

SES-imagotag: H1 2020 Sales

- H1 sales at €118m (-2.5% vs. H1 2019)
- Return to growth began in Q2 with sales up quarter-on quarter (+33% vs. Q1)
- Order entries at €165m, up +34% year-on-year
- Reaffirming expectations of a return to growth in H2, assuming no further major spikes in COVID this year

Sales (€m)	France	International	Total
Q1 2019	14.7	37.5	52.2
Q1 2020	12.0	38.8	50.8
% change	-18.4%	+3.5%	-2.7%
Q2 2019	18.8	50.3	69.2
Q2 2020	8.2	59.3	67.5
% change	-56.5%	+17.9%	-2.4%
H1 2019	33.5	87.8	121.4
H1 2020	20.2	98.2	118.3
% change	-39.8%	+11.7%	-2.5%
2019 Rolling 12 months	66.9	161.1	228.0
2020 Rolling 12 months	54.1	190.4	244.5
% change	-19.1%	+18.1%	+7.2%

Thierry Gadou, Chairman and CEO, SES-imagotag Group commented: "Our H1 outturn is slightly better than anticipated as in our May 26th forecast. Thanks to the rebound in activity in Q2 following the gradual easing of lockdown measures, H1 sales were broadly stable when compared to the same period last year, although we remain well behind our initial pre-Covid sales target. However, throughout this crisis, order entries have remained very strong, reaching a new rolling 12 months record of nearly €380m, reaffirming our confidence in a return to growth in H2 (subject to a stabilization of health conditions). The growth we expect to see in 2020 will be driven by strong performances in the Americas, Asia and Northern Europe. We anticipate grocery retailers to be leading the recovery, but we firmly believe that in the medium term, the COVID crisis can only accelerate the adoption of digital technology in physical stores, across all retail verticals. I would like to extend my gratitude to our customers for their faith in us, and to our teams for all their hard work during these challenging times."

Recovery firmly established in Q2

Recovery in sales activity is now firmly established thanks to the gradual easing of lockdown measures and the return to normal levels of production activity.

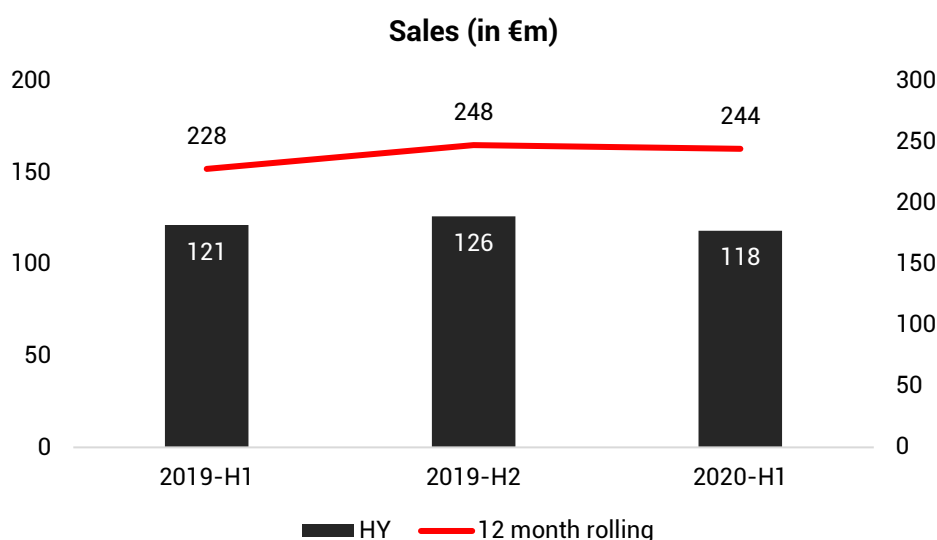
Sales in Q2 were €67.5m, up +33% from Q1 2020, but down year-on-year (-2.4%) as several projects have had to be suspended or delayed during this period.

In France, the decline has been more marked with sales of €8.2m (-56.5%), due to the strict lockdown measures, as in the whole south of Europe.

International sales were up +17.9% thanks to strong performances in Northern Europe (Germany, Scandinavia) and North America.

SES-imagotag is now benefiting from its increasingly global footprint, which has had a positive impact on the Group's overall resilience.

In total, H1 sales were €118.3 million (-2.5%) and the rolling 12 months at €244.5 million, up +7.2% year-on-year.



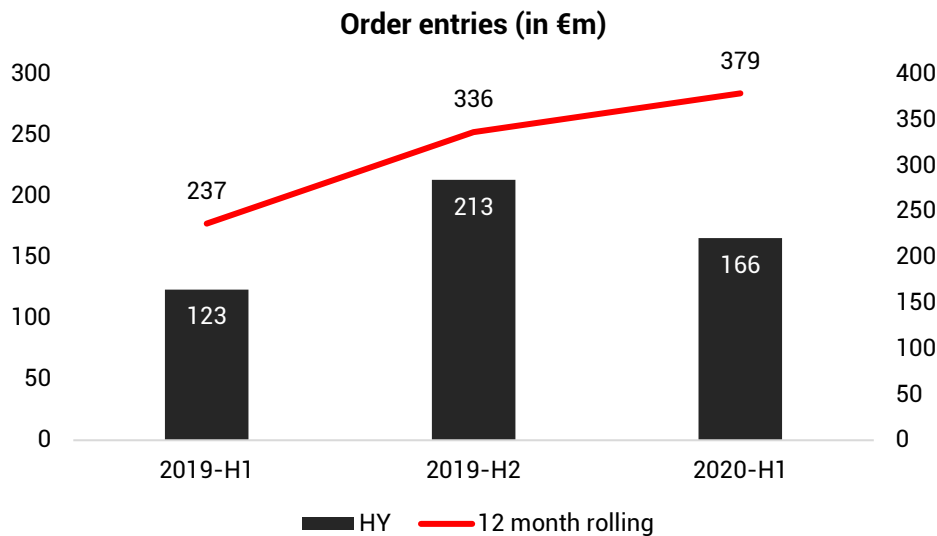
Continued strong momentum in order entries

(€m)	2020	2019	%
Q1	71.8	47.3	+51.6%
Q2	93.8	76.0	+23.5%
H1	165.6	123.3	+34.3%
12-Month Rolling	378.8	236.5	+60.1%

In this period of slowdown in activity, order entries are the most reliable indicators of the potential for recovery.

Following a very positive first quarter (+52% YoY and +38% on a rolling 12 months basis to the end of Q1), new orders continued to grow in Q2 at €93.8m (+23% vs. Q2 2019) and were €165.6m in H1, up +34% year-on-year.

Rolling 12 months order entries set a new record at €378.8m, up +60% YoY, providing further evidence that retailers see the digitization of stores as an increasingly important strategic priority.



Risk mitigation

In this context of continued economic uncertainty, SES-imagotag is keeping in place its contingency plans to mitigate health risks, to maintain discipline over costs and investment, and to conserve cash and maintain financial flexibility.

- The gradual lifting of lockdown has been accompanied by the imposition of strict rules on workplace hygiene and safety which have been implemented at the headquarters and in all subsidiaries;
- The cost control plan currently in place, combined with a return to growth in H2, should lead to a significant improvement in profitability in H2 relative to H2 2019;
- As part of its operational performance improvement plan, the Group switched its global information system to SAP, with only a slight delay on the original schedule due to the pandemic;
- Further to the measures previously announced and aimed at mitigating the economic impact of the current health crisis on the working capital, the Company has taken new initiatives in order to strengthen its financial flexibility in order to preserve its financial capacity and its potential to recover strongly in H2.

The Group has obtained, upon its request, from the holders of its EUR 40 million bonds due 2023 and EUR 10 million bonds due 2025, a suspension of its financial covenant, so that the

test of its leverage ratio (net debt/consolidated EBITDA below 3.5x) does not apply to the twelve-month period ended 30 June 2020.

In addition, in order to further strengthen the Group's liquidity, the Company has drawn loans guaranteed by the French State (prêts garantis par l'Etat - PGE) at 90%, with a one-year maturity and an extension option of up to 5 additional years, granted by financial institutions for a total amount of €30 million.

Outlook

Subject to future developments of the Covid-19 pandemic, SES-imagotag remains confident about prospects of a return to growth in the full year, thanks to a recovery in sales in the Second Half, as well as an improvement in full-year profitability relative to 2019.

In the medium to long-term, this crisis has exposed the urgency of the need to digitalize physical retail outlets and expand the potential market for the SES-Imagotag Group.

About SES-imagotag and the VUSION Retail IoT platform

SES-imagotag is a fast-growing retail tech company, listed on the Euronext Paris stock exchange, with revenues around €250 million. The company is the world leader in smart digital labels and IoT solutions for physical retail, serving over 300 large retailers around the world in Europe, Asia and America.

SES-imagotag has developed the VUSION Retail IOT technology platform to help retailers transform their physical stores into high value digital assets, more automated, data-driven, and connected in real-time to suppliers and consumers. VUSION improves pricing agility, accuracy and integrity; enables omni channel synchronization of prices, product information and marketing content; and increases the productivity of shelf replenishment and in-store picking for online orders. VUSION improves employee satisfaction by freeing up time from cumbersome low value-added tasks and allowing them to focus on customer service and merchandising tasks. VUSION connects shelves to the cloud, providing real-time accurate information on product availability and location, allowing for reduced inventory, out-of-stock and waste, as well as improved on-shelf availability and merchandising compliance. VUSION empowers consumers with better product, nutritional and traceability information at the shelf and enables a frictionless in-store shopping experience with features such as product search, pathfinding and cashier-less scan & pay features.

www.ses-imagotag.com

SES-imagotag is listed in compartment B of the Euronext™ Paris

Ticker: SESL – ISIN code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SES

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