 days past due	Impairment of past-due receivables	Net value
6/30/2018	5.1	2.7	1.5	0.9	0.3	4.9
6/30/2017	4.7	2.7	1.9	0.0	0.4	4.3

Note 19 Other current receivables

The main amounts recorded in current receivables are:

(in € million)	6/30/2018	6/30/2017
Prepaid royalties	0.2	0.3
Tax receivables	0.8	0.4
Rent	0.1	0.1
Prepaid expenses	1.7	0.6
Receivable on sale of assets	0.2	0.1
Other	0.7	0.2
TOTAL	**3.8**	**1.8**

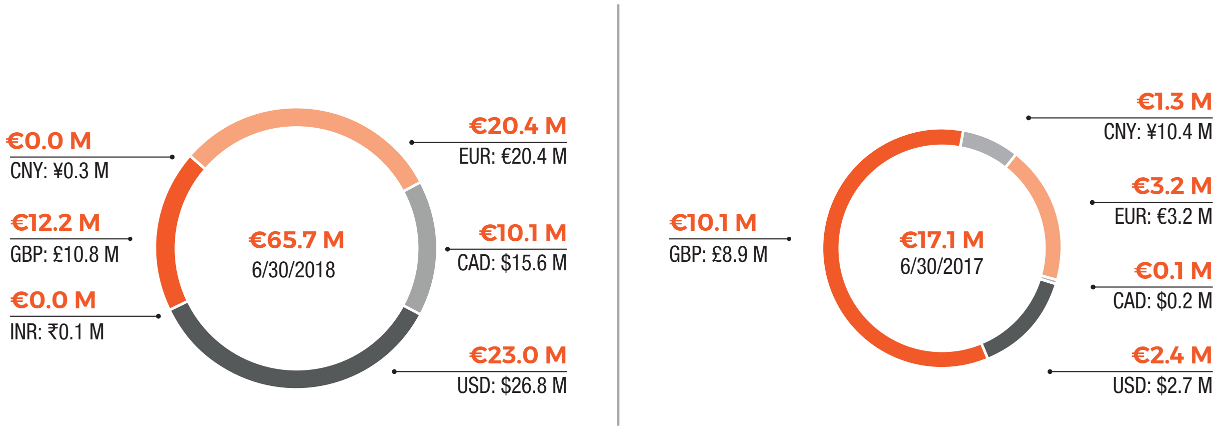
The increase in other current receivables, from €1.8 million at the end of June 2017 to €3.8 million at the end of June 2018, was mainly due to:

- the €1.1 million increase in prepaid expenses, totaling €1.7 million at June 30, 2018, mainly composed of €1.1 million linked to the activity of the American companies and €0.5 million linked to the guarantee on loan for the Group's acquisition of the Canadian companies on July 1, 2018;
- the increase in various receivables, including €0.7 million at June 30, 2018 corresponding to €0.5 million linked to the expected payment from external investors;
- the increase in tax receivables for €0.4 million linked to the increase in VAT entries to be received by the French subsidiaries.

Note 20 Cash and cash equivalents

Cash (€65.7 million as of June 30, 2018 compared with €17.1 million as of June 30, 2017) is made up of bank accounts and cash investments, the liquidation value of which is identical to the book value.

Cash and cash equivalents



Additional information pertaining to balance sheet liabilities

Note 21 Equities

21.1 Share capital

As of June 30, 2018, the share capital of Claranova SA was made up of 393,613,788 shares with a par value of €0.1, all of the same category. The Extraordinary General Shareholders' Meeting of June 7, 2017 decided, in accordance with Article L. 225-123 of the French Commercial Code, to grant double voting rights (i) to fully paid up Company shares for which registration in the name of the same shareholder could be documented for a minimum of two years, (ii) as well as to any registered Company shares allocated as bonus shares as part of a capital increase through incorporation of reserves, profits or issue premiums to a shareholder. The principal objective of the Group in terms of management of the capital is to ensure the maintenance of sound ratios on the capital, in such a way as to facilitate its activity and development.

21.2 Changes in the number of shares and share capital

During the period, the number of shares changed as follows:

	Units	Amount *(in €)*
As of June 30, 2017	**375,318,555**	**37,531,855.50**
Exercise of stock options	18,295,233	1,829,523.30
As of June 30, 2018	**393,613,788**	**39,361,378.80**

As of June 30, 2018, the Company held 194,791 treasury shares, compared with 139,791 shares as of June 30, 2017.

	Units
As of June 30, 2017	**139,791.00**
Changes	55,000.00
As of June 30, 2018	**194,791.00**

21.3 Other securities giving access to capital & stock options

Claranova bonus shares

The following table, prepared on June 30, 2018, summarizes the main features of Claranova's current bonus share plans.

Beneficiaries	**Claranova group employees**
Date of the Shareholder's Meeting	6/7/2017
Number of authorized securities	18,760,000
Date of Management Board meeting	11/13/2017
Number of securities allocated at 6/30/2018	18,760,000
Number of beneficiaries	6
Vesting period	1 year
Vesting conditions	Market price or annual growth level of Revenue + continued employment
Rights lost or canceled	0
Rights vested at 6/30/2018	0
Shares issued at 6/30/2018	0
Maximum potential number of securities*	18,760,000

* *Taking into account lost or canceled bonus shares.*

Following the authorization granted to the Management Board to proceed with the distribution of bonus shares in the above-mentioned plan, the Board decided that executive beneficiaries of the plans must hold 5% of the shares acquired in registered form, until termination of their functions.

The performance conditions for the bonus shares have been met as of the filing date of this Registration Document. The vesting of the bonus shares is subordinated to a condition of continuous employment (vesting period of one year). Following the vesting period, the bonus shares are subject to a one year holding period.

The bonus share plan of November 13, 2017 resulted in the recording of an IFRS 2 expense of €4.1 million with a €3.0 million social security cost, both without cash impact as of June 30, 2018.

Claranova stock options

The following tables summarize the features of the Claranova stock option plans in effect.

Beneficiaries	Claranova group employees
Date of the Shareholder's Meeting	11/30/2015
Number of authorized securities	18,765,927
Date of Management Board meeting(1)	11/25/2016 & 5/3/2017
Number of securities allocated at 6/30/2018	18,765,927
Number of beneficiaries	52
Subscription price	€0.112
Exercise period	109 months
Exercise conditions	already fulfilled
Securities lost or canceled	30,000
Rights vested at 6/30/2018(2)	18,735,927
Securities subscribed at 6/30/2018	18,295,233
Maximum potential number of securities	440,694

(1) At the meeting of the Management Board on May 3, 2017, a decision was made to amend the conditions relating to the objectives to be achieved as well as the duration of the vesting period.
(2) Taking into account lost or canceled shares.

Following the authorization granted to the Management Board to carry out the allocation of stock options relating to the preceding plan, the Supervisory Board decided that executive beneficiaries of the plan must hold 5% of the number of shares issued from the exercise of stock options in nominative form, until termination of their functions.

Claranova subscription warrants

The following table, prepared on June 30, 2018, summarizes the main features of Claranova's current share subscription warrants.

Beneficiaries	Claranova group Management Board and Supervisory Board
Date of the Shareholders' Meeting	6/7/2017
Number of authorized securities	3,752,224
Date of Management Board meeting	11/13/2017
Number of securities allocated at 6/30/2018	3,752,224
Number of beneficiaries	6
Purchase price of warrants (BSAs)	€0.36
Subscription price	€0.61
Exercise period	120 months
Exercise conditions	n.a.
Securities lost or canceled	0
Rights vested at 6/30/2018*	3,752,224
Securities subscribed at 6/30/2018	0
Maximum potential number of securities	3,752,224

* *Taking into account lost or canceled shares.*

Claranova Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE)

On June 19, 2018, Claranova issued 26,363,636 Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE), to mature on July 1, 2023 (see Note 23 to the Consolidated Financial Statements for more information on these bonds). As at June 30, 2018 no ORNANE had been converted early.

Assuming that all the rights attached to the options and bonus shares become exercisable and are exercised, Claranova's share capital would increase by €2,295,291.80.

It should be noted that this number does not take into account the issue of ORNANE in June 2018 since, at the date of this Registration Document, the Company has not decided on the method of paying back the bonds. Moreover, at June 30, 2018, in view of the share price, if the early conversion of the ORNANE had been requested by the subscribers, Claranova would have been required to pay them back in cash.

The share capital would therefore increase from €39,361,378.80 to €41,656,670.60, an increase of 5.83%, spread over the period between 2018 and 2027.

myDevices stock options

The following tables summarize the features of the myDevices stock option plans in effect.

Beneficiaries	myDevices Inc. employees
Number of authorized securities	1,900,000
Date of Board of Directors meeting	2/5/2017
Number of securities allocated at 6/30/2018	1,236,000
Number of beneficiaries	23
■ Of which Directors and officers	1
Subscription price	US$0.07
Vesting period	spread over 4 years
Vesting conditions	Vesting is subject to the employees' continued employment during the vesting period
Rights lost or canceled at 8/30/2018	45,500
Rights vested at 6/30/2018	567,000
Securities subscribed at 6/30/2018	482,750
Maximum potential number of securities*	707,750

* *Taking into account lost or canceled securities.*

myDevices subscription warrants

The following table, prepared on June 30, 2018, summarizes the main features of the current myDevices share subscription warrant plans in effect.

Beneficiaries	Commercial partner
Number of authorized securities	1,010,000
Number of securities allocated at 6/30/2018	0
Number of beneficiaries	1
Condition for obtaining	Revenue thresholds
Subscription price	US$3.125
Date of end of fiscal year	3/31/2021
Exercise conditions	none
Securities lost or canceled	0
Rights vested at 6/30/2018*	0
Securities subscribed at 6/30/2018	0
Maximum potential number of securities*	1,010,000

* *Taking into account lost or canceled shares.*

myDevices signed a capital agreement with a commercial partner specifying the allocation of share subscription warrants depending on the cash received related to revenue. Each subscription warrant (BSA) gives the right to purchase one share at US$3.125, *i.e.* the price of the share in the last round of trading at the time Semtech and a Chinese investor acquired shares in the capital of myDevices in the 2017 calendar year.

It should be noted that if the value of the myDevices share rises above US$3.125, the partner could also choose to exercise its subscription warrants by converting said warrants, and the ratio then is based on the fair value of the share.

Note 22 Provisions

Provisions changed as follows during fiscal year 2017-2018:

(in € million)	Provisions 6/30/2017	Change in scope	Additions	Decrease (Disp., Repay.)	Decrease (Disp., Repay.)	Reversals	Other additions	Other reversals	Provisions 6/30/2018
Other prov. for contingent liabilities – share at > 1 year	0.1	-	-	-	(0.0)	(0.0)	-	-	0.1
Other prov. for contingent liabilities – share at < 1 year	0.1	-	-	-	-	-	-	-	0.1
Other prov. for expenses – share at > 1 year	0.0	-	-	-	-	-	0.0	-	0.1
Provisions	0.2	-	-	-	-	(0.0)	0.0	-	0.2

At June 30, 2018, the main provisions for contingent liabilities were for €0.1 million of provisions for unoccupied offices in France.

As of June 30, 2018, in the €0.2 thousand in provisions, €0.1 thousand correspond to non-current provisions.

Note 23 Financial liabilities

Over the last two years, financial liabilities changed as follows:

(in € million)	6/30/2016	Increases	Repayments	Scope changes/ Changes in foreign exchange rates	Other changes	6/30/2017
Bonds	-	1.8	-	-	(1.8)	-
Borrowings	1.2	0.5	(1.1)	(0.0)	0.0	0.6
Credit facilities	-	-	-	-	-	-
Other financial liabilities	0.1	0.0	(0.1)	0.0	(0.0)	0.0
Bank account overdrafts	0.0	0.5	-	(0.0)	-	0.5
Financial instruments – Liabilities	-	-	-	-	-	-
Accrued interest not yet due	0.0	-	(0.0)	-	-	-
TOTAL	**1.3**	**2.8**	**(1.1)**	**(0.0)**	**(1.8)**	**1.1**

(in € million)	6/30/2017	Increases	Repayments	Scope changes/ Changes in foreign exchange rates	Other changes	6/30/2018
Bonds	-	26.4	-	-	-	26.4
Derivative		1.4	-	-	-	1.4
Borrowings	0.6	0.3	(0.5)	(0.0)	-	0.3
Credit facilities	-	-	-	-	-	-
Other financial liabilities	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0
Bank account overdrafts	0.5	(0.5)	-	(0.0)	-	0.0
Financial instruments – Liabilities	-	-	-	-	-	-
Accrued interest not yet due	-	0.1	-	-	-	0.1
TOTAL	**1.1**	**27.6**	**(0.5)**	**(0.0)**	**(0.0)**	**28.2**

As of June 30, 2018, the Group's total debt reached €28.2 million (compared with €1.1 million at June 30, 2017 and €1.3 million at June 30, 2016), and the increase is mainly linked to the issue of ORNANE by Claranova in June 2018, see below.

The maturity date for financial liabilities is as follows:

(in € million)	Total	Less than one year	From one to five years	More than five years
Bonds	26.4	-	-	26.4
Derivative	1.4	-	-	1.4
Borrowings	0.3	-	0.3	-
Credit facilities	-	-	-	-
Other financial liabilities	0.0	0.0	-	-
Bank account overdrafts	0.0	0.0	-	-
Financial instruments – Liabilities	-	-	-	-
Accrued interest not yet due	0.0	0.0	-	-
TOTAL	**28.2**	**0.1**	**0.3**	**27.8**

23.1 Other bond loans

On June 14, 2018, Claranova launched an issue of Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE) maturing on July 1, 2023, to qualified investors in a maximum nominal amount of €29 million. The closing of the order book took place on June 15, 2018 for an issue of 26,363,636 ORNANE and a nominal amount of €28,999,999.60.

The bonds were issued without preferential subscription right or any priority subscription time for shareholders pursuant to the sixth resolution of the Extraordinary General Shareholders' Meeting of June 7, 2017 in which the shareholders decided to eliminate their preferential subscription right to the Bonds.

The Bonds, with a nominal value of €1.10 each, bear interest at a nominal annual rate of 5.0% payable yearly at maturity on July 1 of each year (or the next business day if one of these days is not a business day), and for the first time on July 1, 2019 (the first coupon will be calculated on a prorated basis).

The conversion rate of the Bonds is one share for one Bond subject to subsequent adjustments. The Bonds may be subject to early repayment at the initiative of the Company subject to certain conditions and in particular, in the following cases:

- at any time, for all or part of the Bonds, without limitation of price or quantity, by purchases on or off the exchange or by repurchase or exchange offers;
- at any time up to the date of normal repayment, for all of the Bonds outstanding, subject to advance notification of at least 30 trading days, by repayment at par value plus interest incurred from the last date of payment of interest until the date set for the early repayment, if the arithmetic average calculated over 20 consecutive trading days of the 40 trading days preceeding the appearance of the early repayment notice, of the income on the opening prices of the Claranova share on the Euronext Paris exchange multiplied by the applicable conversion ratio at each date exceeds 135% of the nominal value of the Bonds;
- at any time, for all of the Bonds outstanding subject to at least 30 trading days advance notification, by repayment at par value plus accrued interest, if the number still outstanding is less than 10% of the number of Bonds issued.

Bondholders benefit from a right of allocation of shares that they may exercise at any time, starting from the date of issue up to the 29th trading day, inclusive, preceding the date of normal or early amortization. In the case of the exercise of the right to the allocation of shares, Bondholders will receive, at the choice of the Company, either a cash amount only or a combination of a cash amount and new and/or existing Claranova shares or only new and/or existing Claranova shares. The new and/or existing Claranova shares eventually remitted will carry dividend rights immediately.

The Bonds may be traded in private placement in the Member States of the European Economic Area among the persons mentioned in Article L. 411-2-II of the French Monetary and Financial Code. Admission of the Bonds to trading on the Euronext Access market was made on June 19, 2018.

As at June 30, 2018, no ORNANE were converted or repaid. The total amount corresponding to these bonds in the Consolidated Financial Statements is €27.8 million, breaking down into €26.4 million of debt at amortized cost and €1.4 million of derivative, in accordance with IAS 39.

23.2 Borrowings

Borrowings dropped from €0.6 million to €0.3 million. The change was primarily due to loan repayments made to Cathay Bank during the year by Avanquest North America for €0.5 million and the use, by myDevices, of €0.3 million of a credit facility subscribed on March 30, 2018. This credit facility specifies a maximum borrowable amount of US$2 million maturing on March 30, 2020, with a fixed interest rate.

23.3 Financial risks and market risks

Liquidity risk

Prudent management of liquidity risk involves maintaining sufficient liquidity and financial resources through appropriate credit facilities.

The Group's cash position at June 30, 2018 was €65.7 million. Borrowings and other financial liabilities amounted to €28.2 million, and therefore the amount of cash excess was €37.5 million.

The Group thus estimates its liquidity risk to be very low.

Counterparty risk

The Company has bank accounts with a variety of leading banks. Therefore, counterparty risk is not deemed significant.

Dilution risk

As part of a policy to motivate its Directors and officers, employees and consultants, the Company has, since its creation, regularly issued and awarded stock options and bonus shares.

As of June 30, 2018, the exercise of all instruments convertible to equity and issued or to be issued by the Company would result in the subscription of 22,952,918 new shares. The exercise of outstanding instruments convertible to equity, as well as any new awards or issues, would result in dilution for shareholders.

Therefore, under the assumption that all the rights attached to the authorized options and bonus shares become exercisable and are exercised, Claranova's share capital would increase by €2,295,291.80.

The share capital would therefore increase from €39,361,378.80 to €41,656,670.60, an increase of 5.83%, spread over the period from 2017 to 2027.

Moreover, the financial instruments implemented at subsidiary level could with time cause a risk of dilution.

Exchange rate risk

The Group mainly carries on its business outside the euro zone. However, since revenues and costs are denominated in the same currency, the exposure to currency risk is limited to earnings, and no systematic policy of hedging currency risk has been implemented within the Group.

An estimate of the impact of currency movements on earnings for the year ended June 30, 2018 is given below:

Fiscal year ended on June 30, 2018	Impact on revenue			Impact on Recurring Operating Income			Impact on equity		
(in € million)	real rate	↘ 10%	↗ 10%	real rate	↘ 10%	↗ 10%	real rate	↘ 10%	↗ 10%
USD	161.5	(9.5)	9.5	(3.7)	(0.1)	0.1	14.3	(0.8)	0.8
GBP	161.5	(4.9)	4.9	(3.7)	(0.6)	0.6	14.3	(0.2)	0.2

Interest rate risk

As of June 30, 2018, the Group's companies had not contracted any loans at a variable rates; therefore this risk is limited.

Equity risk

The Company's cash is mainly invested in risk-free money market investments.

The Company only holds 194,791 treasury shares at June 30, 2018, and thus has low exposure to equity risk.

Note 24 Other non-current liabilities

Other non-current liabilities mainly consist of payments of retirement benefits for which a provision was made in the balance sheet (€0.6 million), see Note 10 to the Consolidated Financial Statements

Note 25 Other current liabilities

Other current liabilities total €11.6 million and mainly comprise:

- social security liabilities for €9.5 million, compared with €2.9 million at June 30, 2017. This change is mainly due to the provision for employee expenses for Claranova bonus shares for €3.0 million and the bonus provision on the American entities for €3.3 million;
- income collected in advance for €1.4 million compared with €0.9 million at June 30, 2017. The €0.5 million increase is linked to the growth in the PlanetArt activity in the fiscal year;
- current liabilities for €0.4 million, down by €0.2 million compared with June 30, 2017.

Note 26 Summary of financial and operating assets and liabilities

	6/30/2017		Breakdown by category of instrument			
(in € million)	Carrying amount	Fair value	Fair value through profit or loss	Loans, receivables and other debts	Debt at amortized cost	Derivative instruments
Available-for-sale assets	-	-	-	-	-	-
Other financial assets	0.4	0.4	-	0.4	-	-
Other non-current assets	0.3	0.3	-	0.3	-	-
Trade receivables	4.3	4.3	-	4.3	-	-
Other current assets	2.9	2.9	-	2.9	-	-
Cash and cash equivalents	17.1	17.1	17.1	-	-	-
TOTAL ASSETS	**25.1**	**25.1**	**17.1**	**8.0**	**-**	**-**
Borrowings and financial liabilities (>1 year)	(0.0)	(0.0)	-	-	(0.0)	-
Other non-current liabilities	0.6	0.6	0.6	-	-	-
Borrowings and financial liabilities (<1 year)	1.1	1.1	-	-	1.1	-
Trade payables	21.8	21.8	-	21.8	-	-
Other current liabilities	4.7	4.7	-	4.7	-	-
TOTAL LIABILITIES	**28.3**	**28.3**	**0.6**	**26.5**	**1.1**	**-**

	6/30/2018		Breakdown by category of instrument			
(in € million)	Carrying amount	Fair value	Fair value through profit or loss	Loans, receivables and other debts	Debt at amortized cost	Derivative instruments
Available-for-sale assets	-	-	-	-	-	-
Other financial assets	0.4	0.4	-	0.4	-	-
Other non-current assets	0.2	0.2	-	0.2	-	-
Trade receivables	4.9	4.9	-	4.9	-	-
Other current assets	4.9	4.9	-	4.9	-	-
Cash and cash equivalents	65.7	65.7	65.7	-	-	-
TOTAL ASSETS	**76.0**	**76.0**	**65.7**	**10.3**	**-**	**-**
Borrowings and financial liabilities (>1 year)	28.1	28.1	1.4	-	26.7	-
Other non-current liabilities	0.8	0.8	0.8	-	-	-
Borrowings and financial liabilities (<1 year)	0.1	0.1	-	-	0.1	-
Trade payables	23.7	23.7	-	23.7	-	-
Other current liabilities	11.6	11.6	-	11.6	-	-
TOTAL LIABILITIES	**64.3**	**64.3**	**2.1**	**35.3**	**26.8**	**-**

Note 27 Notes to the statement of cash flows

27.1 Share-based payments and other restatements

Share-based payments and other restatements totaled €4.1 million. Most of this amount corresponds to the IFRS 2 expense brought about by the grant of bonus shares in November 2017 for €4.1 million.

For more details on the bonus shares, please see Note 21 to the Consolidated Financial Statements.

27.2 Proceeds from borrowings

Proceeds from borrowings in the consolidated statement of cash flows totaled €28.7 million and reflect the following:

- €28.4 million from the issue of ORNANE described in Note 23 to the Consolidated Financial Statements (€29.0 million in subscription less €0.6 million in financial expenses);
- €0.3 million from the subscription of the loan of the myDevices subsidiary, see Note 23 to the Consolidated Financial Statements.

Note 28 Off-balance sheet commitments

28.1 Earn-out clauses on acquisitions and equity interests

Guarantees and commitments given

Subsidiary	Date	Type	Indemnity	Limits	Period
Arvixe LLC	10/31/2014	Asset transfer agreement	Indemnity guarantee related to the amount and type of damage: ■ Maximum: €22,000,000 ■ Minimum: €3,300,000	Breach of representations or warranties (other than “fundamental representations”): 15% of the transfer price; Breach of seller’s obligations: 50% of the transfer price; ■ Breach of “fundamental representations” pertaining to exclusion of liability and assets and tax receivables: the transfer price; ■ In the event the buyer is entitled to equitable compensation or in the event of fraud: no ceiling. ■ Transfer price = €22,000,000.	All claims: one year from the final payment date (which must be within 12 months of closing, or by October 31, 2016, at the latest); Tax receivable: 90 days after closing (January 25, 2015); Guarantee in respect of “fundamental representations”: five years from the closing date, *i.e.* until October 31, 2019.
Édition Multimédia Électronique (EMME) – Agreement signed by Avanquest Software SA and SFPI	2/17/2015	Share purchase agreement	Price reduction in line with the amount of damages	€250,000, except for damages related to: (i) current employment disputes; and (ii) the settlement of any tax or social security liability that arose prior to the date of completion or not disclosed to the buyer prior to this date.	18 months from the completion date (February 17, 2015), *i.e.* until August 17, 2016, except: ■ for damages related to employment disputes, in which case it is 15 working days following the final court decision on the employment dispute concerned; ■ for damages related to tax or social security liabilities, in which case it is 15 working days following the expiry of the statutory limitation period.

Subsidiary	Date	Type	Indemnity	Limits	Period
ProcessFlows (UK) Ltd	5/29/2015	Share transfer agreement	■ Minimum: €4,000,000 ■ Maximum: €5,350,000 + interest on a maximum of €350,000	Price paid to the seller, except in the event of a claim relating to tax or social security receivables or insolvency (in the absence of compulsory administration or liquidation proceedings or an application to appoint a liquidator). In the latter case, the maximum amount is £2,500,000. Floor: £50,000 (except in the event of fraud).	All claims: one year from the transaction completion date, *i.e.* until May 29, 2016; Tax receivable: seven years from the transaction completion date, *i.e.* until May 29, 2022.
Avanquest Software Publishing Ltd	4/30/2016	Share transfer agreement	Guarantee granted for the amount of losses, guarantees, costs and expenses provided for in some cases by the transfer agreement	£750,000, plus the amount of the earn-out clause. Floor: ■ £2,500 if called upon for a single reason; ■ £25,000 if called upon for several reasons.	All claims: two years from the transaction completion date, *i.e.* until April 30, 2018; Tax receivable: seven years from the transaction completion date, *i.e.* until April 30, 2023.
Avanquest UK Ltd	6/30/2017	Letter of support	N/A	N/A	At least until June 30, 2018.
PlanetArt LLC	11/8/2012	Stock options	10% in shares for each beneficiary	Since November 8, 2012, the Directors of the US subsidiary, Roger Bloxberg and Todd Helfstein, have each held an option to acquire 10% of PlanetArt in the event of a spin-off of this business. This agreement was reviewed on September 4, 2017 in order to lay down the implementation conditions and transfer the rights to the trustees in question.	
Canadian subsidiaries hosting the Upclick, SodaPDF and Adaware businesses	3/26/2018	Share purchase agreement	Guarantee related to a loan to finance the purchase of securities	N/A	Avanquest Software SAS and Claranova SA undertook to contract a loan of US$20 million as part of financing the purchase of 50.1% of the shares of the Group composed of the Upclick, SodaPDF and Adaware businesses before March 31, 2019. Claranova SA is guarantor of this financing that must be made at the level of the Canadian subsidiary, Avanquest Canada Inc.

Earn-out clauses

There are no applicable earn-out clauses chargeable to the Group at June 30, 2018.

28.2 Pledges granted

Avanquest America Inc. and Avanquest North America Inc. pledged their assets in favor of the American bank Cathay which granted a credit line (US$3 million) to Avanquest North America Inc., which had not been used as of June 30, 2018.

28.3 Off-balance sheet assets

The shareholders of Micro Application Europe provided Claranova with a guarantee covering the assets and liabilities in the financial statements of the Company and its subsidiaries as of February 11, 2011. This guarantee is still valid for tax claims where the statutory limitation period is more than five years.

The potential earn-out from the sale of Avanquest Software Publishing Ltd, calculated on a gross profit basis, was not recognized and will be recorded as income if the conditions for its acquisition are met. This earn-out is calculated on each anniversary date for three years until April 30, 2019.

As part of the disposal of Mediaclip securities in March 2017, the buyer agrees to pay an earn-out to Claranova if all Mediaclip shares are sold within three years. This earn-out cannot, in any event, exceed CAN$98,536.

As part of the purchase agreement by the Avanquest division of 50.1% of the Canadian group composed of the Upclick, SodaPDF and Adaware activities, Claranova SA has a third party guarantee from ASIA Advisors to replace it in its commitment to sellers for up to €12 million.

Note 29 Events after the reporting period

29.1 Acquisition of activities

During the first quarter of the 2018-2019 fiscal year, the Group purchased external business, on the one hand PlanetArt acquired mobile applications, on the other hand on July 1, 2018, the Avanquest division finalized the acquisition of the Canadian companies hosting the Upclick, SodaPDF and Adaware businesses. Based in Canada, this group of companies in the Internet segment is present in most countries and positioned in the following three activities:

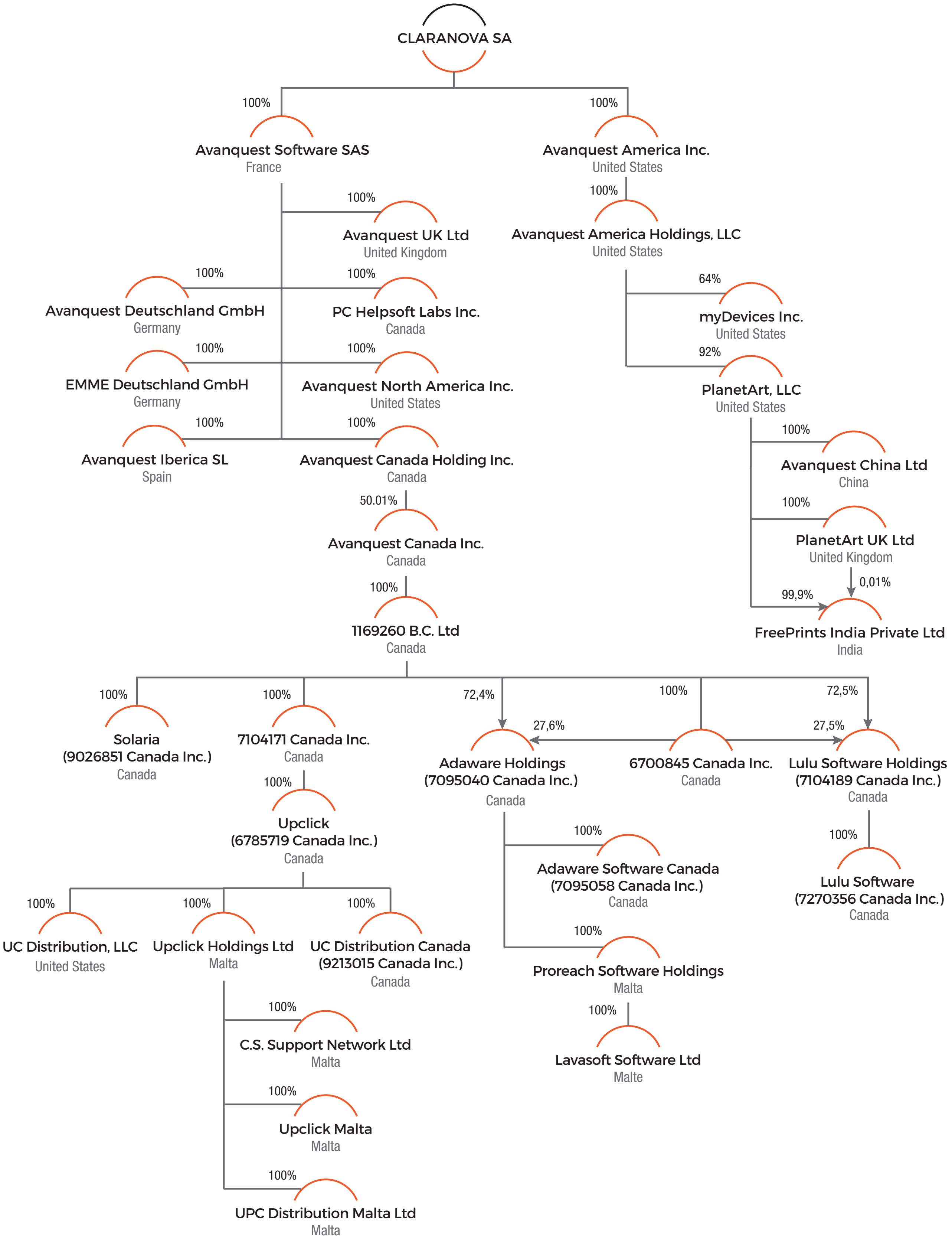
- e-commerce transaction management through Upclick, one of the most modern platforms in the world;
- PDF applications and document management with Lulu Software, one of the world's major players for PDF solutions through its SodaPDF product line;
- Internet security with Adaware anti-virus and security solutions, known worldwide.

The 50.01% takeover of this group of companies by Avanquest Canada Inc., a subsidiary of the Avanquest division, with the possibility of rising to 100%, was carried out on the basis of a €27 million payment. On the one hand, an initial cash payment of €9.9 million was made at the time of the effective completion of the transaction. On the other hand, €17 million (US$20 million) will be paid through bank financing over five to six years self-financed by the operating income of the target companies. This financing will be put in place before March 31, 2019.

An earn-out may be paid if the Avanquest division adding these new activities is sold or listed on a stock exchange for an amount greater than US$135 million. This earn-out will be calculated in increments up to an amount of US$160 million. In addition, the minority shareholders of the Canadian group will have the possibility of converting their residual investment in Avanquest shares on the basis of ratios changing as the performance conditions are reached.

Starting on July 1, 2018, the minority shareholders hold management rights and benefit from two seats on the Avanquest Software SAS Management Committee.

Following the integration of these companies into the Avanquest division, the organizational chart of the Group is as follows at the date of this Registration Document:



29.2 myDevices announces new partnerships, with Alibaba Cloud and Ingram Micro

On September 11, 2018, myDevices announced the availability of turnkey Internet of Things (IoT) solutions, in partnership with the IoT Business Unit of Alibaba Cloud, the cloud computing arm of Alibaba Group. myDevices will market and sell IoT in a Box™ solutions in China through Alibaba Cloud's existing reseller distribution network. These remote monitoring solutions protect important assets for small businesses and large enterprise customers across a wide variety of industries for use in the commercial refrigeration and facility management vertical markets.

On September 12, 2018, Sprint, Ingram Micro, and myDevices announced a collaboration to provide turnkey IoT solutions for a broad range of organizations. Ingram Micro's North American resellers will now be able to offer their healthcare, hospitality, food service, retail, education and government customers remote monitoring solutions for temperature/humidity monitoring and facility management.

29.3 Launch of FreePrints in India

In September, 2018, Claranova announced the Launch of its flagship application, FreePrints, in India. PlanetArt now gains access to the second-largest smartphone market in the world, ahead of the United-States. The PlanetArt business is hosted in India by the subsidiary FreePrints India Private Ltd, created for this purpose in April 2018.

Note 30 Other information

30.1 Group headcount

As of June 30, 2018, Claranova had 294 employees (*versus* 283 as of June 30, 2017).

Headcount by country:

Distribution by country	France	United States	Germany	China	Canada	Other European countries	Total
06/2018	48	185	7	50	4		294
06/2017	57	167	7	47	5		283

30.2 Significant change in the issuer's financial or trading position

Since the approval of the consolidated financial statements as of June 30, 2018, apart from the events from Note 29 to the Consolidated Financial Statements, there have been no significant changes in the financial or trading position.

30.3 Investments and Research and Development

Main investments carried out

The main investments made over the last three fiscal years relate to research and development, marketing expenditure and external acquisitions.

The Claranova group has continued its development efforts over the last few years. In 2017-2018, research and development expenditure amounted to €1.1 million in the French entities (compared to €1.4 million for the 2016-2017 fiscal year), €3.9 million in the US subsidiaries (compared to €3.8 million for the 2016-2017 fiscal year) and €2.4 million in the Chinese subsidiary (compared to €2.3 million for the 2016-2017 fiscal year).

The research and development teams are principally focused on the following projects:

- PlanetArt: the research and development projects have focused mainly on improvements in the FreePrints and FreePrints Photobooks applications, on the development of new FreePrints PhotoTiles application, and on the launching of FreePrints applications in India (search for partners, new localisation for the existing applications, tests, *etc*.);
- myDevices: the research and development teams continued their efforts developing the features of Cayenne, its connectivity with other solutions on the market (as in the case of Cayenne for LoRa™) and developing "IoT in a Box" solutions), whether they be the solutions commercialized by myDevices itself or by its American partner Sprint, and the development of the "Sprint IoT Factory" platform;
- Avanquest: most projects have focused on development of new versions of existing products. The division's main investment is the acquisition of the Canadian group composed of the Upclick, SodaPDF and Adaware businesses, which was finalized on July 1, 2018 (see Note 29 to the Consolidated Financial Statements)

There were no capitalized development costs in the fiscal year.

These investments were financed by the Group's available cash, and by the financing contributed to myDevices and PlanetArt with the entry of various external investors in the period (see paragraph 1.1 of this Registration Document for more details).

Main current investments

The above investments will continue in the 2018-2019 fiscal year. The PlanetArt division continues to develop through the acquisition of new customers, the expansion to new geographical regions, including India in September 2018, and the widening of its FreePrints application offers with, on the one hand the launch of its new application PhotoTiles, and on the other hand the acquisition of existing mobile applications. myDevices continues the development of the "Sprint IoT Factory" marketplace, the expected start of the partnership with its Chinese partner Dr. Peng is scheduled for 2019, and the division continues its search for new partners, as materialized by the announcement in the first quarter 2017-2018 of new partnerships with the retail giants Alibaba Cloud in China and Ingram Micro in the United-States. For the Avanquest division, the main investments correspond to the search for synergies with the Canadian companies acquired on July 1, 2018. The Group will also continue its efforts to ensure its commercial development.

Main planned investments

The main planned investments are in line with the development of the Group's activities over the last few years. The Group will continue making significant investments in marketing and research and development for PlanetArt and myDevices, and seeking synergies and profitability for the Avanquest division. It should be noted that planned investments do not constitute firm commitments and that they are assessed on a daily basis in light of acquisition costs observed in the market and their estimated future profitability based on internal indicators.

The Company is still studying opportunities for external growth.

30.4 Real estate property

Property, plant and equipment

The only property, plant and equipment owned by the Group are various fittings, facilities, office equipment and hardware.

The Company and its subsidiaries rent all their premises. The only significant expenses incurred are rent and service charges.

Environmental issues

Claranova's business operations are by their nature not subject to environmental constraints. Environmental constraints therefore do not affect the use of the Company's property, plant and equipment, which are not significant enough to warrant environmental concerns.

2.6 Auditors' report on the consolidated financial statements

Fiscal year ended June 30, 2018

To the Claranova General Shareholders' Meeting,

Opinion

In compliance with the assignment entrusted to us by your General Shareholders' Meetings, we have audited the Claranova consolidated financial statements for the year ended June 30, 2018 that accompany this report.

We certify that the consolidated financial statements for the period, in accordance with IFRS as adopted in the European Union, give a true and fair view of the transactions during the previous fiscal year and the financial position and assets and liabilities as of the end of the year for the group composed of the persons and entities within the scope of consolidation.

The opinion set out above is consistent with the content of our report to the Audit Committee.

Basis of opinion

Audit reference

We carried out our audit in accordance with the professional standards applicable in France. We believe that the evidence we have obtained provides a sufficient and appropriate basis for our opinion.

Our responsibilities under these standards are set out in the section "Responsibilities of the Auditors for the audit of the consolidated financial statements" of this report.

Independence

We conducted our audit mission in compliance with the independence rules applicable to us, over the period from July 1, 2017 to the issuance date of our report, and more specifically, we have not provided any services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014 or by the Code of Ethics of the auditing profession.

Justification of our assessments – Key Audit Matters

Pursuant to Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters concerning the risks of material misstatement that, according to our professional judgment, were greatest in the audit of the consolidated financial statements for the year, as well as the responses we have given in light of those risks.

The assessments thus made are in the context of the audit of the consolidated financial statements considered as a whole and the formation of our opinion expressed above. We do not express an opinion on individual elements of these consolidated financial statements.

Valuation of Claranova's bonus share plan

Identified risk	Note 1.2 "Grant of bonus shares" outlines Claranova's plan, implemented during the fiscal year, to allocate bonus shares to certain employees and corporate officers of the Company and its subsidiaries. As of June 30, 2018, the employee expenses relating to the valuation of this bonus share plan amounted to €4.1 million for the period, and €3 million in employer contributions, with no cash impact as of June 30, 2018. As stated in note 3.26 "Stock options, bonus shares and subscription warrants," the Black & Scholes option pricing model was used to assess the fair value of the bonus shares granted. It was our opinion that the valuation of this plan in the consolidated financial statements constitutes a key audit matter because of its sensitivity for the assumptions used and its significance.
Our response	Our audit procedures consisted of reviewing the valuation and supporting documents for the key assumptions used by management to determine the fair value of the bonus shares granted. In this context, we: ▪ reviewed the items prepared by management to document the performance criteria; ▪ reviewed the external report, when available; ▪ analyzed the validity of the main assumptions used to calculate the payroll expenses relating to the plan; ▪ verified the calculation formulas used.

Claranova net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANEs)

Identified risk	Notes 1.5 "Issue of net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE)" and 23.1 "Bonds" disclose the admission of 26,363,636 ORNANE to trading on the Euronext Access market of Euronext Paris on June 19, 2018, for a par value of €29 million. As of June 30, 2018, the liabilities resulting from these bonds were €27.8 million in the financial statements, i.e., €29 million in subscription minus €1.3 million for financial costs, and broken down as €26.4 million for the bond component and €1.4 million for the share component (derivative). The split between the bond and derivative components was calculated by an external expert. As stated in note 3.28 "Claranova net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE)," the bond component was recognized as amortized cost. The valuation of this bond component component was achieved through a multi-criteria analysis pertaining the calculation of the credit spread (average "Banque de France" rate and credit analysis specific to Claranova). The derivative was recognized at the "market-to-market" value. This fair value was calculated based on the Cox, Ross and Rubinstein model. The changes in the related fair value is accounted for as a specific item in financial income. It was our opinion that the split accounting of the ORNANE debt in the consolidated financial constitutes a key matter because of their sensitivity for the assumptions used and their significance.
Our response	Our audit procedures consisted of reviewing the valuation and supporting documents for the key assumptions used by management and by the external expert to determine the distribution of the ORNANE between bond component and derivative. In this context, we: ▪ reviewed the report prepared by the outside expert; ▪ analyzed the validity of the main assumptions used to calculate the credit spread; ▪ reviewed the amortization plan for the bond component and particularly the effective interest rate used; ▪ verified the calculation formulas used.

Verification of information presented in the Group's management report

As required by law, and in accordance with the professional standards applicable in France, we have also verified the information on the Group presented in the Management Board's management report.

We have no observations to make on their truthfulness and their consistency with the consolidated financial statements.

Information resulting from other legal and regulatory requirements

Appointment of Auditors

We were appointed as Statutory Auditors of Claranova by the General Shareholders' Meetings of February 12, 1998, for APLITEC and the meeting of November 29, 2012, for ERNST & YOUNG et Autres.

As of June 30, 2018, APLITEC was in the twentieth consecutive year of its mission, and ERNST & YOUNG et Autres in its sixth year.

ERNST & YOUNG Audit previously served as Statutory Auditor beginning in 2006.

Responsibilities of management and persons charged with corporate governance with respect to the consolidated financial statements

It is the responsibility of the management to prepare financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union, and to set up the internal controls it deems necessary for the preparation of consolidated financial statements without material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, it is the responsibility of management to assess the ability of the Company to continue operations, to present in said financial statements, where appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting standard unless it is expected that the Company will be liquidated or cease operations.

The Audit Committee is responsible for overseeing the financial reporting process and for monitoring the effectiveness of internal control and risk management systems and, where appropriate, internal audits as they involve the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been reviewed by the Management Board.

Responsibilities of the Statutory Auditors for the audit of the consolidated financial statements

Audit objective and principles

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free of any material misstatement. Reasonable assurance corresponds to a high level of assurance, but it does not, however, ensure that an audit carried out in accordance with professional standards makes the consistent detection of all material misstatements possible. Anomalies may arise from fraud or error and are considered significant when it can reasonably be expected that they may, individually or cumulatively, influence the economic decisions that people who refer to them make.

As stated in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of the Company's management.

In the context of an audit carried out in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Moreover, the Statutory Auditor:

- identifies and assesses the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, and defines and implements audit procedures to deal with such risks, gathers information it considers sufficient and appropriate to form an opinion. The risk that a material misstatement due to fraud may not be detected is higher than for a material misstatement due to an error, as fraud may involve collusion, falsification, willful omissions, misrepresentation or circumvention of internal control;
- reviews the internal controls relevant to the audit in order to define audit procedures appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal controls;
- assesses the appropriateness of the accounting methods adopted and the reasonableness of the accounting estimates made by management and the information in this regard provided in the consolidated financial statements;
- assesses the appropriateness of management's application of the going concern accounting standard and, based on the information gathered, whether there is significant uncertainty related to events or circumstances that could raise questions about the Company's ability to continue operations. This assessment is based on the information gathered up to the date of its report, but it should be remembered that subsequent circumstances or events could raise questions about the continuity of operations. If it concludes that there is significant uncertainty, it points this out to the readers of its report on the information provided in the consolidated financial statements concerning this uncertainty or, if such information is not provided or is not relevant, it makes a certification with reservations or refuses to certify;
- assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events such that they give a true and fair view;
- concerning the financial information of the persons or entities included in the scope of consolidation, collects items that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and execution of the audit of the consolidated financial statements as well as the opinion expressed on those financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the scope of the audit and the work processes followed, as well as the conclusions arising from our work. We also bring to its attention, where appropriate, the significant weaknesses in the internal controls that we have identified with regard to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to be the most important for the audit of the consolidated financial statements for the year and therefore constitute the key audit matters, which we are obliged to outline in this report.

We also provide the Audit Committee with the declaration confirming our independence required by Article 6 of Regulation (EU) No. 537-2014, as defined by the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics of the auditing profession. If necessary, we discuss the risks to our independence and the safeguards applied with the Audit Committee.

Paris and Paris-La Défense, October 2, 2018

The Auditors

APLITEC	ERNST & YOUNG et Autres
Stéphane Lambert	Franck Sebag

3

CORPORATE GOVERNANCE

In compliance with Article L. 225-68 of the French Commercial Code, this chapter on Corporate Governance includes the report of the Supervisory Board on corporate governance, on the composition of the Management Board and the Supervisory Board, and on the conditions of preparation and organization of their work.

3.1 Administrative, management and supervisory bodies, and executive management

3.1.1 Governance overview

Composition of Governance: Management Board and Supervisory Board

	Name	Nationality	Age	Governance Body				Number of Shares (1)	Directorships	
				MB	SB	AC	ACC		Beginning	Ending
	Pierre Cesarini		56	✓	–	–	–	24,956,885	6/23/2015 (2) 1/1/2016 (2)	1/1/2022
	Sébastien Martin		47	✓	–	–	–	330,500	1/1/2016	1/1/2022
	Caroline Bouraine Le Bigot		57	–	✓	✓	✓	0	4/1/2016	OGM 2021
	Luisa Munaretto		51	–	✓	✓	✓	0	7/22/2015	OGM 2021
	Jean-Loup Rousseau		61	–	✓	–	–	0	6/3/2016	OGM 2021

(1) Number of company shares held directly or indirectly
(2) Chairman and CEO 6/23/2015, Chairman of the Management Board: 1/1/2016

Qualifications
- Leadership
- Management
- Finance
- Investment
- International experience
- Technology
- Marketing
- Risk Management
- Governance of public companies
- M&A

Governance Body
- MB Management Board
- SB Supervisory Board
- AC Audit Committee
- ACC Appointments and Compensation Committee

✓ Independent Member

Currently only Pierre Cesarini and Sébastien Martin hold Executive Management positions.

The Supervisory Board has no member elected by employees, nor does it have a member representing employee shareholders.

Conflicts of interest at Management Board and Supervisory Board level

To the Company's knowledge, there is no potential conflict of interest between the duties, with regard to Claranova, of the individuals indicated in Section 3.1.2 and their private interests.

Disclosures concerning members of the Management Board and the Supervisory Board

During the last five years, no member of the Company's Supervisory Board or of its Management Board has:

- been convicted of fraud, officially charged with an offense or sanctioned by a legal or regulatory authority;
- been involved in any bankruptcy, receivership or liquidation proceedings as an executive or corporate officer, other than the liquidation proceedings referred to in Section 3.1.2 of the report of the Chair of the Supervisory Board;
- been barred from acting as a member of an administrative, management or supervisory body, or from participating in the management of an issuer;
- been officially charged with an offense and/or sanctioned by a statutory or regulatory authority (including designated professional bodies).

Disclosures concerning the nature of family ties between members of the management bodies

None.

Service contracts granting benefits on expiry

To the Company's knowledge, the agreements described in Section 3.6 are the only agreements currently in existence.

3.1.2 Terms of office of members of the Supervisory Board and executives and of the Observer

Management Board

Pierre Cesarini

Chairman of the Management Board

Experience and expertise

Upon joining Claranova in May 2013, Pierre Cesarini's background as a serial entrepreneur and his solid experience in Internet and Digital businesses proved perfectly suited to the Company's entrepreneurial spirit and ambition. He began his career at Apple's Cupertino headquarters in California, where he worked for 10 years and played a key role in the development of the PowerMac. In 1998, he founded TempoSoft, a supplier of Intranet applications for human resources management and planning – a company purchased by Oracle in 2005. In 2007 Pierre Cesarini became CEO of Atego, a world leader in embedded software. He has also been a professor of management at the École des Mines ParisTech.

Other terms of office and positions held in French companies

Chairman:

- LCT Technologies SAS [2]
- Avanquest Software SAS [1]

Manager:

- Elendil SARL
- Fangorn SCI

Terms of office and positions held in foreign companies

Chairman:

- Avanquest America Inc. [1]
- PC Helpsoft Labs, Inc. [1]

Director:

- Avanquest North America Inc. [1]
- myDevices Inc. [1]
- Avanquest UK Ltd [1]
- Avanquest China Ltd [1]
- PlanetArt Ltd [1]
- PlanetArt LLC [1]
- Avanquest Canada Inc. [1]
- Avanquest Canada Holding Inc. [1]
- myDevices Inc. [1]

Other terms of office and positions held in other companies in the last five years but not held at the date of this Registration Document

Manager:

- Anarion

Sébastien Martin

Group Chief Finance Officer

Experience and expertise

With 20 years' experience in fast-growing technology companies, Sébastien Martin has managed more than 30 business ventures, including start-ups, acquisitions and restructuring operations, achieved in very tight time frames.

Other terms of office and positions held in French companies

Chairman:

- InFusio Consulting

Manager:

- SCI Le Roy

Terms of office and positions held in foreign companies

Director:

- Avanquest Canada Inc. [1]
- Avanquest Canada Holding Inc. [1]
- Avanquest America Inc. [1]
- PC Helpsoft Labs, Inc. [1]
- Avanquest UK Ltd [1]

Other terms of office and positions held in other companies in the last five years but not held at the date of this Registration Document

Joint Manager:

- IMV Management Partners

Chairman:

- IF Europe [3]

Supervisory Board

Caroline Bouraine Le Bigot

Chairwoman of the Board, Member of the Appointments and Compensation Committee, and Chairwoman of the Audit Committee

Experience and expertise

Graduate of Sciences Po Paris and an Executive MBA at Stanford, Caroline Bouraine Le Bigot has decades of international experience in high tech. Having recently returned to France, she is currently assisting large French, US and Israeli companies in their development. Her passion for high tech and user interface design, her knowledge of software and hardware environments, and her expertise in international businesses and complex projects have benefited the accelerated development of Claranova.

Other terms of office and positions held in French companies

None.

Terms of office and positions held in foreign companies

None.

Other terms of office and positions held in other companies in the last five years but not held at the date of this Registration Document

None.

Luisa Munaretto

Vice-Chairwoman of the Board, Chairwoman of the Appointments and Compensation Committee, and Member of the Audit Committee

Experience and expertise

With decades of experience in private equity, Luisa Munaretto is a co-founder of IndEU Capital, an investment fund that has specialized in luxury brands with a strong focus on digital branding and innovation. Her experience in private equity also includes numerous investments in France and Italy through her position as Director of Strategy at 21 Partners, an investment company that is part of the Benetton family.

Other terms of office and positions held in French companies

Chairwoman:

- IndEU Capital SAS
- Tech-IA Impactinvest SAS

Terms of office and positions held in foreign companies

Director:

- IndEU India Luxury Holding Pte (Singapore)
- RockNShop.com (India)
- The LabelLife.com (India)
- MyBataz (India)

Other terms of office and positions held in other companies in the last five years but not held at the date of this Registration Document

None.

Jean-Loup Rousseau

Member of the Board

Experience and expertise

In 2002, Jean-Loup Rousseau founded the independent consulting company Proveho Advisory, dedicated to industrial and technology companies. He had previously worked at the KTH consulting firm (Marsh & McLennan group), Amkor Technology and Schlumberger Technologies. He has more than 30 years' experience in the technology industry, assisting a large number of companies in their development.

Other terms of office and positions held in French companies

Chairman:

- Proveho SAS

Director:

- Porcher
- Industries SAS

CEO:

- Ascometal SAS

Terms of office and positions held in foreign companies

None.

Other terms of office and positions held in other companies in the last five years but not held at the date of this Registration Document

None.

Observer

Marc Goldberg

Observer

Experience and expertise

Marc Goldberg is a founding partner of Maslow Capital Partners, and has over 20 years of experience in the media and communications technology sector in Europe and the United States as an advisor or investor. He is a graduate of the University of Paris VI and has attended the IHEDN (French Institute of Advanced Studies in National Defense).

Other terms of office and positions held in French companies

Director:

- Youmiam

Manager

- Maslow Capital Partners

Terms of office and positions held in foreign companies

Director:

- PlanetArt LLC [(1)]

Other terms of office and positions held in other companies in the last five years but not held at the date of this Registration Document

Director:

- Spicee média

Chairman of the Board:

- Wondermento

(1) Group companies.

(2) Companies in the process of being wound up.

(3) Liquidated companies.

3.1.3 Functioning of the governing bodies and internal control

3.1.3.1 Management Board

12 meetings in 2017-2018

100% equity interests

2.5 years average seniority

51 years average age of directors

Pierre Cesarini has served as Chair of the Management Board since January 1, 2016.

The Management Board is vested with the most extensive powers in order to act in the name of the Company under all circumstances, within the limits of the corporate purpose and subject to the limits expressly reserved for the Shareholders' Meetings and the Supervisory Board by law and by these Articles of Association. In its relations with third parties, the Company is committed by the actions of the Management Board even if they are not relevant to the corporate purpose, unless it can prove that the third party in question knew that the action exceeded this purpose or could not be unaware of this fact given the circumstances, with the exclusion that the publication of the Articles of Association alone shall not constitute sufficient proof. The members of the Management Board may, with the authorization of the Supervisory Board, distribute the management tasks among themselves. Nevertheless, under no circumstances may this distribution have the effect of removing from the Management Board its position as the entity that collectively ensures the overall management of the Company.

The Group's medium-term business orientations are defined each year in a strategic plan drafted and presented by the Management Board and adopted by the Supervisory Board. This plan includes projected changes in the Company's key operating and financial indicators. The Chairman of the Management Board is responsible for implementing the strategic plan's orientations. He informs the Supervisory Board of any problems and, in general, of any events that can jeopardize the implementation of any of the strategic plan's orientations.

The Chairman of the Management Board represents the Company in all its dealings with third parties. He has the authority to delegate part of his powers to as many officers as he sees fit.

3.1.3.2 Supervisory Board

7 meetings in 2017-2018

100% equity interests

2/3 women

100% independent directors

2.5 years average seniority

56 years average age of directors

The Supervisory Board satisfies the provisions of Law No. 2011-103 of January 27, 2011, concerning the balanced representation of women and men on corporate governance bodies.

Claranova follows corporate governance principles and notably applies those best suited to its size. It refers to the MiddleNext Corporate Governance Code for small and mid-cap stocks, dated September 2016. The Code can be viewed on the MiddleNext website (www.middlenext.com).

Claranova has chosen to follow several recommendations of the Code, in particular by forming an Audit Committee and an Appointments and Compensation Committee within the Supervisory Board, created at the meeting of January 26, 2016, establishing internal regulations and internal rules for each of the two Committees, and, since its stock market listing, ensuring the permanent presence of independent Board members as defined by recommendation no. 3 of the MiddleNext Code.

The Supervisory Board has also noted the watch-points of the MiddleNext Code and considers that it adheres to all the recommendations specified therein, with the exception of recommendation No. 14, "Executive succession planning". For the time being, this issue has never been on the Board's agenda nor that of any specialized Committee.

Members of the Supervisory Board are appointed, reappointed or dismissed by the Ordinary General Shareholders' Meeting and are always re-eligible. The term of office of a member of the Management Board or Supervisory Board is a period of six years, ending at the close of the Ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year ended and held in the year their term ends.

Members of the Supervisory Board are appointed and replaced in accordance with the legislation in force, with which the Company's Articles of Association and the Board's internal regulations are aligned.

All correspondence for members of the Management Board and the Supervisory Board may be addressed to the head office of the Company at: Immeuble Vision Défense – 89/91, boulevard National – 92250 La Garenne-Colombes, France.

The purpose of Claranova's internal regulations is to define, as part of good governance, the role and duties of the members of the Supervisory Board including the obligation of confidentiality, duties of independence and loyalty, the obligation of diligence, the duty of transparency and disclosure of information concerning the Company, and the obligation to comply with stock market regulations, specifically that of abstaining from participating in the market when in possession of privileged information.

The Supervisory Board ensures the permanent control of the management of the Company by the Management Board. It may perform the verifications and checks it deems necessary at any time of the year, and it may request from the Management Board any documents it deems useful for the performance of its mission.

Supervision is carried out as follows:

- ensuring the absence of any serious fault in the executive function including the choice of strategic options that could compromise the Company's long-term performance;
- participating in successful governance by following the watch-points set out in the MiddleNext Corporate Governance Code;
- reporting to shareholders on their supervisory duty through the Board's report to the General Shareholders' Meeting to approve the annual financial statements and through the report of the Chairman of the Supervisory Board 'corporate governance, and assuming responsibility for them.

Restrictions imposed by the Supervisory Board on the Management Board's powers

Supervision has to do with reviewing the Management Board's decisions, putting appropriate systems and controls in place, and ensuring that policies are properly implemented.

The Supervisory Board is first and foremost tasked with validating the Company's business direction and the strategy put forward by the Management Board, and ensuring that the latter is implemented. The Supervisory Board deals with all matters affecting the proper running of the Company. In particular it:

- appoints and oversees the corporate officers responsible for managing the enterprise;
- discusses major transactions considered by the Company;
- keeps itself informed of all important events concerning the Company;
- ensures that sound information is provided to shareholders and financial markets *via* the financial statements and the annual report prepared by the Management Board and submitted to it for approval;
- conducts the checks and verifications it deems necessary.

This last point involves ensuring that:

- the proper definition of powers within the Company as well as the proper exercise of respective powers of the Company's bodies;
- the proper functioning of the internal control mechanisms;
- the proper functioning of the Committees that it creates.

The Supervisory Board gives an opinion on all decisions relating to the Company's major strategic, economic, social, financial and technological orientations put forward by the Management Board, and makes sure they are implemented.

The following transactions require the prior authorization of the Supervisory Board:

- disposals of buildings according to type;
- disposals of equity interests in whole or in part;
- posting collateral or giving sureties and guarantees.

The Supervisory Board can authorize the Management Board in advance to carry out one or more of the transactions mentioned above, up to whatever amounts it decides and under the conditions and for the duration it sets, or set an annual overall amount, or an amount below which its authorization is not necessary.

Each quarter, the Management Board presents a report to the Supervisory Board outlining the main actions or events concerning the Company's management, including all matters required to provide the Board with a clear view of the development of the Company's corporate activity, as well as a full report on business activity for the quarter. In addition, following the end of each fiscal year, and within the statutory time frame, the Management Board presents three documents to the Supervisory Board: the Company's annual financial statements, its consolidated financial statements, and the Management Board's report to the General Shareholders' Meeting, so that the Supervisory Board can carry out its checks and verifications on these documents.

Before each review of related-party agreements by the General Shareholders' Meeting, the Management Board draws up a statement of ongoing agreements and reviews the interests involved in each one, while specifying those which will be reviewed in the Statutory Auditors' report and those which have not been changed. A presentation is then given to the Supervisory Board as part of the Management Board's report. If the Supervisory Board has any questions concerning these agreements, it may address them to the Management Board. If the Supervisory Board has any observations on the agreements, they will be detailed in its report to the General Shareholders' Meeting.

Prior to the conclusion of each related-party agreement, a draft agreement and a presentation of the Company's corresponding interest are submitted to the Supervisory Board for its authorization as part of internal control.

The Supervisory Board deemed it unnecessary to limit the powers of the Chairman of the Management Board. Nevertheless, the Supervisory Board considers that its role revolves around two fundamental aspects: decision-making and supervision. Decision-making consists of drawing up basic policies and strategic objectives in concert with the Company's Management and approving certain important actions.

In general and independently of Supervisory Board meetings, all members of the Supervisory Board are constantly kept up to date and receive financial and operating reports on the Company from the Management Board. The Supervisory Board sends working documents to its members as part of preparing and organizing its work.

Summary of the work of the Supervisory Board in the fiscal year just ended

The Supervisory Board dealt with various matters such as approving related-party agreements, approving the Supervisory Board's amended internal regulations, reviewing the Management Board's quarterly reports, assessing its work, distributing directors' fees, and Group development.

The Supervisory Board also discussed the proper running of the Company at every meeting.

Since the end of the fiscal year, the Supervisory Board has met twice, on July 6 and September 28, 2018. In particular, it approved the corporate governance report included in this Registration Document as of June 30, 2018.

3.1.3.3 Appointments and Compensation Committee

1 meeting in 2017-2018	100% equity interests	100% women	100% independent directors	2.6 years average seniority	54 years average age of directors

As of the date of this report, the Appointments and Compensation Committee consists of Luisa Munaretto (Chairwoman) and Caroline Bouraine Le Bigot, who will fulfill these duties for the entire duration of their terms of office on the Supervisory Board or until said Board decides otherwise.

Concerning appointments, the Committee is responsible for:

- presenting recommendations to the Supervisory Board on the composition of the Management Board, the Supervisory Board and its Committees;
- discussing the “independent member” status of each member of the Supervisory Board upon their appointment;
- presenting to the Supervisory Board, each year, a list of members who may qualify as “independent members” with regard to the rules and recommendations applicable in France and on the regulated markets where the Company’s shares are admitted to trading and, in particular, with regard to the criteria established by the Corporate Governance Code for small and mid-cap stocks, as published by MiddleNext;
- establishing a succession plan for executive corporate officers to deal with unforeseen vacancies and to assist the Board in its consideration and selection of the Chairman of the Supervisory Board, the members of the Supervisory Board and the members of the Management Board;
- organizing a procedure for the selection of future independent members of the Supervisory Board (particularly, carrying out research on potential candidates before approaching them in any way);
- preparing a list of people who may be considered suitable for membership on the Management Board or the Supervisory Board;
- preparing a list of members of the Supervisory Board who may be considered suitable for membership of one on the Board’s Committees;
- discussing the industrial and financial skills and/or expertise of members of the Supervisory Board nominated for the Audit Committee, and submitting their opinions to the Supervisory Board.

Concerning compensation, the Committee is responsible for:

- examining the main targets proposed by the Management Board in relation to the compensation of non-executive corporate officers of the Company and the Group;
- examining the compensation of non-executive corporate officers;
- formulating recommendations and proposals to the Supervisory Board, concerning:
  - the compensation, pension and insurance protection plan, retirement supplements, benefits in kind and the various pecuniary rights of members of the Management Board,
  - the amount and structure of compensation of Management Board members and, in particular, the rules for setting the variable portion, taking into account the strategy, targets and performance of the Company and of the Group, as well as market practice. It then monitors the application of those rules;
- examining the total amount of directors’ fees and the system for distributing them among members of the Supervisory Board, as well as the conditions for reimbursing expenses incurred by members of the Supervisory Board;
- preparing the corporate governance rules applicable to the Company, and monitoring their implementation;
- proposing the procedures for evaluating the work of the Supervisory Board and of its Committees, and ensuring their implementation;
- preparing and presenting the reports required according to the Supervisory Board’s internal regulations;
- delivering all other recommendations that may be required from it, at any time, by the Supervisory Board or the Management Board, with regard to compensation.

The role and work of the Committee are governed by internal regulations.

The Appointments and Compensation Committee has not held any meetings since June 30, 2018.

3.1.3.4 Audit Committee

2 meetings in 2017-2018

100% equity interests

100% women

100% independent directors

2.6 years average seniority

54 years average age of directors

As of the date of this report, the Audit Committee consists of Caroline Bouraine Le Bigot, Committee Chairwoman, and Luisa Munaretto, who will fulfill these duties for the entire duration of their terms of office on the Supervisory Board or until said Board decides otherwise.

Under the exclusive and collective responsibility of the members of the Supervisory Board, the Audit Committee ensures full monitoring of all matters related to the preparation and control of accounting and financial information. In particular, the Audit Committee is responsible for:

- monitoring the procedures for the preparation of the financial information, and, as necessary, formulating recommendations to guarantee its integrity;
- overseeing the effectiveness of the internal control and risk management systems relating to the preparation and processing of accounting and financial information, without impacting its independence;
- providing for the legal monitoring of the annual financial statements and, as necessary, of the consolidated financial statements by the Statutory Auditors, and taking into consideration the observations of the Superior Council of Statutory Auditors *(Haut Conseil du Commissariat aux Comptes)* pursuant to the controls performed in application of the regulation;
- issuing a recommendation on the Statutory Auditors put forward for appointment by the General Shareholders' Meeting and reviewing their payment terms and conditions. This recommendation sent to the Supervisory Board is prepared in accordance with the regulations; it also issues a recommendation to the Supervisory Board when the renewal of the mandate of the auditor(s) is envisioned in the conditions defined by regulations;
- monitoring the independence of the Statutory Auditors;
- validating the services provided by the Statutory Auditors mentioned in Article L. 822-11-2 of the French Commercial Code;
- in general, providing any advice and making any appropriate recommendation in the above-mentioned areas.

The Audit Committee is a purely consultative body; it reports regularly to the Supervisory Board on its missions and informs it immediately of any issues that may arise with regard to its duties.

At present, the Audit Committee has verified the independence of the Statutory Auditors. It should be noted that over the fiscal year, the Statutory Auditors have not provided to the Company any services that are not directly related to their mandate as Statutory or Group Auditors.

The Audit Committee held its last meeting on September 26, 2018.

3.1.3.5 Observer

At the date of this report, Claranova's Observer is Marc Goldberg, who has held this position since November 30, 2016. His term is set to expire or be renewed by the Ordinary General Shareholders' Meeting called to approve the financial statements at June 30, 2022.

The mission of the Observer is to provide advice to the Supervisory Board, in particular on the business environment and strategy and growth of the activity, corporate governance and risk management. The Observer has access to the same information as the members of the Supervisory Board, and is subject to the same confidentiality obligation. The Observer is invited to the meetings of the Supervisory Board, and takes part in such meetings in an advisory capacity. The absence of the Observer from such meetings, however, is not considered harmful to the value of the deliberations.

3.2 Internal control measures

There is no legal definition of internal control, but many professional bodies and auditing firms have issued their own definitions. As in the previous year, Claranova relied on the internal control reference framework for small and mid-cap stocks defined by the AMF in its recommendation of January 22, 2007 while adapting it to its structure and situation.

The internal control put in place by Claranova is a process aimed at providing reasonable assurance – not certainty – of fulfilling the Company's basic objectives, namely: to apply the instructions and orientations set by the Management Board, carry out and optimize the instructions and orientations, and ensure that the Company's internal processes function properly, in particular those conducive to the safeguarding of its assets, the reliability of financial information, compliance with the laws and regulations in force to which the firm is subject, and managing or preventing the risk of fraud or errors. The internal control measures cannot be viewed as an absolute guarantee of fulfilling the Company's objectives.

In view of its size and structure, Claranova has no dedicated internal control department. Internal control is carried out by the Group's Administration and Finance Department in conjunction with the managers of each subsidiary.

3.2.1 Execution and optimization of operations

Procedures at the Group level

Claranova is organized in a decentralized manner into businesses covering several regions with one or more subsidiaries in each region. This decentralized structure enables it to be responsive and close to its customers, therefore enhancing its effectiveness and their satisfaction.

The Group has put in place a certain number of procedures that apply uniformly to all subsidiaries and businesses.

The Group Finance Department secures all of the legal aspects of the Group, be they contractual, corporate, intellectual property or dispute related. It works mainly at the head office level but also at the local level. Operations deemed without significant impact in financial and/or regional terms are handled locally because the Finance Department does not have sufficient resources to deal with them directly. However, the Finance Department will set up legal "liaisons" with the local subsidiaries as well as partnerships with legal firms.

All internal control measures related to transactions are first implemented by the relevant manager at the level of the division in question. The Group Finance Department then monitors the implementation and proper working of these measures. Every month, division and business unit managers send the Finance Department a report on the monthly performance of their operations which includes financial analyses, significant aspects of the marketing and sales policy, product development and human resources. This monthly reporting is followed by discussions between Management and the division in question.

For an in-depth analysis of the risk factors impacting Claranova, please refer to the "Risk Factors" subsection in Section 4 of this Registration Document.

Prior to the start of each fiscal year, the Group's Management will consult with the business managers concerning the strategy of the Group, of the divisions and of each of the entities as well as the budgets.

Procedures at the local level

Locally, internal control is within the remit of each subsidiary or business manager. They are responsible not only for putting the procedures specified by the parent company in place and ensuring that they are working properly, but also for putting appropriate procedures in place with respect to locally identified risks. Therefore, all managers must follow the procedures specified by the Group as well as define and put in place their own procedures for signing off on bank transactions, validating and signing contracts, validating purchases, authorizing new hires, managing human resources, and so on, in their region and under their responsibility and oversight.

3.2.2 Reliability of financial and accounting information

As with operations, Claranova has a decentralized structure with regard to financial information.

The financial statements of each subsidiary are drawn up under the responsibility of their managers by local accounting and financial teams. Local auditors carry out due diligence on local financial statements if necessary, and in the case of significant subsidiaries, in conjunction with the auditors of the parent company.

The Audit Committee assists the Management Board in following up on matters relating to compiling and auditing accounting and financial information. It also monitors the processes leading up to preparing the financial statements.

As with operations, subsidiary managers draw up a monthly financial report. This report is sent to the Management Board as well as to the Finance Department. The latter analyzes both the financial reports and the accounting positions of the subsidiaries every month. The Group's Finance Department also conducts specific analyses and audits at the request of the Management Board, to which it submits its findings.

The consolidated financial statements are drawn up by the Group Finance Department on the basis of data gathered by its information systems and the financial statements drawn up by the subsidiaries.

The consolidated financial statements and the parent company financial statements of Claranova are approved by the Management Board that will then provide them to the Supervisory Board for review and approval of the draft financial report.

In general, all Group financial information is compiled by the Group Finance Department under the oversight of the Management Board with the Supervisory Board responsible for its approval.

The Group Finance Department also monitors off-balance sheet commitments and assets under the oversight of the Management Board.

3.2.3 Compliance with the laws and regulations in force

Claranova is a public limited company *(société anonyme)* with a two-tier Board system, and is listed on the Eurolist of the Euronext Paris stock exchange. As a result, it is subject to the requirements inherent to listed firms which it does its best to comply with.

Management of problems of compliance with applicable laws and regulations falls within the competence of the Group's Administration and Finance Department. This department works closely with subsidiary and business managers and coordinates corporate actions outside France with the help of the Company's external consultants.

The Group's main businesses, digital printing (PlanetArt), traffic monetization (Avanquest) and Internet of Things (myDevices), are, for the most part, governed by intellectual property rights as well as industrial property rights.

3.2.4 Risk management and prevention

Apart from market risks (foreign currency risk, interest rate risk, equity risk and liquidity risk) presented in the annual financial report and inherent to any international listed company, Claranova and its subsidiaries' main risk factors are risks related to the protection and defense of intellectual property and risks related to defective software and potential resulting damages.

Risk prevention is the duty and personal responsibility of every Claranova employee. Nevertheless, the subsidiary and business managers are first and foremost responsible for managing and preventing risk within their units.

Because risks to the firm's finances are the most prominent, they are mitigated by procedures for signing off on banking transactions, verifying and validating financial information, and securing electronic data.

Moreover, Claranova has put appropriate insurance policies in place that are regularly reviewed by the Group's Finance Department and the Management Board.

Claranova's development has endowed it with a very flexible structure. The procedures described above are therefore designed to constantly adapt to changes in the Group's structure. The aim of the Management Board and Supervisory Board is for the level and structure of internal control within the firm to be adequate, while enabling it to retain the flexibility and responsiveness that are key to Claranova's success in a fast-changing economic and technological environment.

3.3 Compensation and benefits

The compensation of corporate officers is set at the suggestion of the Appointments and Compensation Committee according to the Group's results, with each officer receiving variable compensation. The variable portion of the pay of corporate officers who are part of the Group's Management is based on reaching consolidated operating result targets and specific operating objectives. The variable portion of the compensation of corporate officers of the subsidiaries or businesses is based in part on operating result objectives of the subsidiaries and businesses , in part on specific operating objectives, and in part on consolidated operating result objectives. In cases where targets have not been set, the variable portion is set at a fixed amount by the Chairman of the Supervisory Board.

The Ordinary and Extraordinary Annual General Shareholders' Meeting of November 30, 2016 set a total annual amount of €117,000 of directors' fees to be paid to the members of the Supervisory Board. This amount was not questioned by the Ordinary and Extraordinary Annual General Shareholders' Meeting of November 30, 2017 for the 2017-2018 fiscal year.

All members of the Supervisory Board are entitled to the reimbursement of their travel expenses incurred in fulfillment of their duties, subject to proof of said expenses, and within reasonable limits.

Members of the Supervisory Board receive no other form of compensation from Claranova other than directors' fees.

Note: Compensation paid in a currency other than the euro, if applicable, is converted at the average exchange rate for the fiscal year.

3.3.1 Compensation and benefits in kind for managers

The equivalents of the table recommended in the AMF position-recommendation no. 2014-14 concerning the guide for the preparation of Registration Documents" *(Position-recommandation AMF no. 2014-14 relatif au guide d'élaboration des documents de référence)* are presented either below, or in Note 21 to the Consolidated Financial Statements in Chapter 2 of this Registration Document, as they are applicable at the date of this Registration Document.

Information on the total gross compensation and benefits of all types paid or due to each corporate officer for the 2016-2017 and 2017-2018 fiscal years, by Claranova itself and by companies controlled by it within the meaning of Article L. 233-16 of the French Commercial Code is presented below.

SUMMARY TABLE OF THE COMPENSATION AND STOCK OPTIONS ALLOCATED TO EACH OF THE EXECUTIVE CORPORATE OFFICERS

	2017-2018		2016-2017	
(in €)	Amount due	Amount paid	Amount due	Amount paid
Pierre Cesarini				
Fixed compensation	255,366	253,496	222,222	222,222
Variable compensation and other bonuses(1)	360,000	130,000	271,870	71,870
Fees(2)	302,000	302,000	37,375	290,375
Exceptional compensation				
Directors' fees				
Benefits in kind				
TOTAL COMPENSATION	**917,366**	**685,496**	**531,467**	**584,467**
Sébastien Martin				
Fixed compensation	226,175	211,175	200,000	200,000
Variable compensation and other bonuses(1)	285,500	155,500	118,180	118,180
Fees				
Exceptional compensation				
Directors' fees				
Benefits in kind	3,434	3,434	3,291	3,291
TOTAL COMPENSATION	**515,109**	**370,109**	**321,471**	**321,471**

(1) Including compensation related to activities outside of France and car allowance.

(2) 2016-2017 fiscal year: fees include the services invoiced by Elendil, of which Pierre Cesarini is Chairman, to the subsidiary Avanquest North America in the amount of €37,375. Exceptional compensation owing for the 2015-2016 fiscal year was paid in the 2016-2017 fiscal year.
2017-2018 fiscal year: fees include the services invoiced by Elendil to Claranova in the amount of €302,000.

The variable portions are paid upon the attainment of the Company's revenue, operating result indicator, cash flow indicator and capital intensive growth targets, which are confidential but agreed by the Appointments and Compensation Committee.

Pierre Cesarini and Sébastien Martin both receive annual variable compensation in accordance with statutory requirements and with the applicable rules of good governance, according to the attainment of operating results and income targets.

The maximum annual variable compensation for Pierre Cesarini is €200,000 and that of Sébastien Martin is €230,000.

The variable compensation for senior managers, paid in the half-year following the close of the fiscal year to which it applies, is defined as follows:

- 1/4 based on a revenue criterion (achieving the budgeted revenue for the fiscal year);
- 1/4 based on an EBITDA criterion;
- 1/4 based on cash levels;
- 1/4 based on the Group's investor relations management and capital-intensive growth.

Pierre Cesarini and Sébastien Martin have employment contracts with a provision for severance pay. This severance pay amounts to 12 months gross, fixed and variable pay, and is subject to performance criteria. Pierre Cesarini and Sébastien Martin are also bound by a non-compete clause for a period of one year from conclusion of their terms of office.

DETAILS OF THE CONDITIONS GOVERNING COMPENSATION AND OTHER BENEFITS GRANTED TO EXECUTIVE CORPORATE OFFICERS

	Employment contract		Supplementary pension plan		Indemnities or benefits due, or likely to fall due, as a result of termination or change of duties		Indemnities related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre Cesarini	X			X	X		X	
Sébastien Martin	X			X	X		X	

DETAILS ON THE OPTIONS/SHARES ALLOCATED TO THE EXECUTIVE CORPORATE OFFICERS

Share subscription or purchase options allocated to each executive corporate officer in the fiscal year

Name	Date of plan	Type of option	Value of options	Number of options allocated in the fiscal year	Selling price	Exercise period
Pierre Cesarini	11/13/2017	Purchase	€0.36	375,222	€0.61	10 years
Sébastien Martin	11/13/2017	Purchase	€0.36	375,222	€0.61	10 years

Share subscription or purchase options exercised by each executive corporate officer in the fiscal year

Name	Date of plan	Type of option	Number of options exercised in the fiscal year	Selling price
Pierre Cesarini	11/25/2016	Subscription	16,839,433	€0.112
Sébastien Martin	11/25/2016	Subscription	0	0

Bonus shares allocated to each executive corporate officer in the fiscal year

Name	Date of plan	Number of shares allocated in the fiscal year	Value of options	Date of vesting	Date of availability	Performance conditions
Pierre Cesarini	11/13/2017	14,548,000	€0.36	11/13/2018	11/13/2019	Validated
Sébastien Martin	11/13/2017	3,637,000	€0.36	11/13/2018	11/13/2019	Validated

Summary table of the compensation and stock options allocated to the non-executive corporate officers

The General Shareholders' Meeting of November 30, 2017 set a total annual amount of €117,000 of directors' fees to be paid to the members of the Supervisory Board, an amount that applies in subsequent fiscal years unless other decisions are made by later General Shareholders' Meetings. This amount is still applicable.

At the Supervisory Board meeting of February 22, 2017, the members decided on the following terms and conditions:

- €32,000 per year and per member of the Supervisory Board, irrespective of the number of Board meetings and the actual attendance of members at said meetings, subject to attendance of at a minimum of 80% of meetings;
- participation in specific Committees is paid at €1,000 per quarter and per Committee, given that one member taking part in two Committees can claim this amount separately for each Committee.

This breakdown was confirmed for the 2017-2018 fiscal year by the Supervisory Board of July 6, 2018.

GROSS COMPENSATION RECEIVED

	2017-2018		2016-2017	
(in €)	Directors' fees	Other compensation	Directors' fees	Other compensation
Caroline Bouraine Le Bigot	40,000	0	36,000	0
Luisa Munaretto	40,000	0	36,000	0
Jean-Loup Rousseau	32,000	0	28,000	0
TOTAL	**112,000**	**0**	**100,000**	**0**

The directors' fees awarded for attending Board meetings are paid in the quarter following the one for which they apply.

3.3.2 Amounts set aside as provisions or otherwise recognized by the issuer or its subsidiaries for the payment of pensions, retirement annuities or other benefits

No amounts have been set aside or otherwise recognized by the Company for the payment of pensions, retirement annuities or benefits in favor of corporate officers of the Company, except for retirement benefits that are provisioned for all employees.

The Company has not granted any joining or leaving bonus in favor of these persons.

3.3.3 Bonus shares, subscription warrants and stock options allocated

MONITORING OF SHARE SUBSCRIPTION OR PURCHASE PLANS AS OF JUNE 30, 2018

	Stock options November 2016	Share subscription warrants (BSA) March 2018
Date of Management Board meeting	11/25/2016 & 5/3/2017*	11/13/2017
Total number of shares that could be subscribed or purchased	18,765,927	3,752,224
of which could be subscribed by:		
Pierre Cesarini	16,839,433	375,222
Sébastien Martin	10,000	375,222
Caroline Bouraine Le Bigot	0	750,445
Luisa Munaretto	0	750,445
Jean-Loup Rousseau	0	750,445
Marc Goldberg	0	750,445
10 main non-executive corporate officer employees	1,476,494	0
Start date for exercise of options	2/25/2017	11/13/2017
Date of expiration	11/25/2026	11/12/2027
Subscription or purchase price	€0.112	€0.36
Number of shares subscribed at June 30, 2018	18,295,233	0
Number of options canceled or lapsed	30,000	0
Options remaining at June 30, 2018	440,694	3,752,224

* *At the meeting of the Management Board on May 3, 2017, it was decided to amend the conditions relating to the objectives to be avhieved as well as the vesting time. Accordingly, the vesting conditions were avhieved on February 25, 2017.*

MONITORING OF FREE SHARE PLANS AS OF JUNE 30, 2018

	Free Shares November 2017
Date of Management Board meeting	11/13/2017
Total number of shares allocated	18,760,000.00
that could be subscribed by:	
Pierre Cesarini	14,548,000
Sébastien Martin	3,637,000
Caroline Bouraine Le Bigot	0
Luisa Munaretto	0
Jean-Loup Rousseau	0
Marc Goldberg	0
10 main non-executive corporate officer employees	575,000
Date of vesting of shares	November 13, 2018
Date of the end of the retention period	November 13, 2019
Number of shares subscribed at June 30, 2018	0
Number of shares canceled or lapsed	0
Bonus shares remaining at June 30, 2018	18,760,000

3.3.4 Principles and criteria for compensation of members of the Management Board for fiscal year 2018-2019

The compensation policy for members of the Management Board is set by the Supervisory Board and is subject to an annual review of recommendations from the Appointments and Compensation Committee. This policy is based on the following principles:

Compliance

The compensation policy was established based on the recommendations of the Afep-Medef code (revised in 2016).

Comprehensiveness

All compensation and benefits are reviewed both globally and by element, in order to maintain proper balance between fixed and variable elements, and this is done for each Management Board member.

Transparency

The compensation policy is both a management tool used to attract and retain talent in the Company, and to meet the expectations of shareholders and other stakeholders in terms of transparency and correlation with the overall performance of the Group.

Structure of compensation of members of the Management Board

Compensation of the members of the Management Board is made up of annual fixed compensation, annual variable compensation, both in cash, and potentially multi-annual variable compensation in the form of share-based payments (such as stock options) if it is voted by the General Shareholders' Meeting.

Fixed compensation

Fixed compensation of the members of the Management Board is determined based on the level of complexity of their responsibilities and on their experience.

Fixed compensation of executive corporate officers remains unchanged for the present terms of office.

Pursuant to the provisions of Article L. 225-82-2 of the French Commercial Code, this element is the subject of a resolution requiring approval of these fixed compensation levels for the corporate officers (ex ante "say on pay"). The vote will be submitted for approval to the General Shareholders' Meeting of November 29, 2018.

Variable compensation

Variable compensation seeks to motivate members of the Management Board and encourage them to reach the annual objectives set for them by the Supervisory Board. Specifically, the variable portion of compensation paid is defined as follows:

- ¼ based on a revenue criterion (achieving the budgeted revenue for the fiscal year);
- ¼ based on an EBITDA criterion;
- ¼ based on the level of cash assets;
- ¼ based on the Group's investor relations management and capital-intensive growth.

Exceptional compensation

The members of the Management Board do not receive exceptional compensation. If the Supervisory Board opted for the principle by which the executive corporate officers could benefit from such compensation, it would be under specific circumstances which would have to be disclosed, and proper justification would have to be provided. The payment of such compensation could only be carried out with the approval of the shareholders, as per the provisions of Article L. 225-82-2 of the French Commercial Code.

Directors' fees

The members of the Management Board do not receive directors' fees for the exercise of their functions in the Group companies.

Procedures related to termination of functions

The executive corporate officers have signed contracts with the company that include a severance pay component. They are also bound by a non-competition clause for a period of one year from the conclusion of their terms of office.

Supplementary pension plan

The executive corporate officers do not benefit from a supplementary pension plan beyond the basic, obligatory supplementary pension plans provided for their functions.

Benefits in kind

The members of the Management Board may receive the usual benefits in kind related to their functions in the Company (company vehicle, etc.).

3.3.5 Principles and criteria for compensation of the members of the Supervisory Board for fiscal year 2018-2019

The compensation of the members of the Supervisory Board only consists of directors' fees. Directors' fees are distributed between the different members of the Supervisory Board depending on their actual presence at its meetings, as well as at the meetings of the committees of which they are members. The overall amount of directors' fees allocated to members of the Supervisory Board was set by the General Shareholders' Meeting of November 30, 2017, and this amount will continue to apply to subsequent fiscal years, unless otherwise decided in a future General Shareholders' Meeting.

3.3.6 Other employee share ownership and shareholding

Profit sharing and incentive agreements

Claranova employees benefit from statutory provisions with regard to incentive agreements. No provisions nor payments were made in respect of incentive or profit sharing plans in the 2017-2018 fiscal year.

Employee profit-sharing agreements

Other than the stock option plans and the bonus share plans, there are no employee share ownership plans currently in operation.

3.4 Additional information concerning corporate governance

3.4.1 Related-party agreements and operations

Related-party agreements

This special report of the Statutory Auditors of Claranova SA on the related-party agreements and commitments mentioned in Articles L. 225-38 *et seq*. of the French Commercial Code for the fiscal year ended at June 30, 2018 is shown in Section 3.6 of this Registration Document.

In addition, to the knowledge of Claranova, no agreement exists, other than those bearing on current operations signed under normal conditions, executed directly or by intermediary, between, on the one hand a Director or a shareholder having a fraction of voting rights greater than 10% of Claranova SA and, on the other hand, a company of which Claranova SA holds, directly or indirectly more than half of the capital.

Related-party transactions

There are no transactions between related parties as specified by the standards adopted in compliance with the European (EC) regulation 1606/2002 entered into by the companies of the Group during the fiscal years ended on June 30, 2017 and June 30, 2018 other than those identified in this chapter of the Registration Document in Sections 3.3 and 3.6.

3.4.2 Means of attendance of shareholders at General Shareholders' Meetings

The means by which shareholders can attend General Shareholders' Meetings are described in Article 23 (General Shareholders' Meetings) of the Articles of Association available at Claranova's head office.

Article 23 – General Shareholders' Meetings

General Shareholders' Meetings are convened and deliberate under the conditions provided by law. The Management Board or the Supervisory Board may decide that they will be held by videoconferencing or telecommunications means permitting the identification of the shareholders.

The collective decisions of shareholders are taken at Ordinary, Extraordinary or Special General Shareholders' Meetings, depending on the nature of the decisions they are asked to make.

The Ordinary and Extraordinary General Shareholders' Meetings, meeting under the quorum and majority conditions established by their respective governing provisions, exercise the powers granted to them by law.

The General Shareholders' Meeting is called to meet by the Management Board or the Supervisory Board under the conditions specified by law.

The forms and delivery time frames for the meeting invitation, which may be delivered by any electronic telecommunication means, are governed by law. The meeting invitation must specify the place of the meeting, which can be the registered office or any other place, and the meeting agenda.

Any shareholder may participate in the meetings, whether in person or by proxy, no matter how many shares are owned, upon providing documentation proving their identity and share ownership either in the form of registered shares in their name or via a certificate from a financial intermediary authorized as a bookrunner stating the unavailability of the registered shares until the date of the meeting.

These formalities must be completed by, at the latest, the second business day preceding the meeting at 12 a.m. (Paris time).

Shareholders may be represented by another shareholder, by his/her spouse or by the partner with whom they have signed a Civil Solidarity Pact (civil union). Shareholders may also be represented by any other natural or legal person of their choice. For this, the proxy holder must provide justification of their proxy.

Shareholders may vote by correspondence using a form prepared and provided to the Company under the conditions set by law and regulations; this form must be received by the Company (3) days prior to the date of the General Shareholders' Meeting in order to be taken into account.

Shareholders who participate in a meeting by videoconferencing or telecommunications means that allow them to be legally identified are considered present for the calculation of the quorum and the majority.

Shareholders have the right to be provided with the documents necessary to allow them to take part in meetings in full knowledge of the management and the operation of the Company.

The nature of these documents and the conditions of their provision or availability are determined by law and regulation.

An attendance sheet, duly initialed by the shareholders and proxies present, to which is attached the powers given to any proxy, and as necessary, the absentee ballot form, is certified as accurate by the bureau of the meeting.

The meetings are chaired by the Chairman of the Supervisory Board or, when absent, by the Vice-Chairman of the Board. When there is none, the meeting shall appoint its Chairman/Chairwoman.

Scrutineer functions are performed by the two shareholders at the meeting who have the largest number of votes and who agree to perform these functions.

The bureau, thus composed, will appoint a secretary who may be chosen from outside the ranks of the shareholders.

The meeting minutes will be prepared, and copies or excerpts delivered and certified in accordance with the law.

3

3.4.3 Authorizations and delegations of authority to the Management Board as of the date of the report

Meeting	Resolution	Subject	Type of security	Issue price	Ceiling	Period	Used (U) Available (A)
Extraordinary Shareholders' Meeting of June 7, 2017	5th	Delegation of authority to the Management Board to decide on the issue of shares and/or securities giving immediate or future access to the capital or entitling the holder to a debt instrument, with cancellation of preferential subscription rights	Ordinary shares and/or securities whose form will be determined by the Management Board (excluding new preferred shares)	The price will be set by the Management Board on the day the options are granted	■ Nominal amount of the capital increases: €8 million ■ Nominal amount of bonds and other debt instruments: €29 million	26 months, or up to August 6, 2019	U: 0% A: 100%
	6th	Delegation of authority to the Management Board to decide on the issue of shares and/or securities giving immediate or future access to the capital or entitling the holder to a debt instrument, by private placement and within a limit of 20% of the share capital per year with cancellation of preferential subscription rights	Ordinary shares and/or securities whose form will be determined by the Management Board (excluding new preferred shares)	The price will be set by the Management Board on the day the options are granted	■ €8 million or its equivalent value in foreign currency on the day of the issue, limited to 20% of the capital per year ■ Nominal amount of bonds and other debt instruments: €29 million	26 months, or up to August 6, 2019	U: 100% A: 0%
	8th	Delegation of authority to the Management Board to decide on the issue of shares and/or securities giving immediate or future access to the capital or entitling the holder to a debt instrument, with cancellation of shareholders' preferential subscription rights for the benefit of certain categories of beneficiaries	Ordinary shares and/or securities whose form will be determined by the Management Board (excluding new preferred shares)	The price will be set by the Management Board on the day the options are granted	■ Nominal amount of capital increase: €8 million ■ Nominal amount of bonds and other debt instruments: €29 million	18 months, or up to December 6, 2018	U: 0% A: 100%
	9th	Authorization to the Management Board to increase the number of securities issued in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, in the event that the delegations of authority set out in the 5th, 6th and 8th resolutions are implemented, with cancellation of preferential subscription rights			The nominal amount will be calculated based on the global ceiling set out in the 13th resolution of the Extraordinary Shareholders' Meeting of June 7, 2017	26 months, or up to August 6, 2019	U: 0% A: 100%

Meeting	Reso-lution	Subject	Type of security	Issue price	Ceiling	Period	Used (U) Available (A)
	10th	Delegation of authority to the Management Board to decide on the issue, on one or several occasions, of a maximum of 3,752,225 subscription warrants known as "BSA"	Subscription warrants	The price will be set by the Management Board on the day the options are granted	3,752,225 subscription warrants known as "BSA" giving subscription rights to 3,752,225 new ordinary shares of the Company	18 months, or up to December 6, 2018	U: 100% A: 0%
	12th	Authorization to the Management Board to allocate bonus shares	Bonus shares	n.a.	18,760,000 shares each with a par value of €0.10	26 months, or up to August 6, 2019	U: 100% A: 0%
Combined Shareholders' Meeting of 11/30/2017	11th	Authorization granted to the Management Board to allow the Company purchase its own shares	Ordinary shares	n.a.	The number of treasury shares cannot exceed 10% of the shares composing the capital of the Company	18 months, or up to May 29, 2019	U: 8% A: 92%
Combined Shareholders' Meeting of 12/20/2017	12th	Delegation of authority to the Management Board to decide on the issue of shares and/or securities giving immediate or future access to the capital or entitling the holder to a debt instrument, or by the incorporation of profits, reserves or premiums in the capital, maintaining preferential subscription rights	Ordinary shares and/or securities whose form will be determined by the Management Board (excluding new preferred shares)	The price will be set by the Management Board on the day the options are granted	€8 million or its equivalent value in foreign currency on the day of the issue ■ Nominal amount of bonds and other debt instruments: €29 million	26 months, or up to January 29, 2020	U: 0% A: 100%
	13th	Authorization to the Management Board to increase the number of securities issued in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, in the event that the delegations of authority set out in the 12th resolution are implemented, maintaining preferential subscription rights	Ordinary shares and/or securities whose form will be determined by the Management Board (excluding new preferred shares)	The price will be identical to the issue price	15% of the initial issue	26 months, or up to January 29, 2020	U: 0% A: 100%
	14th	Delegation of authority to the Management Board to carry out a capital increase in cash reserved for employees who are enrolled in a company savings plan pursuant to Articles L. 225-219-6 of the French Commercial Code and L. 3332-18 *et seq.* of the French Labor Code, with elimination of the preferential subscription right reserved for employees of the Company	Ordinary shares	The price will be set by the Management Board on the day the options are granted	€100,000	26 months, or up to January 29, 2020	U: 0% A: 100%
	15th	Delegation of authority to the Management Board to issue ordinary shares and/or securities so as to compensate contributions in kind granted to the Company outside of an exchange offer	Ordinary shares and/or securities whose form will be determined by the Management Board (excluding new preferred shares)	The price will be set by the Management Board when it uses the delegation	Capital increase nominal amount: ■ 10% of the Company's share capital on the date the Management Board decides to use the delegation;	26 months, or up to January 29, 2020	U: 0% A: 100%
	17th	Authorization to the Management Board to reduce the Company's share capital by canceling shares	Ordinary shares	N/A	10% of the Company's share capital on the date the Management Board decides to use the authorization	18 months, or up to May 29, 2019	U: 0% A: 100%

3.5 Related-party transactions

Special report of the Statutory Auditors on related-party agreements and commitments

General Shareholders' Meeting called to approve the financial statements for the fiscal year ended June 30, 2018

To the Claranova General Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on related-party agreements and commitments.

It is our responsibility to present to you, on the basis of the information provided to us, the features, main conditions and justifiable benefits to the Company of the agreements and commitments that we were advised of or might have discovered in the course of our work, without having to express an opinion on their usefulness or soundness, or to ascertain the existence of other agreements and commitments. It is your responsibility under Article R. 225-58 of the French Commercial Code to ascertain the benefits of entering into these agreements and commitments when submitted for your approval.

Moreover, it is our responsibility where applicable to present to you the disclosures required by Article R. 225-58 of the French Commercial Code, relating to the execution during the fiscal year ended of the agreements and commitments already approved by the General Shareholders' Meeting.

We have carried out the verifications we deemed necessary with regard to the professional standards and doctrine of the Compagnie nationale des commissaires aux comptes (French National Auditors' Association) relating to this assignment. These verifications consisted in checking that the information given to us was consistent with the basic documents from which they are derived.

3

Agreements and commitments submitted for the approval of the General Shareholders' Meeting

Agreements and commitments authorized and entered into in the fiscal year ended

In accordance with Article L. 225-88 of the French Commercial Code, we were informed of the following agreements and commitments entered into during the fiscal year ended that were subject to the prior authorization of the Supervisory Board.

AGREEMENT ENTERED INTO WITH ELENDIL

Interested party	Pierre Cesarini, Chairman of the Management Board of the Company and Manager of Elendil.
Authorization	Supervisory Board meeting of October 2, 2017.
Nature and subject	Consulting and support services in connection with the Apollo Project.
Justifiable benefit for the Company	The Company's reasons for entering into this agreement are the particular consulting needs regarding financial structuring and financial packages, and the search for industrial and financial partners who will enable the Apollo Project to be executed.
Conditions	The Supervisory Board authorized the Company to delegate to Elendil, which accepted it, the assignment of supporting the Apollo Project in the following areas: ▪ consulting in financial structuring and financial packages; ▪ consulting in the search for industrial and financial partners who will enable the execution of Apollo. This agreement stipulates the lump-sum compensation of €300,000 excluding taxes, plus the costs related to the assignment for a lump-sum amount of €2,000 excluding taxes, payable upon the completion of the Apollo Project, which will be formalized by the signature of a commercial and industrial partnership agreement with a Tier 1 operator in the United States.
Amount	This agreement led to an expense of €302,000, excluding taxes, in the financial statements closed on June 30, 2018.

Agreements and commitments authorized and entered into since the end of the fiscal year

We were informed of the following agreements and commitments authorized and entered into since the end of the past fiscal year and subject to the prior authorization of the Supervisory Board.

EMPLOYMENT CONTRACT

Interested party	Sébastien Martin, member of the Management Board.
Authorization	Supervisory Board meeting of July 6, 2018.
Nature and subject	Sébastien Martins employment contract for his duties as Chief Finance Officer of the Company and covering the aspects of: ▪ his compensation; ▪ his severance pay; ▪ his non-competition indemnity. This agreement entered into force retroactively on January 1, 2018, for an indefinite period.
Justifiable benefit for the Company	The Company's reasons for entering into this contract are the Company's particular requirements and the skills that Sébastien Martin brings to the position he holds. It was in the Company's interest to enter into this contract due to Sébastien Martin's thorough knowledge of the Company and its areas of business.
Conditions	The Company amended Sébastien Martin's employment contract on the basis of his duties as Chief Finance Officer of the Company. As Sébastien Martin's initial employment contract dated to before his start date as a member of the Management Board, this contract was not subject to the Supervisory Board's prior authorization.
Compensation fixe	Sébastien Martin receives fixed gross annual compensation of €230,000 as from January 1, 2018.
Activities abroad	The compensation tied to activities performed outside France is variable and may be up to €4,500 gross per day spent outside France depending on the region.
Compensation Variable	The gross annual bonus is calculated on the basis of achievement of operating and income targets, which will be determined every year, taking into account the Company's overall targets and changes in the economic environment in the sector, with a maximum amount corresponding to his fixed annual compensation.
Severance pay	Severance pay amounts to 12 months' gross compensation in the event of termination of his employment contract by the Company. Severance pay is not payable in the event of serious or gross misconduct on the part of Sébastien Martin, or if he resigns or breaches his employment contract or changes jobs within the Group.
Non-competition indemnity	Throughout his collaboration with the Company, as well as for a 12-month period after the termination of his employment contract, Sébastien Martin is prohibited from accepting any job or activity, in any form whatsoever, likely to compete with the Company's businesses, on whatever basis this may be. The activities thus prohibited may not be performed in North America, the United Kingdom, France or Germany. In exchange for complying with the non-compete clause, once his employment contract ends, Sébastien Martin will receive a monthly allowance during the period to which the non-compete clause applies, amounting to 100% of the gross, fixed and variable compensation that he would have received in the 12 months prior to the termination of his employment contract, not including paid leave.
Insurance policy	Unemployment insurance for entrepreneurs and company owners (GSC) will be taken out for him for the involuntary loss of his job. Should it be impossible to activate this policy, the Company will make up for the compensation due.
Amounts	Between January 1 and June 30, 2018, the application of this agreement caused the Company to record an expense of €546,151 including employer contributions.

Agreements and commitments already approved by the General Shareholders' Meeting

Agreements and commitments approved during previous fiscal years

Agreements and commitments approved in previous fiscal years ongoing during the fiscal year ended

In accordance with Article R. 225-57 of the French Commercial Code, we were informed that the following agreements and commitments already approved by the General Shareholders' Meeting in previous fiscal years were ongoing during the fiscal year ended.

EMPLOYMENT CONTRACT

Interested party	Pierre Cesarini, Chairman of the Management Board.
Nature and subject	Employment contract of Pierre Cesarini on the basis of his duties as Operations Director of the Company and covering the aspects of: ■ his compensation; ■ his severance pay; ■ his non-competition indemnity.
Justifiable benefit for the Company	The Company's reasons for entering into this contract are the Company's particular requirements and the skills that Pierre Cesarini brings to the position he holds. It was in the Company's interest to enter into this agreement by virtue of Pierre Cesarini's thorough knowledge of the Company and its areas of business, and under financial terms that were beneficial for the Company, thus avoiding hiring and/or training expenses.
Conditions	The Supervisory Board meeting of November 29, 2016, authorized this related-party agreement with Pierre Cesarini formalizing the terms of his employment contract on the basis of his duties as Operations Director of the Company.
Compensation fixed	Pierre Cesarini receives fixed gross annual compensation of €250,000.
Other compensation	Compensation related to activities performed outside France amounts to €2,500 gross per day spent outside France, within the limit of 40% of the amount of the fixed compensation.
Compensation Variable	The gross annual bonus is calculated on the basis of achievement of operational and income targets, which will be determined each year by the Chairman of the Supervisory Board, taking into account the overall objectives of the Company and changes in the economic environment in the sector, with a maximum amount of €200,000.
Severance pay	Severance pay amounts to 12 months' gross compensation in the event of termination of his employment contract by the Company. Severance pay is not payable in the event of serious or gross misconduct on the part of Pierre Cesarini, or if he resigns or breaches his employment contract or changes jobs within the Group. Severance pay is subject to one performance condition, deemed to have been met if the Group's growth rate in the two fiscal years prior to the year in which notice of termination of the employment contract was given was 10% or more per fiscal year at constant scope.
Non-competition indemnity	Throughout his collaboration with the Company, as well as for a 12-month period after the termination of his employment contract, Pierre Cesarini is prohibited from accepting any job or activity, in any form whatsoever, likely to compete with the Company's businesses, on whatever basis this may be. In exchange for complying with the non-compete clause, once his employment contract ends, Pierre Cesarini will receive a monthly allowance during the period to which the non-compete clause applies, amounting to 100% of the gross, fixed and variable compensation that he would have received in the 12 months prior to the termination of his employment contract, not including paid leave.
Insurance policy	Unemployment insurance for entrepreneurs and company owners (GSC) will be taken out for him for the involuntary loss of his job.
Amounts	As of June 30, 2018, the application of this agreement caused the Company to record an expense of €872,219 including employer contributions.

Executed in Paris and Paris-La Défense, October 2, 2018

The Statutory Auditors

ERNST & YOUNG et Autres	APLITEC, represented by
Franck Sebag	Stéphane Lambert

4

RISK FACTORS

Investors are advised to take into consideration all of the information contained in this Registration Document, including the risk factors described in this section.

As of the date of this Registration Document, the Company has carried out a review of the risks which could have an adverse impact on its business, outlook, financial position or results and considers that there are no significant risks other than those presented hereunder.

Investors' attention is drawn to the fact that the Company may be exposed to other risks, either currently unknown or not considered or deemed unlikely to have an adverse impact, at the date of this Registration Document, on the Company, its business, outlook, financial position or results.

The risk factors presented in this section cover the risks borne by Claranova – the parent company – as well as those borne by the Group. Unless otherwise specified, the risks apply to all Group companies.

4.1 Business-related risks

4.1.1 Risks related to competition image

Claranova operates in a competitive market characterized by rapidly changing technology, as well as by the frequent launch of new products and services.

In this context, some of Claranova's competitors could have better technical, development and marketing resources than the Group. For example in the PlanetArt business, competitors established in the website business, such as Shutterfly or Vistaprint, have the means to compete with the Mobile business with significant marketing and technical investments, as there is no barrier to entry in this market. The arrival of new competitors in the same markets as the Group could also adversely affect its market share, and therefore reduce repeat business, as some customers might switch to competing offers.

For the myDevices business, the Group has a number of large competitors (PTC, ATOS, IBM, Software A.G.) that seek to position themselves in this promising emerging market, each with their own specific approach (custom products, services, *etc.*) and with considerable financial resources.

In the Avanquest business, the Group is positioned on a mature market with powerful competitors, some ready to invest considerable amounts in marketing in order to gain market dominance.

Furthermore, the Company must anticipate technological or business changes that could be demanded by the market and be able to keep innovating in order to support and develop its business and growth.

To confront these risks, the Company places special emphasis on innovation and the introduction of new business models.

4.1.2 Risks related to suppliers and partners image

Most of the products sold by Claranova are developed, produced or marketed externally. Therefore, a breach of contract with the developers, publishers or manufacturers who supply these products, and with logistics suppliers, could have a negative impact on the Group's revenue. This risk however is fairly low due to the size and diversity of the product portfolio (over 500 products). The Group works with a number of partners, technology and service providers (order processing, production and logistics, payments management, data hosting, *etc.*), for all its businesses. Currently, the Company does not consider itself overly dependent on these partners, and therefore believes it is shielded from the related risk. Nevertheless, a break in commercial relations with one or more suppliers could have an adverse impact on the business during a transition period.

The Avanquest and PlanetArt businesses are strongly related to the purchase of traffic, particularly *via* Google or Facebook. Changes in regulations or in Google or Facebook practices *vis-à-vis* Claranova could adversely affect these businesses. Given the lack of players similar to Google and Facebook, no real strategy can be envisaged to address this risk, except for the diversification of sources of acquisition of traffic, which has been the Company's strategy for several years.

It should be noted however that the revenue of the myDevices division is presently dependent on its first partnerships with the telecom operators marketing the "IoT in a Box" offering. Adverse decisions of these partners would not have a material impact on the Group's earnings, but could have a negative impact on the earnings and the image of the myDevices division.

4.1.3 Customer risks

As Claranova conducts the vast majority of its business with private customers, customer risk is not considered significant.

The Group's strategy of developing different business segments and expanding its geographical footprint enables Claranova to accentuate the diversification of its customer base. As a precaution, provisions are systematically made for all default risks according to the information available at the reporting date.

For example, at June 30, 2018, the revenue of the top ten customers is €25.8 million and represents only 16.0% of the consolidated revenue of the fiscal year (compared with 11.8% of the previous fiscal year). During the 2017-2018 fiscal year, the revenue from the top customer of the Group represented 5.3% of the consolidated revenue, which supports Claranova's evaluation of this risk.

4.1.4 Technological risks

Due to the nature of its business, Claranova depends strongly on computer infrastructures and applications, and the safeguarding and preservation of its data and their confidentiality is a major challenge. The Group is permanently exposed to risks related to the availability of its IT services, and the security and integrity of its applications, software and databases. There could be unintentional technical failures or pirating, attacks either on its own systems, or directed against its service providers and suppliers. In the event of a cyberattack, the impacts could be the fraudulent use or disclosure of sensitive data, including private customer data (email addresses, for example), the loss of such data, and the unavailability of applications and/or services offered to customers.

The Group takes all necessary precautions to ensure that its products and data are secure. However, it cannot completely rule out that they might be pirated, or that the products might be faulty, which could have an adverse impact on its operations and reputation, or entail the Group's legal liability in certain jurisdictions. To guard against this risk, the Group has set up policies for secure data storage in a partitioned network inaccessible from the outside. Only a handful of the developers of the Group has access *via* an encrypted VPN (Virtual Private Network), from limited IP (Internet Protocol) addresses. To identify any breach or any undesirable connection in spite of these precautions, an intrusion test is conducted each week by an external service provider, and a security engineer verifies the results of these tests as well as the list of the connections to the network. Moreover, the Group pays particular attention to the reliability of subcontractors who manage outsourced data-centers.

4.1.5 Risks linked to innovation and new business launches

Claranova positions itself as a major player in the digital industry and technology in general, and therefore pays special attention to innovation and the development of new business models. The Avanquest division has developed new offerings based on different business models and is transforming its business model to focus on the monetization of traffic; the PlanetArt division has launched innovative products such as FreePrints, FreePrints Photobooks and FreePrints Photo Tiles; and the myDevices division, through its connected objects management platform, or other products such as Cayenne, brings innovative technologies to a rapidly-growing market as demonstrated by the partnerships signed with the major Telecom groups.

The development of new innovative businesses involves a risk linked to a lack of track record, or immature markets or technologies. To address this risk, Claranova conducts extensive tests before launching these products. It also analyzes and monitors specific performance indicators, and implements financial models for the operational monitoring of its businesses. Despite these efforts, the risk associated with the launch of these activities cannot be completely ruled out.

There is also a risk of not achieving the economic models being implemented in Avanquest and myDevices. In particular, the Group lacks experience and brand recognition in the development and monetization of the latter's flagship offering, "IoT in a Box". If the expected results are not successfully reached within a certain period of time, this could have a detrimental effect on the Group.

4.1.6 Risks linked to external growth

Claranova's strategy consists in creating innovative business models and holding leadership positions for each of its businesses. For the Avanquest division, this strategy relies in part on the pursuit of consistent, thoughtful external growth through acquisitions such as that of the Canadian group that includes Upclick, Lulu Software (SodaPDF) and Adaware announced in the second half of the 2017-2018 fiscal year and finalized on July 1st, 2018.

Acquisitions can have a negative impact on earnings, the value of the assets, and even the business of Claranova if the Group is not able to rapidly and effectively integrate the companies acquired and develop the expected synergies.

Claranova pays careful attention to the wording of shareholder agreements at the time of acquisitions, as well as the set up of adequate governance in the companies acquired and with its partners. Claranova ensures regular, high-quality relations with the teams of the companies acquired, whether through regular Directors' meetings, or in on-going contacts with the operating and financial teams. Starting from the time of acquisition, the new companies are involved in the Group's budgeting process and reporting.

4.1.7 Risk of impairment of intangible assets

In addition to the impact on profitability, any failure to achieve new business development objectives or difficulties in developing the expected synergies expected from acquisitions (see Sections 4.1.5 and 4.1.6 above) could also lead to an impairment of the Group's intangible assets (the net value consisting of capitalized development costs, amount not significant as of June 30, 2018). Adverse changes in the business forecasts and the assumptions used in impairment tests on intangible assets, capitalized or acquired, could result in the recognition of impairments, which could have a negative impact on the balance sheet and the results of Claranova.

4.1.8 Risk of defective products

Although the Group believes that its products are reliable enough to be marketed, its latest products have not undergone large-scale reliability studies. More generally, the risk of malfunction of the Group's software offer could force Claranova to recall some of its products or to redevelop them, with the risk that this could entail additional costs and delays.

Additionally, some customers may claim compensation for losses incurred due to the use of these faulty products and services, and for the damage caused to the development of their business. Such an action for damages against the Company, even if unsuccessful, could be long, costly, and have a negative impact on the Group's image and financial position. Although the sales and service agreements the Group enters into generally contain clauses limiting its liability for defective products and services, the effectiveness of such clauses may be limited by certain legal provisions or by case law. The business, financial position, profits, development and prospects of the Group in the medium and long term could be significantly affected by such actions. However, insurance policies cover such damages.

4.1.9 Staff management risks

Like its competitors, Claranova is extremely dependent on its teams of highly skilled professionals, and often on very specific skills and positions. The Group's ability to grow depends, in large part, on its ability to attract, motivate and retain these highly qualified staff with the necessary skills and experience.

The Group's compensation policy is in line with the market. General increases may be granted each year, accompanied by individual increases related to changes in duties, the attainment of targets or to reward performance. Moreover, to attract and retain employees, the Group's management offers some executives and employees profit-sharing in the form of bonus share plans and stock option plans.

4.2 Legal and tax risks

4.2.1 Intellectual property risks

In terms of industrial property, Claranova owns several hundred registered trademarks, logos, designs and domain names. The trademarks considered most important are registered throughout Europe and in the United States. Given its significant international expansion, Claranova routinely registers its key trademarks in the major countries where its products are sold. Claranova has set up a monitoring system for certain key trademarks and regularly opposes the registration of trademarks that it believes infringe its rights. In addition, Claranova keeps a close watch on the registration of domain names that may contain signs belonging to it. Conversely, the Group is exposed to the risk in some jurisdictions of having its trademark and domain name filings contested by rights holders for alleged use or similarity of a trademark or domain name, which could have an unfavorable impact on the Group's business that relates to the trademark or domain name in question and/or could involve the payment of damages.

In terms of intellectual property on its software, and particularly the creations of its employees, Claranova benefits from the provisions of Article L. 113-9 of the French Intellectual Property Code and Section 201 of the United States Code. In application of these Codes, all economic intellectual property rights pertaining to the creations made by the Company's employees in the exercise of their duties are assigned to the employer. When negotiating and drafting customer agreements, Claranova also takes particular care to protect its rights, for example by making only limited concessions of intellectual property rights.

Claranova's software is registered with the European body for protecting authors' and publishers' digital works (*Agence de protection des programmes* – APP), in order to protect its rights and combat software piracy. Software designed or published in the United States is also filed with the Copyright Office. Like all software industry players, Claranova is exposed to the problems of software piracy. To mitigate this risk, Claranova has put in place different technical solutions: technical protection measures (copy protection) on some physical software media, particularly for published products, an activation system with a unique code and/or a combination of these methods together or with other protection methods.

Claranova regularly audits its portfolio and recently introduced a policy to optimize the management of its intellectual property assets within the Group (trademarks, domain names, guidance).

4.2.2 Risk of damage to the image and reputation of Claranova

As a publicly listed entity, Claranova is exposed to criticism and comments that could damage its image and reputation, founded or unfounded, in good or bad faith, of any nature, or any origin. The Group cannot, under any circumstances, be held responsible for comments made on stock market forums (or on other communication tools such as social media) relating to the Company and/or the Group. Claranova complies with applicable laws such as the French Monetary and Financial Code and thus refrains from posting messages on forums, regardless of the circumstances. There exists therefore a possible image and reputation risk for the Company, that could lead to an impact on its sales, earnings, share price and its ability to issue new financial instruments.

4.2.3 Regulatory risk

4.2.3.1 US regulatory environment concerning trade

Talks on a "Transatlantic Trade and Investment Partnership" between the European Union and the United States began in July 2013. This treaty could significantly change the framework for trade between Europe and the United States on intellectual property, data flow and taxation of operations in the digital sector. The Company remains attentive to developments in the negotiations conducted by US and European representatives. At the date of this Registration Document, there is no date set for the finalization of this agreement.

4.2.3.2 European regulatory environment

Regulations applicable to the protection of personal data

On April 14, 2016, the European Parliament adopted the General Data Protection Regulation (GDPR), repealing the 1995 directive on the matter and reframing the issue of personal data. While maintaining pre-existing corporate obligations on data protection and privacy, the new regulation introduces a self-regulation system that replaces the system of reporting to the French data protection agency (CNIL). It organizes the manner in which companies must implement this self-regulation (impact studies and record keeping).

In the case of reported non-compliance with the GDPR, a fine of 2% of Group revenue or €10 million could be applied. In the case of a more serious non-compliance violation of the General Data Protection Regulation, a fine equal to 4% of Group revenues or €20 million could be applied.

The GDPR took effect on May 25, 2018. For compliance with this regulation, the Group has strengthened its procedures of protection, in particular by accelerating the migration of its data to data networks that are compliant with the PCI-DSS standard (Payment Card Industry – Data Security Standard) as well as their encryption in such networks, appointing a Data Protection Officer (DPO) for each unit, as well as a Group-level DPO, and putting in place a documentary system describing the procedures related to the processing of this data. In addition, the descriptions and implemented procedures are centralized on a dedicated platform accessible to all of the Group's entities.

Regulations on net neutrality

As a consequence of the concept of universal access to all content under the same conditions, the issue of net neutrality raises the issue of the sharing of revenue between the creators of content, technical operators tasked with allowing access to this content, and intermediaries who are responsible for its operation. Challenging the neutrality principle could allow the introduction of a discriminatory business model, and access to certain content for which the creators or intermediaries have not concluded agreements with technical operators. In September 2012, the French Regulatory Authority on Electronic Communications and Postal Services (ARCEP) submitted a report on net neutrality to the French Parliament and Government. On February 28, 2013, the Government, in its digital roadmap, announced it was in favor of the implementation of legislative provisions on net neutrality subject to approval from the French Digital Council. Claranova group remains alert to possible changes in European laws governing net neutrality.

Regulations applicable to the taxation of the digital sector

On January 18, 2013, a report on taxation of the digital sector (COLIN-COLLIN report) was submitted to the French Minister for Economic Affairs and Finance, the Minister for Industrial Recovery, the Secretary of State for the Budget, and the Secretary of State for Small- and Medium-Sized Enterprises, Innovation and the Digital Economy. This report in particular considers the implementation of a tax on data. Any regulatory changes in this respect will have to be taken into account by the Company. However, no developments seem likely until a decision is made at the European level.

4.2.4 Litigation risk

With the exception of a tax audit in progress in Germany and a social audit to be conducted in the first half of the 2018-2019 fiscal year, also in Germany, there are no pending or potential governmental, legal or arbitration proceedings, including any proceedings of which the Company has knowledge, which may have, or have had during the past 12 months, a material impact on the Company's or Group's financial position or profitability.

In the Group's opinion this risk is not significant, because in general the disputes are covered by a provision in its financial statements.

4.2.5 Industrial and environment-related risks

Due to the nature of its business, the Company has little or no exposure to such risks.

4.3 Financial risks and market risks

The financial risks and market risks are described in Note 23 to the consolidated financial statements at June 30, 2018, presented in Chapter 2 of this Registration Document.

4.4 Insurance and risk coverage

The Company has insurance policies which the Group's management deems adequate. These policies and their suitability are reviewed regularly, at least once a year. Claranova has taken out policies covering operating losses, property damage and civil liability (of the Company and its corporate officers). These policies are approved by the Finance Department.

The amount of coverage for Claranova operating losses is €2.5 million (with a deductible of three days of operating losses). The amount of coverage for property damage is capped at €0.6 million (with a deductible ranging from €0 to €3 thousand depending on the claim). The Company's civil liability risks are covered in the amount of €10 million (with a deductible ranging from €0 to €50 thousand depending on the claim). The corporate officers' liability insurance covers all corporate officers of Claranova and its subsidiaries worldwide in the amount of €5 million. The total premium for these policies is around €37 thousand.

Each of the Group's subsidiaries takes out insurance policies locally which are appropriate to its needs and consistent with local legal requirements.

5

INFORMATION ON THE COMPANY AND ITS CAPITAL

5.1 Information on the Company

5.1.1 Corporate name and trading name, head office

The corporate name of the Company is "Claranova".

Claranova's head office is located at:

Immeuble Vision Défense
89/91, boulevard National
92250 La Garenne-Colombes Cedex
France
Telephone: +33 1 41 27 19 75

5.1.2 Legal form

A French public limited company *(société anonyme)* with a Management Board and Supervisory Board, with capital of €39,361,378.80, governed by the provisions of Book II of the legislative and regulatory sections of the French Commercial Code relating to commercial companies and economic interest groups.

5.1.3 Trade and Companies Register – Activity Code

The Company is registered in the Nanterre Trade and Companies Register under number 329 764 625. The Activity Code, corresponding to the Company's new Articles of Association, is 7010Z "Head office activities".

5.1.4 Date of incorporation and term

The Company was incorporated on May 28, 1984 for a term of 60 years, until May 28, 2044.

5.1.5 Fiscal year

Each fiscal year has a term of one year starting on July 1 and ending on June 30.

5.2 Articles of Association

5.2.1 Corporate purpose (Article 2 of the Articles of Association)

Article 2 of the Articles of Association of the Company defines the Corporate purpose as follows:

- *the creation, development and sale of IT software; the manufacture and sale of all electronic, IT and telecommunications equipment; the provision of all services related to the aforementioned activities;*
- *the purchase, subscription, holding, management, disposal, or contribution of shares or other securities in any and all companies;*
- *the coordination of companies in which the Company has invested, through active participation in conducting the Group's policy and control of its subsidiaries;*
- *the provision of services and advice on human resources, information technology, management, communications, finance, law, marketing and purchases to its subsidiaries and direct or indirect equity interests;*
- *the activities of a Group Financing Company and, as such, the provision of all types of financial assistance to companies belonging to the group of companies to which the Company belongs;*
- *the participation of the Company, by all means, directly or indirectly, in all operations related to its purpose, in particular by means of the creation of new companies, the acquisition of interests, contribution, merging or otherwise in all existing companies or companies to be created or by means of the conclusion of all types of commercial contracts; the acquisition, operation or disposal of all processes, brands and patents relating to these activities;*
- *and generally, any industrial, commercial, financial, civil, property or real estate transactions that could directly or indirectly relate to the corporate purpose or any similar or connected purpose.*

5.2.2 Management and supervisory bodies

The information relating to the management and supervisory bodies is shown in Section 3.1 of Chapter 3 "Corporate governance" of this Registration Document.

5.2.3 Rights, privileges and restrictions associated with each category of existing shares (Articles 11 and 26)

The voting right attached to shares is proportional to the share capital represented by those shares. At Shareholders' Meetings, each share (excluding treasury stock) carries the right to one vote.

The Extraordinary General Shareholders' Meeting of June 7, 2017 decided, in accordance with Article L. 225-123 of the French Commercial Code, to grant double voting rights (i) to fully paid up Company shares for which registration in the name of the same shareholder could be documented for a minimum of two years, (ii) as well as to any registered Company shares allocated as bonus shares as part of a capital increase through incorporation of reserves, profits or issue premiums to a shareholder. As of June 30, 2018, and taking into account treasury shares, the total number of voting rights amounts to 406,162,538. There is total of 12,548,750 shares with double voting rights.

Article 11 – Rights and obligations attached to shares:

11.1 *- Each share gives the right to profits, corporate assets and liquidation proceeds in proportion to the share of capital that it represents and each share gives the right to one vote.*

It moreover gives the right to vote and be represented in General Shareholder's Meetings as well as the right to be informed on the Company's operations and be provided with certain company documents at the times and in the conditions specified by law and the Articles of Association.

In compliance with Article L. 225-123, sub-paragraph 3 of the French Commercial Code, a voting right double the one granted to other shares, with respect to the proportional share of the capital that they represent, is automatically granted:

- *to all fully paid-up shares for which registration can be demonstrated for at least two years in the name of the same shareholder;*
- *to the registered shares allocated to a shareholder, in the case of a capital increase by incorporation of reserves, profits or share premiums, up to the amount of old shares for which they benefited from that right.*

This double voting right will automatically end for all shares converted to bearer shares or for those whose ownership has been transferred. However, a transfer by way of succession, liquidation of community of property between spouses or donation between living persons to a spouse or a family inheritor, does not cause one to lose the acquired right and does not interrupt the period of two years mentioned above. The same applies in the case of a transfer following a merger or demerger of a shareholding company.

11.2 *- Shareholders are only responsible for company liabilities to the limit of their contributions.*

The rights and obligations are attached to the share regardless of the share's owner.

Share ownership automatically includes compliance with the Articles of Association of the Company and with the decisions of the General Shareholders' Meeting.

11.3 *- Whenever it is necessary to own a certain number of shares to exercise any right, the owners who do not own this number of shares must make it their own business to combine and possibly purchase or sell the number of shares necessary.*

Article 26 – Allocation and breakdown of profits:

If, due to losses reported in the accounting documents, the equity of the Company becomes less than half of the share capital, the Management Board must, within four (4) months following the approval of the accounts that showed these losses, call for a General Shareholders' Meeting to decide to call for an early dissolution of the Company.

If the dissolution is not declared, the capital must, subject to the legal provisions relating to minimum capital in corporations, and within the time set by law, be reduced by an amount equal to that of the losses that were not applied against the reserves if within this time the equity has not returned to at least half of the share capital.

5.2.4 Modification of shareholders' rights

Shareholders' rights as they appear in the Company's Articles of Association can only be modified by the Extraordinary General Shareholders' Meeting of the Company. Any increase in the commitments of shareholders must be decided under the terms and conditions and in accordance with the methods provided by law.

5.2.5 Clauses likely to have an impact on the control of the Company

The Company's Articles of Association do not contain any measures that would permit the delay, deferment or prevention of a change in control.

5

5.2.6 Provisions regarding the crossing of thresholds

Any shareholder, acting alone or cooperatively, who holds more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, three-tenths, one-third, half, two-thirds, eighteen-twentieths or nineteen-twentieths of the Company's capital, will be required to comply with the provisions provided in Article L. 233-7 of the French Commercial Code and, more particularly, will be required to immediately inform the Company of this fact by certified letter with return receipt requested.

No statutory disclosures are expected outside of the legal thresholds. In the event of non-compliance with this obligation, the provisions set out in Article L. 233-14 of the French Commercial Code will apply.

In the fiscal year, Claranova was aware of the following declarations of threshold crossings:

On November 15, 2017, Pierre Cesarini declared that he had exceeded the thresholds of 5% of the capital and voting rights of the Company, and that he directly or indirectly held 24,956,885 shares, *i.e.* 6.53% of the share capital, and 32,519,034 of the voting rights, *i.e.* 7.98% of voting rights.

5.2.7 Rules governing amendments to the Articles of Association

The rules governing changes to the Articles of Association are those set out by the legislation in force. Claranova's Articles of Association were reviewed and updated during the meeting of the Management Board on June 29, 2018.

5.3 Share capital

As of the filing date of this Registration Document, the share capital stood at €39,361,378.80 divided into 393,613,788 shares of the same category with a par value of €0.10, all entirely subscribed and fully paid up.

There are no specific provisions in the Articles of Association regarding the modification of the capital or the voting rights associated with the securities that compose it.

Please refer to Section 5.4.1 below regarding the distribution of the capital and voting rights.

5.3.1 Share capital history

Date	Transaction	Number of shares issued	Par value	Number of shares making up the capital	Share capital amount
5/1/1984	creation		100 F	200	20,000 F
9/10/1985	capital increase	300.00	100 F	500	50,000 F
10/27/1987	capital increase	2,000	100 F	2,500	250,000 F
10/27/1989	capital increase	2,305.00	100 F	4,805	480,500 F
1/10/1990	capital increase	0.00	500 F	4,805	2,402,500 F
6/10/1994	capital increase	1,420.00	500 F	6,225	3,112,500 F
7/25/1996	capital increase	623.00	500 F	6,848	3,424,000 F
8/14/1996	capital increase	0.00	1,170 F	6,848	8,012,160 F
8/14/1996	reduction of par value	794,368.00	10 F	801,216	8,012,160 F
12/11/1996	capital increase	401,000.00	10 F	1,202,216	12,022,160 F
7/15/1998	capital increase	23,876.00	10 F	1,226,092	12,260,920 F
1/20/1999	capital increase	176,127.00	10 F	1,402,219	14,022,190 F
9/14/1999	capital increase	13,940	10 F	1,416,159	14,161,590 F
3/10/2000	capital increase	50,503	10 F	1,466,662	14,666,620 F
4/25/2000	capital increase	149,333	10 F	1,615,995	16,159,950 F
4/25/2000	reduction of par value	1,615,995	5 F	3,231,990	16,159,950 F
8/02/2000	capital increase	47,000	5 F	3,278,990	16,394,950 F
5/18/2001	capital increase	177,602	5 F	3,456,592	17,282,960 F
5/21/2001	capital increase	144,626	5 F	3,601,218	18,006,090 F
10/17/2001	capital increase	47,202	5 F	3,648,420	18,242,100 F
10/17/2001	conversion into euros	0	€1	3,648,420	€3,648,420
6/21/2002	capital increase	14,352	€1	3,662,772	€3,662,772
1/14/2003	capital increase	8,000	€1	3,670,772	€3,670,772
10/10/2003	capital increase	1,000,833	€1	4,671,605	€4,671,605
1/15/2004	capital increase	46,700	€1	4,718,305	€4,718,305
1/27/2005	capital increase	1,146,851	€1	5,865,156	€5,865,156
3/31/2005	capital increase	244,872	€1	6,110,028	€6,110,028
3/15/2006	capital increase	484,452	€1	6,594,480	€6,594,480
10/3/2006	capital increase	340,909	€1	6,935,389	€6,935,389

Date	Transaction	Number of shares issued	Par value	Number of shares making up the capital	Share capital amount
3/14/2007	capital increase	54,916	€1	6,990,305	€6,990,305
4/0/2007	capital increase	746,268	€1	7,736,573	€7,736,573
4/10/2007	capital increase	2,333,318	€1	10,069,891	€10,069,891
5/10/2007	capital increase	207,646	€1	10,277,537	€10,277,537
5/7/2008	capital increase	221,716	€1	10,499,253	€10,499,253
2/3/2009	capital increase	80,844	€1	10,580,097	€10,580,097
3/20/2009	capital increase	3,205,115	€1	13,785,212	€13,785,212
6/11/2009	capital increase	83,850	€1	13,869,062	€13,869,062
11/25/2009	capital increase	14,902	€1	13,883,964	€13,883,964
2/15/2010	capital increase	2,221,434.00	€1	16,105,398	€16,105,398
6/10/2010	capital increase	85,333.00	€1	16,190,731	€16,190,731
2/11/2011	capital increase	1,916,667	€1	18,107,398	€18,107,398
5/5/2011	capital increase	79,500	€1	18,186,898	€18,186,898
7/27/2011	capital increase	97,000	€1	18,283,898	€18,283,898
12/9/2011	capital increase	258,264	€1	18,542,162	€18,542,162
5/9/2012	capital increase	30,200	€1	18,572,362	€18,572,362
6/27/2012	capital increase	371	€1	18,572,733	€18,572,733
11/8/2012	capital increase	60,000	€1	18,632,733	€18,632,733
2/5/2013	capital increase	64,841	€1	18,697,574	€18,697,574
5/14/2013	capital increase	45,000	€1	18,742,574	€18,742,574
7/25/2013	capital increase	902,000	€1	19,644,574	€19,644,574
9/25/2013	capital increase	500,000	€1	20,144,574	€20,144,574
2/13/2014	capital increase	450,000	€1	20,594,574	€20,594,574
5/6/2014	capital increase	500,000	€1	21,094,574	€21,094,574
5/6/2014	capital increase	13,250	€1	21,107,824	€21,107,824
6/27/2014	capital increase	300,000	€1	21,407,824	€21,407,824
6/27/2014	capital increase	5,946,617	€1	27,354,441	€27,354,441
9/2/2014	capital increase	2,621,963	€1	29,976,404	€29,976,404
2/10/2015	capital increase	6,151	€1	29,982,555	€29,982,555
4/09/2015	capital reduction	0	€0.1	29,982,555	€2,998,255.50
6/16/2015	capital increase	345,000,000	€0.1	374,982,555	€37,498,255.50
8/11/2015	capital increase	240,000	€0.1	375,222,555	€37,522,255.50
6/28/2016	capital increase	96,000	€0.1	375,318,555	€37,531,855.50
11/23/2017	capital increase	17,935,233	€0.1	393,253,788	€39,325,378.80
3/19/2018	capital increase	320,000	€0.1	393,573,788	€39,357,378.80
6/28/2018	capital increase	40,000	€0.1	393,613,788	€39,361,378.80

5.3.2 Other securities giving access to capital

The information relating to the other securities convertible to capital, either in the currently active bonus share plans, stock option plans, warrants or convertible bonds, can be found in Note 21 to the Consolidated Financial Statements, in Chapter 2 of this Registration Document.

5.3.3 Pledging of capital

To the best of the Company's knowledge, there are no pledges, guaranties or collateral affecting Claranova's capital.

5.3.4 Securities not representing capital

As of the date of this Registration Document, the Company has not issued any securities that do not represent capital.

5.3.5 Information regarding the conditions governing acquisition rights and/or obligations associated with the subscribed capital not fully paid up, or regarding any endeavor intended to increase the capital

None.

5.3.6 Information regarding the capital of any member of the Group that is subject to an option or a conditional or unconditional agreement intended to make it subject to an option

An agreement was signed between Claranova, its subsidiary Avanquest North America, and Roger Bloxberg and Todd Helfstein granting an option to acquire a stake in PlanetArt. For more information, please see Note 28 of the Consolidated Financial statements, in Chapter 2 of this Registration Document.

The subsidiary myDevices put in place a stock option plan for its managers and employees, see Note 21 to the Consolidated Financial Statements, in Chapter 2 of this Registration Document.

myDevices committed to grant share subscription warrants to a commercial partner; the number of the warrants is dependent on the payments made by this partner to myDevices. For more information, please see Note 21 of the Consolidated Financial statements, in Chapter 2 of this Registration Document.

As part of the acquisition of the Canadian group by the Avanquest division that took place on July 1, 2018, the share purchase agreement specifies that the minority shareholders of the Canadian group can convert their residual investment into Avanquest Software SAS shares based on the ratios that change according to the attainment of performance conditions. For more information on the acquisition, please see Note 29 to the Consolidated Financial Statements, in Chapter 2 of this Registration Document.

5.3.7 Share buyback program

The Ordinary General Shareholders' Meeting of November 30, 2017, in its 11th resolution, authorized a share buyback program canceling and replacing the previous authorization of the Extraordinary General Shareholders' Meeting of November 30, 2016.

The objectives of the share buyback program are to facilitate the following transactions:

- promote transaction liquidity and stability in the Company's share prices or avoid discrepancies in prices that are not justified by market trends within the context of a liquidity contract that complies with the Ethics Charter recognized by the *Autorité des marchés financiers;* and/or
- allocate shares to employees for the implementation of company savings plans and of employee shareholding plans under the terms and according to the methods provided by law, particularly by Articles L. 3332-18 *et seq*. of the French Labor Code; and/or
- retain shares for subsequent delivery as payment, for an exchange or for other purposes within the context of possible external growth operations, mergers, demergers or contributions, in accordance with the market practices authorized by the *Autorité des marchés financiers;* and/or
- use shares as part of any transaction to hedge the liabilities of the Company with respect to any financial instruments bearing on changes in the prices of the shares of the Company; and/or
- implement Company stock option plans under the provisions of Articles L. 225-177 *et seq*. of the French Commercial Code; and/or
- implement plans for the allocation of the Company's bonus shares under the provisions of Articles L. 225-197-1 *et seq*. of the French Commercial Code; and/or
- deliver the shares upon the exercise of rights associated with securities giving immediate or future access to the Company's shares by means of repayment, conversion, exchange, presentation of a subscription warrant or any other means, as well as perform all hedging transactions in relation to the issue of such securities, under the conditions provided by the market authorities and at the times decided by the Management Board; and/or
- cancel all or a portion of the shares thus repurchased as part of a reduction in the share capital (particularly with a view to optimize cash management, the profitability of equity or earnings per share); and/or
- implement any market practice authorized by the *Autorité des marchés financiers* (AMF) and, more generally, carry out any transactions in compliance with all applicable laws and regulations.

5.3.7.1 Terms and conditions of the share buyback program

The Ordinary General Shareholders' Meeting decided that the maximum purchase price per share would not exceed that of the last independent transaction (most recent stock price) or, if it is higher, of the current highest independent offer where the purchase is made. It is specifically stated that the total amount dedicated to the buyback program may not exceed €13 million. Claranova may transact through the use of available cash or by taking on short-term debt.

The maximum amount of capital Claranova may acquire is 10% of the share capital. The buyback authorization was granted for a period of 18 months, *i.e.* until May 29, 2019.

5.3.7.2 Liquidity contracts or share buyback contracts

Claranova implemented a share buyback agreement with Invest Securities on June 28, 2018, on the shares of Claranova admitted for trading on Euronext Paris – Eurolist Compartment B, in accordance with the Ethics Charter established by the French Financial Markets Association (AMAFI) and approved by the AMF on March 21, 2011, in the maximum amount of €5 million, and a maximum of 7 million shares. The shares may be purchased at a maximum unit price of €1.

5.3.7.3 Registered treasury shares

For the fiscal year ended at June 30, 2018, 55,000 shares were acquired as part of the share buyback program of June 28, 2018.

The number of treasury shares held by Claranova is the following:

As of June 30, 2018	Number of securities	% treasury shares	Book value	Market value
Bearer shares	194,791	0.05%	€61,816.41	€169,468.17

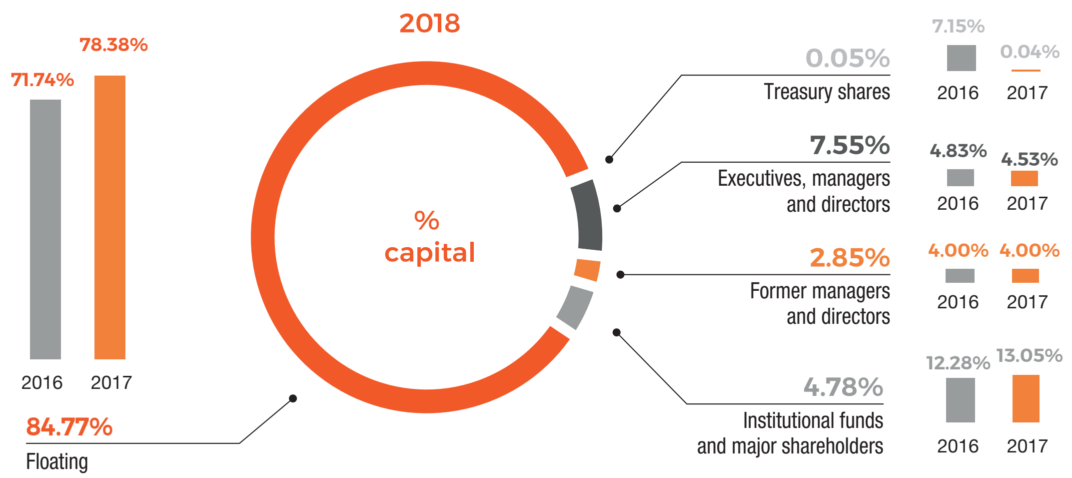
5.3.8 Employee share ownership

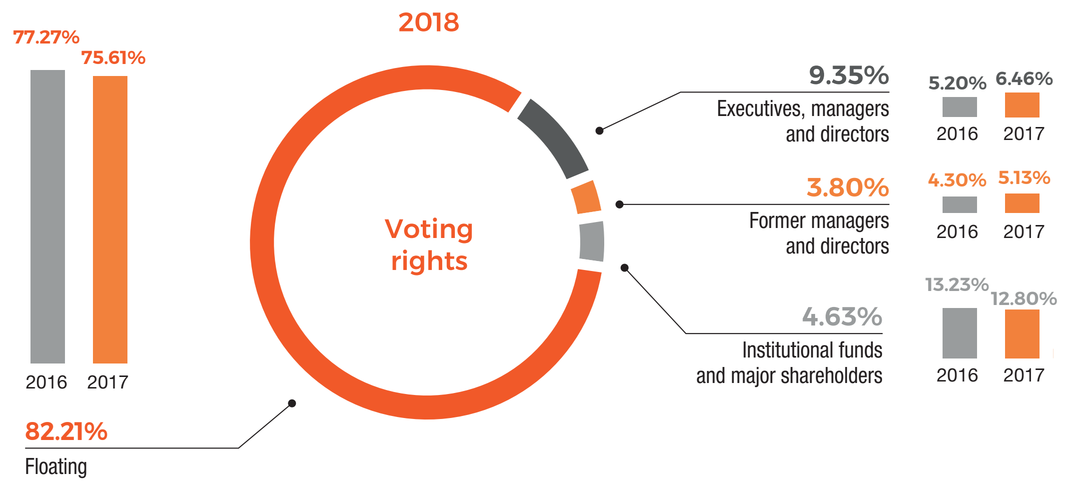
As of June 30, 2018, the employees of the Company, and of associated companies in the meaning of Article L. 225-180 of the French Commercial Code, held no Claranova shares under a company savings plan provided for in Articles L. 3331-1 *et seq*. of the French Labor Code. Likewise, no employees or former employees of Claranova held shares under a company investment fund governed by Articles L. 214-39 and L. 214-40 of the French Monetary and Financial Code.

5.4 Main shareholders

5.4.1 Shareholder base of the Company

The distribution of the Company's shareholder base, at June 30, 2018, was as follows:





To the Company's knowledge, there are no other shareholder than Pierre Cesarini directly or indirectly holding more than 5% of the share capital or voting rights.

5.4.2 Control

On the date of filing this Registration Document, the Company is not controlled, either directly or indirectly, as defined by European regulations.

At the present time, no measures are taken by the Company to ensure that there is no abuse of control.

5.4.3 Shareholders' agreement

To Claranova's knowledge, there are no shareholders's agreement nor concerted actions from its shareholders as of June 30, 2018.

5.4.4 Summary statement of declarations of transactions on securities

No transaction on the shares of the Company (Article L. 621-18-2 of the French Monetary and Financial Code) was made by the managers, corporate executives or their relatives in the 2017-2018 fiscal year, except for the exercise by Pierre Cesarini of his stock options, see Section 3.3.1 of this Registration Document.

5.5 Dividend policy

The Company has never paid dividends on its shares. Pursuant to the policy it communicated at the time of its IPO, the Company intends to reinvest its profits in order to finance its growth and does not plan to pay dividends in the short term. This position may nevertheless be re-assessed annually.

In application of the provisions of Article 2277 of the French Civil Code, dividends that remain unclaimed within five years of their effective date of payment will be transferred to the French government.

5.6 Items likely to have an impact in the event of a public offer

Certain commercial and financial agreements concluded by the Company, and certain companies within the Group, have termination clauses in the event of a change in control. The provisions of these agreements, and indeed for some, their mere existence, are covered by confidentiality agreements whose violation would likely have a serious impact on the Company's interests due to the risk involved in termination due to defaulting on said agreements. Nevertheless, in the case of a public offer, these items should have a relatively small impact.

5.7 Market for the security

5.7.1 General information

- ISIN code: FR0004026714.
- Listing market: Euronext Paris – Eurolist Compartment B.
- Number of shares listed at June 30, 2018: 393,613,788.
- Closing price at June 30, 2018: €0.87.
- Market capitalization at June 30, 2018: €342,443,995.56.
- Initial listing on the *Nouveau Marché* on December 5, 1996.
- Initial share price: €9.14 (prior to the division by two of the par value and then by 10).
- Capitalization at the time of listing: €11 million.

Transfer to Euronext Paris compartment B

On January 25, 2018, Claranova announced the transfer of its securities from compartment C to compartment B of Euronext Paris, comprising companies with a market capitalization of between €150 million and €1 billion.

Inclusion in the Euronext Tech40 index

On May 2, 2018, Claranova was a 2018 award-winner among Tech40-labeled companies, the 40 highest-performing technology companies listed on Euronext operating in the areas of life sciences, the environmental industry or the Technology-Media-Telecom sector. Claranova was selected for its economic, financial and securities performance, by a committee of independent European experts, that each year determines the 40 companies composing the index.

5.7.2 Changes in the share price in the fiscal year

Month	Volumes exchanged	Average price *(in €)*	High *(in €)*	Low *(in €)*
July 2017	101,650,893	0.427	0.474	0.367
August 2017	129,528,865	0.424	0.482	0.387
September 2017	114,021,473	0.471	0.548	0.429
October 2017	98,220,763	0.481	0.546	0.465
November 2017	89,501,558	0.455	0.526	0.420
December 2017	57,301,308	0.458	0.516	0.429
January 2018	375,204,219	0.795	1.223	0.491
February 2018	181,812,488	1.052	1.159	0.960
March 2018	140,503,779	0.967	1.120	0.852
April 2018	69,337,825	0.918	0.980	0.825
May 2018	76,335,924	0.962	1.057	0.875
June 2018	50,707,684	0.907	0.965	0.771

Source Euronext.

6 SOCIAL, ENVIRONMENTAL AND SOCIETAL RESPONSIBILITY

With revenue nearly tripling in four years, Claranova is clearly on the path to sustainable growth. This dynamic is based on a profound evolution of its governance, strategic recentering around its core activity and development of the Group's target business models. These deep changes have involved transformation of practices that the teams have been strongly committed to for years, showing excellent results.

The societal context in which Pierre Cesarini steered this deep transition has also changed: the expectations of society toward companies, especially toward digital companies, have never been so high. As such, the environmental and societal impact of the products, the capacity to foster employee commitment, as well as the ability to innovate in a manner that is agile, demanding and responsible, are topics debated in France and throughout the world.

In this context, Claranova's responsibility to its stakeholders mirrors that of the digital industry:

1. for its employees, good working conditions, skills and career development, the recognition of talent, and respect for fairness and equal opportunities;
2. for its customers, the full use of the Group's skills and an objective of operational excellence;
3. for its suppliers, fair and transparent relationships;
4. for civil society, the availability of the best digital products and services, and training assistance. Claranova is also concerned with ensuring autonomy for disabled persons;
5. for the environment, limiting its environmental impact.

Since it was created in 1984, Claranova's founding values of **diversity, ethics, operational excellence, autonomy and innovation** are still just as relevant to the expectations of the 21st century.

The dynamic driven by the re-founding of the Group has heightened even further the exacting demands made in terms of management in the different entities, discipline and product culture. These demands can be seen in its Corporate Social Responsability policy. In concrete terms, reductions in consumption, the attention focused on growth and the commitment of workers, as well as the development of new uses of the products, are not experienced as constraints, but as vectors of growth and profitability.

This company culture, promoted throughout the Group, is found in the practices of all of the entities. It is the responsibility of each entity to implement this culture, according to the regulations and culture specific in each country. The DNA of the Group is its decentralized organization, a major corollary of which is the centralized exchange of different indicators.

Claranova's overall ambition of excellence, since it was created, means that the Group imposes upon itself rules of conduct that go above and beyond regulatory standards. The Group's CSR (Corporate Social Responsibility) policy is part of a long-term, continuous improvement process within an organization that promotes the autonomy of its subsidiaries.

Priority social and societal issues

Claranova considers that diversity, in all of its forms, is a source of wealth. The Group's competitiveness relies upon the talents and motivation of the men and women who contribute to its growth. In particular, Claranova considers the promotion of women as a priority strategy, in a sector – digital – in which there are still many stereotypes to fight. This proactive policy has been successful: 41% of our employees are women. The skills of women are recognized at the highest level, as two-thirds of the members of the Supervisory Board are currently women, namely, the Vice-Chairwoman of the Board, Luisa Munaretto and the Chairwoman of the Board, Caroline Bouraine Le Bigot.

The Group also promotes synergies between cultures, which is essential for an international group that earns more than 90% of its revenue outside of France. Lastly, the skills and experience of older employees are valued just as much as those of our young graduates and students, and are seen as guarantors of the transmission of the Group's know-how and ability to innovate.

Innovation at the service of social responsibility of our customers

myDevices, an entity whose development demonstrated that it meets existing needs, allows our enterprise customers to easily integrate IoT (Internet of Things) solutions in their processes. The examples of uses are infinite, and most offer recognized societal gain by allowing better monitoring of consumption, product quality or reliability of facilities.

6.1 Social information

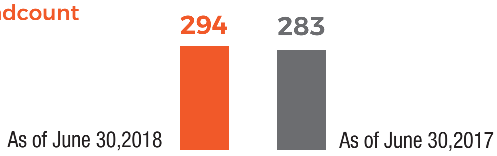
The Claranova group's success can only be achieved with the support of all the employees of the Group's subsidiaries, who are among its most precious assets. The Group's ambition is to take steps to ensure that the men and women can personally grow as stakeholders in the Company project, for which they have demonstrated a deep commitment by putting it on the path to success. In this regard, the Group's Management is convinced that good working conditions, skills and career development, recognition of talent, fair treatment, and equal opportunity are essential to the success of our strategic plan. They are vectors of innovation, responsiveness, reliability and expertise, for the benefit of our customers.

A certain number of the Group's workers are shareholders of the Company or one of its subsidiaries, through the allocation of bonus shares or stock options. Stock allocation plans are intended to motivate and build commitment in employees worldwide, and will continue.

6.1.1 Employment

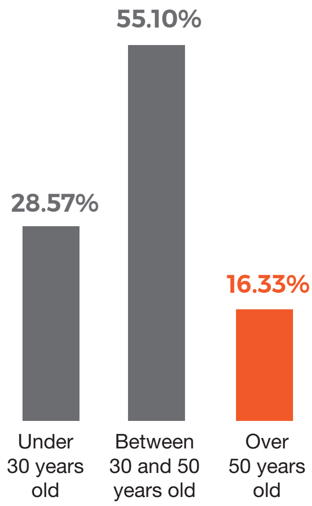
The number of employees has slightly risen since the end of June 2017. The Group's scope has remained stable. The Photo Printing business (PlanetArt) experiences an end-of-year peak in Christmas-related sales and large numbers of extra staff are hired in order to help the Company provide the best customer service possible.

Total headcount

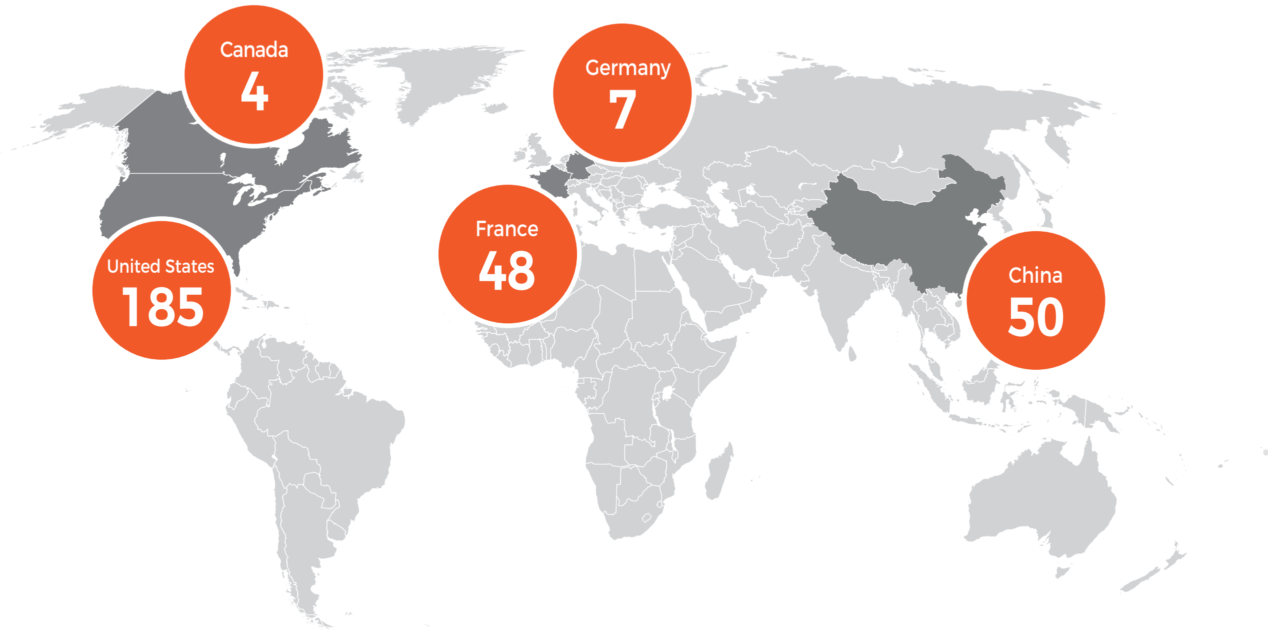


Gender parity

Age



Geographical distribution



For the 2017-2018 fiscal year, the Group's wage bill (salaries and bonuses, excluding employer contributions) amounted to €23.1 million. To promote general employee commitment and motivation, individual wage increases are based on annual performance appraisal for each employee.

6.1.2 Working hours

1.16% of employees work part-time	4.54% of employees practice telework

Full-time on-site work is the norm within the Group, as this promotes employee adoption of the corporate culture. The proportion of part-time work or work from home was relatively unchanged from the previous fiscal year.

The use of mobile tools promotes a good work-life balance. These tools help to improve the quality of life at work by giving workers more flexibility in the management of their schedules. For example, the subsidiary in Germany allows all employees to work from home one day per week. In France, occasional telecommuting is a widespread practice, and some employees even work full-time on a remote basis.

Except for compliance with national regulations, there are no standardized practices concerning overtime and work performed on weekends or statutory holidays. Local managers are encouraged to cut out overtime, except in exceptional cases.

As an example, the electronic time recorder used in the Group's Paris head office enables each employee to keep track of their working hours and enables the HR Department to detect any abuse in terms of overtime.

Number of days of absence (excluding long-term leave and parental leave)	1'150*
Unjustified absences	0

* *Illness (excluding illness lasting more than nine months), accidents (on-site and commuting), occupational illness.*

The compensation paid during sick leave complies with national regulations and systems. Certain subsidiaries offer supplementary health insurance. However, no consolidated data are available on these benefits as there is no Group-wide data collection system in this regard.

6.1.3 Employer-employee relationship

Regular meetings are held with the Social and Economic Committee (CSE) and Management. The meetings are the focus of meaningful interactive sessions where all issues may be examined and discussed. A collective agreement, covering the organization of working time and professional equality, was signed in December 1999, in compliance with French law on personnel representation.

There is no standardized Group-wide procedure to promote social dialog, as the Group wishes to meet employee needs by maintaining human resource management at the local level. Practices vary among subsidiaries, depending on national regulations, laws and culture.

As an example, while meetings with personnel representatives in France and Germany are standardized and held at the legally required frequency, there is no such requirement in the United States, and the US subsidiary has an "open-door" policy in this regard.

The data concerning the agreements signed in the entities is not consolidated and therefore not available.

6.1.4 Health and safety

Accidents*	0
Occupational illness	0

* *No data are available on the accident severity rate (SR) or frequency rate (FR) as there is no Group-wide data collection system in this regard.*

There were no occupational accidents during the 2016-2017 and 2017-2018 fiscal years.

The main health hazards associated with the workstations and identified by the subsidiaries' managers are the standard risks associated with office work:

- on-screen work;
- musculoskeletal disorders;
- stress and psychosocial risks.

Committees have been set up in France and the United States to prevent these risks. In Germany, a health and safety officer tracks the risks.

As an example, in France, the meetings with the CSE, taking up the tasks of the former Health Safety and Occupational Conditions Committee (CHSCT), enable the prevention of risk of accidents, as well as problems of employee health.

No formal agreement has been signed concerning occupational health and safety.

A health insurance plan is offered to full-time employees in all Group subsidiaries.

6.1.5 Training

All Claranova group employees are qualified, in keeping with the constant and fast changes taking place in the digital world. The development of employee skills is therefore a priority for the Group.

In a constantly evolving industry, Claranova is committed to getting all generations to work together to maintain the highest skill level. It makes retraining a priority by promoting internal mobility and education.

Training requirements and expectations are identified during individual assessments conducted annually. The Paris head office holds two meetings with personnel representatives every year – the first to review the training sessions given during the year, and the second to present the coming year's training program, along with the allocated budget.

In France, 145 hours of training were provided during the 2017-2018 fiscal year, for 13 employees. The number of training hours was, on average, approximately three hours per employee, or a 40% drop from the 2016-2017 level. This is explained by the decrease in training applications.

However, no consolidated information is currently available on the employee training provided, as there is no Group-wide data collection system.

6.1.6 Fair treatment

Fair treatment and equal opportunity are fundamental values for the Group, which considers diversity an asset and a key factor for its success. In concrete terms, beyond mere compliance with regulations, measures related to gender equality, parenthood and the prevention of discrimination are implemented by each subsidiary, in keeping with local issues and expectations.

For example:

- *Avanquest North America, PlanetArt and myDevices allow paternity leave;*
- *Avanquest China provides a bonus for the first child and the possibility of taking paternity leave.*

The data concerning the agreements signed in the entities is not consolidated and therefore not available.

The main objective of the Group's disability policy is to promote job integration and the continuing employment of workers with disabilities, in compliance with the legal requirements applicable in the countries where Claranova's subsidiaries operate. The Group goes beyond the basic regulatory requirements whenever possible. For certain outsourced services (gardening, office supplies, printing, *etc.*), it calls on sheltered-sector or job-integration companies. Therefore, the Paris head office conducts an office cleaning operation every year which results in the collection of over one metric ton of IT equipment and magnetic media. This equipment is either recycled or securely destroyed by a disabled-friendly company, committed to sustainable development. In addition, part of the ongoing paper collection and recycling system is managed by job-integration companies. Moreover, for many years now, the packaging of certain French products distributed or produced by Avanquest Software has been chiefly handled by an aid organization which provides support through employment (ESAT).

6.1.7 Promotion and compliance with the stipulations of the International Labour Organization's (ILO) Fundamental Conventions

Other than the prevention of discrimination and freedom of association – mentioned earlier – the rest of the issues covered by the Fundamental Conventions are not relevant to the industry or to the Company (child labor and forced labor).

The industry uses highly qualified, mobile employees. This type of profile and the absence of any manufacturing activity considerably limit these risks. Furthermore, the mainly commercial activities are chiefly performed in developed countries where such practices are very rare.

6.2 Environmental information

6.2.1 General policy concerning the environment

The service activities provided by the Claranova group's subsidiaries have a limited direct impact on the environment, compared to industrial activities. On the other hand, technological innovation allows, in certain activities, the reduction of the environmental impact of products, their logistical chain or of the activities of its customers.

Concerning the environmental impact of its own activities, the Group is committed to making its teams aware of the environmental challenges and disseminating good practices. These also have a positive impact on the management of overhead costs, by reducing energy expenses and paper consumption.

At this stage, the Group has not taken any steps toward certification or adopted a specific policy on environmental issues. No site-specific or consolidated data are available as there is no centralized data collection system.

For example, the French teams at the head office are regularly updated on environmental issues. Paper recycling bins were installed in the French offices, in collaboration with La Poste. For 2017, these paper recycling bins helped the postal workers collect and recycle 561 kilograms of paper. This number is considerably lower than for calendar year 2016, in which 706 kilograms of paper were recycled, since the Company had implemented a program to reduce paper printing, in favor of reading on screen. The paper was sorted and packaged by job-integration companies, then recycled by local paper manufacturers.

There is no environmental risk or risk of significant pollution in our area of activity. The Claranova group does not produce or sell any toxic products. Moreover, the services provided are located in offices, with very limited risks in this regard.

For the same reason, the indicator on the amount of provisions and coverage for environmental risks is not relevant to the Claranova group's business activity.

Internet of Things, solutions to reduce the environmental impact of our customers

Following the signing of a commercial agreement with the American telecom operator Sprint, the activity of the myDevices entity showed particular acceleration.

In a number of domains, new features acquired by businesses through connectivity offer a more detailed degree of equipment management. Depending on the segment, real-time monitoring has a favorable impact on product quality, foodstuff losses, energy and liquid consumption of buildings, proper server functioning, *etc*. It therefore allows **better resource use, waste and emissions reduction and extension of equipment life.** These measurable impacts are part of better environmental management of the business, and this trend concerns more and more business segments.

Some examples:

A connected cold room allows a restaurant manager to act very quickly when there is a breakdown, preventing the loss of foodstuffs stored there. In addition, assurance of the continuity of the cold chain is more reliable than through manual and separate verifications, which in turn improves food safety.

Monitoring the humidity and temperature of a datacenter helps prevent costly repairs or replacement of equipment in case of failure.

Remote real estate management helps optimize maintenance interventions, distributing good practices to occupants through detailed reporting, and detection of leaks.

Connected rodent traps in a grain warehouse, for example, can be used to detect the rodent populations before they reach proportions that are difficult to manage, representing a non-toxic way of fighting infestations.

Online software sales, improved economy of use

Whereas the software sold by Avanquest is present in several tens of thousands of stores throughout the world, the online sales market continues its growth. Through this dematerialized solution, the physical medium of the software is no longer necessary, and with it all environmental impact of its life cycle: the raw materials and energy necessary for manufacturing, the logistics chain for its distribution, the devices necessary for it to function, and its end of life management (recycling, landfill disposal, incineration, *etc*.).

Another advantage is that the customer pays exactly for what they consume, and adapts the number of software leases to the number of users in real time. When this number goes down so does the number of subscriptions. Therefore, the energy consumption related to data storage and downloading is proportional to the use of the software.

6.2.2 Pollution and waste management

There is no standardized Group-wide procedure for waste management (waste reduction, recycling, reuse, recovery and disposal). Nevertheless, employees are strongly encouraged to set up initiatives within their own units. These practices are willingly implemented as they fit in with the culture of day-to-day responsibility observed in each country.

As an example, the Group's North American subsidiaries recycle all of their paper, cardboard and ink cartridges. Employees have access to paper/cardboard shredders which enable the recycling of some of the packaging cardboard. The rest is handled by an external firm. The two to four ink cartridges used in the offices every month are also recycled.

In the French offices, trash bins were installed for collection of non-confidential paper, as previously mentioned, as well as paper shredders. A system has also been set up to collect used batteries and printer cartridges. Electronic and magnetic equipment, as well as light bulbs and fluorescent bulbs, are handled by specialized companies.

No significant risk has been observed in connection with the Claranova group's activity warranting measures for the prevention, reduction or remedying of discharges into the air, water or soil with serious impacts on the environment.

The Claranova group's activity does not generate any significant noise pollution, unpleasant odors or dust. The Group's activity does not require the set-up of any specific measures to combat food wastage.

No precise consolidated data are available as there is no Group-wide data collection system.

6.2.3 Sustainable land use

Given the nature of Claranova's activity, and the fact that all of the Group's premises are located in urban areas, its impact on land use is not significant. Consequently, no measures have been taken in this regard.

6.2.4 Sustainable use of resources

The Group's impact on water is low. No indicator has been provided as water consumption and supply, according to local constraints, and the activity's exposure to water-related issues, are not significant (office activities).

No indicator has been provided for the consumption of raw materials and no measures have been taken to improve the efficiency of their use as Claranova does not use any raw materials.

Energy consumption, measures taken to improve energy efficiency, and the use of renewable energy remain a challenge. Fluctuations in energy consumption largely depend on the air conditioning used in the server room. No general monitoring data are available as there is no Group-wide data collection system. At this stage, each subsidiary implements its own measures and tracks its own indicators.

6.2.5 Climate change

Claranova has a responsibility to combat climate change, like all other companies. While its greenhouse gas emissions remain low compared to those of industry, the Group is nevertheless committed to monitoring and reducing its carbon footprint. Its footprint is mainly the result of employee travel.

Due to the Group's international scope, frequent meetings and exchanges involving all subsidiaries are required.

However, the Group has established rules of conduct: travel has been greatly reduced and replaced with video conferences and telephone meetings.

The amount of CO_2 emitted is one of the criteria used for vehicle selection when the fleet is renewed. The vehicle leasing firms supplying these vehicles are also tasked with tracking fuel consumption. The Company encourages its employees to use the train for their business trips (whenever possible), or to opt for video conferencing. Hybrid-type vehicles are encouraged for use as company cars.

The travel agencies of the Paris head office measure the carbon footprint of each employee's business trips, and publish an annual report on CO_2 emissions:

	2017-2018	2016-2017	2015-2016
Total CO_2 emissions from travel	162,171 kg CO_2	180,383 kg CO_2	239,043 kg CO_2

In spite the growth of business, the intensity of travel continues to decline.

No precise consolidated information is currently available on greenhouse gas emissions, as there is no Group-wide data collection system.

The regions in which Claranova group companies operate are not threatened by climatic phenomena associated with global warming. Consequently, no adaptation measures have been taken at this stage. In the future, if the hot weather peaks recorded in recent years become more frequent, the air conditioning of server rooms could lead to additional costs.

6.2.6 Protection of biodiversity

Claranova group companies essentially provide services in urbanized areas and have no impact on fragile ecosystems. The Group's business activities have a very low impact on biodiversity-related issues.

6.3 Societal information

As a global Internet player, and one of the only French companies in this segment to exceed €160 million in revenue, Claranova, however remains a group whose size allowed it to cultivate a feeling of proximity, promoted by a lean organization. As an employer, customer or patron, the Group is involved in the development of local communities in the regions in which it operates.

6.3.1 Regional, economic and social impact of the Company's business

The Group recruits locally in the countries where it operates. In particular, the North American subsidiary has signed numerous contracts with local companies and recruits staff in local universities to contribute to value creation. The Paris head office also has a long tradition of taking in trainees and students under work-study contracts.

As of June 30, 2018, six young people were added to the teams, in the areas of development, graphics, marketing and administration. Intergenerational exchanges and the training of young people are a priority for the Group, and constitute an asset for its future.

The majority of the facilities of the Group are leased office clusters that have very little material impact on the local ecosystem.

6.3.2 Outsourcing and suppliers

The Claranova group's main suppliers are printers, software developers and logistics service providers.

While certain initiatives involving responsible purchasing take into account environmental and social factors on an *ad hoc* basis, no Group policy has yet been adopted in this regard.

In particular, for many years now, the Group's French head office has called on the services of an aid organization which provides support of disabled persons through employment (ESAT Suzanne Lawson, managed by *Association des Papillons Blancs des Rives de Seine*). This establishment, which employs 95 persons recognized as disabled, performs a large amount of packaging work for Avanquest Software SAS.

Moreover, the Group's head office entrusts the recycling of its IT equipment – computers, magnetic media, batteries, *etc*. – to APR2, a disabled-friendly company which combines sustainable development and economic solidarity by employing a majority of disabled persons.

6.3.3 Relations with people or organizations interested in the Company's business activities

Protection of customer personal data

For compliance with the European General Data Protection Regulation (GDPR) that took effect on May 25, 2018, the Group strengthened the protection of its customers' personal data (see Section 4.2.3.2). Given its historical activities, the Group has always naturally approached this area with the greatest rigor.

Relations with associations and local education

The Group has always been committed to making the best of technology available to everyone through concrete actions and partnerships with non-profit organizations. It develops software to enable people to create, play and learn. In this regard, the Company participates in a number of projects aimed at helping sick or disadvantaged children to access the educational and edutainment software developed by its teams.

For example, the American subsidiary in California organizes every year a food drive with the help of volunteers to support the work of local food banks.

6.3.4 Fair practices

At present, no standardized policy has been laid down in a Code of Ethics or Code of Business Conduct. The Group's Management promotes principles of ethics and transparency as key factors for its ongoing development. However, no precise consolidated information on their deployment is currently available as there is no Group-wide data collection system.

For example, the Group's American subsidiaries are subject to regular audits to prevent corruption.

Country consumer health and safety regulations are applied, and video games are supplied with warnings.

6.3.5 Other human rights actions

Issues related to the protection of personal and sensitive data are not handled in a consolidated way. There is no Group-wide data collection system concerning these issues.

6.4 Methodology/standards

The regulatory framework for the CSR (Corporate Social Responsibility) report is set forth in Article R. 225-105-1 of the French Commercial Code. The information provided in the CSR report was verified by a certificate of inclusion issued by Bureau Veritas, covering the social, societal and environmental information. This certificate is located in Section 6.5 of this Registration Document.

The report aims to produce the most relevant business information for the Group and its contacts. The indicators and data shown are the result of a consultation process led by Executive Management. Their relevance is reviewed on a yearly basis and when there is a change in the Group's scope of consolidation.

6.4.1 Reporting scope

All Group entities report their CSR data to the Finance Department, which is responsible for centralizing the data, via the same channels as for financial data.

In line with the Group's decentralized organizational model, the data are not always consolidated. In fact, rules and definitions (particularly in relation to social aspects) may vary from one geographical entity to another. Operational effectiveness at a local level is prioritized.

6.4.2 Reporting process

As a result of its central role and direct links with the Human Resources Department and other operational Departments of the geographical entities, the Group's Finance Department is best placed to collect and verify the CSR data circulated by the local entities. It provides a list of the data and indicators to be supplied.

The local contributors to the CSR reporting process also provide financial reporting data, thereby helping to maintain the rigor of the data collection and verification procedures.

The social data are collected on a monthly basis by the Group's Finance Department, and the environmental and societal data are collected every year. The consistency of the data (compared with data from prior years, and financial management data) is verified locally and then centrally.

The Group's Finance Department compiles the final report and, once it has been checked, sends it to the independent third party, Bureau Veritas.

6.5 Certificate of inclusion of social, societal and environmental data

BUREAU VERITAS EXPLOITATION

8, cours du Triangle
92800 Puteaux
French simplified joint-stock company (*société par actions simplifiée*)
Nanterre Trade and Companies Register – 790 184 675

Certificate of inclusion of social, environmental and societal data

The social, environmental and societal data reviewed relate to the fiscal year ended on June 30, 2018.

Engagement, Responsibilities and Independence

Further to the request that we received from Claranova SA, and in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code, acting as an independent third party and accredited by Cofrac under No. 3-1341 (list of sites and scope available at www.cofrac.fr), we conducted a review of the social, environmental and societal information published in the Claranova 2017/2018 Registration Document (Section 6).

Claranova is responsible for publishing the information specified in Article R. 225-105-1 of the French Commercial Code. The preparation of this document was coordinated by the Group's Finance Department in accordance:

- with the social and environmental data collection, processing and aggregation tool.

We are responsible for carrying out the work, in accordance with Article R. 225-105-2 of the French Commercial Code, to enable us to issue this certificate.

We hereby declare that this certificate was prepared independently and impartially, and that our work was carried out in accordance with the professional practices applicable to independent third parties. Furthermore, we have established a Code of Ethics which is applied by all Bureau Veritas personnel.

Nature and scope of the work

Our work was carried out over several days starting on September 4, 2018 and was signed by a verifying agent. We conducted one main interview during this assignment.

We confirm that the information covered the consolidated scope as defined in Articles L. 233-1 and L. 233-3 of the French Commercial Code. Adaptations of the scope for the purposes of reporting social, environmental and societal data are specified in the 2017/2018 Registration Document (Section 6).

We carried out the work listed below for the certificate of inclusion:

- familiarization with Claranova's sustainability objectives as they relate to its social and environmental impacts and its societal commitments;
- comparison of the information presented in the Registration Document (Chapter 6) with the list provided for by Article R. 225-105-1 of the French Commercial Code;
- verification of the inclusion of explanations for any missing information.

Conclusions regarding the inclusion of information

Based on our work, and within the scope defined by the Group, we hereby certify that social, environmental and societal information has been included, and that any missing information is accompanied by an explanation.

We noted, as mentioned in the annual financial report, that some information did not cover the entire scope of consolidation. The explanations given for missing information seem to be in order.

Puteaux, September 5, 2018

For Bureau Veritas

Jacques Matillon
Vice-Chairman

7

ADDITIONAL INFORMATION

7.1 Persons responsible for the Registration Document

7.1.1 Person responsible for the Registration Document

Pierre Cesarini, Chairman of the Management Board

Claranova

Immeuble Vision Défense

89/91, boulevard National

92250 La Garenne-Colombes Cedex

Tel.: +33 1 41 27 19 75

7.1.2 Declaration by the person responsible for the Registration Document

I hereby certify, having taken all reasonable measures in this respect, that the information contained in the Registration Document is, to the best of my knowledge, true to fact and does not contain any omissions likely to affect its import.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and are a true representation of the assets, the financial position and the income of the Company and all of the companies in the Group, and that the report on Corporate Governance, contained in this Registration Document as set out in the cross-reference table on pages 145 to 147, provides a true representation of the development of the business, the income and the financial position of the Company and all of the companies in the Group and a description of the main risks and uncertainties facing them.

I have obtained an end-of-mission statement from the Statutory Auditors indicating that they have verified the information concerning the financial position and financial statements presented in this Registration Document and have read the entire document. The historical financial information presented in the Registration Document has been the subject of Statutory Auditors' reports, presented in Sections 2.6 and 8.5 of the said Registration Document.

La Garenne-Colombes, October 2, 2018

Pierre Cesarini

Chairman of the Management Board

7.1.3 Persons responsible for the financial information

Pierre Cesarini,
Chairman of the Management Board

Claranova
Immeuble Vision Défense
89/91, boulevard National
92250 La Garenne-Colombes Cedex
Tél.: +33 (0)1 41 27 19 75

Sébastien Martin,
Group Chief Finance Officer

Claranova
Immeuble Vision Défense
89/91, boulevard National
92250 La Garenne-Colombes Cedex
Tél.: +33 (0)1 41 27 19 75

7.2 Persons responsible for auditing the financial statements

7.2.1 Principal Statutory Auditors

ERNST & YOUNG et Autres

Tour First. 1/2, place des Saisons – 92400 Courbevoie.

On expiry of the tenure of ERNST & YOUNG Audit, the Ordinary General Shareholders' Meeting of November 29, 2012 appointed ERNST & YOUNG et Autres for a term of six fiscal years ending at the close of the Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending June 30, 2018.

ERNST & YOUNG et Autres is represented by Franck Sebag. The company is a member of the *Compagnie régionale des commissaires aux comptes de Versailles.*

Aplitec

Les patios Saint-Jacques. 4-14, rue Ferrus – 75014 Paris.

Appointed on February 12, 1998 for a period of six fiscal years. Aplitec's appointment was initially renewed for a period of six additional fiscal years by the Ordinary General Shareholders' Meeting of May 27, 2004. It was renewed a second time for a period of six additional fiscal years by the Ordinary General Shareholders' Meeting of July 28, 2010, and then a third time for a period of six additional fiscal years by the Ordinary General Shareholders' Meeting of November 30, 2016, *i.e.* until the close of the Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending June 30, 2022.

Aplitec is represented by Stéphane Lambert. The company is a member of the *Compagnie régionale des commissaires aux comptes de Paris*.

7.2.2 Alternate Statutory Auditors

Auditex

Tour First. 1/2, place des Saisons – 92400 Courbevoie.

Appointed on May 30, 2006 for a period of six fiscal years. Auditex's appointment was renewed for an additional six-year period by the Ordinary General Shareholders' Meeting of November 29, 2012, *i.e.* until the close of the Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending June 30, 2018.

Bruno Dechance

Les patios Saint-Jacques. 4-14, rue Ferrus – 75014 Paris.

Appointed on November 30, 2016 for a period of six fiscal years, *i.e.* until the close of the Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending June 30, 2022.

7.3 Fees paid to the Statutory Auditors

	Aplitec				ERNST & YOUNG			
	Amount *(in €)*		%		Amount *(in €)*		%	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
AUDIT								
Statutory Auditor's office, review and certification of statutory and consolidated financial statements								
▪ Issuer	113,700	140,000	80%	88%	123,250	105,500	53%	40%
▪ Fully consolidated subsidiaries	29,200	0	20%	0%	109,047	124,975	47%	47%
ANCILLARY ASSIGNMENTS								
▪ Issuer	0	19,500	0%	12%	0	35,000	0%	13%
▪ Fully consolidated subsidiaries	0	0	0%	0%	0	0	0%	0%
SUB-TOTAL	**142,900**	**159,500**	**100%**	**100%**	**232,297**	**265,475**	**100%**	**100%**
Other services								
SUB-TOTAL								
TOTAL	**142,900**	**159,500**	**100%**	**100%**	**232,297**	**265,475**	**100%**	**100%**

7.4 Auditors having resigned or having been dismissed during the period covered by the historical financial information

None.

7.5 Major contracts

No major contracts, other than those signed in the normal course of business, have been signed in the two years preceding the publication of this Registration Document.

7.6 Documents available to the public

7.6.1 Availability of the Registration Document

The Registration Document is available at the head office of the Company at 89/91, boulevard National – 92250 La Garenne-Colombes Cedex – France, as well as on the website of the Claranova group at the following address: www.claranova.com and on the website of the *Autorité des marchés financiers* (www.amf-france.org).

The following documents may be consulted at the Company's head office during the validity period of this Registration Document:

- the Company's Articles of Association;
- all reports, correspondence and other documents, historical financial information, evaluations and statements prepared by experts at the request of Claranova of which a portion is included or referred to in the Registration Document;
- the historical financial information of the issuer and its subsidiaries for each of the two fiscal years preceding the publication of the Registration Document.

Pursuant to Article 221-3 of the AMF's General Regulation, the entirety of the regulatory information referred to in Article 221-1 of said regulation is available on the Company's website (www.claranova.com).

7.6.2 List of press releases

Please find below a list of the press releases published online by the Company since the date the 2016-2017 Registration Document was made available, *i.e.* October 3, 2017 (excluding monthly disclosures of the number of shares and voting rights and regulatory information concerning the liquidity contracts):

10/3/2017	Presentation of 2016-2017 annual income – SFAF
10/3/2017	2016-2017 annual income: strong improvement in the results
10/3/2017	Registration Document 2016-2017
11/8/2017	2017-2018 1st quarter revenue: quarterly revenue up 25%: €30 million
11/9/2017	Invitation to the Combined Annual Shareholders' Meeting of Claranova SA on November 30, 2017
11/14/2017	Claranova takes part in the ACTIONARIA trade show on November 23 and 24, 2017 in Paris
11/22/2017	Claranova takes part in the European Midcap Event on November 28 and 29 in Geneva
12/5/2017	2018 financial calendar of the Claranova group
12/6/2017	Combined Shareholders' Meeting of November 30, 2017 and invitation for Combined Shareholders' Meeting of December 20, 2017
12/13/2017	Internet of Things: Claranova launches myDevices solutions in China with Dr. Peng
12/28/2017	Meeting Minutes of the Combined Shareholders' Meeting of December 20, 2017
1/10/2018	Internet of Things: Claranova signs a major partnership with Sprint, the 4th largest mobile network operator in the United States
1/25/2018	Transfer of Claranova shares to Compartment B of Euronext in Paris
2/7/2018	2017-2018 33% growth in half-year revenue reaching €89.9 million
3/26/2018	Claranova signs an agreement for its Internet division to take over a group of three companies – Upclick, Lulu Software and Adaware
3/28/2018	Presentation of 2017-2018 half-year results – French Society of Financial Analysts (SFAF)
3/28/2018	2017-2018 half-year results
3/28/, 2018	2017-2018 half-year financial report
4/5/2018	Claranova takes part in the SmallCap Event on April 16-17, 2018
5/2/2018	Claranova ranked among the 40 top-performing Tech companies by European experts (Tech40 Label and Euronext Tech40 index)
5/3/2018	Claranova takes part in the 9th Annual UBS Pan European Small and MidCap Conference from May 15 to 17, 2018 in London
5/15/2018	2017-2018 3rd quarter revenue: Claranova publishes quarterly revenue up. First revenue from the Sprint agreement for myDevices
5/23/2018	Sprint launches groundbreaking IoT Factory to make everyday business easier, in partnership with myDevices: buy readymade IoT solutions with a few clicks or build your own in just a few hours.
6/14/2018	Claranova is launching the issue of net share-settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE) maturing on July 1, 2023, for a maximum par amount of €29 million
6/15/2018	Success of the issue of net share-settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE) maturing on July 1, 2023, for a par amount of €29 million
6/18/2018	Claranova will be present at the Berenberg Pan-European Discovery Conference
6/19/2018	Claranova will be present at the European Spring Midcap Event on June 27 and 28 in Paris
6/29/2018	Launch of a share buyback program. The Group confirms its development goals
6/3/2018	Avanquest, Claranova's Internet division, finalizes the takeover of Upclick, Lulu Software and Adaware
8/8/2018	2017-2018 revenue: Claranova full-year revenue exceeds €160 million, driven by a fourth-quarter acceleration
9/10/2018	Implementation of the share buyback program
9/11/2018	Alibaba Cloud and myDevices Partner to Launch Turnkey IoT Solutions in China
9/12/2018	Ingram Micro, Sprint and myDevices Launch FREE IoT Trials
9/26/2018	PlanetArt launches FreePrints in India

8

INDIVIDUAL FINANCIAL STATEMENTS

In the preamble, it is reiterated that Claranova is, for the first time, presenting a full fiscal year with its new activity as the coordinating holding company for the Group. In effect, Claranova made a partial business contribution from the Software branch on June 1, 2017 to Avanquest Software, an element that must be taken into account when comparing with the previous fiscal year.

8.1 Income statement at June 30, 2018

(in € thousand)	Notes	2017-2018	2016-2017
NET REVENUES	**Note 4**	**1,197**	**14,446**
Stored production			(267)
Operating subsidies			
Reversals of amortization, depreciation, provisions, and expense transfers		3,352	1,938
Other income		17	427
OPERATING INCOME		**4,566**	**16,544**
Purchase of goods and change in inventory			1,172
Purchase of raw materials and change in inventory			235
Other purchases and external expenses		5,524	10,978
Taxes, fees and similar payments		58	189
Wages and salaries		1,196	3,710
Social charges		3,571	2,070
Depreciation and amortization on capital assets		8	106
Provisions for capital assets			
Provisions for current assets			206
Provisions for contingent liabilities			
Other expenses		114	2,904
OPERATING EXPENSES		**10,471**	**21,570**
OPERATING INCOME		**(5,905)**	**(5,026)**
Income from other securities, receivables in respect of real property		30	249
Other interest and similar income		173	564
Reversals of provisions and expense transfers		480	58,053
Foreign exchange gains		1,970	143
FINANCIAL REVENUE		**2,653**	**59,009**
Amortization, depreciation and provisions expense		517	977
Interest and similar expenses		205	51
Foreign exchange losses		13	336
FINANCIAL EXPENSES		**735**	**1,364**
FINANCIAL INCOME	**Note 5**	**1,918**	**57,645**
CURRENT INCOME BEFORE TAX		**(3,987)**	**52,619**
Extraordinary income on management transactions			17
Extraordinary income on capital transactions			1,325
Reversals of provisions and expense transfers		10,108	2,022
EXCEPTIONAL INCOME		**10,108**	**3,364**
Extraordinary expenses on management transactions		1,587	1,412
Extraordinary expenses on capital transactions		9,145	782
Extraordinary amortization, depreciation and provisions			747
EXTRAORDINARY EXPENSES		**10,732**	**2,941**
EXTRAORDINARY PROFIT/(LOSS)	**Note 6**	**(624)**	**423**
PRE-TAX EARNINGS		**(4,611)**	**53,042**
Employee profit-sharing in profits from expansion			
Income taxes	Note 9	(7)	(208)
PROFIT OR LOSS		**(4,604)**	**53,250**

8.2 Balance sheet assets at June 30, 2018

(in € thousand)	Notes	Gross	Amortization, depreciation and provisions	Net 6/30/2018	Net 6/30/2017
Intangible assets		11		11	11
Property, plant and equipment					
Equity interests	Note 10	87,653	148	87,505	64,465
Other long-term assets	Note 10	1,509		1,509	4,455
CAPITAL ASSETS		**89,173**	**148**	**89,025**	**68,931**
Inventories					
Work in process inventory – Goods					
Intermediate and finished products					
Goods					
Receivables	**Notes 12 to 14**				
Advances and payments on account					
Trade and other receivables		1,128		1,128	4,025
Other receivables		3,104		3,104	11,829
Cash assets					
Current investments		62		62	14
Available cash		19,295		19,295	1,930
Accruals	**Note 15**				
Prepaid expenses		587		587	125
CURRENT ASSETS		**24,176**		**24,176**	**17,923**
Loan issue expenses to be broken down	Note 16	1,250		1,250	
Unrealized losses from foreign exchange	Note 23	517		517	481
GRAND TOTAL		**115,116**	**148**	**114,968**	**87,335**

8.3 Balance sheet liabilities at June 30, 2018

(in € thousand)	Notes	6/30/2018	6/30/2017
Share capital		39,361	37,532
Share and merger premiums		124,348	124,128
Legal reserve		688	688
Other reserves		3,769	3,769
Balance carried forward		(84,162)	(137,412)
Profit/(loss) for the period		**(4,604)**	**53,250**
Regulated provisions			
EQUITY	**Note 17**	**79,400**	**81,955**
PROVISIONS	**Note 18**	**3,506**	**481**
Financial liabilities	**Note 19**		
Other bond loans		29,048	
Loans and borrowings from credit institutions		1	1
Other borrowings and liabilities		42	346
Operating liabilities	**Note 20**		
Trade payables		1,488	1,388
Tax and social security liabilities		893	812
Other liabilities			
Other payables	Note 25	578	390
LIABILITIES		**32,050**	**2,937**
Unrealized gains on foreign exchange	Note 23	12	1,962
GRAND TOTAL		**114,968**	**87,335**

8.4 Notes to the individual financial statements

Contents

Note 1 Significant events during the fiscal year

1.1 Grant of bonus shares

On November 13, 2017, pursuant to the delegation of authority granted by the shareholders at the General Shareholders' Meeting of June 7, 2017, Claranova SA announced the grant of bonus shares to certain employees and corporate officers of the Company and its subsidiaries. A total of 18,760,000 shares were awarded. Their vesting is subject to the achievement of performance conditions (linked to the share price or annual revenue growth until June 30, 2020), as well as a continued employment condition of one year. Moreover, in accordance with French legal provisions, in the event that the vesting period is less than two years, beneficiaries will be subject to a lock-up period so that the cumulative duration of the vesting period and the lock-up period is no less than two years.

As of the date of this financial report, the performance condition linked to the share price had been achieved.

This plan resulted in employee expenses of €4.9 million in social security contributions. To date, these employer contributions have not resulted in any cash outflows.

1.2 Grant of Claranova subscription warrants

On November 13, 2017, pursuant to the delegation of authority granted by the shareholders at the General Shareholders' Meeting of June 7, 2017, Claranova SA announced the grant of 3,752,224 subscription warrants to a specified category of persons (members of the Supervisory Board, consultants, and the Company's senior management team). The warrants have a unit price of €0.36, and each warrant will entitle the holder to subscribe for one ordinary share at a unit price of €0.61.

For more details, please refer to Note 17 to the individual financial statements in this Registration Document.

1.3 Issue of Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE)

On June 15, 2018, Claranova issued 26,363,636 Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE), for a nominal amount of €28,999,999.60.

These ORNANE were admitted for trading on the Euronext Access market of Euronext Paris on June 19, 2018.

For more details, please refer to Note 19 to the individual financial statements in this Registration Document.

1.4 Introduction of a share buyback program

On June 28, 2018, Claranova implemented a share buyback program in accordance with the authorization granted by the General Shareholders' Meeting of November 30, 2017. As authorized by the 11th resolution of this General Shareholders' Meeting, the Company may buy back its own ordinary shares for a maximum either of 7 million shares or €5 million, with a maximum price of €1 per share, over a period of 18 months from the day of the General Shareholders' Meeting, namely until May 29, 2019.

Under this program, Claranova signed an agreement with an investment services provider to buy back the shares of the Company. According to the terms of this agreement, the service provider may buy back the shares of the Company at a maximum unit price of €1, for a maximum amount of €1,000,000, at the dates that it may consider appropriate in accordance with the applicable regulations, for the duration of the share buyback program.

1.5 Disposal of the EMME Deutschland GmbH subsidiary

On June 19, 2018, Claranova transferred the securities and receivables of its subsidiary EMME Deutschland GmbH to its subsidiary Avanquest Software SAS, for an amount of €13 thousand.

Note 2 Accounting principles, rules and methods

The annual financial statements have been prepared in euros in accordance with the provisions of French law and with generally accepted accounting principles in France. Information is expressed in thousands of euros, unless otherwise noted.

Fiscal years 2017-2018 and 2016-2017 cannot be compared because of the Partial Contribution of Assets dated June 1st, 2017, with which Claranova transfered its software business to Avanquest Software SAS.

General accounting conventions have been applied, in accordance with the principle of prudence, based on the following basic assumptions:

- going concern;
- consistency of accounting policies;
- independence of fiscal years; and
- in accordance with the general rules for the preparation and presentation of annual financial statements recommended in the chart of accounts and in French Accounting Standards Board (ANC) notice 2016-07.

The basic method used for the valuation of the items entered in the accounts is the historical cost method.

Change of accounting method

From the 2017/2018 fiscal year, Claranova has applied ANC regulation No. 2015-05 dated July 2, 2015 relative to financial instruments and foreign exchange hedging transactions. The terms and conditions of the application of this regulation are specified in Notes 2.5 and 20.4.

This change has no significant impact on the presentation of the financial statements.

2.1 Intangible assets

Software packages and technologies acquired are measured at their acquisition cost and amortized according to the straight-line method over their useful lives, not to exceed five years.

2.2 Property, plant and equipment

2.2.1 Valuation

Property, plant and equipment are measured at their acquisition cost (purchase price plus related costs).

2.2.2 Amortization

Economically justified amortization is determined based on the estimated useful life. The depreciable lives used are:

- fixtures and fittings straight-line 10 years;
- office furniture straight-line 7 and 10 years;
- computer hardware straight-line 3, 4 and 5 years.

Additional depreciation is booked in the event of loss of value or a change in the useful life.

2.3 Long-term assets

2.3.1 Equity interests and receivables from equity interests, including subsidiary current accounts

Equity interests are measured at their acquisition value or their contribution value. The acquisition costs of long-term assets are recognized in expenses.

On the balance sheet date, the value of equity interests, receivables from equity interests and current accounts are reconciled with an estimated value in use.

This value in use is reviewed on an annual basis in light of:

- equity;
- unrealized gains;
- return on investment;
- forward-looking information;
- utility for the Company;
- market value.

When the value in use calculated in this way is lower than the acquisition value (including receivables from equity interests), an impairment is booked for the amount of the difference.

2.3.2 Other long-term assets

These items are measured at their acquisition value and primarily comprise deposits and sureties and receivables from equity interests.

2.4 Receivables

Receivables are measured at their nominal value. Where relevant, a provision for impairment is recognized to take account of collection difficulties that may arise.

2.5 Transactions in foreign currencies

Income and expenditure denominated in foreign currencies are recorded at their counter-value at the exchange rate applicable in the month prior to the transaction date. Bank accounts in foreign currencies are measured at the rate in effect on the balance sheet date.

In the context of the first application of ANC Regulation No. 2015-05, translation differences were recorded according to the nature of the risk hedged according to the principle of symmetry. Translation differences on receivables and commercial debt are reclassified to operating income under the headings “Other income” and “Other expenses”.

2.6 Current investments

Current investments are measured at their acquisition price, in accordance with the first in, first out (FIFO) method.

Where relevant, a provision for impairment is recognized to take account of any loss in value that may arise on the balance sheet date.

2.7 Provisions

Provisions for charges are meant to cover probable or certain expenses that the Company will incur in the future. Provisions are recorded, reviewed and adjusted to reflect the Company's best estimate of the expense at the reporting date. They are mainly related to the social security expenses on free shares, to restructuration expenses and to litigations.

2.8 Net Share Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE)

The bonds have been issued at par and will be reedemable at par. As a result, the bonds were recorded as "other bond issue". The issue costs were capitalized and spread over the duration of the loan. Accrued interest is recognized at period-end.

2.9 Revenue recognition

The revenue is composed of the sale of services covering administrative assistance and development strategy to the subsidiaries of the Group under Claranova’s coordination activity. Revenue is accounted for according to specific methods related to its nature. For the provision of shared administrative services, Revenue is recorded whenservice is performed

For specific development or strategy projects, Revenue is recorded upon completion of said project.

Note 3 Main judgments and estimates used for the closing of the annual financial statements

The 2017-2018 annual financial statements were finalized by the Management Board on September 28, 2018.

The financial statements were prepared on a going concern basis. The conditions underlying this principle are detailed in Note 19.7 to the Social Financial Statements on liquidity risk.

In the preparation of the Company's financial statements, management uses judgments, estimates, and assumptions that have an impact on the amounts recognized in the financial statements as assets, liabilities, income and expenses.

The Company's management regularly reviews its estimates and assessments based on past experience and other factors it considers reasonable, which constitute the basis for its assessments of the carrying amount of assets and liabilities. These estimates are prepared using information available at the time of preparation. The estimates can be revised if new information becomes available. Actual results may differ from these estimates if actual experience or conditions are different from the assumptions made.

The main assumptions and estimates used in preparing the financial statements for the fiscal year ended on June 30, 2018 concern the valuation of equity interests.

Notes on the income statement

Note 4 Revenue

Breakdown by region *(in € thousand)*	**Amount**
France	837
United-States	360
Great Britain	
Germany	
Other countries in Europe	
Other countries	
TOTAL	**1,197**

Note 5 Analysis of net financial income

Net financial income amounted to a profit of €1.9 million, compared with a profit of €57.6 million the previous fiscal year.

The financial result for the fiscal year is mainly composed of exchange income, net of provisions and reversals of provisions for exchange losses, representing a gain of €1.9 million.

Note 6 Analysis of extraordinary profit/(loss)

The extraordinary loss amounted to €0.6 million, compared with a profit of €0.4 million one year earlier.

Extraordinary profit mainly comprised:

- financial and operating restructuring costs (€0.2 million).
- non-completed M&A projects (€0.2 million).
- an abandonment of receivables in favor of its subsidiary myDevices (€0.1 million).
- penalties (€0.1 million)

Note 7 Sumptuary costs and expenses (Article 39-4 of the French General Tax Code)

Claranova SA's financial statements show no costs and expenses under section 4 of Article 39 of the French General Tax Code, corresponding to a zero theoretical tax expense.

Note 8 Reintegration of overheads in taxable profits (Articles 39-5 and 223 *quinquies* of the French General Tax Code)

To comply with legal requirements, during the fiscal year ended June 30, 2018, our Company did not commit to any non-tax deductible costs and expenses within the meaning of Article 39-5 of the French General Tax Code.

Note 9 Income taxes

As Claranova SA's taxable income amounted to a loss, no tax expenses were recorded. The tax income recognized corresponds to the Family Tax Credit.

Additional information pertaining to balance sheet assets

Note 10 Long-term assets

(in € thousand)	Gross 7/1/2017	Acquisitions	Mergers, disposals, transfers between line items	Gross 6/30/2018	Depreciation, amortization and provisions 6/30/18	Net 6/30/2018	Net 6/30/2017
Equity interests	64,613	23,040		87,653	148	87,505	64,465
Receivables from equity interests	4,906	9,264	12,755	1,415		1,415	4,365
Loans	90	3		93		93	90
Loans, other long-term assets	0	1		1		1	0
TOTAL	**69,609**	**32,308**	**12,755**	**89,162**	**148**	**89,014**	**68,920**

The increase in the "equity interests" item concerns the Avanquest Software subsidiary. Claranova carried out two capital increases by compensation of receivables for an overall value of €23 million.

The flow of "Disposals, transfers between line items" shown under "receivables from equity interests" follows on from the legal reorganization of the Group with the transfer of the Avanquest North America subsidiary held by the Avanquest America holding company and the transfer of the EMME Deutschland subsidiary to Avanquest Software.

According to the principles set out in Note 2 to the individual financial statements, the Company analyzed the recoverable value of equity interests and receivables from equity interests, including current accounts with subsidiaries.

The "Loans" item refers to the French new housing levy contribution (known as the "*effort construction*"). The Company opted for a contribution in the form of a loan as of the 2014 levy and has made a minimum five-year commitment.

The item "Loans, other long-term assets" corresponds to a security deposit

Note 11 Amortization and impairment

Amortization

No amortization is applied

Impairment

(in € thousand)	Provisions at 7/1/2017	Provisions	Reversals	Provisions at 6/30/2018
Intangible assets				
Licenses, patents	0			0
Long-term assets				
Equity interests	148			148
Other long-term assets	541		541	0
TOTAL	**689**	**0**	**541**	**148**

Note 12 Breakdown of other receivables

(in € thousand)	At 6/30/2018
Employees & social security	9
Income tax(1)	452
Value added tax	376
Other taxes, duties and similar payments	32
Group and associates' current accounts	1,377
Receivables from disposal(2)	334
Miscellaneous	524
TOTAL OF OTHER RECEIVABLES	**3,104**

(1) The "income tax" line comprises the 2016-2017 French research tax credit (CIR), the 2016-2017 competitiveness and employment tax credit (CICE) and the 2017 Family Tax Credit.

(2) The receivable on disposal is the earn-out to be received in the context of the disposal of the subsidiary Avanquest Publishing Software Ltd. It should be noted that €0.2 million is payable beyond one year.

Note 13 Schedule of receivables

The total receivables due in under one year is €4,649 thousand, broken down as follows:

- receivables from current assets: €4,063 thousand, of which €1,128 thousand in trade accounts receivable and €1,377 thousand in current accounts;
- prepaid expenses: €586 thousand.

The total receivables due in more than one year is €1,679 thousand, which breaks down as follows:

- receivables from capital assets: €1,508 thousand of which €1,415 thousand in receivables from equity interests;
- receivables from current assets: €171 thousand.

Note 14 Breakdown of accrued income

(in € thousand)	At 6/30/2018
Long-term assets	
Loans – French new housing levy	10
Trade receivables	
Unbilled receivables	1,031
Other receivables	
VAT to be regularized	131
Other receivables	25
TOTAL	**1,197**

Note 15 Breakdown of prepaid expenses

(in € thousand)	At 6/30/2018
Maintenance	12
Fees	88
Contributions	38
Financial expenses	443
Other	6
TOTAL PREPAID EXPENSES	**587**

Note 16 Breakdown of expenses to be distributed

Net amount at 7/1/17 *(in € thousand)*	Increases	Amortization for the fiscal year	Net amount at 6/30/18
	1,258	8	1,250

This item is composed of the expenses for the ORNANE bond issue. The expense is divided in a straight-line over the duration of the loan, namely from June 19, 2018 to July 1, 2023.

Additional information pertaining to balance sheet liabilities

Note 17 Equity

17.1 Share capital

As of June 30, 2018, the share capital of Claranova SA was made up of 393,613,788 shares with a par value of €0.10, all of the same category.

17.2 Changes in the number of shares and share capital

	Units	Amount *(in €)*
As of June 30, 2017	**375,318,555**	**37,531,855.50**
Stock options exercised	18,295,233	1,829,523.30
As of June 30, 2018	**393,613,788**	**39,361,378.80**

The number of treasury shares changed as follows:

	Units
As of June 30, 2017	**139,791**
Share buyback program	55,000
As of June 30, 2018	**194,791**

17.3 Other securities giving access to capital

Bonus share plans

Making use of authorizations granted by the General Shareholders' Meetings of June 7, 2017, the Management Board approved the implementation of a bonus share plan on November 13, 2017, assigning 18,760,000 shares.

The vesting conditions for bonus shares had not been met as of the filing date of this Registration Document.

The vesting of bonus shares is subject to continued employment conditions (period of assignment over one year) and stock-market performance or annual level of growth in revenue. The vesting period for the plan dated November 13, 2017 was still ongoing on June 30, 2018.

On June 30, 2018, the number of rights to bonus shares acquired under these plans is nil.

Stock option plans

On November 30, 2015, Claranova's General Shareholders' Meeting authorized the Management Board to implement an allocation plan for the subscription or purchase of new or existing shares of Claranova and its subsidiaries.

On June 30, 2018, 430,694 stock options were still in circulation.

Subscription warrant plans

On June 7, 2017, Claranova's General Shareholders' Meeting authorized the Management Board to implement an allocation plan for warrants to subscribe for, or purchase, new or existing shares of Claranova and its subsidiaries.

On November 13, 2017, the Management Board put in place a subscription warrant plan, assigning 3,753,224 shares to members of the Management Board and the Supervisory Board of Claranova. Each warrant may be purchased for a value of €0.36 and gives entitlement to purchase one Claranova share for €0.61, for a period of 10 years from the date of assignment, namely until November 12, 2027.

At June 30, 2018, no subscription warrants had been bought by the beneficiaries.

Issue of Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE)

On June 19, 2018, Claranova issued 26,363,636 Net Share-Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (ORNANE), maturing on July 1st, 2023. As of June 30, 2018, no bond has been converted early.

Under the assumption that all the rights attached to the authorized options and bonus shares become exercisable and are exercised, Claranova's share capital would increase by €2,295,291.80.

It should be noted that this number does not take into account the issue of ORNANE in June 2018 since, at the date of this Registration Document, the Company has not decided on the method of paying back the bonds. Moreover, at June 30, 2018, in view of the share price, if the early conversion of the ORNANE had been requested by the subscribers, Claranova would have been required to pay them back in cash.

The share capital would therefore increase from €39,361,378.80 to €41,656,670.60, an increase of 5.83%, spread over the period between 2018 and 2027.

17.4 Statement of changes in equity

(in € thousand)	At 6/30/2018
Equity at 6/30/2017	81,955
Capital increase and issue premium	2,049
Income for the period	(4 604)
EQUITY AT 6/30/2018	**79 400**

Note 18 Provisions

(in € thousand)	Provisions at 6/30/2017	Operating provisions	Financial provisions	Extra-ordinary provisions	Reversal of op. prov.	Reversal of fin. prov.	Extra-ordinary reversals	Use	Provisions at 6/30/2018
Provisions for foreign exchange risk	481	-	517	-	1	480	-	14	517
Provision for charge	-	2,989	-	-	-	-	-	-	2,989
TOTAL	**481**	**2,989**	**517**	**0**	**1**	**480**	**0**	**14**	**3,506**

The provision for charge comprise the social security expense provision related to the free share grant. The provision is accounted for in wages and salaries in accordance with the French accounting policies.

Note 19 Financial liabilities

At June 30, 2018, the maturity dates for financial liabilities were as follows:

(in € thousand)	Total	Less than one year	From one to five years	More than five years
Other bond loans	29,048		48	29,000
Other financial liabilities	42	42		
Bank account overdrafts	0			
Financial instruments – Liabilities	0			
Accrued interest not yet due	1	1		
TOTAL	**29,091**	**43**	**48**	**29,000**

19.1 Other bond loans

Claranova issued bonds for 29 million in June 2018, with the option for redemption in cash and/or new shares and/or existing shares upon maturity on July 1, 2023.

They bear interest at a fixed rate of 5% payable annually. The nominal value of the bonds is fixed at €1.10.

They are intended, firstly, to finance the takeover of the group hosting the Upclick, SodaPDF and Adaware activities by its Avanquest division, and secondly, to cover the future financing requirements of Claranova.

19.2 Credit facilities

Claranova has not taken out any bank loans.

19.3 Other financial liabilities

Other financial liabilities of €42 thousand are entirely made up of current accounts.

19.4 Exchange rate risk

The Company's exposure to foreign currency risk relates mainly to current accounts denominated in foreign currencies and to sales of services to its subsidiaries in dollars in the United States and in pounds in the United Kingdom, minus expenses and investments or the repayment of loans denominated in this currency.

The Company may have foreign exchange hedge facilities. When it prepares its budget each year, the Company may use hedging instruments, primarily made up of forward sales intended to at least hedge the budget exchange rate. No hedging instruments were in place at June 30, 2018.

19.5 Interest rate risk

The Company issued a bond loan at a fixed rate of 5% on June 19, 2018. As of June 30, 2018, the Company was not exposed to interest rate risk.

19.6 Equity risk

The Company's cash is mainly invested in risk-free money market investments.

The Company held only 194,791 of its own shares on June 30, 2018, and therefore only had very low exposure to equity risk.

19.7 Liquidity risk

Prudent management of liquidity risk involves maintaining sufficient liquidity and financial resources through appropriate credit facilities.

On June 19, 2018, the Company issued a bond for €29 million, for a cash amount, net of issue fees and other financial expenses, of €27.7 million. Due to this, the Company considers its liquidity risk to be quite low.

Note 20 Schedule of liabilities

The amount of debt at less than one year stands at €3,003 thousand and debts at more than one year at €29,048 thousand. These correspond to the bond.

Note 21 Disclosures on terms of payment

In accordance with the provisions of Article L. 441-6-1 of the French Commercial Code, the balance of trade payables and trade receivables is broken down by due date at the end of the last fiscal years as follows:

21.1 Trade payables at June 30, 2018

(amount in €)	Article D. 441 I.-1°: Invoices received and not paid at the fiscal year closing date and for which payment is overdue					
	0 days	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
(A) Late payment group						
Number of invoices concerned	33	27	4	7	16	54
Total amount of invoices concerned (incl. tax)	362,071.75	50,823.89	150,141.06	68,794.96	16,919.93	286,679.84
Percentage of the total amount of purchases for the fiscal year (incl. tax)	4.58%	0.64%	1.90%	0.87%	0.21%	3.63%
(B) Invoices excluded from (A) relating to disputed or unrecognized liabilities and receivables						
Number of invoices						0

Trade payables at June 30, 2017

(amount in €)	**0 days**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
(A) Late payment group						
Number of invoices concerned	91	37	2	2	30	71
Total amount of invoices concerned (incl. tax)	458,048.39	150,260.21	2,256.20	566.86	17,719.96	170,803.23
Percentage of the total amount of purchases for the fiscal year (incl. tax)	2.79%	0.91%	0.01%	0.00%	0.11%	1.04%
(B) Invoices excluded from (A) relating to disputed or unrecognized liabilities and receivables						
Number of invoices						0

21.2 Trade receivables as of June 30, 2018

(amount in €)	Article D. 441 I.-1°: Invoices issued and not paid at the fiscal year closing date and for which payment is overdue					
	0 days	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
(A) Late payment group						
Number of invoices concerned	1	0	0	0	7	7
Total amount of invoices concerned (incl. tax)	1,766.42				94,719.45	94,719.45
Percentage of revenue for the fiscal year (incl. tax)	0.05%				2.42%	2.42%
(B) Invoices excluded from (A) relating to disputed or unrecognized liabilities and receivables						
Number of invoices						0

Trade receivables at June 30, 2017

(amount in €)	**0 days**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
(A) Late payment group						
Number of invoices concerned	7	2	2	4	90	98
Total amount of invoices concerned (incl. tax)	647,693.55	129,961.44	84,955.79	192,381.67	2,973,915.40	3,381,214.30
Percentage of revenue for the fiscal year (incl. tax)	3.97%	0.80%	0.52%	1.18%	18.24%	20.74%
(B) Invoices excluded from (A) relating to disputed or unrecognized liabilities and receivables						
Number of invoices						0

To be noted : Revenue for the fiscal year (including VAT) used for comparison purposes above includes transfers of expenses.

Note 22 Breakdown of expenses to be paid

(in € thousand)	At 6/30/2018
Other bond loans	
Accrued interest	48
Loans and borrowings	
Accrued interest	43
Trade payables	
Accruals – unbilled payables	831
Tax & social security liabilities	824
Other payables	130
TOTAL	**1,876**

Note 23 Translation adjustments on receivables and liabilities denominated in foreign currencies

Type of adjustment *(in € thousand)*	Asset amount – unrealized loss	Offset by foreign exchange hedges	Provisions for foreign exchange losses	Liability amount – unrealized gain
On non-financial assets				
On long-term assets	368		368	
On receivables	149		149	12
On financial liabilities				
On operating liabilities				
On fixed asset liabilities				
TOTAL	**517**		**517**	**12**

Note 24 Expense transfers

Expense transfers mainly comprise the expenses paid by Claranova for its subsidiaries and rebilled as part of the Group's operations.

Note 25 Other payables

Other payables mainly comprise research tax credits (*crédit impôt recherche* – CIR) and competitiveness and employment tax credits (*crédit d'impôt pour la compétitivité et l'emploi* – CICE) for 2016 and the period from January 1 to May 31, 2017 to be repaid to Avanquest Software (€449 thousand) upon collection, as part of the partial transfer of assets.

Note 26 Off-balance sheet commitments

26.1 Earn-out clauses on acquisitions and equity interests

There are no earn-out clauses relating to acquisitions in prior periods applicable as at June 30, 2018 for Claranova SA.

26.2 Off-balance sheet liabilities

Subsidiary	Date	Type	Indemnity	Limits	Period
Arvixe LLC	10/31/2014	Asset transfer agreement	Indemnity guarantee related to the amount and type of damage: Maximum: €22,000,000 Minimum: €3,300,000	Breach of representations or warranties (other than "fundamental representations"): 15% of the transfer price; Breach of seller's obligations: 50% of the transfer price; Breach of "fundamental representations" pertaining to exclusion of liability and assets and tax receivables: the transfer price; In the event the buyer is entitled to equitable compensation or in the event of fraud: no ceiling. Transfer price = €22,000,000.	All claims: one year from the final payment date (which must be within 12 months of closing, or by October 31, 2016, at the latest); Tax receivable: 90 days after closing (January 25, 2015); Guarantee in respect of "fundamental representations": five years from the closing date, *i.e.* until October 31, 2019.
Édition Multimédia Électronique (EMME) – Agreement signed by Avanquest Software SA and SFPI	2/17/2015	Share purchase agreement	Price reduction in line with the amount of damages	€250,000, except for damages related to: (i) current employment disputes; and (ii) the settlement of any tax or social security liability that arose prior to the date of completion or not disclosed to the buyer prior to this date.	18 months from the completion date (February 17, 2015), *i.e.* until August 17, 2016, except: ▪ for damages related to employment disputes, in which case it is 15 working days following the final court decision on the employment dispute concerned; ▪ for damages related to tax or social security liabilities, in which case it is 15 working days following the expiry of the statutory limitation period.
ProcessFlows (UK) Limited	5/29/2015	Share transfer agreement	Minimum: €4,000,000 Maximum: €5,350,000 + interest on a maximum of €350,000	Price paid to the seller, except in the event of a claim relating to tax or social security receivables or insolvency (in the absence of compulsory administration or liquidation proceedings or an application to appoint a liquidator). In the latter case, the maximum amount is £2,500,000. Floor: £50,000 (except in the event of fraud).	All claims: one year from the transaction completion date, *i.e.* until May 29, 2016; Tax receivable: seven years from the transaction completion date, *i.e.* until May 29, 2022.
Avanquest Software Publishing Ltd	4/30/2016	Share transfer agreement	Guarantee granted for the amount of losses, guarantees, costs and expenses provided for in some cases by the transfer agreement	£750,000, plus the amount of the earn-out clause. Floor: ▪ £2,500 if called upon for a single reason; ▪ £25,000 if called upon for several reasons.	All claims: two years from the transaction completion date, *i.e.* until April 30, 2018; Tax receivable: seven years from the transaction completion date, *i.e.* until April 30, 2023.
Canadian subsidiaries hosting the Upclick, SodaPDF and Adaware businesses	3/26/2018	Share purchase contract	Guarantee related to a loan to finance the purchase of securities	N/A	Avanquest Software SAS and Claranova SA undertook to contract a loan of US$20 million in the context of financing the purchase of 50.1% of the shares of the Group composed of the Upclick, SodaPDF and Adaware businesses before March 31, 2019. Claranova SA stood as guarantor for this funding, which must be implemented at the level of the Canadian subsidiary, Avanquest Canada Inc.

26.3 Pledges granted

There were no pledges granted as of June 30, 2018.

26.4 Lease financing commitment

Claranova has no lease financing commitments.

26.5 Retirement benefits

On retirement, some Company employees are entitled to benefits calculated according to the relevant collective bargaining agreement.

Retirement benefits, calculated using the retrospective method (projected unit credit method), amounted to €56 thousand as of June 30, 2018. The impact on the fiscal year is a loss of €14 thousand consisting of costs of services rendered. The actuarial assumptions used are:

- discount rate: 1.55%;
- retirement age: 65;
- rate of salary increase: 2%-5%, depending on age.

There is no specific pension plan for employees of non-French subsidiaries.

The Company does not provision the related theoretical entitlements. Instead it pays the actual cost of retirement benefits during the fiscal year in which the retirement occurs.

26.6 Off-balance sheet assets

The shareholders of Micro Application Europe provided Claranova with a guarantee covering the assets and liabilities in the financial statements of the Company and its subsidiaries as of February 11, 2011. This guarantee is currently only valid for tax claims for which the legal limitation period is longer than five years.

The earn-out for the sale of Avanquest Software Publishing Ltd, based on future profits, has not been included in the calculation of the capital loss, and will be recorded in income in the event the profit is realized. This earn-out is calculated on each anniversary date for three years until April 30, 2019.

Claranova SA waived an aggregate amount of $15 million (€13.3 million) in debt for its subsidiary Avanquest North America. The debt waiver is subject to a better fortunes clause in line with the profitability or disposal criteria of the physical subsidiary.

Within the context of the sale of Mediaclip securities in March 2017, the buyer agrees to pay an earn-out to Claranova if all Mediaclip shares are sold within three years. This earn-out cannot, in any event, exceed CAN$98,536.

In the context of the purchase contract by the Avanquest division of 50.1% of the Canadian group composed of the businesses Upclick, SodaPDF and Adaware, Claranova benefits from a guarantee from the third party ASIA Advisors to substitute itself for its commitment to the sellers up to an amount of €12 million if the Group does not manage to borrow the necessary amount before March 31, 2019.

Note 27 Fees paid to the Statutory Auditors

Claranova group publishes consolidated financial statements. Please see the information included in the Registration Document at June 30, 2018.

Note 28 Information on associates and companies in which the Company has an equity interest

(in € thousand)	Associates at 6/30/2018	Equity interest at 6/30/2018
Net long-term assets	88,921	0
Net receivables	2,505	0
Liabilities	508	0
Financial revenue	199	0
Financial expenses	0	0

Note 29 Subsidiaries and equity interests

Companies	Share capital	Equity excluding share capital and before earnings	Share of dividends	Gross value of securities Net value of securities	Loans, advances sureties	Revenue	Net income
Avanquest America Inc.				59,824,459	15,155,385		
2711 Centerville Road, Suite 400 Wilmington, DE 19808 – United-States	24,395,128	13,948,814	100%	59,824,459		125,902,707(1)	(49,043,668)(1)
Avanquest Software SAS				27,680,857	662,669		
89/91 bd National 92250 La Garenne-Colombes – France	25,840,490	1,910,045	100%	27,680,857		37,198,661(2)	(5,152,187)(2)
EQUITY INTERESTS							
Antvoice SAS				148,000			
28, rue du Sentier 75002 Paris, France	ND		1.7%	-			

(1) *Consolidated data integrating the companies PlanetArt UK Ltd, PlanetArt LLC, FreePrints India Ltd, Avanquest China Ltd, myDevices Inc. and Avanquest America Holding, LLC. Aggregate data for revenue and net income.*
(2) *Consolidated data integrating the companies Avanquest North America Inc., Avanquest Deutschland GmbH, Avanquest Iberica SL, Avanquest UK Ltd, PC Helpsoft, Avanquest Canada Inc., Avanquest Canada Holding Inc. and EMME Deutschland GmbH. Aggregate data for revenue and net income.*

Claranova SA is the consolidating entity of the Claranova group.

Note 30 Tax

30.1 Change in future tax liability

(in € thousand)	At 6/30/2018	Corporation tax and corresponding contributions*
Provisions for foreign exchange losses	517	172
Unrealized exchange losses	12	4
Loss to be carried forward	6,293	2,098
Net reduction	6,822	2,274

* *Corporate tax rate: 33 1/3%.*

Following the partial transfer of assets, an application for the transfer of software business-related losses to the subsidiary Avanquest Software SAS is ongoing, in the amount of €56.1 million.

30.2 Research tax credit (CIR)

Claranova booked a €72 thousand research tax credit (CIR) in the 2017 calendar year. It was transferred to Avanquest Software in its entirety as part of the partial transfer of assets.

30.3 Competitiveness and employment tax credit (CICE)

Claranova booked a €29 thousand competitiveness and employment tax credit (CICE) for the 2017 calendar year, deducted from payroll. The CICE will be used by the Company in accordance with the relevant rules of the Tax Code: to fund investment, research, innovation, training, recruitment, and to replenish working capital. It was transferred to Avanquest Software SAS in its entirety as part of the partial transfer of assets.

30.4 Family Tax Credit

Claranova booked a family tax credit of €2 thousand pursuant in the respect of the 2017 calendar year.

Note 31 Legal proceedings and disputes

There are no pending or potential government, legal or arbitration proceedings, including any proceedings of which the Company has knowledge, which may have or have had a material impact during the past 12 months on the Company's financial position or profitability.

Note 32 Portfolio securities

55,000 treasury shares were acquired in the period from July 1, 2017 to June 30, 2018 under the share buyback program and the liquidity contract.

Type of security	Quantity at 6/30/2018	Total purchase value in thousands of euros	Value in thousands of euros at 6/30/2018
Treasury shares	194,791	62	169
TOTAL	**194,791**	**62**	**169**

Note 33 Events after the reporting period

33.1 Acquisition by the Avanquest division, implemented by the subsidiary Avanquest Software SAS, of a group of Canadian companies

On July 1, 2018, the Avanquest division finalized the acquisition of the Canadian companies grouping the Upclick, SodaPDF and Adaware businesses. Based in Canada, this group of companies in the Internet sector is present in most countries and positioned on the three following activities:

- e-commerce transaction management through Upclick, one of the most modern platforms in the world;
- PDF applications and document management with Lulu Software, one of the world's major players for PDF solutions through its SodaPDF product line;
- Internet security with Adaware anti-virus and security solutions, known worldwide.

The 50.01% takeover of this group of companies by Avanquest Canada Inc., a subsidiary indirectly wholly-owned by Avanquest Software SAS, was done on the basis of a payment of €27 million. Furthermore, the minority shareholders of the Canadian group will have the option to convert their residual equity holdings into Avanquest securities based on ratios that change according to the achievement of performance conditions.

Note 34 Other information

34.1 Workforce

The Company had an average workforce of 5.5 people, compared with 51 in 2016-2017, as a result of the transfer of Software business staff to Avanquest Software SAS as of June 1, 2017. Workforce breakdown by category of staff is as follows:

White collar workers	0
Engineers and managers	3.5
Executives	2
TOTAL	**6**

34.2 Compensation of senior management

Total compensation, benefits in kind, and fees paid to the members of Claranova SA's executive and management bodies for the performance of their duties amounted to €1,086 thousand.

A total of €112 thousand in directors' fees was paid to members of the Supervisory Board during the course of the fiscal year. Directors' fees are paid quarterly.

34.3 Related-party transactions

In addition to the compensation paid to the members of the executive and management bodies and off-balance sheet commitments, there are no other transactions with related parties.

8.5 Statutory Auditors' report on the annual financial statements

Fiscal year ended June 30, 2018

To the Claranova General Shareholders' Meeting,

Opinion

In compliance with the assignment entrusted to us by your General Shareholders' Meetings, we have audited the Claranova financial statements for the year ended June 30, 2018 that accompany this report.

We certify that the annual financial statements, in accordance with French accounting rules and principles, give a true and fair view of the operating results of the fiscal year ended, as well as of the assets and liabilities and financial position of the Company at the end of this fiscal year.

The opinion set out above is consistent with the content of our report to the Audit Committee.

Basis of opinion

Audit reference

We carried out our audit in accordance with the professional standards applicable in France. We believe that the evidence we have obtained provides a sufficient and appropriate basis for our opinion.

Our responsibilities under these standards are set out in the section “Responsibilities of the Statutory Auditors for the audit of the annual financial statements” of this report.

Independence

We conducted our audit mission in compliance with the independence rules applicable to us, over the period from July 1, 2017 to the issuance date of our report, and more specifically, we have not provided any services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014 or by the Code of Ethics of the auditing profession.

Observation

Without challenging the opinion expressed above, we would like to draw your attention to note 2, which refers to the first application of Accounting Standards Board (ANC) regulation no. 2015-05 on financial instruments and foreign exchange hedging transactions.

Justification of our assessments – Key Audit Matters

Pursuant to Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters concerning the risks of material misstatement that, according to our professional judgment, were greatest in the audit of the financial statements for the year, as well as the responses we have given in light of those risks.

The assessments thus made are in the context of the audit of the annual financial statements considered as a whole and the formation of our opinion expressed above. We do not express an opinion on individual elements of these annual financial statements.

Valuation of equity interests and related receivables	
Identified risk	As of June 30, 2018, the net value of equity interests and related receivables was €88,920 thousand. As indicated in note 2.3 "Long-term assets" in Section 2 "Accounting principles, rules and methods," equity interests are valued at their acquisition cost or their contribution value. On the balance sheet date, the value of equity interests, related receivables, and current accounts are reconciled with an estimated value in use. When the value in use is lower than the acquisition value (including receivables from equity interests), an allowance for impairment is booked for the amount of the difference. The value in use may be estimated by taking into account equity, unrealized capital gains, provisional items, etc. The valuation of equity interests and related receivables therefore requires the exercise of management's judgment in its choice of the items to be considered according to the relevant interests. In our opinion, therefore, the proper valuation of equity interests and related receivables constituted a key audit matter.
Our response	Our audit procedures consisted of verifying the value in use of the main components of the securities portfolio. Accordingly, our work consisted of: ■ obtaining external documentary evidence of the use value in use, where available, such as external valuation reports or investor contracts that documented a market value; ■ comparing the assumptions used with the assumptions that we expected, taking into account market values when available; ■ verifying the calculation formulas used.

Verification of the management report and other documents sent to shareholders

In accordance with professional standards applicable in France, we have also conducted the specific verifications required by law.

Information given in the management report and in the other documents sent to shareholders on the financial position and annual financial statements

We have no comments to report concerning the fair presentation and consistency with the annual financial statements of the information given in the management report by the Management Board and in the other documents sent to shareholders on the financial position and annual financial statements.

Corporate governance report

We attest that the report by the Supervisory Board on corporate governance contains the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

With regard to the information provided in accordance with Article L. 225-37-3 of the French Commercial Code on the compensation and benefits paid to corporate officers as well as commitments made in their favor, we have verified its congruity with the financial statements or the data used to prepare the financial statements and, where applicable, with evidence gathered by your Company from entities controlling or controlled by your Company. On this basis, we attest to the accuracy and truthfulness of this information.

With regard to the information provided in accordance with Article L. 225-37-5 of the French Commercial Code on the factors your Company has deemed likely to have negative repercussions in the event of a takeover bid or exchange offer, we have verified the compliance of this information with the documents from which it comes and that were shared with us. On this basis, we have no observations to make about this information.

Other information

In accordance with the law, we have verified that the management report contains various information relating to equity and controlling interests and the identity of shareholders and holders of voting rights and cross holdings.

Information resulting from other legal and regulatory requirements

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of Claranova by the General Shareholders' Meetings of February 12, 1998, for APLITEC and the meeting of November 29, 2012, for ERNST & YOUNG et Autres.

As of June 30, 2018, APLITEC was in the twentieth consecutive year of its mission, and ERNST & YOUNG et Autres in its sixth year.

ERNST & YOUNG Audit previously served as Statutory Auditor beginning in 2006.

Responsibilities of management and persons charged with corporate governance with respect to the annual financial statements

It is the responsibility of the management to prepare financial statements that present a true and fair view in accordance with French accounting rules and principles, and to set up the internal controls it deems necessary for the preparation of annual financial statements without material misstatements, whether due to fraud or error.

When preparing the annual financial statements, it is the responsibility of management to assess the ability of the Company to continue operations, to present in said financial statements, where appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting standard unless it is expected that the Company will be liquidated or cease operations.

The Audit Committee is responsible for overseeing the financial reporting process and for monitoring the effectiveness of internal control and risk management systems and, where appropriate, internal audits as they involve the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements have been reviewed by the Management Board.

Responsibilities of the Statutory Auditors for the auditing of the annual financial statements

Audit objective and principles

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free of any material misstatement. Reasonable assurance corresponds to a high level of assurance, but it does not, however, ensure that an audit carried out in accordance with professional standards makes the consistent detection of all material misstatements possible. Anomalies may arise from fraud or error and are considered significant when it can reasonably be expected that they may, individually or cumulatively, influence the economic decisions that people who refer to them make.

As stated in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of the Company's management.

In the context of an audit carried out in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Moreover, the Statutory Auditor:

- identifies and assesses the risks of material misstatement in the financial statements, whether due to fraud or error, and defines and implements audit procedures to deal with such risks, and gathers information it considers sufficient and appropriate to form an opinion. The risk that a material misstatement due to fraud may not be detected is higher than for a material misstatement due to an error, as fraud may involve collusion, falsification, willful omissions, misrepresentation or circumvention of internal control;
- reviews the internal controls relevant to the audit in order to define audit procedures appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal controls;
- assesses the appropriateness of the accounting methods adopted and the reasonableness of the accounting estimates made by management and the information in this regard provided in the annual financial statements;
- assesses the appropriateness of management's application of the going concern accounting standard and, based on the information gathered, whether there is significant uncertainty related to events or circumstances that could raise questions about the Company's ability to continue operations. This assessment is based on the information gathered up to the date of its report, but it should be remembered that subsequent circumstances or events could raise questions about the continuity of operations. If it concludes that there is significant uncertainty, it points this out to the readers of its report on the information provided in the annual financial statements concerning this uncertainty or, if such information is not provided or is not relevant, it makes a certification with reservations or refuses to certify;
- assesses the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying transactions and events such that they give a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the scope of the audit and the work processes followed, as well as the conclusions arising from our work. We also bring to its attention, where appropriate, the significant weaknesses in the internal controls that we have identified with regard to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit Committee are the risks of material misstatement that we consider to be the most important for the audit of the annual financial statements for the year and therefore constitute the key audit matters, which we are obliged to outline in this report.

We also provide the Audit Committee with the declaration confirming our independence required by Article 6 of Regulation (EU) No. 537-2014, as defined by the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics of the auditing profession. If necessary, we discuss the risks to our independence and the safeguards applied with the Audit Committee.

Paris et Paris-La Défense, October 2, 2018

The Statutory Auditors

APLITEC	ERNST & YOUNG et Autres
Stéphane Lambert	Franck Sebag

8.6 Results for the past five fiscal years

Date fiscal year ended	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Length of fiscal year	12 months	12 months	12 months	12 months	12 months	12 months
Capital at end of fiscal year						
Share capital *(in €)*	39,361,379	37,531,856	37,531,856	37,498,256	27,354,441	18,992,574
Number of shares						
ordinary	393,613,788	375,318,555	375,318,555	374,982,555	27,354,441	18,992,574
preferred						
Maximum number of new shares to be issued						
▪ from converted bonds	26,363,636		0	0	867,335	867,335
▪ from subscription rights	22 952 918	19,395,927	915,000	4,300,167	4,936,667	3,122,583
Transactions and results *(figures in €)*						
Revenue (excl. taxes)	1,197,318	14,446,085	18,235,344	26,741,425	28,528,645	20,098,629
Income before taxes, profit-sharing, depreciation, amortization and provisions	(13,685,554)	(5,367,984)	(19,796,678)	(37,237,144)	(8,337,662)	5,348,047
Income taxes	(6,937)	(208,470)	(260,993)	(205,876)	(262,172)	(214,312)
Employee profit-sharing	-	-	-	-	-	-
Depreciation, amortization and provisions	(9,074,282)	(58,409,973)	(4,157,557)	(37,004,079)	27,036,015	50,006,320
Net income	(4,604,335)	53,250,459	(15,378,128)	(27,189)	(35,111,505)	(44,443,961)
Dividends paid					-	-
Earnings per share *(figures in €)*						
Income after taxes and profit-sharing before depreciation, amortization and provisions	(0.03)	(0.01)	(0.05)	(0.1)	(0.3)	0.29
Income after taxes, profit-sharing, amortization, depreciation and provisions	(0.01)	0.14	(0.04)	0	(0.3)	(2.34)
Dividends allocated	-	-	-	-	-	-
Employees						
Average workforce	6	51	70	86	96	69
Wage bill *(in €)*	1,195,590	3,710,465	3,681,625	3,915,700	4,965,985	3,917,495
Total employee benefits *(in €)* (social security, other employee services)	3,571,959	2,070,375	1,824,908	1,966,522	2,446,671	2,060,604

CROSS-REFERENCE TABLES

Cross-reference table with the entries in Annex 1 to European Regulation 809/2004

The following cross-reference table helps to identify the information mentioned in the various sections of Annex 1 to Regulation (EC) No. 809/2004 of the European Commission of April 29, 2004 in this Registration Document.

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GLOSSARY

IP address:

Internet Protocol: Identification number permanently or temporarily assigned to all machines connected to the Internet.

AMF *(Autorité des marchés financiers)*:

The French Securities Regulator (AMF) is an independent public authority which has the status of a financially independent legal entity, tasked with protecting savings invested in financial instruments, informing investors and ensuring the proper functioning of the financial instruments markets in France.

API:

Application Programming Interface is a standard set of routines, data structures, object classes, and variables available to computer programs via a software library, an operating system, or a service allowing for interoperability between software components.

App store:

Digital platform for downloading applications for mobile devices such as smartphones, tablets, *etc*.

Application:

Software package for mobile phones.

ARCEP *(Autorité de régulation des communications électroniques et des postes)*:

Independent French authority in charge of regulating telecommunications in France.

Arduino:

Range of microcontroller boards (programmable electronic boards) all equipped with the same development software, also called Arduino.

WCR:

Working Capital Requirement is the amount of cash a company needs to pay its operating expenses while awaiting the collection of trade receivables.

Blockchain:

Transparent and secured decentralized information storage and transmission technology.

Bluetooth:

Wireless communication technology standard for exchanging data over very short distances using UHF radio waves in the 2.4 GHz band.

Subscription warrants:

Stock subscription warrant, a financial security that gives the right to subscribe to a certain number of shares for a given period of time and for pre-determined proportions and prices.

BtoB:

Business to Business refers to all company activities carried out with other corporates.

BtoC:

Business to Consumer refers to all the technical architectures and software solutions that enable companies to communicate directly with consumers.

Business units:

Profit centers.

Cash flow position:

All internal resources generated by the Company's operations which enable it to fulfill its financial obligations.

Cloud:

Or cloud computing, is the on-demand and self-service access to shared and configurable IT resources through a telecommunications network. In other words, it is a decentralized IT infrastructure.

CNIL *(Commission nationale de l'informatique et des libertés)*:

French independent data protection authority. The CNIL is responsible for ensuring that data collection remains within the best interests of the population and that it does not undermine either personal identity, human rights, privacy or individual and public rights.

Datacenter:

Physical site where all the equipment composing the Company's information system (central computers, servers, disk arrays, network and telecommunication equipment) is stored. It can be either internal or outside the Company and operated with or without the assistance of service providers.

Organic development:

Business development of a group (usually by measuring revenue growth) achieved by acquiring new customers, as opposed to an acquisitions process, which results in changes to the Company's scope of consolidation.

e-commerce:

Electronic trading of goods, services and information against money by using IT networks, namely Internet.

Earn-out:

In the context of the sale of a company, an earn-out clause allows to determine part of the acquisition price based on the Company's future performance.

EBITDA:

Earnings before interest, taxes, depreciation, and amortization (EBITDA), refers to the Company's earnings before the deduction of interest, taxes and duties, depreciation, (but after provisions associated with inventory and trade receivables), amortization and share-based payments, including related social security expenses.

Adjusted EBITDA:

EBITDA before the impact of retirement commitments.

Freemium:

Business strategy that combines a free self-service offer, and a pay higher-end "premium" offer.

Goodwill:

Difference between the acquisition cost paid by the buyer, in the event of a takeover or a merger, and the buyer's share of the fair value of the identifiable assets and liabilities.

Hardware:

All the physical, mechanical, magnetic, electrical and electronic equipment used in the composition of computers or, more broadly, machines used for handling information.

IAS:

Abbreviation for International Accounting Standards. IAS was the former name given to international accounting standards. New international standards issued from April 1, 2001 are known as IFRS.

IFRS:

Abbreviation for International Financial Reporting Standards. IFRS are the international standards used to report on financial information, which seek to standardize the presentation of accounting data worldwide.

Internet of Things (or IoT):

Global infrastructure for the Information Society, which provides for advanced services by interconnecting devices (physical or virtual) with existing or evolving inter-operable information or communication technologies.

IoT in a Box™:

All-in-one LoRa solution that includes the gateways, sensors, connectors and all the components required for building a simple IoT network.

Directors' fees:

Compensation granted to members of the Board of Directors or Supervisory Board of public limited companies *(sociétés anonymes).*

LoRa™:

Wireless long-distance telecommunication technology deployed via a Low-Power Wide-Area Network (LoRaWAN) as part of the Internet of Things.

MiddleNext:

Independent French association representing listed SMEs and midcaps. It was founded in 1987 and exclusively represents companies from all different sectors that are listed on Euronext and Alternext.

Monetization of traffic on Internet:

Valuation of the audience of a website or mobile application by turning it into revenue through a fee for the application or to get access to the content of a website, the introduction of the freemium model, affiliate schemes, advertising, or any other means that enable generation of income.

OPCVM *(organisme de placement collectif en valeurs mobilières):*

Undertakings for collective investments in transferable securities (UCITS), an assets portfolio invested in securities or other financial instruments.

Operating income:

Income calculated on the basis of recurring perating income less other non-current operating income and expenses.

Recurring operating income:

Income calculated on the basis of revenue plus other recurring operating income, less current operating expenses.

Retail:

The Retail business.

Royalties:

Payments that repeatedly occur in exchange of operating rights (licenses, copyrights, trademarks) or the rights to use a service.

CSR:

Corporate Social Responsibility includes all the initiatives set up by companies to comply with sustainable development principles (social, environmental and economic).

SaaS:

Software as a Service is a concept that enables companies to sign up to remote software instead of buying and having to install it on their own hardware.

Sigfox:

Low power wide-reaching signal telecommunications network used to send small amounts of data between objects without a cell phone.

Public limited company *(société anonyme):*

Limited company whose name does not disclose the names of its shareholders, the identity of which said company may not even be aware of if its shares are held in bearer form.

Public limited company with a one-tier Board system *(société anonyme "moniste"):*

Public limited company governed by a Board of Directors.

Public limited company with a two-tier Board system *(société anonyme "dualiste"):*

Public limited company governed by a Management Board and a Supervisory Board.

Software:

All programs, processes and instructions for computer hardware to execute.

Stock option:

Right granted to an employee enabling him/her to buy shares from his/her company at a predetermined price (strike price) that includes a discount compared to the stock market price at the time of the grant and within a specific time frame.

TCP/IP:

Set of communications protocols used for transferring data on the Internet. The suite is often just referred to as TCP/IP because of the names of its two main protocols: TCP (transmission control protocol) and IP (Internet Protocol).

Ultrabooks:

Ultra slim high performance laptop computers.

Pre-money valuation:

Valuation before capital increase.

Post-money valuation:

Valuation after capital increase.

VPN:

Virtual Private Network, a technology that can establish a secure Internet connection through an encrypted virtual tunnel.

Designed & published by LABRADOR +33 (0)1 53 06 30 80

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A French *société anonyme* with capital of €39,361,378.80 - Nanterre Trade and Companies Register B 329 764 625 - Activity Code 7010Z - Intracommunity VAT No. FR 05 329 764 625