

VusionGroup - First Half 2024 Sales:
Historic Level of Orders and Strong US Growth drive Record Performance

- H1 sales of €408 million under IFRS, and €430 million on an adjusted basis¹, up 13% and in line with guidance
- Q2 sales of €236 million under IFRS, and €252 million on an adjusted basis, up 14%
- Record level of orders in the 1st half of the year of €714 million (+38%), driven by strong momentum in the United States and several commercial successes in Europe
- Recurring VAS⁴ sales of €26 million, up 28% and representing around 60% of total VAS revenue
- Full-year 2024 outlook confirmed for adjusted sales above €1 billion and improved profitability

The following financial figures are presented under IFRS standards, as well as in adjusted terms before IFRS 15 adjustments, with no cash impact, related to the Walmart U.S. contract which began in Q4 2023. Details of these adjustments are provided at the end of this press release.

In €m	IFRS Sales	Adjustments ¹ due to Walmart contract	Adjusted Sales ¹
H1 2024	407.8	-22.2	430.0
H1 2023	380.7	-	380.7
Change (in %)	+7%	N/A	+13%

Unaudited figures

Commenting on the figures, **Thierry Gadou, Chairman and CEO of VusionGroup**, said:

« Our performance in the first half of the year is in line with our guidance. A solid momentum is underway in both the United States and Europe, thus strengthening our global leadership.

In the US, our growth is very strong, both in terms of sales and order entries. The Walmart deployment is proceeding rapidly, with more than 500 stores to be installed at year end. In addition, the introduction of our latest innovations, EdgeSense and VusionOX² is providing enhanced opportunities for the development of the market. This powerful momentum will be visible in the second half of the year and in 2025, with the United States becoming our first market.

The Group is also very successful in Europe in many markets (France, the United Kingdom, Germany, Scandinavia and Portugal) and particularly in a multitude of non-food market segments such as pharmaceuticals, sports, DIY, furniture and household appliances. Thanks to these wins, and others to come soon, we anticipate a sharp rebound of activity in Europe during the second half of the year compared to the first half of the year, and strong growth starting in 2025.

We confidently confirm all our financial targets for the current year in terms of growth, profitability and cash flow generation. The year 2024 will be a historic year in every way, and we are already preparing for the acceleration of 2025. I want to thank our customers for their trust and our teams for their commitment and passion for the digitalization of physical commerce ».

¹ Adjusted sales incorporate IFRS standards before adjusting for certain non-cash IFRS 15 adjustments related to the Walmart US contract, which began in Q4 2023. These adjustments only impact the Americas & Asia-Pacific region. Please see the detailed explanatory note at the end of this press release.

² EdgeSense is a highly innovative digital shelf system that revolutionizes electronic shelf labels and the broader digitalization of stores, powered by VusionOX, the new highly-secure IoT Cloud operating system leveraging an ultra-low power Bluetooth protocol.

Sales

In €m and in adjusted ¹ figures	EMEA	Americas & Asia-Pacific	Total
Q2 2024	131.7	120.6	252.3
Q2 2023	186.9	33.9	220.8
<i>Change (in %)</i>	-29.5%	+256%	+14.3%
H1 2024	238.0	192.0	430.0
H1 2023	317.1	63.0	380.1
<i>Change (in %)</i>	-25.1%	+205%	+13.1%
Rolling 12-month 2024	562.1	292.3	854.4
Rolling 12-month 2023	582.5	132.6	715.1
<i>Change (in %)</i>	-3.5%	+220%	+19.5%
Order entries in €m	2024	2023	%
H1	714.0	518.0	+37.8%
Rolling 12-month	1146.0	818.0	+40.1%

H1 growth in line with expectations and record order entries

The Group's IFRS revenue reached €408 million in the 1st half, and €430 million on an adjusted basis¹, up 13% compared to the 1st half of 2023, and in line with the guidance communicated during the presentation of the 2023 annual results.

In terms of geography, growth was driven by North America. In accordance with the forecasts announced, the breakdown of revenue in the 1st half is:

55% for **EMEA**, or €238 million, down 25% due to the planned and announced finalization of the deployment phase of a major European customer during the first half of the year. This cyclical effect will only be temporary in 2024 as the many contracts signed in recent months in Europe will generate robust growth again in 2025. In addition, order entries increased in the region in the first half of the year, reinforcing our scenario for a rebound of activity in Europe from the second half of 2024.

45% for **Americas and Asia-Pacific**, or €192 million on an adjusted basis, up 205%, mainly driven by the United States, which will become the Group's largest market in 2024. Growth is expected to continue at a sustained pace in the coming quarters. This excellent momentum is driven by the acceleration of the pace of deployment at Walmart but also by the ongoing conclusion of several major new contracts.

Global order entries increased by 38% to €714 million in the first half of the year, and the level of orders reached a level of €1,146 million at the end of the 1st half on a 12-month rolling basis. This record figure reflects the strong momentum of new contract signings in both Europe and the United States.

VAS³ Sales

Revenue from software and recurring services⁴ reached €26.1 million in the first half of the year, up sharply (+28% compared to H1 2023). It represents nearly 60% of the total VAS revenues, the total amount of which stands at €44 million (-17% compared to H1 2023).

Non-recurring services⁵ declined due to a difficult economic context where retailers slowed down some projects or internalized certain services. This situation is in line with the forecasts announced and is expected to continue throughout the year before reversing in 2025, thanks to the continued strong growth of recurring services.

VusionGroup's cloud installed base grew rapidly in the first half of the year to more than 21,000 stores and 110 million labels. This dynamic will accelerate in the coming quarters.

Outlook and objectives for 2024

With an order book at an all-time high, VusionGroup confidently reiterates its objective of crossing the €1 billion mark in revenue (on an adjusted basis) in 2024, and to pursue a strong growth trajectory in 2025.

As expected, the Group's revenue growth will be weighted more towards the second half of the year. VusionGroup confirms its ambition to deliver a record performance in terms of sales in the second half of the year with a target in the range of €580-600 million. This follows the achievement of €430 million of revenue in the first half of the year, fully in line with the guidance range of €420-440 million communicated during the presentation of its 2023 annual results.

Regarding the geographic distribution of annual sales, VusionGroup's annual sales targets remain at 50 to 60% in EMEA and 40 to 50% in Americas and APAC, supported by the strong growth expected in the United States this year.

Total VAS revenue is anticipated to reach €120-140m. This target reflects the ongoing difficult macroeconomic environment for commerce in Europe. As expected, this environment weighed on the level of activity in non-recurring VAS in the first half of the year. However, the Group anticipates a rebound in this activity from the second half of the year. Within the recurring VAS business, the good momentum in the second quarter supports the Group's growth target, which aims to reach an amount of €60 million for the full year. The numerous deployments planned for 2024 will continue to fuel the continued acceleration of the recurring VAS activity in 2025.

The Group expects an improvement in its adjusted variable cost margin rate for the first half of the year, and for the full year compared to the same periods in 2023. The Group also confirms its continued improvement on profitability, with an adjusted EBITDA margin expected to increase by 50 to 100 basis points and positive cash flow for the first half and the year.

VusionGroup expects continued robust growth in its order intake, which is expected to reach an all-time high for the full year.

Note on the IFRS Adjustments related to the Walmart contract:

Two IFRS adjustments related to the Walmart contract impact 2023 financial disclosures:

1. On June 2, 2023, at their Annual General Meeting, the Group's shareholders approved a grant to Walmart of 1,761,200 for stock warrants on the Group's shares. According to IFRS standards, the fair value of these warrants should be calculated. On June 2, 2023, the fair value of the warrants was established at €163m. A contract asset and a financial debt were thus recorded in the consolidated accounts for this amount. The contract asset, which is a fixed

³ VAS: Software, services and non-ESL solutions

⁴ "Recurring VAS" revenue includes revenue generated by subscriptions to VusionCloud and its SaaS computer vision (Captana and Belive) and data analytics (Markethub and Memory) solutions, as well as contracts for recurring services.

⁵ "Non-recurring VAS" revenue includes the revenue generated by installation and non-recurring professional services; the sale of equipment such as Captana cameras, video rails and other screens used for retail media (Engage), as well as the sale of industrial and logistics solutions (PDiigital).

amount, is amortized in proportion to the forecast revenue generated by the Walmart contract over the duration of the roll-out of the VusionGroup platform in Walmart stores. The reduced revenue impact is customary as the warrants will only have a potential dilutive effect, which was modeled and communicated during the allocation of the warrants in early June 2023. This does not impact the actual sales invoiced to Walmart. This adjustment has no impact on the Group's cash flow. It impacts all the Group's income statement lines, in the same proportion. This negative impact on the Group's IFRS accounts will continue until the end of the Walmart contract, in direct proportion to the sales generated by this contract. The financial debt is subject to revaluation at each closing, depending on the number of exercisable warrants and the market price of VusionGroup shares. Any change is recorded as financial income in the Group's consolidated accounts. VusionGroup will continue to communicate at each closing the impact on revenue and net income of this IFRS adjustment.

2. The impact of future price reductions indexed to the volumes agreed upon with Walmart on the first deliveries of electronic shelf labels (ESLs): The cost of the Group's hardware solutions is a function of the volume manufactured. A significant increase in volume might thus lead to lower costs. Therefore, it has been agreed with this customer that they will be granted price reductions in relation to the future sales volume to which they contribute. The IFRS standard (IFRS 15) requires prices to be averaged over the life of the contract. Application of this adjustment in 2023 impacts reported revenue (IFRS) and the margin, even though price reductions will only be granted if volumes have reached certain thresholds. This standard's application negatively impacts revenue and all income statement lines, down to net profit. Finally, it is important to note that cost reductions have already been negotiated with suppliers to guarantee at least the same level of margin on this contract in 2025.

Disclaimer

This press release contains unaudited financial data. The aggregates presented are those normally used and communicated on markets by VusionGroup. These statements include financial projections, synergies, estimates and their underlying assumptions, statements regarding plans, expectations and objectives with respect to future operations, products and services, and statements regarding future performance. Such statements do not constitute forecasts regarding VusionGroup's results or any other performance indicator, but rather trends or targets, as the case may be. No guarantee can be given as to the achievement of such forward-looking statements and information. Investors and holders of VusionGroup securities are cautioned that forward-looking information and statements are subject to various risks and uncertainties, which are difficult to predict and generally beyond the control of VusionGroup, and that such risks and uncertainties may entail results and developments that differ materially from those stated or implied in forward-looking information and statements. These risks and uncertainties include, but are not limited to, those discussed or identified in the public documents filed with the Autorité des Marchés Financiers (AMF), the French Financial Markets Authority. Investors and holders of VusionGroup securities should consider that the occurrence of some or all of these risks may have a material adverse effect on VusionGroup. VusionGroup is under no obligation and does not undertake to provide updates of these forward-looking statements and information to reflect events that occur or circumstances that arise after the date of this press release. More comprehensive information about VusionGroup may be obtained on its Internet website (www.vusion.com). This press release does not constitute an offer to sell, or a solicitation of an offer to buy VusionGroup securities in any jurisdiction.

About VusionGroup

VusionGroup is the global leader in providing digitalization solutions for commerce, serving over 350 large retailer groups around the world in Europe, Asia and North America.

The Group develops technologies that create a positive impact on society by enabling sustainable and human-centered commerce. By leveraging its IoT & Data technologies, VusionGroup empowers retailers to re-imagine their physical stores into efficient, intelligent, connected, and data-driven assets. The Group unlocks higher economic performance, facilitates seamless collaboration across the value chain, enhances the shopping experience, creates better jobs, cultivates healthier communities, and significantly reduces waste and carbon emissions.

VusionGroup consist of six families of solutions which bring the full potential of IoT, Cloud, Data, and artificial intelligence (AI) technologies to the service of the modernization of commerce: SESimagotag (ESL & Digital Shelf Systems), VusionCloud, Captana (computer vision and artificial intelligence platform), Memory (data analytics), Engage (retail media and in-store advertising), and PDigital (logistics and industrial solutions).

VusionGroup supports the United Nations' Global Compact initiative and has received in 2023 the Platinum Sustainability Rating from EcoVadis, the world's reference of business sustainability ratings.

VusionGroup is listed in compartment A of Euronext™ Paris and is a member of the SBF120 Index.

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Financial Calendar 2024

- September 12, 2024: H1 2024 Results
 - October 28, 2024: Q3 2024 Sales
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Glossary

EBITDA

The Group considers EBITDA to be a performance indicator that presents operating income before depreciation and amortization of fixed assets, adjusted for some items during the period that affect comparability with previous reporting periods. It also represents a good approximation of the cash flow generated by operating activities before taking into account investments and changes in working capital. Consequently, restatements include significant non-recurring items or items that will never lead to a cash disbursement.

Order entries

Order entries represent the year-to-date cumulative value of ESL orders received from customers. These orders are valued based on negotiated selling prices, i.e. before any impact of IFRS 15. Order intake also includes year-to-date VAS revenues.