

SES-imagotag to acquire Pervasive Displays (PDi) in Taiwan and accelerate connected IoT e-paper label applications

The SES-imagotag group (Store Electronic Systems - Euronext: SESL, FR0010282822), the global leader in electronic shelf labels (ESLs) for retail, and Pervasive Displays (PDi), the Taiwan-based display design house specializing in ultra-low power e-paper Displays have signed an exclusive memorandum of understanding for SES-imagotag to acquire 100% of PDi's shares, subject to regulatory authorizations and shareholders' approvals.

SES-imagotag's strengths as the global leader in digital retail ESL solutions will be complemented by PDi's expertise in ultra-low power, industrial grade e-paper display modules. Together, the companies will accelerate the adoption of e-paper based ESLs on multiple levels, from joint R&D efforts, to integrated product development and expanded geographic coverage. Momentum and synergies of this partnership will also drive the use of wireless IoT (Internet of Things) e-paper labels across industries.

Founded in 2010, PDi is a display design house that develops ultra-low power e-paper displays for industrial applications. By focusing on ease of access and use, PDi's e-paper display platform is the preferred choice for engineers looking to create IoT applications to replace paper. PDi partners with established market leaders and visionary entrepreneurs to introduce process improvements through "connected paper." This yields tangible efficiencies across industries such as logistics, healthcare and automation. In retail, PDi is a pioneer in the adoption of "paper like" graphic displays in digital shelf labels.

This acquisition is an extension of many years of collaboration between SES-imagotag and PDi to produce the industry's best e-paper ESL solutions. Their cumulated foundation of knowledge and experience in industrializing e-paper contributes to advancing SES-imagotag's leading position in the world. In addition to broadening the group's collective product offering, the elevated level of integration and co-development enabled by this transaction will deliver more differentiated and compelling solutions to the ESL market, as well as increase the group's profitability.

SES-imagotag's presence in Asia will be strengthened through the transaction. Asia is a critical growth engine to the world of technology and in particular, IoT innovations. The extensive network and ecosystem of PDi and its founder Scott Soong will contribute to strengthen SES-imagotag's regional partnerships. As Asian ESL and IoT retail applications market develop and accelerate in the coming years, SES-imagotag will be ready to take a central role in its demand and value creation. PDi will also continue to develop and service non-retail applications with e-paper displays, creating additional growth avenues for the combined Group.

Scott Soong, founder of PDi, comments: *"This alliance is about speed. It is about accelerating our collective ability to deliver ever more competitive products to the market. Since our inception, PDi has focused on delivering the most energy efficient displays in the world. Our accumulative experience and knowledge in e-paper is crucial to companies looking to improve the total cost of ownership of IoT solutions requiring visual user interfaces. The robustness of the growth in ESL will enable PDi to impact more applications and industries. There will be much synergy and creativity from working together with SES-imagotag's talented and entrepreneurial team. We are extremely honored and proud to join SES-imagotag, the global ESL market leader, to define the future of retail and our increasingly connect world."*

Press Release

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Thierry Gadou, CEO of SES-imagotag, comments: *"This transaction is the natural evolution of our long-standing and extremely fruitful cooperation with Pervasive Displays, and it is of critical importance for our future. Over the last 6 years PDi has helped imagotag and then SES-imagotag build a leading position in e-paper-based ESL, from an innovation, competitiveness and quality perspective. We make the best ESLs in the world in large part thanks to the exceptional expertise of PDi. Over the years our two companies and our teams have become so close and our innovation projects so closely linked that even before shaping this transaction we already felt part of the same group. E-paper solution design is a paramount component of our industry, one that still requires a lot of innovation, and it will significantly drive differentiation in the years to come. This alliance is an essential strategic step that reinforces our R&D and expertise in e-paper modules and end-to-end ESL manufacturing. It completes our worldwide presence and opens great new development avenues in Asia as well as in non-retail applications. This deal at once is the end of a wonderful journey between two companies and the beginning of a great adventure together. I warmly welcome the whole PDi team in our new group".*

As per the exclusive Memorandum of Understanding signed by the two companies, SES will acquire 100% of PDi. The proposed transaction includes an upfront consideration paid partly in SES-imagotag shares (based on a stock price of 21.50 €) and in cash, together with a contingent earn-out payment in two years based on performance.

Parties are targeting a closing by-end-of-year 2016, subject to regulatory clearance by Taiwan authorities, approval by SES-imagotag' and PDi's general shareholder meetings to be convened shortly and other customary conditions precedent.

About Store Electronic Systems (SES-imagotag trademark)

Store Electronic Systems is a digital solutions specialist for physical retail and world leader of electronic labeling systems. The Group designs and markets all the components of its solutions (software, radio frequency equipment, labels and fasteners), thus providing its customers with a turnkey solution. The range of products and services offered by SES-imagotag allows retailers to manage their stock in real-time, improve store productivity and develop new contactless applications for shoppers.

Store Electronic Systems is listed on compartment B of Euronext™ Paris.

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