

SES and iMAGOTAG announce a strategic and financial alliance to build European Powerhouse for the Global Retail Electronic Shelf Labeling Market

Store Electronic Systems (NYSE Euronext: SESL, FR0010282822), global leader in electronic shelf labels for retail, and iMAGOTAG, the innovative ESL start-up based in Austria, today announce a strategic and financial alliance.

SES announces an investment in iMAGOTAG to acquire a minority interest, accelerate iMAGOTAG's development and initiate a technology and industrial partnership. This initial investment underpins an exclusive Memorandum of Understanding signed by SES and iMAGOTAG today for the acquisition by SES of 100% of iMAGOTAG over a two-year period.

iMAGOTAG is an Austrian retail technology start-up founded in 2010 which developed a highly innovative ESL technology based on ultra-low power high frequency wireless radio and Epaper displays. Thanks to premium quality products and a uniquely easy installation and maintenance, the solution met with immediate success and, shortly after inception, iMAGOTAG won a large scale roll out for Billa in Austria (Rewe Group). In 2013, the start-up conducted a number of successful pilot installations in some of the largest retailers in German speaking countries and Central Europe, representing a high future deployment potential. Today iMAGOTAG has more than 1, 000 installations in 5 countries and has built a strong sales funnel. iMAGOTAG also has a portfolio of ESL innovations under development.

The technology and industrial partnership foreseen by SES-ESL and iMAGOTAG aims to mutualize and accelerate R&D efforts in the fields of very high frequency RF and electronic paper, both domains being the core expertise of iMAGOTAG as well as a technology focus for SES. Through this partnership, SES will capitalize on iMAGOTAG's complementary technology assets and iMAGOTAG will accelerate its growth by leveraging SES' industrial strengths and global geographic footprint. iMAGOTAG will continue to operate as a specific brand and an independent company.

Michael Moosburger, co-founder of iMAGOTAG, comments: "This transaction moves iMAGOTAG to the next level. We have an exciting product and technology but we know the fast-growing ESL market requires global scale and industrial strengths now. In all aspects, the SES-iMAGOTAG alliance is a structured, long-term entrepreneurial partnership. We chose SES, above other options, because they are the leading and the most experienced ESL vendor in the world and they bring a strong industrial aspect to iMAGOTAG. Our complementarities are numerous from both product and software standpoints. Strategically, we share the same entrepreneurial spirit and ambition with Thierry Gadou and his team. iMAGOTAG will play a key role in building together with SES the only multi-technology ESL corporation capable of offering the best and evolutive solution to every retailer in the world."

Thierry Gadou, CEO of SES, concludes: “We are excited by this partnership. iMAGOTAG’s founders, Michael Moosburger and Andreas Rössl, are highly talented entrepreneurs and have built an excellent team which provides market-oriented, innovative solutions for retail. iMAGOTAG has developed the most advanced technology in the field of High-frequency Epaper ESL. Their clients appreciate the solution because of its high quality and of its “Plug and Play” installation and maintenance. This has contributed to the rapid initial successes of iMAGOTAG’s solution in the market. We are optimistic on their revenue take-off and future growth perspectives. The brand, technology and product line are a perfect match within the SES group portfolio and will enable us to better address new market segments globally as well as reinforce our position in Germany and Central Europe. Conversely, SES will greatly help iMAGOTAG in its development by extending its international reach as well as providing a strong financial and industrial base. Moreover we share a common ambition to build the global ESL powerhouse at the forefront of innovation.”

As per the Memorandum of Understanding signed by the two companies, SES would acquire 100% of iMAGOTAG over a two-year period. The transaction would be paid partly in cash and partly in SES shares (based on a SES share price of 15,3 €)

This contemplated final transaction will be submitted to the consultation process of SES’ works council. Closing is anticipated to occur during first semester 2014, subject to SES’ shareholders approval at SES’ annual general meeting scheduled in May 2014 and other customary conditions.

Next press release

2013 annual results: March 19, 2014 (before market)

About Store Electronic Systems

Store Electronic Systems is the leader in Electronic Shelf Labeling systems (ESL) for large-scale food and non-food retailers. The Group designs, markets and installs all the system's components (software and communication platform, displays, mounts), thus providing clients with a turnkey solution. The range of products and services offered by SES allows retailers to manage pricing dynamically, while significantly improving store productivity and developing new contactless uses for consumers.

Store Electronic Systems is listed on Compartment C of Euronext™ Paris.

Ticker: SESL – ISIN Code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SESL.FP

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