

SES-imagotag convenes shareholders meeting to issue share subscription warrants to Walmart in connection with a major fleet roll-out project

Notice of Shareholder Meeting

In connection with the commercial agreement entered into between SES-imagotag (the “**Company**”) and Walmart Inc. (“**Walmart**”)¹, the Company and Walmart entered into a subscription agreement (the “**Subscription Agreement**”) pursuant to which the Company will issue, and Walmart will subscribe to, within a reserved issuance (*émission réservée à personne dénommée*): 1,761,200 share subscription warrants (*bons de souscription d’actions*) (the “**Warrants**”), entitling Walmart to subscribe up to 10% of the Company’s share capital, subject to certain conditions being met.

Thierry Gadou, Chairman and Chief Executive Officer of the SES-imagotag group, stated:

“Dear SES-imagotag Shareholders,

On behalf of the Board of Directors, I am pleased to invite you to attend an extraordinary meeting of shareholders to be held on June 2, 2023, with the objective of approving an issuance of stock warrants to Walmart Inc. The proposed stock warrants will be issued in a structure that cannot be disassociated from the large commercial contract announced today between SES-imagotag and Walmart. This contract is the largest contract ever signed by SES-imagotag over the course of its history and – subject to the validation of the following steps in this process, expected to be carried out over the coming months – it could total several billion dollars in revenue for SES-imagotag over the next five to seven years. Moreover, this contract enables optimal conditions for launching the next-generation “Digital Shelf System” solution, a major innovation which could lead to broad adoption by retailers after its deployment by Walmart. The SES-imagotag/Walmart contract will contribute to the successful execution of the VUSION '27 strategic plan.

Given the scale of the value creation envisioned as a result of this contract, SES-imagotag considers that it is appropriate to include Walmart as a partner in this growth by granting them SES-imagotag stock warrants. These stock warrants would represent a maximum of 10% of SES-imagotag’s total shareholders’ equity over time, and the first tranche would become exercisable only after Walmart has purchased at least US\$700m of SES-imagotag goods and services. Walmart would be able to reach a maximum 10% equity stake in SES-imagotag once its purchases of SES-imagotag goods and services has reached US\$3bn. The strike price set for the options is € 112.19, equivalent to the volume weighted average share price of SES-imagotag over 90 days before the announcement of the contract. The stock warrants granted to Walmart cannot be disassociated from the commercial contract between Walmart and SES-imagotag.

I am thoroughly convinced of the value creation that this operation represents for our company in the short and long term. On behalf of the Management Committee and the Board of Directors of SES-imagotag, I strongly recommend voting in favour of these resolutions on June 2, 2023.”

¹ See the press release published today by the Company.

Timetable

The Company will convene and hold an extraordinary general meeting of shareholders on June 2, 2023 to approve the issuance of the Warrants reserved to Walmart and the resulting new shares upon exercise of the Warrants.

The draft resolutions submitted to the approval of the shareholders, the report of the Board of directors on such resolutions, the report of the Company's auditors and the other documents to be made available pursuant to applicable laws and regulations will be published on the Company's website at www.ses-imagotag.com/investors, on May 12, 2023 at the latest.

Summary terms of the Warrants

- **Conversion Ratio:** 1 Warrant entitles to subscribe to 1 newly issued ordinary share of the Company, with a par value of €2.00, subject to standard adjustments pursuant to French law.
- **Exercise Price:** Each Warrant gives Walmart the right to subscribe to one (1) new ordinary share of the Company at an issue price of 112.19€ per share (corresponding to the volume-weighted average price of the Company's shares on the regulated market of Euronext Paris over the 90-trading day period preceding the signing of the Commercial Agreement).
- **Issue price of the Warrants:** the issue price of the Warrants will be €0.01 per Warrant, to be paid in cash by Walmart.
- **Exercise period:** the Warrants may be exercised over a period of seven (7) years as from the date of the Initial Vesting Condition (as defined below)
- **Vesting of the Warrants:** as from the date on which payments made by Walmart or its affiliates to the Company pursuant to the Commercial Agreement or other agreements or purchase orders (the "**Payments**") amount to USD 700 million (the "**Initial Vesting Condition**"), the Warrants shall automatically vest *pro rata* based on the aggregate amount of such cumulative Payments in an amount proportional to USD 3 billion, it being specified that (i) such amount shall be assessed on a quarterly basis as long as the Commercial Agreement is in force, and (ii) the Warrants shall vest linearly until full vesting occurs when the aggregate Payments amount to USD 3 billion. The Initial Vesting Condition will not apply and the Warrants shall vest automatically in case of a change of control of the Company by a competitor of Walmart, subject to the application of the *pro rata* mechanism described above.
- **Orderly sale provisions:** from the issue date of the Warrants and until the date falling 180 days after all Warrants have been exercised or expired (the "**Orderly Sale Period**"), any sale of Company's shares by Walmart shall be implemented only by way of (i) a trade sale (*cession de gré-à-gré*), provided that such sale is not made with a competitor of the Company, or (ii) a private placement by way of accelerated bookbuilding, provided that the following is excluded from such restriction: (i) any sale by Walmart of not more than 2% of the Company's share capital over any 10-day period, (ii) transfers to an affiliate of Walmart (subject to such affiliate agreeing to be bound by those restrictions), (iii) transfers in connection with a tender offer recommended by the Board of directors, (iv) transfers in connection with any buyback of shares initiated by the Company through a public offer and (v) transfers in connection with any mandatory minority shareholder "squeeze-out" provisions. Following the expiration of the Orderly Sale Period described above, Walmart may freely sell its Company shares on the market.

- **Right of first offer:** for so long as Walmart holds any shares of the Company, in the event that Walmart intends to implement a trade sale (*cession de gré à gré*) with a competitor of SES-imagotag after the expiry of the Orderly Sale Period, the Company may use its right of first offer and decide to buy the shares that Walmart intends to sell.
- **Transfer of the Warrants:** the Warrants cannot be transferred by Walmart, except to an affiliate.
- **Listing:** the Warrants will not be listed; new shares of the Company to be issued upon exercise of the Warrants will be admitted to trading on the regulated market of Euronext Paris.

Dilution

For illustrative purposes, the potential dilution in case of exercise of the Warrants would represent up to 10% of the Company's outstanding share capital, subject to any adjustments of the Conversion Ratio. Therefore, a shareholder holding 1% of the Company's outstanding share capital before exercise of all the Warrants would hold 0.9% of the Company's outstanding share capital after exercise of all the Warrants by Walmart (subject to the vesting conditions described above being met).

Legal framework of the issue of the Warrants

The issue of the Warrants is a reserved issuance (*émission réservée à personne dénommée*) for the benefit of Walmart, without shareholders' preferential subscription rights, pursuant to articles L.225-138 and L.228-91 *et seq.* of the French Commercial Code

Available information

The issue of the Warrants will not be subject to a prospectus submitted to the approval of the French *Autorité des marchés financiers* (the "AMF").

Detailed information on the Company, including its business, results, prospects and related risk factors are described in the Company's universal registration document approved by the AMF on 7 July 2022 under number R.22-0033 which is available, together with the Company's half-year financial report as of 30 June 2022 and the press releases and other regulated information about the Company, on the Company's website (www.ses-imagotag.com).

About SES-Imagotag and the VUSION Retail IoT platform

SES-imagotag is a world leader in smart digital labels and IoT solutions for physical retail, serving over 350 large retailer groups around the world in Europe, Asia and North 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 the agility, precision and accuracy of prices, whilst ensuring the omnichannel synchronization of prices, product information and marketing campaigns. The platform developed by SES-imagotag also optimizes in-store order preparation and restocking. VUSION improves employee satisfaction by freeing up time from cumbersome low value-added tasks and allowing them to focus on customer service and merchandizing 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 merchandizing 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.

SES-imagotag supports the United Nations' Global Compact initiative and has received in 2022 the Platinum Sustainability Rating from EcoVadis, the world's reference of business sustainability ratings.

April 27, 2023

SES-imagotag is listed in compartment A of the Euronext™ Paris exchange and is included in the SBF 120 index. Ticker symbol: SESL – ISIN code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SES www.ses-imagotag.com

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Certain information included in this press release does not constitute historical data but constitutes forward-looking statements. These forward-looking statements are based on current beliefs, expectations and assumptions, including, without limitation, assumptions regarding the Company's present and future business strategies and the economic environment in which the Company operates. They involve known and unknown risks, uncertainties and other factors, which may cause actual performance and results to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include those discussed and identified in Chapter 2 "Risk Factors" in the Universal Registration Document approved by the AMF and available on the Company's website (www.ses-imagotag.com) and the AMF's website (www.amf-france.org). These forward-looking information and statements are no guarantee of future performance.