

vusion  
ses imagotag



Universal  
Registration  
Document  
**2022**

A VUSION for the Future

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# Universal Registration Document 2022



The Universal Registration Document was approved on May 2, 2023 by the French Financial Markets Authority (AMF) in its capacity as competent authority for the application of the provisions of Regulation (EU) no 2017/1129.

The AMF approves this document after verifying that the information it contains is complete, consistent and understandable. The Universal Registration Document bears the following approval number: R23-025.

This approval should not be considered as a favorable opinion on the issuer covered by the Universal Registration Document.

The Universal Registration Document may be used for the purposes of a public offering of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and its amendment(s). In this case, the securities note, the summary and all amendments made to the Universal Registration Document since its approval are approved separately in accordance with Article 10 (3), second subparagraph of Regulation (EU) 2017/1129.

The Universal Registration Document is valid until May 2, 2024 and, during this period and at the latest at the same time as the securities note and under the conditions of Articles 10 and 23 of Regulation (EU) 2017/1129, must be supplemented by an amendment in the event of significant new facts or material errors or inaccuracies.

Copies of this Universal Registration Document are available free of charge from SES-imagotag, 55, place Nelson Mandela, 92000 Nanterre, France, as well as on the websites of the Company ([www.ses-imagotag.com](http://www.ses-imagotag.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).





# Introduction and presentation of the Group's activities

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## About SES-imagotag

# Global leader\*

## in digital solutions for physical retail

At SES-imagotag, we invent IoT and digital technologies that create a positive impact on society by enabling sustainable and human-centered commerce.

SES-imagotag is the global leader in digital solutions for physical retail, with more than 350 retailers in Europe, Asia and North America.

*\*Based on the Group's revenue as of December 31, 2022 and the revenue published by the main players in the ESL market over the same period.*



## Key Figures

Founded in  
**1992**

**19**

Subsidiaries and sales  
offices worldwide

Over **600**  
employees

**35 000**

stores

**350 million**

smart labels

**4 billion**

Cloud interactions every year

**€621 million**

in revenue

**350 customers**

in more than 60 countries

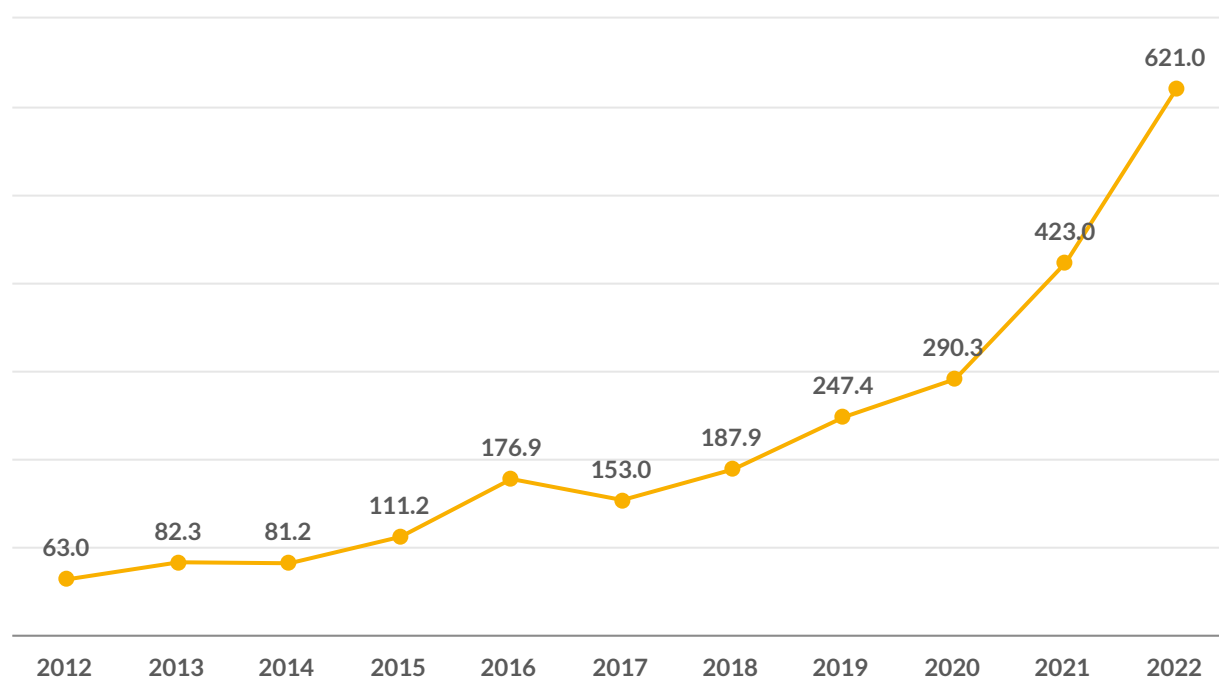
## Significant improvement in profitability in 2022

2022 was a transformational year for SES-imagotag. Despite the headwinds that affected our supply chain and costs during the year, we were able to deliver exceptional revenue and profitability growth, underscoring the acute relevance of our strategy, solutions and business model.

Our geographic footprint grew in 2022. In Europe, our penetration deepened across all segments of specialized and food retail, and we accelerated our growth in the United States. Geographic expansion and new verticals will fuel our growth engine for the coming years. The expansion of the value-added services and solutions we provide our customers constitutes yet another profitable growth driver for SES-imagotag. In that regard, the acquisitions announced recently represent a strategic move to build the first comprehensive IoT & Data company. Our portfolio of solutions for physical retail digitization is currently the most innovative and extensive offer available in the market. Moreover, our company and our innovations are increasingly recognized as drivers of decarbonization and sustainable development in modern commerce.

More than in any other year, the robustness of our business model was proven in 2022. While tackling a historically high increase in the cost of components and simultaneously facing the negative impact from a strengthening US dollar, we almost doubled SES-imagotag's EBITDA. This achievement is a crystal-clear demonstration of the road we have travelled since implementing the first VUSION plan, launched in 2018. With the VUSION '27 plan we will continue to hone our model in order to deliver exceptional value to our customers by drastically improving the commercial, economic and environmental performance of their physical stores. The business model we are pursuing will lead to: 1) revenue growth from our software, AI and data offerings; 2) continuous profitability improvements in our operations, and reduced exposure to the price and margin fluctuations of hardware; 3) acceleration in the signing on of new customers, particularly driven by the synergies that exist between our various product lines, and 4) growth and consolidation of our leadership position in all of our strategic markets. The year 2023 should mark a first major stage in our new roadmap.

- Annual revenue of €621m, up 47% year-on-year.
- +81% growth in EBITDA at €58.6m, ie., 9.4% of revenue, up nearly +2 pts vs. 2021.
- VCM ratio almost stable despite the increase in component prices and the rise in the dollar.
- Positive annual net profit of €18.7m, 9x higher than in 2021 (€2m).
- Strong growth expected in 2023 (~30% to €800m) and continued improvement in operating profitability.

**Group revenue since 2012 (€m)****Group Sales for 2022**

Sales (€m)	2022	2021	Δ
Europe & MEA	485.9	317.3	+53%
Rest of the world	133.2	105.6	+26%
<b>Total revenue</b>	<b>620.9</b>	<b>422.9</b>	<b>+47%</b>

**Group net finance income for 2021**

€m	2022	2021	Δ
Sales	620.9	422.9	+47%
Variable costs margin	131.4	91.5	+44%
% of sales	21 %	22 %	-0.40pt
EBITDA	58.6	32.3	+81%
% of sales	9 %	8 %	+1.80pts
Net Income	18.7	2	+831%
% of sales	3 %	1 %	+2.50pts

## Message from the Chairman and CEO



Thierry GADOU  
Chairman and CEO,  
SES-imagotag

## A VUSION for the future

### IoT, Data, Growth, Profitability

In 2022, SES-imagotag once again emerged as one of the most dynamic European technology companies, with strong growth in Europe and the United States and a clear improvement in profitability.

No year could better demonstrate to our shareholders the robustness of our business model more than 2022: despite exceptional tensions in our supply chains and component prices, exacerbated by the rise in the dollar, we achieved strong growth in revenues and profitability, underscoring the relevance of our strategy, our solutions and our business model.

Geographically, 2022 was a year of increased penetration in Europe in all food and non-food retail segments, and an acceleration in the United States. New verticals and geographic expansion are two key growth drivers for the coming years.

The other driver of profitable growth that we have accelerated in 2022 is the innovation and expansion of the value-added services and solutions we provide to our customers.

As always, innovation has been at the heart of our priorities, with major R&D investments in our next-generation digital shelf system, currently being deployed at Walmart, and in enhancing our IoT Cloud platform as well as our artificial intelligence and computer vision solutions.

As part of our technology strategy, 2022 was also a year rich in acquisitions. With the acquisition of MarketHub and Memory, the SES-imagotag group continues to build its Data management and analytics division, which also includes Captana, a company specializing in real-time shelf monitoring using computer vision and artificial intelligence. The future of commerce lies in precision management, i.e., digitization and data, through which retailers will improve their operational performance, cooperation with manufacturers and develop new sources of advertising revenue and monetization. Memory's expertise will be invaluable in improving our IoT & Data solutions so that they are best suited to decision-making needs. Conversely, the new data produced by digitization will enrich the value of Memory's solutions and increase the ROI of store digitization.

We are also pleased to have reached an agreement with the majority shareholders of Belive.ai to accelerate the development of Captana. Artificial intelligence, sensors and real-time computer vision are essential for improving the operational efficiency of stores and supply chains, optimizing inventories and reducing waste. Together, Captana and Belive.ai are the world leader in this high-potential market.

*“SES-imagotag achieved strong revenue and profitability growth in 2022 despite a challenging context. We have invested heavily in R&D and external growth to extend the range of our high value-added solutions. The satisfaction of our customers and our employees improved further in 2022. Our ESG strategy was awarded the EcoVadis Platinum rating. Finally, SES-imagotag presented its new strategic plan Vusion'27 and entered the SBF 120 index.”*

Our customers stand to gain the most from these mergers, as we now have the most innovative and extensive portfolio of solutions on the market for the digitization of physical stores.

2022 was a very busy year in terms of the advancement of our ESG strategy, marked by the ISO 14001 certification of our environmental management system, the finalization of our total carbon footprint calculation (scopes 1, 2 and 3), the development of our climate strategy, the ethical audit of our supply chain, the pursuit of our efforts to promote the development of our employees, greeted by a notable increase in their satisfaction, and finally by the award of a Platinum rating by Ecovadis (top 1%).

Finally, SES-imagotag presented its new strategic plan Vusion'27 and entered the SBF 120 index, one of the main indices of the Paris Stock Exchange.

Our Vusion'27 plan aims to position SES-imagotag as the strategic partner for our customers' digital transformation and as the undisputed global leader in this sector. We will continue to deepen our model: to deliver exceptional value to our customers through sustainable innovation by dramatically increasing the commercial, economic and environmental performance of their physical stores; to develop our software, AI and Data revenues; to capitalize on the synergy between our different product lines; and to increase our leadership in our strategic markets.

We begin 2023 with great confidence, despite the global economic headwinds. We have proven in recent years the resilience and strength of our model. The €800m sales target we set a few years ago remains our objective for this year, as does the goal of further increasing our profitability. 2023 should mark a major first step in our new Vusion'27 roadmap.

## Presentation of the Group

### Global ambition

SES (Store Electronic Systems) was founded 30 years ago, in 1992, by an entrepreneur from a family of retailers in the north of France who grew up in his parents' supermarkets and wanted to – when the family group was sold – bring technological innovations to a sector that greatly needed them. The Company's origins explain one of the major differences of SES-imagotag in the market: extensive knowledge of the retail business, its processes and its challenges, and a strong operability of the solutions developed by the Company, the smallest details of which are designed to ensure that the solutions are fully operational in the field under the difficult daily conditions facing the retail business.

From the outset, SES distinguished itself by its technological lead and strong cost competitiveness, which explains its success first in France and then abroad.

- **2014:** Imagotag (Austria), a fast-growing start-up that enabled SES (which became SES-imagotag), on the one hand, to capitalize on HF radio and e-Paper technologies, and, on the other hand, to take a strong leadership position in Germany and Central Europe.

**As of 2012 and starting with the launch of the "i<sup>3</sup>" strategic plan (International, Innovation, and Industrialization), the Company embarked on a series of acquisitions aimed at completing the technological portfolio and accelerating internationalization.**

**2016:** PDi - Pervasive Display Inc. (Taiwan), the leading company in the engineering of e-Paper displays, which allowed SES-imagotag to become the most advanced company in the field of e-Paper.

**2017:** Findbox (Germany), a start-up specializing in IoT, artificial intelligence and computer vision applied to the retail and logistics sector. This also decisive acquisition allowed SES-imagotag to develop the Captana solution to monitor aisle shelves in real time and automatically detect stock-outs. This is one of its most important innovations in recent years and was recently launched after three years of R&D and operational development in collaboration with pilot brands.

**2018:** Market Hub (Great Britain/Ireland), a start-up specializing in AI and Data Analytics for retail, in which SES-imagotag has gradually increased its share capital to 100% in 2022. This acquisition enriched the software platform and proved to be decisive for conquering the English and Irish markets.

Key stages in the acceleration of SES-imagotag's international development as of 2012 (the "i<sup>3</sup>" plan):

- **2012-2017:** acceleration in Europe and creation of subsidiaries in Mexico, Canada and Singapore;
- SES-imagotag became the world leader in 2013;
- **2017:** creation of the subsidiary in the United States and strategic partnership with Panasonic in Japan;

- **2018:** announcement of the VUSION 2023 plan;

- **2020:** SES-imagotag is a truly global company with around 80% of its revenue generated internationally, of which two-thirds are in Europe and one-third in Asia and the Americas.

In **2021**, SES-imagotag continued its growth with unprecedented orders and sales, with record levels achieved in all regions, especially in Germany and North America.

In **2022**, SES-imagotag has been strengthened through significant external growth investments with the acquisition of two companies to enrich the added value of the solutions developed by the Group:

- Memory, whose expertise in data analysis will improve SES-imagotag's IoT & Data solutions in order to best adapt them to decision-making needs
- Believe.ai, a French start-up specializing in artificial intelligence and image analysis for in-store retail, which, together with Captana, is the world leader in image analysis and artificial intelligence enabling retailers to manage their store network in real time.



Today, the Group has 19 subsidiaries and its own sales representative offices, as well as more than 350 international partners.

For 30 years, SES-imagotag has been supporting the growth of its long-standing customers (Leclerc, Intermarché, Système U, Auchan, Monoprix, Carrefour, etc.) as well as numerous international brands (Media Markt, Saturn, Jysk, Kiwi, Dansk, Fairprice, Muticedi, Spar, PAM, Rewe, T-Mobile, Coop, Euronics), i.e. a total of more than 300 distributors worldwide.





## Our story

### 1992

- Creation of SES

### 1993

- First store equipped

### 2000

- One million electronic shelf labels (ESLs) installed

### 2002

- First international contract

### 2006

- SES listed on the Paris stock exchange

### 2007

- Presence in Asia and Latin America

### 2011

- New G-tag and S-tag + labels

### 2012

- G-tag +, NFC-tag (LSA and Equipmag awards) and new Jeegy 2.0 software
- Geographic expansion (Sweden, the United Kingdom, Australia, North America)
- More than 6,700 stores equipped
- First connected store

### 2013

- SES operating in more than 52 countries
- 700 connected stores (NFC) equipped

### 2014

- Strategic alliance with imagotag GmbH (Austria)
- First digital model of the connected store (3D store) in partnership with Atos
- Launch of PPS, the award-winning (Equipmag) product positioning system
- First store equipped with color labels
- More than 9,000 stores equipped, including more than 1,000 connected stores

### 2015

- Largest contract in the history of electronic labeling (€98 million, 1,000 stores)
- Revenue of over €110 million
- First store with a fully connected shopping experience, awarded with an LSA Innovation Award
- Launch of Jeegy S
- More than 10,000 stores equipped

### 2016

- SES becomes SES-imagotag
- Revenue in excess of €175 million
- The Casino group chooses SES-imagotag to modernize its stores
- SES-imagotag signs an exclusive contract with JYSK Nordic
- Sephora chose SES-imagotag for its stores in France
- Acquisition of Findbox GMBH and Pervasive Displays Inc. (PDI)
- Launch of the all-Cloud offering

### 2017

- Alliance with BOE Technology Group
- Launch of the VUSION Retail IoT platform
- Intermarché and Casino choose SES-imagotag as their supplier of electronic labels
- Dixons Carphone Nordic chooses SES-imagotag for a full Cloud deployment in its stores
- SES-imagotag wins the LSA 2107 Awards
- SES-imagotag wins the "Best Use of In-Store Technology" award at the Singapore Seamless Asia Fair

### 2018

- Presentation of the new VUSION 2022 strategic plan
- Strategic collaboration between E Ink and SES-imagotag
- Euronics chooses SES-imagotag to digitize its stores
- Dixons Carphone Nordic continues its deployment in Scandinavia with SES-imagotag
- Sharaf CEO chooses SES-imagotag, the first electronic label deployment in the Middle East
- Red Dot Awards recognize the design of VUSION labels

## 2019

- SES-imagotag creates an International Advisory Board for sustainable and transparent retail that protects consumers
- SES-imagotag, BOE and JD Digits announce a partnership in China
- Qualcomm Technologies invests in SES-imagotag
- SES-imagotag wins a major contract in the United States
- Coop chooses SES-imagotag to equip its stores with electronic VUSION labels
- JULA, the Scandinavian leader in DIY stores, chooses SES-imagotag
- Euronics extends its partnership with SES-imagotag to deploy 400 stores in Italy
- SES-imagotag and Cisco present a cutting-edge IoT infrastructure for brick and mortar stores

## 2020

- SES-imagotag announces a strategic partnership with Qualcomm Technologies to develop IoT solutions for the next-generation of retail
- REMA 1000, the Scandinavian food market leader chose SES-imagotag to digitize its 650 stores
- SES-imagotag announced a plan to continue serving its customers in March during the Covid-19 crisis
- SES-imagotag was a gold partner of LSA Live 2020
- Kesko, Scandinavian leader in brick and mortar retail, selected SES-imagotag
- SES-imagotag wins the LSA "Sustainable Development" award thanks to its recyclable electronic labels

## 2021

- SES-imagotag joins United Nations Global Compact
- Worten selects SES-imagotag to digitize its stores
- SES-imagotag expands electronic shelf labelling technology in Walmart's Canada stores
- Launch of a strategic partnership with Hornbach to drive Captana adoption
- Unicoop Tirreno, a major Coop Italy cooperative, deploys VUSION in its 94 stores
- POCO, the leading German discount furniture retailer selects SES-imagotag
- Sephora strengthens its digitization with SES-imagotag in a sustainable development approach
- Leading French telco Free selects SES-imagotag for its stores
- Monoprix deepens the digitization of its locations with the Captana Sensor Cloud solution from SES-imagotag

## 2022

- SES-imagotag completes the acquisition of the Irish start-up MarketHub, specialized in Data Intelligence. Its founder, Roy Horgan, joins the Executive Committee of SES-imagotag.
- SES-imagotag selected by NAPA to equip its stores in Canada.
- Walmart and SES-imagotag expand their strategic relationship in the United States.
- Unieuro, leader in consumer electronics, chooses SES-imagotag.
- Mattress Firm and SES-imagotag sign a deployment in the United States with the help of Cisco Meraki.
- SES-imagotag joins the new Euronext Tech Leaders initiative.
- MPK Garages chooses SES-imagotag for the digitization and commercial analysis of 30 stores in the United Kingdom.
- Federated Co-operatives Limited and SES-imagotag sign a 120-store expansion.
- SES-imagotag strengthens its commitment to gender equality by signing the UN Women's Empowerment Principles..
- Fnac Darty selects SES-imagotag for the digitization of more than 200 stores in Europe.
- SES-imagotag obtains "Platinum Sustainability Rating" certification from EcoVadis for its ESG performance, placing it in the top 1% of companies assessed.
- SES-imagotag joins the SBF 120 index.

2023

## On 27 April 2023, SES-imagotag announces latest-generation VUSION platform roll-out contract in Walmart Stores in U.S.

One year after the agreement of their strategic partnership, SES-imagotag (Euronext: SESL, FR0010282822), the global leader in digital solutions for physical retail today announced that they entered into a new agreement with Walmart to initiate the deployment of the latest-generation VUSION platform within several hundred Walmart U.S. stores.

The contract will span several years, with a first phase of 500 locations over the next 12 to 18 months, for a total of 60 million digital shelf labels, with the opportunity to expand further within Walmart's store fleet.

Walmart will deploy for the first time ever the latest-generation VUSION platform, which was developed by SES-imagotag labs through an R&D program that has been in progress for more than ten years, with first patents filed as early as 2013. The latest-generation VUSION platform features many major innovations to further digitize shelves:

- Smart rails combining connectivity and energy;
- Battery-less digital labels with enhanced performance;
- A new transmission protocol based on the ultra-low-power new Bluetooth standard recently announced and jointly developed with Qualcomm and the Bluetooth Special Interest Group;
- BLE-enabled new features based on advanced inter-operability with compatible devices;
- A substantial carbon footprint reduction compared to any existing ESL solution.

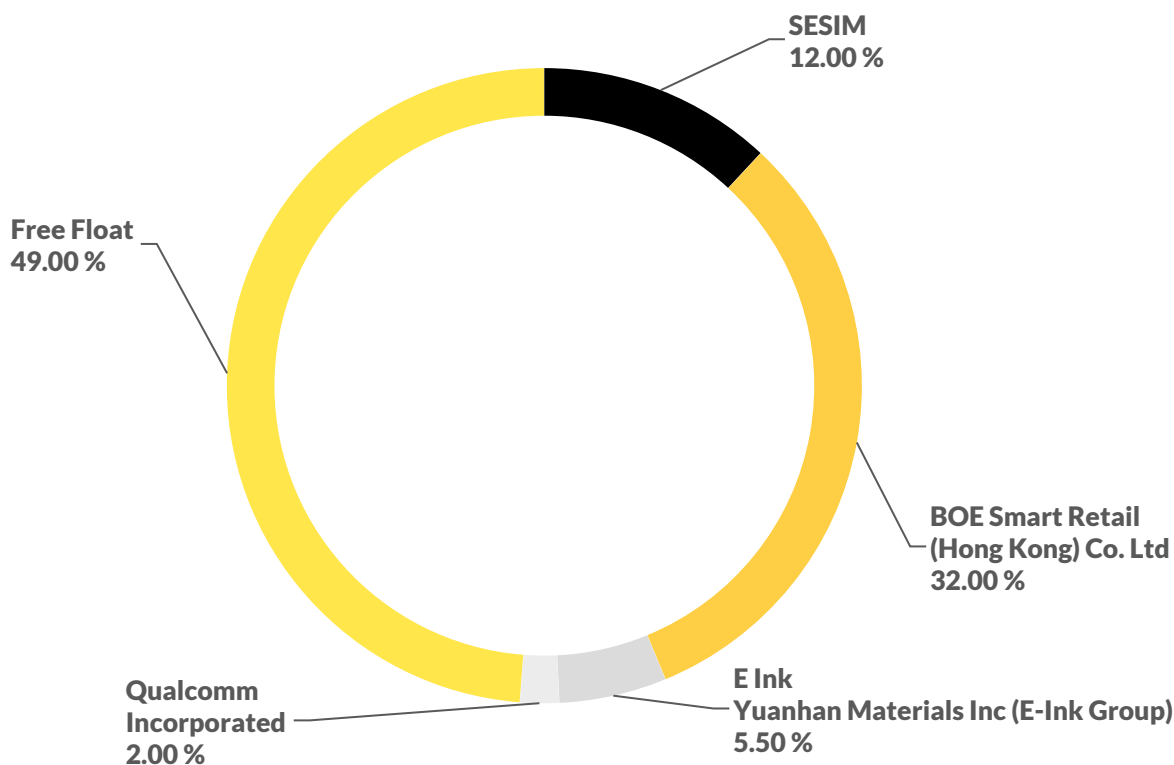
*"Changing price shelf labels in stores is time intensive for our associates. We've been testing digital solutions that will help us manage these price changes electronically, allowing associates more time to do what matters most – helping our customers," said Bala Prasanna, vice president, Walmart U.S. "We're seeing positive results and are expanding the rollout of these electronic shelf labels."*

**Philippe Bottine, SEVP & CEO North America of SES-imagotag** concluded: *"Through this roll-out with the undisputed leader of global retail, this new highly innovative platform will redefine the standards and use cases of our industry and open up limitless possibilities for the omnichannel transformation of physical commerce. The digitization of stores, made possible at scale by these technologies, will enable them to become highly efficient, more interactive, and decisive assets for a local and low-carbon e-Commerce business model, at the heart of the hybrid retail of tomorrow."*

In connection with the commercial agreement entered into between SES-imagotag and Walmart Inc., 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. 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. Lastly, on April 27, 2023, the Company announced strong revenue growth for Q1 2023, up 32% compared to Q1 2022, at €159 million (see press release published by the Company ([https://www.actusnews.com/documents\\_communique/ACTUS-0-79584-ses-imagotag\\_notice\\_to\\_convene\\_shareholder\\_assembly\\_ses-imagotag\\_walmart\\_final.pdf](https://www.actusnews.com/documents_communique/ACTUS-0-79584-ses-imagotag_notice_to_convene_shareholder_assembly_ses-imagotag_walmart_final.pdf))).

## Shareholding

Rounded ratios



The SES-imagotag Group is listed on the Paris stock exchange (Euronext).

Its three main direct and indirect strategic shareholders are:

- BOE Smart Retail (Hong Kong), which in turn holds 32% of the capital and voting rights of the Company
- SESIM, the French holding company owned by the management and employees of SES-imagotag, which itself holds 12% of the Company's capital and voting rights, and
- E Ink, the owner of the global patents for e-Paper technology (5.5% of the Company's capital and voting rights).

In 2019, the American company **Qualcomm** acquired a stake in SES-imagotag when it signed a strategic partnership aimed at developing the next generation of IoT connectivity solutions for retail.

Free float (about 49%) is made up of numerous investment funds, family offices and individuals in France, Germany, Switzerland, Austria, the United Kingdom, the United States and Japan.

### An entrepreneurial and long-term vision

The strong participation of management and employees in the Company's capital guarantees an entrepreneurial and long-term vision, as well as an alignment of interests between shareholders and management.

## Shareholder value creation

### A solid and sustainable company

Beyond its unique shareholder strength and the long-term support of a major global manufacturer, SES-imagotag has a solid financial position with, at the end of December 2022, equity of €193 million, and a net cash position. This solid situation, combined with a positive stock market performance, guarantees the Company's long-term investment and financing capacity.

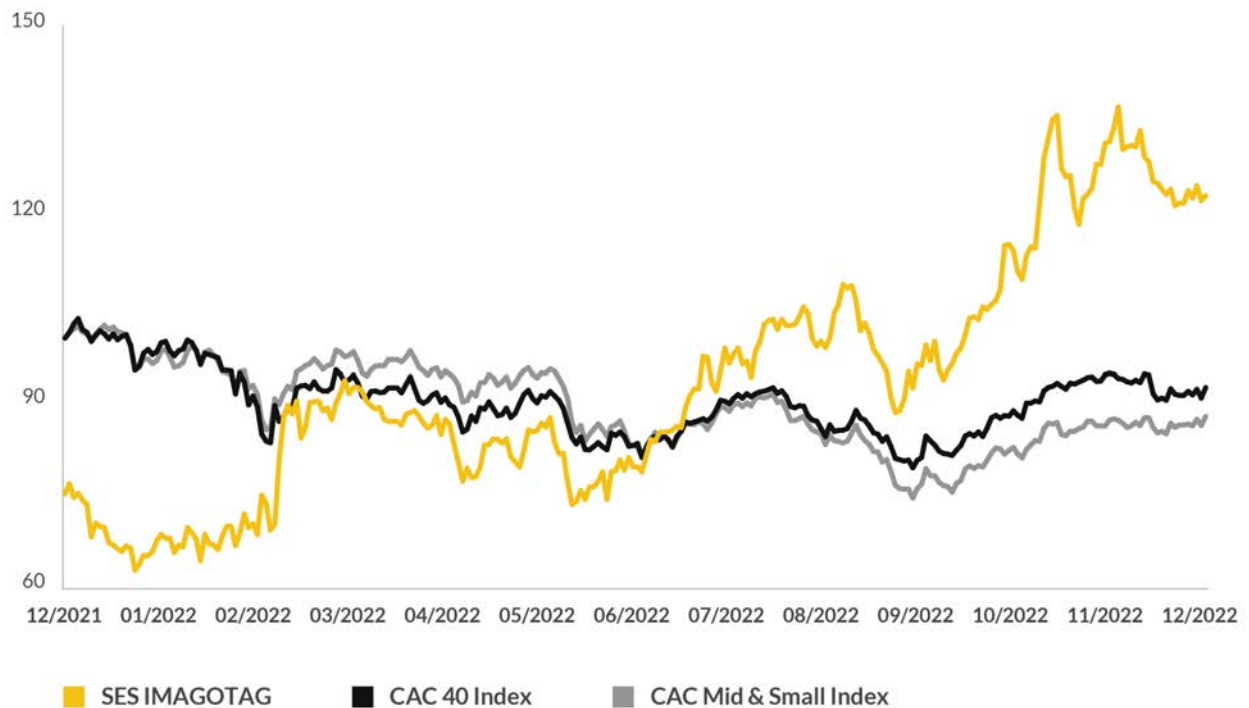
The overall performance of the Company also depends on its performance in the capital market. The Group intends to remain listed on the stock market and is committed to creating value for investors:

- search for long-term growth potential (through innovation and geographic expansion);
- development of a high-performance business model to constantly improve recurrence and profitability, based on:

- the increase in the recurring revenue mix from high value-added solutions on the installed base of digital labels (itself growing rapidly thanks to the expansion-based policy),
- the continuous improvement of the operating ratio (expenses as a % of revenue) thanks to the effects of scale, the achievement of critical mass in new regions, and productivity gains linked to the digitization of the Company's processes,
- the continuous optimization of industrial costs,
- improvement in the liquidity of the SES-imagotag share through a free float increase;
- search for international investors (Europe, the Americas, Asia).-

## Stock market information

### SES-imagotag share price (EPA: SESL) between December 2021 and December 2022



## Dividend distribution policy

The Company does not plan to distribute dividends for the 2022 fiscal year.

## 2023 financial calendar

Event	Date
FY 2022 Sales	January 26, 2023
FY 2022 Audited Results	March 9, 2023
2023 Q1 Sales	April 27, 2023
General Meeting	June 23, 2023
2023 H1 Sales	July 27, 2023
H1 2023 Audited Results	September 11, 2023
2023 Q3 Sales	October 26, 2023





## Vision & Mission

### Technology supporting retailers, consumers and brands

Physical retail is the world's largest industry. It alone accounts for more than 20% of global GDP and employment. It is therefore one of mankind's activities that has a sizeable impact on our societies. However, it faces critical challenges: food security, food waste management, the carbon footprint of in-store retail and the impact of logistics and packaging operations. Today, consumers aspire to a new, positive, omnichannel, sustainable, transparent, secure, and fair retail environment that respects personal data.

Against this backdrop, it is imperative to put technology at the service of individuals and consumers. Retailers can now harness the power of IoT, Cloud and AI technologies to transform physical stores into high-value, data-driven digital assets that are increasingly automated, connected to consumers and suppliers, and able to deliver efficient and seamless services thanks to transparent, omnichannel and personalized information, while guaranteeing the integrity and confidentiality of personal data. The digitization of physical stores helps accurately analyze in-store events in real time, ushering in a new era of enhanced collaboration between suppliers and retailers to improve efficiency, transparency, security and resilience of the entire chain.

As the world's leading in-store retail technology player, **SES-imagotag's primary objective is to help retailers to achieve their digital transformation.**



## Legislative and regulatory environment

The Group's activities are subject to various regulatory provisions under European Union law and national regulations applicable in the countries where it operates.

Within the European Union, the regulations applicable to certain areas relating to the Group's activities are relatively

harmonized between the various Member States in which the Group operates.

The following are intended to provide an overview of the main regulations applicable to the Group's activities.

### Intellectual property regulations

In the various countries where it operates, the Group is required to comply with the diverse regulations protecting intellectual property, particularly with regard to counterfeiting. Counterfeiting infringements may be committed by third parties against products, copyrights or patented industrial processes. The registration and protection of trademarks is governed by national, European and international regulations.

Directive (EU) 2015/2436 of the Parliament and of the Council of December 16, 2015 reconciling the laws of the Member States on trademarks, as amended, and, as regards the creation, registration and protection of a trademark at the European Union level, by Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017 on the European Union trademark, as amended. In accordance with these provisions, trademarks can be registered with the European Union Intellectual Property Office (EUIPO) in order to obtain protection throughout the European Union via a filing and single review procedure. The protection granted is for a period of 10 years and is renewable. Directive 2001/29 of the European Parliament and of the Council also harmonized certain aspects of copyright and neighboring rights in the information society, so that the mere display for sale or listing of protected trademarks could be made punishable.

At the national level, trademarks can be registered with a competent national authority designated at the level of each State, such as the National Institute of Industrial Property (INPI) in France, and thus obtain national protection within the country in which registration is sought. In France, the filing of a trademark at the national level gives rise to a period of six months during which priority is granted to extend the protection abroad, thus giving the applicant time to assess the commercial potential of their trademark and decide on the foreign countries in which they wish to obtain protection. Infringement of copyright protection is punishable by Articles L.335-2 and L.335-3 of the French Intellectual Property Code. Similar national regulations are applicable in the other countries in which the Group operates.

Within the European Union, owners of previously registered trademarks may file an opposition to the new registration within three months of the publication of the application. Oppositions are upheld if the new trademark and the goods or services sold under it are identical or similar to those of the trademark forming the opposition. The registered trademark must be available throughout the European Union and must not be subject to any justified opposition. If necessary, the application can be transformed into different national applications for the targeted countries.

At the international level, the registration and protection of trademarks is organized through multilateral agreements, and mainly by the Madrid System for the international registration of trademarks (the “**Madrid System**”), governed by a multilateral agreement concluded on April 14, 1891 in Madrid (as amended, the “**Madrid Arrangement**”), and a protocol relating to the Madrid Arrangement concerning the international registration of trademarks of June 27, 1989. The Madrid System makes it possible to protect a trademark in a large number of countries by obtaining an international registration, the effects of which may extend, at the choice of the applicant, to some or all of the member States of the

Madrid System. After a national or European registration, a filing can be made with the World Intellectual Property Office (WIPO), a specialized agency of the United Nations, through a national authority, enabling protection to be obtained in the territory of the member States of the Madrid System, chosen for renewable periods of ten years.

The owner of a trademark may prohibit any third party from using the trademark for commercial purposes without its prior consent, obtain damages in the event of infringements and issue injunctions to stop abuses of protected trademarks.

## Environmental regulations

As part of its various activities, the Group is required to comply with environmental regulations.

These regulations include the provisions on the removal and treatment of end-of-life electrical and electronic equipment, the regulation of which was harmonized at European level by Directive 2012/19/EU of the European Parliament and of the Council of July 4, 2012 on waste electrical and electronic equipment (“**WEEE**”). In order to comply with these regulations, the Group has implemented and offered collection and recycling programs for end-of-life products to its customers in Europe.

At the national level, Law no 2020-105 of February 10, 2020 on the fight against waste and the circular economy aims to combat planned obsolescence using a repairability indicator.

With regard to this regulation, the manufacturer is encouraged to design more repairable products and to provide information about the availability of spare parts.

The Group must also ensure that it complies with the environmental standards inherent to its equipment, including the regulatory toxicological requirements of Regulation 2006/1907/EC of December 18, 2006 known as REACH. In addition, the regulations impose specific requirements on electrical and electronic equipment, in particular under Directive 2011/65/EU of the European Parliament and of the Council of June 8, 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

Finally, the Group must comply with the occupational health and safety requirements: a specific policy about health and safety is disclosed on line.

## Regulations applicable to personal data

In the course of its business, the Group collects and processes information subject to personal data protection laws and regulations in Europe and in other regions where the Group operates. This processing of personal data is carried out on behalf of Group companies, in their capacity as data controllers, or on behalf of other Group companies in their capacity as subcontractors. This processing covers personal data collected in the course of the Group's activities, in particular data relating to Group employees, service providers and customers, and customers of physical stores that are themselves Group customers (in particular as part of the operation of the Group's VUSION platform, launched in 2018).

In Europe, Regulation 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of data ("GDPR") applies to the Group.

The GDPR established the new regulatory framework for the protection of personal data in Europe when it came into force on May 25, 2018. The GDPR applies to the processing, whether automated or not, of personal data carried out by any entity established in the territory of the European Union or to the processing carried out by an entity outside the European Union if the processing activities relate to goods or services made available to people within the European Union or to monitoring their behavior (targeting). Personal data is broadly defined as any information relating to an identified or identifiable natural person, directly or indirectly, regardless of the country of residence or nationality of that person.

In accordance with the GDPR, the Group must comply with several essential rules, including the following:

- personal data must be processed in a lawful and transparent manner, ensuring fairness to the persons whose personal data are processed ("lawfulness, fairness and transparency");
- there must be specific purposes for processing the data and the Group must indicate these purposes to the data subjects when it collects their personal data ("purpose limitation");
- the Group may only collect and process such personal data as are necessary to achieve these purposes ("data minimization");
- the Group must ensure that personal data are accurate and kept up to date with regard to the purposes for which they are processed, and correct them where necessary ("accuracy");
- the Group must ensure that personal data is not kept longer than necessary to achieve the purposes for which it was collected ("retention limitation");
- the Group must put in place appropriate technical and organizational measures that guarantee the security of personal data, including protection against unauthorized or unlawful processing and against accidental loss, destruction or damage, using appropriate technology ("integrity and confidentiality").

Depending on the breaches, non-compliance with the provisions of the GDPR may result in the imposition of penalties of up to €20 million or 4% of annual worldwide revenue, it being specified that the higher of the two amounts shall be taken into account.

The GDPR offers Member States of the European Union the possibility of making local adaptations. France has made use of this option under the law of June 20, 2018, reforming Law no 78-17 of January 6, 1978 relating to data processing, files and privacy (the "French Data Protection Act"). Therefore, in addition to the GDPR, local data protection laws in the countries in which the Group is established or offers services, in this case the French Data Protection Act, must be taken into account.

For example, in order to comply with the GDPR regulation, all teams with access to and working on the cloud as part of the VUSION platform operating European stores are located entirely in Europe.

## Strategy

### SES-imagotag's market: the digitization of physical retail

SES-imagotag specializes in smart and connected digital labels and IoT solutions for physical retail.

The market for electronic labels is booming. With an estimated potential of around 10 billion units and a current penetration rate of less than 7% (around 700 million electronic labels).

The Group has formalized its strategy and its development ambition in the "VUSION-27" five-year plan presented to the market in November 2022. In financial terms, the VUSION-27 plan's objective is for SES-imagotag to generate revenue of €2.2 billion and achieve EBITDA of more than 22%.

These main priorities of our strategy are detailed in the following paragraphs.

### The strategy implemented to achieve the objectives of the VUSION-27 plan is based on several key priorities

**Growth and Leadership:** SES-imagotag aims to retain and expand its position as the Global No. 1 cloud IoT company for retail and industry. The top-line objective is to reach 1 billion connected IoT devices, and revenue of €2.2 bn (for an estimated CAGR of 30%), with 40% of sales generated in the United States.

**Customer First:** Deliver outstanding customer value, experience and ROI, for a net promoter score (NPS) of 70;

**Value-added Software and Services (VAS):** Cloud and revenue from software, services and non-ESL solutions (VAS),

based on an open IoT platform, to account for 30% of total revenue;

**Top Operational Performance:** Achieve an efficient business and operating model through fully digitized operations and a superior supply chain, leading to an EBITDA margin of 22%;

**Positive Impact:** Make a proven and quantifiable contribution to a low-carbon and positive retail sector, as recognized by top ESG ratings, and be a great place to work for our employees.

## Technology leadership, innovation and differentiation

SES-imagotag is recognized worldwide for its cutting-edge technology, particularly in terms of highly reliable and very low-power communication protocol, e-Paper and TFT digital display technologies for in-store retail, and IoT Cloud solutions featuring high scalability and security (smart labels, sensors and connected cameras), artificial intelligence applied to image recognition, and collaborative online services.

The Group invests around 5% of its revenue in R&D (software, hardware, IT, industrialization). Approximately 35% of SES-imagotag's workforce is part of the R&D department, with engineers and technicians spread over seven specialized research centers (software/cloud, display, radio and IoT, computer vision & data) located in Europe (France, Germany, Austria, Ireland and Croatia), Asia (Taiwan) and in the United States of America.

This major R&D effort is guided by the ambition to provide the best possible response to the increasingly demanding requirements of the retail sector:

- absolute reliability of prices;
- increased responsiveness of adjustment and multi-channel synchronization;
- commercial and marketing performance and quality of on-shelf displays;
- interactivity with consumers and improvement of the in-store experience;
- accuracy, quality and responsiveness in inventory management and linear availability;
- in-store employee productivity and focus on motivating and value-added tasks;
- development of e-commerce and in-store order preparation;
- drastic reduction in operating costs;
- growing cybersecurity challenges related to the digitization of points of sale.

The result of several years of development and consolidation of technological start-ups (Imagotag, Market Hub, Findbox, PDi, Memory, Believe.ai), the VUSION platform effectively responds to these challenges.

### The VUSION platform

The VUSION Retail IoT Cloud platform helps retailers accelerate their digital transition and transform their physical stores into true digital, automated and data-driven environments connected to consumers and suppliers.

- VUSION improves the agility and accuracy of prices, ensures the omnichannel synchronization of prices, product information and marketing campaigns.
- VUSION optimizes the productivity and accuracy of order preparation and the restocking of products on shelves.
- VUSION eases the workload of in-store staff by automating low value-added processes and allows them to focus on customer service and merchandising.
- VUSION monitors the shelves in real time and connects them to the Cloud, providing precise, real-time information on the availability of products on the shelves, their location and compliance with merchandising plans, while reducing inventories, stock-outs and waste.
- Lastly, VUSION provides consumers with better, more transparent and reliable product information, as well as a smooth shopping experience thanks to product search, in-store guidance and pay-per-label features.

**VUSION: Cutting-edge technology protected by an active intellectual property policy**



**An industrial Cloud and high availability.** The VUSION platform helps large retailers benefit from all the “elastic” power of the Cloud to deploy very quickly and manage a large number of stores and digital labels over time at a much lower cost than any other architecture and with peak performance.

*For example, the ability to simultaneously update all prices for a retailer that has 1,000 stores (the “Black Friday” scenario for 10 million ESLs), guaranteed in less than two hours.*

The SES-imagotag Cloud is already an industrial success, now with 10,000 stores and nearly 50 million labels fully managed in the VUSION Cloud and nearly 70 million connected to the Cloud for certain applications (asset management) or in the process of being migrated.

In accordance with GDPR legislation, all teams with access to and working on the Cloud operating in European stores are located entirely in Europe.

**A highly secure and ultra-efficient communication protocol.**

The V:IoT transmission technology developed by SES-imagotag is based on highly secure electronic chips produced by two recognized semiconductor giants (Texas Instruments and Silicon Labs) associated with VUSION OS enabling very fast transmission speeds (hypermarkets can be updated in under an hour) with very low energy consumption. Each tag has a unique, tamper-proof encryption key and end-to-end transactions are secure. The V:IoT protocol guarantees that there will be no interference with other HF/Wi-Fi networks.

**An in-store infrastructure that is both extremely light and robust.** Servers and Core Appliances are no longer required in stores, eliminating any single point of failure (SPOF). The only active elements are the Access Points (AP), which are mutually redundant. Each ESL is “seen” by several APs, guaranteeing that hardware failures in stores have no effect on operations. Redundancy and the absence of a SPOF thus contribute to the solution's maximum availability.

**Pooling of ESL and Wi-Fi infrastructure.**

SES-imagotag has established close partnerships with Cisco-Meraki, Aruba, Mist (Juniper), Extreme Networks, Lancom and Huawei, enabling the integration of SES-imagotag V:IoT protocol on their Wi-Fi devices, eliminating the additional costs related to cabling, the installation, maintenance and operation of infrastructure specific to electronic labels. Skills are also pooled with those already required to operate Wi-Fi. As a result, operating and investment costs are significantly reduced.

**Unrivalled expertise in color e-Paper technology.** Since the acquisition of PDi in Taiwan in 2016, SES-imagotag has been the pioneer of color e-Paper developments in close collaboration with our partner (and shareholder) E Ink, and carried out the vast majority of deployments using BWR (Red) and BWY (yellow) labels, which helped major retailers to effectively and efficiently distribute their commercial and promotional policies.

**The widest range of e-Paper graphic labels** comprising 20 formats, including labels for extreme environments (for freezers and resistant to liquids, perfumes, and high temperatures).

**NFC technology embedded in all ESLs:** as the NFC function becomes more widespread on smartphones, the ability to digitize in-store customer journeys using interactive electronic labels will provide customers with detailed, personalized, geolocated and relevant information.

**A high-speed and multi-color flashing light** with the widest angle (180°) and the greatest visibility distance for genuine and truly effective visual assistance for picking up (“pick to light”) and restocking merchandise.

**The EasyLock security system** is tried and tested in the market with more than 100 million ESLs now secured in stores.

**SES-imagotag specializes in smart and connected digital labels and IoT solutions for physical retail.**





The smart **Eco-Design** ensures that the electronic labels designed by the Group can be easily repaired and recycled. Since 2016, nearly 6 million ESLs have been collected and refurbished. This program and all of the Group's eco-design efforts are detailed in the ESG report found in this document.

## High value-added solutions for stores and central teams

### Ambitious technological roadmap to support our customers in their competitiveness and store performance challenges over the long term.

The choice of a technological partner for the modernization of stores should be considered for the long term, and not as a one-off choice.

Digitization investments are significant, their sustainability is a key component of their total cost of ownership (TCO), as is their scalability and backward compatibility of subsequent innovations.

Innovation and the constant search for new store improvement solutions are at the heart of SES-imagotag's priorities and explain the longevity of its relationship with its customers, some of whom are completely renewing technology for the third time and are always at the forefront of innovation.

In 2018, SES-imagotag launched its new VUSION platform, marking its major shift towards the Cloud (server-less), the embedded IoT protocol (infra-less) and applications using labels for picking, restocking, inventory management, digital on-shelf marketing, monitoring, predictive management, etc.

Several major innovations enriched the VUSION platform in 2020:

- **Captana**, following the acquisition of Findbox in Germany and after several years of R&D, SES-imagotag finalized the development of a revolutionary solution to monitor shelves in real time and automatically detect stock-outs, based on an artificial intelligence solution powered by miniature wireless cameras managed by the Cloud and synchronized with digital labels. This "plug & play" solution does not require any wiring or installation and allows for the large-scale and very low-cost deployment of a technology with a strong impact on inventory optimization and linear availability. Only a few months after its launch, more than 15 brands worldwide are already in an operational pilot phase.
- **Engage**, a collaborative platform between retailers and brands or marketing agencies to develop, distribute and manage digital advertising campaigns on labels and digital media, as well as on smartphones and in stores - as close as possible to the products and the act of purchasing - and therefore monetize sizable and highly-qualified traffic at points of sale. All this while measuring the impact of promotional campaigns in real time for both retailers and brands while creating new revenue streams for retailers by allowing them to display digital on-shelf ads. The **Engage Rail** video displays also enhance the Engage platform beyond e-Paper supports, as SES-imagotag developed a range of shelf video strips (LCD) for premium end displays and furniture.

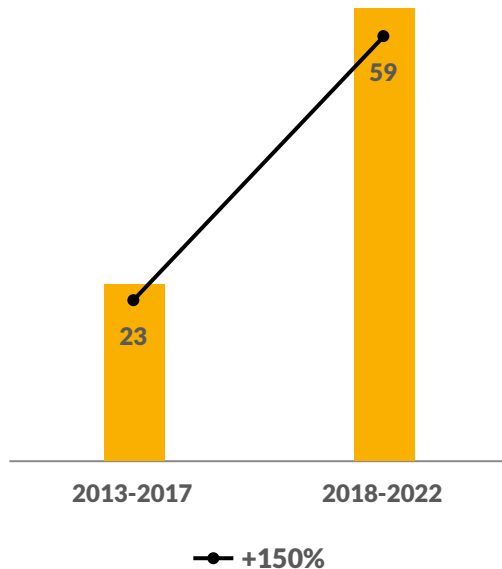
## Intellectual property

Innovation supporting retail has been the mission and DNA of SES-imagotag since its creation nearly 30 years ago by a retailer passionate about technology. Since the beginning of the decade, innovations have picked up pace: the first geolocated label, the first NFC smart label, the first color labels, the first cloud platform, the first "infra-less" integration (Cisco), the realogram, detection of stock-outs, pay-to-tag, etc. R&D expenses have been constantly increasing in recent years, and explain the Company's position as the undisputed world leader and its strong global market share (approximately 50%, based on the Company's revenue as of December 31, 2022 and the revenue published by the main EEG market players for the same period).

SES-imagotag supports this activity with a rigorous patent filing policy to secure its customers' long-term investments and protect them - given the size of the patent portfolio in the IoT field - from possible intellectual property appeals when the market becomes a mass market.

The Group has, in total, more than 504 active patents in 16 countries, divided into 114 different families that cover all of SES-imagotag's technological expertise (displays, IoT, radio, artificial intelligence, etc.).

## Number of patent families filed by SES-imagotag since 2013



## Geographic expansion and leading position in strategic markets

### Global presence

In 2022, SES-imagotag was a truly global company with around 90% of its revenue generated internationally.

SES-imagotag is the only player in its sector to have strengthened its international presence through its numerous subsidiaries (in the United States, Canada, Mexico, Australia, Japan, Taiwan, Singapore, Germany, Ireland, Austria, Benelux, Croatia, Italy, Spain, Netherlands, United Kingdom and Denmark), in addition to its network of international strategic partners.

SES-imagotag's objective is to be both the world leader (with a market share currently estimated at around 50%, based on the Group's revenue for the year ended December 31, 2022 and the revenue published by the main players in the EEG market for the same period) and leader in all of its priority markets, as it has high potential. Its priority target is currently the top 350 global retailers, but the Group is also developing, through a product offering and specific partnerships, a strategy dedicated to small and medium-sized retail chains, which will be an important driver of long-term profitable growth.

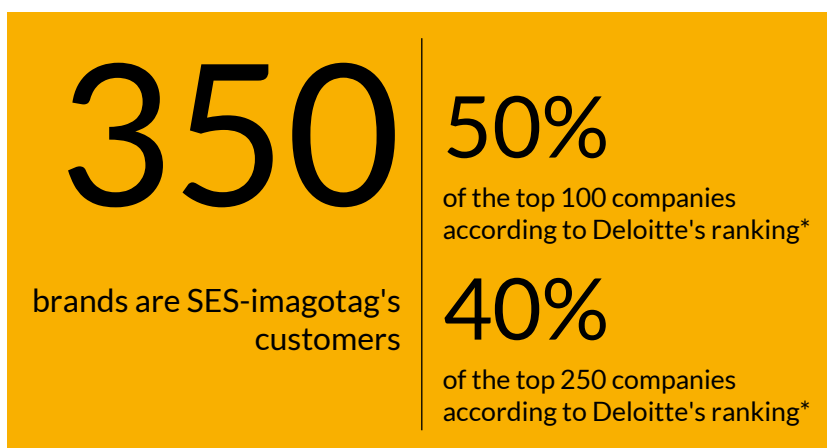
As part of the Vusion '27 plan, the Group ambitions to reach sales of €2.2bn by 2027 (30% CAGR), with half coming from Europe (€1.1bn), €0.9bn from North America and €0.2bn from the rest of the world.

### Leading references

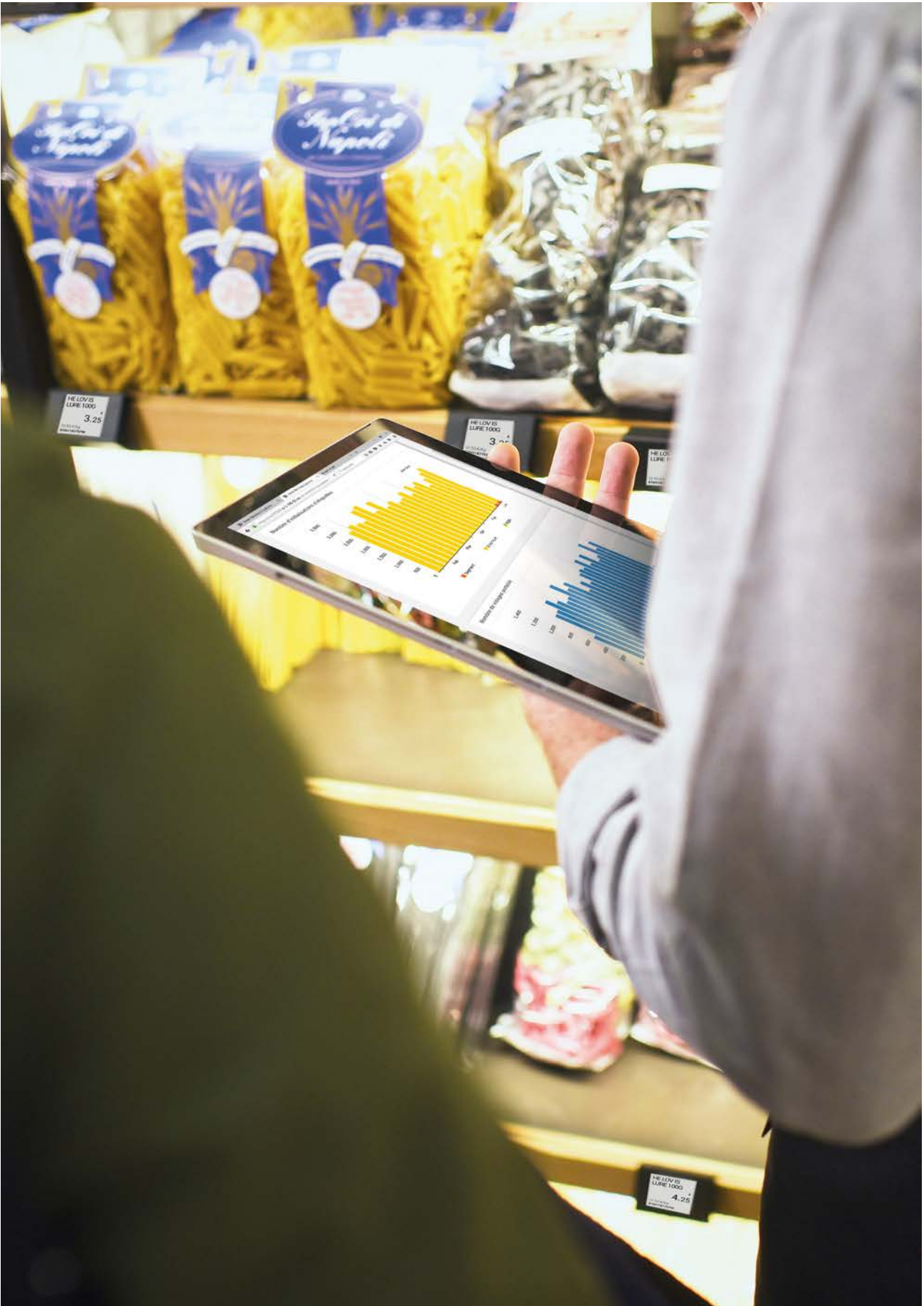
SES-imagotag has more than 350 major distribution groups among its customers, half of which are in the Top 100 worldwide (according to Deloitte's ranking) and around 40% in the Top 250 (based on the Deloitte Top 250 Global Powers of Retailing 2021).

In particular, SES-imagotag works with the most successful global retailers, leaders in their respective markets, such as Walmart, Edeka, Rewe, Casino, Leclerc, Colruyt, Coop, Dansk, Spar, MediaMarkt-Saturn, etc.

SES-imagotag stands out for its exceptional references in terms of **large-scale deployment**, with more than a dozen brands that have equipped more than 1,000 stores with the SES-imagotag solution.



\* Deloitte Top 250 Global Powers of Retailing 2021 Ranking.



## Industrial and competitive superiority

Thanks to its long-term strategic partnership with BOE, SES-imagotag has been able to develop the first global mega-factory of digital labels, largely automated and above all vertically integrated (film-to-ESL).

In addition, the Group has developed an efficient industrial base in Vietnam with its partner Jabil, in particular to serve the American market, and is working on an industrial system located in North America.

SES-imagotag combines this industrial advantage with its advantage of scale, thanks to its position as world leader and its high market share, to guarantee its customers the highest level of competitiveness and quality.

### High quality of design and industrialization:

- **quality of components:** SES-imagotag chooses components that are strictly selected for their performance and homogeneous quality, and only works with well-known and very financially sound companies to avoid any risk of supply disruption and therefore component changes;
- **component safety:** the safety of the solution proposed by SES-imagotag also involves the intrinsic safety included in its components, for example the integrated circuits (IC) supplied by Texas Instruments and Silicon Labs, which use a unique and dynamic encryption key for each ESL and guarantee end-to-end security of all information;
- **industrial tests:** 25% of SES-imagotag production equipment investments are made in test equipment. Radio and electronic tests, shock and vibration resistance tests, aging in climatic chambers, LED tests, etc.;
- **product quality certifications** by major organizations such as TÜV for the battery consumption profile, the light emission power of LEDs, etc.

**All ESLs are tested individually** at the end of the production chain (50 functional and technical test points)

### Best TCO\* on the market.

The total cost of ownership of an electronic label solution must be assessed in relation to the cost of acquiring the equipment, as well as its durability, its maintenance cost and the cost of the radio and IT infrastructure required to operate it at a target level of performance (speed and reliability).

The SES-imagotag VUSION solution optimizes all of these cost items and guarantees the best TCO on the market:

- the best prices on the market for a premium quality label;
- another significant source of savings, the Cloud reduces IT infrastructure costs for operations and maintenance, while offering a much higher rate of service and much more flexibility and responsiveness for the implementation of changes;
- the integration of the V:IoT protocol in Wi-Fi equipment makes it possible to pool Wi-Fi and ESL infrastructures, making our solution literally "infra-less", which also generates significant savings in Capex (AP acquisition costs and cabling costs) and Opex (maintenance costs for a single infrastructure instead of two and easier operation/supervision);
- the EasyLock mounting system provides the best protection for ESLs on the market and will reduce breakage, loss and theft by about 3% per year compared to a traditional solution.

**In total, the VUSION solution has a TCO that is at least 25% lower than any other solution on the current market.**

\* Total cost of ownership is the cost of purchasing an asset plus operating costs over its useful life.



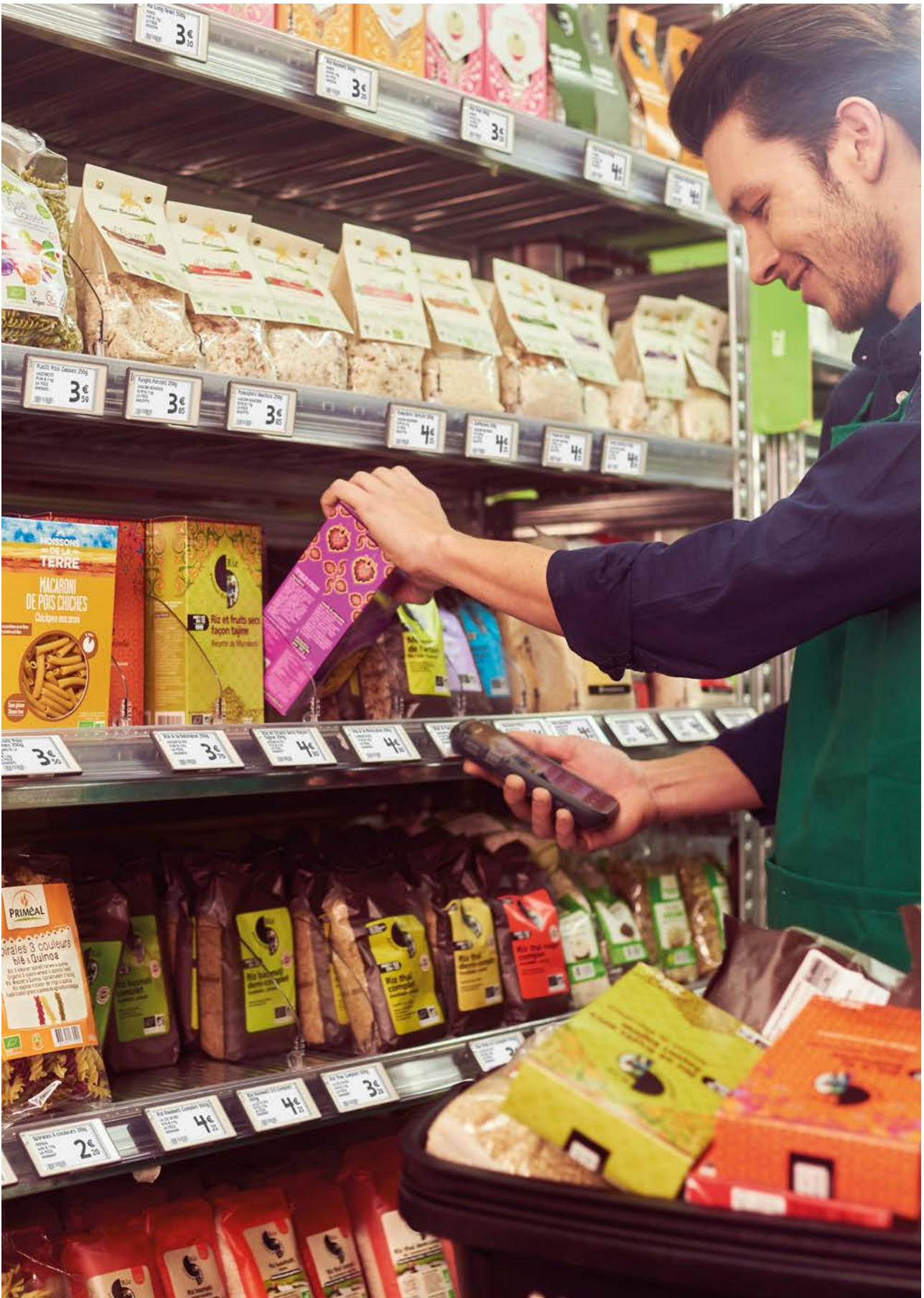


## Leading global partner ecosystem

For several years, the Group has been strengthening its cooperative ties with its partners (Microsoft, Qualcomm, SAP, E Ink, Aruba, Cisco-Meraki, Huawei, Lancom, Mist, Panasonic, Proximus, T-Systems, Telefónica, etc.).

This powerful global ecosystem of technology and business partners facilitates and accelerates the adoption of SES-imagotag's digital solutions by retailers worldwide.





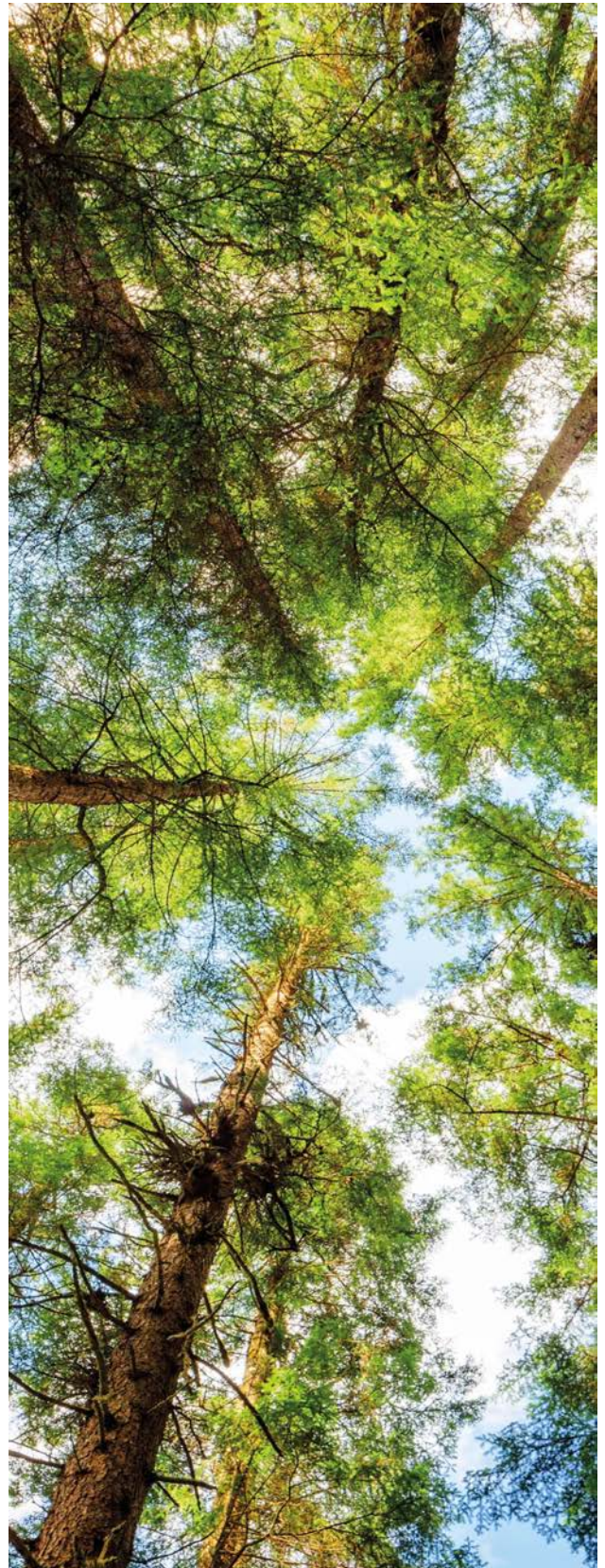
## Resolute environmental and social ESG policy

The mission of SES-imagotag is to help the digital transformation of physical retail; it must benefit as many stores as possible around the world, but also consumers by meeting the highest standards to satisfy them and protect them. This digitization must also benefit the economy and society at large: better meet consumer expectations, stimulate employment, build better cities (by curbing the erosion of stores), produce less waste, increase food traceability and security, and finance the transition to more sustainable agriculture.

These challenges have been presented and structured in our roadmap for positive retail:

- Make physical stores a digital asset first. Contribute to the adoption of technology by physical stores and ensure the long-term economic health of the sector;
- Protect the environment by making the digital transformation of retail a low-carbon and sustainable process: aim to reduce the carbon footprint of our solutions and contribute to reducing that of our customers thanks to the many use cases allowing avoidance of additional emissions;
- While aligning with the guiding principles of the OECD and the United Nations in terms of human rights, the fight against corruption and compliance with competition law.

In 2019, the Group announced its roadmap for positive retail and the creation of a group of Ambassadors to represent and champion our cause, whose members are shown below:



## Members of the SES-imagotag International Advisory Board



**Peter Brabeck-Letmathe (Chairman)**, Chairman Emeritus and former Chairman and CEO of Nestlé, Vice-Chairman of the World Economic Forum, Member of the Boards of Directors of Liberty F1 and Salt. Former member of the Boards of Directors of Roche, L'Oréal, Crédit Suisse and Exxon Mobil.

*"Physical retailers must adapt quickly to the new digital world and SES-imagotag is an ideal partner to support them, as well as the brands, in order to make the most of the fourth industrial revolution."*



**Dr Viviane Reding**, Member of the European Parliament, three times European Commissioner and former Vice-President of the European Commission, which enshrines the right to data protection (GDPR) in the European Constitution.



**Franck Moison**, former Vice-Chairman of Colgate Palmolive with a career in consumer goods; member of the Boards of Directors of UPS, Hanes Brands, Somalogic, from the Business School of Georgetown University and EDHEC (France).



**Yanshun Chen**, Chairman and CEO of BOE Technology, the global leader in semiconductor displays and IoT solutions for the manufacturing, in-store retail, energy and healthcare sectors.



**Dr h.c. Candace Johnson**, Serial-entrepreneur in the satellite industry, co-founder of SES\*, Loral-Teleport Europe, Europe Online, Pacific/OWNSAT, Vice-President of NorthStar Earth and Space, Chair of the Advisory Board of Seraphim Space, Member of the Executive Board of the ICC (International Chamber of Commerce). Founding President of the German Association of Private Telecommunications Operators (VATM) and the Global Network of Women in Telecommunications (GTWN). Co-founder of the Global Board Ready Women (GBRW) initiative. Former Chairwoman of EBAN (European Business Angels Network).



**Hélène Ploix**, Chairwoman of the Investment Committee of Pechel Industries; non-executive Chairwoman of Genesis Emerging Markets Fund Ltd, a company listed on the LSE; former Special Advisor to the French Prime Minister and Executive Director of the International Monetary Fund (IMF) and the World Bank; former Deputy Chief Executive Officer of Caisse des Dépôts et Consignations; former member of the Boards of Directors of BNP Paribas, Publicis and Lafarge. Member of the French Academy of Technology.

\* One of the main satellite owners and operators in the world, listed on the Euronext stock exchange (SESG).

## Rigorous governance supporting an ambitious sustainable growth strategy

The Group pursues a rigorous and high value-added corporate governance approach, which is presented in detail in this universal registration document and whose key points are as follows:

- the Group's activity is overseen by a Board of Directors, chaired by Mr. Thierry GADOU, whose main mission is to define the Group's strategic priorities while ensuring long-term sustainable value creation by considering the social and environmental challenges of its activities;
- corporate governance also comprises an Audit Committee chaired by Ms. Hélène PLOIX and a Nomination and Remuneration Committee chaired by Ms. Candace JONHSON;
- the roles of Chief Executive Officer and Chairman are not separate due to:
  - a) the desire to continue pursuing the strategy driven by the Chairman and CEO for nearly ten years,
  - b) the desire to continue the dialogue with the market, and
  - c) the relationship of trust between the Chairman and CEO and the management of the majority shareholder and the other strategic shareholders.

Important governance principles:

- annual review of regulated agreements entered into and authorized during the year or in previous years, in particular to ensure compliance regarding competitiveness and fairness of shareholder and supplier relations;
- Group policy concerning professional and pay equality based on inter-professional gender equality indicators. The ESG policy is subject to strengthened governance with:
  - a) detailed monitoring of the diversity and gender policy as well as social, societal and environmental commitments by the ESG, Nomination and Remuneration Committee,
  - b) high value-added oversight by the International Advisory Committee, some members of which are internationally recognized and prominent authorities on ESG policy and governance.









## Risk factor and uncertainties

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## 2.1 Risk factors and uncertainties

Before purchasing Company shares, investors are invited to examine all of the information contained in this universal registration document, including the risk factors described below. These risks are, at the registration date of this universal registration document, those which the Company believes could have a material adverse effect on the Group and its business, financial position, results, outlook and share price, and which are important for making investment decisions. However, we draw investors' attention to the fact that the list of risks presented below is not exhaustive and that other risks may or may not exist that are unknown or whose occurrence is not considered as likely have a material adverse effect on the Group and its business, financial position, results or outlook at the registration date of this universal registration document.

The Audit Committee assesses the risks that may have consequences for the Group's business, as well as the appropriateness of the procedures implemented. The Audit Committee's findings and conclusions are presented to the Board of Directors, which approves the main risk factors included in this report.

In accordance with the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, this chapter presents the main risks that may, as of the date of this universal registration document, affect the Group's business, financial position, reputation, results or prospects. These risks have been identified in the context of the Group's risk mapping, which assesses their criticality, i.e., their severity and probability of occurrence, after taking into account the action plans in place (described in the "Risk Management" section for each risk factor). Within each of the risk categories mentioned above, the risk factors that the Company considers, at the date of this universal registration document, to be the most significant (indicated by an asterisk), particularly in terms of their criticality, are mentioned first.

TYPE OF RISKS IDENTIFIED
<b>Strategic</b>
Economic conditions*
Geopolitics*
Climate change
The Group's development
Competitive environment
Technological changes
Acquisitions
Supplier shareholder
<b>Operational and technical</b>
Supplier dependency, industrial partners/EMSs, and the supply and cost of components*
Safety and security, cybersecurity and data privacy*
Defective products and services*
Human resources*
Customer dependency
Life cycle/Obsolescence
Management
Corruption/Ethics
Health risk
<b>Legal and compliance</b>
Intellectual property
Regulations
Taxation
Ongoing litigation and investigations
<b>Financial</b>
Exchange rate*
Liquidity
Interest rate
Counterparty

*Within each of the risk categories mentioned above, the risk factors that the Company considers, at the date of this report, to be the most significant (indicated by an asterisk \*), particularly in terms of their criticality, are mentioned first.*

## 2.1.1 Risks associated with the Group strategy

### 2.1.1.1 Risks associated with economic conditions and their developments\*

Changes in demand for products offered by the Group are generally linked to changes in macroeconomic conditions, in particular changes in gross domestic product in the countries where the Group markets its products and services: recessions and deflation can dampen demand.

In addition, the introduction or increase of customs barriers and other trade restrictions by some countries, such as the measures announced in the spring of 2018 by the United States government, could cause a slowdown in world trade. This could adversely affect the growth of the global economy and, consequently, the Group's business.

Moreover, insofar as almost all of the Group's products are assembled by External Manufacturing Services (EMS's) located in China, the increase in customs barriers could lead to a contraction in exports of the Group's products to the rest of the world.

In addition, during periods of economic recession, some of the Group's customers may experience financial difficulties that could lead to payment delays or even arrears.

According to forecasts (source: International Monetary Fund, Global Economic Outlook, January 2023), global growth remains subject to the negative consequences of the COVID-19 pandemic, which are expected to continue in 2023, as well as to the current geopolitical context marked by the Russian-Ukrainian crisis, offering very limited visibility for most economic players regarding their activities. Growth is expected to slow from 3.4% in 2022 to 2.9% in 2023, and remains below the historical average (2000-19) of 3.8%.

The COVID-19 outbreak in China slowed growth in 2022 and may slow the recovery in 2023. The war in Ukraine could intensify and the tightening of financing conditions on a global scale could accentuate over-indebtedness: economic progress could therefore be hampered in the event of increased geopolitical fragmentation.

If the current economic environment were to deteriorate, this could have a material adverse effect on the Group and its business, financial position, results and outlook.

**Global economic risk management:** the Group constantly monitors global economic conditions (economic growth, inflation, exchange rates, borrowing rates, customs barriers, etc.).

The Group benefits from a global and diversified portfolio of countries and geographical regions to optimize its overall growth, reduce its regional dependence and improve its risk profile.

This strategy proved its relevance during the health crisis: as some regions remained very dynamic and others were severely affected by the crisis, the Group managed to maintain strong overall growth (the Group's revenue growth reached 47% in 2022).

**Management of the risk of trade restrictions (customs barriers or specific taxes, etc.):** the Group has a global network of specialist correspondents (lawyers and tax specialists) who help it understand regulatory changes likely to have an impact on the Group's business.

In the specific case of customs duties applied in the United States on products manufactured in China, the Group has developed and keeps on developing a multiple-supply-chain locations, both in Asia and the Americas (Mexico).

### 2.1.1.2 Risks associated with geopolitics events\*

Significant geopolitics events may have an adverse effect on the safety of our business, economic turmoil as well as organizational malfunctioning. Depending on the location of the geopolitics events, criticality may vary for the Group, nevertheless, the concerns may involve: our own employees health and safety, sourcing risks, logistics routes or logistic capacities availability, cyber risks, customer credit issues, and potential stalled situation in market development for several regional areas.

Regarding the specific situation in Ukraine, the Group has not planned for a significant business development in this area.

Regarding Cyber risks please refer to paragraph 2.1.2.2.

Regarding Customer dependency please refer to paragraph 2.1.2.5.

Organizational malfunctioning (logistics) is the key issue induced by this Ukrainian crisis as logistic routes connecting Europe to Asia cross China, Kazakhstan, Russia, Ukraine and Poland.

**Risk management related to geopolitical events:** the group's managers (in particular the supply chain and logistics departments) are constantly monitoring the various difficulties that their service providers could face, and, in the specific context of the Ukrainian crisis, with the help of its logistics service providers and in coordination with its insurance broker, the Group has planned alternative routes through the Baltic States while managing the number of trucks per convoy. In addition, traditional shipping routes remain an operational option.

### 2.1.1.3 Risks related to climate change

Climate-related risks and opportunities have been put into a timeline for the Group with a deadline set for 2030: the Group will step up year on year its commitments to reducing its carbon footprint and developing solutions for a more sustainable and more responsible retail.

In this context, the main risks identified are :

- In the short term, all SES-imagotag stakeholders expect measures to be taken to tackle climate change. Not responding to these expectations constitutes a risk factor that could affect the Group's reputation.
- In the medium term, as we transition towards a more sustainable economy, one major challenge relates to potential new regulations enforcing a global or regional carbon pricing system, which would have direct financial consequences on all companies.
- Then in the long term, if the global ecological transition does not happen apace, rising temperatures and water scarcity could have a direct impact on our supply chain as well as the energy supply for our data centers;

The Group has pledged the following commitments within the context of its **climate strategy**:

- To foster "Positive Retail" by increasingly converting physical stores into more efficient digital assets capable of reducing inventory and food waste, promoting the local supply chain and promoting a low-carbon e-commerce thanks to the leveraging of existing physical stores for a local deliveries network, hence avoiding the construction of a multitude of picking platforms, finally to encourage responsible consumption by providing better information to consumers.
- To promote the eco-design of the hardware to lower the number of required components, to streamline the IT infrastructure, to prolong its useful life, thereby lowering energy consumption and, therefore, the carbon emissions (scopes 1, 2 and 3) of the Group's activity;
- To encourage our customers to collect used labels to give them a "second life" and promote a circular economy.

The Group has regularly commissioned numerous evaluations of its ESG action plan (completed by specialized rating agencies), while continuously making efforts to improve using these benchmarks and comparisons to gauge the effectiveness of the Group's climate change strategy.

A specific communication, dedicated to the Group's social, societal and environmental responsibility, is also developed on the Group's website.

The Group is carefully tracking regulatory changes to anticipate not only their implementation but also any potential consequences, such as disruption to the supply chain, which could then lead to increased costs or supply interruptions.

In this context, the Group has:

- established an environmental management system that received ISO 14001 certification in 2022;
- introduced a systematic audit of the majority of its suppliers, through the "ECOVADIS responsible purchasing" program, which ensures, among other things, compliance with international environmental standards (water management, standards for the handling of chemicals, etc.) - Section 4.5.2 of this report gives precise details of this action plan;
- analyzed its compliance with the European taxonomy regulations - (Section 4.4 of this report details this analysis) and, in this context, plans to carry out an analysis of the effects of climate change on its activity in 2023;
- plans to review, in the course of 2023, the effects of the Corporate Sustainability Reporting Directive (CSRD) published on December 16, 2022 in the Official Journal of the European Union, on corporate sustainability reporting.

The first review of the current situation consisted of carrying out an initial carbon assessment (scopes 1, 2 and 3) in order to build a carbon reduction plan based on this initial calculation. Details of the carbon footprint and related indicators are available in Section 4.3.1 of this report.

In addition, the Group has examined the potential benefits for its customers of the solutions it markets, particularly in terms of avoided carbon emissions (see section 4.3.3 of this report).

**To respond to the risk of more frequent and extreme natural disasters and phenomena**, given that our employees are for the most part located in geographical areas not subjected to extreme natural disasters and so their safety is not at great risk, the measures envisaged are mostly geared towards operational continuity, both in terms of services provided by our cloud platform and the production of hardware (IoT devices).

- Strategies to continue the activity of our cloud platforms have been implemented with the support of our subcontractors and partners, allowing us to provide these services from different sites. The Group has also been ISO 27001 (information security management) certified in 2023.
- Suppliers of components and electronic labels also have their own supply chains and could potentially encounter similar problems. In 2021, the Group mitigated this risk through its supply chain audit program conducted in partnership with EcoVadis, its active multi-sourcing policy and the opening of a third label assembly site on the American continent.

c) The effective analysis of the resilience of the Group's business model and its adaptation to the impacts of climate change will be a key element in the response to the risks of natural disasters: the Group has already assessed the climate risks at its main storage sites but intends to continue this research, in order to:

- examine exposure to climate hazards for operations, suppliers and markets
- assess the resilience of operations
- assess potential impacts on the business plan
- identify priority action levers
- develop its climate change adaptation strategy
- support the business lines in the process of change

Please refer to section 4.3.4. of the URD for further details regarding the climate related risk analysis (through TCFD reporting standards).

### 2.1.1.4 Risks related with the Group development strategy

The Group's financial performance and the success of its strategy will depend on several factors, in particular its ability to:

- increase revenue of the traditional electronic labelling solutions business, both in mature markets and on international markets currently adopting the solutions marketed by the Group;
- increase revenue from value-added services;
- increase revenue from the development of new verticals and new markets excluding food distribution;
- control the Group's operating and development expenses during periods of very strong business growth;
- develop the benefits and synergies expected from its various partnerships.

If the Group is unable to achieve these business development targets, this could have a material adverse effect on the Group, its business, financial position, results and outlook.

**Risk management related to the Group's development strategy:** limiting the risk consists in:

- a commercial development plan leading to a diversification of the geographical risk;
- a close performance monitoring: the Finance Department produces monthly performance analyses and periodic forecasts, and regularly informs the Board of Directors of performance, possible deviations from the budget trajectory and corrective measures implemented by management;
- significant R&D investments and intellectual property portfolio;
- investment in talented and skilled human resources.

### 2.1.1.5 Risks related to the competitive environment

The Group faces intense competition from international players, mainly from Asia, seeking to acquire market share through price wars, a fairly standard phenomenon in the technology sector.

If the Group does not have sufficient financial resources or the necessary skills, particularly in a context of technological change, to preserve the differentiation and added value of its products, the Group's business and financial results could be materially and adversely affected.

These competitive pressures weighing heavily on equipment sale prices could erode the Group's sales and profitability and undermine its outlook.

In addition, an effort to consolidate the various players in the market in which the Group operates, in particular its customers in the retail sector or upstream the value chain among industrial assembly manufacturers or component suppliers, could modify the competitive landscape of the electronic labeling industry and drive down prices, costs and margins.

**Competitive risk management:** the Group applies a strategy to prevent these risks based on several priorities:

- active and global competitive intelligence. Ongoing efforts to improve industrial competitiveness and reduce costs, in particular based on strong purchasing expertise and a leadership strategy regarding market share maximizing economies of scale;
- focus on targeted markets where our differentiation strategy through services can play out favorably and where we aim at a significant market leadership and market share;
- significant investments in R&D and innovation (see next section) that aim to establish strong differentiation and add value, reinforced by an active policy in terms of filing and defending our intellectual property;
- a differentiation of our offer through services;
- lastly, the Group is developing close ties, particularly in terms of capital, with key players in the value chain (BOE technology, E Ink group..), in order to deepen its cooperation and converge its interests with these key players.

### 2.1.1.6 Risks related to technological developments

Certain technological innovations introduced by competitors or new entrants could make it possible to meet the expectations of the Group's customers in a more efficient or cost-effective manner, and thus weaken the Group's financial and business position.

**Technology risk management:** the Company conducts an active global technology watch in areas related to its business (digital display technologies, radio protocols, connected objects, computer vision, artificial intelligence, etc.). It invests significant amounts in R&D and intellectual property (see paragraph 5.1.2 "Investments" of this universal registration document). It makes acquisitions of patents or companies with missing and important technologies (Imagotag, Findbox, PDI, and MarketHub) and establishes technological partnerships with technological companies in order to benefit from a strong ecosystem (Microsoft, SAP, Qualcomm, BOE, E Ink, etc.).

Regarding risks related to Intellectual property, please refer to section 2.1.3.

### 2.1.1.7 Risks related to acquisitions

As part of its development policy, the Group has carried out growth transactions (notably through acquisitions, such as the recent acquisition of In the Memory in January 2023). Although the Group examines and appraises any investment project under a very strict due diligence procedure, the assumptions underlying the profitability of these investments may be proven false or the consolidation of the acquired companies could fail. Indeed, the consolidation of acquisitions, especially if they are significant in size, may require the implementation of a complex, long and expensive process. It may also involve a number of risks, such as having to bear costs and expenses to deal with unforeseen events, the fact that management diverts its attention from day-to-day operations, and increased engagement of management teams due to the increase in the volume and scope of business following the acquisition.

In addition, the Group cannot guarantee that an acquisition will generate the potential synergies expected, the expected cost savings, an increase in results and cash flow, improved operational efficiency and more generally the benefits that the Group can expect. If the Group fails to effectively consolidate a new acquisition, this could have a detrimental effect on its business, financial position, results, development and outlook.

**Risk management:** the Group has proven an impressive track record in extracting value from its past acquisitions, an ability to achieve the proper integration of technology, sales and above all, human capital, by building up loyalty through:

- the entrepreneurial culture, as the Group has implemented synergies while maintaining sufficient autonomy;
- financial incentives linked to the achievement of objectives, as the Group also strives to ensure the loyalty of the management teams of the acquired companies.

### 2.1.1.8 Risks related to relations with shareholder partners

The Group's shareholders include companies that are also suppliers and technological or industrial partners. BOE, its main supplier and industrial partner, is also a major shareholder in the Group with 32.37% of the share capital and voting rights. As such, BOE exercises a certain influence over the Company. It is possible that the interests and objectives of BOE do not always converge with those of the Company or those of its other shareholders.

Lastly, the BOE group and the companies it controls may acquire companies that compete directly with the Group's companies or that have business relations with the Group.

**Risk management:** when the partners are also shareholders, governance takes the form of an audit and review of regulated and current agreements between interested parties, in order to preserve the competitiveness of business and industrial agreements in relation to economic market conditions. Moreover, members of the Board representing shareholder partners do not take part into these agreements review. In addition, the Group applies a competitive intelligence and multiple-sourcing policy to protect its interests.

## 2.1.2 Operational and technical Risks

### 2.1.2.1 Risks related to dependency with regard to suppliers, industrial partners/EMSs, and the supply and cost of components and screens\*

The Group has outsourced all of its equipment production (electronic labels) to leading industrial partners specializing in the assembly of electronic products ("external manufacturing services" or EMS), including BOE, a major shareholder. In the event of an increase in demand or if the Group needs to replace an existing EMS, it cannot be certain of the existence or availability of additional production capacity on acceptable terms. In addition, the use of new production units may lead the Group to suffer production delays and incur additional costs due to the time it will have had to spend training new EMSs on the Group's methods, products, and control, quality, work, environmental footprint, health and safety standards. In addition, production by one or more EMSs could be interrupted or delayed, temporarily or permanently, due to economic, social or technical issues, such as the insolvency of an EMS, the failure of production sites or an interruption in the production process due to social movements beyond the control of the Group or due to health crises, such as the Coronavirus pandemic. Any delay or interruption in the production of the Group's products could have a material adverse effect on its business, results, financial position or its ability to achieve its objectives.

**Supplier dependency risk management:** the first-tier subcontractors with whom the Group organizes its production of electronic equipment have several factories located in different regions in Asia and in Mexico: switching production capacity locations remains a possibility, within the framework of a business continuity plan.

In addition, in order to secure production capacity that meets the Group's ambitions, an exclusivity agreement was signed in 2019 with the BOE group's Chongqing plant. The five-year volume projections indicate that the Company will not use the entire production capacity currently installed by the plant. In order to ensure the exclusivity of the production capacity of Chongqing BOE Smart Electronics System Co., Ltd, the Company decided to enter into an exclusivity agreement whose value was estimated by comparing the assumed capacity utilization rate of production capacities at a utilization rate of 100%.

The Group also relies on a good supply of electronic components and screens in order to carry out industrial scheduling with these EMSs. The failure of one or more component or screen suppliers, including as a result of social movements, unexpected stock-outs, quality defects, export restrictions or sanctions, health crises, and more generally, any disruption in supply, in particular due to tensions on the supply of electronic components.

Component costs represent a substantial portion of the Group's purchases, which amounted to €480,2 million for the year ended December 31, 2022, and of the Group's variable costs, which recorded a margin on variable costs of €131,4 million for the year ended December 31, 2022. Any substantial increase in component costs, due in particular to a contraction in supply or a concentration of the Group's suppliers, could therefore have a material adverse effect on the Group's contribution margin, and more generally on the Group's business, financial position, results and outlook if the latter is not able to pass it on to its customers within a reasonable period of time.

**Risk management related to the supply of components:** as the risk of a shortage of electronic components or screens is a clearly identified risk in the electronics industry, the Group is particularly vigilant in implementing a policy of multiple sources of supply and ensures that its industrial forecasts are consistent with business forecasts, the objective of which is to prevent any risk of a shortage of components. The objective is to avoid any risks of components shortages.

**Risk management related to supply disruption:** in order to better anticipate risks of supply disruptions due to shortages, supplier failures or natural risks, a multiple-supply policy for components is systematically applied when possible, and in some cases safety inventories are set aside for critical components.

In addition, supply also depends on smooth and timely supply chain and logistic flows. The failure or delay of a service provider or any tension within the supply chain, due to social movements, shortages in the availability of resources or means of transport, particularly container ships, strikes, export restrictions, a health crisis or transit crisis, could result in the Group being unable to deliver to its industrial subcontractors or to its customers and lead to additional costs or even the cancellation of orders that could adversely affect its business, results, financial position or outlook.

**Management of the risk of logistic disruption:** supply chain and logistic flows from Asia, constituting our upstream supply chain, present several possible means of transportation between air, sea and land transportation (the Silk Road). These multiple means of transportation would make it possible, if necessary, to use one or another means of transportation, given that their respective economic and environmental effects vary significantly.

### 2.1.2.2 Risks related to safety and security, cybersecurity and data privacy\*

The Group may be the victim of computer attacks (cyberattacks, denial of service, etc.), technical failures resulting in the unavailability of IT tools or data theft. The occurrence of any of these events could have a negative impact on the Group's business and performance.

The introduction of new technologies (Cloud computing), changes in industrial control systems and the development of new uses, including social networks, expose the Group to new threats. Computer attacks and intrusion attempts are increasingly targeted and carried out by real specialists who can target the Company as well as its customers and private or public partners. More generally, system failures could lead to loss or leakage of information, delays and additional costs that could harm the Group's strategy or image.

Despite the procedures put in place by the Group, it cannot guarantee hedging against these technological and IT risks and could encounter difficulties in the normal course of business in the event one of these risks occurs. If necessary, this could have a detrimental impact on the Group's business, results, financial position and its ability to achieve its objectives.

**Management of the risk related to information system security:** as part of its transformation towards the distribution of digital solutions, the Group has implemented a series of measures to protect its various solutions. The Information Systems Department is responsible for securing the networks and systems, on the one hand, and the applications necessary for the continuity of the Group's business, on the other, and regularly performs intrusion tests and backs up data. In addition, the Group has implemented measures to guarantee the security of its information systems, adapted to the risks identified and aligned with the requirements of ISO 27001, a certification obtained in early 2023. In conjunction with its internal control and security policy, these organizational, functional, technical and legal security measures are subject to regular checks. Lastly, regular training is provided to employees in order to prevent any mismanagement of emails in particular.

**Data security risk management:** the Information Systems and Research and Development Departments are responsible for data security. To this end, strict rules and procedures for defining and allocating access to various data ensure they remain private. In addition, the use of leading Cloud hosting solutions ensures a high level of availability. Lastly, all of the Company's critical and non-critical data are regularly backed up on various devices to ensure their integrity. All employees and IT and R&D stakeholders are made aware of the development rules and best practices to ensure that solutions comply with the "Privacy by Design" and "Security by Design" rules.

**Management of the risk related to the Group's facilities** (offices and warehouses) is guaranteed by private access entrances reserved for badge holders and by filtering visitors, which involves checking them at facility entrances. The safety of our storage facilities is subject to annual safety questionnaires, undertaken in partnership with our insurance broker.

### 2.1.2.3 Risks related to defective products and services\*

The Group may occasionally be confronted with a manufacturing or operating defect or an assembly of defective components in any of the Group's products and systems. If necessary, this could lead to liability claims of varying importance that could damage the Group's reputation and have significant financial consequences. In this context, the Group has been, may or may be required to carry out recall campaigns or to adapt or replace the equipment in question.

These complaints may harm the reputation and quality image of the products concerned and thus damage the image and reputation of the Group. In addition, the costs and financial consequences associated with these claims are likely to have a material adverse effect on the Group's business, results, financial position and ability to achieve its objectives.

**Risk management:** the group's R&D and industrial purchasing departments draft precise design data sheets that the Group's quality department ensures compliance with as part of a test program completed at the end of production. It complements these tests with monitoring focused on new product launches.



### 2.1.2.4 Risks related to human resources\*

SES-imagotag is a growing and diversifying Group, offering new ways of using display solutions, managing stores and using available data on prices and products. The Group's VUSION strategic plan for 2023 aims to make the Group a leader in omnichannel electronic signage solutions. In this regard and in the context of a competitive and evolving technological industry, attracting, developing and retaining the necessary skills is a key issue (see also paragraph 2.1.2.7 of this universal registration document).

The Group must also be able to respond to a series of qualitative and quantitative challenges in terms of talent management services:

- strengthen its pool of skills, particularly technical (and especially in the field of software engineering) needed to support growth and enable the delivery of new value-added services on a global scale;
- identify, attract, train, retain and motivate qualified personnel;
- build leadership capabilities at all levels to support its continued growth and transformation;
- on-board new employees effectively, particularly in the context of acquisitions.

This involves anticipating and planning the acquisition and development of the skills that will drive the Group's future success, as there is a risk of not having them in time to support the strategy. If the Group fails to meet these human resource challenges, a key factor for its development, this could have a material adverse effect on its business, financial position, results or outlook.

**Risk management:** a number of programs and initiatives have been implemented to prevent this risk and cover the following aspects:

- a people review to precisely define the needs for new skills with regard to the current pool of skills;
- the development of an employer brand and the strengthening of its strike force in terms of recruitment (with, for example, increased use of social media);
- an e-learning platform;
- retention and recognition of performance in the form of long-term Group compensation plans or specific compensation plans in the event of acquisitions.

The Group has forged several partnerships with universities and schools in France and Austria in order to maintain a pool of young talent, in particular within divisions requiring technological skills.

In addition, the human scale of the Company promotes exchanges and the organization of social events. Permanent bonds are forged within the Company's social network, promoting internal communication and working groups. Much emphasis is placed on training, the indicators and statistics of which are largely developed in our Non-Financial Performance Report. Talent retention is supplemented by regular and close monitoring of the objectives of each employee and managerial evaluations, at a rate of two per year. Lastly, the Chairman and CEO regularly explains and comments on the Group's strategy during regular video-conferences.

Several long-term compensation plans have been approved in recent years in order to retain key talent. About 30% of our personnel benefit from this.

### 2.1.2.5 Risks related to customer dependency

Although the Group's revenue is distributed among a large number of customers, some of them account for a substantial portion of its revenue. For the year ended December 31, 2022, the Group's top ten customers accounted for nearly 62% of the Group's consolidated revenue and the Group's largest customer accounted for around 34% of the Group's consolidated revenue. The loss or contraction of the business of one or more of these customers, a concentration of players in the sector in which they operate or the default of one of these customers, could reduce revenue by the same amount, which could have a material adverse effect on the Group's business, financial situation, results or outlook. Please note the 2027 strategic plan includes several major deals to be signed with a limited number of key customers, likely to trigger a higher customer dependency ratio.

**Management of the risk related to customers dependency:** to limit this risk, the Group seeks to maintain a diversified portfolio of customers, both geographically and in terms of the business sectors to be equipped with its solutions. In order to ensure that commercial relations with its customers are not interrupted, the Group strives to satisfy their demands to the best of its ability, in particular by investing in innovation and by maintaining an ongoing dialogue with them in the context of order follow-up and product delivery.

### 2.1.2.6 Risks related to obsolescence and inventory impairment

The Group amasses large inventories for its most traditional product references, due to long supply cycles (production and transportation), in order to ensure acceptable delivery times to its customers.

The risks to which these large inventories are exposed lie both in a potential production forecast error, taken in advance of sales forecasts, which could lead to unnecessary overstocking, and also lie in the acceleration of technology innovations that could lead to an inventory of product references that have become obsolete. This would result in a substantial depreciation of the value of our inventories (see also paragraph 6.1.2, II, 1.5 of this universal registration document for a description of the inventory impairment rules followed by the Group).

**Risk management:** inventory turnover rates are regularly analyzed through permanent inventories monitored in our IT systems as during biannual physical inventories. Slow turnovers lead to sales and marketing stock push campaigns, or of industrial rework campaigns. For product references that cannot be covered by these targeted campaigns, the Finance Department records provisions for the impairment of inventory with low turnover, as described in the notes to the consolidated financial statements for the year ending December 31, 2022.

### 2.1.2.7 Risks related to management teams

The Group's success depends to a certain extent on the continuity and skills of its management team built around Mr. Thierry GADOU, Chairman and CEO. In the event of an accident or the departure of one or more of these executives or other key employees, their replacement could be difficult and could adversely affect the Group's operational performance. More generally, competition for the recruitment of senior executives is fierce and the number of qualified candidates is limited. The Group may not be able to retain some of its executives or key personnel, or in the future, attract and retain senior executives and key employees. In addition, in the event that its executives or other key employees join a competitor or create a competing business, the Group could lose some of its know-how and the risk of losing customers could increase. These circumstances could have a material adverse effect on the Group's business, financial position, results and outlook.

**Risk management:** since 2012, the Group has been pursuing a policy to retain management teams through free share plans (which have provided good stability for the management team). In addition, the ESG, Nomination and Remuneration Committee regularly reviews the succession plan for key managers, including the Chairman and CEO.

### 2.1.2.8 Risks related to corruption and ethics

In the course of its business, the Group may be exposed to risks related to corruption, particularly in some of the emerging countries in which it operates. The Group ensures that all of its employees act in accordance with applicable laws and regulations and the values of integrity and respect for internal and external standards that form the basis of its culture.

However, it cannot guarantee that its employees, suppliers, subcontractors or other business partners will comply with the strict requirements to which it is subject or the regulations in force.

Any behavior that contradicts these values or regulations, despite the Group's efforts, could seriously engage the Group's liability and have repercussions on its reputation, which could have a material adverse effect on its business, financial position, results or outlook.

**Risk management:** a code of business ethics and conduct is in place. It includes and formalizes rules regarding behavior expected across the Group from all employees, suppliers and subcontractors, and our network of partner-distributors. This document is an important tool for maintaining the quality of the control environment within the Group. It is available on the e-learning platform for our employees as well as on our website, menu "ESG". The code of ethics is signed each year by every employee.

### 2.1.2.9 Health Risks

The Group suffered the consequences of the Covid-19 pandemic during 2020. The risks inherent to such a health crisis encompass a slowdown in consumption (risks detailed in 2.1.1.1) and a disruption of the Group's business, either due to its subcontracting chain (detailed in section 2.1.2.1) or due to malfunctions in its internal organization (detailed in 2.1.2.4).

**Risk management:** in terms of internal organization, the group has demonstrated the robustness of its digital organization and its communication tools: periods of lockdown were managed smoothly and without malfunctions since remote working and inter-team communication were already supported through an internal social network and collaborative platforms. This was attributable to the existing configuration of the Company's information systems, which ensured business continuity, regardless of whether or not the support functions are physically at our facilities.

Remote working was therefore implemented smoothly from a systems and equipment perspective, with a focus on new managerial practices (prevention of risks related to isolation, risks related to hyper-connectivity, management of autonomy, on-boarding of new employees, and monitoring operations and maintaining group bonds). Lastly, there were regular communications on the prevention of musculoskeletal conditions and equipment was lent to employees (screens, ergonomic chairs, etc.).

## 2.1.3 Legal and compliance related risks

### 2.1.3.1 Risks related to intellectual property

The risk that the Group faces in terms of intellectual property is the risk of suffered or active counterfeiting.

Counterfeiting infringements may be committed by third parties against products, copyrights or patented industrial processes. These actions are likely to have an immediate effect on the Group's revenue and results and may harm the reputation and, where applicable, the quality of the products concerned.

The Group could be unintentionally guilty of counterfeiting, particularly when it comes to the risk related to the period during which patent applications are not made public. Patent applications filed by third parties and known only at the time of their publication could affect ongoing developments or even products recently launched on the market given increasingly short development time frames. This situation would force the Group to modify the product by increasing the project's research and development costs, or to negotiate rights to use the patented item. In either case, the project margin would be affected. The Group may also be subject to claims from patent trolls, particularly in the United States and Russia and in the field of new technologies. The occurrence of counterfeiting, of which the Group is the victim or which is attributable to it, could have a substantial adverse effect on its reputation, business, financial position, results and outlook.

From a financial perspective, in view of the risk analysis carried out at the registration date of this universal registration document and in accordance with applicable accounting standards, no provision has been recognized in the consolidated financial statements at December 31, 2022.

**Risk management:** the Group ensures compliance with the rights of its intellectual property portfolio via an internal manager who is responsible for managing this monitoring with the help of external advisors. At the same time, the Group also ensures compliance with the rights of third parties by systematically carrying out patent and trademark searches. As of December 31, 2022, the Group had filed 569 patents corresponding to 116 patent families.

### 2.1.3.2 Risks related to compliance with regulations (particularly regarding subcontractors' labor practices and environmental regulations)

The Group's business is subject to various regulations, particularly in terms of compliance and compatibility of the products it sells with the regulations applicable to them, as well as industrial, safety, social regulation, health, and environmental standards.

Provisions for the removal and treatment of end-of-life electrical and electronic equipment are increasingly demanding and their application is subject to increasingly rigorous and frequent controls, particularly in the context of Directive 2012/19/EU of the European Parliament and of the Council of July 4, 2012 on waste from electrical and electronic equipment ("WEEE").

Quite recently, Law no. 2020-105 of February 10, 2020 on the fight against waste and the circular economy aims, in particular, to combat the planned obsolescence using a reparability indicator. The manufacturer will be encouraged to design more repairable products and to provide information about the availability of spare parts.

Despite the procedures put in place by the Group and despite the fact that the risks of harming the environment are not limited to the scope of the Group's business, it is not able to guarantee hedging against the environmental risk and could encounter difficulties in performing its activities in the event one of them occurs. In this scenario, it could have an adverse effect on the Group's business, results, financial position and its ability to achieve its objectives.

More generally, in the event of non-compliance with applicable laws and regulations, the Group could be ordered to pay fines, and the authorities could go as far as prohibiting the products marketed in question from being sold. These standards are complex and subject to change and, although the Group pays particular attention to compliance with current regulations, it cannot rule out any risk of non-compliance.

In addition, the Group could incur significant costs in order to comply with regulatory changes and cannot guarantee that it will always be able to adapt its activities and its organization to these changes within the necessary time frame. Furthermore, changes in the application and/or interpretation of existing standards by the authorities and/or courts are also likely to occur at any time.

The Group's inability to comply with and adapt its activities to new regulations, recommendations, national, European and international standards could have a material adverse effect on its business, results, financial position and outlook.

**Management of risks related to regulations (particularly regarding subcontractors' labor practices):** the Group ensures compliance with the safety standards inherent to its equipment (in particular CE marking, marking for substances of concern, as part of the REACH regulation for our lithium batteries, OHSAS standards). All of these standards are monitored by the Group's Quality Department.

For its direct supply of strategic components, the Group relies on a global ecosystem of leading players in their respective fields of expertise (special electronic chips, customized TFT/LCD screens and e-Paper, etc.). Most of these players pay particular attention to social and environmental responsibility initiatives. The Group chose to sign industrial partnerships with leading subcontractors, particularly in Asia, all of which adhere to the principles of the United Nations Global Compact or meet the necessary certifications for an excellent level of labor and environmental practices, as well as with a demonstrated requirement for safe working conditions for their employees.

**Risks related to electrical and electronic waste treatment methods.** In order to limit the risks of uncontrolled pollution, the Group implements and offers collection and recycling programs for end-of-life products to its customers in Europe, in accordance with the WEEE directive, and in many other countries outside the European Union. In countries where regulations require it, the quantities of products put on the market, collected and recycled are periodically declared to the national registers of producers. The Group also informs users of these provisions with a specific marking on the products and provides recyclers with dismantling instructions.

In order to be part of a circular economy approach, the Group committed in 2014 to implementing an action plan to ensure the complete recyclability and reuse of its equipment.

All products delivered by the Group comply with the international directives on the use and transportation of hazardous substances in electrical and electronic equipment (Directive 2011/65/EU of the European Parliament and of the Council of June 8, 2011 on limiting the use of certain hazardous substances in electrical and electronic equipment).

Our Non-Financial Performance Report details our environmental risk management (section 4 of this universal registration document).

### 2.1.3.3 Risks related to taxation and its developments

The Group is subject to complex and changing tax legislation in the various countries in which it operates. Due to its international activity, it is subject to transfer pricing rules, which can be particularly complex and are subject to different interpretations. Changes in tax legislation could have a material adverse effect on its tax position, its effective tax rate or the amount of taxes and other mandatory deductions to which it is subject, as well as its reporting obligations. In addition, the tax regulations of the various countries in which the Group operates may be subject to a wide variety of interpretations. Therefore, the Group cannot guarantee that the relevant tax authorities will agree with its interpretation of the applicable legislation. In addition, tax laws and regulations or other mandatory deductions may be amended and the interpretation and application made by the relevant jurisdictions or authorities may change, in particular in the context of joint initiatives taken in the past internationally or in Europe (the OECD, G20, European Union).

In particular, the current incorporation into French tax legislation:

- i. the principles established by the OECD on tax base erosion and profit shifting (BEPS);
- ii. the multilateral convention for the implementation of measures relating to tax treaties to prevent BEPS dated June 7, 2017;
- iii. the rules provided for by the Council Directive of July 12, 2016 establishing rules against tax evasion practices directly affecting the functioning of the internal market (the Anti-Tax Avoidance Directive, or ATAD); and
- iv. provisions provided for in the proposed directive aimed at establishing a common consolidated corporate tax base (CCCTB) could increase the tax burden on the Group.

A challenge to the Group's tax situation by the relevant authorities could lead the Group to pay additional taxes, potentially significant adjustments and fines, or an increase in the costs of its products or services for the purpose of collecting these taxes, which may result in the Group paying additional taxes, which could in turn have a material adverse effect on its business, results, financial position and outlook.

**Risk management:** the Group monitors regulations with the help of external consultants.

### 2.1.3.4 Risks related to ongoing litigation and investigations

In the normal course of business, the Group may find itself implicated in a certain number of administrative and legal proceedings for which it may be held liable on different legal bases.

#### Tax litigation

In previous years, Group companies have been subject to tax audits and sometimes proposed adjustments. The financial consequences of these tax reassessments are recognized by means of provisions for amounts notified and accepted or considered as presenting a probable outflow of resources and that can be reliably determined.

The Group periodically reviews the estimate of this risk in light of changes in controls and litigation and considers that no current control will have a substantial impact on its financial position or liquidity.

## 2.1.4 Financial risk

### 2.1.4.1 Risks related to exchange rate\*

The Group is highly exposed to fluctuations in the euro/US dollar exchange rate, as a large part of its sales are denominated in euros, and a majority of its component and production costs are denominated in US dollars. As a result, upward movements in the US dollar automatically increase the cost of sales in euros. Such changes could have a material adverse effect on the Group's business, results, financial position or outlook (Please refer to Consolidated Accounts Note 26 for further details).

**Risk management:** in addition to currency hedging policies, several measures have been put in place to reduce this exposure in the coming years, notably:

- price adjustment clauses in customer contracts in euros;
- development of sales denominated in US dollars.

In order to anticipate and manage cash flow changes, forecasts are prepared on a regular basis and a cash centralization system in euros and US dollars has been set up for the main European subsidiaries.

### 2.1.4.2 Liquidity risk

Liquidity risk is the risk of not having the necessary funds to meet commitments when they fall due. It concerns, on the one hand, the risk that assets cannot be sold quickly under satisfactory conditions if necessary, and, on the other hand, the risk of early repayment of liabilities or the inability to access credit at satisfactory conditions.

### Business and employment-related litigation

Litigation is regularly reviewed by the Group's Legal Department and is covered by provisions when the Group considers that it is probable that an outflow of resources will be necessary to cover the risk incurred and that this amount may need to be estimated reliably. Reversals that are not applicable mainly result from the resolution of these disputes, for which the Group was successful or for which the actual amount of the loss was lower than its estimated amount. As of December 31, 2022, the Group has set aside a provision for risks of €293 thousand for employee-related disputes, as described in Note 10 "Provisions for risks and expenses" to the consolidated financial statements included in this universal registration document.

The Group cannot guarantee the availability of adequate financing at the appropriate time, which could impair its development capacities and thus have a material adverse effect on its business, financial position, results or outlook.

With regard to financial assets, all of the Group's marketable securities consist of term deposits.

With regard to financial liabilities, the bulk of the Group's indebtedness consists of two bonds totaling a nominal amount of €40 million and €10 million respectively maturing in 2023 and 2025, bearing interest at a fixed rate of 3.5% for the €40 million tranche and at a rate of 3.6% for the €10 million tranche, which may be increased according to the debt ratios observed. The bonds provide that the latter would become payable if the consolidated debt ratio, meaning the ratio between net financial debt and the gross operating surplus, decreased to below 3.5.

At December 31, 2021, the Group complied with the consolidated debt ratio, which is the ratio of net financial debt to EBITDA of less than 3.5. The impact of the recognition of the lease liability, following the application of IFRS 16 on January 1, 2019, is excluded from the definition of financial debt, for the purpose of calculating the financial ratios.

See also **Notes 11 and 21** to the Group's consolidated financial statements.

**Risk management:** The management of financial risks, and more specifically liquidity and cash monitoring risks, is detailed in Section 2.2.2 of this report, "Internal control". In addition, the Group regularly explains its strategy to financial investors as well as the resources necessary for its implementation, in order to be able to call on private placements or to carry out capital increases (public offering) and thus have financial resources.

### 2.1.4.3 Risks related to interest rates

At the date of this universal registration document, the bulk of the Group's debt consisted of borrowings bearing interest at a 3.5% fixed rate. As a result, the Group's exposure to interest rate fluctuations is limited at the date of this universal registration document.

### 2.1.4.4. Credit and/or counterparty risk

Credit and/or counterparty risk is the risk that a party to a contract entered into with the Group will default on its contractual obligations, which would result in a financial loss for the Group.

The financial assets that could expose the Group to credit and/or counterparty risks are mainly receivables from its customers (in the event of payment defaults or non-compliance with payment terms) and financial investments. The occurrence of one or more of these risks could have a material adverse effect on the Group's business, financial position, results or outlook.

**Risk management:** the Group has set up a customer collection service with a virtually global scope. This department carries out the solvency studies prior to any transaction with customers and/or suppliers and focuses on necessary knowledge regarding the financial health of our customers.

## 2.2 Insurance program and internal control

### 2.2.1 Insurance policy

The Group implements a policy aimed at obtaining external insurance coverage to cover the risks to which the Company and its employees are exposed, which can be insured at reasonable rates. The Group believes that the nature of the risks covered and the guarantees offered by this insurance are in line with the practice adopted in its sector.

The Group's insurance program includes the following insurance policies:

- civil liability;
- cybercrime;
- fraud;
- damage to property;
- goods transported;
- civil liability of corporate officers;
- repatriation costs for personnel travelling abroad.

### 2.2.2 Internal control and Risk management policy

Risk management is intended to provide reasonable assurance regarding:

- a) compliance with laws and regulations;
- b) the performance and optimization of operations;
- c) the reliability of financial information.

The Company refers to the AMF reference framework ("Risk Management and Internal Control Reference Framework"). In general terms, one of the objectives of the internal control system is to prevent and control the risks resulting from the Group's activity and the risks of error or fraud, particularly in accounting.

This general objective is achieved thanks to the work of the Finance Department, the audit firms and the Audit Committee.

The key players in the Company's internal control are:

The Audit Committee ensures that the financial statements are audited, in accordance with the rules, and established independently. In particular, it ensures that currency, liquidity and debt risks are properly anticipated. The Audit Committee is kept informed of matters relating to risk management. The risk assessment and treatment approach is the subject of a specific annual discussion with the members of the Committee and the Statutory Auditors, during which the mapping of major risks, as well as the associated action plans are reviewed.

The ESG, Nomination and Remuneration Committee determines the compensation policy allocated or attributable to the Chairman and also ensures that best ethical practices are applied in the management of the Group's business: anti-corruption (Sapin II Law) and GDPR compliance plans, as well as the gifts and entertaining policy, the Company's Code of Conduct and the Supplier Code of Conduct are all subjects of special attention. This Committee also ensures the implementation and monitoring of the following processes:

- identification of potential conflicts of interest and
- ethical alerts.

The Board of Directors meets several times a year in order to study management's proposals in terms of debt, hedging of foreign exchange risks, and any acquisitions. The budget forecasts are also presented as well as their successive revisions during the year.

Management (trade, finance and supply chain) meets weekly to analyze the portfolio of business opportunities, the likelihood of completion and the potential timing of these achievements in order to ensure the adequate supply of finished products and solutions required by the market. In addition, a weekly review of major contracts takes place in order to preserve the profitability of the latter, the sale price to be proposed according to the costs to be incurred by the Company. These managerial meetings therefore ensure that business volumes and profitability are properly anticipated.

In this context, the Industrial Purchasing Department, which is responsible for purchasing components and raw materials necessary for the manufacture of products, as well as negotiating industrial assembly subcontracting, plays an important role in the internal control system given the financial flows involved:

- centralized management of purchases, in order to manage strict management rules (calls for tenders, purchase requests, approvals, etc.);
- supplier management, in particular through performance indicators, supplier reviews and audits on operational aspects (quality, supply chain, etc.) but also on ethical, social and environmental responsibility and compliance aspects in line with the Group's ESG objectives.

The Finance Department manages the accounting and financial internal control and aims to ensure:

- the compliance of the published accounting and financial information with the applicable rules;
- the reliability of the published financial statements and of the other information communicated to the market;
- the preservation of assets;
- the prevention and detection of fraud and accounting and financial irregularities, to the extent possible.

**Reporting and analysis:** each month, in order to ensure effective Group management, Management Control consolidates all the information from a single, centralized management tool to prepare dashboards for the Group's Executive Committee and management. These dashboards include appropriate analyses of significant discrepancies and trends.

The Group's Finance Department is responsible for the Accounting and Management Shared Service Centers (SSCs) and managing them. This organization, which is centralized in France, helps to improve the Group's level of internal control through the sharing of best practices and the standardization of procedures, as well as the positive effect of the SSCs' work on the segregation of duties.

Delegations of authority are established within the Group in order to define the scope of responsibilities, according to the skills, resources and proximity to the operations necessary for decision-making. Thresholds and rules are established and defined for each manager and included in the delegations of authority to enable efficient and fluid decision-making while addressing the Group's challenges and risks.

This is how:

- contractual commitments are subject to managerial delegations;
- the expenditure commitment policy, based on a purchase order process authorized for certain buyer profiles only, including levels of commitments and delegations, is applied within our information systems;
- in addition, the bank accounts of all subsidiaries are grouped together in a single telematic portal enabling the Group's Finance Department to control cash flows, which alone validates payment campaigns.

The Finance Department thus ensures direct internal control over the quality of the financial statements, the Group's profitability and the use of available cash.

In addition to the expense procedures, the management of financial resources is subject to a monthly analysis in order to ensure:

- the Group's liquidity;
- hedging of foreign exchange risks;
- monitoring of relationships with banks;
- managing the customer risk hedging strategy.

Lastly, the Group's Legal Department is responsible for ensuring compliance with the regulatory and legal framework imposed on it in the various countries, protecting the Group's assets (particularly its intellectual property) and its business as a whole, and defending its interests. Its main responsibilities are as follows:

- legal assistance for transactions, on all types of regulations, drafting and updating of standard contracts (purchase of goods and services, conditions of sale, promotional operations, etc.), management of the law firms consulted, management of pre-litigation disputes and litigation;

- protection of intellectual property rights in collaboration with the R&D Departments for patents and marketing for trademarks (legal watch);
- coordination of the Group's insurance program, allowing for the alignment of the insurance program with the Group's activities;
- participation in the Group's acquisition strategy;
- tax and customs aspects are monitored and procedures are drafted and reviewed by the Legal and Tax Departments: justification of the tax schemes chosen, customs classifications, etc.;
- aspects relating to environmental regulations are dealt with in close collaboration with the operational departments responsible for the eco-design of products, packaging and used equipment recovery processes;
- Lastly, in cooperation with the Quality Department, the ISO certifications obtained (ISO 9001, ISO 14001, ISO 27001) make it possible to strengthen the Group's sound management of operational risks.

The Company's strategy is to have majority control over its subsidiaries. The Company ensures that the meetings of the Board of Directors are held and participates in the management bodies of its subsidiaries. Each subsidiary sends monthly management reports to the Company, which decides to take appropriate action, if necessary.





# Corporate Governance

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Dear shareholders,

In accordance with the provisions of the last paragraph of Article L.225-37 of the French Commercial Code, this report of the Board of Directors, for the fiscal year ended December 31, 2022, presents information relating to the various aspects of the functioning of the Company's governing and management bodies, and in particular the composition of the Board, the application of the principle of balanced representation of women and men on the Board, the conditions for preparing and organizing the work of the Board of Directors as well as General Management's operating methods and the limitations placed by the Board of Directors on the powers of the Chairman and CEO (Articles L.225-37-4 and L.22-10-10 of the French Commercial Code).

This report also contains information relating to the compensation policy and the compensation paid to corporate officers for the previous fiscal year pursuant to Articles L.22-10-8 and L.22-10-9 respectively of the French Commercial Code, as amended by the French Pacte Law of May 22, 2019 (after recoding pursuant to Order no. 2020-1142 of September 16, 2020).

This report also informs you of the specific terms and conditions relating to shareholder participation in General Meetings and of the current delegations of authority granted by the General Meeting in the area of capital increases, as well as the list of all of the offices and positions held in any company by each corporate officer, regulated agreements entered into directly or indirectly, as well as a procedure for evaluating current agreements entered into under normal conditions (Articles L.225-37- 4 and L.22-10-10 of the French Commercial Code).

Lastly, this report lists and sets out the information concerning the elements likely to have an impact in the event of a public offering in accordance with Article L.22-10-11 of the French Commercial Code (after recoding pursuant to Order no. 2020-1142 of September 16, 2020).

This report was approved by the Board of Directors on March 29, 2023.

## Corporate Governance statement

The Company pursues a corporate governance approach.

The Company's Articles of Association were updated on July 22, 2022.

The Company adopted the internal rules of the Board of Directors on December 14, 2022 (replacing the Corporate Governance Charter dated December 12, 2005). These internal rules define the organizational arrangements and the functioning of the Company's Board of Directors in addition to the legal and statutory provisions in force. They are part of the recommendations aimed at ensuring compliance with the fundamental principles of corporate governance, in particular the AFEP-MEDEF Corporate Governance Code for listed companies to which the Company refers.

The Company is guided by the AFEP-MEDEF Code of Corporate Governance of Listed Companies (revised in December 2022), which constitutes the Corporate Governance Code to which it refers for the preparation of the corporate governance report pursuant to Article L.225- 37 of the French Commercial Code.

The AFEP-MEDEF Code is available on the MEDEF website (<http://www.medef.com>).

The Company's internal rules and Articles of Association are available on our website [www.ses-imagotag.com](http://www.ses-imagotag.com).

The Company considers that, barring justified exceptions in the summary table below, the Company complies with the current AFEP-MEDEF Code.

At the date of publication of this report and in accordance with the "apply or explain" rule in accordance with Article L.22-10-10 4° of the French Commercial Code and Article 28.1 of the AFEP-MEDEF Code, the Company specifies the reasons why the provisions of the AFEP MEDEF Code set out below have been rejected:

Dismissed AFEP-MEDEF recommendations	Justification
<p>Communication with shareholders</p> <p>Articles 4.5 and 4.6: "Each listed company has reliable procedures for identifying, monitoring and evaluating its commitments and risks, and provides shareholders and investors with relevant information in this area.</p> <p>To this end, it is necessary to: (...)</p> <ul style="list-style-type: none"> <li>publish the ratings attributed to the company by the financial rating agencies as well as any changes that occurred during the fiscal year."</li> </ul>	<p>The financial rating set by the Banque De France each year is based on the separate statements of SES-imagotag SA and not on the consolidated financial statements of the SES-imagotag Group. The Group considers that this rating does not reflect the health of the Group as a whole and therefore does not publish it.</p>

## 3.1 Management bodies

In accordance with Article L.225-51-1 of the French Commercial Code, the Company's General Management is assumed, under its responsibility, either by the Chairman of the Board of Directors or by another natural person nominated by the Board of Directors and with the title of CEO. Under the conditions defined by the Articles of Association, the Board of Directors chooses between these two General Management operating methods.

In accordance with Article L.225-37-4, 4° of the French Commercial Code, it is specified that General Management is assumed by the Chairman of the Board of Directors.

### 3.1.1 Chairman and CEO

In the best interest of the Company, the Board of Directors has decided that the General Management of the Company is exercised by the Chairman of the Board of Directors. The duties of Chairman of the Board of Directors and CEO are therefore combined, but with the greatest respect for the respective prerogatives of the various corporate bodies.

This governance method corresponds to the Company's operating and organizational methods.

In accordance with the provisions of the French New Economic Regulations Law (called the NRE Law in French), the possibility of separating the functions of Chairman of the Board of Directors from those of CEO is provided for in the Company's Articles of Association.

#### 3.1.1.1 Nomination

At its meeting of January 13, 2012, the Board of Directors nominated Mr. Thierry GADOU as CEO with immediate effect and for an indefinite period.

At its meeting of January 18, 2012, and in accordance with Article 12 of the Company's Articles of Association, the Board of Directors nominated Mr. Thierry GADOU as Chairman of the Board of Directors for the duration of his term of office as a director. As the Chairman is eligible for re-election (Article 12 of the Company's Articles of Association), the Board of Directors renewed Mr. Thierry GADOU's term as Chairman of the Board of Directors every three years; the last time at its meeting of June 29, 2020 for the duration of his term of office as a director, i.e. until the end of the annual Ordinary General Meeting called to approve the financial statements for the fiscal year 2022 and to be held in 2023.

The General Meeting of June 23, 2023 will be asked to renew the term of office of Mr. Thierry GADOU as a director for a period of 3 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the 2025 fiscal year and to be held in 2026.

In his capacity as executive corporate officer, Mr. Thierry GADOU does not hold any other directorships in listed companies outside his Group, including foreign ones.

In accordance with the recommendations of the AFEP MEDEF Code, the Board of Directors has set a minimum number of shares that Mr. Thierry GADOU must hold in registered form until the end of his duties. Indeed, the Board of Directors meeting of December 21, 2017 noting the importance of the investment made by Mr. Thierry GADOU both in cash and in shares of the Company and the holding commitments made in this context, decided to modify the number of performance shares to be held (directly) by the latter, until the end of his duties as Chairman and CEO, to 20,000 shares. The bonus share plan set up pursuant to the authorization of the Extraordinary General Meeting of June 29, 2020 (24th resolution) specified that the corporate officers benefiting from shares undertook, in accordance with Article L. 225-197-1 II of the French Commercial Code, to retain 30% of the shares allocated to them on each delivery date until the end of their term of office for whatever reason.

#### 3.1.1.2 Mission

The duties of the Chairman of the Board of Directors are to:

- approve the documents prepared by the Company's internal services;
- organize and direct the work of the Board of Directors;
- ensure that the directors are able to fulfill their duties and ensure that they have the information and documents they need to perform their duties;
- ensure that the representatives of the employee representative bodies are regularly convened and have the information and documents they need to successfully perform their duties.

The CEO is vested with the broadest powers to act in all circumstances on behalf of the Company. They exercise their powers within the limits of the corporate purpose and subject to the powers expressly granted by law to Shareholder Meetings and the Board of Directors.

He represents the Company in its dealings with third parties. The Company is bound even by the actions of the CEO that do not fall within the corporate purpose, unless it proves that the third party knew that the act exceeded this purpose or that it could not ignore it given the circumstances, it being excluded that only the publication of the Articles of Association is sufficient to constitute this proof.

#### 3.1.1.3 Limitations

In accordance with Article L.22-10-10 3° of the French Commercial Code, it should be noted that the limitations to the powers of the Company's Chairman and CEO, as defined by the Board of Directors in its internal rules, as an internal measure that does not apply to third parties.

The prior authorization of the Board of Directors is required for any transaction, decision or commitment that has not been approved as part of the annual budget and that is greater than €5 million (per commitment).

The Board of Directors may delegate to the Chairman and CEO the right to issue sureties, endorsements and guarantees on behalf of the Company and sets the threshold below which the Chairman and Chief Executive Officer receives this delegation.

## 3.1.2 The Management Board

### 3.1.2.1 Composition of the Global Management Board (GMB)

Under the responsibility of the Chairman and CEO, the Management Board is composed of some twenty managers leading operations (such as sales) as well as support departments (CFO, SEVP HR, SEVP ESG ...), meeting on a weekly basis to coordinate and discuss current course of business as well as management priorities for the group. Women representation is made of 6 women for 21 men as of December 31, 2022.

### 3.1.2.2 Gender Diversity Policy

Article L.22-10-10 2° of the French Commercial Code requires the inclusion of gender diversity targets within the governing bodies, in particular the GMB, as well as the results in terms of gender diversity in the top 10% of high-responsibility positions.

The gender balance structure within the GMB reflects the historical situation resulting from past acquisitions founded and managed by men and the inherent lack of women representation in technology jobs (engineering, R&D, sales, etc.). However, SES-imagotag makes diversity and professional equality at all levels of its organization a development focus through its human resources policy and its corporate social responsibility policy:

- 26% of women (compared to 20% in 2021) are represented in the top 10% of high-responsibility positions within the Company;
- The Global Management Board includes 22% of women as of December 31, 2022.

To achieve a more gender-balanced workforce, we have adopted a proactive recruitment strategy to improve the gender ratio, with women accounting for 41% of new hires in 2022. Additionally, the Group initiated an internal program aimed at expanding the representation of women in managerial roles by:

- identifying women who have the potential, in the short to medium-term, to access roles that are in the Company's top 10% most senior positions; and
- implementing a mentorship program with Executive Committee members and via individual development plans, whereby women are encouraged to make connections with senior management members as mentors who can help to guide them toward the skills that they will require to be able to assume more senior positions in the future.

## 3.2 The Board of Directors

**50%**  
independent  
members

**50%**  
women

**61.9 years**  
average age

**4**  
citizenship

**13**  
meetings

**84%**  
attendance rate



**Mrs Candace  
JOHNSON**



**Mr Thierry  
GADOU**



**Mrs Hélène  
PLOIX**



**Mr Peter  
BRABECK-LETMATHE**



**Mr Franck  
MOISON**



**Mrs Cenhui  
HE**



**Mr Rengui  
CHEN**



**Mrs Fangqi  
YE**

**Audit Committee**  
 Chair Member

**ESG, Nomination and Remuneration Committee**  
 Chair Member

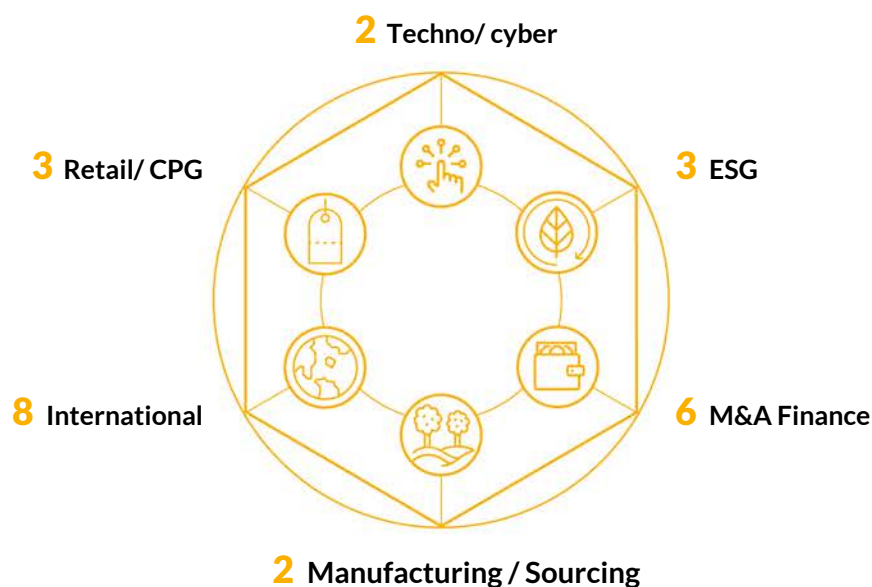
### Audit Committee

**3 members**  
**66% independence rate**  
**92% attendance rate**  
**4 meetings**

### ESG, Nomination and Remuneration Committee

**3 members**  
**100% independence rate**  
**100% attendance rate**  
**3 meetings**

The responsibilities within the Board of Directors are distributed as follows:



### 3.2.1 Composition of the Board as of December 31, 2022

At December 31, 2022, the Board was composed of eight directors, including four independent directors, and one non-voting member. The Company therefore complies with the AFEP-MEDEF Code recommendation specifying that the proportion of independent directors must be at least half, in companies with dispersed capital and without controlling shareholders.

	Age	Gender	Citizenship	Number of mandates in listed companies	Independence	Date of first appointment	Term of office	Years attending the Board	Individual Board attendance rate	Audit Committee	ESG, Nomination and Remuneration Committee
Thierry GADOU	56	M	French	0	-	January 18, 2012	General meeting 2023	10 years and 11 months	100%		
Peter BRABECK-LETMATHE	78	M	Austrian	0	Yes	November 28, 2022	General meeting 2023	1 month	100%		
Candace JOHNSON	70	F	American	0	Yes	August 31, 2012	General meeting 2023	10 years and 6 months	100%		X
Franck MOISON	69	M	French	2	Yes	June 29, 2020	General meeting 2023	2 years and 6 months	100%	X	X
Hélène PLOIX	78	F	French	1	Yes	February 6, 2018	General meeting 2024	4 years and 10 months	92%	X	X
Fangqi YE	53	F	Chinese	0	-	February 6, 2018	General meeting 2024	4 years and 10 months	23%		
Rengui CHEN	56	M	Chinese	0	-	March 28, 2022	General meeting 2024	2 years and 6 months	100%		
Cenhui HE	35	F	Chinese	0	-	June 29, 2020	General meeting 2023	2 years and 6 months	85%	X	
Johnson LEE	45	M	Chinese	1	Non-Voting Director	June 22, 2018	Board of Directors post General meeting 2024	4 years and 6 months			

## Changes in the composition of the Board of Directors during the 2022 fiscal year

	Appointment/Co-option	Renewal	Departure
Board of Directors	Peter BRABECK-LETMATHE Rengui CHEN	-	Xiangjun YAO Feng BAI Gang CHENG
ESG, Nomination and Remuneration Committee			Xiangjun YAO

The representatives of the Works council have nominated as representatives to the Board of Directors for 2022:

- Mr. Jérôme CHEVAL,
- Ms. Emmanuelle BENFERHAT,
- Ms. Sandra PEREIRA,
- Mr. Alejandro RUIZ-ELDREDGE.

## Table of terms of office and positions held by every corporate officer during 2022 (Article L.225-37-4, 1 of the Code of Commerce)


Name	Role and length of term	Other roles and functions held by the officer during the financial year
Mr Thierry GADOU 56 years old French	<b>Chairman and CEO</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2022, to be held in 2023	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co, Director</li> <li>• SESIM SA, France, Chairman of the Board</li> <li>• Market Hub Technologies Ltd, Director</li> </ul>
Mr Xiangjun YAO 44 years old Chinese	<b>Director</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2022, to be held in 2023 Resigned on November 28, 2022	<ul style="list-style-type: none"> <li>• BOE Technology Group Co, Ltd, Beijing, PRC, Executive Vice president</li> <li>• BOE Smart Retail (Hong Kong) Co, Chairman of the Board;</li> <li>• BOE Art Cloud Technology Co., LTD Chairman of the Board</li> </ul>
Mr. Peter BRABECK-LETMATHE 78 years old Austrian	<b>Director Co-option on November 28, 2022 to replace Mr. Xiangjun YAO</b> until the Annual Ordinary General Meeting to be held in 2023 to approve the financial statements for the fiscal year ended December 31, 2022	<ul style="list-style-type: none"> <li>• Chairman of the Geneva Science and Diplomacy Anticipator (GESDA) Foundation,</li> <li>• Chairman of the Biologique Recherche Advisory Committee;</li> <li>• Vice Chairman of the Foundation Board of the World Economic Forum,</li> <li>• Chairman of the Verbier Festival Foundation Board.</li> <li>• Chairman of the Business Policy International Advisory Board of the San Telmo Business School.</li> </ul>
Mrs Cenhui HE 35 years old Chinese	<b>Director</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2022, to be held in 2023	<ul style="list-style-type: none"> <li>• Director of BOE Smart Retail (Hong Kong)</li> </ul>
Mrs Candace JOHNSON 70 years old American	<b>Independent Director</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2022, to be held in 2023	<ul style="list-style-type: none"> <li>• NorthStar Earth and Space, Montreal Canada, Vice Chair of the Board of Directors</li> <li>• Seraphim Space Ltd, UK, Chair of the Corporate Advisory Board and Partner</li> <li>• OWNSAT Oceania Women's Network Satellite, Singapore, Director;</li> <li>• International Chamber of Commerce (ICC), Director and Member of the Policy Commission</li> <li>• EDHEC business school, Member of the Board</li> </ul>

Name	Role and length of term	Other roles and functions held by the officer during the financial year
Mrs Hélène PLOIX 78 years old French	<b>Independent Director</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2023, to be held in 2024	<ul style="list-style-type: none"> <li>• Ferring Pharmaceuticals SA, Switzerland, Director and Chairwoman of the Audit Committee</li> <li>• Sogama Crédit associatif, France, Chairwoman of the Board</li> <li>• Fidelity Emerging Markets Fund Ltd. (LSE listed company) Chairwoman of the Board until December 2022;</li> <li>• Thermcross, director</li> </ul>
Mr Franck MOISON 69 years old French	<b>Independent Director</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2022, to be held in 2023	<ul style="list-style-type: none"> <li>• Board member of:</li> <li>• UPS (listed NYSE);</li> <li>• Hanes Brands (listed NYSE);</li> <li>• McDonough School of Business (Georgetown University);</li> <li>• EDHEC business school</li> </ul>
Mr Feng BAI 45 years old Chinese	<b>Director</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2023, to be held in 2024 <b>Resigned on November 28, 2022</b>	<ul style="list-style-type: none"> <li>• Smart Retail SBU BOE Technology Co, Ltd, Beijing, P.R.C., Co CEO</li> <li>• BOE Smart Retail (Hong Kong) Co, Director</li> </ul>
Mr Gang CHENG 39 years old Chinese	<b>Director</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2023, to be held in 2024 <b>Resigned on March 28, 2022</b>	<ul style="list-style-type: none"> <li>• BOE Technology Group Co, Ltd, Beijing, PRC, Vice President ,Deputy Chief Manufacturing center;</li> <li>• BOE Smart Retail (Hong Kong) Co, Director</li> </ul>
Mr. Rangui CHEN 56 years old Chinese	Director Co-option on March 28, 2022 to replace Mr. Gang CHENG. Until the Annual Ordinary General Meeting to be held in 2024 to approve the financial statements for the fiscal year ending December 31, 2022	<ul style="list-style-type: none"> <li>• Director of BOE Smart retail (Hong Kong)</li> </ul>
Mrs Fangqi YE 53 years old Chinese	<b>Director</b> Until the Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2023, to be held in 2024	<ul style="list-style-type: none"> <li>• BOE Smart Retail (HK) Co, Ltd , Director</li> <li>• BOE Yiyun Technology Co, Ltd Director,</li> <li>• Yunnan Invensight Optoelectronics Technology Co, Ltd, Director,</li> <li>• BNJ Technology Co, Ltd, Director,</li> <li>• Beijing BOE Songcaichuangxin Co, Ltd, Director</li> </ul>
Mr Johnson LEE 45 years old Chinese	<b>Non-Voting Director</b> Until Board post Ordinary General Meeting is held to approve the accounts for the financial year ending December 31, 2023, to be held in 2024	<ul style="list-style-type: none"> <li>• E Ink Holdings Inc, Chairman. E Ink Corp. (MA, USA) Chairman of the Board of Directors.</li> <li>• EIH related parties, Chairman and Director, ICM Communications Inc., Director,</li> <li>• Shin Lung Natural Gas CO. Director,</li> <li>• Foongtone Technology, Director,</li> <li>• Yilong Gas Co, Ltd, Director,</li> <li>• SigmaSense LLC, non-voting board member.</li> </ul>



### 3.2.1.1 The Chairman

In accordance with the Company's Articles of Association, the Chairman of the Board of Directors is nominated by the Board of Directors from among its members, for a term set by the Board of Directors and which may not, in any event, exceed the term of their duties as a director. The Chairman is eligible for re-election (Article 12 of the Articles of Association).

	<b>Thierry GADOU</b> <b>Chairman &amp; Chief Executive Officer</b>	
	<b>Biography:</b> Thierry GADOU, a graduate of Mines de Paris, began his career in management consulting, notably at the international firm Deloitte Consulting, of which he was a Partner between 1997 and 2000. He was then the co-founder and Chairman of Hubwoo, a high-tech company listed on Euronext Paris, which within five years he has made into one of the world's leading digital marketplaces specializing in electronic procurement solutions for large companies (SAP partner). Between 2007 and 2011, Thierry GADOU managed Atos Consulting, the IT organization and management consulting arm of the ATOS Group. In January 2012, he joined SES-imagotag to become its Chairman and Chief Executive Officer.	
56 years old French	<b>Current terms of office:</b> SESIM SA, France, Chairman of the Board	<b>Appointments expired during the last 5 years:</b> BOE Smart Retail (Hong Kong) Co, director Market Hub Technologies Ltd, director (term of office not expired but Market Hub Technologies Ltd is now wholly owned by SES-imagotag SA)
Appointment date: <b>January 13, 2012</b>		
Term of office expiry date: <b>General meeting 2023</b>		
Share ownership: <b>225,069</b>		

### 3.2.1.2 Directors

#### (i) Nominations

According to the articles of association, the members of the Board of Directors are nominated by the General Meeting of Shareholders for a term of three years.

The duties of the directors end following of the Ordinary General Meeting called to approve the financial statements for the previous fiscal year and held in the year in which their term of office expires (Article 11 of the Articles of Association). During their directorships, directors are nominated, renewed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

However, in the event of vacancies due to the death or resignation of one or more directors, the Board of Directors may, between two General Meetings, make provisional nominations under the conditions provided for by law. Provisional nominations made by the Board of Directors are subject to ratification at the next General Meeting. Directors nominated to replace other directors only exercise their duties during the remaining term of office of their predecessor.

#### (ii) Co-option ratification

The Ordinary General Meeting held on June 15, 2022 (Resolution 35) ratified the co-option of Mr. Rengui CHEN, to replace Mr. Gang CHENG having resigned during the Board of Directors' meeting on March 28, 2022 for the duration of the term remaining, until the ordinary general meeting called to rule on the accounts for the year ended December 31, 2023 and to be held in 2024.

#### (iii) Co-option

Mr. Xiangjun YAO and Mr. Feng BAI having resigned from their duties as directors on November 28, 2022, Mr. Peter BRABECK-LETMATHE was co-opted as an independent director to replace Mr. Xiangjun YAO until the Ordinary General Meeting of the Company to be held in 2023 to approve the financial statements for the fiscal year ended December 31, 2022.

#### (iv) Directors' Independence

In accordance with Article 10.3 of the AFEP-MEDEF Code, the proportion of independent directors represents at least one third of the members of the Board of Directors.

As a reminder, the recommendations of the AFEP-MEDEF Code in assessing the independence of its directors are as follows:

- not be or have been over the previous five years:
  - an employee or executive corporate officer of the Company,
  - an employee, executive corporate officer or director of a company that the Company consolidates,
  - an employee, executive corporate officer or director of the Company's parent company or of a company consolidated by this parent company;
- not be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee nominated as such or an executive corporate officer of the Company is currently or has been a director in the past five years;
- not be a customer, supplier, business banker, or investment banker:
  - significant to the Company or its Group,
  - or for which the Company or its Group represents a substantial portion of its business;

- not have a close family tie with a corporate officer;
- not have been a Statutory Auditor of the Company during the previous five years;
- not have been a director of the Company for more than twelve years.

The status of independent director is lost after twelve years:

- a non-executive corporate officer cannot be considered independent if they receive variable compensation in cash or securities or any compensation linked to the performance of the Company or the Group;
- directors representing major shareholders of the Company or its parent company may be considered as independent if these shareholders do not participate in the control of the Company. However, beyond a threshold of 10% of the share capital or voting rights, the Board, on the basis of a report by the Nomination and Remuneration Committee, systematically examines the qualification of independence, taking into account the composition of the Company's share capital and the existence of a potential conflict of interest.

The four independent directors in office at December 31, 2022 fulfill all the independence criteria stipulated by the AFEP-MEDEF Corporate Governance Code.

Criteria/Independent Directors	Peter BRABECK LETMATHE	Candace JOHNSON	Hélène PLOIX	Franck MOISON
Criteria 1: Employee and corporate officer during the previous five years	✓	✓	✓	✓
Criteria 2: Cross directorships	✓	✓	✓	✓
Criteria 3: Significant business-related relationships	✓	✓	✓	✓
Criteria 4: Family ties	✓	✓	✓	✓
Criteria 5: Statutory Auditor	✓	✓	✓	✓
Criteria 6: Length of directorship greater than 12 years	✓	✓	✓	✓
Criteria 7: Non-executive corporate officer status	✓	✓	✓	✓
Criteria 8: Significant shareholder status	✓	✓	✓	✓

(1) In this table, the tick mark indicates that an independence criterion is met and X indicates that an independence criterion is not met

**(v) Diversity policy applied to members of the Board of Directors and principle of balanced representation of women and men on the Board of Directors**

It is specified in accordance with the provisions of Law no. 2011-103 of January 27, 2011 regarding the balanced representation of women and men on boards of directors and supervisory boards and workplace equality, and in accordance with amended Article L.225-17 of the French Commercial Code, the Board of Directors must be composed in an effort to achieve a balanced representation of women and men.

To this end, Articles L.225-18-1 and L.22-10-3 of the French Commercial Code stipulate that:

- the proportion of directors of each gender may not be less than 40%; and
- when the Board of Directors is composed of no more than eight members, the difference between the number of directors of each gender may not be greater than two,

without threshold conditions for companies whose shares are admitted to trading on a regulated market.

It is specified that the composition of the Board of Directors complies with the legal provisions relating to the balanced representation of women and men on boards of directors and supervisory boards and professional equality.

In fact, during the 2022 fiscal year, the composition of the Company's Board of Directors, with four men and four women, complied with these provisions.

In addition, and in accordance with Article 22-10-10 2° of the French Commercial Code and Article 6.2 of the AFEP MEDEF Code, the Company has adopted a diversity policy applied to the members of the Board of Directors with regard to criteria such as age, gender, nationality or qualifications and professional experience of each member.

This diversity policy aims to:

- i. ensure the complementarity of the skills of the Directors;
- ii. maintain an adequate level of independence of the Board with regard to the structure of its shareholding. It also places particular Corporate governance emphasis on diversity within the Board of Directors and its committees.


In addition, the main qualities expected of a Director are experience with regard to the Company, personal commitment to the work of the Board, understanding of the economic and financial world, the ability to work together while respecting each other's opinions, the courage to potentially assert a minority point of view, the sense of responsibility towards shareholders and other stakeholders, and integrity.


The nomination of new directors and the renewal of some of them by the Ordinary General Meeting of June 29, 2020 further enriched the diversity of the Board, particularly with regard to age and professional skills.


Over the course of the past fiscal year, the profiles of the directors therefore reflect diversity on several levels and comply with the diversity policy adopted by the Company:

- the age of the members of the Board (including the non-voting member) ranges from 35 to 78 years for an average age of 61.9 years;
- a variety of experiences including creating companies and investment funds, holding management roles or chairing international groups or operational units at international groups in the fields of technology, CPG marketing, finance, etc.;
- in addition, the various nationalities brought together on this Board make it possible to analyze the issues submitted from a cultural or geopolitical angle that intersects with Asian, European, and North American points of view;
- lastly, the male/female ratio also ensures gender diversity with the presence of four women out of eight members.


Each profile of the members of the Board of Directors, present at December 31, 2022, is summarized in the boxes below.


	<b>Candace JOHNSON</b> <b>Independent Director</b>	
70 years old American	<p>Candace Johnson is a global entrepreneur and investor in infrastructure, networks and innovation. She is the founder/co-founder of SES (Société Européenne des Satellites), Loral-Teleport Europe, Europe Online and Oceania Women's Network Satellite (OWNSAT). Ms. Johnson is also founding Chairwoman of VATM, the Association of Private Telecom Operators in Germany and founding Chairwoman of the Global Telecom Women's Network (GTWN). In 2012, she was part of a group of committed women who created the Global Board Ready Women (GBRW) initiative. She is Chairwoman Emeritus of EBAN, after completing a four-year Chair of EBAN (European Business Angels Network), during which she had the honor of helping to found ABAN (African Business Angels Network) and Rising Tide Europe, among other initiatives. She was decorated by the Luxembourg government with the Order of Merit and the Officer of the Oak Leaf Crown and awarded Officer of the Federal Order of Merit by the German government. Ms. Johnson has received numerous awards for her achievements from prestigious organizations such as the World Communication Awards, Women in Aerospace and the International Women's Alliance. Ms. Johnson holds an honorary doctorate from the Polytechnic University of Hong Kong, an MA with distinction from the Sorbonne and Stanford, and an undergraduate degree from Vassar College.</p>	
Appointment date: <b>August 31, 2012</b>	<b>Current terms of office:</b>	<b>Appointments expired during the last 5 years:</b>
Term of office expiry date: <b>General meeting 2023</b>	NorthStar Earth and Space, Montreal Canada, Vice Chair of the Board of Directors; Seraphim Space Ltd, UK, Chair of the Corporate Advisory Board and Partner; OWNSAT Oceania Women's Network Satellite, Singapore, Director; International Chamber of Commerce (ICC), Director and member of the Policy Commission;	None
Share ownership: 0		

	<b>Franck MOISON</b> <b>Independent Director</b>	
69 years old French	<p>Biography: Mr. MOISON, a graduate of EDHEC, the Ross School of Business, University of Michigan, has held, since 1978, various positions within the Colgate Palmolive group, successively managing several commercial areas in Europe, then holding the positions of Group Marketing, R&amp;D and Supply Chain Director and Group Chief Operating Officer (based in New York), before being appointed Group Vice President in April 2016.</p>	
Appointment date: <b>June 29, 2020</b>	<b>Current terms of office:</b>	<b>Appointments expired during the last 5 years:</b>
Term of office expiry date: <b>General meeting 2023</b>	Member of the Board of Directors of: UPS (NYSE listed); Hanes Brands (NYSE listed); McDonough School of Business (Georgetown University); EDHEC business school	Somalogic, member of the Board of Directors and Chairperson of the Remuneration Committee
Share ownership: 0		


	<b>Peter BRABECK-LETMATHE</b> <b>Independent Director</b>			
78 years old Austrian	<b>Biography:</b> Peter BRABECK-LETMATHE was appointed Chairman Emeritus of Nestlé SA on April 6, 2017, after having led the Group from 1997 to 2008, first as Chairman and Chief Executive Officer until 2005, then as Chairman and Chief Executive Officer and Chairman of the Board of Directors. Mr. BRABECK-LETMATHE graduated in Economics from the University of World Trade Vienna. After joining the Nestlé Group in 1968, he spent a significant part of his career in Latin America before being transferred to Nestlé's international headquarters in Vevey as Senior Vice-President. Appointed Deputy Chief Executive Officer in 1992 and member of the Management Board, he was in charge of the Strategic Business Units, Marketing & Sales, as well as Corporate Communication. Peter BRABECK-LETMATHE has received several awards, including the Austrian Cross of Honor for services rendered to the Republic of Austria, "La Orden Mexicana del Águila Azteca," "La Orden Francisco de Miranda" conferred by the Republic of Venezuela, and the Schumpeter Prize for his exceptional contribution to disruptive innovation. The University of Alberta (Canada) conferred upon him an honorary Doctorate of Law. Recently, Mr. BRABECK-LETMATHE was inducted into the Hall of Fame of the American Advertising Federation.			
Appointment date: <b>November 28, 2022</b>	<table border="1"> <tr> <td data-bbox="395 766 903 1102"> <b>Current terms of office:</b>  Chairman of the Geneva Science and Diplomacy Anticipator (GESDA) Foundation,  Chairman of the Biologique Recherche Advisory Committee;  Vice Chairman of the Foundation Board of the World Economic Forum,  Chairman of the Verbier Festival Foundation Board.  Chairman of the Business Policy International Advisory Board of the San Telmo Business School. </td> <td data-bbox="909 766 1437 1102"> <b>Appointments expired during the last 5 years:</b>  Chairman of the Board and independent director of Formula One Group.  Director on the Boards of Directors of the following groups: Roche, Credit Suisse, L'Oréal, Exxon Mobil Corporation and Salt Mobile SA.  Founder and Chairman of the Board of a public/private partnership, "2030 Water Resources Group," an offshoot of the World Bank. </td> </tr> </table>		<b>Current terms of office:</b> Chairman of the Geneva Science and Diplomacy Anticipator (GESDA) Foundation, Chairman of the Biologique Recherche Advisory Committee; Vice Chairman of the Foundation Board of the World Economic Forum, Chairman of the Verbier Festival Foundation Board. Chairman of the Business Policy International Advisory Board of the San Telmo Business School.	<b>Appointments expired during the last 5 years:</b> Chairman of the Board and independent director of Formula One Group. Director on the Boards of Directors of the following groups: Roche, Credit Suisse, L'Oréal, Exxon Mobil Corporation and Salt Mobile SA. Founder and Chairman of the Board of a public/private partnership, "2030 Water Resources Group," an offshoot of the World Bank.
<b>Current terms of office:</b> Chairman of the Geneva Science and Diplomacy Anticipator (GESDA) Foundation, Chairman of the Biologique Recherche Advisory Committee; Vice Chairman of the Foundation Board of the World Economic Forum, Chairman of the Verbier Festival Foundation Board. Chairman of the Business Policy International Advisory Board of the San Telmo Business School.	<b>Appointments expired during the last 5 years:</b> Chairman of the Board and independent director of Formula One Group. Director on the Boards of Directors of the following groups: Roche, Credit Suisse, L'Oréal, Exxon Mobil Corporation and Salt Mobile SA. Founder and Chairman of the Board of a public/private partnership, "2030 Water Resources Group," an offshoot of the World Bank.			
Term of office expiry date:				
<b>General meeting 2023</b>				
Share ownership: 0				

As of the date of this Universal Registration Document, Mr. Peter BRABECK-LETMATHE holds, through The Glasshouse SA, 275,435 Company shares and 1,445,086 shares (i.e., 4.47%) in SESIM (company notably owned by the Company's management team), which itself holds 11.97% of the Company's share capital and voting rights.

	<b>Hélène PLOIX</b> <b>Independent Director</b>			
78 years old French	<b>Biography:</b> Hélène PLOIX was a partner of Pechel Industries Partenaires, a private equity fund that it created in 2004, until the end of December 2021. She was also Deputy Chief Executive Officer of Caisse des Dépôts et Consignations and, as such, Chairwoman of the participants of CDC. Previously, she served as director of the International Monetary Fund and the World Bank, as special advisor to French Prime Minister Laurent Fabius and as Chairwoman of the Banque Industrielle et Mobilière Privé (BIMP). Ms. PLOIX was Chair of the Board of Fidelity Emerging Markets Fund Ltd. until December 2022. She is Chairwoman of Sogama Crédit Associatif, Director and Chairwoman of the Audit Committee of Ferring Pharmaceuticals (unlisted Switzerland), and Director of Thermcross. She holds an MBA from INSEAD, a master's degree from the University of California at Berkeley, in the United States, and a degree from the Institut d'études politiques de Paris, in France.			
Appointment date: <b>February 6, 2018</b>	<table border="1"> <tr> <td data-bbox="395 1603 903 1886"> <b>Current terms of office:</b>  Ferring Pharmaceuticals SA, Switzerland, Director and Chairwoman of the Audit Committee  Sogama Crédit associatif, France, Chairwoman of the Board  Fidelity Emerging Markets Fund Ltd. (LSE listed company) Chairwoman of the Board until December 2022;  Thermcross, Director </td> <td data-bbox="909 1603 1437 1886"> <b>Appointments expired during the last 5 years:</b>  Chairwoman of the Board of Pechel Industries  Chairwoman of the Board and partner at Pechel Industries Partenaires </td> </tr> </table>		<b>Current terms of office:</b> Ferring Pharmaceuticals SA, Switzerland, Director and Chairwoman of the Audit Committee Sogama Crédit associatif, France, Chairwoman of the Board Fidelity Emerging Markets Fund Ltd. (LSE listed company) Chairwoman of the Board until December 2022; Thermcross, Director	<b>Appointments expired during the last 5 years:</b> Chairwoman of the Board of Pechel Industries Chairwoman of the Board and partner at Pechel Industries Partenaires
<b>Current terms of office:</b> Ferring Pharmaceuticals SA, Switzerland, Director and Chairwoman of the Audit Committee Sogama Crédit associatif, France, Chairwoman of the Board Fidelity Emerging Markets Fund Ltd. (LSE listed company) Chairwoman of the Board until December 2022; Thermcross, Director	<b>Appointments expired during the last 5 years:</b> Chairwoman of the Board of Pechel Industries Chairwoman of the Board and partner at Pechel Industries Partenaires			
Term of office expiry date:				
<b>General meeting 2024</b>				
Share ownership: 0				

	<b>Fangqi YE</b> <b>Director</b>	
<p>53 years old  Chinese  Appointment date:  <b>February 6, 2018</b>  Term of office expiry date:  <b>General meeting 2024</b>  Share ownership: 0</p>	<p><b>Biography:</b> Ms. YE has more than 25 years of experience in the management of investment projects and in the audit field. She is currently Deputy Director of Investments at BOE Technology Group Co, Ltd.</p> <p><b>Current terms of office:</b>  BOE Smart Retail (HK) Co, Ltd director, BOE Yiyun Technology Co, Ltd director, Yunnan Invensight Optoelectronics Technology Co, Ltd, director, BNJ Technology Co, Ltd, director, Beijing BOE Songcaichuangxin Co, Ltd, director</p>	<p><b>Appointments expired during the last 5 years:</b>  Vice President of BOE Technology Group Co, Ltd</p>

	<b>Rengui CHEN</b> <b>Director</b>	
<p>56 years old  Chinese  Appointment date:  <b>March 28, 2022</b>  Term of office expiry date:  <b>General meeting 2024</b>  Share ownership: 0</p>	<p><b>Biography:</b> Mr. CHEN has 35 years of experience in the sale and manufacture of electronic products, acquired within, in particular, the Samsung group, before joining the BOE group where he held the position of Vice-Chairman of BOE Technology Group. Co, Ltd, and Managing Director of Maker SBU and Low Power Terminal Unit.</p> <p><b>Current terms of office:</b>  Director of BOE Smart retail (Hong Kong)</p>	<p><b>Appointments expired during the last 5 years:</b>  None</p>

	<b>Cenhui HE</b> <b>Director</b>	
<p>35 years old  Chinese  Appointment date:  <b>June 29, 2020</b>  Term of office expiry date:  <b>General meeting 2023</b>  Share ownership: 0</p>	<p><b>Biography:</b> Ms. HE is a graduate of Renmin and Beijing universities and joined the BOE group in 2012, where she held several positions in the financial field. She is now Head of the Management Control Department of BOE Technology Group Co, Ltd,</p> <p><b>Current terms of office:</b>  Director of BOE Smart retail (Hong Kong)</p>	<p><b>Appointments expired during the last 5 years:</b>  None</p>

### 3.2.1.3 Non-voting Board members

The Annual General Meeting of June 28, 2011 decided to amend the Company's Articles of Association in order to allow for the nomination of non-voting members on the Board of Directors.

The Articles of Association provide that the Board of Directors may nominate one or more non-voting members, chosen from among the shareholders, whether natural or legal persons, or from outside them.

The non-voting members carry out a general and permanent assignment to assist the Board of Directors. However, they may not, under any circumstances, interfere in the management of the Company, nor replace its legal bodies. Non-voting members may take part in Board meetings as observers in an advisory capacity. As part of their duties, the non-voting members may present observations to the Board of Directors when they deem it necessary.

Their term of office is set by the Board of Directors and may not exceed three years. Non-voting members are always eligible for re-election. The Board of Directors may, at any time, terminate their term of office without having to justify their decision. In the event of the death, resignation or termination of office of a non-voting member for any other reason, the Board of Directors may replace them for the remainder of their term of office.

As part of the strategic alliance with E Ink and its equity investment in the Company, the Company has undertaken to nominate a non-voting member selected by E Ink to the Board of Directors. In accordance with this commitment, the Board of Directors meeting of June 22, 2018 nominated Mr. Johnson Lee, Chairman of E Ink, and named by E Ink, as a non-voting member on the Board of Directors and renewed him in its functions until June 2024 for a term of three years.



**Johnson LEE**  
**Non-Voting Director**

45 years old  
Chinese

Appointment date:  
**June 22, 2018**

Term of office expiry  
date: **June 2024**

Direct shareholding: 0

**Biography:** Mr. Johnson LEE is currently Chairman and CEO of E Ink Holdings Inc. Mr. LEE joined the company in 2006 when it entered the electronic paper industry through the acquisition of Philips' e-Paper business. He joined the company as Director of Research and Development and held various positions within the organization, including development of the e-Paper business, until his appointment as Chairman and CEO in December 2019. Mr. LEE has also been President of Transcend Optronics, the e-Paper module manufacturing arm of E Ink, since 2010. In addition, Mr. LEE has served as President of Hydis Technology since 2012 and has led Hydis throughout the transition from a manufacturing company of LCD screens to a business model based on licenses.

**Current terms of office:**  
E Ink Holdings Inc, Chairman. E Ink Corp. (MA, USA) Chairman of the Board of Directors. EIH related parties, Chairman and director, ICM Communications Inc., director, Shin Lung Natural Gas Co., director, FoongTone Technology, director, Yilong Gas Co, Ltd, Director, SigmaSense LLC, non-voting board member.

**Appointments expired during the last 5 years:**  
Zhengqi investment Co, Ltd, Chairman of the Board; Netronix Inc. (listed), Supervisor; BoardTeck Electronics Corp. (listed) director;

## 3.2.2 Responsibilities and work of the Board of Directors

### 3.2.2.1 Responsibilities of the Board of Directors

It has the powers granted to it by law, the Company's Articles of Association (in particular Article 11-6) and the internal rules of the Board of Directors approved at the meeting of December 14, 2022 to replace the Board of Directors' Corporate Governance Charter dated December 12, 2005.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors acts in all circumstances in the corporate interest of the Company and strives to promote the creation of long-term value by considering the social and environmental challenges of its activities. It proposes, if necessary, any changes to the Articles of Association that it considers appropriate.

The Board's primary responsibility is to define strategic guidelines.

In accordance with the law, it has the following main responsibilities: it nominates and dismisses the executive corporate officers, sets their compensation, chooses its organizational and governance methods, controls management and ensures the quality of the information provided to shareholders and the markets.

The Board is informed of market developments, the competitive environment and the main challenges facing the Company, including in the area of social and environmental responsibility. It regularly examines, in line with the strategy it has defined, the opportunities and risks such as financial, legal, operational, social and environmental risks, as well as the measures taken as a result. To this end, it receives all the information necessary to fulfill its responsibilities, in particular for executive corporate officers.

The Board of Directors has set up two committees whose role is to assist the directors in their tough processes:

- the Audit Committee;
- the ESG Nomination and Remuneration Committee.

### 3.2.2.2 Main work of the Board of Directors

Pursuant to Article L.22-10-10 1° of the French Commercial Code, the conditions for the preparation and organization of the Board's main work carried out during the 2022 fiscal year are set out below.

#### Organization of Board meetings and attendance at meetings

In accordance with Article 11-2 of the Company's Articles of Association, the Board of Directors is convened by the Chairman by any means, and in case of an urgency, at least five days in advance.

In accordance with article 11-3 of the Company's Articles of Association, any director may participate and vote at meetings of the Board of Directors by videoconference and by any other means of telecommunication and teletransmission, including the Internet, allowing his or her identification and guaranteeing his or her effective participation under the conditions provided for by the regulations in force and in accordance with the terms and conditions provided for in the Board of Directors' Internal Rules.

Any director unable to attend a Board meeting may give a written mandate to another director to represent him or her under the conditions provided for by law and regulations.

The presence of at least half of the members of the Board is required for the deliberations to be valid.

In accordance with Article 11-4 of the Company's Articles of Association, decisions are taken by a majority vote of the members present or represented. In the event of a tie, the Chairman of the meeting has the casting vote, except in the case of a proposal to appoint the Chairman of the Board of Directors.

In addition to the Board's mandatory meetings (closing of the annual and half-yearly financial statements), there are also meetings that are held for business purposes.

During the 2022 fiscal year, the Company's Board of Directors met as often as necessary and held 13 meetings. The attendance rate of directors at meetings was 84%: some directors were unable to attend three exceptional, unplanned meetings.



The Board of Directors met to discuss the following topics:

Financial information, budget and financial commitments	<ul style="list-style-type: none"> <li>• approval of press releases</li> <li>• review and approval of the financial statements and interim financial statements</li> <li>• proposed allocation of the Company's profit (loss) - Group share</li> <li>• approval of the dividend distribution policy</li> <li>• implementation of the share buyback program</li> <li>• approval of performance criteria for free share plans and resulting capital increases</li> <li>• approval of proposed debt scenarios</li> <li>• presentation of half-year and annual results and the 2023 budget</li> <li>• drafting of the forward-looking documents provided for in Articles L.232-2 et seq. of the French Commercial Code</li> </ul>
Risk review	<ul style="list-style-type: none"> <li>• review of risk factors and Section 2 of the Universal Declaration Document</li> </ul>
Compensation	<ul style="list-style-type: none"> <li>• implementation of a performance shares plan and related performance criteria</li> <li>• approval of the compensation of Mr. Thierry GADOU</li> <li>• breakdown of compensation paid to independent directors</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• approval of the minutes of the various Boards</li> <li>• convening of meetings and determination of the agenda and draft resolutions to be presented to the meetings</li> <li>• appointment of members of the Audit Committee and the ESG, Nomination and Remuneration Committee</li> <li>• report on the Board's self-assessment</li> <li>• approval of the internal rules of the Board of Directors (replacing the Corporate Governance Charter dated December 12, 2005), and the charter of the Nomination and Remuneration Committee</li> <li>• annual reassessment of regulated agreements</li> <li>• annual review of the current agreements entered into under normal conditions</li> <li>• approval of the report on corporate governance</li> </ul>
ESG	<ul style="list-style-type: none"> <li>• company policy in terms of professional equality and equal pay, supervision of the mentoring campaign organized to promote an increase in the number of women in management positions</li> <li>• approval of the 2021 statement of non-financial performance (Section 4 of the Universal Declaration Document) and the Company's climate strategy</li> <li>• approval of the Code of Ethics and the Conflict of Interest and Ethics Alert procedure</li> </ul>

The Board regularly heard from the Statutory Auditors as well as the reports on the work of the two standing committees of the Board of Directors, namely the Audit Committee and the Nomination and Remuneration Committee.

The Statutory Auditors are invited to all meetings of the Board of Directors which examine or approve the annual or half-year financial statements.

The meetings of the Board of Directors were chaired by the Chairman of the Board.

The representatives of the working council have nominated as representatives to the Board of Directors for 2021:

- Mr. Jérôme CHEVAL,
- Ms. Emmanuelle BENFERHAT,
- MS. Sandra PEREIRA,
- Mr. Alejandro RUIZ ELDREDGE.

### Board Information

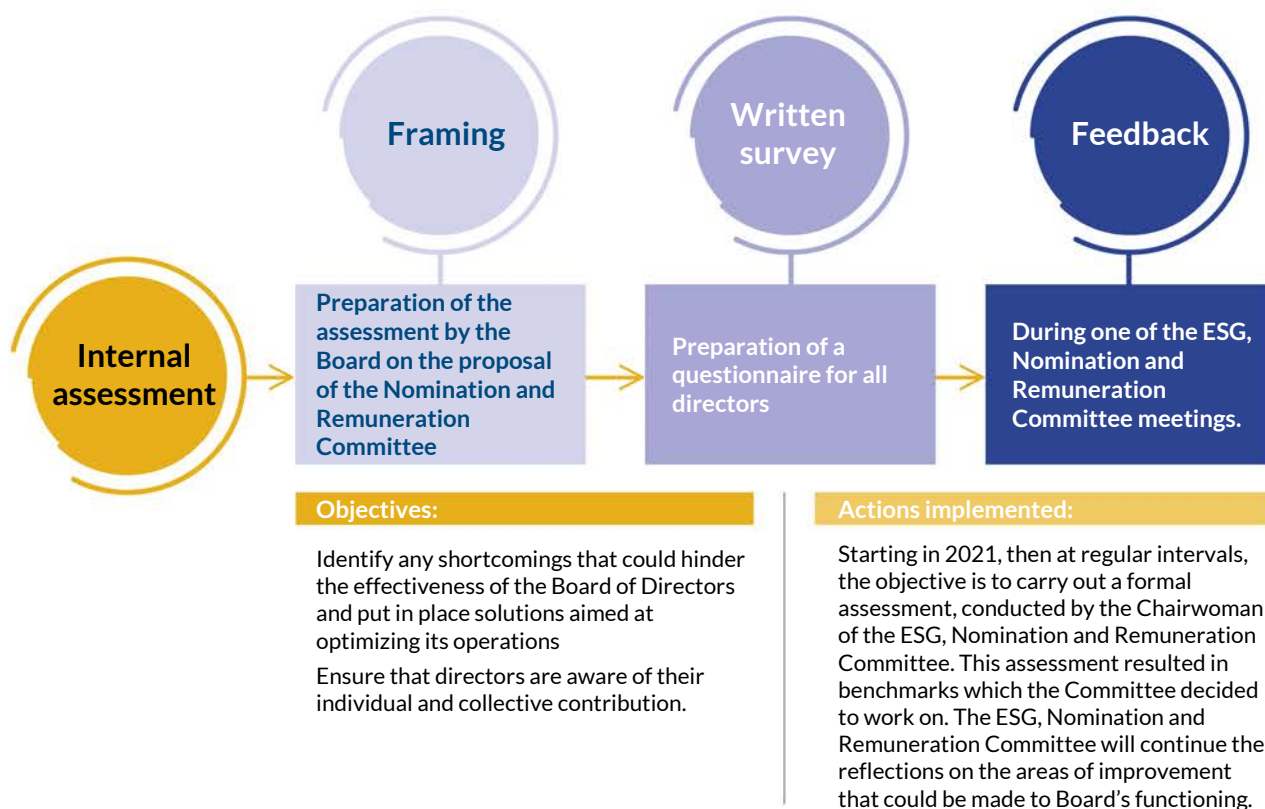
During Board meetings, the directors receive, in due time, all the documents and information necessary for the performance of their duties. Outside Board meetings, the directors regularly receive all important information about the Company.

To ensure the presence of directors, a schedule of Board meetings is set at the beginning of the year.

### Meeting Minutes

The minutes of each meeting are drawn up by the Secretary of the Board nominated at each meeting, then approved by the Chairman, who has them and the attendance sheet signed, or submits them to the next Board meeting for approval. They are transcribed in the register of minutes after they are signed by the Chairman and a director.

## Board's assessment



Article 11 of the AFEP-MEDEF Code recommends that the Board of Directors assess its ability to meet the expectations of the shareholders who have given it the mandate to manage the Company by periodically reviewing its composition, organization and operations.

In an effort to comply with this recommendation, the Board, on the proposal of the ESG, Nomination and Remuneration Committee, prepared a questionnaire for all directors.

This questionnaire meets the following three objectives:

- review the Board's operating procedures;
- verify that important issues are properly prepared and discussed;
- assess the actual contribution of each director to the work of the Board.

The objective is then to:

- identify any shortcomings that could hinder the effectiveness of the Board of Directors and put in place solutions aimed at optimizing its operations;
- ensure that directors are aware of their individual and collective contribution.

Starting in 2021, then at regular intervals, the objective is to carry out a formal assessment, conducted by the Chairwoman of the Nomination and Remuneration Committee.

This resulted in benchmarks which the Committee decided to work on. The Nomination and Remuneration Committee will continue the reflections on the areas of improvement that could be made to Board's functioning.

### Compensation paid to independent directors for their work

In accordance with the decision of the General Meeting of June 15 2022 (11th Resolution), the total annual amount of compensation was set at €50,000 for the fiscal year ended on December 31, 2022.

In accordance with Articles L.225-45 and L.22-10-14 of the French Commercial Code, the Board of Directors distributed this annual fixed sum among the independent Directors. This amount was allocated to independent directors subject to compliance with a condition of attendance at Board meetings.

In compensation for his work during the 2022 fiscal year, Mr Franck MOISON received an annual gross amount of €20,000, broken down into a fixed portion representing €6,000 and a variable portion representing €14,000. In compensation for her work, Ms. Candace JOHNSON received an annual gross amount of €20,000, broken down into a fixed portion representing €6,000 and a variable portion representing €14,000.

### 3.2.3 Board committees

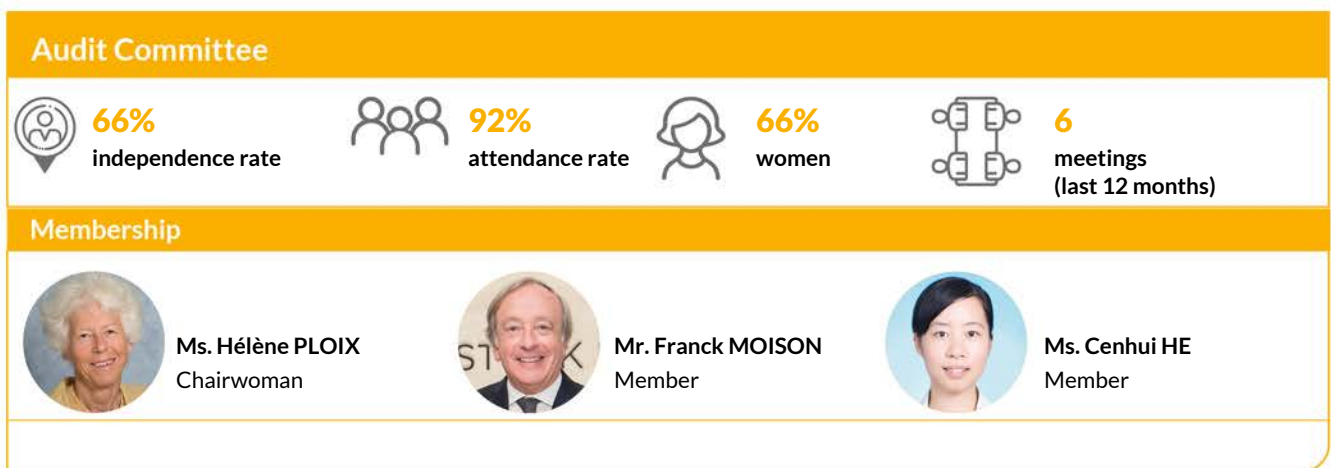
#### 3.2.3.1 Composition and responsibilities of the Audit Committee

Pursuant to Article L.823-19 of the French Commercial Code, in particular, the Company created a committee specializing in monitoring issues relating to the preparation and control of accounting and financial information.

The Company is guided by the AFEP-MEDEF Corporate Governance Code revised in December 2022 and the recommendations of the French Financial Market Authorities (Autorité des Marchés Financiers - AMF) on the Audit Committee.

The internal rules of this specialized committee were approved by the Board of Directors in its meeting of December 18, 2013.

#### I. Membership



As the Audit Committee is an offshoot of the Board of Directors, its members are nominated by the Board of Directors on the proposal of the Nomination and Remuneration Committee and from among the directors, excluding those in management positions.

In addition, at least one of the members of the Audit Committee must have specific financial or accounting expertise and be independent.

In accordance with the AFEP-MEDEF Code, the Audit Committee is composed of at least two-thirds of independent directors and does not include any executive corporate officers.

The term of office of the members of the Audit Committee coincides with that of their term of office as director.

No specific compensation is provided for the duties performed by the members of the Board of Directors within the framework of the Audit Committee.

It should be noted that the Audit Committee was composed as follows at December 31, 2022:

- Chairwoman: Ms. Hélène PLOIX (independent director);
- Mr. Franck MOISON (independent director);
- Ms. Cenhui HE (director).

This composition therefore meets the aforementioned recommendations.

#### II. Responsibilities

In accordance with Article L.823-19 of the French Commercial Code, this Committee is notably responsible for monitoring:

- the process of preparing financial information and, where applicable, make recommendations to ensure its integrity;
- the effectiveness of the internal control systems, the measures taken to fight against corruption, the procedures for preparing and processing accounting and financial information, without compromising its independence.
- the review of the risks incurred by the Company: strategic or operational risks, regulatory risks (in particular, cyber and climate risks, risks relating to the protection of intellectual property, etc.)
- the statutory audit of the annual financial statements and, where applicable, the consolidated financial statements by the Statutory Auditors;
- the approval of services other than the statutory audit of the accounts by the statutory auditors;
- the auditors' performance of their duties and compliance within the conditions of independence.

The Audit Committee reports regularly to the Board of Directors or the supervisory body on the performance of its duties. It also reports on the results of the mission to certify the financial statements, as well as the manner in which this mission contributed to the integrity of the financial information and the role it played in this process. It immediately informs of any difficulties encountered.

The AFEP-MEDEF Code specifies that the main task of the Audit Committee is to:

- review the financial statements and ensuring the relevance and consistency of the accounting methods adopted for the

preparation of the Company's consolidated and separate financial statements;

- monitor the process of preparing financial information;
- monitor the effectiveness of internal control and risk management systems.

The responsibilities the Audit Committee are therefore as follows:

Financials	<ul style="list-style-type: none"> <li>• monitoring the process of preparing financial information</li> <li>• monitoring the press release preparation process</li> <li>• verifying the accounting translation of significant events or complex transactions that have an impact on the Company's financial statements</li> <li>• ensuring the implementation of corrective actions in the event of dysfunction</li> </ul>
Control and review of the consolidated and separate financial statements	<ul style="list-style-type: none"> <li>• reviewing the Company's annual and half-year financial statements and related reports</li> <li>• preparing the review of the half-year and annual separate financial statements and the consolidated financial statements by the Board of Directors</li> <li>• ensuring compliance with legal and regulatory obligations in terms of accounting and financial information</li> <li>• ensure that the accounting methods adopted for the preparation of the consolidated and separate financial statements are relevant and uniform.</li> </ul>
Independence and objectivity of the Statutory Auditors	<ul style="list-style-type: none"> <li>• examining the risks that could compromise the independence and objectivity of the Statutory Auditors</li> <li>• meeting with the Statutory Auditors for each accounting close and as many times as it deems appropriate</li> <li>• requiring that the Statutory Auditors provide it each year with the following:                             <ul style="list-style-type: none"> <li>◦ their declaration of independence,</li> <li>◦ the amount of fees paid to the Statutory Auditors network by the companies controlled by the Company, or the entity that controls it, for services other than the certification of the financial statements,</li> <li>◦ information on the services performed for the certification of the financial statements.</li> </ul> </li> </ul>
Internal control and Risk management policy	<ul style="list-style-type: none"> <li>• ensuring the existence of internal control and risk management systems and their deployment</li> <li>• reviewing the effectiveness of internal control and risk management procedures</li> <li>• assessing the extent of any malfunctions or weaknesses communicated to it and informing the Board of Directors, if applicable.</li> </ul>

### III. Operations

In accordance with the principle of independence, the members of the Audit Committee attend Committee meetings on their own. The Chairman and CEO may attend Committee meetings at the invitation of the Chairman of the Audit Committee.

The Chief Financial Officer (and possibly their main assistants), the head of internal audit, the external auditors or any other person deemed necessary may participate in the meetings of the Audit Committee.

The Audit Committee meets at least twice a year in March and September, concerning the annual financial statements, the half-year financial statements and the management forecasts, respectively, and as often as it deems necessary.

Meetings are held either at the registered office or at any other location indicated in the notice of meeting. Notices of meeting are made by any written means (letter, fax, email). The Committee may still validly deliberate, even in the absence of a notice of meeting, if all its members are present or represented.

An agenda is sent, except in an emergency, at least five days before the meeting of this Committee.

The Audit Committee prepares specific minutes for each of its meetings, signed by its Chairman and at least one of its members. These minutes accurately reflect the discussions and deliberations that take place during each of its meetings. The minutes of the Board of Directors include a summary of the work of the Audit Committee and report on the opinions and recommendations of the Audit Committee.

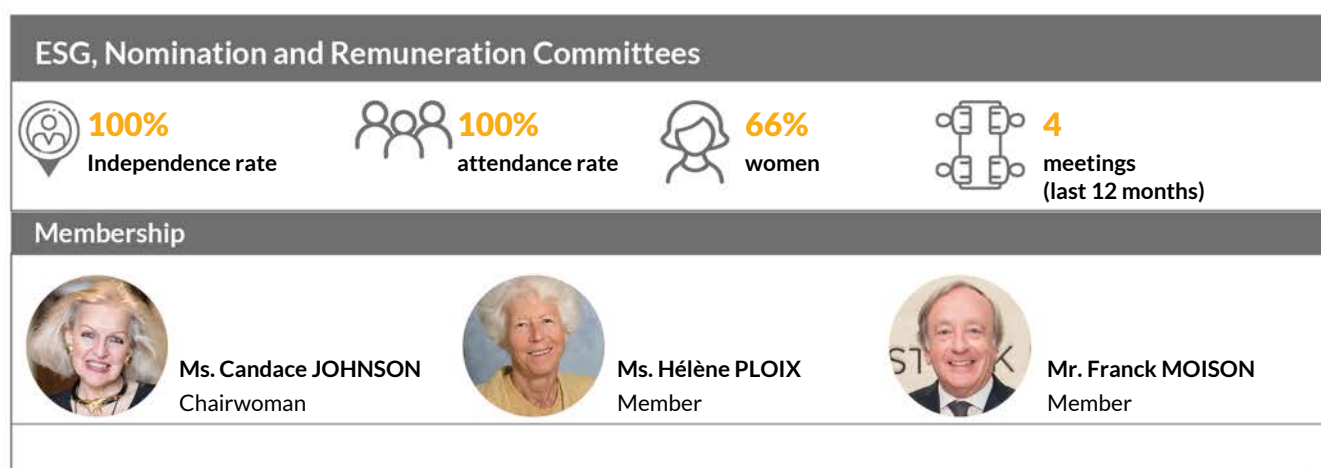
Over the past twelve months, the Committee has met on the following dates:

- March 2 and 28, 2022:
  - review of the 2021 separate financial statements, management planning documentation, recommendations to the Board of Directors on the preparation of the annual activity report,
  - procedure for assessing current agreements and first review of the 2021 annual financial statements,
  - review of the risk factors,
  - review of fees other than audit fees, charged by statutory auditors;
- September 7 and 19, 2022:
  - review of the 2022 half-year financial statements, recommendations to the Board of Directors on the preparation of the half-year activity report and the procedure for assessing current agreements,
  - review of the current agreements entered into under normal conditions,
- forward looking management documents;
- March 7, 2023:
  - review of the 2022 annual financial statements, management planning documentation, recommendations to the Board of Directors on the preparation of the annual activity report;
  - review of fees other than audit fees charged by statutory auditors;
  - procedure for assessing current agreements and first review of the 2022 consolidated financial statements;
- March 29, 2023:
  - final review of the 2022 annual financial statements and notes to the financial statements, Forward looking management accounts.
  - review of cyber risks and procedures for obtaining ISO 27001 certification.

### 3.2.3.2 Composition and responsibilities of the ESG, Nomination and Remuneration Committee

Rules of procedure for this specialized committee were approved by the Board of Directors at its meeting of March 29, 2021. The Rules of procedure has been extended to the ESG issues governance and approved by the Board of Directors at its meeting of March 28, 2022.

#### I. Membership



In accordance with the AFEP-MEDEF Code, the Nomination and Remuneration Committee is composed mainly of independent directors and does not include any executive corporate officers. Likewise, the Chairwoman of this Committee is indeed an independent director with regard to the criteria of the AFEP-MEDEF Code.

At December 31, 2022, the ESG, Nomination and Remuneration Committee was composed of four members including three independent directors:

- Chair: Mrs. Candace JOHNSON (independent director);
- Mr. Franck MOISON (independent director);
- Ms. Hélène PLOIX (independent director).

This composition therefore meets the above-mentioned recommendations.

## II. Responsibilities

The Committee is responsible for advising and making recommendations on the nomination and compensation of the members of the Board of Directors, the Chairman and CEO, and executives, as well as on the Company's overall

compensation policy in accordance with legal requirements and the provisions of the AFEP-MEDEF Code. The Committee also assists the Board on all matters relating to Environmental Social and Corporate Governance issues (ESG),

The responsibilities of the Nomination and Compensation Committee are therefore as follows:

Nominations	<ul style="list-style-type: none"> <li>• succession plan for the Chairman and CEO;</li> <li>• appointment and dismissal of any other director or member of the Executive Committee, on the proposal of the Chairman and CEO;</li> <li>• composition and functioning of the Board of Directors and its Committees;</li> <li>• nomination of new directors, including in the event of a vacancy.</li> <li>• director succession plan;</li> <li>• compliance with corporate governance principles;</li> <li>• definition of the "independence" of the Company and the list of independent directors;</li> <li>• nomination of the members of the Audit Committee from among the directors, with the exception of those holding management positions.</li> </ul>
Compensation	<ul style="list-style-type: none"> <li>• compensation of the Chairman and CEO: fixed, variable, and any grant of stock options or performance shares, as well as compensation and benefits of any kind</li> <li>• assessment of the annual performance of the Chairman and CEO and determination of his compensation for approval by the Board;</li> <li>• compensation of the Company's directors;</li> <li>• the Company's general policy on long-term incentive plans and related performance indicators;</li> </ul>
Environmental, Social, Governance (ESG)	<ul style="list-style-type: none"> <li>• assessment of the Board of Directors</li> <li>• review and comments on the corporate governance report prior to approval;</li> <li>• diversity policy applied to the Board of Directors;</li> <li>• ESG policies: the Committee validates and monitors the actions of the Company's ESG policy. It reviews the adequacy between the Company's strategy and ESG objectives, particularly in terms of climate strategy.</li> </ul>

## III. Operations

The Committee meets at the request of its Chairman at least twice a year in order to prepare the recommendations/proposals for the Annual General Meeting of Shareholders and, in any event, before any Board of Directors meeting whose agenda contains an item relating to the Committee's responsibilities.

In addition, each member may propose a meeting if they deem it necessary to discuss specific issues.

The Committee shall be convened with reasonable notice or without delay in the event of an emergency, by any means, including verbally. A quorum of at least half of the members present is required for a Committee meeting, including two independent members.

The Chairman of the Committee nominates a Committee Secretary.

Documents relating to meeting agenda items must be provided to members sufficiently in advance of the meeting.

The Chairman and CEO of the Company may attend all or part of the meetings, except when issues concerning the Chairman and CEO are discussed.

Other persons invited by the Committee may also be present, in particular the Group's Human Resources Director.

Meetings of the Committee may be held in person, by telephone or by videoconference, using any means of exchanging documents (mail or electronic transfer), which makes it possible to send the agenda and preliminary documents to the members, to establish the list of participants, which allows members to exchange their opinions and draw up the Committee's recommendations, proposals and conclusions.

The recommendations, proposals and conclusions of the Committee are decided by a majority of its members present and each member has one vote. In the event of a tie, the Chairman's vote prevails.

The minutes of meetings are prepared by the Committee Secretary for approval by the Chairman of the Committee and the other members of the Committee. Once approved, the Secretary keeps the minutes of the Committee meetings.

During the last twelve months, the Committee met on March 21, 2022, February 14 2023, March 15 and 23, 2023, and April 21, 2023.

### 3.2.4 Conflicts of interest and declarations relating to members of the administrative and management bodies

To the Company's knowledge, at the date this report was filed there were no potential conflicts of interest between the duties to the Company, the members of the Board of Directors, the Chairman and CEO and their private interests. It should be noted that:

- BOE, the Group's main supplier and industrial partner, is also a shareholder and 2 directors were appointed on the proposal of BOE. When the partners are also shareholders, governance takes the form of an audit and review of regulated and current agreements between interested parties in order to preserve the competitiveness of business and industrial agreements in relation to economic market conditions. Moreover, members of the Board representing shareholder partners do not take part in these deliberations.
- A declaration of potential conflict of interest is completed each year by both the members of the Board of Directors and the members of the Global Management Board.

#### Summary of transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the 2022 fiscal year

The table below presents a summary (Article 223-26 of the AMF General Regulation) of the transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the 2022 fiscal year:

Person involved	Financial Instrument	Nature of the transaction	Transaction date	Location of the transaction	Unit price (in euros)	Volume
SESIM <sup>(1)</sup>	Share	Acquisition	27/07/22	Outside of the trading platform	80	240,000 <sup>(2)</sup>
BOE Smart Retail (Hong Kong) Co. Limited <sup>(1)</sup>	Share	Disposal	27/07/22	Outside of the trading platform	80.00	1,200,000
Thierry LEMAITRE <sup>(3)</sup>	Shares issued by SESIM	Subscription	13/10/22	Outside of the trading platform	5.19 <sup>(4)</sup>	96,343
Thierry GADOU <sup>(5)</sup>	Shares issued by SESIM	Subscription	13/10/22	Outside of the trading platform	5.19	57,803
Candace JOHNSON <sup>(6)</sup>	Shares issued by SESIM	Subscription	13/10/22	Outside of the trading platform	5.19	19,267
Hélène PLOIX <sup>(6)</sup>	Shares issued by SESIM	Subscription	13/10/22	Outside of the trading platform	5.19	154,142
Franck MOISON <sup>(6)</sup>	Shares issued by SESIM	Subscription	13/10/22	Outside of the trading platform	5.19	192,678
SESIM <sup>(1)</sup>	Share	Acquisition	17/11/22	Outside of the trading platform	80	240,000 <sup>(7)</sup>
SESIM <sup>(1)</sup>	Share	Transfer of shares as a counterparty to a capital reduction	17/11/22	Outside of the trading platform	N/A	1,657,837
SESIM <sup>(1)</sup>	Share	Pledging of shares	17/11/22	Outside of the trading platform	N/A	1,897,837
BOE Smart Retail (Hong Kong) Co. Limited <sup>(1)</sup>	Share	Disposal	17/11/22	Outside of the trading platform	80	240,000
BOE Smart Retail (Hong Kong) Co. Limited <sup>(1)</sup>	Share	Transfer of shares as a counterparty to a capital reduction	17/11/22	Outside of the trading platform	N/A	1,657,837
BOE Smart Retail (Hong Kong) Co. Limited <sup>(1)</sup>	Share	Disposal	22/11/22	Outside of the trading platform	112	1,500,000

(1) Public limited company (société anonyme) related to Thierry GADOU, Chairman and CEO.

(2) Shares acquired by SESIM as part of the sale of 1.2 million SES-imagotag shares by BOE Smart Retail on July 27, 2022 through a private placement by accelerated book building. The delivery of these 240,000 shares was deferred to November 17, 2022, which was the subject of a new declaration, indicated below in this table.

(3) Financial director

(4) Issue price determined by transparency with an average price of the SES-IMAGOTAG share of €100.27.

(5) Chairman & Chief Executive Officer.

(6) Director.

(7) Corresponds to the effective delivery of the 240,000 shares acquired by SESIM as part of the sale of 1.2 million SES-imagotag shares by BOE Smart Retail on July 27, 2022 through a private placement by accelerated book building, indicated above in this table.

In addition to the transactions carried out by persons belonging, as of October 13, 2022, to those referred to in Article L.621-18-2 of the French Monetary and Financial Code, Mr. Peter BRABECK-LETMATHE, who became an independent director on November 28, 2022, on October 15, 2022, also subscribed for 1,445,086 SESIM shares, at a subscription price of €5.19 per share, determined by transparency with an average share price SES-IMAGOTAG at €100.27, through The Glasshouse SA.

In addition, to the Company's knowledge, over the last five years:

- i. no member of the Board of Directors or the Chairman and CEO of the Company has been convicted of fraud,
- ii. none of the members of the Board of Directors or the Chairman and CEO of the Company has been involved in

a bankruptcy, receivership, liquidation or placing of companies under receivership,

- iii. no incrimination and/or official public sanction has been pronounced against a member of the Board of Directors or the Chairman and CEO of the Company by judicial or administrative authorities (including designated professional bodies) and
- iv. none of the members of the Board of Directors or the Chairman and CEO of the Company has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from intervening in the management or conduct of the business of an issuer.\*

\* This information is not included in the corporate governance report approved by the Company's Board of Directors on March 28, 2022.

### 3.2.5 Deposits, advances and guarantees

In accordance with Article L.225-35 of the French Commercial Code, deposits, advances and guarantees in the name of the Company may only be granted after obtaining the prior

However, the Law on the Simplification of Company Law of July 19, 2019 relaxed the conditions for granting guarantees by a parent company to the subsidiaries it controls within the meaning of paragraph II of Article L.233-16 of the French Commercial Code. Indeed, the Board of Directors may now authorize, on a global and annual basis, and without limits on

authorization of the Board of Directors, which may set an annual total amount or per commitment below which its authorization is not required.

amounts, deposits, advances and guarantees to ensure the commitments made by the aforementioned companies.

A summary of these advances, deposits and guarantees is provided in Note 19 to the separate financial statements.

### 3.2.6 Procedure for assessing current agreements entered into normal conditions

Pursuant to Article L.22-10-10 6° of the French Commercial Code, this report describes the procedure implemented by the Company to regularly assess whether agreements relating to ordinary transactions entered into under normal conditions meet these conditions.

The Group has extended the review scope for all agreements entered into between related parties, whether or not they are unrestricted or regulated.

To this end, a procedure has been established to:

- qualify the so-called "free" agreements;
- formalize an internal procedure to regularly assess whether these free agreements continue to meet these conditions;
- evoke the regulatory framework applicable to regulated agreements and provide details on the method used to qualify them.

The procedure for qualifying and assessing agreements is as follows:

- exhaustively look into the persons concerned;
- gather prior information from the Finance Department and the Legal Department before entering into and qualifying agreements;

- perform annual assessments/reassessments of free agreements;
- perform the control procedure for regulated agreements.

It is specified that persons directly or indirectly interested in one of these agreements cannot participate in this assessment.

The persons in charge are as follows:

- the Finance and Legal Departments are responsible for examining agreements on a case-by-case basis and proposing their qualification;
- each year, the Finance and Legal Departments review the free agreements in force and issue conclusions.

These conclusions are presented to the Audit Committee, which must issue an opinion on the implementation of the procedure, its results and any observations.

The procedure will consist, during the two Audit Committees in charge of examining the half-year closings, examining the list of third-party transactions and agreements, verifying that they comply with the principle of the duration of the law and the principles set out by the OECD on Base Erosion and Profit Shifting (BEPS).



At the meeting to approve the financial statements, the Board of Directors is informed by the Audit Committee on the implementation of the procedure and draws the necessary conclusions.

The criteria used by the Group to assess that the current agreements have been entered into under normal conditions are as follows:

- for each type of agreement, the Group has defined criteria for assessing the “current purpose” and the “normal terms and conditions” of the agreement;
- the Group justifies these criteria on the basis of market practices and the principles and rules in force (e.g.: the OECD, etc.).

The main agreements considered as current in the Group are as follows:

- shared administrative services;
- financing transactions;
- licensing of intellectual property rights;
- facilities granted by an entity.

### 3.2.7 Regulated agreements and agreements between, on the one hand, a corporate officer or a shareholder and, on the other hand, a controlled company within the meaning of Article L.233- 3 of the French Commercial Code

#### 3.2.7.1 Agreements submitted for the approval of the General Meeting

The directors concerned did not take part in the deliberations or the vote within the Board of Directors concerning the two agreements below:

DATE	NATURE	PERSONS INVOLVED	DESCRIPTION	PERIOD OF VALIDITY	AMOUNT	INTEREST FOR THE COMPANY
05/01/22	Product development agreement with Fuzhou BOE Optoelectronics Co, Ltd	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in Chongqing BOE Smart Electronics System Co., Ltd;</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, director of your company until March 28, 2022, then Mr. Rengui CHEN, director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	Support for the research teams of Fuzhou BOE Optoelectronics as part of a "TFT EPD" project;	30/04/22	USD 357 thousand	Have specific and ad hoc technical skills to develop the design of these products
22/02/22	Cross licensing agreement with the Chinese joint venture BOE Digital Technology Co Ltd,	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in BOE Digital Technology Co., Ltd;</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, director of your company until March 28, 2022, then Mr. Rengui CHEN, director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	SES-imagotag grants BOE Digital Technology a license on its historical intellectual property in order to enable it to make improvements and possible developments (the "improvements"). Consequently, BOE Digital Technology benefits from the right to use this intellectual property in order to improve and manufacture, or have manufactured electronic labels or components and semi-finished products (such as batteries and cables) (the "Improved products"). In return, BOE Digital Technology grants SES-imagotag SA the right to use the improvements and to manufacture and distribute the Enhanced Products (the "Cross-license").	Unspecified duration	€0	the Company actively promotes the competitiveness of its supply chain by developing or improving new products, drawing on the know-how of several entities of the BOE group, whether in the technical or sourcing fields.

### 3.2.7.2 Agreements already approved by the General Meeting

Lastly, and in accordance with the provisions of Article R.225-30 of the French Commercial Code, we remind you that the agreements listed below authorized by the Company's Board of Directors during previous years continued during the year ended December 31, 2022.

#### i) Agreements approved during prior fiscal years whose application continued during the previous fiscal year

DATE	NATURE	PERSONS INVOLVED	DESCRIPTION	PERIOD OF VALIDITY	AMOUNT	INTEREST FOR THE COMPANY
26/01/20	Industrial supply and subcontracting agreement ("Master Service Agreement") and amendments with Chongqing BOE Smart Electronics Systems Co., Ltd	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in Chongqing BOE Smart Electronics System Co., Ltd;</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, director of your company until March 28, 2022, then Mr. Rengui CHEN, director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	<p>an industrial supply and subcontracting agreement ("Master Service Agreement") was signed with Chongqing BOE Smart Electronics System Co. Ltd on August 18, 2019 for the production, assembly, testing and packaging of finished products (electronic labels).</p> <p>In 2020, one amendment has been signed and is still continuing in 2021:</p> <p>Modification of the incoterms (the incoterm is now FCA) and the duration of the so-called "MSA" agreement: agreement on a 3-year renewal period starting from January 26, 2020, followed, at the end of the expiry of this period, by a tacit renewal for an indefinite period (except termination of one of the parties at any time with a notice of 30 days): authorization of the Board of Directors on May 12, 2020.</p>	3 years	USD 354.2 million of purchases by SES-imagotag SA during the 2022 fiscal year and USD 53.1 thousand of components sold by SES-imagotag SA.	This industrial supply and subcontracting agreement allows the Company to have an integrated, critically-sized digital label plant, which will enhance the competitiveness of products offered by the Group.
01/07/19	Exclusive manufacturing agreement with Chongqing BOE Smart Electronics System Co., Ltd	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in Chongqing BOE Smart Electronics System Co., Ltd;</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, director of your company until March 28, 2022, then Mr. Rengui CHEN, director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	exclusivity agreement on three production lines at the Chongqing plant	4.5 years	the total amount of the exclusivity right recognized for 2019 amounted to €14.7 million, paid during the 2020 fiscal year.	Volume projections for the five years after 2019 indicate that the Company is unlikely to use the entire production capacity of the Chongqing BOE Smart Electronics System Co., Ltd's plant. The Company has decided to ensure the exclusivity of this production capacity for an amount calculated by the valuation of the supposed under-utilization of the plant.

DATE	NATURE	PERSONS INVOLVED	DESCRIPTION	PERIOD OF VALIDITY	AMOUNT	INTEREST FOR THE COMPANY
01/01/21	ESL supply agreement with Chinese joint venture BOE Digital Technology Co. Ltd ("Supply Services Agreement")	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in BOE Digital Technology Co., Ltd</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, director of your company until March 28, 2022, then Mr. Rengui CHEN, director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	<p>A finished product supply agreement (electronic labels) was signed between the Company and BOE Digital technology Co., Ltd, with an effective date October 16, 2019, for a two-year initial period. The agreement was previously authorized by your Board of Directors on October 24, 2019.</p> <p>The new agreement signed in 2021 is valid for a two-year period from January 1, 2021, and includes several amendments compared to the contract signed in 2019, including notably the product warranty period granted to SES-imagotag SA, which is reduced to 12 months. The financial terms of the agreement remained unchanged, i.e., for market prices in line with OECD recommendations.</p>	12 Months	USD 33 thousand sold by SES-imagotag SA in 2022	The Board has approved this transaction aiming to supply a complementary range for any finished product (including electronic labels) not manufactured in the Chongqing plant.
22/12/21	Electronic label and component supply agreement with Chinese joint venture BOE Digital Technology Co., Ltd (Framework delivery and quality assurance agreement)	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in BOE Digital Technology Co., Ltd;</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, director of your company until March 28, 2022, then Mr. Rengui CHEN, director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	<p>A component supply subcontracting and industrial subcontracting agreement was signed with BOE Digital Technology Co., Ltd, for an indefinite period. The agreement deals with the selection of component suppliers and of subcontractors that assemble finished products (electronic labels). It defines delivery terms, incoterms, quality levels required and the price of every product that is sold.</p>	Unspecified duration	USD 3,209 thousand in purchases by SES-imagotag SA in 2022	The supply chain competitiveness for electronic materials marketed by the Company will be strengthened by the presence of a Chinese team, located in China, and geographically and culturally linked to the components suppliers and assembly subcontractors of these materials.

DATE	NATURE	PERSONS INVOLVED	DESCRIPTION	PERIOD OF VALIDITY	AMOUNT	INTEREST FOR THE COMPANY
01/01/21	Intellectual property license agreement with Chinese joint venture BOE Digital Technology Co., Ltd	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in BOE Digital Technology Co., Ltd;</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, director of your company until March 28, 2022, then Mr. Rengui CHEN, director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	<p>A technology license agreement was authorized for an initial period of two years by the Board of Directors' meeting of October 24, 2019. The agreement authorized at the time did not give rise to signature and therefore did not give rise to any execution, because the start on the Chinese market finally justified a delayed implementation of this principle of technology licensing. As the purpose of the new contract is the same as the contract authorized in 2019, this agreement has not been submitted to the Board of Directors. In 2021, the principle of this technology license agreement was taken over two years after the commercial start on Chinese territory and a new technology license agreement, proportionate to 1% of the turnover related to the sale of electronic labels and related services on the territory of the PRC, was signed, for a period of two years.</p> <p>This license gives rights to the joint venture to use, copy, reproduce, and evolve the historical intellectual property of the entities of the SES-imagotag group in order to manufacture, sell, distribute and sublicense the products and solutions in Mainland China. This license also grants the right to set up serial manufacturing directly with the Chongqing factory.</p>	24 months	€0 paid by SES-imagotag SA as a licensing fee over the fiscal year. (deconsolidation of BOE Digital Technology Co Ltd, as of September 30, 2022).	<p>The Board has appreciated the purpose of this licensing agreement rewarding the use of intellectual property by BOE Digital Technology Co., Ltd to:</p> <ul style="list-style-type: none"> <li>• use the Chongqing factory as a direct source of supply;</li> <li>• implement SES-imagotag solutions using existing software, developed by the European entities of the SES-imagotag group.</li> </ul>
26/01/20	Subscription of the Chairman and CEO of the Company to the GSC corporate officer unemployment insurance	Mr. Thierry GADOU, Chief Executive Officer since January 13, 2012 and Chairman of the Board of Directors since January 18, 2012 (prior authorization by the Board of Directors on January 13, 2012).	subscription by the Company of a GSC corporate officer unemployment insurance agreement for the benefit of Mr. Thierry GADOU.	0	€20 thousand	0

## ii) Agreements approved during the past fiscal year

DATE	NATURE	PERSONS INVOLVED	DESCRIPTION	PERIOD OF VALIDITY	AMOUNT	INTEREST FOR THE COMPANY
15/12/22	New amendment to the industrial supply and subcontracting contract ("Master Service Agreement") and amendments with Chongqing BOE Smart Electronics Systems Co., Ltd	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in Chongqing BOE Smart Electronics System Co., Ltd;</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, director of your company until March 28, 2022, then Mr. Rengui CHEN, director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	A new amendment to the "MSA," described in section II of this document, is proposed today to include PDi Digital GmbH, in the scope of this MSA: PDi Digital GmbH is authorized to purchase the products of Chongqing BOE Smart Electronics System Co., Ltd., in accordance with the same terms and conditions as set out in the MSA	undetermined	€0 given the signature date in 2022	PDi Digital GmbH's access to an integrated, critically-sized digital label plant will be beneficial to the competitiveness of the products offered by the Group.

## iii) Agreements approved during prior fiscal years that were not applied during the previous fiscal year

DATE	NATURE	PERSONS INVOLVED	DESCRIPTION	PERIOD OF VALIDITY	AMOUNT	INTEREST FOR THE COMPANY
01/09/19	Management fee agreement: support service agreement with BOE Digital Technology Co., Ltd	<ul style="list-style-type: none"> <li>• BOE Smart Retail (Hong Kong) Co., Ltd, which holds more than 10% of the company and which is indirectly related to the Chinese JV BOE Digital Technology Co., Ltd (via its subsidiary "BOE Intelligent IoT Technology Co., Ltd");</li> <li>• Mr. Thierry GADOU, Chairman and CEO of your company and director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Xiang Jun YAO, Director of your company and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Cenhui HE, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Feng BAI, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Mr. Gang CHENG, Director of both your company and BOE Smart Retail (Hong Kong) Co.;</li> <li>• Ms. Fangqi YE, Director of your company and BOE Smart Retail (Hong Kong) Co.</li> </ul>	Rebilling of support costs incurred to assist BOE Digital technology Co., Ltd (approved during the October 24, 2019 Board meeting).	2 years	€0 thousand received by SES-imagotag SA in the form of re-billing of services. This agreement is now terminated (approval by the Board of Directors on January 24, 2023).	the objective of the re-billing agreement is to allow a pooling of specialization skills and to set the terms of overhead re-billing: the nature of the costs, the keys to the allocation of these costs.

### 3.2.7.3 Agreements entered into between, on the one hand, a corporate officer or shareholder and, on the other hand, a controlled company within the meaning of Article L.233-3 of the French Commercial Code

In accordance with Article L.225-37-4, 2° of the French Commercial Code, this report specifies that no agreement exists between, either directly or through a third party, one of the corporate officers or one of the shareholders with more than 10% of the voting rights, on the one hand, and another

company controlled by the first within the meaning of Article L.233-3 of the French Commercial Code (with the exception of agreements relating to ordinary transactions entered into under normal conditions).

## 3.2.8 Table of delegations

### Table of delegations granted to the Board of Directors (Article L.225-37-4, paragraph 3 of the French Commercial Code)

Nature of authorization	Date of Shareholders meeting	Duration / Expiration date	Maximum amount authorized	Use by the Board of Directors
Authorization to reduce the share capital in accordance with the provisions of Article L. 225-209 of the French commercial code	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 15	26 months until August 16, 2023	Up to 10% of the share capital per period of 24 months	None
	Extraordinary Shareholders' Meeting June 15, 2022 Resolution 15	26 months until August 15, 2024	Up to 10% of the share capital per period of 24 months	None
Authorization to implement of a share buyback program	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 14	18 months until December 16, 2022	Maximum unit price: €60 per share, excluding expenses	On June 16, 2021, the Board has authorized the Chairman and CEO to enter into a new liquidity contract.
	Extraordinary Shareholders' Meeting June 15, 2022 Resolution 14	18 months until December 15, 2023	Maximum unit price: €150 per share, excluding expenses	On June 15 2022, the Board has authorized the Chairman and CEO to renew any liquidity contract.
Delegation of authority to the Board of Directors to increase the share capital by incorporating reserves, profits or premiums, or any other sum that can be legally capitalised	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 16	26 months until August 16, 2023	€3,100,000	None
	Extraordinary Shareholders' Meeting June 15, 2022 Resolution 16	26 months until August 29, 2024	€3,100,000	None
Delegation of authority to the Board of Directors to increase the share capital by issuing, with preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and/or entitlement to the allocation of debt securities and/ or transferable securities giving access to equity securities to be issued	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 17	26 months until August 16, 2023	Maximum nominal amount of capital increase: €15,750,000 Maximum amount of debt securities: €250,000,000	None
	Extraordinary Shareholders' Meeting June 15, 2022 Resolution 17	26 months until August 15, 2024	Maximum nominal amount of capital increase: €6,300,000 Maximum amount of debt securities: €250,000,000	None
Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and /or entitlement to the allocation of debt securities and/ or transferable securities giving access to equity securities to be issued, in connection with public offers	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 18	26 months until August 16, 2023	Maximum nominal amount of capital increase: €6,300,000 Maximum amount of debt securities: €250,000,000	None
	Extraordinary Shareholders' Meeting June 29, 2020 Resolution 18	26 months until August 15, 2024	Maximum nominal amount of capital increase: €6,300,000 Maximum amount of debt securities: €100,000,000	None
Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities which confer entitlement to other equity securities and/ or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, through the private placements specified in Article L.411-2 II of the French Monetary and Financial Code	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 19	26 months until August 16, 2023	Maximum nominal amount of capital increase: €6,300,000 Maximum amount of debt securities: €250,000,000	None
	Extraordinary Shareholders' Meeting June 15, 2022 Resolution 19	26 months until August 15, 2024	Maximum nominal amount of capital increase: €6,300,000 Maximum amount of debt securities: €250,000,000	None

Nature of authorization	Date of Shareholders meeting	Duration / Expiration date	Maximum amount authorized	Use by the Board of Directors
Authorisation given to the Board of Directors in the event of issue without preferential subscription rights, through public offers or private placements per Article L.411-2 II of the French Monetary and Financial Code, for the purpose of setting the issue price according to the terms established by the Shareholders' Meeting, within the limit of 10% of the capital per year	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 20	26 months until August 16, 2023	Maximum nominal amount of capital increase: 10% of the capital over a 12 months period	None
	Extraordinary Shareholders' Meeting June 15, 2022 Resolution 20	26 months until August 15, 2024	Maximum nominal amount of capital increase: 10% of the capital over a 12 months period	None
Authorisation given to the Board of Directors to increase the amount of issues with or without preferential subscription rights	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 21	26 months until August 16, 2023	Maximum nominal amount of capital increase: €15,750,000 Maximum amount of debt securities: €250,000,000	None
	Extraordinary Shareholders' Meeting June 15, 2022 Resolution 21	26 months until August 15, 2024	Maximum nominal amount of capital increase: €6,300,000 Maximum amount of debt securities: €100,000,000	None
Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or equity securities which confer entitlement to other equity securities and/ or entitlement to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued as compensation for contributions in kind	Extraordinary Shareholders' Meeting June 16, 2021 Resolution 22	26 months until August 16, 2023	nominal amount of capital increase: 10% of the capital Maximum amount of debt securities: €250,000,000	None
	Extraordinary Shareholders' Meeting June 15, 2022 Resolution 22	26 months until August 15, 2024	nominal amount of capital increase: 10% of the capital Maximum amount of debt securities: €250,000,000	None
Authorization to the Board of Directors to allocate free shares on existing shares or to be issued, without preferential right of subscription, in favor of certain employees and corporate officers of the Company and affiliates.	Extraordinary Shareholders' Meeting June 29, 2020 Resolution 24	38 months until August 29, 2023	Maximum amount € 945,000	The Board granted performance shares to employees who are not corporate officers as well as to the Chairman and Chief Executive Officer. For further information concerning the performance criteria, please refer to section 7.7 of this report.

Delegations 18 to 23 are charged against the €15,750,000 total nominal cap provided for capital increases.

### 3.2.9 General Meetings and specific methods by which shareholders participate

Pursuant to Article L.22-10-10 5° of the French Commercial Code, this report specifies the specific terms and conditions relating to the participation of shareholders in General Meetings set out in Articles 16 to 25 of the Company's Articles of Association.

General Meetings are convened in the manner and within the time limits set by the legal and regulatory provisions in force.

Article 22 of the Company's Articles of Association provides that, at Ordinary and Extraordinary General Meetings, the quorum shall be calculated on all shares comprising the share capital and, at Special Meetings, on all shares of the concerned category, net of shares deprived of voting rights under the provisions of the law.

The Board of Directors may decide that shareholders who participate in the meeting by videoconference or other means of telecommunication enabling them to be identified and whose nature and conditions are determined by decree are deemed present for the purposes of calculating the quorum and majority

Article 23 of the Company's Articles of Association provides that the Ordinary General Meeting may only validly deliberate,

- on first notice, if the shareholders present or represented hold at least one-fifth of the shares with voting rights.

- For the second notice, no quorum is required. It rules by a majority of the votes held by the shareholders present or represented or voting remotely.

The Ordinary General Meeting rules by a majority of the votes held by the shareholders present or represented or voting remotely.

Article 24 of the Company's Articles of Association provides that the Extraordinary General Meeting may only validly deliberate if the shareholders present or represented hold at least,

- on the first notice of meeting, one-quarter of the shares with voting rights and, on the second notice, one-fifth of the shares with voting rights.

- In the absence of the latter quorum, the second meeting may be extended to a date no later than one month after the date on which it was convened. It rules by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders having voted remotely. By way of legal derogation from the foregoing provisions, a General Meeting that decides on a capital increase by way of incorporation of reserves, profits or issue premiums may vote under the quorum and majority conditions of an Ordinary General Meeting.



By way of legal derogation from the foregoing provisions, the General Meeting that decides on a capital increase by way of incorporation of reserves, profits or issue premiums may vote under the quorum and majority conditions of an Ordinary General Meeting.

The Extraordinary General Meeting rules by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders having voted remotely.

All shareholders have the right to information, communication and consultation under the terms and conditions provided for by the legal and regulatory provisions. The Company's Articles of Association as well as general information about the Company are available on the Company's website in order to provide more information to shareholders ([www.ses-imagotag.com](http://www.ses-imagotag.com)).

The General Meeting is chaired by Mr. Thierry GADOU, Chairman of the Board of Directors, who proposes to set up a committee consisting of a Chairman and two presiding members. The Chairman proposes to the shareholders with the largest number of votes to take on the duties of the presiding members.

The General Meeting is a forum for decision-making in the areas determined by the law. The Company is committed to ensuring that it is also a privileged moment of communication with its shareholders.

Minutes are drawn up as soon as possible after the General Meeting is held and no later than four months after the meeting is held.

In accordance with the last paragraph of Article L.225-123 of the French Commercial Code introduced by the law of March 29, 2014 known as the "Florange Law", and on the Board of Directors' initiative, the Extraordinary General Meeting of May 21, 2014 decided that no share of the Company may be granted double voting rights. Article 9.3 of the Company's Articles of Association has been amended accordingly.

In accordance with Article L.225-271 of the French Commercial Code introduced by the law of June 14, 2013 on job security, Article L.225-23 of the French Commercial Code, and on the Board of Directors' initiative, the Extraordinary General Meeting of June 23, 2016 amended the Articles of Association to determine the procedures for appointing directors representing employees and to include provisions relating to employee shareholder representatives (Article 11 of the Company's Articles of Association). In view of the legislative changes, the General Meeting of June 15, 2022 amended Article 11.1 of the Company's Articles of Association to bring them into compliance with the new provisions of Article L.225-23 of the French Commercial Code relating to directors representing employee shareholders.

In addition, it is proposed to the General Meeting of 23 June 2023 to introduce, in Article 11.1 of the Company's Articles of Association, provisions relating to the age limit for directors so that a maximum rate of 40% (rounded up to the next whole number if applicable) of directors over 70 years of age may enter in the composition of the Board (Resolution No. 18).

In accordance with Article R.225-85 of the Code resulting from Decree no. 2014-1466 of December 8, 2014 and on the Board of Directors' initiative, the Extraordinary General Meeting of June 23, 2016 decided to harmonize Article 20 of the Company's Articles of Association with the French record date regime.

In accordance with Article L.823-1 of the French Commercial Code resulting from Law no. 2016-1691 of December 9, 2016, and on the Board of Directors' initiative, the Extraordinary General Meeting of June 23, 2017 amended Article 26 of the Company's Articles of Association in order to harmonize it with the new rules for the appointment of Statutory Auditors and, in particular, the removal of the obligation to appoint one or more alternate Statutory Auditors when the Statutory Auditor is not a natural person or a sole proprietorship.

Lastly, in accordance with the law no. 2019-744 of July 19, 2019 (so-called "Soiilhi" law), the General Meeting of June 15, 2022 amended article 22 of the Company's Articles of Association to bring them into compliance and harmonize them with the new rules for recording abstentions at General Meetings.

## 3.3 Compensation and benefits

In accordance with the provisions of Articles L.22-10-8 and L.22-10-9 of the French Commercial Code, we report on, notably in the form of tables as presented below, the total amount of compensation and benefits of all kinds paid to each

of the Company's corporate officers during 2022 or allocated in respect of the same year, as well as the corporate officer compensation policy for 2023.

### 3.3.1 Principles for setting compensation

It is the responsibility of the Board of Directors to set the amount of compensation for executive corporate officers. To do this, the Board of Directors relies on the opinions and recommendations of the Nomination and Remuneration Committee.

In addition, the Company expressly refers in substance to the AFEP-MEDEF Corporate Governance Code supplemented and clarified by the recommendations on the compensation of executive and non-executive corporate officers of listed companies, revised in December 2022. The Company must publish the components of the compensation of executives and corporate officers in accordance with the law and the AFEP-MEDEF recommendations.

Thus, to set the level of compensation for executive corporate officers, the Committee and the Board take into account and rigorously apply the following principles:

- **Comprehensiveness:** all the components of compensation must be considered;
- **Balance between compensation components:** each element of compensation must be clearly justified and correspond to the Company's corporate interest;
- **Comparability:** this compensation must be assessed in the context of a business line and the reference market. If the

market is a benchmark, it cannot be the only one because the compensation of an executive corporate officer depends on the responsibility assumed, the results obtained and the work performed. It may also depend on the nature of the assignments entrusted to it or specific situations (for example, the recovery of a company in difficulty);

- **Consistency:** the compensation of the executive corporate officer must be determined in accordance with that of the other executives and employees of the Company;
- **Intelligibility of rules:** rules must be simple, stable and transparent. The performance criteria used must correspond to the Company's objectives, be demanding, explicit and, to the extent possible, sustainable;
- **Measurement:** the calculation of the components of the compensation must respond to a fair balance between the corporate interests of the Company, market practices, the performance of the managers, and the other stakeholders of the Company.

These principles apply to all elements of compensation, including long-term and exceptional compensation.

### 3.3.2 Information relating to compensation for 2022

#### 3.3.2.1 Information mentioned in Article L.22-10-9 I of the French Commercial Code relating to compensation for 2022 paid to executive and non-executive corporate officers in respect of their term

In accordance with the provisions of Article L.22-10-9 I of the Code of Commerce, we present the following information:

**1° Total compensation and benefits of any kind, distinguishing between fixed, variable and exceptional items, including in the form of equity securities, debt securities or securities giving access to the share capital or giving the right to subscribe to the allocation of debt securities of the Company or companies referred to in Articles L.228-13 and L.228-93, paid in respect of the term of office during the previous fiscal year, or allocated for a term office held during the same fiscal year, indicating the main conditions for exercising the rights, in particular the price and date of exercise and any modification of these conditions**

##### *Compensation of Thierry GADOU in his capacity as Chairman and CEO*

On the basis of the recommendations of the ESG, Nomination and Remuneration Committee, the **fixed compensation** of the Chairman and CEO was set by the Board of Directors at **€360,000** supplemented by a **maximum variable remuneration of €260,000** split into two tranches:

- quantitative variable portion target of €150,000 capped, if the objectives are exceeded, at a maximum of €195,000 (130% of the target);

- qualitative variable portion target of €50,000 capped at a maximum of €65,000 (130% of the target)

The ESG, Nomination and Remuneration Committee met on March 15 and 23, 2023 to assess the achievement of the targets for 2022 :

##### *Variable portion on quantitative targets*

The quantitative objectives set for the Chairman and Chief Executive Officer for the 2022 fiscal year are as follows:

- Revenue, EBITDA and net profit (loss) for the period in line with budget forecasts,
- A rising share price of at least €80;
- An improved net debt ratio and a compliant banking covenant ratio (i.e., 3.5, see Note 11 to the consolidated financial statements)

For each objective,

- if the degree of achievement is less than 80%, no bonus is paid in respect of this objective,
- if the degree of achievement is 100%, the calculation will therefore correspond to 100% of the variable for this criterion,
- a linear formula is applied for calculating any performance between 80% and 100%.

If the performance is higher than 100%, it is limited to 130% of the target and a linear formula is applied between 100% and 130%. If the performance is higher than 130%, the rate of 130% is used.

The degree of achievement of the quantitative objectives and their respective weighting in the total variable portion having been recorded and calculated:

Indicator*	Degree of completion	Bonus at 100%	Bonus calculated (cap at 130%)
EBITDA	114.9 %	37,500	43,088
Net income	116 %	37,500	48,750
Share price (year-end)	153 %	15,000	19,500
Revenue	107 %	30,000	32,116
Net debt/EBITDA ratio	162 %	30,000	39,000
<b>Total quantitative variable bonus</b>			<b>182,454</b>

\* the definition of the EBITDA and net debt indicators is explained in section 5.1.4 "Main KPIs" - In addition, these indicators are those corresponding to the Group's consolidated financial statements.

Based on the recommendations of the ESG, Nomination and Remuneration Committee, the Board of Directors decided that the amount of the quantitative portion of variable remuneration be **€182,454**.

### **Variable part on qualitative targets**

The qualitative portion of the compensation is determined within the framework of a budget of €50,000, which may reach a maximum of €65,000 in the event of outperformance (limited to 130%).

The evaluation criteria for this qualitative portion consists of:

a) the following ESG indicators:

- progress in customer satisfaction (the NPS increased from 38 to 55),
- the Ecovadis rating (changed from “Gold” to “Platinum”),
- the ratio of women managers (increased from 24% to 27%),
- employee satisfaction (the E NPS increased from 5 to 32),
- the ratio of signature of the supplier code of conduct, signed by 96% of suppliers,

For more details on the 2022 ESG achievements, please refer to section 4 of this report.

b) an indicator of continued strategic transformation of the company as achieved by the two acquisitions prepared in 2022.

The ESG, Nomination and Remuneration Committee members expressed their appreciation of the outstanding performance regarding the qualitative targets. Therefore, given the progress, the Board decided that the amount of the qualitative portion of variable remuneration be **€65,000**.

### **Non-concurrent employment contract and corporate office**

Concerning the termination of the employment contract in the event of a corporate office, the AFEP-MEDEF Code recommends, when an executive becomes a corporate officer of the Company, ending the employment contract between them and the Company or a company of the Group, either via a mutually agreed termination or by resignation.

The Company complies with this recommendation insofar as Mr. Thierry GADOU, in his capacity as Chairman and CEO, does not have an employment contract. Indeed, Mr. Thierry GADOU was recruited as a corporate officer and CEO, before being co-opted as a director and then nominated as Chairman of the Company by the Board of Directors.

### **Stock-Options granted to the CEO**

None

### **Bonus shares allocated to the Chairman and CEO**

As the performance conditions associated with the allocation of bonus shares were met (see breakdown in section 7.7 of this report), 4,000 bonus shares were allocated to the Chairman and CEO as part of the 2022 Plan (Tranche 3) set up by the Extraordinary General Meeting of June 29, 2022 under the same conditions as the other beneficiaries of the plan:

- a vesting period of two years between grant and vesting (so that the vesting of such Performance Shares will occur in 2023);
- a condition of presence: obligation to retain the position of Chairman and CEO during the vesting period, except in the event of death, disability or retirement;

For more information on the performance criteria, please refer to section 7.7 of this report.

In addition, these allocations carry an obligation to retain, until the end of his term of office, 30% of the shares allocated to him.

### **Compensation of non-executive corporate officers**

In accordance with the decision of the General Meeting of June 15, 2022 (12th Resolution), it was decided to allocate the annual fixed sum of fifty thousand euros (€50,000) to the directors for the fiscal year ended December 31, 2021.

Only independent directors are likely to receive a sum to compensate their work.

In accordance with Articles L.225-45 and L.22-10-14 of the French Commercial Code, the Board of Directors of March 29, 2023 distributed this annual fixed sum among the independent directors.

An equal portion of this amount was allocated to independent directors subject to compliance with a condition of attendance at Board meetings.

The independent directors, Mrs. Candace JOHNSON and, Mr. Franck MOISON, received gross compensation of €20,000 for their annual compensation. These amounts are paid quarterly.

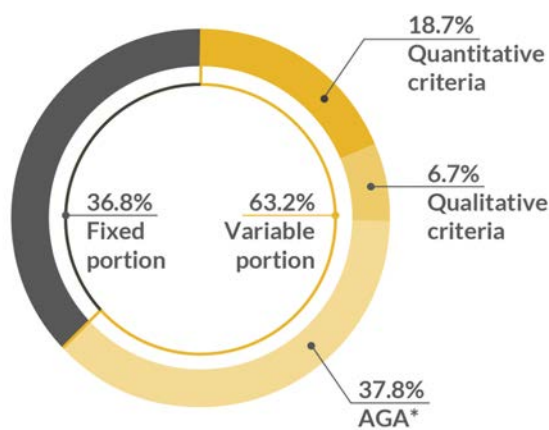
Ms. Hélène PLOIX waived her compensation for her work during 2022.

## 2° The relative proportion of fixed and variable compensation

### Compensation paid to Mr. Thierry GADOU in his capacity as Chairman and CEO

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decided to grant a total variable portion of €247,454 i.e., 123.7% of the target variable and 95.2% of the maximum variable excluding free share (performance shares).

Taking into account the valuation of performance shares, the compensation structure can be summarized as follows:



\* Valued at an average price of 92.5

### Compensation of non-executive corporate officers

In compensation for her work, Mrs Candace JOHNSON and Mr Franck MOISON received an annual gross amount of €20,000 each, broken down into a fixed portion representing €6,000 and a variable portion representing €14,000.

## 3° The use of the possibility to request the return of variable compensation paid to both executive and non-executive corporate officers

None

## 4° Commitments of any kind made by the Company and corresponding to elements of compensation, payments or benefits due or likely to be due on account of the termination or change of duties or subsequent to the fulfillment of these commitments, in particular pension obligations and other lifetime benefits, mentioning, under the terms and conditions set by decree, the precise methods used to determine these commitments and the estimated amount of the sums likely to be paid to the employer in this respect

### Commitments made by the Company for the benefit of Mr. Thierry GADOU in his capacity as Chairman and CEO

#### Severance payment in the event of termination of his duties

As CEO Mr. Thierry GADOU may be awarded a severance payment for the termination of his corporate office. No amount was paid in this respect during 2022, see chapter 3.4.

#### Non-compete compensation

Mr. Thierry GADOU is likely to be awarded non-compete compensation associated with the termination of his corporate office. No amount was paid in this respect during 2022, see chapter 3.4.

#### Subscription to the GSC corporate officer unemployment insurance

A policy under the Garantie Sociale des Chefs et Dirigeants d'Entreprises (GSC) was taken out in 2012 for the benefit of the Chairman and CEO. The annual contribution for the year 2022 amounts to €20,000.

#### Benefits in kind scheme

As part of his duties, Mr. Thierry GADOU is provided with a company car.

#### Pension plan

None

#### Amounts set aside by the Company for the purpose of paying pensions, retirement or other benefits to directors and other non-executive corporate officers

No provision was made by the Company for the benefit of the directors and other corporate officers.

## 5° Any compensation paid or awarded by a company included in the scope of consolidation within the meaning of Article L.233-16

None

**6° The ratios between the level of compensation of each of these executives and, on the one hand, the average compensation on a full-time equivalent basis of the Company's employees other than corporate officers, and on the other hand, the median compensation on a full-time equivalent basis for employees of the Company other than corporate officers**

This presentation mentions the level of compensation of the Chairman and CEO of the Company, based on the average compensation of employees (excluding corporate officers) and, on the other hand, the median employee compensation (excluding corporate officers) of the Company, as well as changes in these two ratios over the last five fiscal years. For the calculation of the ratios presented below, the Company has referred to the AFEP-MEDEF guidelines of January 2022.

More specifically, the ratios were calculated as follows:

- a) In the numerator, the theoretical annual compensation [Fixed + Variable], if 100% of the objectives of the Executive corporate officer are achieved.
- b) In the denominator, (for the purposes of representativeness, the scope used is that of the French entity): Annual fixed compensation + Theoretical annual variable compensation, if 100% of the objectives are met, on a full-time equivalent basis for employees on fixed-term contracts and permanent contracts of SES-imagotag SA, present at December 31 of year N.

**Difference between the CEO's salary/Average compensation of employees on permanent and fixed-term contracts in France & Change in the ratio over the past five years**

	Average ratio	YOY %
2022	10.0	-1.0%
2021	10.1	+0.4%
2020	10.0	-1.0%
2019	10.1	6.7%
2018	9.5	-0.9%

**Difference between the CEO's salary/Median compensation of employees on permanent and fixed-term contracts in France & Change in the ratio over the past five years**

	Median ratio	YOY %
2022	12.6	0.6%
2021	12.6	-3.4%
2020	13.0	2.5%
2019	12.7	5.7%
2018	12.0	-2.5%

**7° The annual change in compensation, the Company's performance, the average compensation on a full-time equivalent basis of the Company's employees, other than executives, and the ratios mentioned in 6°, over the last five fiscal years, presented together and in a way that allows comparisons to be made**

Methodology: In order to ensure the comparability of data, the headcount used for the calculation of the average and median compensation is the full-time equivalent number of employees on fixed-term and permanent contracts of SES-imagotag SA, present from one year to the next.

The components of employee compensation taken into account in the calculation are Annual fixed compensation + Theoretical annual variable compensation, if 100% of the objectives are met.

	2022	2021	2020	2019	2018
<b>Thierry GADOU</b>					
Fixed compensation	360,000	340,000	320,000	320,000	320,000
Variable compensation (100% basis)	200,000	200,000	200,000	200,000	160,000
Fixed and variable remuneration due for the year (in euros)	560,000	540,000	520,000	520,000	480,000
Change	3.7%	3.8%	0.0%	8.3%	0.0%
Changes in average wages France employees <sup>(1)</sup>	8.6%	4.7%	2.7%	4.7%	3.8%
Changes in median wage France employees	7.8%	3.7%	0.0%	5.2%	4.9%
Turnover (in M€)	620.9	422.9	290.3	247.6	187.9
Change	46.8%	46.0%	17.2%	31.8%	22.8%
EBITda (in M€)	58.6	32.3	16.0	4.0	6.5
Change	81.4%	101.9%	+300%	-38.5%	6.6%
Average stock price (in euros)	92.50	49.96	26.00	28.42	27.04
Change	85.2%	92.1%	-8.5%	5.1%	-9.1%

(1) Calculation method: Change in the average salary (fixed + variable at 100%) of the workforce present on January 1 of the year compared to the previous year

### 8° An explanation showing how the total compensation complies with the compensation policy adopted, including how it contributes to the long-term performance of the Company, and specifying how the performance criteria are applied

The Company's overall compensation philosophy is focused on performance, entrepreneurship and individual responsibility.

The focus is on:

- the Group's efforts to achieve its strategic transformation while managing its roadmap for positive retail;
- changes in the share price will also be taken into account, against the backdrop of the general stock market environment.

### 9° The manner in which the vote of the last General Meeting provided for in Article L.22-10-34 has been taken into account

During the past fiscal year, the resolutions submitted to the Ordinary General Meeting of June 15, 2022 relating to:

- on the one hand, the approval of the information mentioned in Article L.22-10-9 I of the French Commercial Code on the compensation paid to corporate officers for 2021 (Resolution 9 of the OGM of June 15, 2022);

- on the other hand, the approval of the compensation and benefits of any kind paid during 2021 or granted in respect of the same fiscal year to Mr. Thierry GADOU, in his capacity as Chairman and CEO (Resolution 10 of the OGM of June 15, 2022),

were adopted at 83.31% and 82.67%, respectively; which represents a very large majority.

Under these conditions, the resolutions relating to the compensation of corporate officers and the Chairman and CEO that will be submitted to the next Ordinary General Meeting of June 23, 2023 take into account the very high percentages obtained.

### 10° Any deviation from the procedure for implementing the compensation policy and any exemption applied in accordance with the second paragraph of III of Article L.22-10-8, including an explanation of the nature of the exceptional circumstances and the indication of the specific items that are waived

No exemption applied in accordance with the second paragraph of III of Article L.22-10-8 of the French Commercial Code.

## Resolution submitted for the approval of the Ordinary General Meeting of Shareholders (Article L.225-34 I of the Code of Commerce)

In accordance with Article L.22-10-34 I of the French Commercial Code, the information mentioned in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers for 2022, in respect of their terms of office presented above, will be submitted for approval to the General Meeting of Shareholders of June 23, 2023.

Accordingly, the following resolution will be submitted for approval to the Ordinary General Meeting.

### Ninth resolution

*Approval of the information covered in Article L.22-10-9 I of the French Commercial Code*

### *relating to the compensation of corporate officers for the 2022 fiscal year, pursuant to Article L.22-10-34 I of the French Commercial Code*

The General Meeting, deliberating under the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-34 I of the French Commercial Code, the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the compensation for 2022 of the corporate officers in accordance with their term of office, as they appear in the report on corporate governance (chapter 3.3.2).

## 3.3.2.2 Summary table of remuneration for the year 2022

Eleven tables are proposed by the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) in its recommendation on the information to be provided in the registration documents concerning compensation paid to corporate officers. The recommendation expressly states that "issuers use the tables laid out hereinafter or other table templates, provided that the information given remains the same".

Information relating to the allocation of free performance shares and their availability is included in the chapter 7.8 "Special report on bonus shares allocated".

Consequently, the Company has adopted the following presentation, which provides an exhaustive description of the compensation paid to the corresponding executive corporate officers and corporate officers:

- the information contained in Table 1 of the AMF nomenclature relating to the summary of compensation and options granted to each executive corporate officer ;

- a table giving information equivalent to the information contained in Table 2 of the AMF nomenclature: "Table summarizing the compensation of each executive corporate officer";
- the information contained in Table 3 of the AMF nomenclature relating to the compensation received by non-executive corporate officers;
- the information contained in Table 10 of the AMF nomenclature relating to the history of bonus share allocations to corporate officers;
- and the information contained in Table 11 of the AMF nomenclature relating to the position of the executive corporate officer with regard to the AFEP-MEDEF Code.

## Summary table of compensation and options granted to each executive corporate officer (Table 1 of the AMF Nomenclature)

<i>(amounts paid in euros)</i>	Year ended December 31, 2022	Year ended December 31, 2021
<b>Mr. Thierry Gadou, Chairman and CEO</b>		
Compensation due for the year (detailed in Table 2)	€607,454	€621,985
Valuation of multi-year variable compensation awarded during the year	None	None
Valuation of options granted during the year	None	None
Valuation of bonus shares granted	€168,900*	€38,583*
<b>Total</b>	<b>€977,454</b>	<b>€660,568</b>

Based on the valuation in the Group's consolidated financial statements for the year ending December 31, 2022.



Table of compensation received by non-executive corporate officers  
(Table 3 of the AMF Nomenclature)

Amounts awarded and paid during fiscal years 2022 and 2021

	2022	2021
	amounts awarded and paid during the year	amounts awarded and paid during the year
<b>Candace JOHNSON</b>		
Attendance fees	€20,000	€20,000
<b>Hélène PLOIX</b>		
Attendance fees	€0	€0
<b>Franck MOISON</b>		
Attendance fees	€20,000	€10,000
International Advisory Board fees	€25,000	€25,000

Position of Mr Thierry GADOU as Chairman and CEO during the 2022 fiscal year with regard to the AFEP-MEDEF Code (Table 11 of the AMF nomenclature)

Executive director	Employment contract		Supplemental retirement Plan		Allowances or benefits due or likely to be due in case of termination or change of function		Allowances relating to a non-compete clause		Other (insurance, etc.)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	<b>THIERRY GADOU CEO</b>		X		X	X		X		X

(1) A non-compete clause is tied to the term of office as CEO of Mr. Thierry GADOU. See section 3.4 below on "Agreements providing for compensation for members of the Board of Directors, if they resign or are dismissed without real and serious cause or if their employment is terminated in the event of a public offering (severance payment, golden parachutes)."

(2) A non-compete clause is tied to the term of office as CEO of Mr. Thierry GADOU. See section 3.4 below on "Agreements providing for compensation for members of the Board of Directors, if they resign or are dismissed without real and serious cause or if their employment is terminated in the event of a public offering (severance payment, golden parachutes)."

(3) A non-compete clause is tied to the term of office as CEO of Mr. Thierry GADOU. See section 3.4 below on "Agreements providing for compensation for members of the Board of Directors, if they resign or are dismissed without real and serious cause or if their employment is terminated in the event of a public offering (severance payment, golden parachutes)."

**Table 10 - History of bonus shares allocations to corporate officers**

Plans	Plan 2022	Plan 2021	Plan 2016	Plan 2015
Date of the General Shareholders' Meeting	6/29/2021	6/29/2020	11/30/2016	12/16/2015
Board meeting date	6/15/2022	6/16/2021	11/30/2016	12/16/2015
Thierry GADOU	4,000	4,000	80,000	139,069
Date of acquisition of shares			Vesting on the date of achievement of the alternative conditions (in advance) on December 21, 2017	2016 tranche: vesting of 50% of the shares on February 21, 2017
End of retention period			12/21/2018	2017 tranche: vesting (in advance) of 50% of the shares on March 2, 2018 3/2/2018
Number of shares definitively allocated at December 31, 2022		—	80,000	139,069
Cumulative number of shares canceled or lapsed at December 31, 2022	0	0	0	0
Remaining bonus shares at December 31, 2022	4,000	4 000	0	0

Performance criteria are detailed in section 7.7 of this URD.

**Table summarizing the compensation of the executive corporate officer paid during the fiscal year ended on December 31, 2022 or in respect of the same fiscal year, subject to the approval of the shareholders at the General Meeting of June 23, 2023 in accordance with the provisions of the Article L.22-10-34 II of the French Commercial Code (Tableau 2 of the AMF nomenclature)**

Name and position of the executive corporate officer	2022		2021	
	Amount allocated for the fiscal year	Amount paid as compensation for the previous fiscal year	Amount allocated for the fiscal year	Amount paid as compensation for the previous fiscal year
Thierry GADOU				
<b>Fixed compensation</b>	360,000	340,000	340,000	340,000
<b>Annual variable compensation</b>	247,454	196,985	196,985	150,000
<b>Exceptional compensation</b>	0	85,000	85,000 subject to the approval by the General Meeting of June 15, 2022 (Resolution 8)	0
<b>Compensation allocated for their directorship</b>	0	0	0	0
<b>Benefits in kind</b>		19,776		24,300
<b>TOTAL</b>	<b>607,454</b>	<b>641,761</b>	<b>641,761</b>	<b>514,300</b>

### Resolution submitted for the approval of the Ordinary General Meeting of Shareholders (Article L.22-10-34 II of the French Commercial Code)

Pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during 2022 or granted for the same year to Mr. Thierry GADOU in respect of his office as Chairman and CEO of the Company will be the subject of a resolution submitted to the approval of the General Meeting of shareholders of June 23, 2023.

Accordingly, the following resolution will be submitted for approval to the Ordinary General Meeting:

### Tenth resolution

*Approval of the fixed, variable and exceptional elements of the total compensation and benefits of all kind paid during the 2022 fiscal year or allocated for the same year to Mr. Thierry GADOU, Chairman and Chief Executive Officer, in application of Article L.22-10-34 II of the French Commercial Code*

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in application of Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted during the 2022 fiscal year or in respect of the same fiscal year to Mr. Thierry GADOU, by virtue of his office as Chairman and Chief Executive Officer of the Company, as they appear in the report on corporate governance (chapter 3.3.2).

## 3.3.3 Compensation policy for fiscal year 2023

This chapter presents the compensation policy applicable to corporate officers. It is divided in order to separately set out the compensation policies applicable to the directors and the Chairman and CEO, respectively. The Board of Directors wished to submit two separate resolutions to the General Meeting of June 23, 2023 (12th and 13th resolutions).

### 3.3.3.1 Determining, reviewing and implementing of the compensation policy for corporate officers

In accordance with Article L.22-10-8 I of the French Commercial Code, this report describes the compensation policy for corporate officers established by the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, and submitted to the General Meeting for voting.

The compensation policy incorporates incentives that reflect the Group's strategy, which is focused on long-term profitable growth by acting responsibly, while respecting the corporate interest and the interests of all the stakeholders.

In particular, compensation must aim to promote the Company's performance and competitiveness, ensure its growth and achieve the strategic plan.

The compensation policy thus contributes to the Company's strategy and sustainability while respecting the corporate interest. The compensation policy is reviewed each year.

During this review, the Nomination and Remuneration Committee may use studies of comparable companies in accordance with the Charter which authorizes it to do so.

### 3.3.3.2 Director compensation policy

It is proposed to the General Meeting of June 23, 2023 (11th resolution) to set the total annual maximum amount of compensation allocated to the directors, as compensation for their work performed during the current fiscal year, at €200,000.

Accordingly, the following resolution will be submitted for approval to the Ordinary General Meeting:

### Eleventh resolution

*Setting of the overall annual compensation package for directors*

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors, resolves to set the maximum amount of the annual fixed sum, provided for in Article L.225-45 of the French Commercial Code, to be allocated to the directors in compensation for their activities for the 2023 fiscal year in the amount of 200,000 euros, the distribution of which will be determined by the Board of Directors under the conditions provided for in Article L.22-10-8 I of the French Commercial Code.

In accordance with the provisions of Article L.22-10-14 of the French Commercial Code, this is the total amount and it will be the responsibility of the Board of Directors to decide on its allocation.

At its meeting of March 29, 2023, the Board of Directors drew up this 2023 compensation policy for directors in strict continuity with its previous decisions.

Indeed, this annual amount will be divided into a fixed portion and a variable portion depending on the actual presence of the director at Board and various committee meetings.

In accordance with the recommendations of the AFEP-MEDEF Code, this structure is established so that the variable portion accounts for the majority of the compensation paid to directors.

As a kind reminder, the corporate officers remuneration policy defines remuneration for independent board members only, to compensate their work.

There is also no provision for requesting the return of the variable portion of directors' compensation.

If a director is nominated or their term of office renewed, the compensation policy applicable to current directors will apply.

#### Resolution submitted for approval to the Ordinary General Meeting of Shareholders (Article L.22-10-8 II of the French Commercial Code)

In accordance with Article L.22-10-8 II of the French Commercial Code, this compensation policy for 2023 described above is subject to the approval of the General Meeting of Shareholders of June 23, 2023.

#### Twelfth resolution

##### *Approval of the compensation policy for directors for the 2023 fiscal year, in accordance with Article L.22-10-8 II of the French Commercial Code*

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-8 II of the French Commercial Code, the compensation policy, as presented in the report on corporate governance (chapter 3.3).

### 3.3.3.3 Compensation policy for the Chairman and CEO

In accordance with the Company's corporate interest, the Chairman and CEO's overall compensation is structured in such a way as to favor a significant variable portion associated with annual targets:

- the purpose of the fixed portion is to recognize the importance and complexity of the responsibilities as well as the experience and career path of the executive officer and executive corporate officer;
- the variable portion is subject to the achievement of specific and measurable objectives, directly related to the budgetary objectives and the strategic plan of the SES-imagotag Group, as regularly communicated to the shareholders, including ESG criteria, directly participating in the Company's social and environmental strategy.

The Company refers to the AFEP-MEDEF recommendations on compensation policy: the quantitative and qualitative criteria for the variable portion of the Chairman and CEO's compensation are therefore precise and quantified in advance, depending on the Company's strategy.

The quantifiable and qualitative components of the variable portion of the compensation paid to the Chairman and CEO and the Company's executives correspond to their responsibilities.

In the event of over-performance, the amount allocated to the variable portion of compensation is capped, and the fixed portion is known so that the Company is only committed to a specific portion of the overall compensation, in the event that the performance of the Company, in the short or medium term, proves insufficient.

In the event of exceptional circumstances, the Board of Directors may depart from the remuneration policy in accordance with Article L.22-10-8 III of the French Commercial Code. The Board of Directors reserves the right to exercise its discretion to adjust, upwards or downwards, one or more of the parameters attached to the performance criteria of the CEO's annual variable compensation. The Board of Directors may also adjust the thresholds, objectives and targets in the event of changes in accounting standards. This allows the Board of Directors, where appropriate, to ensure that the remuneration policy is consistent with the performance of the CEO and the Company's objectives.

These adjustments will be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

Any adjustments must be brought to the attention of the shareholders and duly justified, particularly regarding their alignment with the shareholders' interests. They will remain subject to the binding ex post vote of the shareholders at the next annual General Meeting of shareholders.

#### Fixed compensation for 2023

On March 29, 2023, the Board of Directors, on the recommendations of the ESG, Nomination and Remuneration Committee, decided to maintain the fixed portion of the compensation of the Chairman and CEO at the sum of: €360,000 for the 2023 fiscal year.

#### Variable compensation for 2023

Similarly, the Board of Directors of March 29, 2023 on the recommendations of the ESG, Nomination and Remuneration Committee, decided, for 2023, to maintain a target base variable compensation at **€200,000** in the event the objectives are reached as in 2022, while maintaining the possibility of compensation for over-performance with a maximum limit of **€260,000** (130% of the target).

This annual variable compensation is divided into two distinct parts.

The quantitative criteria for setting this compensation accounts for 75% and the qualitative criteria accounts for 25%:

- 1) a quantitative variable portion of €150,000 is provided in the event the budgetary objectives are achieved and capped, in the event these objectives are exceeded, at €195,000 (130% of the target).

The objectives are made up of an expected level of EBITDA, revenue (and within this revenue, the ratio of services invoiced) as well as net debt, and finally, the share price. The level of achievement of these quantitative criteria and their respective weighting has been precisely established but is not made public for reasons of confidentiality. Each objective is graded from 0% to 130%:

- 1) 0% corresponds to the minimum threshold required for this criterion - determined by the Board of Directors - below which the criterion is considered not met.
  - 100% being the expected performance in the budget for the year in question, approved by the Board of Directors, for the criteria of revenue, net income and debt/EBITDA ratio;
  - If the performance is higher than 100%, it is limited to 130% of the target and a linear formula is applied between 100% and 130%. If the performance is higher than 130%, the rate of 130% is used. (i.e., a maximum of €195,000).
- 2) a qualitative variable portion of €50,000 and capped, in the event of over-performance, at €65,000 (130% of the target). The qualitative criteria will be based on criteria revealing:
  - the Company's strategic transformation (number of contracts signed in the United States, integration of acquisitions, customer satisfaction NPS score);
  - progress in the Company's ESG strategy (external Ecovadis and CDP ratings, reduction in carbon intensity, ENPS employee satisfaction score and ratio of women managers). For more details on the Group's ESG ambitions, please refer to section 4 of this report.

The target qualitative variable portion may be increased if the scale and difficulty of the projects to be carried out during the year justify it, up to a limit of 130% of the target (i.e. a maximum of €65,000).

### Exceptional compensation

In the event of specific circumstances justifying it, the Board of Directors may decide to grant exceptional compensation to the Chairman and Chief Executive Officer. The specific circumstances in which this exceptional compensation may be granted by the Board of Directors are understood as an exceptional increase in organic growth and profitability, and/or as the completion of a transformative operation for the organization.

The payment of this compensation must be justified and the achievements in question explained. This compensation may take the form of a cash payment and/or the allocation of performance shares (free shares).

In the event of a cash payment, this would be capped at 130% of the fixed compensation of the Chairman and CEO and could only be made, pursuant to Article L.22-10-34 II of the French Commercial Code, after approval by the Ordinary General Meeting called to approve the financial statements for the fiscal year during which the decision to allocate the exceptional compensation was made.

### Compensation in shares of the Company - Tranche 4 of the 2020-23 Plan

The Board of Directors, on the recommendations of the Nomination and Remuneration Committee, decided to allow the Chairman and CEO to benefit from Tranche 4 of the performance shares plan authorized by the General Meeting of June 29, 2020 (24th resolution) by authorizing the allocation of 8,000 performance shares to the Chairman and CEO, Shares under the same conditions as the other beneficiaries of the plan:

- a vesting period of two years between grant and vesting;
- performance conditions under the same conditions; a condition of presence: obligation to retain the position of Chairman and CEO during the vesting period, except in the event of death, disability or retirement;

Moreover, the CEO is bound by an obligation to retain, until the end of his term of office for any reason whatsoever, 30% of the shares allocated to him.

For more information on the performance criteria, please refer to section 7.7 of this report.

### Commitments made to the Chairman and CEO

All the commitments listed below and made to the benefit of Mr. Thierry GADOU, in his capacity as Chairman and CEO, have been authorized by the Board of Directors and submitted for the approval of the Annual Ordinary General Meeting of Shareholders, namely:

- severance payment in the event of termination of his duties as CEO: Mr. Thierry GADOU may be awarded a severance payment attached to the termination of his corporate office (see also paragraph 3.4 of this universal registration document);
- non-compete compensation: Mr. Thierry GADOU is likely to be awarded a non-compete compensation for the termination of his corporate office (see also paragraph 3.4 of this universal registration document);
- subscription to GSC corporate officer unemployment insurance;
- benefits in kind: as part of his duties, Mr. Thierry GADOU is provided with a company car.

#### Pension plan

None

**The Chairman and CEO does not receive any compensation for his office as director.**

#### Non-concurrent employment contract and corporate office

The Company complies with this recommendation as Mr. Thierry GADOU, in his capacity as Chairman and CEO, does not have an employment contract. Indeed, Mr. Thierry GADOU was recruited as a corporate officer and CEO, before being co-opted as a director and then nominated as Chairman of the Company by the Board of Directors.

*The use of the possibility to request the return of variable compensation paid to both executive and non-executive corporate officers*

None

## Summary table of the 2023 compensation components for the Chairman and CEO

Components of 2023 compensation in €	Amount submitted to a vote		Explanation
	Target amount	Maximum	
<b>Fixed compensation</b>	360,000 €		
<b>Annual variable compensation</b>	200,000 €	260,000 €	The policy provides for a target annual variable compensation of €200,000. The variable portion is divided into two separate tranches, one quantitative (75%) and the other qualitative (25%). In the event of over-performance, the variable compensation may reach a maximum of €260,000.
<b>Deferred variable compensation</b>	NA		No deferred variable compensation is provided for
<b>Multi year variable compensation</b>	NA		No multi-year variable compensation is provided for
<b>Exceptional compensation</b>	130% of the fixed compensation		On the proposal of the Nomination and Remuneration Committee, the Board of Directors' meeting of March 29, 2023 decided to provide for the possibility of granting exceptional compensation to the Chairman and CEO in the event of specific circumstances justifying it. The specific circumstances in which this exceptional compensation may be granted by the Board of Directors are understood as an exceptional increase in organic growth and profitability, and/or as the completion of a transformative operation for the organization. The payment of this compensation must be justified and the achievements in question explained. This compensation may take the form of a cash payment or the allocation of shares or stock options. In the event of a cash payment, this would be capped at 130% of the fixed compensation of the Chairman and CEO.
<b>Performance shares</b>	8,000		Allocation to the Chairman and CEO under Tranche 4 of the Performance Shares Plan set up pursuant to the authorization granted by the Extraordinary General Meeting of June 29, 2020 (24th resolution).
<b>Director compensation (replacing the term "Directors' fees")</b>	NA		Executive corporate officers do not receive any compensation for their work as directors.
<b>Benefits of any kind (value)</b>	no change		company car and GSC unemployment insurance
<b>Severance payment in the event they cease to hold their position as CEO following a change in control</b>	The severance payment scheme is described in section 3.4 "Agreements providing for compensation for members of the Board of Directors" of the annual report. In accordance with the procedure for regulated agreements, the shareholders approved this severance payment on March 1, 2012 (prior authorization of the Board of Directors on January 13, 2012) for a period of five years. The renewal of this provision was authorized by the Board of Directors on March 10, 2017 and approved by the General Meeting of June 22, 2018.		
<b>Non compete compensation</b>	The description of the non-compete compensation is provided in paragraph 3.4 "Agreements providing for compensation for members of the Board of Directors" of the universal registration document. In accordance with the procedure for regulated agreements, the shareholders approved this severance payment on March 1, 2012 (prior authorization by the Board of Directors on January 13, 2012)		
<b>Supplementary pension plan</b>	No supplementary pension system has been taken out		

## Resolution submitted to the approval of the Ordinary General Meeting of Shareholders (Article L.22-10-8 II of the French Commercial Code)

Pursuant to Article L.22-10-8 II of the French Commercial Code, this compensation policy for 2022 described above is subject to the approval of the General Meeting of Shareholders of June 15, 2022.

Accordingly, the following resolution will be submitted for approval to the Ordinary General Meeting:

### Thirteenth resolution

#### *Approval of the compensation policy for the Chairman and Chief Executive Officer for the 2023 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code*

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance referred to in

Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-8 II of the French Commercial Code, the compensation policy for the Chairman and Chief Executive Officer, as presented in the report on corporate governance (chapter 3.3.4).

We remind you that any fixed or variable component of compensation that will be allocated during the 2023 fiscal year or in respect of the 2022 fiscal year is subject to approval by the OGM of the shareholders.

## 3.4 Information likely to have an impact in the event of a public offering

In accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we present the items likely to have a significant impact in the event of a public offering:

### Structure of the share capital

The share capital of SES-imagotag at December 31, 2022, amounting to €31,701,616, is divided into 15,850,808 fully paid-up shares, each of the same class and with a nominal value of €2 each.

### The statutory restrictions imposed on exercising voting rights and transferring shares, or clauses of agreements brought to the attention of the Company pursuant to Article L.233-11 of the French Commercial Code

No clause in the Company's Articles of Association limits the free transfer of shares issued by the Company.

No agreement in force has been brought to the attention of the Company pursuant to Article L.233-11 of the French Commercial Code.

In addition, Article 9.4 of the Company's Articles of Association provides that any natural or legal person, acting alone or in concert, that comes to own or ceases to own, directly or indirectly through one or more companies in which it has a majority shareholding, an interest greater than or equal to 1% of the share capital and/or voting rights or a multiple of this percentage, is required to inform the Company

of the total number of shares and voting rights and of securities granting access to the share capital or voting rights that it holds, within five trading days of crossing said threshold(s), by registered letter with acknowledgment of receipt sent to its registered office.

If they have not been declared in accordance with the conditions set out above, the shares or voting rights exceeding the fraction that should have been declared shall be deprived of voting rights at shareholders' meetings, if the failure to declare has been recorded and if one or more shareholders holding at least 1% of the share capital so request, recorded in the minutes of the General Meeting. The above provisions apply without prejudice to the declarations of crossing of the thresholds provided for by the legal or regulatory provisions in force.

### Direct or indirect equity interest in the Company's share capital of which the Company is aware pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code (significant or the Company's own equity interest)

Apart from those mentioned in the table breaking down the share capital in the section "Shareholdings and information on the share capital" of the management report, the Company is not aware, pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code, of other shareholders with more than 1% of its share capital or voting rights.

### **The list of holders of any security with special ownership rights and their description (particularly the result of preference shares)**

The shares issued by the Company give the right to vote and to be represented at General Meetings of shareholders under the conditions set by law. Article 9.3 of the Company's Articles of Association states that under the terms of the 18th resolution of the Extraordinary General Meeting of May 21, 2014, it was decided not to grant double voting rights as instituted by Law 2014-384 of March 29, 2014 to holders of shares referred to in the Article L.225-123, paragraph 3 of the French Commercial Code.

No share carries special control rights.

### **The ownership mechanisms provided for in a possible employee shareholding system when they fail to exercise their ownership rights (for example employee shareholding funds [FCPE])**

None

### **Agreements between shareholders of which the Company is aware and that could result in restrictions on share transfers and the exercise of voting rights (shareholder agreements)**

None

### **Rules relating to the nomination and replacement of members of the Board of Directors and the amendment of the Company's Articles of Association**

#### **Members of the Board of Directors**

##### **General provisions**

The Articles of Association provide that the Company is managed by a Board of Directors composed of at least three members and at most eighteen members, subject to the exemption provided for by law in the event of a merger (Article L.225-95 of the French Commercial Code). The Company's Articles of Association do not impose any obligation to hold shares in order to be a director.

The term of office of directors is three (3) years; they end at the end of the Ordinary General Meeting called to approve the financial statements for the previous fiscal year and held in the year in which their term of office expires.

Article 11.1 of the Company's Articles of Association states that during the life of the Company, directors are nominated, renewed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

In the event of a vacancy resulting from the death or resignation of one or more directors, the Board of Directors may, between two General Meetings, make provisional nominations under the conditions provided for by law. Provisional nominations made by the Board of Directors are subject to ratification at the next General Meeting.

A director nominated to replace another director shall only exercise their duties for the remainder of their predecessor's term of office.

##### **Director representing employee shareholders**

Article 11.1 of the Company's Articles of Association also specifies that in accordance with Article L.225-23 of the French Commercial Code, when the share of the capital held within the framework provided for by the provisions of Article L.225-102 of the French Commercial Code by the employees of the Company and its related companies within the meaning of Article L.225-180 of the aforementioned Code, represents more than 3%, a director representing the employee shareholders is elected by the Ordinary General Meeting according to the terms and conditions laid down by the regulations in force and by these Articles of Association.

Candidates for the position of employee shareholder director are nominated under the following conditions:

- when the voting rights attached to shares held by employees or by the mutual funds of which they are members are exercised by the members of the Supervisory Board of these mutual funds, the candidates are nominated from among its members by this Board;
- when the voting rights attached to shares held by employees (or by the mutual funds of which they are members) are directly exercised by these employees, the candidates are nominated during the consultation provided for in Article L.225-106 of the French Commercial Code, either by the employee shareholders specially convened for this purpose, or through a written consultation. Only candidates submitted by a group of shareholders representing at least 5% of the shares held by employees who exercise their voting rights individually are admissible.

The procedures for nominating candidates not defined by the legal and regulatory provisions in force or by these Articles of Association are decided by the Chairman of the Board of Directors, in particular as regards the timetable for the nomination of candidates.

A list of all validly nominated candidates is drawn up and must include at least two names. The list of candidates is appended to the notice of meeting of the General Meeting of Shareholders called to nominate the director representing employee shareholders.

The director representing employee shareholders is elected by the Ordinary General Meeting under the conditions applicable to any nomination of a director, on the proposal of the shareholders referred to in Article L.225-102 of the French Commercial Code. The Board of Directors presents the list of candidates in order of preference to the General Meeting and approves the first candidate on this list. Whichever of the above candidates obtains the greatest number of votes from the shareholders present or represented at the Ordinary General Meeting will be nominated as director representing employee shareholders.



This director representing employee shareholders is not taken into account for the determination of the maximum number of directors provided for by Article L.225-17 of the French Commercial Code.

The term of office of the director representing employee shareholders is three years. However, their term of office ends automatically and the director representing employee shareholders is automatically deemed to have resigned in the event they lose their status as an employee of the Company (or of a related company or economic interest group within the meaning of Article L.225-180 of the French Commercial Code), or a shareholder (or member of a mutual fund, the assets of which are composed of at least 90% of the Company's shares). Until the date of nomination or replacement of the director representing employee shareholders, the Board of Directors may meet and validly deliberate.

In the event of a vacancy in the position of director representing employee shareholders for any reason whatsoever, they shall be replaced under the conditions set out above. This director is nominated by the Ordinary General Meeting for a further period of three years.

The provisions relating to the director representing employee shareholders will cease to apply when, at the end of a fiscal year, the percentage of capital held by the employees of the Company and related companies, within the meaning of Article L.225-180 mentioned above, within the framework provided for by the provisions of the aforementioned Article L.225-102, represents less than 3% of the share capital. It is specified that the term of office of any director nominated in accordance with the sixth paragraph will end at the end of their term of office.

### Amendment of the Articles of Association

The Company's Articles of Association (Article 16) conventionally state that "Extraordinary General Meetings are those called to decide on or authorize direct or indirect amendments to the Articles of Association".

Article 24 of the Company's Articles of Association specifies that the Extraordinary General Meeting may only validly deliberate if the shareholders present or represented hold at least one-quarter of the shares with voting rights on the first notice of meeting and, on the second notice, one-fifth of the shares with voting rights.

In the absence of the latter quorum, the second meeting may be extended to a date no later than one month after the date on which it was convened.

The Extraordinary General Meeting rules by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders having voted remotely.

### Powers given to the Board of Directors, in particular regarding share issues and buybacks

The powers (delegations of authority and powers) as of December 31, 2021 are detailed in the table of delegations of authority and powers. They are likely to have an influence in the event of a public offering, in particular given the fact that they enable the Board of Directors to issue new shares or marketable securities giving access to the share capital.

### Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, except in the event of a legal obligation to disclose, and which would seriously harm its interests (including clauses in commercial and financial contracts)

The terms of the "Euro PP" bonds in the amount of €40 million issued in two tranches in December 2016 and March 2017 (the "Bonds") provide for the early redemption of the Bonds, at the option of each holder, in the event of a change in control of the Company (Article 5.3).

The terms and conditions of the €10 million bond issue entered into on July 22, 2019, provide for the early redemption of the Bonds, at the option of each holder, in the event of a change in control of the Company (Article 8.3.3).

Similarly, certain credit lines granted to the Company, notably by Société Générale, BNP Paribas and BPI, also include early repayment clauses in the event of a change in control of the Company.

### Agreements providing for compensation for members of the Board of Directors, if they resign or are dismissed without real or serious cause or if their employment terminated in the event of a public offering (severance payments, golden parachutes)

#### Mr. Thierry Gadou

#### Severance payment

Compensation due to Mr. Thierry GADOU in the event of termination of his duties as CEO is a contractual severance payment, the terms and conditions of which were approved by the General Meeting of March 1, 2012.

In the specific case of a change in control, the authorization was valid for a period of 60 months. On March 10, 2017, the Board of Directors therefore decided to renew and update this authorization.

This severance payment would only be due if the following conditions were met:

- event triggering the right to severance payment: termination of office as Chief Executive Officer of SES-imagotag in the event of dismissal (except for serious or gross misconduct) or resignation occurring within six months of a change in control of SES-imagotag;
- amount of compensation: lump-sum compensation of a gross nominal amount equal to 18 months of fixed and variable compensation;
- performance condition to which the severance payment is subject: this condition is met if at least 75% of the bonus for the year preceding that of the termination of the duties of CEO, are met.

It is specified that a change in control is defined as the acquisition by a third party of at least 40% of SES-imagotag's capital, either on or off the market, or the issue or completion of a public offering of SES-imagotag's shares.

#### **Non-compete clause**

Additionally, in the event Mr. Thierry GADOU ceases to hold his office as CEO for whatever reason, a non-compete clause is attached to the office of Mr. Thierry GADOU, in his capacity as CEO, the terms of which he commits to:

- not work for a company with a competing activity;
- not exercise or take an interest, directly or indirectly, and in any form whatsoever (and in particular as a self-employed person or as a shareholder holding more than 3% of the share capital or voting rights), in a competing activity;
- not exercise or take an interest, directly or indirectly, in any form whatsoever, and not to invest, in any form whatsoever (and in particular as a shareholder) in the Pricer or ZBD companies;
- not solicit or to poach or seek to poach any person who is or has been employed by SES-imagotag or one of its subsidiaries in the previous twelve months, in order to use their specific knowledge or the skills of this person for the benefit of a natural or legal person whose activities are in competition with those of SES-imagotag.

Competing activity means any activity related to the design, marketing, sales or installation of electronic labeling systems.

This non-compete obligation is limited to France, Belgium, Italy, Germany, Denmark, Spain, the United Kingdom, Switzerland, Hungary, Romania, Poland, Sweden, Brazil, Mexico, Argentina, Canada, the United States and South Africa.

The clause is limited to one year from the end of his term as CEO of the Company. At the end of this one-year period, SES could renew this ban for the same period of one year. This renewal would be notified by registered letter with acknowledgment of receipt or delivered by hand against receipt no later than 60 calendar days before the initial term of the non-compete obligation expires.

In return for the non-compete obligation, after the effective termination of his term of office as CEO of SES-imagotag and for the duration of this ban, he will receive a special monthly lump-sum payment, the gross amount of which would be equal to 50% of gross monthly fixed compensation.

This special compensation will be paid by bank transfer at the end of each month for the duration of the non-compete obligation; it will be subject to social security contributions.

Any breach or infringement of this non-compete clause would authorize SES-imagotag to put an end to the breach or infringement in question, and to order, under penalty, the end of the competition in breach of the above provisions, without prejudice to any damages or interest to which it could claim as a result of the breach of this obligation.

Likewise, any breach of the non-compete obligation would release SES-imagotag from paying this compensation and could render Mr. Thierry GADOU liable to it for the payment of all amounts received in this respect, with interest at the legal rate from the notice of immediate termination of the competitive activity, without prejudice to any damages or interest to which it could claim as a result of the breach of this obligation.

SES-imagotag may release Mr. Thierry GADOU from the ban on competition at the end of his term as CEO of SES-imagotag. In this case, the financial compensation will not be due. This waiver must be notified by registered letter with acknowledgment of receipt or delivered by hand against receipt within eight calendar days following the date on which notice is given to Mr. Thierry GADOU, or Mr. Thierry GADOU will give notice of the end of his term of office as CEO of SES-imagotag.

#### **Information on share transactions carried out by executives and their close relations**

The General Meeting of shareholders is informed of the share acquisitions made by the executives or their close relations as of December 31, 2022 by the following table:

Name of directors or their relatives	Number of shares at 12/31/2022
Thierry GADOU in his capacity as Chairman & CEO, as well as his relatives	225,069



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## 4.1 A Word from the Chairman



### Technology for Positive Retail

**Thierry GADOU**  
Chairman & CEO,  
SES-imagotag

2022 was a very busy year in terms of the advancement of our ESG strategy, marked by the ISO 14001 certification of our environmental management system, the finalization of our total carbon footprint calculation (scopes 1, 2 and 3), the development of our climate strategy, the ethical audit of our supply chain, the pursuit of our efforts to promote the development of our employees, greeted by a notable increase in their satisfaction, the improvement of our governance, and finally by the award of a Platinum rating by EcoVadis (top 1%).

As announced last year, we continued to develop our climate strategy based on two main areas: firstly decarbonizing our products and our supply chain, and secondly contributing to decarbonizing retail by the use of our solutions. On these two areas, strategies, indicators, objectives and action plans have been defined, in line with our ambition to be GHG-neutral by 2030, taking into account the assessment of avoided emissions. We already have a measurement of our total scopes 1, 2 and 3 carbon footprint, and a detailed action plan to continue reducing our carbon intensity. Significant work remains to be done on the precise measurement of emissions avoided by the digitization of physical stores, in close collaboration with our customers.

We intensified our “Second Life” program based on the eco-design and reparability of our products and further extended the geographical coverage of our sorting and recycling centers.

Much work has been done in terms of formalizing and communicating our environmental policies, particularly in terms of purchasing, logistics, supply of minerals from countries at war and compliance with ROHS and REACH regulations. The same applies to social and societal policy.

For the second year, we renewed our commitment to the United Nations Global Compact as well as our membership of the Women Empowerment Principles and our partnership and support for the Women Initiative Foundation. Internally, we continued to increase the number of women in the workforce (34%) thanks to a proactive recruitment policy (41% women in 2022) and an increase in the number of female managers (27%). We will continue to intensify our efforts until we achieve gender parity.

Employee shareholding is one of our major convictions to create a sense of belonging and has long since been a source of motivation in a philosophy of shared value creation. We continued to increase the rate of distribution of employee capital partnership instruments, which now reaches approximately 30% of personnel. The entrepreneurial dimension of our group is an undeniable strength, and we are very proud of the design of our plan, which combines the short and the long term, the key to sustainable performance. We are coming to the end of the previous 2020-23 plan and will submit a new plan at the next General Meeting for the period 23-27.

In terms of governance, our Board of Directors now includes 50% women and 50% independent directors. I am very proud and grateful for the arrival of Peter Brabeck-Letmathe on the Board. Lastly, the Nomination and Remuneration Committee has been enhanced with the ESG component and its charter has been extended accordingly. Our governance policies are also available on our website ([www.ses-imagotag.com](http://www.ses-imagotag.com)).

In a context of a climate and energy crisis, both more acute than ever, we will continue to intensify our work in 2023 and in the years to come to contribute to the decarbonization of retail.

## Our shared purpose

*We invent IoT and digital technologies that create a positive impact on society by enabling sustainable and human-centered commerce.*

### Enabling the new world of unified sustainable commerce

We are convinced that digitizing physical retail can contribute tremendously to sustainability and social justice in the world.

Retail is the leading private sector employer (15% of jobs) and the leading economic sector in the world (~20% of global GDP). It is associated with major societal and sustainability issues: employment, waste, health, food safety, responsible consumption, CO2 emissions (product mix and origins, logistics, packaging, construction, energy, last mile...) as well as social well-being in cities and communities.

It is, however, a sector under economic pressure, as in-store retail (over 80% of total retail) is challenged by rapidly shifting consumer behavior towards different sales channels, particularly digital, increasing labor costs, unfavorable tax policies (vs. e-commerce), eroding margins and market capitalization, hindering the reinvestment needed to transform physical stores.

The social and environmental risks of the current retail evolution are multiple:

- strong and continuous growth in e-commerce (15 to 20%/year) which can lead to a market share of 30 to 40% within 5 to 10 years to the detriment of physical stores - this is already the case in China;
- the current acceleration of the "warehouse" (direct-to-consumer delivery from the warehouse) e-commerce model may continue to weaken brick & mortar retailers, cause more store closures around the world and lead to major negative repercussions on employment, communities, social well-being, equality of access to essential goods and the marketing of local products;
- in terms of the carbon impact, this development model will lead to the accelerated construction of millions of m2 of automated warehouses. This massive construction of new infrastructure could lead to the emission of half a billion tons of CO2 over the next 5-10 years.
- therefore, the current evolution of retail carry substantial environmental and social risks that, surprisingly, are not at the heart of current discussions on sustainable development and appear as a "blind spot" in the debate.

### A more sustainable and responsible retail development model exists

Millions of physical stores (20 million) already exist, putting essential consumer goods within easy reach of consumers every day. Digitalization could revitalize these "stranded" assets and turn physical stores into very efficient omnichannel ("phygital" i.e. physical and digital) and local e-commerce tools, offering exceptional quality of service to all consumers (express local delivery or quick click & collect pick-up) in the most sustainable and low-carbon way.

With our technology (cloud, IoT, image recognition, AI, big data), many visionary retailers are pioneering this unified model, towards more sustainable and positive retail development in terms of service quality, local employment and social links.

A convergence scenario such as the "physical e-commerce" scenario would have multiple positive impacts:

- contribute to the Net-Zero agenda by enabling "physical e-commerce" with the least possible carbon impact;
- protect jobs and communities by stemming the tide of store closures;
- protect the environment by avoiding the creation of e-commerce order picking centers and the procession of carbon emissions caused by the artificialization of the soil and the robotic equipment necessary for their operation;
- fostering lower carbon and positive local-for-local production and consumption patterns;
- enabling better collaboration between manufacturers and retailers through the availability and sharing of real-time in-store inventory data;
- harnessing the potential of on-shelf marketing and digital communication to create new sources of revenue for retailers, ensuring the long-term sustainability of physical stores while reducing the paper consumption linked to the massive production of paper coupons and catalogs.

Time is of the essence: any delay in the digital transformation of physical commerce increases the likelihood of environmental and social risks associated with the status quo and current developments.

## The launch of the Positive Retail Research Program, a worldwide study

Accelerating such a positive development of retail requires many decision makers (public & tax policy makers, investors, analysts, CEOs of the CPG-retail ecosystems, etc.) to become aware and convinced about the opportunity of creating positive shared value by revitalizing physical stores through technology.

Research and knowledge is currently missing around the stakes, risks and opportunities related to retail's future development. The subject requires more visibility and knowledge building efforts.

This is why, as part our roadmap for Positive Retail launched in 2019 under the supervision of our ESG governing bodies, we have decided to launch a series of projects addressing the role of digitization in the revitalization of retail and its potential positive societal and environmental impact.

We have mobilized a number of major corporations with which to partner and contribute to this research (Qualcomm, Microsoft, McKinsey) and have become a partner of the World

Economic Forum's Future of Consumption Platform in order to advance, share and promote knowledge around positive retail.

The objectives of the research program are:

- raise global awareness on the importance of Retail in terms of the environmental and social impact;
- analyze the various possible future retail development scenarios with regard to their respective social and environmental impacts;
- positively influence economic and political decision-makers to build more sustainable commerce over the years to come: participation of our Chairman and CEO in CGF Sustainability in Amsterdam, COP 27 and DAVOS 2023.

## Non-financial performance, ESG: achievements in 2022

2022 was a very busy year for us in terms of the advancement of our ESG strategy: please find below a breakdown of the achievements.

Report  
section

ENVIRONMENT	<ul style="list-style-type: none"> <li>• ISO 14001 certification of our environmental management system</li> <li>• EcoVadis Platinum rating obtained with a score of 80/100 on the environmental component</li> <li>• Carrying out our second total carbon footprint calculation for scopes 1, 2, and 3 covering the complete life cycle of ESLs. (122 KT) and our carbon intensity (200g CO<sub>2</sub>/€ revenue)</li> <li>• Development of our plan to reduce our carbon intensity to -40% by 2027, excluding emissions reduced or avoided by the use of our solutions. The reduction in our carbon intensity covers scopes 1, 2 and 3 of the Group's 2022 audit.</li> </ul>	4.3	
	<ul style="list-style-type: none"> <li>• Definition of the use cases of our solutions by our customers generating reductions in carbon emissions or avoided emissions. Estimate of the potential of this carbon impact allowing SES-imagotag to reach carbon neutrality by 2030 (this neutrality being composed of the reduction in our carbon intensity, to which would be added the calculations of avoided emissions thanks to the cases used by our customers).</li> </ul>		
	<ul style="list-style-type: none"> <li>• Continuation of our low-carbon logistics policy</li> </ul>		
	<ul style="list-style-type: none"> <li>• Continuing our "Second Life" program including the eco-design and reparability of our products and the extension of the geographical coverage of our sorting and recycling centers</li> </ul>		
	<ul style="list-style-type: none"> <li>• Formalization of our environmental policies (the text of which is available on our website):               <ul style="list-style-type: none"> <li>◦ General environmental policy</li> <li>◦ Policy regarding the supply of minerals from countries at war</li> <li>◦ Policy regarding compliance with ROHS and REACH certification</li> <li>◦ Sustainable sourcing policy</li> </ul> </li> </ul>		
	<ul style="list-style-type: none"> <li>• Audit of our supply chain in terms of ethics, raw material purchasing ("conflict minerals") and occupational safety;</li> </ul>		
	<ul style="list-style-type: none"> <li>• Renewal validated for the second year of our commitment to the United Nations Global Compact.</li> </ul>		
	<ul style="list-style-type: none"> <li>• Achievement of the EcoVadis Platinum medal after receiving a silver medal in 2020 and a gold medal in 2021 - we were placed among the "top 1%" of companies audited by EcoVadis, with a score of 80/100 in social and societal matters</li> </ul>		4.5.1 and 4.5.2
	<ul style="list-style-type: none"> <li>• Partnership and support for the Women Initiative Foundation and Membership of the Women Empowerment Principles.</li> </ul>		
	SOCIAL & SOCIETAL		

Report  
section

## SOCIAL &amp; SOCIETAL

- Improvement in the number of female employees thanks to the increase in the percentage of women hired (41%)
- Mentoring program to accelerate the careers of females and increase the % of female managers (27%)
- Establishment and dissemination of our social and societal policies (the text of which is available on our website [www.SES-imagotag.com](http://www.SES-imagotag.com)):
  - Human rights policy
  - Anti-discrimination and harassment policy
  - Commitment to the values of the United Nations International Labor Organization
  - Occupational health and safety statement
  - Labor rights policy
  - Diversity and inclusion Policy

4.5.3

## GOVERNANCE

- Change to the structure of our Board of Directors, which now includes 50% women and 50% independent directors
- Change to the Nomination and Remuneration Committee, which was entrusted with the responsibility of overseeing the ESG strategy: its name was therefore symbolically changed to “ESG, Nomination and Remuneration Committee”, and its charter was extended to ESG issues, which the Board of Directors approved on March 28, 2022
- Formalization of our governance policies (the text of which is available on our website [www.ses-imagotag.com](http://www.ses-imagotag.com)):
  - The Code of Ethics is signed annually by all our employees to ensure its renewal
  - A Supplier Code of Conduct was signed with our most significant suppliers
  - Annual declaration of potential conflicts of interest by managers and directors
  - Coordination and monitoring of the reporting of ethics alerts received
  - Governance issues relating to listed companies were managed under the aegis of the Board of Directors and its two Committees: section 3 of this Universal Declaration Document details this monitoring

2 and  
4.2.3

## 4.2 Market and challenges

### The Retail Sector: An economic model in transition

Physical commerce is the world's largest economic sector. It is critically important to the vitality of our societies, our cities, and our lives. However, it is a sector under pressure: inflation, rising energy and personnel costs, stagnant consumption, price wars, online competition, declining market capitalizations, changes in the behavior of consumers who aspire to greater transparency and quality, etc.

Conversely, e-commerce is experiencing dynamic growth - a CAGR (compound annual growth rate) estimated at 20% worldwide over the last seven years - and is virtually the only source of growth for global trade sales. Despite this growth in e-commerce and the pressure it exerts, in-store retail still carries the bulk of transactions (80%). But the line between physical and digital is becoming blurred. The largest global retailers are thus pushing forward with their strategies towards a homogeneous omnichannel model. Retailers are

striving to offer consumers the best of both worlds: the agility of e-commerce and the expression of the five senses of the store. There are now multiple purchasing paths: online ordering, home delivery from the store, drive, click & collect, traditional purchases at the point of sale, etc.

To support these profound changes and the associated challenges - transparency, uniformity and synchronization of information available on all channels - it is necessary to integrate certain technologies and contribute to improving efficiency, profitability and sustainability and the overall consumer experience.

It is within this context that SES-imagotag invents and produces solutions for retailers, thus stimulating their digital transformation in response to their problems.



### 4.2.1 Business model

SES-imagotag is the partner of retailers in the use of digital technologies at the point of sale. SES-imagotag has developed a complete digital IoT platform that allows retailers to connect and digitize their points of sale, automate low value-added processes, better understand, inform and serve customers, and produce quality information to optimize at shelf life at all times, avoid disruptions and waste, and create an omnichannel service that builds loyalty and is adapted to new consumer expectations.

Commerce is a retail business, where performance comes from the ability to have quality information in-store at all times to act with precision, to automate all tasks that can be automated and thus maximize the added value of each employee serving customers who no longer want to choose between in-store consumption (80% of transactions, 20% of global GDP) and the convenience and practicality of the Internet. Today, retailers

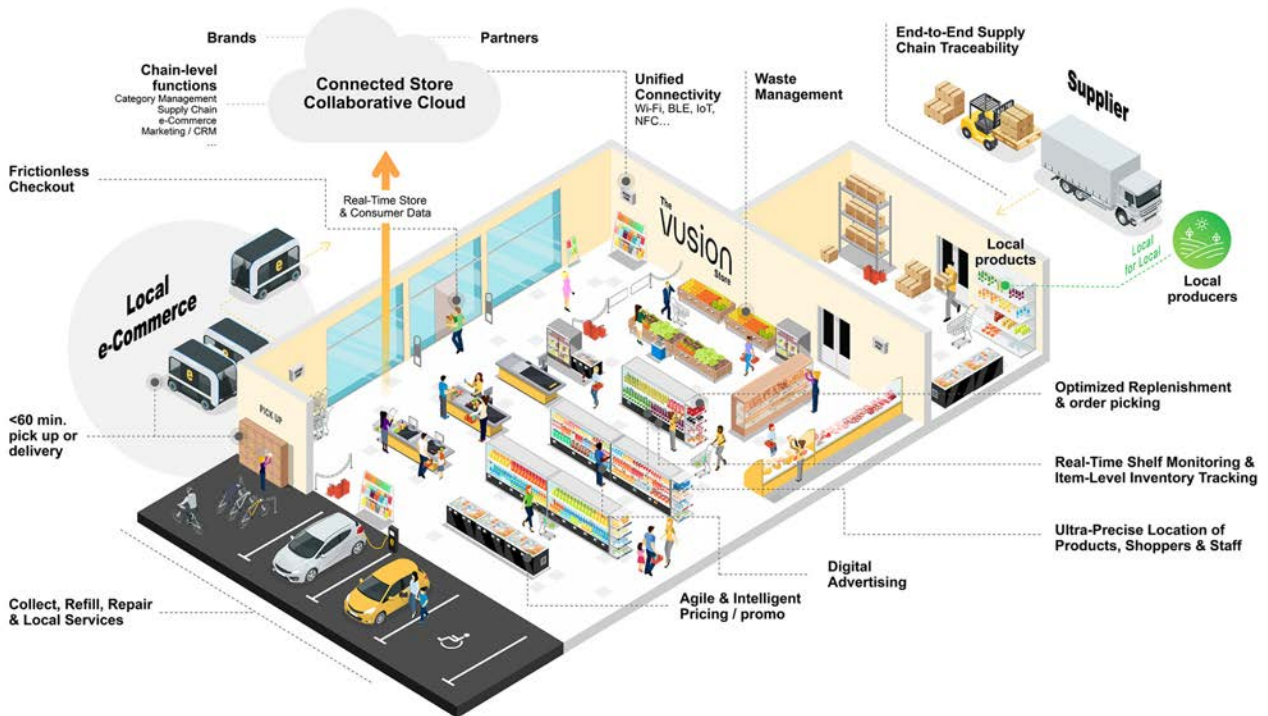
must offer the best of both worlds, digital and physical, combined in a unified service. This convergence is at the heart of the digital transformation of retail. Revitalized by digital technology, physical points of sale are entering a new era by becoming:

- a) ultra-efficient assets thanks to operational data, the automation of low value-added processes and the focus of personnel on customer service and perfect shelf-keeping;
- b) connected and interactive environments able to better identify, know, serve and communicate with customers.







Our business model shown below describes the assets and the know-how that we produce and exploit in order to offer solutions for in-store retail, whose impact is humanly and societally positive.

**OUR SHARED PURPOSE:** We invest IoT and digital technologies that create a positive impact on society by enabling sustainable and human-centered commerce

## Making the Physical Store a Digital Asset



## Our Business Model

	Assets & Ressources	Value	Stakeholders
 <p><b>HUMAN</b></p>	<ul style="list-style-type: none"> <li>› 600+ People,</li> <li>› 43 nationalities</li> <li>› Average age: 37</li> </ul>	<ul style="list-style-type: none"> <li>› e-NPS 32</li> <li>› Gender ratio: 33% women</li> <li>› 41% new recruits are women</li> <li>› 50% Board of Directors are women</li> <li>› 27% of Managers are women</li> <li>› Employees participating in LT compensation plans: 30%</li> </ul>	<ul style="list-style-type: none"> <li>› Our People</li> <li>› Proactive human capital development</li> <li>› Long-term motivation</li> </ul>
 <p><b>INTELLECTUAL</b></p>	<ul style="list-style-type: none"> <li>› 7 R&amp;D Excellence centers</li> <li>› 200+ Engineers</li> <li>› 30% of global staff</li> <li>› 2022 R&amp;D spend €36m (~5% of revenues)</li> <li>› 500+ active Patents</li> <li>› 110 active Patent Families</li> </ul>	<ul style="list-style-type: none"> <li>› VUSION: The World Largest IoT Hub</li> <li>› 50 million IoT devices connected</li> </ul>	<ul style="list-style-type: none"> <li>› Future proof technology for Physical commerce</li> </ul>
 <p><b>CUSTOMERS</b></p>	<ul style="list-style-type: none"> <li>› 350+ Retailers</li> <li>› 35 000 Stores</li> <li>› 62 Countries</li> </ul>	<ul style="list-style-type: none"> <li>› Customer satisfaction, NPS &gt; 55</li> <li>› 40% of the world Top 250 Retailers</li> <li>› 50% of the world Top 100 Retailers</li> </ul>	<ul style="list-style-type: none"> <li>› Protect jobs, communities and consumers by enabling better and more sustainable stores</li> <li>› Physical Retail: 20% of the Global GDP</li> <li>› 15% of Jobs</li> </ul>
 <p><b>PARTNERS, ALLIANCES</b></p>	<p>A powerful ecosystem</p> <ul style="list-style-type: none"> <li>› 10 World class Alliances</li> <li>› 4 World class Electronic Manufacturing Partners</li> <li>› A network of 100 resellers</li> </ul>	<ul style="list-style-type: none"> <li>› Extended global presence (60+ countries)</li> <li>› Indirect sales = 20% of our overall revenue</li> <li>› ESG EcoVadis Platinum</li> </ul>	<ul style="list-style-type: none"> <li>› Win Win Partnerships</li> <li>› Long term profitable growth</li> </ul>
 <p><b>ENVIRONMENT &amp; SOCIETY</b></p>	<p>Roadmap for Positive Retail</p> <ul style="list-style-type: none"> <li>› Decarbonizing our solutions</li> <li>› Decarbonizing Retail</li> <li>› Build sustainable stores for sustainable cities</li> </ul>	<ul style="list-style-type: none"> <li>› Carbon assessment Scope 1,2,3 - Carbon intensity</li> <li>› Enabling Local &amp; Low-Carbon E-Commerce</li> <li>› Reducing Food Waste</li> <li>› Influencing Responsible Consumption at the Shelf</li> </ul>	<ul style="list-style-type: none"> <li>› Communities</li> <li>› Consumers</li> </ul>
 <p><b>FINANCIAL</b></p>	<ul style="list-style-type: none"> <li>› 621 M€ Sales</li> <li>› Euronext listed SBF 120</li> <li>› World Class Investors</li> </ul>	<ul style="list-style-type: none"> <li>› 2 billion Market Cap, SBF 120</li> <li>› 5-year CAGR% 31</li> <li>› +122% in 2022 vs 2021</li> <li>› +977% over 10 years</li> </ul>	<ul style="list-style-type: none"> <li>› Long Term Shared Value for Shareholders</li> </ul>

## 4.2.2 ESG strategy: the roadmap for positive retail

SES-imagotag has established itself as the trusted technology partner of retailers for the last 30 years. Due to its unique positioning, SES-imagotag has a major role to play.



This is why SES-imagotag has launched a global program, presented as its "roadmap for positive retail" as presented below:

### Our Positive Retail commitment

Our Positive Retail project is built on the following pillars:

Turning the physical store into a digital asset. Contribute to the adoption of digital technologies by physical stores and sustain the economic health of the sector	
Protect the environment by making the digital transformation of commerce low-carbon and sustainable: aiming to reduce the carbon footprint of our solutions and contribute to reducing that of our customers thanks to the many use cases enabling the avoidance of additional issues.	Challenges # 1 to 4 <ul style="list-style-type: none"> <li>• number of patents related to low-carbon solutions, carbon intensity, number of recycled labels, avoided emissions scenarios.</li> </ul>
While aligning itself with the guiding principles of the OECD and the United Nations in terms of human rights, the fight against corruption and compliance with competition law.	Challenges # 5 to 12 <ul style="list-style-type: none"> <li>• Ethics: audit of the supply chain and signature of the supplier code of conduct;</li> <li>• Social -the Group's compensation policy, the ENPS employee satisfaction survey, the proportion of female managers,</li> <li>• Governance: External assessments, diversity and independence on the Board of Directors, signature of the Code of Ethics by employees.</li> </ul>

#### 1) Turning the physical store into a digital asset

KPI	Report section	GRI Code	Topic	Sustainable Development Goals (SDG)	Topic
Committing to Positive retail, our technology and solutions	Positive Retail	203	Indirect economic impacts		Build resilient infrastructure, foster innovation
Committing to Positive retail, our technology and solutions	Positive retail	203	Indirect economic impacts		Decent work and economic growth

We have 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 flexibility, 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.

Contribute to the adoption of technology by democratizing the Internet of Things (IoT) for physical stores:

To support the large-scale adoption of our connected technologies, we are investing heavily to remove all types of obstacles (economic, operational, etc.). We do this by reducing the total cost of ownership (TCO) of connected solutions (Retail IoT) through programs that aim to optimize the cost of engineering and manufacturing. We simplify our solutions to help their mass adoption. We are developing technical and security standards to reduce technological and intellectual property risks, and to enable large ecosystems of partners to enter this new market. This is, for example, the objective of the strategic cooperation with Qualcomm.

For more details on the societal impacts of our solutions, refer to section 4.5.1 of this report.

## 2) Protect the environment by making the digital transformation of retail low carbon and sustainable

### Imagine and build a low-carbon solution

Our IoT technology is very energy efficient and we are constantly striving to reduce our energy consumption and redesign the ESL solutions so that they can eventually operate without batteries. We have also launched a program to leverage the circular economy across the lifecycle, from design to supply chain to repackaging and refurbishing or recycling, with the objective of making the label a low-waste product with a minimal carbon footprint.

### The store: a local ultra-service.

The growth in online sales, 15 to 20% per year, leads us to believe that e-commerce could account for more than 40% of the total by 2030 compared to 20% today. This scenario would require the construction of millions of m2 of distribution warehouses, with a significant increase in CO2 emissions (estimated at 0.5 giga-tons). However, there is another possible solution. We believe that physical stores represent the ideal local logistics network to serve this growth while being the best response in terms of impact on the environment, employment and society. There are 20 million stores worldwide, i.e. one store for every 400 inhabitants. They do not require any new construction of highly carbon-emitting warehouses. They capitalize on both the proximity and the advantages of the physical point of sale as well as the acquisition of internet-related services thanks to technologies (localization of products, pick-to-light, continuous monitoring of inventories, etc.). They respond to the new purchasing behaviors of consumers and make it possible to differentiate between normal restocking orders (online) and “pleasure” or “discovery” purchases in-store. It’s the synthesis of physical and digital.

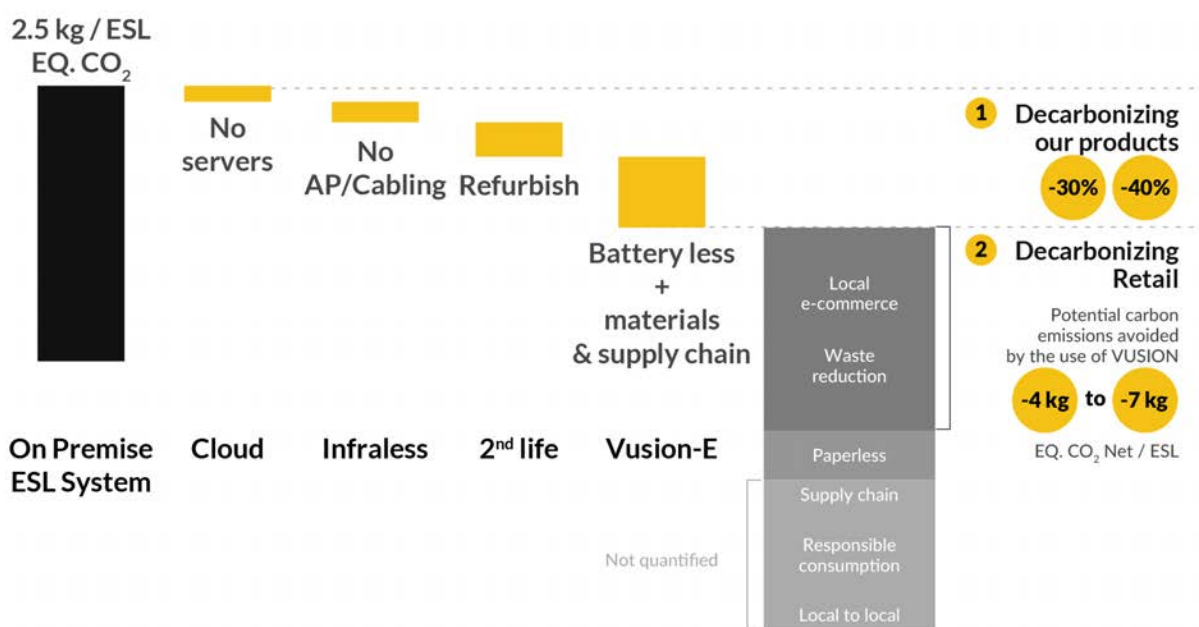
The infographic below symbolizes the decarbonization trajectory and levers identified at this stage, both for our entire range of solutions and for the potential decarbonization effects induced by our customers' use:

Based on the unit carbon footprint (unit carbon footprint of 2.5 kg Co2 per EEG calculated according to the GHG protocol) of a label installed according to the “traditional” methods within a store (i.e. operating using a local server) this graph symbolizes current or future decarbonization steps, such as:

- serverless switching in stores, i.e. in the “Cloud”,
- technological partnerships that have enabled us to integrate our radio frequencies into “access points” already present in stores for other uses (internet access, etc.), thus eliminating the need for cabling and additional access points,
- the growth of our “second life ESL” program, or ESL recycling, to extend the life of our labels,
- the elimination or reduction of the number of batteries included in each of our ESL, the use of recycled plastic rails, etc.
- These are all levers, present or future, to be used in the reduction of our carbon intensity (as calculated in 2022) by -40% by 2027, as described in section 4.3.2 of this report.

Finally, the section of the infographic entitled “Decarbonizing the distribution sector” symbolizes the avoided emissions scenarios as identified by us at this stage, and for which the in-depth work is explained in section 4.3.3 of this report.

For more details, see “Our technology and solutions” in section 4.3.2. as well as the avoided emissions scenarios for our customers in section 4.3.3.



### 3) Conduct this strategy in compliance with the guidelines of the OECD and the United Nations

The Group’s commitment to ethical and sustainable growth is based on the fundamental value of respect for Human Rights and Fundamental Freedoms.

The guiding principles were set out in the Code of Business Conduct (or Code of Ethics) rolled out in 2021 and reaffirmed as part of the human rights policy, available on the Group’s website. This Code reiterates that the Company is committed to providing a work environment free of any form of discrimination, harassment or intimidation and that its employees, customers and partners must be treated with respect in all circumstances.

This Code of Ethics is supplemented by several policies that highlight and explain several aspects of ethical behavior: the sustainable purchasing policy, the anti-discrimination and harassment policy, the commitment to the values held by the United Nations International Labor Organization, the

declaration on health and safety at work, the labor rights policy, the diversity and inclusion policy and the conflict minerals policy.

All of these policies are available on our website at [www.ses-imagotag.com](http://www.ses-imagotag.com)

To manage and mitigate the risks of non-compliance in terms of Human Rights and Fundamental Freedoms, the Group particularly relies on:

- its online e-learning training course to understand the rules of ethics and its whistleblowing procedure; and
- carries out, as part of its sustainable purchasing policy, a detailed assessment of compliance with these main principles by its tier-one suppliers (see section 4.5.2).

Our objective is to prevent the risk of discrimination and moral or sexual harassment, and to guarantee working conditions that ensure the health and safety of people (see also section 4.5.3).

## Recognition of our commitment



KPI	Report section	GRI Code	Topic	SDG	Topic
Ecovadis rating	Reporting Practice	102	External assurance		Responsible production

SES-imagotag monitors the evolution of its overall ESG performance via an annual external assessment, carried out by EcoVadis, one of the world's most trusted providers of business sustainability ratings. SES-imagotag was awarded the platinum rating in 2022:

This platinum rating is based on EcoVadis' evaluation of our actions and policies, and how they relate to sustainable procurement in four areas: Labor & Human Rights; environmental considerations in the supply chain; social issues such as diversity, racism, non-discrimination and equity; and business ethics. We received excellent ratings for our Labor & Human Rights policies and actions, and our initiatives and approach to Ethics.

Following its ISO 9001 certification, the Group also obtained ISO 14001 and ISO 27001 certifications at the end of 2022 and early 2023 respectively:

- ISO 14001: this standard provides a framework for controlling the environmental impacts generated and

intends to lead to a continuous improvement of its environmental performance. It is a framework that includes personnel awareness, the handling of external requests and, to a lesser extent, voluntary external communication.

- ISO 27001: this standard defines the requirements for the implementation of an information security management system. This management system lists the security measures, within a defined scope, in order to guarantee the protection of the organization’s assets. The objective is to protect functions and information from any loss, theft or alteration, and IT systems from any intrusion or IT disaster. This will instill trust in stakeholders.

### Other awards

In 2021 SES-imagotag received two major awards, from LSA and Perifem. These awards are widely considered to be the highest recognition of innovation, excellence, and long-lasting and sustainable solutions in the retail technology industry.

### 4.2.3 Values and governance

Our ESG strategy is fully in line with the core values that guide our mission: to use our technological solutions to drive the digital transformation of in-store retail. The description of these values is available on our website at [www.ses-imagotag.com](http://www.ses-imagotag.com).








#### SES-imagotag commitment to the UN Global Compact

The Group has pledged to further extend its ambition to build a better and positive retail business by committing to the ten universally accepted principles of the UN Global Compact in the areas of human rights, labor standards, the environment and climate, and the prevention of corruption.

This commitment is perfectly aligned with our Positive Retail program, which lies at the heart of our vision and strategy for the future.



The table below summarizes the intricate connexion between our value and our ESG priorities:

					ESG Priorities
Positive Retail	 Innovative	 Entrepreneurial	 Customer centric	 Global/ International ambition	<b>Make the physical store a digital asset</b>
Environment	 Positive impact				<b>Address Climate change</b> : committing to net zero carbon emissions in operations and across the value chain
Social			 Humanism		<b>Create positive impact</b> : jobs, consumer protection, communities <b>Be a good place to work</b> : inclusive and diverse, professional opportunity and development
Governance			 Integrity		Highest standard of business ethics
	Long-term				

#### Ethical conduct of business and fight against corruption

Overall, the Group operates in geographic areas where ethics in business practices are applied. The Group's revenue can be presented by geographical area and classified according to the 2022 corruption index, published by Transparency International and available on the website: <https://www.transparency.org/en/cpi/2022>

#### Revenue by geographic area

corruption index between *	€M	%
12 and 39 and/or geographical area not analyzed	3.10	0.5%
40 to 60	92.00	14.8%
60 to 90	525.70	84.7%

\* Corruption indexes between 12 and 39 reflect a generally very corrupt business practice and indexes close to 100 are qualified as very ethical.


**Code of Ethics: dissemination and adherence by stakeholders**

- Section 4.5.2 of this report details, in the context of a sustainable supply chain, the methods for disseminating and auditing ethical practices with our suppliers,
- Section 4.5.1 of this report details the method of dissemination and training in ethical business practices to our employees.

**Governance of the climate and ESG strategy**

The governance of our ESG strategy is summarized below and based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure) which, although very focused on climate and environmental issues, remains a good way to reflect corporate governance in terms of ESG, particularly in the description of the first “governance” table.

In the absence of a formalized materiality assessment, the Group relied on the quality of its discussions with its stakeholders to facilitate its risk identification process.

KPI	Report section	GRI Code	Topic	SDG	Topic
Stakeholders dialogue	Governance	102	Governance		Sustainable communities

SES-imagotag communicates on a regular basis with its many stakeholders via numerous methods:

- Customers: Trade shows, satisfaction surveys, NPS questionnaire, after-sales service
- Retail Partners: Business reviews, training, prospecting, technical support and marketing support
- Employees: Intranet, message from the Chairman, management meetings, works councils, health and safety committees, bi-annual review process and ENPS questionnaire.
- Suppliers: Self-assessment questionnaires, safety questionnaires
- Investors: Video conferences, investor interviews, roadshows, General Meeting, website
- Supervisory authorities: Regular direct contacts with AMF, tax authorities, legal updates
- Regulator: refer to section 2 of the URD for more information on tax and regulatory compliance.



TCFD recommendation	SES-imagotag TCFD reporting	Source
<b>GOVERNANCE</b>		
Describe the organization's governance in relation to ESG and climate risks and opportunities		
a) Describe how the Board of Directors oversees the risks and opportunities related to climate change and the ESG strategy	<ul style="list-style-type: none"> <li>• The ESG strategy and the climate strategy are presented and discussed with the Board of Directors during the presentation of the universal declaration document.</li> <li>• IAB: The International Advisory Board, responsible for promoting a high-level approach to sustainability, transparency and consumer protection, was created in 2019 to guide the implementation of our strategy for positive retail. The International Advisory Board is made up of very senior level leaders from global CPG companies, economic think tanks and associations, international financial institutions and public sector administration.</li> <li>• The Group's management is committed to building a business model in line with the Paris Agreements in order to limit global warming to a level below 2°C, and in compliance with the United Nations guidelines. Building on this commitment, the Group's strategy is to put into practice its roadmap for positive retail: decarbonizing its solutions, recycling these products, calculating its customers' avoided emissions, analyzing the societal effects of its organization and offering of solutions both upstream of its value chain (suppliers) and within its organization (employees), and downstream (customer use cases),</li> </ul>	
b) Describe the role of the management in the assessment and management of climate change risks and the implementation of the ESG strategy	<ul style="list-style-type: none"> <li>• The Group's management assesses the risks and opportunities related to climate change in two stages: firstly, by looking at its own operations (analyzing of the life cycle of its products has made it possible to target the major challenges of scope 3) and then by considering customer use cases (assessing the positive impact of the Group's solutions on its customers' carbon footprint);</li> <li>• The Group's management assesses the risks and opportunities of a social or societal nature throughout its value chain, through in-depth work carried out by the Purchasing Department and the Human Resources Department;</li> <li>• The coordination of the ESG strategy is supervised by the EVP ESG and Legal. The objectives and missions of the various contributing departments are established in coordination with this manager: <ul style="list-style-type: none"> <li>◦ campaigns related to the mentoring of women, managerial diversity objectives, campaigns to sign the Code of Ethics or the implementation of the whistleblowing procedure, the drafting of various social policies (human rights, health and safety, etc.) in collaboration with the HR Department,</li> <li>◦ supply chain audit campaigns, as well as the drafting of the supplier Code of Ethics and the conflict minerals policy in collaboration with the Purchasing Department,</li> <li>◦ cyber risk awareness campaigns as well as ISO 27001 certification in collaboration with the Information Systems Department,</li> <li>◦ ISO 14001 certification and the drafting of the environmental policy in collaboration with the Quality Department.</li> </ul> </li> <li>• The objectives specifically related to climate change are reviewed and organized and an action plan is very closely coordinated between the R&amp;D Department, after-sales services, logistics and ESG (carbon audit calculation campaigns, life cycle analysis procedure before any product launch, used label recovery campaigns, carbon intensity calculation).</li> <li>• A reflection in a global context: the Chairman of SES-imagotag actively participates in the global dialogue (World Economic Forum, Davos forum, etc.) on the digital transformation of the distribution sector and how this is a major lever for the decarbonization of this sector.</li> </ul>	

## 4.2.4 Challenges and ambitions

Our ESG strategy which is part of our roadmap for positive retail aims to address the needs of all of the Group's stakeholders and to contribute constructively to the environmental and social issues at the heart of the retail sector. The risks and challenges below have been identified as key to creating long-term sustainable value for the Company's clients, society at large, partners, suppliers, employees, investors and the environment.

The main social, societal and environmental challenges and opportunities have been identified through internal reviews and discussions, independent expert advice and comments from our clients.

The Group's **climate strategy** is clearly in line with priority objectives, as we are committed to producing a business model scenario compatible with limiting global warming to 2°C, and to developing low-carbon IoT devices, thus contributing to the reduction of carbon emissions in the in-store retail sector.

Our main indicators and ambitions in this area are, respectively:

- the carbon intensity of our solutions, calculated for the first time in 2022
- innovation and more specifically the share of innovation dedicated to the decarbonization of our solutions and retail
- the number of recycled labels, an emblematic indicator of eco-design and the creation of an internal reparability process for our products

Section 4.3.1 of this report develops each of these points.

Given the importance of our industrial supply chain and the attention paid to ethical principles, as the one practiced by our subcontractors, (to the working conditions and health and safety of the employees, as well as the conditions of supply, particularly in terms of minerals), we prioritize compliance with ethical standards by our suppliers: this is checked through ESG audits carried out on site or through documentary audits. Thus, indicators chosen in this **societal area** are:

- ratio of purchases subject to ESG audit (scope of purchases audited)
- the signature rate of our Supplier Code of Conduct

Customer satisfaction (NPS) and the economic stability of our customers remain relevant indicators in measuring our societal contribution, but are now recurring indicators, resulting from action plans already in place. We have therefore chosen to retain only 12 indicators below reflecting current progress plans that will be managed until 2027.










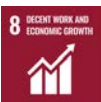

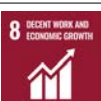

**With regards to social matters**, being a great place to work for our teams is an ongoing priority and continues to be measured by the ENPS, an employee satisfaction survey conducted twice a year. Two other indicators reflect the importance given to two major topics: the proportion of female managers in a technology company, on the one hand, and the measurement of employee shareholding growth through the allocation of employee performance shares, on the other:



- Proportion of employees benefiting from performance share plans
- ENPS
- Proportion of female managers

Lastly, in terms of governance, the Group strives to encourage the adherence of its employees and suppliers to its ethical values, through signature campaigns renewed each year, and ensures the proper performance of its ESG strategy by requesting an external assessment annually.

- Code of Ethics signature
- Code of Supplier Conduct signature
- Diversity on the Board of Directors
- External ratings

Please note the KPIs reported below are **rounded figures of our performance** so that they are easier to read - please refer to each section to get the detailed KPIs.

Non-financial issues	#	Action plan	Indicator	Contribution to the SDGs	2021 performance	2022 performance	2027 ambition	Report section
ENVIRONMENT Climate	1	Innovation in favor of the decarbonization of our solutions	Number of patent families dedicated to reducing the carbon footprint of solutions		45/108 or 40%	47/115 or 40%	>40%	4.3.2
	2	Reducing our carbon intensity (scopes 1, 2 and 3)	Kg CO2/€		Start of carbon footprint calculations	0.197	-40%	4.3.1
	3	Circular economy: a "second life" for labels	Number of labels recycled		2.5 million	1.6 million	15 million	4.3.1
	4	Contribution to the decarbonization of Retail	Avoided emissions	 	N/A	Developing the plan	Progress to 50% of the Net Zero 2030 plan	4.3.1
SOCIAL AND SOCIETAL Ethics	5	Audit of our supply chain	Audited suppliers	 	Action plan	components: 88% goods: 80% External Manufacturing Services (EMS's): 100%	100%	4.5.2
	6	Supplier Code of Conduct	signature rate	 	Action plan	components: 100% goods: 94% External Manufacturing Services (EMS's): 100%	100 %	4.5.2
	7	Remuneration policy	Employees participating in LT compensation plans	 		30%	100 %	4.5.3
Diversity	8	Employee satisfaction	ENPS		4	32	50	4.5.3
	9	Diversity policy for women	Proportion of female managers			27%	35 %	4.5.3







Non-financial issues	#	Action plan	Indicator	Contribution to the SDGs	2021 performance	2022 performance	2027 ambition	Report section
GOVERNANCE	10	Promoting the Group's ethical values among employees	Code of ethics signatures	 	Action plan	95 %	>95%	4.5.3
	11	Composition of the Board of Directors	% women, % independent directors, % attendance	 	33% independent directors	50% women, 50% independent directors, 84% attendance	50% women, 50% independent directors, 100% attendance	3.2.1
	12	External ratings	EcoVadis rating		Gold	Platinum	Ecovadis Platinum and "upper quartile" ratings for ISS, MSCI, CDP	4.2.2

## 4.3 Climate strategy: environmental ambitions and objectives

SES-imagotag has renewed its pledge to the UN Global Compact and confirmed its climate pledge in line with the Paris Agreement, by committing:

- To produce a business model scenario compatible with limiting global warming to less than 2°C;
- To work to improve its carbon intensity, thus contributing to the reduction of CO2 emissions in the distribution sector;
- To refine its customers' use cases, to avoid additional carbon emissions;
- Finally, with a view to validating these assumptions and scenarios, in 2023, the Group will commit to the certification of these objectives, which will attest to their alignment with the objective of the Paris Agreement.

We have developed several programs in order to address these priorities with concrete solutions as outlined below. We believe that the measurement and scope of our accomplishments are captured in the following reporting standards and KPIs:

KPI	Report section	GRI Code	Topic	SDG	Topic
Scope 1, 2, and 3 carbon emissions and carbon intensity	Climate strategy	301, 305	GHG emissions	 	Industry, innovation & infrastructure, Climate Action
# of patents dedicated to low-power displays	Climate strategy	305-3	Environmental footprint of infrastructure		Responsible production
# of labels recycled and reporting of waste issued	Climate strategy	301-2; 301-3	Recycled input materials used		Responsible consumption & production
Packaging improvements/paper savings	Climate strategy	301	Materials		Responsible production
Measures taken to protect the scope 1 environment	Climate strategy	305	Carbon emissions		Climate Action

The Group obtained ISO 14001 certification in 2022: ISO 14001 certification is the reference tool for taking into account environmental issues, improving environmental performance and its monitoring, and thus contributing to the Sustainable Development Goals (SDGs) of the UN.

### Committing to carbon neutrality by 2030, in our operations and throughout the value chain

SES-imagotag's primary purpose is to use our innovation and technology to drive the digital transformation of physical retailers, thus supporting them to achieve their goals in an evolving industry with a multi-faceted agenda.

The solutions we provide our clients can contribute to their carbon footprint optimization by automating a number of functions in-store and in warehouses, eliminating or sharply reducing the need for repetitive tasks such as keeping track of inventory on shelves, avoiding stock-outs, assuring virtually effortless price integrity, and streamlining the information provided to consumers. The optimization of in-store and warehouse logistics through the implementation of our IoT solutions can contribute to a more efficient use of energy and reduced carbon emissions, in particular by avoiding the construction of new order preparation centers for e-commerce.

In addition to the environmental benefits that we can bring to our customers, we have set out to calculate and then reduce our own emissions. Measuring and quantifying our carbon footprint is the first key step towards any strong measure and it has already been done. In 2022, we developed the comprehensive modeling of our GHG (greenhouse gas) emissions across our operations and our entire value chain.

The analysis carried out has measured and mapped the carbon emissions of our activities, exhaustively and as described in section 4.3.1 and in the methodological note described in section 4.6.



In this section dedicated to the Group's environmental strategy, we will address:

- a) The environmental impact of our solutions and the calculation of our carbon footprint and carbon intensity;
- b) How we will reduce our carbon footprint across our operations and supply chain;
- c) The description of customer usage patterns that will enable us to work on avoided emissions scenarios in 2023 and thus contribute to reducing the GHG emissions of our customers and partners in the in-store retail sector.

### 4.3.1 Scope 1, 2, and 3 carbon footprint and carbon intensity

#### Carbon Footprint

##### Devise and build a low-carbon solution

KPI	Report section	GRI Code	Topic	SDG	Topic
Scope 1, 2, and 3 carbon audit and the carbon intensity of our solutions	Climate strategy	103	Environmental footprint of infrastructure;		Climate Action
		305	Carbon emissions		
Life cycle analysis	Climate strategy	301	Product Lifecycle		Industry, innovation and infrastructure

Understanding our carbon footprint is the first key step in any decisive action to reduce it. This is why in 2020 we launched a series of ambitious projects to model our carbon footprint comprehensively (scopes 1, 2, and 3), taking responsibility for emissions across the entire value chain, including at the level of our support functions, as well as across the whole life cycle of the product, from the supply of materials to production, including the use, transport, and recovery of materials at the end of their lifecycle. We completed our carbon audit in 2022 with a view to establishing a solid and strong base from which to draw up a multi-year action plan. We have already been able to establish a key performance indicator (KPI) linking our CO2 emissions to our revenues (CO2 weight per euro of revenue or carbon intensity).

As a reminder, the GHG Emissions Protocol defines the method for calculating carbon emissions and the scopes to be considered:

**Scope 1 emissions** are those greenhouse gases resulting from fuel combustion from sources we own or operate – like vehicles or natural gas for heating.

**Scope 2 emissions** refer to those resulting from use of electricity.

Renewable energy generates minimal Scope 2 emissions, whereas burning coal, oil, or natural gas to produce electricity releases carbon dioxide and other greenhouse gases into the atmosphere.

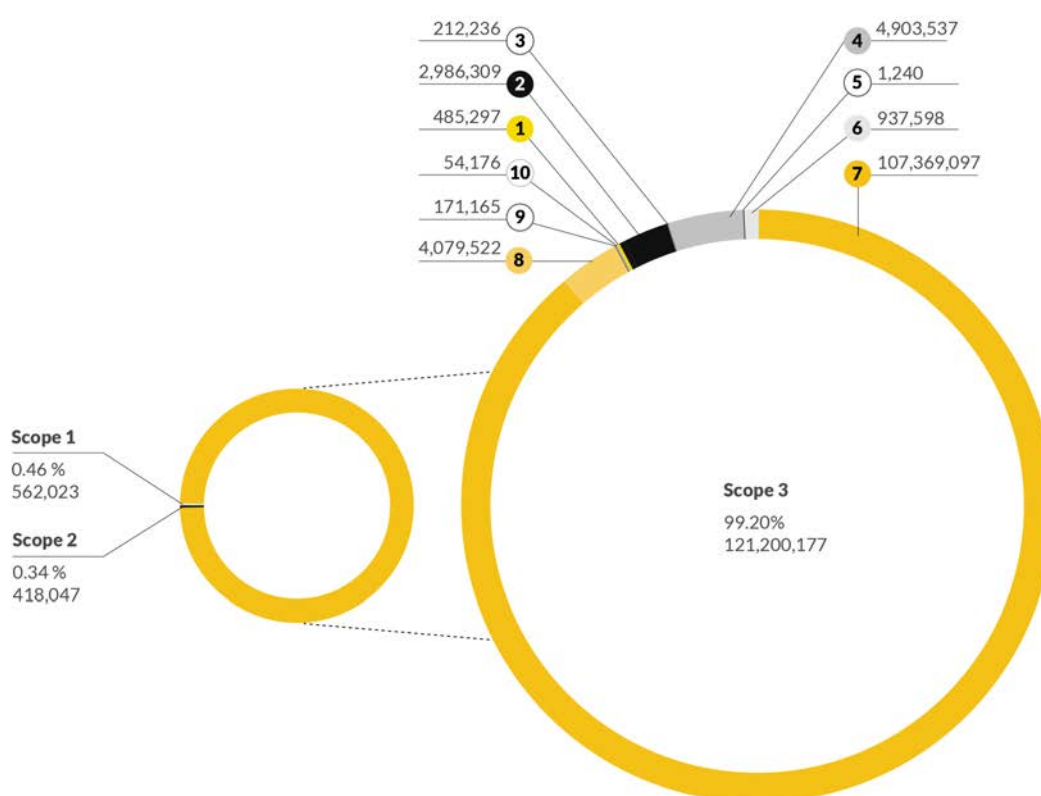
**Scope 3 emissions** correspond to all other indirect emissions that occur in a company's value chain, including upstream and downstream activities: more specifically, the life cycle analysis of all products marketed by the Group, from mining to industrial assembly, from the packaging and transport necessary for each of these stages to the emissions caused by the use by customers and the end of life of these products. Scope 3 also includes carbon emissions from the goods used (offices, warehouses), servers, emissions related to employee travel both through business trips and for home-work journeys, and finally, purchases of goods and services.

The carbon assessment is detailed below: unsurprisingly in our technology business sector, the life cycle of our products represents the major part of this footprint.

Ton CO <sub>2</sub>	2022
Scope 1	562
Scope 2	418
Scope 3	121,200
<b>Total</b>	<b>122,180</b>

The carbon footprint of the core business (i.e. the production of IoTs) is significantly marked by the contribution of the raw materials necessary for the manufacture of the various electronic components (about 88%), such as the PCB (Printed Circuit Board) which is predominant.

Electronic components have a significant impact on climate change because they require a large number of steps between mining, mineral processing, metallurgy, heavy chemicals, fine chemicals, which consume energy and water.



1	Scope 3 - 3.1 Business travel	485,297	6	Scope 3 - 3.6 Transformation of products sold	937,598
2	Scope 3 - 3.2 Fixed assets	2,986,309	7	Scope 3 - 3.7 Products and services purchased	107,369,097
3	Scope 3 - 3.3 Commuting	212,236	8	Scope 3 - 3.8 Upstream freight transport and distribution	4,079,522
4	Scope 3 - 3.4 End-of-life of products sold	4,903,537	9	Scope 3 - 3.11 Use of products sold	171,165
5	Scope 3 - 3.5 Fuel and energy emissions (not included in scope 1 or scope 2)	1,240	10	Scope 3 - 3.12 Waste generated	54,176

### Carbon intensity

The company has established a carbon intensity indicator to measure the carbon efficiency gains of its business model and all initiatives undertaken throughout the value chain. The

objective is to reduce emissions for each euro of wealth created. The carbon intensity will be measured and published each year.

	2022
Total Carbon Audit (kg CO2)	122,180,247
Revenue (€)	620,860,000
Carbon intensity (Kg CO2 per € of revenue)	0.197

The carbon intensity calculated on the basis of the 2022 carbon footprint (calculated according to the GHG protocol) and 2022 revenue is the initial basis for measuring our trajectory towards a -40% reduction in 2027 vs. 2022.

This ambition is based on:

- our capacity for innovation, enabling both a reduction in the intrinsic carbon footprint of our IoTs and a reduction of the carbon footprint of the entire installed solution (as shown in

section 4.2.2 section 2) by reducing the infrastructure required for its operation;

- our ability to manage a recycling stream for our IoTs, the target of which is 15 million units recycled in 2027.

Section 4.3.2.1 below further explains the levers that will be activated.

## 4.3.2 Decarbonization of our solutions: Low-carbon IoT

### 4.3.2.1 Decarbonizing our solutions

#### The structure of our solutions

We estimate that the use of our products by our customers represents a very small percentage of our overall carbon footprint. The ultra-energy efficiency of our products is an advantage and helps to reduce the overall carbon footprint.

Our IoT technological solutions are very energy efficient and we are constantly striving to reduce our energy consumption and improve designs so that they can, in the long term, operate without a battery.

We have also launched a program to leverage the circular economy across the lifecycle, from design to supply chain to repackaging and refurbishing or recycling, with the objective of making the label a low-waste product with a minimal carbon footprint.


#### Ultra-low consumption IoT

The Group has unparalleled expertise in color e-Paper (electronic paper), a display technology that we use. It mimics

the look of paper and consumes minimal energy. The electronic ink-based displays (EPD) use the same ink as the traditional printing industry. They consist of tiny capsules filled with particles loaded with ink. After applying the correct electrical charge, an EPD creates high-resolution images with the same level of contrast and readability as a printed medium. Once the text and images are visible, the EPD no longer needs energy to maintain the display (bi-stable technology). Our DTP (direct thermal printable) labels use a dual-transistor pixel, a patented process that demonstrates additional expertise in low-energy displays.

We support this technology through continuous Research & Development efforts, with more than 40% of the Group's patents related to energy savings topics: 47 out of 115 patent families are dedicated to low energy systems. Our R&D works continuously on reducing this low power consumption and on redesigns to ultimately make these ESLs battery-less.

Each year, the Group spends approximately 6 to 7% of its revenue on R&D projects (see Note 1 intangible assets, section 6 Consolidated financial statements).

KPI	Report section	GRI Code	Topic	SDG	Topic
# of patents dedicated to low-carbon IoT	Climate strategy	305	Carbon emissions		Responsible production



## Providing a cloud-based solution to our Customers

### The VUSION platform

SES-imagotag created the VUSION Cloud Retail IoT platform to help retailers accelerate their digital transition and transform their physical stores into true digital, automated, and data-driven environments connected to consumers and suppliers.

Both cloud computing and sustainability are emerging as transformative trends. Cloud computing is defined as large-scale online shared IT infrastructures. It is revolutionizing the way in which IT services are provided and managed in companies. Cloud computing makes it possible to collect, store

and analyze huge quantities of data, reduce the total costs of ownership of IT, and increase business agility. These new trends also enable us to reduce our environmental impact: since 2018, we have begun to reduce our infrastructure and on-premise IT resources in favor of cloud-based and serverless solutions. With 50 million cloud-connected ESLs today compared with 31 million in 2021, we have built the first global in-store retail IoT platform. The VUSION platform is hosted on Microsoft's Azure cloud, which has committed to powering 100 percent of its data centers with renewable electricity by 2025 (Microsoft\_Cloud\_Carbon\_Study\_2018, updated 2020). See also section 4.5.1 Societal impacts.

Our Cloud solution is based on four key factors:

	Factor and benefits	Technology
1	<b>Dynamic provisioning of resources:</b> optimization of active servers enables energy savings of up to 47%.	Based on latest technologies to provide capacity on-demand; able to activate resources when they are needed, independent of server capacity. New servers and computing resources are automatically activated when there is a peak in demand. Capacity resources are disabled when "idle threshold" is reached.
2	<b>Multi-tenancy:</b> allows many users in one building to utilize less power overall than the same number of users each using their own infrastructure	SaaS delivery architecture that enables all clients to access the same software on one or a set of linked servers. By combining demand patterns across many organizations, the peaks and troughs of computer resource requirements flatten out, reducing the need for additional infrastructure.
3	<b>Server utilization:</b> increasing resource utilization rates (from current low levels of 10 to 20%) to significantly improve energy efficiency	Applications based on serverless architectures so that computing power, storage, networks and security are distributed among the available services; the virtual distribution of software ensures that various applications run "separately" on a physical host, leading to greater data center efficiency. Eco-designed friendly software that uses more energy-efficient algorithms, reducing execution time, memory utilization and unnecessary features, and optimizing the volume of generated data.
4	<b>Partnership with Microsoft Azure</b>	Very clear and ambitious goals for the environmental footprint of data centers.

### Pooling of infrastructures

SES-imagotag has forged partnerships with the main manufacturers of Wi-Fi technology to simplify its solutions and avoid any proprietary or additional infrastructure for connecting its IoTs. Our IoT communication protocols are now integrated into Wi-Fi access points. As a result, next-generation highspeed Wi-Fi deployments ensure the convergence of all back office and store connectivity needs. Stores' investments in equipment and services are considerably reduced and their return on investment is amplified while significantly limiting the carbon footprint of the solution (saving on a dedicated infrastructure).


Today, the Group has a powerful technological ecosystem and international alliances with all the major global manufacturers, such as Cisco Meraki, Aruba, Huawei, Lancom, Mist Juniper, Extreme Networks, Fortinet, etc.

### Circular economy: Eco-design, Recycling and Reusing shelf labels

Eco-design has been at the heart of SES-imagotag's expertise since its creation. In addition to innovation, the Group launched a flagship program in 2016 aimed at leveraging the circular economy throughout the life cycle of labels, from design to the supply chain, including refurbishing and recycling, with the clear objective of making the label a low-waste product with a minimal carbon footprint. The labels are designed so that they can be repaired, reconditioned (ease of disassembly, availability of spare parts, price of spare parts and associated services) and then recycled. Through improved energy management, increased usage of recyclable material and improved refurbishing as well as recycling processes, a refurbished label accounts for approximately only 20% of the GHG emissions required for a new one.

Every time a customer replaces an old generation ESLs with a new generation range (usually after six to eight years of use) we collect the old tags and make a determination as to whether they should be refurbished, recycled or destroyed.

The retiring generation of ESLs to be reused or recycled is carefully inspected and sorted with the aim of recovering the components that can be reused, and to carry out the necessary repairs to supply a specific channel with “second life” labels. Our internal recycling flow centralizes the reverse logistics for used ESLs at two major partners’ sites (one in France and one in Poland).

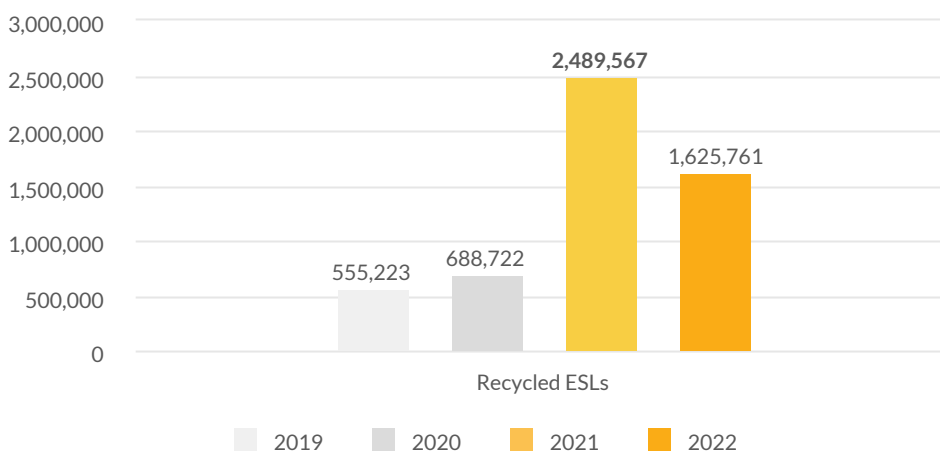
KPI	Report section	GRI Code	Topic	SDG	Topic
# of labels recycled	Climate strategy	301	Recycling		Responsible consumption & production

This ESL Second Life process primarily involves our customers in Europe, which is home to most of our mature markets. In the coming years, customers located in Asia and North America will begin the switch to new generation ESLs, thus triggering the same type of reverse logistics flows. We will endeavor to organize these flows in Europe and North America, as close as possible to the markets, so as to avoid too much transport-intensive return logistics.

In 2021, the ESL Second Life program reflected the project to take back labels from a major distribution chain in Northern Europe. While in 2022, the main recovery projects took place at the end of the calendar year, with the recovered quantities being stored without reprocessing at the year-end: the actual recycling of labels collected in 2022 will only be carried out in 2023, the figures must be analyzed in terms of labels collected and recovered in 2022 but awaiting refurbishment in 2023 (around 2.7 million labels awaiting a second life as of 12/31/22).

Note: recycling statistics vary according to our customers' projects and their schedules. We are therefore dependent on our customers' decisions to dispose of their fleet of old-generation labels. In addition, depending on the size of the customer concerned and the renewal schedule of these labels, the quantities collected for reconditioning may vary significantly over a given year. As such, the figures given in terms of the quantities collected and awaiting refurbishment provide a slightly longer term vision than the fiscal year alone.

### Second life ESL



For ESLs that cannot be repaired or reused, we partner with eco-organizations in Europe to collect old or damaged labels, modems and routers from our customers to transport them directly to recycling centers, thus ensuring a compliant electronic waste and battery disposal process.

For our readers who are not familiar with this European regulatory system: European rules require a priori funding future destruction of end-of-life products. These systems are based on the principle of extended producer responsibility,




according to which producers, i.e. those responsible for marketing certain products, can be made responsible for financing or organizing the prevention and the management of waste from these end-of-life products. Taking the example of this European system of financing electronic waste, batteries, and packaging according to the weight of the latter placed on the market during the fiscal year, the table below summarizes the quantities placed on the market in Europe and North America, during the 2022 financial year:

Marketed weight in 2022 (in kg)	IoT	Batteries	Packaging
<b>Total</b>	3,872,821	966,287	765,455

\* The Group's information systems enable the reporting of these quantities for a scope representing 93% of the Group's revenue in 2022.

## 4.3.2.2 Decarbonization of our organization: logistics, packaging, vehicle fleet

### Improvements made to packaging and logistics

KPI	Report section	GRI Code	Topic	SDG	Topic
Packaging improvements	Climate strategy	301	materials	 	Responsible production Climate Action
Inbound logistics carbon footprint	Climate strategy	305	GHG emissions		Responsible production

We have leveraged the efficiency of our supply chain to decrease the volume of packaging used in the shipment of our products. Close cooperation with one of our industrial partners in Southeast Asia has resulted in packaging optimization, including a reduction in the boxes' volume, the removal of protective plastic sheets from the label screens and, the use of

recyclable material for all of the final packaging of electronic devices. In addition to reducing the weight and volume of packaging, this has significantly improved shipping container filling rates and the number of shipments. It has also led to an increase in the load density of pallets, and a reduction of the carbon impact per ESL transported.


The action plan being launched in the course of 2021, the outcome in kilograms savings, for H2 2021 for our three best-selling ESL references, which account for 70% of our sales, is shown in the table below:

ESL size	ESL Qty	PE bag reduction (Kg)	Cardboard reduction (Kg)
1.6	8,809,590	8,810	41,846
2.2	8,479,478	8,479	36,462
2.6	23,463,573	23,464	77,723
<b>Total</b>	<b>40,752,641</b>	<b>40,753</b>	<b>156,030</b>

Regarding inbound freight from our EMSs (External Manufacturing Services: industrial partners for the assembly of our electronic equipment) in Asia, we have continued to monitor the logistics mix between air freight, maritime cargo

and train transport, so as to favor these last two modes of transport. This mix of transport methods is taken into account in the carbon footprint calculations detailed in section 4.3.1.

### Carbon footprint of our employees

KPI	Report section	GRI Code	Topic	SDG	Topic
Measures taken to protect the scope 1 environment	Climate strategy	305	Carbon emissions		Climate Action

#### Optimizing employee travel & incentives to reduce carbon footprint

Our travel policy has been developed with the aim to reduce our employees' travel-related carbon footprint.

On the one hand, successive lockdowns have introduced new digital working methods between employees in different countries and, on the other hand, we have a travel policy that favors train travel for journeys of less than or equal to 2.5 hours (basic train). In the case of a trip that takes more than 2.5 hours (basic train time), air travel is authorized, but trains may still be preferred. In major cities, the use of public transportation is mandatory.

Our efforts also include a two-day-a-week teleworking policy for the majority of our employees, which avoids recurring daily commutes (see section 4.5.3).

In addition, office premises are chosen based on their accessibility by public transport, in order to enhance recruitment and reduce the carbon audit of employees' home-workplace travel.

Finally, we have placed great emphasis on the engine quality of our **company car fleet**, detailed below, whose proportion of vehicles equipped with hybrid or electric engines has increased by 20 points:

Number of vehicles by engine type	2022		FY 2021	
	Hybrid or electric engines	combustion engines	Hybrid or electric engines	combustion engines
Group total (*)	41	56	24	84
In %	42%	58 %	22%	78%

**Water and energy consumption at our corporate offices:** the impact on our carbon audit is not deemed significant.

### 4.3.3 Decarbonization at our customers' premises: avoided emissions


Bringing together physical and e-commerce is at the heart of the omnichannel model, and is a crucial step in the transition of retail. This convergence enables consumers to have the shopping flexibility they seek. In parallel, as physical stores are revitalized by digital tools, a reduction of carbon intensity should result from the automation of low value-added processes, the optimization of inventory management which will be enabled by the generation of continuous quality information, and reducing overstocking and waste.

#### Make retail paperless

Over the past couple of years, we have witnessed a significant acceleration in the frequency of price changes across retail outlets. The volume of online orders received by retailers has also increased as a result of a dramatic shift in consumer priorities and behaviors. Growing use of Click-and-Collect and "shop and go" check-out solutions are examples of this trend.

In response to these evolving consumer behaviors, retailers everywhere have had to quickly adapt their business models and operational practices to manage price changes quickly, efficiently, and across many outlets and channels all at once. To achieve this agility and precision, the retail sector requires technology to enable stores and their workers to implement more intelligent in-store processes in real time. SES-imagotag's electronic gondola labels (ESL) meet this technology need. They bring fluidity, intelligence, price synchronization, and responsiveness across all channels.

Replacing paper labels with electronic ones was already attractive. It has now become imperative to keep up with the challenges ahead. ESLs transform store operations and massively reduce paper consumption. In 2022, we estimate that we saved 10,000 tons of paper on an annualized basis from the 35,000 stores equipped with our ESLs.

KPI	Report section	GRI Code	Topic	SDG	Topic
Paper savings	Climate strategy	301	Materials		Responsible consumption & production

### Avoiding the construction of order-picking warehouses


The growth in online sales by 15 to 20% per year, and the projected weight of e-commerce (40% of total retail by 2030 compared to 20% today) raises the question of the construction of millions of square meters of distribution warehouses, resulting in a significant increase in CO2 emissions (estimated at 0.5 gigatonnes).

We believe we can help avoid this increase in CO2 emissions because physical stores represent an ideal local logistics network to respond to this growth while being the best option in terms of the impact on the environment, employment and society. There are 20 million stores worldwide, i.e. one store for every 400 inhabitants. There's no need for any new construction and they capitalize on both the proximity and the advantages of the physical point of sale as well as the acquisition of Internet-related services thanks to technologies

(localization of products, pick-to-light, continuous monitoring of inventories, etc.). They respond to new consumer purchasing behaviors and make it possible to differentiate between normal restocking orders (online) and in-store "pleasure" or "discovery" purchases. It's the synthesis of physical and digital.

Faced with the continued growth of e-commerce, by leveraging the storage and distribution infrastructure already available in existing stores, the Group is developing a technological offering that reduces the need to build new warehouses and avoids the resulting increase in CO2 emissions that would result from the increase in the number of warehouses.

In order to demonstrate the major effect of this use case on our customers, in 2023 the Group will undertake an in-depth analysis and modeling of this calculation of avoided emissions.

KPI	Report section	GRI Code	Topic	SDG	Topic
Calculation of avoided emissions	Climate strategy	203	Environmental footprint of infrastructure		Industry, innovation & infrastructure

Avoided emissions measure an organization's contribution to the decarbonization of an economy outside its scope of activity. The avoided emissions are estimated based on a counterfactual reference scenario that reflects the most likely situation that would have occurred in the absence of the low-carbon solution. A solution avoids emissions if it allows a reduction compared to the baseline situation.

The quality of an estimate of avoided emissions is therefore based on the attention paid to the assumptions used.

The estimation of avoided emissions by "picking" involves comparing the emissions generated in a reference situation, where this mode of distribution is absent, or less developed, and a situation in which its development is encouraged.

The estimation of avoided emissions cannot be limited to calculating any emission reductions brought from the optimization of delivery routes or the construction of fewer warehouses compared to standard e-commerce (Amazon model). It must also ensure that there is no rebound effect: the development of picking, if it were to establish a new market

and increase overall consumption, would, for example, be likely to generate more emissions. Therefore, the modeling proposed in the two scenarios must ensure that all parameters likely to affect the level of GHG emissions are taken into account.

Total emissions, in both scenarios, are obtained by adding together the emissions generated by the three market segments that distribute the products:

- traditional in-store distribution (physical purchase),
- standard e-commerce (Amazon model), and
- the so-called "picking" model.

The goods and services sold by each of the three channels are produced ahead of time (upstream of distribution). These goods are then transported from the place of distribution to the end customer (either via a delivery person or by the customer themselves). Lastly, in the event that demand exceeds the logistics capacity, spaces are artificialized, and storage sites (stores or warehouses) are built.

In theory, picking could avoid emissions in at least two ways:


- 1) by optimizing transport routes and vehicle fill rates: one delivery person can deliver ordered products for several customers by following an optimized route and with a utility vehicle with the maximized load rate, and thus, reduce the total distance traveled and the carbon intensity of the journey (savings compared to traditional in-store retail).
- 2) by using existing infrastructures to develop e-commerce: unlike the Amazon model, the picking model takes advantage of existing infrastructures and avoids the construction of new infrastructures (mainly warehouses).

However, these two potential benefits must be analyzed in conjunction with all the changes brought about by the development of picking, some of which are also likely to increase the quantity of GHG emissions (rebound effect on consumption, etc.).

Product disposal and food waste are significant issues in the retail sector. Stores are faced with the need to rid their stores of products that are unfit for consumption, past their expiration dates, or not wanted by their customers, hurting profitability and the environment.

Food waste is a massive problem. Of the 5 billion metric tons of food produced each year, 40% is wasted. Retailers are responsible for 20% of this waste as they are forced to throw products away, particularly if they are unfit for consumption or expired. The VUSION Retail IoT platform allows retailers to closely monitor these products, prices, and expiration dates. By combining this solution with artificial intelligence (directly from SES-imagotag solutions or those of its partners), it is now possible to adjust the prices, promotions, or placement of these products when they reach their end of life. The platform allows retailers to closely monitor the evolution of a shelf and precisely identify products with a high breakage rate (expiration). Corrective actions are then developed, leading to the launch of targeted campaigns to reduce this rate.

### Reduce food waste

KPI	Report section	GRI Code	Topic	SDG	Topic
Fight against food waste	Climate strategy	203	Indirect economic impacts		Responsible consumption & production

In 2021, SES-imagotag announced a partnership with Smartway, a start-up that offers retailers an artificial intelligence (AI)-powered solution to control food waste while also improving profitability. Together, we have developed Smartdetection Flash Evo, a unique solution for detecting products with short expiry dates in stores. This solution eliminates the need to check products individually and spend hours in the aisle to identify and remove soon-to-be-expired products. The solution works via flashing labels, signaling soon-to-be expired products. In less than 4 minutes, more than 500 products can be checked and discounted.

In 2021, this solution received multiple awards such as the LSA and Perifem prizes for sustainability.

In 2023, the Group is committed to modeling this avoided emissions scenario:

SES-Imagotag believes that its solution, by allowing for an automated and rapid adjustment of prices, limits food waste and thus avoids emissions. At constant demand, reducing waste makes it possible to reduce production, and therefore emissions. Demonstrating the existence of avoided emissions presumes that the Group's solution, when combined with a dedicated application, makes it possible to limit waste. If this is the case, by how much?

## 4.3.4 TCFD (Task Force on Climate-related Financial Disclosures) reporting

For the purpose of presenting its climate strategy in accordance with international recommendations, SES-imagotag has presented its strategy below, along with its risk management and its ambitions in terms of climate strategy according to the TCFD format (the governance having been detailed in section 4.2.3)

TCFD recommendation	SES-imagotag TCFD reporting	Source
	<b>STRATEGY</b>	
	Describe the proven and potential climate risks and opportunities for the Company, its strategy and financial planning, where this is substantive.	
a) Describe the risks and opportunities identified in the short, medium, and long term.	<p>Climate-related risks and opportunities have been put into a time line for the Group with a deadline set for 2030:</p> <p>The risks:</p> <ul style="list-style-type: none"> <li>• In the short term, all SES-imagotag stakeholders expect measures to be taken to tackle climate change. Not responding to these expectations constitutes a risk factor that could affect the Group's reputation.</li> <li>• In the medium term, as we transition towards a more sustainable economy, one major challenge relates to potential new regulations enforcing a global or regional carbon pricing system which would have direct financial consequences on all companies.</li> <li>• Then in the long term, if the global ecological transition does not happen apace, rising temperatures and water scarcity could have a direct impact on our upstream supply chain as well as the energy supply for our data centers;</li> </ul> <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• addressing these issues in an appropriate fashion can generate opportunities: <ul style="list-style-type: none"> <li>◦ There is high demand from customers for technologies enabling them to innovate more sustainably and SES-imagotag's digital solutions are fostering the development of a sustainable retail; our project for Positive Retail is very clearly focused on these issues.</li> <li>◦ The employer brand for companies demonstrating a voluntary and ambitious approach to combating climate change is elevated;</li> <li>◦ While investors tracking publications and indicators will place the Group in their portfolio of businesses fighting global warming.</li> </ul> </li> </ul>	Section 2.1.1.3

TCFD recommendation	SES-imagotag TCFD reporting	Source
<b>STRATEGY</b>		
b) Describe the impact of these risks and opportunities on the business, strategy, and financial planning of the company.	<p>Short-term risks, which include responding to climate change and to the expectations of our stakeholders, have generated the forecast of consulting costs specific to ESG and particularly climate topics. By surrounding ourselves with recognized specialists in the analysis of life cycles, carbon footprints, modeling avoided emissions, auditing and reviewing our publications and indicators, the costs incurred in order to be supported in our approach are budgeted each year.</p> <p>In addition, the implementation of an ESG strategy has required the creation of a dedicated team of two people. Recruitment is planned for 2023.</p> <p>In the medium term, carbon tax issues do not, at present, result in provisions for risks - on the other hand, European regulations on the environment have triggered on one side consulting and audit budgets in the context of taxonomy compliance and, on the other side, eco-contribution costs in various European countries, paid at the time of marketing, which is a prerequisite for the eventual destruction of our IoTs at their end of life, in accordance with industry standards and the safe recycling of the lithium batteries contained in our labels.</p> <p>In the long term, financial planning ensures that R&amp;D budgets are sufficient for advancing research projects in favor of low-carbon IoTs. Business plans include a "carbon intensity" component in order to verify that the Group's strategy has a "product and service mix" component that makes a positive contribution to the environment.</p> <p>Opportunities revolve around contracts and tenders won thanks to the Group's low-carbon strategy and product and services offering: the demonstration of a climate strategy is very well received, and even increasingly demanded, by our customers. In addition, this same positive effect is observed when debt is raised. It is no longer uncommon to partially link a loan interest rate to one or more ESG indicators.</p>	Section 4
c) Describe the resilience of the organization's strategy in different scenarios, including the 2°C or lower scenario.	<p>The resilience tests of the Group's organization in response to the consequences of climate change have not yet been carried out in an exhaustive and in-depth manner. The Group's ability to cope with these scenarios will be the subject of a study in 2023. It will focus mainly on physical risks and climate disasters and be carried out in two stages:</p> <p>Risk assessment:</p> <ul style="list-style-type: none"> <li>• Review exposure to climate hazards for operations, suppliers, or markets</li> <li>• Assess the resilience of operations</li> <li>• Evaluate potential impacts on the business plan</li> </ul> <p>Risk management:</p> <ul style="list-style-type: none"> <li>• Identify priority action levers</li> <li>• Develop its climate change adaptation strategy</li> <li>• Support business lines during the change</li> </ul> <p>However, the Group began a partial analysis in 2022, in cooperation with the risk management unit of its insurance broker. The analysis focused on the security at 360° (including climate risks) of the Group's main storage sites. At this time, natural risks were identified and their management will be addressed in 2023 during the analysis mission described above.</p> <p>In addition, the Group diversified the geographical distribution of its industrial subcontracting sites, historically concentrated on the Asian continent, by signing a new label assembly subcontracting partnership in Mexico, making it possible to both reduce the carbon impact of logistics supplying the North American market and to reduce the geographical concentration of its production areas. The Group recently commissioned a production facility in Chihuahua, Mexico. This new facility in North America offers a geographical diversification of risks as well as a supply of its offer as close as possible to the market, which should be its largest contributor to growth over the next five years (United States).</p> <p>With regard to the management of data storage and cloud service providers necessary for the proper functioning of the Group's digital management tools, as well as the databases useful to customers, ISO 27001 certification has enabled the Group to achieve, also in this area, an initial inventory and the formalization of restart and continuity procedures, which are essential for the resilience of our organization.</p>	



TCFD recommendation	SES IMAGOTAG TCFD reporting	Source
<b>RISK MANAGEMENT</b>		
Describe the processes used by the organization to identify, assess, and manage climate risks.		
a) Describe the processes for identifying and assessing climate risks.	<ul style="list-style-type: none"> <li>The Group uses a two-way risk identification method: top-down by a team of senior managers with regard to strategic risks in particular, with this analysis being supplemented by a bottom-up study of the Company's managers in charge of identifying what they consider to be low, medium or high risks in their area of responsibility. Operational risks are thus carefully banished.</li> <li>The materiality analysis still needs to be carried out to confirm what the stakeholders consider important.</li> </ul>	Section 2.1
b) Describe the climate risk management processes.	<p>To address climate risk, the Group is managing its carbon emissions in order to identify priority levers and continue its efforts to offer innovative solutions in this area. The following indicators are closely monitored:</p> <ol style="list-style-type: none"> <li>Product life cycle analysis</li> <li>Number of innovative patents promoting decarbonization</li> <li>Creation of an internal label recycling channel</li> </ol> <p>The 2023 resilience analysis mission will enable the Group to consolidate and/or redirect its action.</p> <p>To address potential supply chain disruption due to climate-related risks and/or related regulatory changes, the company:</p> <ol style="list-style-type: none"> <li>Wished to have its environmental management system audited, which received ISO 14001 certification in 2022.</li> <li>Audited most of its suppliers via the "EcoVadis Responsible Procurement Program", which ensures compliance (among other things) with international environmental management standards such as water management, waste handling, chemicals, and the non-use of conflict minerals.</li> </ol> <p>To address risks related to extreme natural disasters and events, the measures in place aim to ensure the continuity of operations both in services (Cloud platform) and in production (IoT devices).</p> <ol style="list-style-type: none"> <li>Cloud platform continuity strategies have been implemented in collaboration with the Company's subcontractors and partners at various sites. The company obtained ISO 27001 certification (information systems security).</li> <li>A multi-sourcing and multi-site strategy for the supply of components as well as industrial subcontracting as described above.</li> </ol> <p>Support for business lines in the process of change began with training on global warming, provided to all our employees in 2021, followed by the strong awareness-raising initiatives taken over the past three years: teams have evolved their work by addressing customer requirements, current or future regulations, questions from insurance companies, and ESG audit company questionnaires completed by the Group for self-assessment purposes.</p> <ol style="list-style-type: none"> <li>For the purchasing teams, supply chain and quality audits, which were supplemented by ESG questionnaires during annual visits to factories and subcontracting suppliers,</li> <li>For the quality, IT, legal, and customer services teams, the ISO 14001 and 27001 certifications have contributed significantly to cyber risk awareness: the risk of corruption and fraud, etc.</li> <li>For the HR teams, the ESG assessment audits as well as the desire of the ESG, nomination and remuneration Committee, to focus on diversity, have modified recruitment campaigns.</li> <li>Lastly, for the R&amp;D teams, the carbon audit calculations have given rise to a product approach that focuses more attention on the carbon impact than the latter.</li> </ol>	Section 4.3
c) Describe how climate risks are integrated into the company's general risk management system	The Group's ESG Manager is responsible for risk identification, the Group's insurance program and the Group's governance. Therefore, the identification of climate-related risks, the management and the global strategy to integrate climate-related issues into the Company's governance, strategy and objectives fall within its remit. She works closely with the company's operational and administrative teams whose activities address climate-related issues, to assess risks and establish relevant objectives for each department to address these risks.	

TCFD recommendation	SES IMAGOTAG TCFD reporting	Source
<b>INDICATORS AND OBJECTIVES</b>		
Publish indicators and objectives to assess and manage material climate risks and opportunities		
a) Publish the indicators used to assess climate risks and opportunities as part of the investment strategy and risk management process.	Number of patents filed relating to low-energy consumption	Section 4.3
	Number of labels recycled: 1.6 million and 2.7 million collected pending recycling	
	ESG rating: Ecovadis Platinum	
	carbon intensity (kg of CO2 per € of revenue): -40% vs. 2022, 2027 ambition	
b) Publish indicators on greenhouse gas (GHG) emissions and associated risks for scopes 1 and 2, and, if relevant, scope 3.	Life cycle analysis of any new product (before launch)	Section 4.3
	<ul style="list-style-type: none"> <li>• Scope 1: 562 tons CO2</li> </ul>	
	<ul style="list-style-type: none"> <li>• Scope 2: 418 tons CO2</li> <li>• Scope 3: 121,200 tons CO2</li> </ul>	
c) Describe the objectives set to manage climate-related risks and opportunities, as well as the results achieved in the pursuit of these objectives	The following commitments have been made:	Section 4.3
	Decarbonize Retail: the carbon intensity (kg CO2 per € of revenue of our solutions must decrease by -40% by 2027	
	Increase label recycling with the aim of reaching 15 million labels in 2027.	
	Carry out the climate risks analysis in relation to the business model in 2023	
	Quantify avoided emissions scenarios in 2023	
	Obtain carbon footprint and carbon intensity certifications	

## 4.4 European taxonomy

### 4.4.1 Context and consistency

This publication is part of the application of Article 8 of Regulation (EU) 2020/852 on the European Green Taxonomy, hereinafter the ("Regulation") and its delegated act relating to publications published on July 6, 2021.

#### Explanation of the European Green Taxonomy

The European Green Taxonomy of Sustainable Activities or "Taxonomy" aims to establish a classification of economic activities considered environmentally sustainable on the basis of stringent technical criteria. The implementation of this framework, intended to identify economic activities contributing to the European objective of carbon neutrality by 2050, highlights the extent of the economic and industrial transformations to be achieved. Building on its environmental, social, and societal commitments, SES-imagotag closely monitors the work of the European Commission to analyze activities in order to direct the investments of public and private players towards projects contributing to the transition to a sustainable and low carbon economy.

The Taxonomy is a system for classifying economic activities according to their contribution to one of six environmental objectives:

- climate change mitigation;
- adaptation to climate change;
- sustainable use and protection of aquatic and marine resources;
- the transition to a circular economy;

- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

In accordance with Article 8 of the Taxonomy delegated act relating to the content and presentation of information to be disclosed, the SES-imagotag Group is required to publish the share of its economic activities classified as sustainable within the meaning of the classification and criteria defined in the Taxonomy for the first two climate objectives of mitigation and adaptation.

The Group must then present the share of its revenue, capital expenditure ("Capex"), and its operating expenses ("Opex"), associated with eligible and aligned economic activities, where applicable, activities, and associated technical criteria as defined by the Taxonomy.

An economic activity is eligible when it is explicitly described in the list included at this stage in the annexes of the Regulation and it is likely to contribute substantially to one of the six environmental objectives.

An activity then becomes aligned when it meets all the technical screening criteria, consisting of specific conditions and the performance thresholds necessary to demonstrate a substantial contribution to one of the six environmental objectives and do no significantly harm the other environmental objectives and do comply with minimum safeguards related to human rights, corruption, taxation, and competition law.

#### Definition

Eligible activities become aligned if they meet the following technical criteria:

1

#### Substantial contribution (SC)

The activities comply with the technical screening criteria set for each environmental objective.

2

#### Do no significant harm (DNSH)

The activities do not have a material impact on any of the other five environmental objectives.

3

#### Minimum safeguards (MS)

Activities are carried out in accordance with the International Charter of Human Rights and the principles set by the OECD, the UN, or the ILO, in particular on corruption, taxation, and competition law.

To meet these regulatory obligations, SES-imagotag has set up a working group composed mainly of members of the ESG Unit and Management Control. This team has worked to analyze the eligibility and alignment of the Group's activities, in particular on the basis of the Climate Delegated Regulation of

June 4, 2021 and its appendices supplementing the Regulation, by specifying the technical criteria for determining under which conditions an economic activity can be considered as contributing substantially to the mitigation of climate change (or adaptation to it).

## 4.4.2 Assessment and methodologies

### Qualification of the business model's eligibility for Taxonomy

#### Determination of activities eligible for taxonomy

The SES-imagotag Group is convinced that a more sustainable and responsible retail development model exists: millions of physical stores already exist today, putting all essential consumer goods within close proximity of everyone. Digitalization could revitalize these existing "stranded" assets and turn physical stores into powerful omnichannel "phygital" outlets, enabling exceptional quality of service to all consumers thanks to in-store order preparation (ultra-fast availability for click and collect or delivery) in the most sustainable and low-carbon way (see section 4.3.3 of this report).

The calculations of these avoided emissions are being made more reliable with the support of specialized consultants and constitute a first step towards an analysis of the revenue that would then fall within the scope of section 8 of the taxonomy. More specifically, the Group plans to make its activities eligible for section 8.2. Data-driven solutions for GHG emission reductions:

*"The development or use of ICT solutions<sup>1</sup> intended to collect, transmit, and store data, as well as to model and use this data when the main objective of these activities is to obtain data and analyses to reduce GHG emissions. These ICT solutions may include, among others, the use of decentralized technologies (i.e. distributed ledger technologies), Internet of Things (IoT), 5G, and artificial intelligence. Economic activities in this category could be linked to several NACE codes, in particular codes J61, J62, and J63.11, in accordance with the statistical classification of economic activities established by Regulation (EC) No. 1893/2006."*

In which case, the company would have potential short-term and medium-term KPIs,

- the measurement of its carbon intensity;
- the measurement of avoided GHG emissions, according to the number of ESLs including the marketed picking functionality;
- the measurement of the proportion of revenue eligible under section 8.2 of the taxonomy;
- the measurement of Capex, in particular R&D, which may therefore become eligible.

Part of the revenue generated by the Group could thus meet the definition of the activities in paragraph 8.2 **Data-driven solutions for GHG emissions reductions**. Taking into account the factors described above, the Group could consider its activity as "enabling" because it has the potential to enable its customers to improve their own sustainability.

The Group has chosen to adopt a cautious approach and consider that all of its revenue is neither eligible nor aligned with the Taxonomy, as long as the investigations and analyses are ongoing. Details of the work in progress to document the reduction of GHG emissions and the Group's outlook are presented in section 4.4.4. "Outlook".

**Regarding capital expenditure**, the Group has applied the regulations by valuing only investment expenses in connection with the so-called individual measures of the Taxonomy that lead to reductions in greenhouse gas emissions (mainly on its real estate assets).

The Group has thus identified activities involving capital expenditure that can be considered as individually eligible activities under the climate change mitigation objective. The capital expenditure used corresponds to the right-of-use expenditure calculated in accordance with IFRS 16, mainly associated with the leases of buildings and vehicles as "individual measures". These investments correspond, in accordance with the provisions of the Taxonomy, to the following categories:

- a) 6.5. Transportation by motorcycles, passenger cars, and light commercial vehicles (including IFRS16);
- b) 7.7. Acquisition and ownership of buildings (including IFRS 16).

### Approach to identifying financial indicators (revenue, capital and operating expenditure)

The financial information used is taken from the Group's information systems (investment monitoring and consolidated financial statements) at the annual account closing date. They were the subject of a joint analysis and control by the consolidation and management control teams in order to ensure consistency with the consolidated revenue and the Capex presented in the Notes to the consolidated financial statements.

<sup>1</sup> ICT: Information and Communications Technologies

## i. Revenues

**Definition:** The proportion of economic activities eligible for the Taxonomy in the total revenue was calculated as the share of revenue from products and services associated with the economic activities eligible for the Taxonomy (numerator) divided by the revenue (denominator), in each case for the financial year from January 1, 2022 to December 31, 2022. The denominator of the indicator relating to the revenue is based on consolidated revenue. For more details on the accounting principles applied to consolidated revenue, see section 6.1.2. Note II.1.18 of the financial statements included in the 2022 Universal Registration Document.

**Reconciliation:** Consolidated revenue can be reconciled with the financial statements, see section 6.1.2. note 15 and section 6.1.1. note 1.2 in the 2022 Universal Registration Document.

## ii. Capital expenditure (Capex)

**Definition:** The CAPEX indicator is defined as the Capex eligible for Taxonomy (numerator) divided by the total Capex (denominator). Total Capex consists of acquisitions of property, plant, and equipment and intangible assets (excluding goodwill) during the financial year, before depreciation and amortization and excluding changes in fair value. It includes, in particular, assets related to right-of-use assets (IFRS 16). For more details on the accounting principles applicable to Capex, see section 6.1.2. note II.1.2. of the financial statements included in the 2022 Universal Registration Document.

**Reconciliation:** Total capital expenditure may be reconciled with the financial statements, see notes 1 and 2, section 6.1.2 of the financial statements included in the 2022 Universal Registration Document. They correspond to the total of the types of movements (acquisition and production costs).

## iii. Operating Costs (Opex)

Due to the absence of eligible revenue to date, operating expenses related to activities contributing to revenue could not be classified as eligible. As a result, the various actions implemented to reduce the carbon footprint of the Group's digital solutions were not taken into account in the performance indicators relating to operating expenses.

The operating expenses used by the Group in application of the provisions of the Taxonomy, as planned for 2022, were restricted to the following categories:

- a) research and development expenses, including, in particular, the associated personnel costs, restated for tax credits received over the period;
- b) short-term leases;
- c) maintenance, upkeep, and repair costs for industrial processes and buildings, including the associated personnel costs.

These categories constitute the numerator of the ratio of operating expenses in relation to the Group's total Opex (see notes 17 and 18 section 6.1.2 to the consolidated statements). Insofar as the value of this ratio is 5.6%, SES-imagotag has used the exemption regime provided for the publication of the Opex indicator.

#### **Methodology for evaluating activities with regard to technical screening criteria (substantial contribution, DNHS and minimum safeguards)**

In order to assess the current level of alignment of the activities identified as eligible, the Group carried out a verification of the compliance with the generic technical screening criteria of these activities and the minimum safeguards.

#### **Generic GNHSs listed in Appendix A relating to climate change adaptation:**

As part of the Group's operational risk management, several risks have been identified as described in section 2.1 of this Universal Registration Document. However, the company has not been able to carry out a full assessment of the business' climate risk. This analysis should be carried out during the 2023 financial year, with details of the current assessment projects being developed in the outlook section.

#### Minimum safeguards:

In accordance with the guiding principles of minimum safeguards described in Article 4 of the Regulation, economic activities that contribute substantially to one of the climate objectives and comply with the relevant generic and specific DNHS must also implement procedures to align with the OECD Guidelines for Multinational Enterprises and on the United Nations' Guiding Principles on Business and Human Rights (including the principles and rights set out in the eight fundamental conventions cited in the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights).

The final report of the European Platform on Sustainable Finance published in October 2022 ("Final Report on Minimum Safeguards") clarified the scope of requirements to be met as part of this first alignment exercise. Four themes are highlighted by the report and must be covered by the minimum safeguards: human rights (including labor and consumer rights), corruption, taxation, and competition law.

The Group's compliance with the minimum safeguards was analyzed with regard to the non-alignment criteria proposed in this report. These latter aim to ensure, on the one hand, that the Group has not been responsible for violations of rights and regulations in relation to these four topics, and, on the other hand, that procedures are in place within the Group in order to identify, assess, avoid, and mitigate such violations.

The Group conducted its review of minimum safeguards centrally via workshops conducted with the departments concerned. Based on these analyses, the Group has concluded that it complies with the minimum safeguards. The results of the analysis are presented below and detailed in section 4.5 of this report:

- **Human rights:** SES-Imagotag is committed to respecting and promoting recognized human rights and fundamental freedoms.

As discussed in section 4.5 of this report, SES-imagotag is committed to respecting human rights (civil, political, economic, social, and cultural) in all its activities, as provided for in the International Charter of Human Rights and the fundamental conventions of the International Labor Organization (ILO).

In particular, the Group has subscribed to the following initiatives:

- United Nations Global Compact and the Sustainable Development Goals (SDGs)
- Women Empowerment Principles
- Women Initiative Foundation
- **Anti-corruption and competitive practices (competition law):** anti-corruption procedures are in place within the

### 4.4.3 Results

#### Revenue:

As mentioned above, pending clarification from the European Commission as well as further guidance on market practices and the analysis of technical criteria, the Group has been forced not to qualify its revenue as eligible for 2022. This arbitrage has resulted in the absence of eligible revenue and, as a result, zero alignment.

Due to the absence of eligible revenue to date, investments related to activities contributing to revenue could not be classified as eligible. As a result, the various actions implemented to reduce the carbon footprint of the Group's products/solution were not taken into account in the performance indicators relating to capital expenditure.

Indeed, SES-imagotag is not in a position to declare the eligibility of its research and development programs because, by definition, they do not target an activity that is itself eligible within the meaning of the Taxonomy. It should be noted, however, that SES-imagotag's taxonomic indicators are not very representative of the efforts made by the Group to address environmental issues. Its investments in R&D are not, as it stands, taken into account by the taxonomy.

Group. In addition, the Group's Code of Ethics promotes a culture of integrity throughout the Company as well as responsible business practices, in compliance with the laws on competitive practices. This code is supplemented by the Supplier Code of Conduct to ensure that social concerns are properly taken into account throughout the supply chain. The Group has also introduced procedures to ensure compliance with the Sapin II law, as detailed in section 2.2.2. of this report, on the fight against corruption.

- **Taxation:** The Company considers tax governance and compliance to be important monitoring elements, and appropriate tax risk management strategies and processes are in place. Lastly, the tax practices detailed in section 2.1.3.3. of this report comply in all respects with the BEPS recommendations of the OECD (particularly in terms of tax evasion).

SES-imagotag strictly applied the regulations and was therefore unable to classify its eligible investments as aligned, given the precise technical criteria to be met and the required analyses, which are not, as it stands, extensively available.

It should be noted that as 2022 saw our first alignment exercise, the risk analyses related to climate change adaptation and the other objectives targeted by the Taxonomy could not be carried out with the required level of detail.

#### Individual measures:

The analysis of the eligibility for investments was therefore only focused on individual measures related to climate change mitigation, which explains the low amount of eligibility given the size of the Group.

Eligible investments as defined by the Taxonomy Regulation amounted to €2.5 million in 2022 (relating to long-term leases of buildings and vehicles), compared to an investment total (as defined by the taxonomy regulation) of €54.5 million, i.e. a Capex eligibility ratio of 4.5%. As for Opex, they present a ratio of 5.6%. As stated previously, the alignment of this expenditure is zero for this first year of publication.

To avoid any risk of double counting, the eligible amounts presented above only concern the climate change mitigation objective.

The Group will continue to adapt its methodology and eligibility analysis as the Taxonomy is implemented and as regulations, listed activities, and technical screening criteria evolve.

#### 4.4.4 Outlook

Environmental effects are fully integrated into the Group's strategic thinking, both in terms of R&D efforts dedicated to reducing the carbon footprint of the carbon assessment of solutions offered to its customers and in terms of thinking about the uses of its solutions within distribution networks:

- a) the Group has invested considerably in R&D to make its IoT technology low-energy, low-carbon, and sustainable. We work continuously on reducing our energy consumption and on redesigning ESLs (Electronic Shelf Labels) to optimize the materials from which they are made and provide them with a longer lifespan. This work has led to the filing of numerous patents, see section 2.1.3.1. of this report.
- b) the Group is also working to transform the physical store into a digital asset:
  - in the face of the continued growth of e-commerce, by relying on the storage and distribution infrastructure already available in existing stores, the Group is developing a technological offer that reduces the need to build new warehouses and thus avoids the significant increase in CO<sub>2</sub> emissions caused by an increase in the number of warehouses (see section 4.3.3. of this report);
  - in addition, the conclusion of a few external partnerships has enabled the integration of data management solutions relating to expiration dates in particular, leading to projects to fight food waste, which are very promising in terms of "wasted" carbon emissions savings.

From all these observations, the Group has drawn up ambitions and action plans, described specifically in section 4.3 of this report:

- Measure its carbon footprint and carbon intensity: reduce its carbon intensity year by 40% between now and 2027
- Decarbonize the solutions marketed by the Group
- Work on avoided emissions scenarios (customer use cases)

Certain of the environmental benefits of digitization solutions and their role in the overall reduction of greenhouse gas emissions (see our Positive Retail program), the Group carried out an analysis of its activity as indicated in section 4.3.3. Several favorable factors have been identified as a result, in particular thanks to the benefits of the Group's solutions, the use of which makes it possible to avoid GHG emissions during use by our customers.

The Group has integrated the mitigation of its impact on the environment into its roadmap for positive retail and is naturally looking to make further progress in this area by constituting and implementing a climate change business adaptation plan: in this context, the Group plans to carry out an analysis in 2023 of the resilience of its business model to climate change in order to identify ways in which it needs to adapt.

Seconded by specialized consultants, this analysis, carried out by a team of Group managers, will aim to assess business continuity risks, in particular:

- **Risk assessment:**
  - Review exposure to climate hazards for operations, suppliers, or markets
  - Assess the resilience of operations
  - Evaluate potential impacts on the business plan
- **Risk management:**
  - Identify priority action levers
  - Develop its climate change adaptation strategy
  - Support business lines during the change

The company must therefore ensure not only the demonstration of a substantial contribution (according to the technical criteria of the regulations) to the climate change mitigation objective of the taxonomy but must also ensure that it does not harm any of the other five objectives while exploring the topics of "Minimum Safeguards".

With regard to the latter, in 2023 the aim will be in particular to coordinate the management of policies and procedures related to ethics and corruption, as well as the expansion of the scope of suppliers subject to the EcoVadis questionnaire as part of the "sustainable procurement" campaign, consisting of an audit of our main suppliers. The EcoVadis method consists of a dashboard of 80 specific analysis themes, structured in a framework that covers labor and human rights, the environment, social issues (diversity, racism, non-discrimination, equity), and business ethics.

In terms of making a substantial contribution to the mitigation objective, based on its first carbon footprint, the Group is committed to reducing its carbon intensity by 40% by 2027 compared with 2022, as described in the diagram in section 4.3.1, in order to reduce, innovation by innovation, the carbon emissions necessary to equip a standard store, thus constituting our roadmap for the decarbonization of our solutions.

More specifically, the work of decarbonizing our solutions consists, thanks to the multiple technological partnerships forged and the innovations induced, of eradicating the need to equip stores with radio frequency relays ("access points"), amplifying the eco-design of our solutions, and thus facilitating their recycling through selected partnerships, and, finally, innovating further thanks to the launch of a range of IoTs without lithium batteries. All these innovations are steps in the decarbonization of the solutions offered to our customers.

All of our KPIs relating to this decarbonization must therefore be governed by a recognized and/or certified methodology.

But even more ambitious are the contributions envisaged in terms of our customer's avoided emissions, thanks to the use of our in-store solutions.

Revenues				Substantial contribution criteria							Do No Significant Harm (DNSH) criteria										
Economic activities (1)	Code(s) (2)	Absolute revenue (3)	Share of revenue (4)	Climate change mitigation (5)	Adaptation to climate change (6)	The sustainable use and protection of water and marine resources (7)	The transition to a circular economy (8)	Pollution prevention and control (9)	The protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of revenue aligned with FY2022 taxonomy (18)	Share of revenue aligned with FY2021 taxonomy (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
	(€m)	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	F	T	
<b>A. Taxonomy-eligible activities</b>																					
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																					
Revenue from environmentally sustainable activities (aligned with the Taxonomy) (A.1)	N/A	0	0.0%																		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																					
Revenue from activities eligible for taxonomy but not environmentally sustainable (not aligned) (A.2)	N/A	0	0.0%																		
Total (A.1 + A.2)	N/A	0	0.0%																		
<b>B. Activities not eligible for taxonomy</b>																					
Revenue from activities not eligible for taxonomy (B)		620.9	100.0%																		
<b>Total (A + B)</b>		<b>620.9</b>	<b>100.0%</b>																		



Capex				Substantial contribution criteria							Does not significantly harm (DNSH) criteria										
Economic activities (1)	Code(s) (2)	CapEx (3)	Share of CapEx (4)	Climate change mitigation (5)	Adaptation to climate change (6)	The sustainable use and protection of water and marine resources (7)	The transition to a circular economy (8)	Pollution prevention and control (9)	The protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of CapEx aligned with FY2022 taxonomy (18)	Share of CapEx aligned with FY2021 taxonomy (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
	(€m)	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	F	T	
<b>A. Taxonomy-eligible activities</b>																					
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																					
Environmentally sustainable CapEx (aligned with the Taxonomy) (A.1)	N/A	0	0.0%																		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																					
Acquisition and ownership of buildings	7.7	2.0	3.7%																		
Transport by motorcycles, passenger cars, and light commercial vehicles	6.5	0.5	0.9%																		
CapEx eligible for taxonomy but not environmentally sustainable (not aligned) (A.2)		2.5	4.6%																		
<b>Total (A.1 + A.2)</b>		<b>2.5</b>	<b>4.6%</b>																		
<b>B. Activities not eligible for taxonomy</b>																					
CapEx not eligible for taxonomy (B)		51.9	95.4%																		
<b>Total (A + B)</b>		<b>54.4</b>	<b>100.0%</b>																		

Opex				Substantial contribution criteria								Does not significantly harm (DNSH) criteria									
Economic activities (1)	Code(s) (2)	OpEx (3)	Share of OpEx (4)	Climate change mitigation (5)	Adaptation to climate change (6)	The sustainable use and protection of water and marine resources (7)	The transition to a circular economy (8)	Pollution prevention and control (9)	The protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Aquatic and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of OpEx aligned with FY2022 taxonomy (18)	Share of OpEx aligned with FY2021 taxonomy (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
	(€m)	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	F	T	
<b>A. Taxonomy-eligible activities</b>																					
<b>A.1. Environmentally sustainable activities (aligned with the Taxonomy)</b>																					
Environmentally sustainable OpEx (aligned with the Taxonomy) (A.1)	N/A	0	0.0%																		
<b>A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)</b>																					
OpEx eligible for taxonomy but not environmentally sustainable (not aligned) (A.2)	N/A	0	0%																		
<b>Total (A.1 + A.2)</b>	<b>N/A</b>	<b>0</b>	<b>0%</b>																		
<b>B. Activities not eligible for taxonomy</b>																					
OpEx not eligible for taxonomy (B) *		86.4	100%																		
<b>Total (A + B)</b>		<b>86.4</b>	<b>100.0%</b>																		

\* Only OpEx targeted by the Taxonomy of which €3.3 million in non-capitalized R&D costs

## 4.5 Social and societal ambitions





The company's main purpose is to invent the technologies of tomorrow for a human, sustainable, and positive commerce.

The main social and societal objectives of SES-imagotag can be broken down as follows:

- To generate widespread positive social impact through our technological innovation and solutions

- To ensure that our supply chain is sustainable
- To be a good place to work for our employees

Regarding effects on society, please find the major KPI's listed in the table below:

KPI	Report section	GRI Code	Topic	SDG	Topic
# of connected stores and # of tracked items	Society and social	203	Indirect economic impacts		Responsible consumption & production
NPS	Society and social	413	Communities		Sustainable communities
EcoVadis rating	Society and social	204, 205, 308, 414	Procurement Practices	 	Responsible consumption & production

### 4.5.1 Positive societal impacts

#### Making stores more sustainable

**Physical stores** are a precious common good that needs to be protected.



**For retailers**, stores are core assets.

**For brands**, stores are by far the largest distribution channel, with the highest qualified traffic and conversion rates.

**For consumers**, stores represent immediate access to products and a five-sense shopping experience.

Stores also play a crucial role in the social well-being of our world.

**For society, in the broadest sense**, stores represent one-sixth of all jobs globally and are the social hubs and beating hearts of our cities.

KPI	Report section	GRI Code	Topic	SDG	Topic
# of connected stores	Societal	203	Environmental footprint of infrastructure		Industry, innovation & infrastructure
# of connected stores and # of connected labels	Societal	203-1	Indirect economic impacts		Responsible consumption & production

Over the past decade, physical commerce has had to contend with the impact of the growing e-commerce trend, as well as an evolving omnichannel model put in place by the world's largest retailers. A seamless omnichannel model cannot be achieved without the digitalization of stores and the connection of

physical commerce to other distribution channels. But ensuring the relevance and ongoing development of physical commerce is also crucial to the well-being of urban landscapes as we know them, as stores provide a number of social benefits that would be difficult to replace.

	December 31, 2022	December 31, 2021
Number of stores connected to the Cloud	10,398	7,022
Number of connected labels	50,002,301	31,017,610

SES-imagotag's continuous innovations contribute to operating efficiency optimization in stores by granting them access to a Cloud platform for third-party applications through application programming interfaces (API), or by developing a market-leading shelf monitoring technology. Such gains lead to improved store management, with more time for in-store staff to focus on high-value-added tasks, notably providing better customer service. Please also refer to section 4.3.2 of this report.

### Enabling shelf efficiency

The VUSION Retail IoT platform enables retailers to closely monitor their products on shelves through smart digital connected tags. It is possible to know at any moment which products are (or are not) on the shelves, and what customers are looking for. This fundamental information significantly impacts the operational and commercial efficiency of the store.

Some of the management tasks can be automated or managed remotely. In particular, stores are able to considerably reduce out-of-stocks, waste, over-stocks linked to insufficiently reactive and refined pricing policies.

The VUSION Retail IoT Cloud platform is designed to become the open, holistic platform that transforms store digitalization into collaboration. To date, 50 million online connected labels are connected to our VUSION Retail IoT platform and thus offer the benefits of rigorous reference control.

## Captana and the SKU<sup>2</sup> monitoring

The first operational requirement of a store is to know precisely the state of the inventories and shelves at all times. Thanks to Captana and its real-time shelving management functions, the store can know the precise location of each product, the number of facings, and the availability of the product at all times. Anomalies are identified and localized at the store's digital level: shortages, theoretical zero or negative inventories, insufficient sales coverage, insufficient or excessive facings in view of rotations, etc. From the actual planograms thus reconstructed, it is therefore possible to optimize the added value of in-store personnel for perfect shelf life.

The concept of a "transparent SKU", or an SKU that is monitored with unprecedented precision, is enabled by Captana, a solution that addresses the key concerns of data accuracy of stores. Captana enables store employees to have real-time answers to the questions that are key to efficient store management: Which products? Where? How many facings and space share? At what price?

By monitoring shelves in real time, stores are able to improve on-shelf availability, replenishment, overstock avoidance, and the launch of promotions or staff operations with optimal timing, thus avoiding waste and improving operating results.

In 2021, we implemented a new Key Performance Indicator (KPI) related to Captana. To improve shelf performance, we monitor the number of online SKUs digitized with "connected labels".

The number of facings managed thanks to Captana was 2,187,290 in 2022 (vs. 653,949 at December 31, 21): the Captana range is very new and continues to expand over the years.

### Providing transparency to consumers

In addition to price, freshness, quality, and local production are the main attributes that count for fresh food purchases. Food that has traveled across the globe to reach our plate has a much higher impact on our environment. More energy is needed to transport, refrigerate, and store it, and often, more packaging is required to keep it fresh. The more time food spends in storage and transit, the more likely it is to spoil and become waste. By eating local, seasonal foods we can help reduce the environmental costs associated with our food. This is why regulations have also introduced new marketing standards concerning labeling such as the nutriscore and the carbon score. In the electronics sector, we have the corollary indices of reparability and energy performance. All these regulations aim to better inform consumers of their choices in terms of quality, health, and the environment. As the amount of mandatory information to display increases, ESLs become the perfect answer to help enable fast, productive, and effective updates, to ensure the information shown to the customer is always accurate and compliant with regulations. Physical points of sale, which still account for 80% of retail sales worldwide, will be able to use this new means of communication with more relevant targeting capabilities for the consumer, in close collaboration with the brands.

<sup>2</sup> SKU: sales unit or "stock keeping unit" -

At the same time, as information becomes available, consumers learn more about the seasonal purchases, health, and the environmental impacts of their purchases and they increasingly re-evaluate local products, which also positively contributes to local economies and the planet. Consuming fewer animal products such as meat and dairy products, and eating more plant-based foods, such as cereals and vegetables, helps to combat the effects of global warming.

With increasing regulation that aims to protect consumers' health (by preventing health risks and by guiding them to more sustainable products), electronic labels are the perfect answer to enable fast, productive and effective updates to make sure the information shown to customers is always accurate and compliant. Through contactless technologies (NFC, QR codes), electronic labels can facilitate access to broader information such as:

- "Buying local" or local products: consumers may adapt their purchasing habits after they learn more about the seasonality of local products, health attributes and the environmental impact of their purchases. This in turn can contribute to positive impact for local economies and the planet. A growing number of leading supermarkets emphasize local products and sustaining local producers. They also promote better use of fresh produce in food preparation and healthy best practices. This information is more readily conveyed and modified with the use of digital tools such as ESLs.
- Food allergies are a real public health issue, affecting more than 250 million people worldwide. In Europe alone, 17 million people suffer from some form of food allergy; 3% of adults and 6% of children are allergic to certain types of food. ESLs provide an easily used medium for signaling vital information to people who suffer from allergies.
- Nutri-score: International organizations have recommended the use of multiple strategies, including front-of-package nutrition labeling (FOPL), to improve nutrition and prevent chronic nutrition-related diseases. In France, the Nutri-Score was selected by health authorities in March 2017. This is information that can be conveyed, updated and modified through SES-imagotag's digital solutions.

#### **Assuring data privacy:**

In the age of connected, intelligent, omnichannel commerce anytime, anywhere, consumers have the right to obtain complete information about the products they purchase and consume. They also have the right to know that their personal data is protected and cannot be used for purposes other than to provide them with full purchasing satisfaction. It is essential to maintain strict confidentiality of data. In this sense, the customer applications that we develop or activate place this imperative at the forefront.

Our applications are based on the following assumptions:

- Consumers expect personalized service, recommendations and offers. As a result, they are ready to be identified and provide data on their preferred choices; and
- For retailers, personalized marketing in-store can unlock significant value.

We thus promote solutions and operate under two guiding principles:


- 1) The deal must be fair. Retailers must earn the right to know their customers and to use the data in exchange for a better and more personalized service, better value for money, time savings, and real value;
- 2) The services are always subject to the shopper's willingness to sign up for a clear and transparent deal, without surprises.

As stores bridge over to digital technology, the actions of retailers regarding privacy must be fully transparent. Smart labels are the perfect GDPR-compliant tool as they are an opt-in only gateway to digital content and services.

#### **Protecting jobs and communities**

The digitalization of stores provides obvious advantages for retailers and brands. But driving the relevance and dynamism of stores through digitalization also benefits the broader economy and overall society by enabling physical retail to retain its role as one of the planet's leading suppliers of jobs, and stimulating related employment. Digitalization in physical stores creates greater traceability, facilitates food safety, and – with traceability – contributes to funding the journey toward more sustainable agriculture. Digitalization also drives consumer satisfaction, contributes to maintaining and improving the quality of life in cities (where stores are a crucial component of the urban landscape), and reduces waste.

**Guarantee the safety of its products and solutions**

KPI	Report section	GRI Code	Topic	SDG	Topic
Compliance with RoHS and REACH standards	Social	205, 102	IoT safety		Responsible consumption & production

In accordance with its environmental policy, SES-imagotag's products comply with the European REACH regulation<sup>3</sup> and the European RoHS directive<sup>4</sup>. These aim to reduce and restrict substances that are potentially harmful to humans and the environment.

The EU RoHS directive stipulates that electrical and electronic products sold on the EU market must not contain lead, cadmium, mercury, hexavalent chromium, polybrominated diphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), and other controlled substances (including DEHP/BBP/DBP/DIBP phthalates).


The EU RoHS directive therefore aims to limit the impact and exposure of consumers and the environment to specific hazardous substances. It also reduces occupational exposure

when products or equipment are manufactured, recycled, or sent for final disposal. SES-imagotag ensures that all its products fully comply with all these requirements.

Under the EU REACH regulation, all chemicals manufactured in the EU or imported into the EU market must be registered before the specified number of years when the annual volume used exceeds 1 metric ton.

SES-imagotag requires all parts, components, and raw materials supplied by suppliers and used in SES-imagotag products to be RoHS and REACH compliant. It is not only a question of complying with applicable laws and regulations, but also of meeting customer needs and reducing any environmental impacts.

**Measuring customer satisfaction: VUSION's Net Promoter Score**

KPI	Report section	GRI Code	Topic	SDG	Topic
NPS	Business Model	203	Indirect economic impacts		Sustainable communities

At the end of 2020, we launched our "Customer First" program, anchored in our belief that high levels of customer satisfaction and loyalty lead to consumers becoming our greatest champions, recommending us to other potential customers. Thus, the Group is dedicated to fostering a positive experience at every key stage of the customer journey in order to set this virtuous cycle in motion.

The indicator we used is the Net Promoter Score (NPS). It is a widely used tool for measuring customer loyalty and satisfaction. It involves asking customers how likely they are to recommend a product or service to others, on a scale of 0-10. Our customer satisfaction survey is deployed worldwide. It is linked to our Customer Relationship Management (CRM) system and our Power BI analysis tool.

Implementing NPS across the work done by every employee will help us measure how customers perceive our service, and how well our business is doing.

With an overall NPS slightly higher than 55 (vs. 38 in 2021), SES-imagotag is in the upper range of the SaaS and software sector and remains on a clear path towards improvement. This positive NPS has been achieved by adopting a truly customer-centric approach. Since a single negative experience is all it takes to turn a potential Promoter into a Detractor, we have learned to pay careful attention to each customer interaction.

NPS	2022	2021
	55	38

<sup>3</sup> REACH: Registration, Evaluation, Authorization and Restriction of Chemicals is a European Union regulation dating from December 18, 2006.

<sup>4</sup> RoHS: The Restriction of Hazardous Substances Directive 2002/95/EC (RoHS 1), short for Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment, was adopted in February 2003 by the European Union

## 4.5.2 To ensure that our supply chain is sustainable





### A clear policy

In 2022, the Group published its Responsible and Sustainable Purchasing Policy. This defines the Group's main guidelines and commitments in terms of responsible purchasing, covering environmental, human rights, and ethical issues. This document is available online.

This document is based on the Group's values and its international commitments through the ILO's fundamental conventions, the United Nations Global Compact, and the OECD Guidelines. This document formalizes the Group's environmental, social, and ethical requirements and expectations of its suppliers.

This purchasing policy is supplemented and enhanced by several fundamental reference documents of the Purchasing Department, which are:

- our supplier Code of Conduct was the subject of a signature campaign led by the strategic purchasing department, with a signature rate of 96% (see audit results below).
- our policy on sourcing minerals from conflict zones.
- our policy on compliance with ROHS and REACH certifications.

KPI	Report section	GRI Code	Topic	SDG	Topic
EcoVadis rating	Social	204, 308, 414	Procurement Practices and Suppliers responsibilities, suppliers social assessment	 	Responsible consumption & production
EcoVadis rating	Social	205	Anti Corruption	 	Responsible consumption & production

### Assessing the whole supply chain

We don't own the production plants that manufacture our products. We have opted for a factory-free production model, outsourcing our production processes to External Manufacturing Services (EMSs). Our main assembly partners have long-established programs in ESG and environmental initiatives. They follow global reporting standards for sustainability and are all certified to ISO International Standards that provide guidance on environmentally and socially-responsible behavior for organizations. The scope of their environmental management systems extends far beyond what is typically found in an ISO 14001:2015 system, and includes such elements as product environmental compliance and e-waste management. We subcontract the manufacturing of ESLs to specialized service providers (EMS-Electronics Manufacturing Services), while retaining the design and intellectual property rights of our products. Most of our EMS partners are located in mainland China or Southeast Asia, or more recently in Central America (Mexico).

The Group assesses the quality of its supply chain through three types of audit:

1) **An audit of our suppliers managed by the Group's product quality department**, during visits organized to our subcontractors and suppliers. These audits are formalized using a questionnaire with a section dedicated to ESG and are supplemented by observations made on site. This questionnaire includes topics such as the quality management policy, the environmental policy, human rights, the ethics policy, and sustainable procurement.

This audit consists of an on-site visit to ensure the quality and compliance with the principles of the purchasing policy and the Supplier Code of Conduct. The Group has created an "evaluation of its suppliers" which covers, among other things, the application of the imperatives of health, safety, respect for the environment, conflict minerals, and human rights.

In the event of unsatisfactory performance, the supplier is required to implement the corrective actions identified during the audit and to improve its overall performance with a progress strategy. The implementation of mutually agreed corrective actions is closely monitored by the Group.

2) **Supplier self-assessment questionnaire** to be completed by suppliers: in order to identify any major breach of the Group's social and environmental requirements, a self-assessment questionnaire was designed by the Product Quality Department and the Group's purchasing teams and is systematically submitted to current and potential suppliers.

This questionnaire includes topics such as quality management policy, environment, labor and human rights, ethics and sustainable procurement.

The result is assessed by the SES-imagotag team, and in the event of unsatisfactory performance, the supplier is required to implement the corrective actions identified and improve its overall performance with a progress strategy. The successful implementation of the defined corrective action is closely monitored until its finalization by the SES-imagotag Group.

3) **The Group entrusted a third party (the ESG rating company EcoVadis) with the performance of ESG documentary assessments.** They measure the performance of SES-imagotag's main suppliers on 21 ESG criteria grouped into four themes:

Environment, Labor & Human Rights, Ethics, and Responsible Procurement.

The EcoVadis rating model is specifically designed to measure and benchmark sustainability management systems via an online platform, using a questionnaire adapted to size, industry and location of the supplier, rigorous verification of inputs via a team of analysts and proprietary tools, and a multi-channel approach to verifying the reliability of evidence.

EcoVadis Ratings are then used to engage suppliers in benchmarking, monitoring and improving their sustainability performance.

SES-imagotag also accepts ratings from international companies such as ISS ESG, MSCI, and Sustainalytics.

Suppliers below the target must implement a plan to improve their ESG performance. This is monitored by the Purchasing teams. The successful completion of an action plan is systematically validated by a reassessment. Results deemed structurally insufficient or a lack of commitment to sustainable development issues may lead the Purchasing Department to review its contractual relationship with the supplier or even to terminate it. This decision is subject to a collegial reflection which takes into account the consequences of such a decision.

Supplier qualification process: potential strategic suppliers are also subject to a ESG assessment and/or an audit but these procedures are not reflected in the following tables, which report the audit procedures carried out on the Group's current suppliers.

#### 2022 management

During 2022, all audits carried out focused on suppliers of electronic components and merchandise, and external manufacturing services (EMSs) assembling our finished products (labels).

#### *Reporting and conflict minerals policy*

Particular attention is paid to the supply of minerals from conflict zones (tin, tungsten, tantalum, and gold): the Group's purchasing policy stipulates that suppliers and subcontractors must comply with applicable laws and regulations regarding the sourcing of these minerals. It requires them to establish a policy enabling them to reasonably ensure that the purchase of these minerals is not used to finance, directly or indirectly, armed groups whose activities contravene human rights. They must also, as may be required by law, exercise due diligence in the choice of the source and the traceability of the minerals and, consequently, require the same diligence on the part of their suppliers.

Reports on conflict minerals are required from our suppliers and are an integral part of our audits, supplier self-assessment questionnaires or the EcoVadis questionnaire. When no reporting on conflict minerals is available, corrective actions are defined and the supplier is required to implement them with a progress approach. The implementation of mutually agreed corrective actions is closely monitored by the Group.

#### *2022 indicator reporting:*

##### a) All EMS were audited

- in the form of on-site audit visits (or exceptionally remote due to the COVID-19 situation). As travel restrictions are lifted (mainly in China), on-site audits are planned (first half of 2023 for China).
- in the form of an audit questionnaire (including a dedicated ESG section)
- in the form of an external assessment (e.g. EcoVadis). This ESG section examines compliance with our sustainable sourcing policies and our supplier code of conduct, and includes, in particular, the existence of reporting on conflict minerals.

b) In addition, strategic suppliers (of PCBs and batteries in particular) had to answer the ESG questionnaire or the EcoVadis external audit

c) Other suppliers are subject to an external documentary assessment (EcoVadis or equivalent)

#### Audited scope (see % of purchases covered in each purchase category in the tables below):

- All EMSs
- Suppliers of the most significant components (direct purchase by SES-imagotag),
- Most significant merchandise suppliers of goods (direct purchases)

As this is a rolling process, existing suppliers may be excluded from the assessment in future years and new ones may be added at any time.



## Supplier audits carried out in 2022

Supplier category	% of purchases covered in this category
Component suppliers	31% <sup>5</sup>
EMS (External Manufacturing Services)	100%

## Self-assessment based on the SES-imagotag questionnaire

Supplier category	% of purchases covered in this category	presence of reporting on conflict minerals
Component suppliers	97%	97%
EMS (External Manufacturing Services)	99 %	99%

## ESG assessment by a third party, Ecovadis or equivalent

Supplier category	% number of suppliers covered	% of purchases covered in this category
Component suppliers	88%	97%
Merchandise suppliers	80%	88%
EMS (External Manufacturing Services)	100%	100%

## Supplier Code of Conduct signature rate

Supplier category	Signature rate	% of purchases covered in this category
Component suppliers	100%	98 %
Merchandise suppliers	94%	88 %
EMS (External Manufacturing Services)	100%	99 %

### 4.5.3 A good working environment

#### Human rights

SES-imagotag has been a signatory of the United Nations Global Compact since 2021 and is committed to respecting its 10 fundamental principles. The Group also recognizes the OECD Guidelines for multinational enterprises and the UN Guidelines on businesses and human rights. It strives to ensure that the fundamental conventions of the International Labor Organization (ILO) are applied globally and in particular those on respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.

These principles inspire the internal reference documents:

- the Code of Ethics
- the Group's purchasing policy
- the human rights policy
- the anti-discrimination and harassment policy
- the commitment to the values of the United Nations' International Labor Organization
- the occupational health and safety statement
- the labor rights policy
- the diversity and inclusion policy

#### Ethical conduct of business and anti-corruption

##### Code of Ethics: dissemination and adherence by stakeholders


NB: Section 4.5.2 of this report, details, in the context of a sustainable supply chain, the methods for disseminating and auditing ethical practices with our suppliers.

Within our organization, our Code is designed to make sure that each staff member – no matter what position held – knows, understands and acts with the highest ethical standards in every aspect of our work. While the Code cannot cover every workplace challenge, it helps us to spot issues, become more familiar with SES-imagotag's policies and act with integrity. Everyone at SES-imagotag must apply the Code along with the procedures and related policies. This is what we expect when we work together, interact with customers, address shareholders, collaborate with business partners and contribute to our communities.

<sup>5</sup> The supplier audits to be carried out with component suppliers are already planned for 2023 in order to cover this category of purchases more broadly.

Everyone must use good judgment when making decisions that affect our business and must also ask questions when necessary. Everyone should feel comfortable in promptly reporting any behavior or matter that seems to conflict with

the Code or our policies. Our dedication to our key values, leadership traits and culture of integrity will help further our success.

KPI	Report section	GRI Code	Topic	SDG	Topic
Code of Ethics	Social	205, 102	Organizational profile and anti corruption		Responsible consumption & production

Following the communication and training on business ethics, the Group has set itself a clear objective from the 2021: to ensure that each employee signs the Company's Code of Ethics, so that our values and fundamental principles are as widely shared and understood as possible, with signature campaigns being organized during the first quarter of each year.

This Code of Ethics has been strengthened by the implementation of three new procedures:

- the gift and hospitality procedure,
- the conflict of interest procedure,

- the ethical alert procedure (available on our internal "Service Now" platform, to ensure both confidentiality and fluidity of flows).

We trained employees and managers on our e-learning module regarding ethical conduct of business, including diverse issues such as Money Laundering, Fair Competition, Conflict-of-interest, Passive and Active corruption, Bribery & Facilitation payments, Gifts and Hospitality, Charity and Patronage as well as the whistle blowing process.

	2022
Code of ethics signature rate	95 %

### Focus on the whistle-blowing procedure

#### Alert system

Since 2021, a single alert system has been deployed within the Group, available in French and English for our employees, but also to customers, suppliers, and service providers via a generic email address with two recipients (one senior HR manager and one senior ESG/Legal Department manager).

The system set up on the internal platform guarantees the principle of confidentiality of reports.

This system makes it possible to collect reports on the existence of behaviors or situations contrary to applicable laws, internal regulations, and the Group's values and principles set out in the Code of Ethics. It also makes it possible to report a behavior or practice anonymously. As indicated in the Code of Ethics, reports can also be sent through traditional reporting channels: the Personnel Department, the legal function, a manager.

All reports are consolidated and are communicated automatically every month to the two managers receiving emails sent to the generic address.

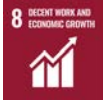






In 2022, no report was received.

	2022	2021
Number of reports received	0	2 <sup>(1)</sup>

(1) Alerts not applicable: the implementation of the procedure led, during the first weeks, to the collection of questions that were not related to an ethical problem.

### Fostering a highly motivating and inclusive workplace

Our people are characterized by their committed and innovative mindset. They all contribute to creating long-term excellence and value for physical commerce and society in general. They are driven by a strong motivation to design innovative products, solutions and services to improve physical commerce.

KPI	Report section	GRI Code	Topic	SDG	Topic
Training	Social	404-1, 404-2	Training and Education		Decent work
Workforce by gender - mentoring program - % women in top management	Social	405	Diversity and equal Opportunity		Gender equality
Worklife balance: ENPS, teleworking agreements, collective bargainings	Social	401, 402, 403, 405	Employment, health and safety, freedom of association		Decent work
Employees participating in LT compensation plans	Social	401	Employment	 	Decent work, sustainable communities
Managerial dialogue: rate of completion	Social	401, 404-3	Employment, career development reviews		Decent work
Code of Ethics	Social	205, 102	Organizational profile and anti corruption		Responsible consumption & production

### Long-term and stable workforce, in constant growth-driven renewal

Our management team is very stable. Thierry GADOU has been the Chairman and Chief Executive Officer for ten years. The average tenure of Executive Committee members is eight years.

We are also particularly proud to have built an international Group that keeps its employees for the long term, with 51% of staff members at year-end 2022 still with us on December 31, 2022. Our staff includes workers who were involved in the world's very first generation of electronic labeling and who are able to hand down the legacy of being a pioneer company in our field.

The average age of our staff members, which stood at 36 at year-end 2022, has remained fairly stable (as per the previous year) and is witness to the company's expansion and the onboarding of new managers and younger employees. We have a well-balanced team, with stable senior management and a talent bank of new skill sets and capabilities.

### Our global and diverse community

In light of our global market and robust growth, we have implemented an agile, horizontal, and internationally-oriented organization. Our geographic expansion strategy has resulted in the mobility or recruitment of local sales teams, which are based as close to our customers as possible, to their physical stores and decision-making centers.

We are committed to offering our employees equal opportunities for recognition and career development, irrespective of national origin, gender or beliefs, and we follow all applicable regulations and agreements. Employees are hired solely on the basis of their education, professional experience and potential to add value.

At year-end 2022, the Group had 608 employees across the world, spanning different cultures, languages, genders, ages, and levels of expertise. They work together across the globe, providing our Group with one of our most significant strengths: diversity.

Our diversity enables innovative thinking and original ideas, generating added value for customer solutions.

We are particularly mindful of the range of backgrounds of our teams and of the expression of the cultures to which each individual belongs. We promote the diversity of our collective cultures and of every individual. Our employees (of which 41% are located in France) represent 46 different nationalities and speak 26 different languages, the most prevalent being English, French, German, Spanish and Italian.

The workforce increased by 10% between 2021 and 2022 under the effect of the organic growth of the Group's activity (+ 46% in revenue business) as well as the significant strengthening of teams dedicated to innovation.

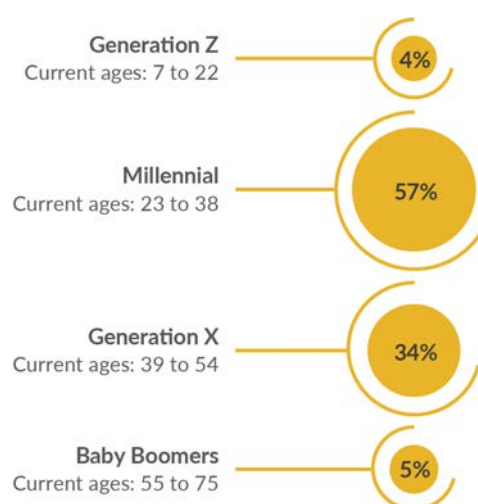
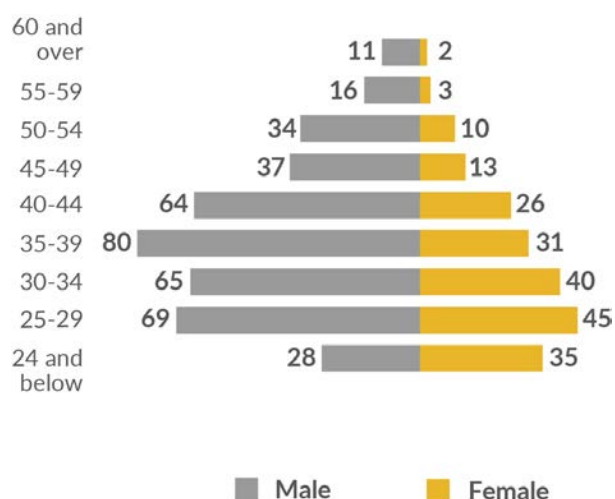
Workforce by contract type	December 31, 2022	% of the workforce	December 31, 2021	% of the workforce
Permanent	570	94 %	525	95 %
Fixed-term contracts	38	6 %	28	5 %
<i>Including apprenticeship</i>	33		24	
<b>Total</b>	<b>608</b>	<b>100 %</b>	<b>553</b>	<b>100 %</b>

Workforce turnover	December 31, 2022	December 31, 2021
<b>Recruitment</b>	<b>206</b>	<b>192</b>
<i>of which permanent</i>	169	162
<i>of which fixed-term contracts</i>	37	30
<b>Departures from the organization</b>	<b>151</b>	<b>119</b>
<i>of which resignations</i>	46	65
<i>of which dismissals</i>	19	25
<i>of which scope effect (exit of BOE Digital Technology Ltd), end of fixed term contract (e.g. apprenticeships), end of probationary period</i>	86	29

Average tenure	December 31, 2022	December 31, 2021
Female	3	3
Male	5	5
<b>Total</b>	<b>4</b>	<b>4</b>

Average age of the workforce	December 31, 2022	December 31, 2021
Female	34	34
Male	38	37
<b>Total</b>	<b>36</b>	<b>36</b>

## 2022 age pyramid



### A goal of leadership parity

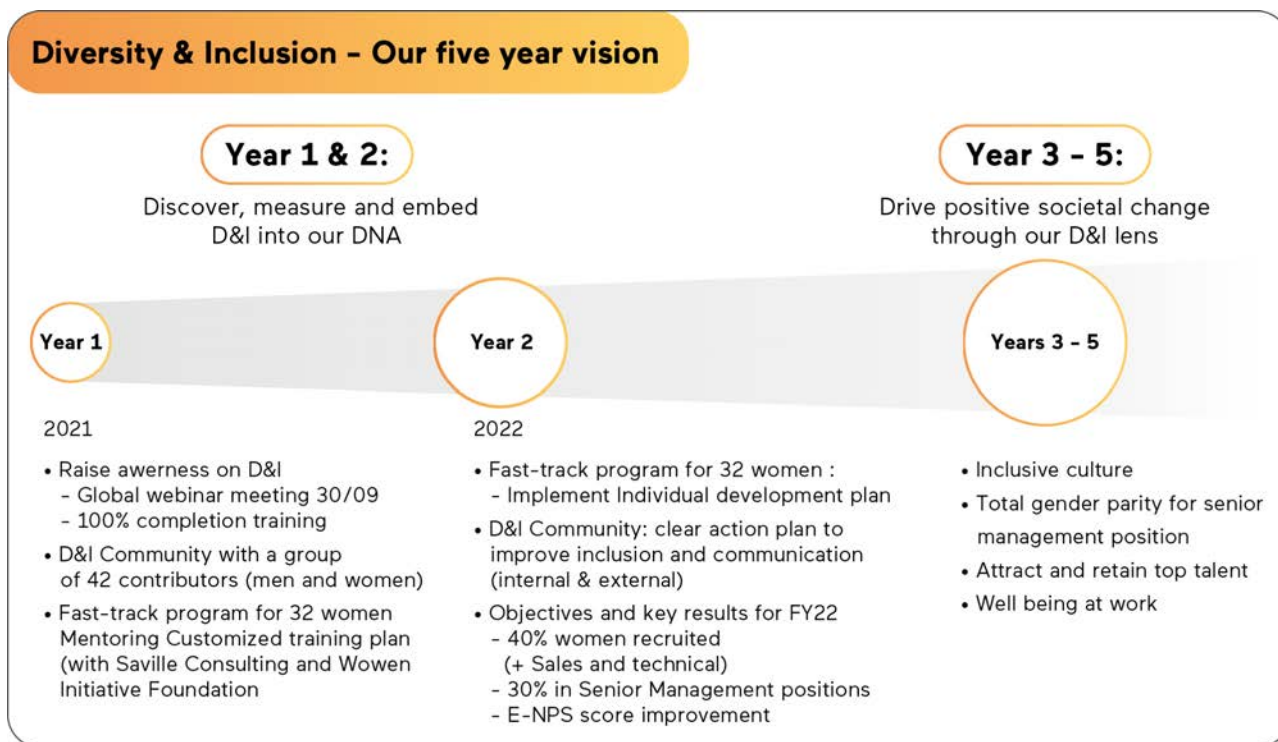
KPI	Report section	GRI Code	Topic	SDG	Topic
Workforce by gender - mentoring program	Social	405	Diversity and equal Opportunity		Gender equality
% of women in top management	Social	405	Diversity and equal Opportunity		Gender equality
% of women among new hires	Social	401	New employee hires		Gender equality

As a global Group encompassing diverse communities, we are committed to providing equal opportunities to every woman and man employed in the Company, wherever they live or work. Despite this intention, under-representation of women in the overall technology sector remains an issue to be addressed. Not only does technology need more female representation, we are also convinced that diversity in management teams leads to better business performance. Therefore, leadership roles in the sector must also incorporate more women in their ranks. For the year 2022, 17% of technical roles were held by women.

SES-imagotag strives to promote equal opportunity and gender equality at all stages of career development. The Company has made strides in improving the gender balance, with women as a percentage of the workforce increasing from 23% in 2016 to 34% in 2022.

To achieve a more gender-balanced workforce, we have adopted a proactive recruitment strategy to improve the gender ratio, with women accounting for 41% of new hires in 2022. Additionally, the Group initiated an internal program aimed at expanding the representation of women in managerial roles by:

- Identifying women who have the potential, in the short to medium-term, to access roles that are in the Company's top 10% most senior positions; and
- Implementing a mentorship program with Executive Committee members and via individual development plans, whereby women are encouraged to make connections with senior management members as mentors who can help to guide them toward the skills that they will require to be able to assume leadership positions in the future.



Thus, the representation of female managers (top 25%) increased from 24% in 2021 to 27% in 2022.

As regards women in leadership roles, female representation in the Company’s top tenth of senior managers currently stands at 26% compared to 20% in 2021.

	December 31, 2022	December 31, 2021
Proportion of women in the workforce	34 %	33 %
Technical roles held by women	17 %	15 %
Proportion of women recruited	41 %	37 %
Female managers (managing at least 1 person)	27 %	24 %
Female managers under 35 years old	49 %	40 %
Among senior executives (GMB members), women represent <sup>(1)</sup>	22 %	17 %

(1) GMB = Global Management Board - see section 3 of this report for more details.

**Commitment to social and professional integration of people with disabilities**

SES-imagotag is committed to the social and professional integration of adults with disabilities.

Parts of the second life ESL repair process are sub-contracted to organizations specialized in the social and professional integration of adults with disabilities. The ESAT of Eragny (an organization that places people with disabilities in appropriate work environments, in the Val-d’Oise department of France) has supported our ESL refurbishment efforts since the 2000s.

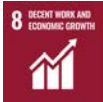
The Group also directly employs one person in France with a declared disability.

**Talent Management**

We believe that motivation is the first driver of performance, and that all our employees can achieve strong results if they are motivated, trained, rewarded, filled with a sense of long-term belonging and convinced that their work is important, meaningful and positive. The breadth of the positions we offer, our rapid growth in a global context and a very strong culture of innovation enable us to offer our employees a number of career paths as well as swift and fulfilling personal development.

Our proactive recruitment policy targets talent from the best schools and with an international orientation. We thus benefit from a mix of generations, expertise and experience with the ability to train and on-board new hires.

## Training

KPI	Report section	GRI Code	Topic	SDG	Topic
Training and carbon footprint training	Social	404-1, 404-2	Training and Education		Decent work

We are committed to providing our employees with ongoing training. As we operate in a particularly innovative market sector, we aim to ensure that all of our employees have the necessary skill sets to grow within the Company and the industry, and to fully develop their abilities and expertise.

We are encouraging a more flexible learning culture where our associates can access upskilling classes via our e-learning platform, anywhere and at anytime. We have also increased our investment to offer a wider selection of content. Our goal is to move from a mindset of obligation to one of personal choice in which employees can select e-learning training courses that are relevant to their careers and skill sets based on their time availability and their personal motivation.

Additionally, during our bi-annual performance reviews, we consistently aim to identify training opportunities in keeping with our people's needs and the Company's challenges.

The table below details training expenditure per employee over the last two years. It should be noted that the pandemic has had an adverse effect on the number of hours of face-to-face training, but the company has significantly invested in new e-learning licenses with LinkedIn learning to complement the internal e-learning platform.

Year	Number of employees	% of the workforce	Number of training hours	E learning - hours of training	Training number of hours per employees
2022	231	38 %	5,128	1,547	22.2
2021	147	27 %	2 903	1 437	19,75

Note: The 2021 figures were negatively impacted due to a first half of the year still marked by the pandemic.

In 2022, we were back at a more sustained pace with a mix of face-to-face training and e-learning (360° learning for internal e-learning and LinkedIn Learning for off-the-shelf e-learning training).

### Focus: Climate change training

In addition to these training hours, a common global training session on carbon emissions was provided in the second half of 2021 to the entire staff by the consulting company performing the independent group-wide carbon footprint. This training program was organized to:


- raise awareness about climate change and its consequences, risks and opportunities;
- improve the company's employees' understanding of the environmental footprint of their activities, products and actions, with a view to reduce the carbon footprint related to our operations;
- integrate climate considerations into risk management policy (reputation, transition or physical risks).

More generally, these training sessions aimed at thinking about how energy and climate issues will become an essential element in the strategies of all economic players, and to anticipate changes that are likely to occur through regulation, taxation or market forces. Getting ahead of future disruptions will enable the Company to plan ahead, to be resilient in the context of transition, and thus ensure the economic sustainability of its operations.

### Remuneration policy and long-term incentives

In accordance with the commitments enshrined in the principles set out in the labor rights policy, the Human Resources Department ensures that each employee receives sufficient compensation to achieve a decent standard of living, as stated in the United Nations' Universal Declaration of Human Rights.

94% of employees have a permanent employment contract and are recruited locally, thus contributing to the employability and economic development of each of the countries where we operate.

KPI	Report section	GRI Code	Topic	SDG	Topic
Employees participating in LT compensation plans	Social	401	Employment		Decent work

The rapid growth trajectory in SES-imagotag's sales and financial performance since 2012 is directly linked to the level of commitment and expertise of our teams. It is thus essential that their variable compensation reflect their contributions to the Group's growth and success.

The Company's overall compensation policy is highly performance driven, entrepreneurial and based on individual accountability: variable remuneration is conditional on the achievement of specific and measurable objectives. Individual bonuses are implemented based on a scorecard dedicated to specific personal targets that are adapted to the job description. The scorecards are evaluated twice a year during the appraisal process.

In addition to national-level regulatory collective agreements, which govern profit-sharing plans for employees, the Group has granted free shares or performance shares and stock options to key contributors to the Company's performance on several occasions since it was listed:


- National plans:
  - A new profit-sharing agreement for the 2020 to 2022 period was signed at SES-imagotag in 2020. It provides for a much larger potential incentive bonus allocation compared to previous periods.

- SES-imagotag Italia also benefits from an incentive agreement since 2016,
- Specific plans have been implemented in the US entity to adjust to local regulations.
- Global stock incentives:
  - Following several performance share plans which allocated free shares to employees, the scheme in place since 2020, based on the VUSION strategic plan, covers a significant portion of our personnel (about 30%) likely to receive free shares of the Company's stock if specific performance criteria are met. These plans make motivation the primary driver of the Company's performance and have become key leverage tools for attracting and retaining the most talented employees, and for involving them in our entrepreneurial culture.

In addition, the plans motivate the beneficiaries on essential value creation targets such as Growth, Sustainability (through profitability and cash management) and Stock Price.

Section 7 of the Universal Registration Document provides detailed information on the performance share plans.

### Regular management appraisals

KPI	Report section	GRI Code	Topic	SDG	Topic
Managerial dialogue: rate of completion	Social	401, 404-3	Employment, career development reviews		Decent work

The Group conducts biannual individual appraisals. The appraisal interviews evaluate employee performance and set individual objectives, consistent with the Company's strategy.

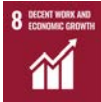
In order to standardize practices across the Group and ensure a consistent and fair application of the appraisal policy, we use our "Foederis" tool, a digital platform that creates a paperless biannual individual interview process. This tool is particularly relevant in light of the Group's rapidly-expanding geographic footprint.

Each employee and manager must complete the process, which is carefully reviewed by the HR department: the identification of training needs, underperformance, outstanding performance, and specific requirements are achieved thanks to this review, and coordinated with HR for careful career tracking.

100% of the Group's employees are subject to a performance review and managerial discussion.



### Employee satisfaction survey

KPI	Report section	GRI Code	Topic	SDG	Topic
ENPS (Employee Net Promoter Score)	Social	401, 403	Employment, promotion of workers health		Decent work

In May and October 2022, we launched an employee satisfaction survey, based on our Foederis platform, and we plan to organize two surveys a year going forward. The goals are to:

a) Measure employee experience based on the Net Promoter Score (NPS) concept;

b) Develop and conduct targeted employee surveys that assess perceptions of specific issues;

c) Track results and progress over time and benchmark the results with comparable companies.

The results of our Employee Net Promoter Score (ENPS) survey were very encouraging, as the participation level reached 77% and as uniformly positive feedback was provided by employees as regards the following statements:

Survey statements	2022		2021	
	Score (out of 5)	Positive response rate	Score (out of 5)	Positive response rate
I trust the leaders of my company	4.3	87 %	4,1	79 %
I see myself working here in three years	4.1	76 %	3,9	67 %
I understand and can identify with the company's values	4.2	81 %	4	74 %
I'm satisfied with my workspace	4.2	80 %	4	74 %
I am able to contribute to the implementation of the strategy	4	75 %	3,9	70 %
I strongly feel that I belong in my company	4.1	75 %	3,9	69 %
development opportunities are the same for everyone (regardless of gender, ethnic origin, religion, sexual orientation, etc.).	4.3	83 %	not measured	not measured
<b>Global ENPS score</b>		<b>32</b>		<b>4</b>

Based on the answers to the question "Would you recommend your company as a good place to work?", 51% of employees are considered "ambassadors" in a rating scale that considers that 20% and more is a very good level. The overall ENPS score achieved for the last campaign in October 2022 was 32.

The improvement in the score is the result of very active policies in terms of diversity, mentoring, investments in the work environment, etc.


### Right to Assembly and Collective Bargaining

The Group has formalized its respect for the right to freedom of association and collective bargaining in its human rights policy (available online), and is a signatory of the Global Compact.

Several collective agreements have been negotiated and signed with employee representatives where this body exists in the subsidiary concerned or applied worldwide to ensure consistency of practices:

- Teleworking agreement;
- Code of Ethics;
- IT Charter;

Generally speaking, the Group ensures the best social protection and welfare coverage according to domestic regulations regarding retirement and social security.

KPI	Report section	GRI Code	Topic	SDG	Topic
Collective Bargaining, Health and Safety	Social	403, 407	Employment, freedom of association,		Decent work

**Work-life balance: work environments**

In 2021, a teleworking agreement has been implemented so that employees are entitled to work 2 days a week from home. These agreements are rolled out in all the countries in which we operate.

72% of employees are covered by a teleworking agreement. This will help to limit travel time and the environmental impact of home-office travel.

We ensure that this new way of working takes place in a secure environment. Remote connection is provided by VPN platforms and is authorized for employees who have read the IT Charter and our Code of Business Conduct. This approach is supplemented by employee support systems in order to preserve balance and quality of life, particularly in terms of connection time and health monitoring.

We recognize the importance and benefits of being an agile organization, both in relation to productivity and caring for our employees. For us, flexible schedules that meet the needs of the organization while catering to each individual's personal circumstances provide the best model.

In order to foster productive teamwork, we have invested in the development of a new coworking area intended to offer all of our employees a ground to foster social interactions, knowledge sharing, reflection and creativity. The new connected space is friendly, airy, bright, flexible and agile enough to allow the organization of internal and external

events in the future, and the installation of a new, more spacious and modern showroom to showcase our products and innovations.

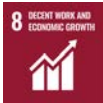
We are also making similar investments at our R&D facility in Austria, which has the second highest number of employees in the Group. Both locations already met state-of-the-art standards for office design and well-being at work. The Group's headquarters moved to a "High Environmental Quality" (HQE) building in 2014 with best-in-class standards regarding comfort, lighting, ergonomics, social spaces and other facilities. In 2019, the R&D center and registered office in Austria were moved to a brand-new building in Fernitz (south of Graz), providing space, catering, a training room for sports, a climbing wall, and recreational areas.

The Group continues to promote social events held monthly for employees grouped according to seniority with the aim of fostering an interactive and collegial environment. Ensuring team cohesion is essential in supporting and maintaining strong growth. Within a dynamic and stimulating work environment, it is important to establish an innovative and collective spirit that enables the Company to successfully face the challenges it has set for itself, and we are proactive in promoting this type of interaction.

We organize a monthly CEO update and internal webinars for the sales and technical teams to continue to share and learn more about the Group's projects and strategy.

**Health and Safety**

The Group has formalized its health and safety policy, which is available online.

KPI	Report section	GRI Code	Topic	SDG	Topic
Collective Bargaining, Health and Safety	Social	403-6, 407	Employment, promotion of workers health		Decent work

The Group directly employs 608 people worldwide and also uses temporary employment agencies and subcontractors. The Group's employees work in very diverse environments and thus face very different constraints and risks depending on whether their working environment is industrial or tertiary, nomadic or sedentary.

For example, in the context of logistics activities and the installation of in-store solutions, both personnel and subcontractors may be exposed to risks:

- related to the equipment and organization of sites (mechanical and electrical risks, risks related to the ergonomics of facilities, forklifts and lifting machines);

In addition, personnel, particularly in the service sector, nomadic or commercial, are exposed to:

- risks related to business travel (accident or health risks);
- psychosocial risks, in particular since the increase in teleworking.

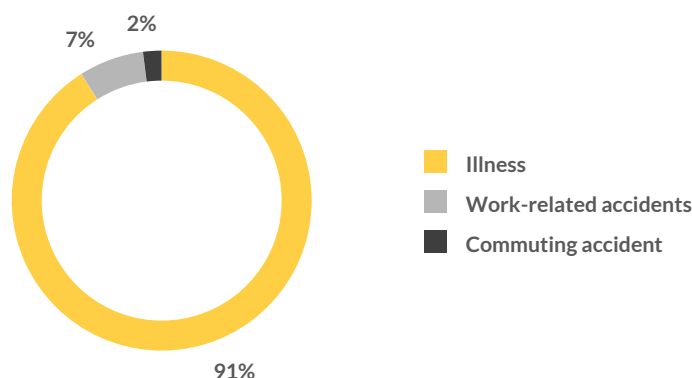
These risks can have consequences on the health and well-being of personnel and subcontractors. They are subject to appropriate detailed prevention and mitigation measures (in particular, individual protective equipment checks for our installation teams as well as for our logistic teams).

The HR contacts of each subsidiary are also the health and safety representatives: each country is responsible for coordinating the health and safety of employees, in accordance with the regulations and the local level of risk. International reporting is centralized, summarizing sick leave on a worldwide basis:

The reporting of days of absence is divided into three categories:

- sick leave
- accidents on the way to/from work
- workplace accidents

Out of a total of 3,945 days of work stoppage worldwide, the reasons for this stoppage are indicated in proportion below:



In terms of sports activities, the Group's Human Resources Department promotes local initiatives such as the provision of a gym for employees in Austria and the organization of yoga or pilates classes at the head office building in Nanterre.

## 4.6 Scope and methodology

### Methodological note on non-financial reporting

The SES-imagotag Group's approach to non-financial reporting aims to address the obligations stipulated in Articles R. 225-105, R. 225-105-1 and L. 225-102-1 of the French Commercial Code.

### Reporting period and frequency

The data gathered covers the period from January 1 to December 31, 2022. No distinctions were made between the data. The data is reported on an annual basis. Certain indicators do not include historical data because monitoring for these indicators started in 2022.

### Scope

The purpose of the non-financial reporting scope is to be representative of SES-imagotag Group's operations.

It is defined in accordance with the following rules:

- Only companies fully consolidated in the financial statements are included in the non-financial reporting scope;
- Entities consolidated or created during a given year (Y) will be included in the following year (Y+1) in order to implement a gradual consolidation approach;
- Entities divested during a given year are excluded from the reporting scope for that year;
- Group management updates the reporting scope for a given year on December 31 of that same year;

- The non-financial reporting scope for the 2022 fiscal year comprises all of the Group's consolidated entities for all of the indicators mentioned.

#### The exceptions are:

- the "recycling of labels" indicator, for which the data exclusively covers Europe and excludes entities located in Asia and North and South America. The entities included in the calculations for the "recycling of labels" indicator account for €483 million of the Group's annual revenue, i.e. 78% of the consolidated revenue.

The specificities associated with scope limitations regarding certain indicators are detailed below:

### Policy choices and results and non-financial performance indicators

The policy choices and results and the non-financial performance indicators presented in the statement of non-financial performance are made with regard to the main social and environmental risks associated with the Company's operations.

Due to the nature of the SES-imagotag Group's operations, the following information listed in the second paragraph, section III of Article L. 225-102-1 of the French Commercial Code is not considered relevant: the fight against food insecurity, a responsible sustainable and fair food chain, and respect for animal welfare. However, the same nutrition score that applies to food products meant for humans could be applied to pet food and thus may contribute to animal welfare.

Risk policies covering product composition and consumer health as well as food safety, and sustainable food supply chain are being rolled out by the Group, and will be presented in more detail in the coming years.

## Consolidation and internal control

Data is gathered centrally or from each entity included in the non-financial reporting scope from the following sources: extractions from information systems, Excel monitoring files, invoices, etc. Qualitative information is gathered centrally by Group management. The data is controlled and approved by the Group's operational departments.

## External controls

In accordance with the provisions of Article R. 225-105-2 of the French Commercial Code, the SES-imagotag Group appointed one of its Statutory Auditors to be the independent third party responsible for verifying the statement of non-financial performance as of 2022. The reasoned opinion on the compliance of the statement of non-financial performance, as well as on the accuracy of the information, is presented on the last page of this Non-Financial Performance Report (NFPR).

## Methodological Specificities and Limitations

*The indicator numbers correspond to the numbering of the challenges and ambitions table in section 4.2.4 and when the indicators have not been included in this table, the section of the report in which they are cited is mentioned:*

### Indicator 1: Number of patent families dedicated to reducing the carbon footprint of solutions

All patents filed by the Group's entities are managed centrally within the R&D Department in order to manage and monitor any patent filings and potential defenses. The patents filed are grouped by technological families and the identification of their beneficial nature for the carbon footprint of the Group's products and solutions is determined by the R&D Department according to criteria such as: energy savings, waste reduction and the carbon footprint.

### Indicator 2: Carbon intensity

Carbon intensity is obtained by simply dividing the Group's total carbon footprint (scopes 1, 2 and 3) by the Group's consolidated revenue.

### GHG emissions

Emissions relate to scopes 1, 2 and 3 according to the regulatory methodology for the preparation of greenhouse gas emissions assessments for the year 2022.

SES-imagotag measures the carbon footprint of its activities, that of its employees, and its energy consumption on scopes 1, 2 and 3 according to the general framework proposed by the GHG Protocol. Carbon accounting, common to all Group companies, is based on international standards:

GHG Protocol, International Energy Agency, ISO 14064-1-2016 and ADEME.

The data of all Group subsidiaries are consolidated for the purpose of the statement.

**Scope 1** : consideration of emissions from LPG (butane, propane), natural gas, domestic fuel oil or diesel, heavy fuel oil and kerosene for stationary and mobile sources as well as emissions related to refrigerant leaks. The inclusion of vehicles used by the entire Group scope is ensured by monitoring IFRS 16 restatements, making it possible to inventory the fleet of vehicles under a long-term lease, as well as their respective engines.

Purchases of natural gas to heat our warehouses were also recorded.

**Scope 2** : consideration of emissions from purchases of electricity, steam, heating and cooling. Electricity emission factors only take into account combustion. Emissions expressed for scope 2 using the location-based method (corresponding to CO2 emissions calculated using "country" emission factors from ADEME for the years 2018-2020 and from the IEA for the year 2021) calculated on the basis of standard emission factors per country of location, per square meter occupied and per headcount present.

**Scope 3 Manufacture and use of products sold:** The life cycle analysis of the Group's products was entrusted to RDC Environnement, which carried out a detailed analysis of the components listed in the industrial nomenclature of our IoTs (screen, printed circuit, plastic frame, etc.) from mining to transportation to the assembly plant, taking into account the energy required at each industrial stage, from packaging and transport at each stage to the finished product and its storage. Rails and fasteners are included in this analysis.

Customer use (server consumption, etc.) as well as the end-of-life of the product were also taken into account (destruction by approved organizations), as well as its possible refurbishment ("second life ESL" program) for a comprehensive view of the life cycle, assessed according to the GHG Protocol.

**Scope 3 Freight:** The scope selected mainly concerns internal freight and upstream freight. The calculation method used is that of monetary emission factors, which make it possible to associate CO2 emissions with the amounts committed according to the mode of transport (road, air, rail).

**Scope 3 Assets used** : Assets used by the entire Group are taken into account by monitoring IFRS 16 restatements, making it possible to inventory offices and warehouses under long-term leases, as well as their respective surface areas.

**Scope 3 Business travel** : Emissions related to business travel within the Group are taken into account thanks to the centralized travel agency reporting.

**Scope 3 Commuting** : Emissions related to commuting were estimated taking into account the average return distance traveled for all employees. The distance is calculated from city to city for a frequency corresponding to the number of legal working days during the year and taking into account remote working agreements. The calculation is carried out by estimating the modes of transport used to which a CO2 emission factor per kilometer is assigned for each mode: private vehicle (100% internal combustion); public transport (bus, train, tram, metro), moped/motorbike. Emissions from commuting represent an estimate and not an exact calculation due to the availability of data, to be associated with the various assumptions. The level of uncertainty remains significant for this item.

**Scope 3 Purchases of goods and services** : The emissions caused by the Group's purchases of goods and services have been estimated using monetary emission factors that combine CO2 emissions with the value of purchases made for different types of goods or services. The scope includes all of the Group's consolidated entities.

### Indicator 3: Second life ESL (recycling of labels)

Second Life ESL or recycled labels: the calculation of the indicator is based on the quantity of labels that has been in use for more than six years and that has been recycled within our European centers. The data is for Europe only and excludes entities located in Asia and North and South America: the entities included in the "recycling of labels" indicator account for €483 million of the Group's annual revenue (i.e. 78% of the consolidated revenue).

Entities from Asia or North and South America account for €136 million of the Group's annual revenue: these entities would not significantly distort the indicator since the labels installed across these regions are, generally speaking, recent and have been in use for less than six years or, if in use for more than six years (which is the case for Mexico and Singapore), the respective revenue for the entities in question only accounts for 0.65% of total consolidated revenue.

### Indicator 4: Avoided emissions

This indicator will be the subject of a methodology in the 2023 report.

### Indicator 5 and 6: Audit of our supply chain and signature of the Supplier Code of Conduct:

The department in charge of the Group's industrial supply manages the quality audit and ESG audit of suppliers by selecting the most significant suppliers based on purchases for the current fiscal year (information provided by the accounts departments).

On this basis, internal or outsourced audits (EcoVadis questionnaire) are carried out on the most significant suppliers and make it possible to calculate the number of suppliers and therefore the procurement portfolios that have been audited and/or have signed the Supplier Code of Conduct.

## Human resources indicators:

### Indicators 7, 9, 10

All of the indicators describing the age pyramid, gender ratios, training hour and managerial interview ratios are based on digitized reports compiled by the HR department, whose scope covers all of the Group's entities, without exception.

Training indicator accounts for each and every training provided to employees (including trainees and "VIE") whether or not they are still in the headcount by year-end.

The long-term remuneration policy indicator is also based on an analysis covering all of the Group's consolidated entities, without exception.

The Code of Ethics signature indicator comes from dissemination platform of this code, coupled with the DocuSign software, allowing a real-time measurement of the return rate: all Group employees receive this request.

### Indicator 8: ENPS

Employees Net Promoter Score: feedback from employees may vary from 0 (Not at all likely) and 10 (Very likely). Based on their answer, the respondents are divided into 4 categories: ambassadors (above 8.5), passives (6.5 to 8.49), non-ambassadors (2.5 to 6.49) and detractors (0 to 2.49).

The eNPS score is then calculated using the following formula:  $eNPS = \% \text{ of ambassadors} - (\% \text{ of non-ambassadors} + \% \text{ of detractors})$ .

NPS scores range from a minimum of -100 (if every team-member is a non-ambassador or a detractor) to a maximum of 100 (if every team-member is a promoter). Employees who rate the company between 9 and 10/10 are promoters; between 7 and 8 are passive; and between 1 and 6 are detractors.

The scope of employees surveyed includes all types of contracts including interns, fixed-term, and VIE (international business volunteer program).

### Indicator 11: Composition of the Board of Directors

This indicator reflects the statistics provided in the corporate Governance report and in particular section 3.2.1. This information complies with French regulations as well as the recommendations of the French Financial Markets Authority (AMF - Autorité des Marchés Financiers) and the AFEP-MEDEF Code.

### Indicator 12: External ratings

All of the external ratings to which the Group is subject (EcoVadis, ISS, MSCI, CDP) require for the scope of investigation to be a Group scope.

In the case of MSCI or ISS-type external assessments, they are based on public information and, in particular, the information and indicators published in this report.

In the case of the EcoVadis assessment, which is based on a documentary audit, the requirement is the same: a document that is valid only for the parent entity will not be recognized as valid for the Group.

## Other indicators

### NPS indicator: customer satisfaction (section 4.5.1)

Customers Net Promoter Score: the calculation of this indicator is based on feedback from the Group's clients (scope includes Worldwide customers, except China). The NPS indicator measures the extent to which clients recommend a company.

Clients who rate a supplier between 9 and 10/10 are promoters; between 7 and 8 are passive; and between 1 and 6 are detractors.

The NPS is calculated using the difference between the percentage of promoters and the percentage of detractors.

### Indicator: Connected stores and tracked items (section 4.5.1)

The results of this optimized packaging is the following on the three high runners ESL's sizes: 1.6 inches, 2.6 inches and 2.2 inches:

Size	New packaging		Old packaging	
	Weight of packaging material (g)	Gross weight (g/box, GL4)	Weight of packaging material (g)	Gross weight (g/box, GL4)
1.6	320	2,400	795	2,920
2.2	365	3,550	795	4,020
2.6	355	3,390	620	3,650

These results are then applied to the ESL's quantities actually transiting through the upstream logistics since July 2021.

Eventually, in addition to reducing the weight and volume of packaging, this has significantly improved shipping container filling rates and the number of shipments.

The outcome for our three best-selling ESL references, which account for 70% of our sales, is the following:

- ESL size 1.6 inches pallet quantities before optimization: 7,200 ESL's, after optimization: 16,800
- ESL size 2.2 inches pallet quantities before optimization: 7,200 ESL's, after optimization: 16,000
- ESL size 2.6 inches pallet quantities before optimization: 5,760 ESL's, after optimization: 11,520

These improvements, together with a logistic mix effect, led to a major improvement in the carbon footprint of the supply chain.

**Connected stores** reflect the total number of stores and total number of ESL's connected to the cloud.

Compared to last year, the total number of labels in stores is recorded, whether or not they are connected and active in stores.

**Captana technology** makes it possible to detect and measure, among other things, the number of SKUs out of stock in stores (SKU = sales unit or "stock keeping unit" - An SKU has a unique code composed of letters and numbers). Captana also makes it possible to monitor and control the "facings" of products displayed on the shelves. Facing is a merchandising term designating the number of products directly facing the consumer on one or more levels of a shelf in a point of sale.

### Indicator: Packaging savings (section 4.3.2.2)

The calculation of optimized pallet loads via packaging optimization is the result of a close cooperation with one of our industrial partners in Southeast Asia.

This cooperation resulted in a reduction in the number of boxes, removing the protective plastic sheets from the label screens and using recyclable material only for the final packaging of electronic devices.

### Indicator: Employees' carbon footprint (section 4.3.2)

Statistics on the type of engine used in the Group's vehicle fleet were compiled for all Group entities, based on the file of the Finance/Consolidation Department managing all leases subject to an IFRS 16 restatement. The Group does not own any vehicles of its own.

The makes and models of the leased vehicles made it possible to identify the type of combustion engine (hybrid or electric).

### Ethical business conduct and anti-corruption indicator (section 4.2.3)

The Group's consolidated revenue is published under a new analytical axis determined by the intersection of the distribution of the geographical areas where the Group invoiced its customers during the fiscal year, and the ranking of the latter in terms of corruption according to the 2022 corruption index, published by Transparency International available on the website: <https://www.transparency.org/en/cpi/2022>

## 4.7 Report from the independent third party

### Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement

Year ended December 31, 2022

To the General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as an independent third party, and accredited by the COFRAC under number 3-1884<sup>1</sup>, we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) of the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter, respectively, the "Information" and the "Statement"), included in the Group's management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

#### Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that causes us to believe that the Statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

#### Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the main elements of which are presented in the Statement (or available on request from the entity's registered office).

#### Inherent limitations in preparing the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presentation in the Statement.

#### Responsibility of the entity

The Management is responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Preparing the Information: a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- Preparing the Statement by applying the entity's Guidelines as mentioned previously; as well as
- Implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Board of Directors.

<sup>1</sup> Accreditation Cofrac Inspection, number 3-1884, scope available at [www.cofrac.fr](http://www.cofrac.fr)

## Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical financial information (actual or extrapolated) provided in accordance with Article R.225-105-I(3) and -II of the French Commercial Code concerning action plans and policy outcomes, including the key performance indicators on the main risks.

As it is our responsibility to provide an independent conclusion on the Information as prepared by Management, we are not authorized to help prepare said Information, as that could compromise our independence.

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory requirements (in particular, the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation), the anti-corruption and tax avoidance legislation);
- The fairness of the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation);
- The compliance of products and services with the applicable regulations.

## Regulatory provisions and applicable professional guidance

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 *et seq.* of the French Commercial Code, the professional doctrine of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this intervention, in particular the technical opinion of the French Institute of Statutory Auditors, the intervention of the Statutory Auditor, the intervention of the independent third party - Non-financial performance statement, in lieu of verification program, and the international standard ISAE 3000 (revised)<sup>(2)</sup>.

## Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for statutory auditors. Our firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with applicable legal, regulatory and ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors relating to this engagement.

## Means and resources

Our work was carried out by a team of six people between February and April 2023 and took a total of about three weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about ten interviews with people responsible for preparing the Statement.

## Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement of the Information was likely to arise.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion:

- We obtained an understanding of all the consolidated entities' activities and the description of the principal associated risks;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under Article R. 225-105 II where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2;

<sup>2</sup> ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information



- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Our work was carried out at the registered office of the consolidating entity.
- We verified that the Statement covers the scope of consolidation, *i.e.* all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code, within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, as presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on the consolidating entity and covers 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris La Défense, April 28, 2023

KPMG S.A.

Grégoire Menou  
*Partner*

Fanny Houlliot  
*ESG expert*  
*ESG Center of Excellence*

## Appendix

### Qualitative information (actions and results) considered most important

Commitments and actions to reduce the environmental impact of activities

Commitment to social and professional integration of people with disabilities

Measures taken to promote gender equality and related results

E-learning on ethical business conduct

Systems for assessing the ESG performance of suppliers and subcontractors carried out by a third party and by the Group

Labor and human rights policies and actions

Deployment of technology to optimize inventories and combat waste in retail

### Key performance indicators and other quantitative results considered most important

Total greenhouse gas emissions (scopes 1, 2 and 3)

Number of labels recycled

Workforce and breakdown by gender, category and age

Training number of hours per employees

Employee Net Promoter Score (E-NPS)

Net Promoter Score (NPS)

Number of connected stores and number of connected labels





# Management report on financial results

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## 5.1 Analysis of 2022 results

The 2022 financial statements were approved by the Board of Directors, which met on March 29, 2023. The audit procedures for the 2022 consolidated and separate financial statements of SES-imagotag SA were carried out. The consolidated financial statements are prepared in accordance

with IFRS standards. The table below shows the main aggregates of the consolidated income statement for the fiscal years ended December 31, 2021 and 2022, as well as their changes.

€ millions	2022	2021	% Change
<b>Sales</b>	<b>620.9</b>	<b>422.9</b>	<b>+47%</b>
<b>Variable Costs Margin</b>	131.4	91.5	+43%
% of Sales	21.2 %	21,6%	-0,4 pts
<b>Operating Costs</b>	(72.8)	(59.1)	+23%
% of Sales	11.7 %	14 %	-2 pts
<b>EBITDA</b>	58.6	32.3	+81%
% of Sales	9.4 %	7,6%	+1,8pts
Depreciation	(27.2)	(22.6)	+20%
<b>Current EBIT</b>	31.4	9.7	N/A
% of Sales	5.1 %	2.3 %	+3 pts
Non-recurring items/non-cash items	0.3	(4.5)	N/A
<b>EBIT</b>	31.7	5.2	N/A
% of Sales	5.1 %	1.2 %	+4pts
Financial Income/(Loss)	(6.1)	(1.1)	N/A
Tax	(7.1)	(2.1)	N/A
<b>Net Income</b>	18.6	2.0	N/A
% of Sales	3.0 %	0.5 %	+2.5pts

### 5.1.1 Comments on Operations

#### Revenue

€ millions	2022	2021	% Change
Europe & MEA	486.7	317.1	53 %
Asia & America	134.2	105.8	27 %
<b>TOTAL</b>	<b>620.9</b>	<b>422.9</b>	<b>47 %</b>

For the full year 2022, revenue reached €620.9 million, an increase of 47%, to reach the highest annual sales level in the history of SES-imagotag. This strong growth was driven largely by Europe and North America.

Growth accelerated in the second half of the year to €335 million, a growth rate of +52%, up 11 points compared to H1 growth. Sales of ESLs were driven in particular by the impact of global inflation, causing retailers to digitalize their operations.

#### Europe

Revenue in the Europe region reached €486.7m for the full-year 2022, representing an increase of +53,5%. This growth was fueled by an acceleration in Germany, an excellent performance in Italy, and the accelerating adoption of value-added solutions and services in more mature markets. Revenue growth in the second half of the year accelerated to +65.9%, reaching €265.4 million.

#### Rest of World: Strong growth in North America

Sales outside Europe also grew strongly to €134.2m in 2022, or +26.9%, in a general context of declining performance in the Asia region, where efforts were hampered by the prolonged isolation linked to COVID, and despite the impact of the deconsolidation of SES-imagotag's subsidiary in China in the 4th quarter; excluding this deconsolidation effect, growth would have been 10 points higher at +36%.

Conversely, North America grew very strongly (+77% compared to 2021), exceeding the €100 million revenue threshold. With major projects in the pipeline, the United States should continue to assert itself as a key driver of growth in the years to come.

### Order entries

Order entries reached €685m in 2022, for a +14% year-on-year increase. This more moderate growth rate compared to the previous year is mainly due to longer contract negotiations for certain accounts. Nonetheless, the number of commercial opportunities and the value of the portfolio are at an all-time high, as is the level of growth visibility for the coming year.

Software, Services, and Non-ESL Solutions (VAS)

VAS (software, services and non-ESL solutions) sales grew +46% to €93m for the full year. This increase is set to accelerate through both organic and external growth. VAS share of revenue remained unchanged year-over-year, at 15%, in light of the higher-than-expected sales growth of ESLs. Going forward, the VAS top-line should accelerate and grow at a sustainably faster rate than ESLs. This acceleration should begin in 2023 and continue for the coming years, meeting a target of 30% of sales in 2027.

### Variable costs margin

In addition to the strong growth of the Group's activities, 2022 was also marked by unfavorable conditions:

- 1) Rising price of the dollar against the euro, especially in the 2nd half of the year: at constant exchange rates in 2021, the variable cost margin would have been 4 points higher in 2022.
- 2) Continued increase in the cost of electronic components, which could not be fully offset by increases in customer prices.

However, the Group was able to cope with these challenges and maintain a virtually stable variable cost margin thanks in particular to VAS, whose profitability is higher than that of ESL.

The variable cost margin (VCM) thus amounted to €131.4 million in 2022, compared with €91.5 million in 2021, an increase of +44%, and the MCV rate amounted to 21.2% of revenue in 2022 (compared with 21.6% in the previous year).

The recovery of the euro against the dollar that began in early 2023, and if it continues, is an encouraging sign for further improvement in profitability. The same applies to the gradual decrease in the unit cost of certain components from the first quarter of 2023. These elements should contribute to the improvement of the variable cost margin in 2023.

### Operating expenses

Operating expenses amounted to €72.9 million in 2022 compared to €59.1 million in 2021, reflecting the Group's ongoing efforts to support its growth through its recruitment. Expressed as a percentage of revenue, operating expenses only represented 12% of revenue in 2022 compared to 14% in 2021. The steady decline in the ratio of operating expenses to revenues over the past several years is therefore continuing, and we can confidently envisage a level of 10% by 2027.

### EBITDA

EBITDA, or Earnings Before Interest, Taxes, Depreciation and Amortization, and before other non-recurring or non-cash income and expenses, amounts to €58.6 millions in 2022, up +81% from 2021 (€32.3 millions).

The EBITDA margin was 9.4% of revenue, compared with 7.6% in 2021. EBITDA again almost doubled between 2021 and 2022 - as was already the case between 2020 and 2021. In the second half of 2022 and despite the aforementioned unfavorable conditions, the Group's EBITDA margin even reached nearly 10%.

### Depreciation and amortization

Depreciation and amortization increased by 16% in 2022, reaching €27.2 millions (vs €23.5 millions in 2021). This is directly related to the Group's high level of investment in R&D and innovation.

### Non-recurring and non-cash items

Non-recurring and non-cash items for 2022 amounted to €0.3m in 2022 compared to €3.6 million in 2021. This income is mainly due to the sale of the stake in the Chinese joint venture that the Group had formed with BOE and JDD in 2019. On the occasion of this sale to YiYun, remunerated in YiYun shares, the Group generated a capital gain in the consolidated financial statements of €6.7 million. This income, as well as the insurance compensation received by the Group - for €1.2 million - following a fire in one of its warehouses in 2020, offset the IFRS 2 non-monetary expense in respect of performance share plans granted to Group employees between 2020 and the end of 2022.

### Financial result

Financial charges amount to -€6.1 millions in 2022 (vs. -€1.1 millions in 2021). They are split between the borrowing cost of -€2.1 millions, and the balance mainly consisting of the net effects of exchange rate gains and losses.

### Taxes

The Group's profit before tax for 2022 is €25.6m, compared to €4.1m in 2021. On the basis of this positive result, the Group incurred an income tax expense of -€6.9 million in 2022, compared to an income tax expense of -€2.1 million in 2021.

### Net income

SES-imagotag's total net profit in 2022 reached €18.7 million, nine times higher than the total net profit of €2 million in 2021.

## 5.1.2 Investments

### Capital expenditures

€ millions	2022	2021
R&D and IT investments	44.2	21.2
Industrial investments	4.4	4.3
Hardware as a service	0.9	2.2
Others	1.6	2.3
<b>TOTAL CAPEX</b>	<b>51.1</b>	<b>29.9</b>

In 2022, the Group's capital expenditure amounted to €51.1 million compared to €29.9 million the previous year. This increase is mainly due to R&D expenses incurred as part of our new range currently under development and testing.

Research & Development remains SES-imagotag's main area of investment. These investments are the engine of our growth and are essential to consolidate the Group's competitiveness and global leadership in innovation. They also contribute to the Group's positive impact on sustainable development; ongoing efforts to re-engineer products and the supply chain make it possible to reduce the Group's carbon intensity and contribute to the decarbonization of retail.

Within the €44.2 million of R&D and IT capital expenditure in 2022 (€21.2 million in 2021),

- €8 million was for IT expenditure (€7 million in 2021),
- R&D expenses represented €36 million (€14 million in 2021)

- €23 million was spent on our new Digital Shelf System. The strong growth of this line compared to 2021 is explained by the start, in 2022, of larger-scale production of this solution in order to test it in full-scale. These expenses are largely made up of materials (prototype rails and labels, electronic components, production molds, testing machines, etc.).

- €13 million mainly related to new VAS expenses (€12 million in 2021)

Of the €44.2 million in R&D and IT capital expenditure (€21.2 million in 2021), €10 million is made up of capitalized labor (€7.8 million in 2021).

The Group's effort to develop this new Digital Shelf System will continue in 2023 for an amount close to that of 2022. For this reason, the level of the Group's capital expenditure can be expected to exceed 7% of revenue in 2023.

## 5.1.3 Cash Flows

€ millions	2022	2021
EBITDA	56.2	32.3
Capex	(52.1)	-29.9
Change in Working Capital	(27.8)	-3.3
<b>Operating Cash Flow</b>	<b>(23.7)</b>	<b>-3.2</b>
Financial Result	(5.2)	-0.2
Tax	(2.0)	-1.1
Others	0.7	4.7
<b>Total Cash Flow</b>	<b>(30.2)</b>	<b>0.2</b>
Capital increase/cash acquired through capital increases in non-wholly owned subsidiaries		4.3
<b>Effect of the deconsolidation of the joint venture in China</b>	<b>(18.6)</b>	
<b>Change in Net Debt</b>	<b>(48.8)</b>	<b>4.5</b>
<b>Net Cash/(Debt) before IFRS 16 impact</b>	<b>(40.5)</b>	<b>8.3</b>
Cash	33.9	89.8
Debt (before IFRS 16 impact)	(74.4)	-81.5
Debt (after IFRS 16 impact)	(82.5)	-88.7
<b>Change in Net Cash/(Debt) before IFRS 16</b>	<b>(48.8)</b>	<b>8.3</b>

Cash consumption over the period despite the strong increase in EBITDA is mainly due to the increase in the level of investments and the deconsolidation of the Chinese joint venture, including €13.8 millions cash available and €4.8 millions change in working capital.

SES-imagotag ends 2022 with a net debt, before IFRS 16, of €40.5 million, which represents a leverage (ratio of net

financial debt and EBITDA before IFRS 16 of the previous 12 months) of 0.7x as of December 31, 2022, and a very moderate net debt to equity ratio of 20%.

SES-imagotag begins the year 2023 with a solid statement of financial position.

### 5.1.4 Main performance indicators

The Group uses EBITDA as its main performance indicator.

EBITDA is not a standardized accounting aggregate that meets a single, generally accepted definition. It should not be considered a substitute for operating profit (loss), net profit (loss), cash flows from operating activities or a measurement of liquidity. Other issuers may calculate EBITDA differently from the breakdown used by the Group below.

For the Group, this is a performance indicator that presents operating income before the depreciation and amortization of fixed assets restated for the few items for the period that are detrimental to comparisons with previous fiscal years. It also provides a good approximation of the cash flow generated by operating activities before taking into account investments and changes in working capital requirements. As such, it is restated for significant non-recurring items or items that will never give rise to cash expenditure.

The Variable Cost Margin consists in deducting the cost of goods sold as well as installations costs and transportation costs, from the total revenue.

A reconciliation table is proposed below between operating profit (loss) and EBITDA:

€ millions	12/31/2022	12/31/2021
<b>Operating profit (loss)</b>	<b>31.6</b>	<b>5.2</b>
Fees and commissions on capital and debt transactions		(0.1)
Share-based payments (IFRS 2)	(7.6)	(3.5)
Claims	1.2	
Effect of the deconsolidation of the joint venture in China	6.6	
<b>= Profit (loss) from continuing operations (current EBIT)</b>	<b>31.4</b>	<b>8.8</b>
- Depreciation and amortization expense of property, plant and equipment and	(27.2)	(23.5)
<b>= EBITDA</b>	<b>58.6</b>	<b>32.3</b>

### Net debt/Net cash

These indicators respectively define the Group's net financial debt or cash position calculated on the basis of the following aggregates in the consolidated statement of financial position: (+) Borrowings (+) Current and non-current lease liabilities (IFRS 16) (-) Cash and cash equivalents.

If the result is positive, then the level of borrowings exceeds that of cash and cash equivalents and there is net debt or net financial debt. In the opposite scenario, there would be a net cash surplus.

## 5.2 Analysis of results for fiscal years ended December 31, 2021 and 2020

In accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, paragraph 5.1 "Analysis of 2021 results" of the Company's 2021 annual report dated 30 April 2022, which is available on the Company's website ([https://www.actusnews.com/documents\\_communique/ACTUS-0-69029-rapport-annuel-2020-ses-imagotag.pdf](https://www.actusnews.com/documents_communique/ACTUS-0-69029-rapport-annuel-2020-ses-imagotag.pdf)), is included by Reference in this Universal Registration Document.

## 5.3 Subsequent Events

SES-imagotag continued to expand its data analytics capabilities through the acquisition of the French start-up, In the Memory, which specializes in data science and category management tools for retailers and brands.

In parallel, SES-imagotag has signed an agreement with the majority shareholders of Belive.ai, a French startup specialized in artificial intelligence and computer vision to strengthen the solutions provided by Captana and create the world leader in AI and CV based on real-time shelf tracking. This acquisition should be finalized in the coming months.

SES-imagotag has also developed VUSION Engage, a marketing platform that connects retailers and brands to deliver in-store and real-time digital campaigns to interact with consumers when making their in-store purchasing decisions. VUSION Engage was officially launched in January 2023 during the National Retail Federation's Big Show in New York.

## 5.4 Recent developments and outlook

### *Recent developments*

On January 10, 2023, the Group announced that it had entered into exclusive negotiations with a view to acquiring the French company In The Memory, which specializes in data analysis and decision-making tools for business.

In addition, on February 6, 2023, the Group announced that the company Captana GmbH, a wholly owned subsidiary of the Company specializing in artificial intelligence, had entered into an agreement for the acquisition of the majority of the capital of the company Belive.ai., a French start-up specializing in artificial intelligence and image analysis for physical commerce.

On April 27, 2023, the Company announced a contract for the roll-out of the latest-generation VUSION platform in Walmart stores in the United States (see also the "History" section of this Universal Registration Document and the press release published by the Company on April 27, 2023 (<https://www.ses-imagotag.com/ses-imagotag-announces-vusion-platform-roll-out-contract-in-walmart-stores-in-u-s/>)).

On April 27, 2023, SES-imagotag convenes a shareholders meeting to issue share subscription warrants to Walmart in connection with the major fleet roll-out project as described above.

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. please refer to the press release published by the Company on April 27, 2023 (see press release published by the Company ([https://www.actusnews.com/documents\\_communique/ACTUS-0-79584-ses-imagotag\\_notice\\_to\\_convener\\_shareholder\\_assembly\\_ses-imagotag\\_walmart\\_final.pdf](https://www.actusnews.com/documents_communique/ACTUS-0-79584-ses-imagotag_notice_to_convener_shareholder_assembly_ses-imagotag_walmart_final.pdf))).

Lastly, on April 27, 2023, the Company announced strong revenue growth for Q1 2023, up 32% compared to Q1 2022, at €159 million (<https://www.ses-imagotag.com/ses-imagotag-q1-2023-sales-strong-growth-continues-in-the-first-quarter/>)).

### *Outlook*

In 2023, the order book and portfolio of opportunities confirm a high level of confidence in our annual revenue target of €800 million. Given the favorable trend in the cost of components as well as the recovery of the euro against the dollar, coupled with the continued strong growth in software-centric and high value-added solutions, the Group expects substantial improvement in profitability.



## 5.5 Report on the separate financial statements

### 1. Review of the financial statements and results

During the fiscal year ended December 31, 2022, the Company's revenue amounted to €596.6 millions, compared to €371.3 millions in 2021, i.e. an increase of 60.7%.

Operating expenses for the year consist mainly of the following items:

Purchases consumed	(M€523.1)
Other purchases and external expenses	(M€35.5)
Employee benefits expenses	(M€18.1)
Depreciation and amortization expenses and provisions	(M€15.6)
Taxes and related payments	(M€1.8)
Total operating profit (loss)	M€2.5
Total net financial income (expense)	(M€3.1)
Total current profit (loss) before tax	(M€0.6)
Total net exceptional income (expense)	M€4.8
Total net profit (loss)	M€4.2

### 2. Proposed allocation of the Company's profit (loss)

We request that you approve the annual financial statements (statement of financial position, income statement and notes to the financial statements), as they are presented to you, reporting a net profit of €4,167,242, which we propose to allocate as follows:

Profit (loss) for the period	€4,167,242
Profit (loss) allocated in its entirety to retained earnings/accumulated losses	€4,167,242
Which, when added to the amount previously carried forward, is now	(€15,417,174)

In accordance with the provisions of Article 243 of the French General Tax Code, the General Meeting also specifies that no dividend has been distributed since 2012. In 2012, the Company distributed €5,491,011.50 in dividends.

### 3. Non-tax deductible expenses

In accordance with the provisions of Article 223 quater of the General Tax Code, we inform you that the Company had expenditure and expenses provided for under Article 39-4 and 54 quater of said code that amounted to €211,501.

### 4. Payment terms: suppliers & customers

#### Accounts payables aging balance

Aging	Value in K€ as of Dec. 2022	Number of invoices	Value in K€ as of Dec. 2021	Number of invoices
Current	52,116	525	41,688	467
Overdue < 60 days	49,851	264	22,140	256
Overdue > 60 days	15,685	154	14,257	85
<b>Total</b>	<b>117,652</b>		<b>78,085</b>	
	22% purchases excl. VAT		21% purchases excl. VAT	
Total Purchases (No VAT included)	523,066	943	372,803	808
	22%		21%	

(1) Includes €13,887 thousand of inter-company transactions in 2022 at more than 60 days.

## Accounts receivables aging balance

Aging	Value in K€ as of Dec 2022	Number of invoices	Value in K€ as of Dec 2021	Number of invoices
Current	69621	2,647	56018	2,786
Overdue < 60 Days	586	1,400	17995	1,636
Overdue > 60 Days	27406	3,966	24965	3,505
<b>Total</b>	<b>97613</b>		<b>98978</b>	
	<b>16% revenue excl. VAT</b>		<b>27% revenue excl. VAT</b>	
Sales (No VAT included)	596577	8,013	371257	7,927
	16 %		27 %	

(2) Includes €66,673 thousand intercompany accounts receivables in 2022.

## 5. Five-year financial summary

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, the summary of the Company's results for the last five financial years is attached to this management report.

Type of information/Period/€	2022	2021	2020	2019	2018
<b>I – Year-end financial position</b>					
a) Capital	31,701,616	31,522,016	31,516,216	31,516,216	29,006,674
b) Number of shares (year end)	15,850,808	15,761,008	15,758,108	15,758,108	14,503,337
<b>II – Overall result of operations completed</b>					
a) Sales	596,576,713	371,256,979	244,434,723	198,340,706	112,437,479
Profits	4,167,242	(4,643,067)	(11,923,028)	(17,186,552)	(8,926,884)
Allowances for depreciation and amortization	16,231,363	13,921,349	10,999,420	6,797,138	6,124,301
Release on depreciation and amortization					
Allowances for provisions	17,769,569	15,386,573	4,837,909	3,612,431	4,306,319
Release on provisions	(13,362,913)	(5,552,475)	(2,634,066)	(2,481,898)	(2,003,767)
b) Earning before taxes, amortization	24,655,261	18,962,380	980,235	(9,837,903)	(1,021,561)
c) Corporate tax	(150,000)	(150,000)	(300,000)	(579,022)	(521,531)
d) Earnings after tax and before amortization, depreciation, and provisions	24,805,261	19,112,380	1,280,235	(9,258,881)	(500,030)
e) Earnings after tax, amortization, depreciation, and provisions	4,167,242	(4,643,067)	(11,923,028)	(17,186,552)	(8,926,884)
f) Amounts of distributed earnings	0	0	0	0	0
g) Employee profit sharing	0	0	0	0	0
<b>III – Result of operations expressed per share</b>	<b>0</b>	<b>0</b>	<b>0</b>		
a) Earnings after tax and before amortization and depreciation per share	2	1	0	(1)	0
H/X					
b) Earnings after tax, amortization, depreciation, and provisions per share	0	0	(1)	(1)	(1)
A/X					
c) Dividend paid to each share	0	0	0	0	0
<b>IV – Personnel</b>					
a) Number of employees average headcount	229	203	201	198	192
b) Total payroll	14,351,848	12,446,302	10,931,664	11,332,916	10,664,752
c) Total sums paid for corporate benefits	6,403,616	4,913,625	4,449,326	4,616,072	4,602,802

Type of information/Period/€	2022	2021	2020	2019	2018
<b>V – Depreciation Expense</b>					
Allowance for amortization of intangible assets	12,006,441	10,340,267	8,733,250	5,985,766	5,520,387
Allowance for depreciation of tangible assets	4,224,922	3,581,081	2,266,170	811,372	603,914
Exceptional allowance					
<b>Total allowances for amortization and depreciation</b>	<b>16,231,363</b>	<b>13,921,348</b>	<b>10,999,420</b>	<b>6,797,138</b>	<b>6,124,301</b>
<b>VI – Provisions</b>					
Allowance for provision for operating risks and expenses	0	293,000	100,000	50,000	185,000
Impairment for PPE	0	0	0		535,000
impairment of inventories	3,876,299	6,277,591	1,204,419	1,686,250	1,352,975
Impairment of doubtful receivables	173,895	147,798	168,038	284,207	99,894
Allowance for provision for financial risks and expenses	13,719,375	8,668,184	3,365,452	1,591,975	2,133,450
Allowance for provision for exceptional risks and expenses					
<b>Total allowances for provisions For impairment of bad debt</b>	<b>17,769,569</b>	<b>15,386,573</b>	<b>4,837,909</b>	<b>3,612,431</b>	<b>4,306,319</b>
<b>VII – Reversal of Provision</b>					
Releases on impairment and amortization					
Operating risks and expenses	0	100,000	113,000	284,000	6,000
impairment of inventories	4,546,931	1,918,985	117,961	491,477	
Impairment of doubtful receivables	147,798	168,038	284,207	99,894	134,930
Financial risks and expenses	8,668,184	3,365,452	2,118,899	1,606,526	1,862,837
Exceptional risks and expenses					
<b>Total releases on allowances</b>	<b>13,362,913</b>	<b>5,552,475</b>	<b>2,634,066</b>	<b>2,481,898</b>	<b>2,003,767</b>
<b>VIII – Net Income Taxes</b>					
Withholding tax					
Tax credit	(150,000)	(150,000)	(300,000)	(579,022)	(521,531)
<b>Tax on net profits</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(300,000)</b>	<b>(579,022)</b>	<b>(521,531)</b>





# Financial Statements

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Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following financial statements and auditors' reports are incorporated by reference in this Universal Registration Document:

- the consolidated and annual financial statements for the year ended December 31, 2021 presented in sections 6.1 and 6.2 and the related auditors' reports presented in section 6.3 of the Company's 2021 Universal Registration Document dated July 7, 2023, number R.22-0033, available on the Company's website (<https://www.ses-imagotag>)
- the consolidated and annual financial statements for the year ended December 31, 2020 presented in sections 6.1 and 6.2 and the related auditors' reports presented in section 6.3 of the Company's 2020 Annual report, dated April 30, 2021, available on the Company's website (<https://www.ses-imagotag>)

## Consolidated financial statements as of December 31, 2022 (IFRS standards)

SES-imagotag SA is a listed company, on Eurolist Euronext Paris (Comp. B, ISIN code FR 0010282822).

The consolidated financial statements of the SES-imagotag Group (hereinafter "the Group") at December 31, 2022 cover a 12-month period and present a balance sheet of €536,676 thousand and consolidated net profit of €18,573 thousand. The Board of Directors approved these financial statements on March 29, 2023.

## 6.1 Consolidated financial statements at December 31, 2022

### 6.1.1 Consolidated financial statements

#### I.1 Consolidated balance sheet

##### Assets

In € '000	Notes	12/31/2022	12/31/2021
Intangible assets	1	152,051	125,085
Tangible assets	2	20,046	20,383
Right of use	2	10,279	13,535
Financial assets	3	20,198	1,392
Deferred taxes assets	22	13,796	17,388
<b>NON-CURRENT ASSETS</b>		<b>216,370</b>	<b>177,784</b>
Inventories and Work In Progress	4	164,417	137,504
Trade Receivables	5	109,247	120,234
Current Taxes	6	3,683	3,420
Other current receivables	6	9,022	16,451
Cash and cash equivalents	7	33,937	89,759
<b>CURRENT ASSETS</b>		<b>320,306</b>	<b>367,368</b>
<b>TOTAL ASSETS</b>		<b>536,676</b>	<b>545,152</b>

## Liabilities and shareholders' equity

In € '000	Notes	12/31/2022	12/31/2021
Capital	8	31,702	31,522
Consolidated Reserves		164,143	152,996
Profit (Loss) - Group Share		195,845	184,518
Share in minority participation		(2,520)	(2,139)
<b>SHAREHOLDERS' EQUITY</b>		<b>193,324</b>	<b>182,378</b>
Non-current Provisions	10	2,700	1,412
Deferred tax liabilities	22	7,214	6,680
Long Term loans	11	74,424	81,460
Non-current rental debt	11	6,423	5,958
Other non-current liabilities	12	3,752	4,879
<b>NON CURRENT LIABILITIES</b>		<b>94,513</b>	<b>100,389</b>
Trade Payables	13	155,878	156,446
Recurring lease debt	11	1,686	1,243
Other debts and accrual accounts	14	91,275	104,695
<b>CURRENT LIABILITIES</b>		<b>248,839</b>	<b>262,384</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>536,676</b>	<b>545,152</b>

## I.2 Consolidated income statement

### Profit and Loss account

In € '000	Notes	12/31/2022	12/31/2021
<b>SALES</b>	<b>15</b>	<b>620,860</b>	<b>422,868</b>
Purchases consumed	16	(479,586)	(323,637)
External Expenses	17	(38,913)	(32,102)
Payroll costs	18	(47,514)	(36,350)
Taxes and duties		(2,387)	(1,643)
Allowances for depreciation and amortization	1 & 2	(27,202)	(23,528)
Other operating income	19	7,926	16
Other operating expenses	20	(1,493)	(410)
<b>OPERATING PROFIT (LOSS)</b>		<b>31,691</b>	<b>5,214</b>
Other financial income	21	53,336	19,637
Other financial expenses	21	(59,131)	(20,489)
Interests on leasing fees	21	(262)	(262)
<b>FINANCIAL PROFIT (LOSS)</b>		<b>(6,058)</b>	<b>(1,114)</b>
Tax expense or income	22	(7,060)	(1,991)
<b>NET INCOME</b>		<b>18,573</b>	<b>2,109</b>
Group share		18,954	2,834
Including minority interests		(381)	(725)
Earnings per share		12/31/2022	12/31/2021
Profit (Loss) Group share in € '000		18,954	2,834
Number of shares at closing		15,798,896	15,802,297
<b>Earnings per share (in €)</b>			
• before dilution		1.20	0.18
• after dilution		1.18	0.18

### I.3 Net income and comprehensive income

In € '000	12/31/2022	12/31/2021
<b>NET INCOME</b>	<b>18,573</b>	<b>2,109</b>
<i>Items potentially classified as P&amp;L items</i>	(4,037)	7,050
Translation adjustments	(53)	0
Cash flow hedge	(3,984)	7,050
<i>Items not potentially classified as P&amp;L items</i>	185	0
Actuarial gains and losses on retirement plans	185	0
<b>COMPREHENSIVE INCOME</b>	<b>14,721</b>	<b>9,159</b>
- parent company's share	15,102	9,884
- minority interests' share	(381)	(725)

### I.4 Changes in consolidated shareholders' equity

In € '000	Capital	Reserves + Profit (Loss)	Equity attributable to owners of the parent	Minority interests	Shareholders' equity
<b>Equity at 12/31/2020</b>	<b>31,516</b>	<b>134,815</b>	<b>166,331</b>	<b>(1,414)</b>	<b>164,916</b>
Capital increase	6	2,280	2,286		2,286
Treasury shares		48	48		48
Other variations		5,969	5,969		5,969
Shareholders transactions	6	8,297	8,303	0	8,303
2021 profit (loss)		2,834	2,834	(725)	2,109
Other profit (loss) items		7,050	7,050		7,050
Total profit(loss)	0	9,884	9,884	(725)	9,159
<b>Equity at 12/31/2021</b>	<b>31,522</b>	<b>152,996</b>	<b>184,518</b>	<b>(2,139)</b>	<b>182,378</b>
Capital increase	180	5,859	6,039		6,039
Treasury shares		(542)	(542)		(542)
Scope variation		(9,725)	(9,725)		(9,725)
Other variations		453	453		453
Shareholders transactions	180	(3,955)	(3,775)	0	(3,775)
2022 profit (loss)		18,954	18,954	(381)	18,573
Other profit (loss) items		(3,852)	(3,852)		(3,852)
Total profit(loss)	0	15,102	15,102	(381)	14,721
<b>Equity at 12/31/2022</b>	<b>31,702</b>	<b>164,143</b>	<b>195,845</b>	<b>(2,520)</b>	<b>193,324</b>



## I.5 Consolidated statement of cash flows

In € '000	12/31/2022	12/31/2021	Renvois
- CONSOLIDATED NET INCOME (INCLUDING MINORITY INTERESTS)	18,573	2,109	
+/- Net allowances for amortization/depreciation and provisions	28,005	28,346	Notes 1, 2, 9
-/+ Other calculated income and expenses	6,756	2,132	Note 5.1.4
-/+ Gains and losses on disposals (from exchange difference in IFRS p&l and financial instrument profit or loss)	(6,096)	1,015	Note 5.1.4
Cash flow after cost of net financial debt and tax	47,238	33,602	
+/- Tax expense (including deferred taxes)	4,980	985	
<b>= CASH FLOW AFTER COST OF NET FINANCIAL DEBT AND TAXES</b>	<b>52,218</b>	<b>34,587</b>	
- Taxes paid	0	0	
+/- Change in WCR related to operations	(32,182)	(2,992)	(1)
<b>= NET CASH FLOW GENERATED FROM OPERATIONS</b>	<b>20,036</b>	<b>31,595</b>	
- Disbursements related to acquisitions of tangible and intangible fixed assets	(50,999)	(29,920)	Notes 1 & 2
+ Proceeds from disposals of tangible and intangible fixed assets	0	0	
- Disbursements related to Right of Use	0	0	
+ Proceeds from disposals of Right of Use	0	0	
- Disbursements related to the acquisition of long-term investments	(1,976)	(106)	Note 12
+ Proceeds from disposals of long-term investments	99	15	
+/- Impact of changes in scope	(13,807)	4,326	
+ Investment subsidies received		0	
<b>= NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(66,683)</b>	<b>(25,685)</b>	
+ Amounts received from shareholders during capital increases		0	
+ Loan issues	130	124	Note 11
+ Loan issues IFRS 16		0	
+ Loan repayments	(7,166)	(3,423)	Note 11
+ Lease debt repayments	(1,543)	(1,627)	Note 11
- Dividend distribution		0	
-/+ Treasury share buybacks and resales	(542)	48	
<b>= NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(9,121)</b>	<b>(4,878)</b>	
+/- Impact of changes in foreign currency exchange rates	(54)	122	
<b>= CHANGE IN CASH FLOW</b>	<b>(55,822)</b>	<b>1,154</b>	
<b>OPENING CASH POSITION</b>	<b>89,759</b>	<b>88,605</b>	
<b>CLOSING CASH POSITION</b>	<b>33,937</b>	<b>89,759</b>	

	12/31/2022	12/31/2021	Non-cash elements	Change in cash WCR
Inventories	164,417	137,504	1,191	(28,104)
Customers	109,247	120,234	820	10,167
Suppliers	(155,878)	(156,446)	—	(568)
Other receivables	12,705	19,871	4,403	2,763
Other payables	(91,275)	(104,695)	(773)	(12,647)
Deconsolidation of the JV and other variations				(3,793)
<b>Total</b>				<b>(32,182)</b>

### 6.1.2 Notes to the consolidated financial statements

The consolidated financial statements of the SES-imagotag Group (hereinafter "the Group") at December 31, 2022 cover a 12-month period. The Board of Directors approved these financial statements on March 29, 2023 and will be submitted to the General meeting approval on June 23, 2023.

## II.1 Accounting rules and methods

### II.1.1 Basis of preparation of the consolidated financial statements

#### III.1.1 Consolidated financial statements – Basis of preparation

Consolidated financial statements for the 2022 fiscal year are prepared in accordance with international accounting standards applicable by the European Union on December 31, 2022. International standards include the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

In the absence of standards or interpretations applicable to a specific transaction, the Group's management uses its judgment to define and apply the accounting methods that will make it possible to obtain relevant and reliable information, so that the financial statements:

- present a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the economic reality of transactions;
- are neutral;
- are cautious, and;
- are complete in all material respects.

The presentation currency of the consolidated financial statements is the euro. All values are rounded to the nearest thousand (€000) unless otherwise indicated.

The financial statements are prepared on a historical cost basis with the exception of a certain number of asset and liability accounts, which have been measured at fair value.

The consolidated financial statements include the financial statements of the subsidiaries listed in § II.6. The financial statements of the subsidiaries are prepared for the same reference fiscal year as the year used for the parent company, on the basis of homogeneous accounting methods.

The companies of Group closed their annual financial statements at December 31. All intra-group balances, intra-group transactions as well as unrealized profit (losses), expenses and income included in the carrying amount of assets from internal transactions are eliminated in full.

**New mandatory provisions applicable as of January 1, 2022 and applied for the first time by the SES-imagotag Group:**

None.

**New mandatory provisions applicable from January 1, 2022 and concerning the Group did not have a significant impact on the consolidated financial statements. They concern:**

- Amendments to IFRS 3 - Business combinations, IAS 16 - Property, plant and equipment, IAS 37 - Provisions, contingent liabilities and contingent assets, and annual improvements 2018-2020.

**New published IFRS standards, interpretations and amendments that are not yet applicable or that have not been applied by the Group in advance:**

The standards, amendments to standards and interpretations adopted by the IASB or the International Financial Reporting Standard Interpretations Committee (IFRSIC) as well as by the European Union on December 31, 2022, but not mandatory on December 31, 2022, did not result in early application.

#### II.1.1.2 Business combinations

Business combinations are dealt with in the context of the revised IFRS 3, which assesses the notion of "takeover" within the context of security acquisition transactions. Depending on the case, the impacts are recognized in equity.

As part of a business combination, the fair value of the consideration transferred is allocated to the identifiable assets acquired and the liabilities assumed. The latter are measured at fair value on the acquisition date.

Fair value is the price that would be received for the sale of an asset, or paid for the transfer of a liability in a normal transaction between market participants at the date it is measured.

In this context, goodwill represents the residual excess of the consideration transferred, evaluated together with minority interests, and for business combinations realized in several steps, the new evaluation of the former owned share, over the acquirer's interest in the fair value of identifiable assets and liabilities and contingent liabilities that can be reliably measured at the acquisition date.

The allocation period is limited to the period required to identify and measure the assets and liabilities of the acquired company, the non-controlling interests, the price paid and the fair value of the previously acquired share, but without being able to exceed 12 months.

Subsequently, goodwill is measured annually, at its cost, less any impairment losses representing decreases in value determined as indicated in the paragraph below entitled "Intangible Assets", in accordance with IAS 36. In the event of a decrease in value, the Group's impairment loss is determined as follows: depreciation is recognized in the income statement as operating profit or loss.

With regard to puts on non-controlling interests issued after the first application of IFRS 3R and IAS 27R, the Group recognizes subsequent changes in debt in equity (transactions between the controlling shareholder and non-controlling interests, which relate to equity securities of capital but have no impact on control).

### II.1.1.3 Estimates and judgments

The financial statements have been prepared according to the historical cost principle, with the exception of financial instruments which are recognized according to the fair value principle. The preparation of the financial statements requires, in accordance with the conceptual framework of IFRS, to make estimates and use assumptions that affect the amounts appearing in these financial statements.

The significant estimates made by SES-imagotag for the preparation of the financial statements mainly relate to:

- the fair value measurement of assets, liabilities and contingent liabilities obtained during an acquisition (IFRS 3 "Business combinations");
- the valuations used for impairment tests on assets, in particular the recoverable amount of goodwill;
- the fair value measurement of financial instruments;
- valuation of the recoverable amount of receivables and inventories;
- estimates of liabilities, in particular for litigation and uncertain tax positions;
- the assumptions used to recognize deferred tax assets;
- put obligations;
- rights-of-use and lease obligations resulting from leases;

- the fair value of equity instruments;
- the share-based payment expense.

Due to the uncertainties inherent in any valuation process, SES-imagotag revises its estimates on the basis of regularly updated information. It is possible that the future results of the operations concerned may differ from these estimates.

### II.1.2 Intangible fixed assets (IAS 38)

Intangible fixed assets include:

- development costs;
- patents;
- software;
- an ERP'S;
- goodwill;
- customer databases;
- technologies.

Intangible assets acquired separately are recognized at their acquisition cost and are amortized.

Amortization is calculated on a straight-line basis according to the estimated useful life of the assets, on the following basis:

	Duration
Technologies	<b>15 years</b>
Development expenses	<b>5 years</b>
Patents	<b>10 years</b>
ERP	<b>6 to 10 years</b>
Customer base	<b>15 years</b>
Software	<b>2 to 5 years</b>

No residual value is used to determine the basis for amortization.

### Impairment testing

In accordance with IAS 36, goodwill is tested for impairment annually and other amortizable intangible assets are tested when there is evidence of impairment. The existence of this evidence is examined at each annual and interim reporting date.

Given the overall management of SES-imagotag's activities from a technological and geographical point of view, it is impossible to allocate assets and cash flows to clearly identified subgroups within the Group. Goodwill has been monitored on the basis of a single cash-generating unit.

The impairment test consists of comparing the net carrying amount of the asset with its recoverable amount, determined as the higher of its fair value less costs to sell and its value-in-use.

Fair value less disposal costs is preferred in the rare cases where a recent transaction on the assets concerned makes the information available and reliable. In most cases, the value-in-use is estimated by using cash flow projections based on existing operating forecasts for a period of five years, including growth and profitability rates that are considered reasonable. The assumptions made are those of sustained market growth, driven by a current low penetration of ESL solutions and growing strongly under the effect of equipment from major global retailers as currently observed. In this context, the growth rate is high, above 20% per year until 2027, the rate of operating expenses decreased and the gross margin increased, thanks to the development of higher-margin recurring services.

The main assumptions used are:

- the 5-year activity forecast, carried out by management;
- the long-term growth rate of 3% reflects the growth rate of a technological market that is still dynamic at this time;
- a discount rate of 11% applied to cash flows.

The recoverable amount resulting from the impairment test is higher than the carrying amount of the assets.

The sensitivity of the result to variations of plus or minus one point in the assumptions used does not impact the results of the goodwill impairment test.

An impairment loss is recognized in the event of a loss of value. Impairment losses may be reversed when conditions have changed, except for goodwill. With the exception of goodwill, impairment losses affect the amortization schedule prospectively since they are charged against the amortizable base.

### Development expenses

SES-imagotag's development expenses are recorded as expenses for the period during which they are incurred, with the exception of development expenses for projects that meet the following criteria:

- the product or process is clearly identified and the costs are reliably individualized;
- the technical feasibility of the product is demonstrated;
- the product or process will be marketed or used internally and will generate probable future economic benefits;
- there is a potential market for the product or its internal utility has been demonstrated;
- the resources required to complete the project are available.

Development costs that do not meet the above criteria are recognized as expenses in the year in which they are incurred. Capitalized development costs are amortized on a straight-line basis over their useful life.

### Patents

Concerning the assessment of patents, the Group used the acquisition cost method in the event there is no active market.

## II.1.3 Tangible fixed assets (IAS 16)

Property, plant and equipment are recorded at their acquisition cost.

Depreciation is calculated on a straight-line basis over the following useful lives:

	Duration
Industrial tool and equipment	<b>3 to 5 years</b>
Fixtures and fittings	<b>5 to 10 years</b>
Furniture, office supplies, IT and hardware	<b>1 to 10 years</b>

No residual value is used to determine the depreciable base.

Depreciation periods are reviewed annually at the end of each accounting period. Any change in duration is treated as a change in estimate applied prospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and gives rise to the recognition of additional impairment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes indicate that the carrying amount may not be recoverable.

If there is any such indication and if the carrying amounts exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the higher of the selling price net of disposal costs and the value-in-use. To measure value-in-use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments, time value, money and the risks specific to the asset.

## II.1.4 Leases (IFRS 16)

IFRS 16 "Leases," whose application was mandatory as of January 1, 2019, replaces IAS 17 "Leases" and related interpretations. When entering into a lease with fixed payments, this standard requires the recognition of a liability in the statement of financial position corresponding to the discounted future payments, in exchange for rights-of-use to the asset depreciated over the term of the contract.

The Group applied the so-called "modified retrospective" transition method by which a liability is recognized at the transition date equal to only the discounted residual rents, in exchange for a right-of-use amount adjusted for the amount of rents paid in advance or recorded as accrued expenses, and the costs of refurbishment.

In line with the various simplification approaches provided for by the standard, the Group has excluded leases with a residual term of less than twelve months.

Leases include offices and warehouses, production lines and industrial equipment, vehicles and IT equipment.

The term of the contract generally used to calculate the liability is that of the contract initially negotiated, without taking into account early termination or extension options, except in specific cases. The discount rate is determined for each contract by reference to the incremental borrowing rate, for the residual term of the contract.

### II.1.5 Stocks (IAS 2)

Inventories are valued, in accordance with IAS 2, at the lower of cost and net realizable value.

The valuation of finished products comprises the following items:

- Cost price of components valued at the weighted average unit cost;
- Cost of the assembly service by the subcontractor;
- Additional costs mainly consisting of storage costs for components;
- Label transit costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

When the net realizable value is lower than the value of the inventory, a provision for impairment is recognized according to the following method:

The depreciation of inventories is determined according to the category of the product and the related rotation rules as described below:

For each category, the rule consists of:

- 1) Calculating the rotation of the products concerned. This gives the number of days since an article within a reference was last consumed;
- 2) Only products that have not been rotated for more than six months may be subject to a provision for impairment.

#### A. New products not refurbished :

- 50% of the gross value for assets that have not been rotated for more than six months;
- 80% of the gross value for assets that have not been rotated for more than 12 months;
- 100% of the gross value for assets that have not been rotated for more than 18 months;
- 100% of the gross value for assets that have never been rotated.
- Among these, the following items are excluded from the calculation of the provision, namely :
  - Products for which there is a firm order or a 90% chance of a business opportunity that would cover at least 50% of the inventory quantities
  - Products subject to refurbishing or reworking in order to sell the products in question
- Innovative products for future products ranges.

#### B. Refurbished or refurbishable goods

- Depreciation of 50% of the value of these goods in the inventory exceeding 18 months past or future consumption if the product has yet been rotating over the last 12 months

- Depreciation of 100% of the value of these goods in the inventory exceeding 18 months past or future consumption if the product has not been rotating over the last 12 months
- Depreciation of 100% of the value of these goods that have never been rotated.

### II.1.6 Financial assets, receivables and other current assets (IFRS 9)

Financial assets, receivables and other current assets are recognized at their gross amount, less provisions for impairment of amounts estimated to be unrecoverable.

For trade receivables including contract assets, the Group has assessed the losses actually incurred in recent years on its customer portfolio and concluded that the new IFRS 9 impairment model as of January 1, 2019 has no material effect on the Group's financial statements compared to the IAS 39 model.

Concerning the provision for impairment of trade receivables, only receivables overdue by more than 90 days and a reason for litigation from the customer are analyzed on a case-by-case basis, according to the following criteria:

- In the absence of an identified risk, no provision is made for any reason related to a request for additional documentation;
- Projects allowing for the equipment to be recovered are provisioned net at 33%;
- Receivables assigned to litigation are provisioned according to the historical recovery ratio (50%);
- Receivables deemed irrecoverable are fully provisioned (100%).

### II.1.7 Financial instruments (IFRS9)

IFRS 9 sets out the requirements for the recognition and measurement of financial assets and liabilities, as well as certain contracts for the purchase or sale of non-financial assets. This standard replaces IAS 39 "Financial Instruments: Recognition and Measurement".

All derivative instruments are valued in the statement of financial position at their fair value, in accordance with IFRS 9.

Derivative financial instruments consist of forward foreign exchange contracts.

The management of financial risks by the SES-imagotag Group (interest rate risk, foreign exchange risk, counterparty risk and liquidity risk) is described in note 31 of this document as well as in chapter 2.1.4 of the Risk Factors and Uncertainties section.

Derivative financial instruments are contracted by the SES-imagotag Group as part of its foreign exchange risk management policy. The recognition of financial instruments as hedging instruments then depends on whether or not they are eligible for hedge accounting.

The Group has implemented a factoring contract that ensures the legal transfer of rights to assigned receivables to the extent that the assignment is made in accordance with the provisions of Article 1346-1 of the Civil Code and Articles L.313-23 to L.313-34 of the Monetary and Financial Code. The contract also provides for the substantial transfer of the credit risk and late payment associated with these same claims, taking into account the collateral approvals granted by the factoring company covering both the risk of non-payment (from the due date) as well as the risk of insolvency of the debtor, thus limiting the factoring company's right of recourse to the Group in the event of non-payment. In addition, the dilution risk, retained by the Group, was analyzed in light of the actual level of non-values on the basis of historical data on the scope of the receivables assigned. The terms of the compensation are fixed and not revisable after the transfer of the invoices. Thus, the result of these various analyses (transfer of contractual rights to receive cash flows and substantial transfer of risks and benefits) made it possible to conclude on the deconsolidating nature of the contract.

### II.1.8 Forward purchases

The SES-imagotag Group has opted for cash flow hedge accounting for its forward purchases.

Forward exchange contracts used by the SES-imagotag Group may be qualified as cash flow hedges. A cash flow hedge is used to protect against changes in the value of cash flows denominated in foreign currencies. Derivatives are measured at their fair value upon initial recognition.

Subsequently, at each reporting date, the fair value of the derivatives is re-estimated. The fair value of forward foreign exchange contracts is determined by reference to what the Group would receive (or pay) to unwind the current contracts at the reporting date.

Hedge accounting is applicable if, and only if, the following conditions are met:

- The hedging relationship is composed solely of items eligible for hedge accounting;
- A hedging relationship is clearly identified, formalized and documented from the date it is set up;
- The hedging relationship complies with the following effectiveness criteria:
  - there is an economic relationship between the hedged item and the hedge,
  - there is no preponderance of credit risk in the change in fair value of the hedging item and the hedged item,
  - the hedging ratio of the hedging relationship is equal to the ratio between the amount of the hedged item that is actually hedged by the entity and the amount of the hedging instrument that the entity actually uses to hedge that amount of the hedged item.

Changes in the value of the effective portion of cash flow hedges are recognized in other comprehensive income in a specific revaluation reserve account. The ineffective portion of hedging derivatives is recognized in the income statement.

The deferral/discount component is excluded from the hedging relationship, and changes in value are recognized in profit or loss under "Other finance income and expenses".

### II.1.9 Cash and equivalents

Cash and cash equivalents include:

- financial investments, which are highly liquid and have a very limited risk of changes in value;
- bank accounts;
- cash accounts.

Marketable securities (SICAV money market funds) are recognized at fair value at the reporting date (fair value level 1).

Term deposit accounts are recognized at amortized cost.

A presentation amendment of the cash flow statement has been made in the 2022 notes vs. 2021..

### II.1.10 Treasury shares (IAS 32)

According to IAS 32 "Financial Instruments", if an entity repurchases its own equity instruments, they must be deducted from equity. No gain or loss should be recognized in profit or loss on the purchase, sale, issue or cancellation of the entity's equity instruments.

Such treasury shares may be acquired and held by the entity or by other members of the consolidated group.

The consideration paid or received must be recognized directly in equity.

### II.1.11 Provisions (IAS 37)

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Group recognizes a provision when, at the reporting date, it has an obligation (legal or constructive) vis-à-vis a third party resulting from a past event whose settlement is likely to result in an outflow of resources representing economic benefits for the Group, and when the amount of the loss or liability can be reliably measured.

In the event that this loss or liability is neither probable nor reliably measurable, but remains possible, the Group recognizes a contingent liability in its commitments.

Provisions are intended, in particular, to cover the probable costs that may be incurred due to ongoing lawsuits or litigation, the operative event of which existed at the reporting date.

### II.1.12 Stock options and allocation of bonus shares (IFRS 2)

IFRS 2 "Share-Based Payment" provides for the recording of an expense in return for services obtained under share subscription plans (and similar) granted to employees.

The Group has set up stock option plans, bonus shares or share purchase plans and has issued warrants to certain employees. The purchase or subscription option prices are set by the Board of Directors, which grants the options.

Changes in values subsequent to the grant dates have no impact on the initial valuation of the options; the number of options taken into account to value the plans is adjusted at each closing date to take into account the presence of the beneficiaries and the achievement of internal performance conditions for the purposes of vesting periods. The valued benefit is equivalent to compensation paid to the beneficiaries, which is therefore recognized in employee benefits expense on a straight-line basis over the vesting period, with a corresponding adjustment in shareholders' equity.

Stock option subscription plans were valued by reference to the fair value of the instruments granted.

The fair value of the bonus shares granted corresponds to the value of the share on the day of the grant less the assumption of a dividend distribution during the vesting period.

The overall plan expense corresponds to the estimated fair value multiplied by the number of shares granted over the vesting periods envisaged in the plan, multiplied by the probability of achieving the performance objectives.

### II.1.13 Employee benefits (IAS 19 Revised)

#### *Retirement benefits*

The provision for employee benefits relates exclusively to retirement benefits that are legally payable to employees in France.

The calculation is made in accordance with the revised version of IAS 19, using the projected unit credit method.

Under this method, entitlements are allocated to periods of service according to the plan's vesting formula, taking into account a linearization effect when the rate of entitlement is not uniform over the course of the subsequent periods of service.

The amount of future payments corresponding to the benefits granted to employees is measured on the basis of assumptions for changes in salaries, retirement age and mortality, then reduced to their present value on the basis of interest rates on long-term bonds of first-class issuers.

The expense for the fiscal year corresponding to the change in the cost of services rendered is recognized in employee benefits expenses; the cost of discounting is recognized in finance expenses.

In addition, actuarial gains and losses resulting from experience-related adjustments and changes in actuarial assumptions are now recognized in "Other income and expenses recognized directly in equity".

### II.1.14 Deferred taxes (IAS 12)

Deferred taxes result from temporary differences between the carrying amount and tax value of assets and liabilities in the statement of financial position. In accordance with IAS 12 "Income Taxes", they are accounted for using the liability method, based on the future tax rates adopted at reporting date on December 31, 2022.

The Group recognizes a deferred tax asset for tax losses and unused tax credits carried forward, to the extent that it is probable that future taxable profits will be available against which these unused tax losses and tax credits can be offset, taking into account the carry-forward periods and applicable tax rates in each country.

### II.1.15 Research tax credit (IAS 20)

The research tax credit is a tax incentive similar to a subsidy. It therefore falls within the scope of IAS 20. According to this standard, the research tax credit must be allocated according to whether R&D expenditure is recognized as an asset (recognition of development expenses as intangible assets according to IAS 38) or as a profit or a loss, when the development expenses cannot be recognized as an asset.

For the share of capitalized development costs, the recognition in the income statement of the research tax credit generated is deferred over time over the amortization period of the underlying capitalized development costs. For the share of research expenses recognized as expenses, the research tax credit is recognized immediately in the income statement. The Group has opted to recognize the entire research tax credit as a deduction from expenses recognized in the income statement, under other external expenses.

### II.1.16 Translation of foreign currency items

The consolidated financial statements at December 31, 2022 were prepared in euros, which is the parent company's functional currency.

Each Group entity determines its own functional currency and the items included in the financial statements of each entity are measured using this functional currency.

#### *Recognition of foreign currency transactions in the financial statements of consolidated companies*

Foreign currency transactions recognized in the income statement are translated at the exchange rate prevailing on the transaction date, with the exception of transactions for which the Company has hedges (USD). Initial accounting entry is valued at the transaction exchange rate but in case of a stock (inventory) item, hedging impact is accounted for in the opening inventory value. These are recognized at the hedging rate. Monetary items expressed in foreign currencies, recognized in the statement of financial position, are translated at the exchange rate prevailing at the reporting date, with the exception of debts denominated in USD which are translated at the hedge rate. The resulting exchange differences are recorded in the income statement.

### Conversion of foreign subsidiaries' financial statements

The financial statements of Group companies, whose functional currency is different from the consolidation currency, are converted into euros:

- assets and liabilities are translated into euros at the exchange rate prevailing on the closing date;
- income and expenses are translated at the average exchange rate for the period as long as this is not affected by significant changes in exchange rates;
- the resulting translation differences are recognized in other items in the profit (loss).

#### II.1.17 Earnings per share

The Group reports basic earnings per share and diluted earnings per share.

Net earnings per share is obtained by dividing net profit or loss by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by using the conversion into ordinary shares of dilutive instruments outstanding at the reporting date.

#### II.1.18 Revenue from contracts with customers (IFRS 15)

Revenue is recognized and presented in accordance with IFRS 15 "Revenue from Contracts with Customers".

The Group's revenue can be broken down into revenue from goods and services.

The revenue generating event varies according to the nature of the sale:

- When the Group is in charge of installing the label systems, revenue is recognized when the system becomes operational. At the reporting date, installations invoiced but not completed give rise to the recognition of deferred income; installations completed but not invoiced give rise to the recognition of an invoice to be prepared;
- When the Group only delivers the labels, revenue is recognized on the basis of the international commercial terms;
- Training service is invoiced and recognized when the service is provided, independently of the delivery of the labels;
- Transport costs are invoiced simultaneously with the invoicing of the labels, and the related revenue is recognized in the same way as the main service (delivery of the labels);
- Annual flat-rate discounts granted to customers are deducted from revenue;

- Maintenance contracts are billed in advance for periods of three to six months. Deferred income is recognized to cancel the revenue related to the following fiscal year on a pro rata basis;
- In certain cases, the Group may be required to perform research and development engineering services. The related revenue is recognized when the service is completed and the performance obligation is met.
- Costs corresponding to specific developments incurred in connection with the acquisition of new customer contracts are recognized as expenses in the year in which they are incurred, except for those meeting the following criteria:
  - these are incremental costs specific to obtaining certain new contracts,
  - these costs are essential to meeting the needs expressed by the customer.

At the end of each fiscal year, the costs incurred for contracts not obtained are recognized as expenses. Costs incurred for contracts obtained are capitalized and amortized on a straight-line basis over the term of the contracts.

#### Principal or Agent

The Group has conducted an analysis of the nature of its relationships with its customers in order to determine whether it is acting as a principal or as an agent in the performance of the contract or part of the contract when the Group sells equipment, software or services. In the current framework, the Group uses the concepts of risks and rewards as its main criteria to determine whether it is acting as a principal or an agent, and in particular contractual liability vis-à-vis the customer, liability for credit risk, contractual liability vis-à-vis suppliers and the added value provided to the services or products of suppliers.

Under IFRS 15, the Group is considered to be acting as principal since it controls the goods or services before transferring them to its customer.

#### II.1.19 Operating segments (IFRS 8)

The SES-imagotag Group has only one operating segment corresponding to a homogeneous activity of installing and maintaining electronic shelf labels.

Operating results are reviewed at Group level. The objective is to make decisions about the allocation of resources and the evaluation of performance. Isolated information at the lower level is not available, given the overall management of the activities, technologies and regions.



## II.2 Highlights of the year

### Changes to the JV in China and new strategic and equity partnership with BOE YiYun

On July 22, 2022, the company's Board of Directors approved the transfer of the 51% share that the Group held in its joint venture in China in exchange for 8.9% of BOE-YiYun, a Chinese tech sector company.

### Entry into the SBF 120

On December 16, 2022, the Group joined the SBF 120 index, one of the main indices of the Paris Stock Exchange, comprising the 120 largest securities listed on Euronext Paris in terms of liquidity and market capitalization.

## II.3 Post-closing events

Strategic acquisition in Data with the acquisition of the French company In The Memory ("Memory"), specializing in data analysis and business decision-making tools.

With this new acquisition, the SES-imagotag Group is continuing to build its Data division, which also includes Captana, a company specializing in real-time analysis of rays using image analysis and artificial intelligence, as well as several solutions within the VUSION platform.

### Acquisition of Believe.ai

Captana GmbH, a wholly-owned subsidiary of the SES-imagotag Group, has entered into an agreement to acquire the majority of the capital of Believe.ai, a French start-up specializing in artificial intelligence and image analysis for in-store retail. With this merger, Captana aims to round out its technological offering in order to offer a wider choice of solutions and better cover all the needs of retailers, both in terms of use cases and in terms of pre-existing digital infrastructure. The synergies between the Captana and Believe.ai solutions will also make it possible to offer the best of both technologies and accelerate innovation for the digitization of stores.

## II.4 Notes to the financial statements

### Notes to the balance sheet – assets and equity & liabilities

#### Note 1 – Intangible fixed assets

Gross Fixed Assets in €'000	Opening	Increase	Transfers between line items	Decrease	Change in scope	Closing
Goodwill	51,274					51,274
Development	58,194	6	12,991	–	(490)	70,701
Concessions, patents & similar rights	55,884	377	6,916	–	(2,593)	60,584
Intangible fixed assets in progress	29,043	43,794	(19,457)	(62)	(461)	52,857
<b>TOTAL</b>	<b>194,395</b>	<b>44,177</b>	<b>450</b>	<b>(62)</b>	<b>(3,544)</b>	<b>235,417</b>

As at December 31, 2022, the amount of goodwill breaks down as follows:

- SES-ESL merger: €12.6 million;
- acquisition of SES-Imagotag GmbH: €13.4 million;
- acquisition of Pervasive Displays Inc (PDI): €18.3 million;
- acquisition of Findbox (now Captana GmbH): €6.7 million;
- acquisition of Market Hub: €0.3 million.

Research and development expenses represent the cost of research and innovation expenses incurred by the group and which have enabled us to improve and diversify our product offering.

The transfer from item to item during the year corresponds to:

- the capitalization of research and development costs incurred in the context of the ongoing development of the Jeegy Cloud software and new references in the Vusion range, and the Captana program;
- the capitalization of part of the development projects for the group's information systems and IT infrastructure.

Intangible assets in progress correspond to expenses incurred in connection with marketable research and development projects, the development of the Group's IT infrastructure, and costs incurred for the filing of patents which had not yet been granted by December 31, 2022.

The increase in assets under construction during the period is explained by the following items:

- research and development expenditure of €36,037 thousand;
- development and restructuring of the Group's IT infrastructure and software for €7,758 thousand.

The decrease in fixed assets indicated under change in scope corresponds to the impacts of the deconsolidation of the subsidiary in China during the second half of the year.

Amortization in €'000	Opening	Allowance	Transfers between line items	Write-back	Change in scope	Closing
Development	47,119	11,727	(3,144)	–	(75)	55,627
Concessions, patents & similar rights	22,190	2,639	3,471	–	(561)	27,739
<b>TOTAL</b>	<b>69,310</b>	<b>14,366</b>	<b>327</b>	<b>–</b>	<b>(636)</b>	<b>83,366</b>

## Note 2 – Tangible fixed assets

Gross Fixed Assets in €'000	Opening	Increase	Transfers between line items	Decrease	Change in scope	Closing
Buildings and improvements	3,032	677	16	(19)	–	3,706
Machinery, equipment, and tools	21,905	2,866	41	(966)	(646)	23,200
Other tangible fixed assets	22,326	4,427	(156)	(101)	(66)	26,430
<b>TOTAL</b>	<b>47,263</b>	<b>7,970</b>	<b>(99)</b>	<b>(1,086)</b>	<b>(712)</b>	<b>53,336</b>

The increase in property, plant and equipment during the year is mainly due to:

- leasehold improvement expenses in France;
- the equipment of production lines through the acquisition of industrial equipment for €2,907 thousand;
- Other property, plant and equipment, mainly including the delivery of label systems to customers under rental contracts for €919 thousand and expenditure on IT and office equipment for €999 thousand;

- assets in progress for €2,431 thousand corresponding to the acquisition of industrial equipment.

The decreases mainly concern fully depreciated industrial equipment for a total of €965K.

In addition, the amounts indicated under “Changes in scope” correspond to the impacts of the deconsolidation of the subsidiary in China during the second half of the year.

Amortization in €'000	Opening	Allowance	Transfers between line items	Write-back	Change in scope	Closing
Buildings and improvements	1,821	392	4	0	0	2,217
Machinery, equipment, and tools	15,745	2,765	22	(965)	(77)	17,491
Other tangible fixed assets	9,313	4,351	(2)	(48)	(32)	13,582
<b>TOTAL</b>	<b>26,880</b>	<b>7,509</b>	<b>24</b>	<b>(1,013)</b>	<b>(109)</b>	<b>33,290</b>

## Rights of use

Gross Fixed Assets in €'000	Opening	Increase	Decrease	Change in scope	Closing
Buildings and improvements	8,672	1,968	(442)		10,198
Production line and industrial equipment	14,727				14,727
Vehicles and other tangible fixed assets	1,359	482	(541)		1,300
<b>TOTAL</b>	<b>24,759</b>	<b>2,450</b>	<b>(983)</b>	<b>0</b>	<b>26,225</b>

The increase in rights of use during the year is mainly due to:

- The new lease signed for the second warehouse in France located in Herblay;
- the new lease signed for PDI Digital in Austria and the renewal of leases in various subsidiaries;
- the renewal of the car fleet mainly in France.

The decrease in rights of use is mainly due to:

- the termination of the leases of the subsidiaries for a usage value of €442 thousand;
- the termination of vehicles leases for €541 thousand.

Amortization in €'000	Opening	Allowance	Write-back	Change in scope	Closing
Buildings and improvements	2,466	1,836	(399)		3,903
Production line and industrial equipment	8,182	3,273			11,455
Vehicles and other tangible fixed assets	576	477	(465)		588
<b>TOTAL</b>	<b>11,224</b>	<b>5,586</b>	<b>(864)</b>	<b>0</b>	<b>15,946</b>

### Note 3 – Financial assets

Financial assets in € '000	Opening	Increase	Decrease	Closing
Non-consolidated investments <sup>(1)</sup>	39	18,668	(39)	18,668
Deposits and guarantees	828	217	(99)	946
Other loans	526	58		584
Other	1		(1)	–
<b>TOTAL</b>	<b>1,392</b>	<b>18,943</b>	<b>(139)</b>	<b>20,198</b>

(1) Equity securities of the subsidiary created in Japan in 2021 but whose consolidation was effective during the second half of 2022 (commencement date of the activity).

### Note 4 – Stocks

Inventories in € '000	12/31/2022	12/31/2021
Inventory of raw material	30,108	21,292
Inventory of finished products	127,123	112,217
Inventory of goods purchased for resale	16,086	13,579
Impairment of inventory	(8,900)	(9,584)
<b>TOTAL</b>	<b>164,417</b>	<b>137,504</b>

### Note 5 – Trade receivables

Trade receivables in € '000	12/31/2022	12/31/2021
Gross trade receivables	116,282	120,700
Provision for Impairment	(1,285)	(465)
<b>TOTAL</b>	<b>114,997</b>	<b>120,234</b>

Under the current deconsolidating factoring contract for the French entity, the total amount of deconsolidated trade receivables is €6.4 million, of which €4.1 million has already been repaid. The amount of assigned receivables not repaid at December 31, 2022 is therefore €2.3 million.

Breakdown of the provision for impairment of trade receivables in thousands of euros	Gross value	Provision
Receivables overdue less than 90 days	26,544	(6)
Receivables overdue between 91 days and 360 days	7,798	(217)
Receivables overdue more than 361 days	2,892	(1,062)
Receivables not yet due	73,298	0
<b>TOTAL</b>	<b>110,532</b>	<b>(1,285)</b>

## Note 6 – Other current receivables

Current tax receivables amounted to €3,683 thousand at December 31, 2022. They mainly correspond to research tax credit recognized from 2018 to 2022 in France and in Austria.

The other current receivables are broken down below :

Other current receivables in € '000	12/31/2022	12/31/2021
Tax receivables	3,397	4,424
Social Security receivables	39	48
Suppliers – advance and prepayments	32	842
Suppliers – credit note	1,679	5,353
Financial Instruments	501	3,221
Other receivables	0	214
Prepaid expenses	3,375	2,348
<b>TOTAL</b>	<b>9,023</b>	<b>16,451</b>

Tax receivables, excluding current taxes, mainly correspond to VAT receivables on purchases.

Credit notes receivable from our main suppliers of finished products and components, have been recognized for an amount of €1,597 thousand compared to €5,268 thousand at December 31, 2021.

The amount recorded as financial instruments corresponds to the fair value of the instruments subscribed but not used at December 31, 2022. At 31 December 2022, the fair value amounted to + €501 thousand.

Prepaid expenses relate to the company's current operating expenses invoiced but relating to the year 2023.

## Note 7 – Cash and cash equivalents

Cash in € '000	12/31/2022	12/31/2021
Securities	15	16
Cash	33,922	89,743
<b>TOTAL</b>	<b>33,937</b>	<b>89,759</b>

## Note 8 – Capital

Number of shares variation	Number of shares	Nominal value	Share capital
Number of shares beginning of the period	15,761,008	2	31,522,016
Increase	89,800	2	179,600
<b>Number of shares at the end of the period</b>	<b>15,850,808</b>	<b>2</b>	<b>31,701,616</b>

The securities issued correspond to the delivery of the shares of tranche 1 of the performance shares plan.

At December 31, 2022, the company holds a total of 5,604 treasury shares, all relating to the liquidity contract entered into during the year 2021. Treasury shares are restated as a deduction from equity in accordance with IAS 32.

An amendment to the Changes in consolidated shareholders' equity presentation has been made in the 2022 notes, compared to the 2021 notes.

## Note 9 – Other equity instruments

### Stock options and allocation of bonus shares

#### Allocation of stock options

At its meeting of June 29, 2020, the Board of Directors approved the principle of a performance shares plan, the effect of which is to grant 470,000 shares to be issued subject to performance conditions and conditions of continued presence.

The definitive acquisition of the shares is subject to a condition of presence of the beneficiary and planned as follows:

- in 2022: Delivery of the Tranche 1 Shares in 2022 if the performance conditions are met (Target 2020);

- in 2023: Delivery of the Tranche 2 Shares in 2023 if the performance conditions are met (Target 2021);
- in 2024: Delivery of Tranche 3 shares in 2024 if performance conditions are met (Target 2022);
- in 2025: Delivery of Tranche 4 shares in 2025 if the performance conditions are met (Target 2023).

For free shares delivered during the years 2022 to 2025 (Target 2020 to Target 2023), the free shares will not be subject to any retention period from the date of delivery of the shares (given the 2-year period between grant and vesting).

## Note 10 – Non-current provisions

Non-current provisions in € '000	Opening	Allowance	Release of allowance	Transfer	Closing
Warranty for provisions	249	1,627	(1,737)		139
Provisions for leased assets refurbishment	870				870
Provision for retirement benefits	0	20	(82)	773	711
Other provisions for contingencies and charges	293	688			981
<b>TOTAL</b>	<b>1,412</b>	<b>2,335</b>	<b>(1,819)</b>	<b>773</b>	<b>2,700</b>

The provision for retirement benefits amounted to €711 thousand compared with €773 thousand at December 31, 2021. This amount, previously recorded under "Other social and tax liabilities," was reclassified under "Non-current provisions" at June 30, 2022.

Provisions for the repair of leased assets relate to leases under IFRS 16. The counterparty is recognized in property, plant and equipment, as an increase in the right of use.

## Note 11 – Long-term loans

Loans are recognized at the amortized cost using the effective interest rate method.

Long Term Loans in € '000	With cash impact			No cash impact			
	Opening	Increase	Decrease	Change in scope	Translation differences	Others	At closing
Bond debt	49,587	130				0	49,717
Other long-term loans from credit institutions	31,874		(7,166)				24,708
Recurring and non-recurring leasing related debt	7,201		(1,543)			2,450	8,109
<b>TOTAL</b>	<b>88,662</b>	<b>130</b>	<b>(8,709)</b>	<b>0</b>	<b>0</b>	<b>2,450</b>	<b>82,534</b>

The net increase in lease liabilities corresponds, on the one hand, to the signing of new commercial leases and vehicle leases for an amount of €2,450 thousand and, on the other hand, to the repayment of the lease liabilities for the fiscal year for €1,543 thousand.

In June 2021, the company opted to repay the state-guaranteed loans (PGE) over a period of 2 years, starting on July 21, 2022. The terms of the other outstanding loans remain unchanged.

As at December 31, 2022, the Group complies with the consolidated leverage ratio, which refers to the ratio between net financial debt and EBITDA less than 3.5. The impact of the recognition of the lease liability following the application of IFRS16 is excluded from the definition of financial debt for the purpose of calculating covenants.

Loans and lease liabilities in € '000	12/31/2022	Less than 1 year	1 year to 5 year	More than 5 years
Bond & loans from credit institutions	74,424	55,787	18,637	
Bank overdrafts				
Recurring and non-recurring lease liabilities related debt	8,109	1,686	6,423	
<b>TOTAL</b>	<b>82,533</b>	<b>57,473</b>	<b>25,060</b>	<b>–</b>

## Note 12 – Other non-current liabilities

Other non-current liabilities in € '000	12/31/2022	12/31/2021
Other debt – Price supplement	481	2,181
Research tax credit	3,271	2,696
Other provisions operating grants	–	1
<b>TOTAL</b>	<b>3,752</b>	<b>4,879</b>

Variation in other debts is broken down below:

Other debts – Price supplement in € '000	12/31/2022	12/31/2021	Change over the period
Put on minority interests Market Hub	0	1,700	(1,700)
Earn-out Pervasive Displays Inc	481	481	0
<b>TOTAL</b>	<b>481</b>	<b>2,181</b>	<b>(1,700)</b>

Market Hub: The remaining amount of the fair value of the put debt on the 40% minority tranche as part of the acquisition of Market Hub for €1,700 thousand was paid in February 2022. The Irish subsidiary is wholly owned as of fiscal year 2022.

## Note 13 – Trade payables

Trade payables in € '000	12/31/2022	12/31/2021
Trade payables	107,768	81,447
Suppliers – accrued expenses	48,110	75,000
<b>TOTAL</b>	<b>155,878</b>	<b>156,446</b>

The amount of invoices not received corresponds mainly to purchases of finished goods made during December and in transit to the warehouses at December 31, 2022 by sea.

## Note 14 – Other debts and accrual accounts

Other debts and accrual accounts in € '000	12/31/2022	12/31/2021
Customers – prepayments	61,419	86,463
Customers – accrued income	1,662	502
Social security and tax liabilities	17,945	15,333
Retirement benefits	–	773
Deferred revenue	15,998	1,624
<b>TOTAL</b>	<b>97,024</b>	<b>104,695</b>

Customer advances and down payments are mainly related to down payments invoiced as part of major deployment contracts signed in Europe.

Deferred revenue corresponds to sales made in December but for which the contractual obligations had not been fully met by December 31, 2022. The revenue from these sales will be recognized in the next financial year.

Retirement benefits, previously recorded under “Other liabilities,” were reclassified under “Non-current provisions” at June 30, 2022 (see note 10).

## Notes to the income statement

### Note 15 – Sales

Sales for the period break down as follows by geographical zone:

Sales in millions of €	31/12/2022		31/12/2021	
Europe & MEA	487.3	78%	317.3	75%
France	65.2		58.6	
EMEA	422.1		258.7	
Asia & America	133.6	22%	105.6	25%
<b>TOTAL</b>	<b>620.9</b>		<b>422.9</b>	

Sales in millions of €	31/12/2022		31/12/2021	
Electronic labels	512.2	82%	333.8	79%
Software, services and non-electronic labels solutions	108.7	18%	89.1	21%
<b>TOTAL</b>	<b>620.9</b>		<b>422.9</b>	

Sales can be broken down into: €512.2 million for goods and €108.7 million for services.

Order intake amounted to €685 million, up +14% over the year. This slower rate of growth compared with the previous year is linked to the longer negotiation times for certain contracts. However, the number and value of the portfolio of commercial opportunities is at a higher level, as is the level of visibility on growth for the coming year.

### Note 16 – Purchases consumed

*The amount of purchased consumed is composed of the following:*

- consumption of purchases of raw materials and merchandise;
- consumption of inventories of finished goods;
- transportation and incidental expenses relating to these purchases.

### Note 17 – External expenses

External expenses in € '000	12/31/2022	12/31/2021
Subcontracted variable expenses	(12,129)	(13,163)
Outsourced personnel and recruitment expenses	(5,266)	(4,256)
Travel expenses	(5,345)	(2,951)
Marketing	(4,914)	(2,089)
Consulting Fees	(4,596)	(3,670)
IT & Telecom expenses	(5,199)	(4,092)
Other	(1,464)	(1,881)
<b>TOTAL</b>	<b>(38,913)</b>	<b>(32,102)</b>

### Note 18 – Payroll expenses

Payroll costs in € '000	12/31/2022	12/31/2021
Payroll costs	(39,797)	(32,855)
Free shares (IFRS2)	(7,598)	(3,455)
Retirement benefits	(118)	(40)
<b>TOTAL</b>	<b>(47,514)</b>	<b>(36,350)</b>

### Note 19 – Net allowance for provisions

Other operating expenses amounted to €1,493 thousand and corresponded mainly to the net charge for impairment of trade receivables in the amount of €837 thousand and the net charge for provisions for risks in the amount of €598 thousand.

### Note 20 – Details of other operating income and expenses

Other operating income amounted to €7,926 thousand and is mainly related to the disposal of the subsidiary BOE Digital Technology Co. Ltd. for €6,713 thousand and the insurance compensation for the fire that occurred in 2021 at the German subsidiary's storage premises for €1,200 thousand.

### Note 21 – Other financial incomes and expenses

Financial result in € '000	12/31/2022	12/31/2021
Financial instruments	89	
Foreign exchange gains	52,698	19,105
Other financial income	549	531
Reversal accrual for risk	0	
<b>Other financial income</b>	<b>53,336</b>	<b>19,637</b>
Bank interest expenses	0	(426)
Leasing related interest expenses	(2,387)	(2,115)
Foreign exchange losses	(262)	(262)
Other financial expenses	(55,805)	(17,259)
Financial instruments	(939)	(685)
Provision for risks	0	(4)
<b>Other financial expenses</b>	<b>(59,394)</b>	<b>(20,751)</b>
<b>TOTAL</b>	<b>(6,058)</b>	<b>(1,114)</b>

### Note 22 – Income tax and deferred taxes

in € '000	12/31/2022	12/31/2021
<b>Tax expense</b>	<b>(7,060)</b>	<b>(1,991)</b>
Income tax and deferred tax in € '000	12/31/2022	12/31/2021
Tax losses carry forward	12,335	16,427
Temporary differences	1,460	961
<b>TOTAL Deferred Tax Assets</b>	<b>13,796</b>	<b>17,388</b>
Amortization of technologies	1,563	1,691
Activated R&D expenses	5,126	4,125
Temporary differences	526	865
<b>TOTAL Deferred Tax Liabilities</b>	<b>7,214</b>	<b>6,680</b>
Proof of tax		in € '000
<b>Applicable tax rate in France</b>		<b>25.00%</b>
Net profit (loss)		18,573
Theoretical tax		(6,408)
Tax reported		(7,060)
Difference		(652)
Impacts :		
Permanent differences		(460)
Other - tax rate differences		(192)
<b>TOTAL</b>		<b>(652)</b>

Deferred tax assets relating to tax loss carry-forwards mainly concern the French entity.



The deferred tax liabilities relating to the technologies identified following the purchase price allocation exercise break down as follows:

- Pervasive Displays Inc : €714 thousand;
- Captana GmbH : €357 thousand;
- SES-imagotag GmbH : €492 thousand.

## Note 23 – Net income – Earnings per share

Net profit for the year amounted to €18,573 thousand

### Effect of potential dilution on the capital

Earnings per share	12/31/2022	12/31/2021
Profit (Loss) Group share in € '000	18,954	2,834
Number of shares at closing	15,811,955	15,802,297
Stock options		
Free shares		
Earnings per share		
• before dilution	1.20	0.18
• after dilution	1.18	0.18

## II.5 Other information

### Note 24 – Headcount

The number of employees at December 31, 2022 is as follows:

Geographical area	12/31/2022	12/31/2021
France	252	213
International	356	340
<b>TOTAL</b>	<b>608</b>	<b>553</b>

## Note 25 – Off-balance sheet commitments

### Commitments made:

- comfort letter in favor of SES-imagotag GmbH, a wholly-owned subsidiary of the company;
- comfort letter in favor of SES-imagotag Netherlands B.V., a wholly owned subsidiary of the Company;
- guarantee payment of rent €182 thousand (CIC);
- pledge of interest-bearing bank account (CIC);
- Regarding Bond debt requirements, the company commits to maintain a consolidated leverage ratio below 3.5x every semester (ratio between net financial debt and EBITDA).

## Note 26 – Degree of exposure to market risks

The Company is mainly exposed to currency fluctuations on its purchases made in dollars.

Degree of exposure to market risk in \$ '000	At 12/31/2022
Hedging portfolio as of December 2021	121,000
New contract 2022 hedging for 2022	–
New contract 2022 hedging for 2023	50,000
Released in 2022	111,000
<b>Hedging portfolio as of December 2022</b>	<b>60,000</b>

## Note 27 – Research and development expenditure

Over financial year 2022, €36,037 thousand in research and development expenditure were capitalized in the balance sheet as fixed asset in progress.

## Note 28 – Compensation paid to the C.E.O. and retirement plan (GSC)

The gross compensation paid to the Chairman and Chief Executive Officer for the past period amounts to €642 thousand in respect of their 2022 fixed compensation and 2021 bonus.

A contract under the Social Guarantee of Chief Executive Officers (GSC) was signed during 2012 to the benefit of the Chairman and Chief Executive Officer. The annual subscription for the year 2022 amounts to €20 thousand.

This contract includes the basic plan and a supplemental plan, providing compensation coverage over a 12-month period (former plan).

The compensation of the Chairman and CEO is as follows:

Executive compensation in €	12/31/2022	12/31/2021
Short term benefits	641,985	490,000
Post-employment benefits	–	–
Other long-term benefits	–	–
End of contract indemnities	–	–
Share-based payment	168,900	–

## Note 29 – Transactions with related parties

The related parties identified by the Group are:

- Group shareholders owning more than 10% of the share capital;
- members of the Board of Directors.
- \$354.2 million of purchases with Chongqing BOE Smart Electronic System Co Ltd for procurement and industrial sub-contracting (Master Service Agreement)
- \$53.1 million of sales of components with Chongqing BOE Smart Electronic System Co.Ltd.
- The Group also paid €25 thousand in fees to Mr Franck Moison, Director, for his participation in the International Advisory Board,

As of December 31, 2022, the amount of transactions completed with the Group's shareholder BOE Smart Retail (Hong Kong) Co, Ltd, or related companies, are:

## Note 30 – Auditors Fees

The expense recognized in respect of the Statutory Auditors' fees amounts to €790K thousand for the certification of the individual and consolidated accounts and €154K for services other than the certification of the accounts and is detailed as follows:

Statutory Auditors' fees in € '000	Deloitte Amount	KPMG Amount	Total Amount
Fees related to the certification of the individual and consolidated accounts			
• Issuer	363	316	679
• Subsidiaries	77	34	111
Services other than account certification			
• Issuer	77	65	142
• Subsidiaries		12	12
<b>TOTAL</b>	<b>517</b>	<b>427</b>	<b>944</b>

For KPMG, "services other than certification" include verification of the Group's statement of non-financial performance, tax compliance and assistance with the review of transfer pricing reports for the Pervasive Displays Inc subsidiary.

## Note 31 – Credit, liquidity, and cash flow risks

The Company does not hold risky investments.

## II.6 Consolidated scope

Company name	Registered Office	Consolidation method <sup>1</sup>	% controlled 12/31/2022	% interest 12/31/2022	% interest 12/31/2021
SES-imagotag S.A.	Nanterre (France)	(Parent)	(Parent)	(Parent)	(Parent)
SES-imagotag Pte Ltd	Singapore	FC	100	100	100
SES-imagotag Mexico srl. de cv	Mexico	FC	99	99	99
SES-imagotag Italia Srl.	Italy	FC	100	100	100
SES-imagotag Gmbh	Austria	FC	100	100	100
Solutions Digitales SES-imagotag Ltée	Canada	FC	100	100	100
Market Hub Technologies Ltd	Ireland	FC	100	100	60
SES-imagotag Inc.	United States	FC	100	100	100
SES-imagotag Netherlands BV	Netherlands	FC	100	100	100
SES-imagotag Denmark Aps.	Denmark	FC	100	100	100
SES-imagotag Iberia S.L	Spain	FC	100	100	100
Captana GmbH	Germany	FC	100	100	100
Pervasive Displays Inc	Taiwan	FC	100	100	100
BOE Digital Technology CO Ltd. <sup>2</sup>	China	N/A	0	0	51
SES-imagotag Pdi Digital	Austria	FC	70	70	70
SES-imagotag Australia Pty Ltd	Australia	FC	100	100	100
SES-imagotag Japan K.K.	Japan	FC	100	100	100
SES-imagotag RDC d.o.o.	Croatia	FC	100	100	N/A

(1) FC: Fully consolidated.

(2) The company is excluded from the scope of consolidation in the second half of 2022.

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## 6.2 Corporate financial statements at December 31, 2022

### 6.2.1 Balance sheet

#### Assets

In € '000	12/31/2022 (12 months)			12/31/2021 (12 months)
	Gross	Amort./Depr. & Prov.	Net	Net
Research and development costs	45,184	36,358	8,826	8,313
Concessions, patents & similar rights	51,453	26,539	24,914	23,800
Goodwill	12,639		12,639	12,639
Exclusivity right	14,727	11,455	3,273	6,545
Intangible fixed assets in progress	38,161		38,161	15,986
Buildings	2,990	1,874	1,097	936
Plant, machinery, and equipment	8,758	4,410	4,348	3,211
Other tangible assets	14,987	8,962	6,026	8,469
Tangible assets in progress	3,775		3,792	1,364
Participating interests	89,427		89,427	82,923
Receivables due from equity interests	7,150		7,150	14,039
Loans	584		584	526
Other long-term investments and loans	430		430	416
<b>FIXED ASSETS</b>	<b>290,265</b>	<b>89,598</b>	<b>200,667</b>	<b>179,168</b>
Raw materials, supplies	28,418	1,324	27,094	18,122
Intermediate and finished products	105,967	5,533	100,434	89,953
Goods purchased for resale	10,441	1,031	9,409	7,628
Advance payments to suppliers	0		0	0
Trade receivables	159,943	174	159,769	130,089
Other receivables	251,712		251,712	50,460
Short-term investments	708		708	166
Cash and cash equivalents	22,526		22,526	47,070
Prepaid expenses	2,728		2,728	1,661
<b>CURRENT ASSETS</b>	<b>582,443</b>	<b>8,062</b>	<b>574,381</b>	<b>345,150</b>
Unrealized foreign exchange losses	13,719		13,719	8,668
<b>TOTAL ASSETS</b>	<b>886,427</b>	<b>97,660</b>	<b>788,767</b>	<b>532,987</b>

## Balance sheet (equity & liabilities)

In € '000	31/12/2022 (12 months)	31/12/2021 (12 months)
Capital (of which, paid up: 31,702)	31,702	31,522
Issue, merger, and acquisition premiums	128,297	128,477
Statutory reserve	2,604	2,604
Retained earnings	(11,071)	(6,428)
Profit (loss) for the period	4,167	(4,643)
<b>SHAREHOLDERS' EQUITY</b>	<b>155,698</b>	<b>151,531</b>
Provisions for contingencies	14,012	8,961
Provisions for charges	0	0
<b>PROVISIONS FOR CONTINGENCIES AND CHARGES</b>	<b>14,012</b>	<b>8,961</b>
Bond issue	50,000	50,000
Long-term loans and debts from financial institutions	24,724	31,987
Other financial debt	324,386	102,653
Advance payments from customers	5,486	4,577
Trade payables	186,767	168,780
Taxes and social security contributions payable	13,195	7,696
Other debts	3,513	3,674
Deferred income	1,010	776
<b>LONG-TERM LOANS AND DEBTS</b>	<b>609,081</b>	<b>370,143</b>
Unrealized foreign exchange gains	9,976	2,352
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>788,767</b>	<b>532,987</b>

## Income statement

In € '000	12/31/2022 (12 months)	12/31/2021 (12 months)
Sales	596,577	371,257
Increase in stocks of finished goods and work in progress	10,395	30,037
Own work capitalized	2,889	2,199
Write-backs of amort. Depr. And provisions expenses reallocated	5,078	2,267
Other income	12,977	9,076
Foreign exchange gains on commercial receivables and payables	10,901	1,267
<b>TOTAL OPERATING INCOME</b>	<b>638,816</b>	<b>416,103</b>
Purchases of raw materials and other supplies	(543,630)	(338,271)
Inventory changes (raw materials and other supplies)	10,169	5,039
Other purchases and external expenses	(39,983)	(34,532)
Taxes and similar charges	(1,763)	(1,314)
Wages and salaries	(14,352)	(12,446)
Social security contributions	(6,845)	(5,297)
Allowances for amortization/depreciation of fixed assets	(16,231)	(13,921)
Allowances for provisions on current assets	(4,050)	(6,425)
Allowances for provisions for contingencies and charges	0	(293)
Other expenses	(8,883)	(5,881)
Foreign exchange losses on commercial receivables and payables	0	(2,224)
<b>TOTAL OPERATING EXPENSES</b>	<b>(625,569)</b>	<b>(415,566)</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>13,246</b>	<b>537</b>

In € '000	12/31/2022 (12 months)	12/31/2021 (12 months)
Income from other short-term investments and receivables		0
Other interest and related income	3,841	2,573
Amounts released from provisions and expenses reallocated	8,668	3,365
Positive exchange differences	19,734	5,841
Net income from disposals of short-term investments	249	259
<b>TOTAL FINANCIAL INCOME</b>	<b>32,492</b>	<b>12,038</b>
In € '000	12/31/2022 (12 months)	12/31/2021 (12 months)
Financial allowances for amortization/depreciation and provisions	(13,719)	(8,668)
Interest and similar expenses	(7,276)	(3,150)
Negative exchange differences	(25,501)	(5,394)
Net expenses on disposals of short-term investments	(27)	(55)
<b>TOTAL FINANCIAL EXPENSES</b>	<b>(46,523)</b>	<b>(17,267)</b>
<b>FINANCIAL PROFIT (LOSS)</b>	<b>(14,031)</b>	<b>(5,229)</b>
<b>PROFIT (LOSS) BEFORE TAXES AND EXTRAORDINARY ITEMS</b>	<b>(784)</b>	<b>(4,692)</b>
Extraordinary operating income	0	
Extraordinary income on capital operations	4,801	
Amounts released from provisions and expenses reallocated		
<b>TOTAL EXTRAORDINARY INCOME</b>	<b>4,801</b>	<b>0</b>
Extraordinary operating expenses		(101)
Extraordinary expenses on capital operations		
Extraordinary allowances for amortization/depreciation and provisions		
<b>TOTAL EXTRAORDINARY EXPENSES</b>	<b>0</b>	<b>(101)</b>
<b>EXTRAORDINARY PROFIT (LOSS)</b>	<b>4,801</b>	<b>(101)</b>
Tax on profits	150	150
<b>NET INCOME</b>	<b>4,167</b>	<b>(4,643)</b>

## Changes in shareholders' equity

In € '000	Capital	Issue, merger, and acquisition premiums	Legal Reserves	Retained earnings and profit (loss) Group share	Total
<b>Capitaux propres Equity at 12/31/2020</b>	<b>31,517</b>	<b>128,447</b>	<b>2,604</b>	<b>(6,429)</b>	<b>156,138</b>
Net profit (loss) for the 2021 fiscal year				(4,643)	(4,643)
Capital increase	6	30			36
<b>Capitaux propres Equity at 12/31/2021</b>	<b>31,522</b>	<b>128,477</b>	<b>2,604</b>	<b>(11,072)</b>	<b>151,531</b>
Net profit (loss) for the 2022 fiscal year				4,167	4,167
Capital increase	180	8,333		(8,513)	0
<b>Capitaux propres Equity at 12/31/2022</b>	<b>31,702</b>	<b>136,810</b>	<b>2,604</b>	<b>(15,418)</b>	<b>155,698</b>

## 6.2.2 Notes

### I. Introduction

The annual financial statements at December 31, 2022 cover a period of 12 months.

The following information is an integral part of the annual financial statements for the period ended December 31, 2022, approved by the Board of Directors on March 29, 2023.

Only significant information is mentioned in these notes. Unless otherwise indicated, the presented data are in thousands of euros.

### II. Accounting rules and methods

The financial statements for the period ended December 31, 2022 were prepared in accordance with the provisions of the French Commercial Code, the French general accounting code (Plan Comptable Général) as described in ANC 2018-07 of 10 December 2018, amending ANC regulation no. 2014-03 of 5 June 2014 on the General Chart of Accounts.

General accounting conventions were applied in keeping with the principle of prudence, in accordance with the following basic assumptions:

- continuity;
- consistency of accounting methods between periods;
- independence of accounting periods,

and in accordance with the general rules for preparation and presentation of annual financial statements.

The basic method used to value items booked to the accounts is the historical cost method.

The main methods used are the following:

#### 1) Intangible fixed assets

Research and development costs are recognized as an expense in the period in which they are incurred, except for research and development costs for projects that meet the following criteria:

- the product or process is clearly identified and the costs are reliably identifiable;
- the technical feasibility of the product is demonstrated;
- the product or process will be commercialized or used internally;
- there is a potential market for the product or its internal usefulness is demonstrated;
- the resources to complete the project are available.

These research and development costs amortized on a straight-line basis over a period of 5 to 10 years. Patents and trademarks amortized on a straight-line basis over a period of 10 to 15 years and software over a period of 2 to 5 years. ERP development costs amortized on a straight-line basis over a period of 6 to 10 years.

Specific development costs incurred in connection with the acquisition of new customer contracts are expensed in the year in which they are incurred except for those meeting the following criteria:

- these are incremental costs specific to the acquisition of certain new contracts;
- these costs are essential to meet the needs expressed by the customer.

At the end of each financial year, the costs incurred for contracts not obtained are recognized as expenses. Costs incurred for contracts under negotiation at 31 December are recognized as assets under construction. Costs incurred for contracts obtained are capitalized and amortized on a straight-line basis over a period of five years.

The merger between SES-imagotag and SES ESL on May 16, 2007 resulted in a technical loss. In accordance with ANC regulation no. 2015-06, this technical loss was allocated to the various assets contributed by the transferring company, insofar as the unrealized gains recorded per asset are significant.

In this case, the technical loss corresponds on the one hand to the patents contributed for €8,025k, and on the other hand to the business goodwill for €12,639K.

Impairment tests are carried out at each annual closing date if there is an indication of impairment. In this case, the net book value of the asset is compared with its current value at the same date.

In accordance with ANC regulation no. 2015-06 of 23 November 2015, goodwill is not amortized but is subject to an impairment test once a year. They are allocated to the asset groups at which their performance is monitored. The present value of the asset groups has been determined on the basis of value in use calculations. The present value is reviewed using the discounted cash flow method, based on future earnings prospects. As a result of these tests performed during the year, no impairment is to be recognized at 31 December 31, 2022.

As at 1 July 2019, the company signed an exclusivity agreement with the BOE factory in Chongqing for three production lines of this factory in favor of SES-imagotag for an amount of EUR 14,727k amortized over 4.5 years.

#### 2) Tangible fixed assets

Tangible assets are valued at their acquisition cost (purchase price and incidental expenses excluding fixed asset acquisition costs) or production cost.

As of 1 January 2005, the company accounts follow the new texts of the Accounting Regulation Committee on the definition and valuation of assets (CRC 2004-06) and the depreciation and amortization of assets (CRC 2002-10 and 2003-07).

Depreciation is calculated according to the useful life of the assets concerned, using the straight-line method. In the event

that tax depreciation is different from economic depreciation, the difference is recorded as special depreciation.

Details of the useful lives used to calculate depreciation:

Assets	Duration
Fixtures, fittings and facilities	5 to 10 years
Industrial machinery	3 to 5 years
Industrial equipment	2 to 5 years
Transport equipment	4 to 5 years
Office equipment and IT	3 to 10 years
Office furniture	5 to 10 years
Rental Label Systems	5 years

### 3) Long-term investments and loans

These financial assets are essentially made up of investments and receivables related to these investments.

The shares are recorded in the balance sheet at acquisition costs. If necessary, a depreciation is made to adjust this cost to the net book value.

At each annual closing, management determines the inventory value of the equity investments equal to the value in use corresponding to what the company would accept to pay to obtain this investment if it had to acquire it.

The value in use is based on the cash flow and operating forecasts of the businesses of the entities concerned prepared by their operational management as part of their budgeting process and on the business plans drawn up in connection with the acquisition of equity interests. The receivables associated with these investments are valued on the basis of their recoverable amount.

#### Inventories and work in progress

The valuation of inventory components is determined on the basis of their cost price, valued at the weighted average cost.

Work-in-progress corresponds to the manufacturing process for labels that had begun and not completed at the end of the period. They are valued at the cost price of the equipment.

The valuation of finished products consists of the following items:

- cost price of components valued at weighted average unit cost;
- cost of assembly performed by the subcontractor;
- additional costs consisting mainly of storage costs for components and transit costs for labels.

The net realized value is the estimated selling price in the normal course of business, decreased by estimated costs for completion and the estimated costs required to complete the sale.

If the net value of the realization is lower than the value of the stock, a provision for depreciation is accounted for and determined by product category/turnover ratios as follows:

- 1) calculating the rotation of the products concerned. This gives the number of days since an article within a reference was last consumed;
- 2) only products that have not been rotated for more than six months may be subject to a provision for impairment.

#### A. New products not refurbished :

- 50% of the gross value for assets that have not been rotated for more than six months;
- 80% of the gross value for assets that have not been rotated for more than 12 months;
- 100% of the gross value for assets that have not been rotated for more than 18 months;
- 100% of the gross value for assets that have never been rotated.  
Among these, the following items are excluded from the calculation of the provision, namely :
- Products for which there is a firm order for the coming 12 months or a minimum 90% chance of a business opportunity that would cover at least 50% of the inventory quantities
- Products subject to refurbishing or reworking in order to sell the products in question
- Innovative products for future products ranges.



**B. Refurbished or refurbishable goods**

- Depreciation of 50% of the value of these goods in the inventory exceeding 18 months past or future consumption if the product has yet been rotating over the last 12 months
- Depreciation of 100% of the value of these goods in the inventory exceeding 18 months past or future consumption if the product has not been rotating over the last 12 months
- Depreciation of 100% of the value of these goods that have never been rotated.

**5) Accounts receivables**

Receivables and other current assets are recorded at their gross amount, less the provisions for impairment of estimated non-recoverable amounts.

Only receivables that are more than 90 days overdue and for which the customer has a reason for dispute are analyzed on a case-by-case basis, according to the following criteria:

- any reason related to a request for additional documentation is not subject to any provision ;
- a 33% allowance is booked for when hardware can be returned,
- a 50% allowance is booked for when legal claim is initiated (50% being the historical success rate),
- a 100% allowance is booked for when no outcome is expected.

**6) Provisions for contingencies and charges**

In accordance with CRC Regulation 2000-06 on liabilities, a provision is recorded for any obligation of the Company to a third party able to be estimated with sufficient reliability and requiring a likely outflow of resources without consideration.

**7) Translation of transactions denominated in foreign currencies**

These transactions in foreign currencies are initially recorded in euros at the exchange rate in force as of the date of the transaction. As of the closing date, assets and liabilities denominated in foreign currencies are translated into euros at the exchange rate in force on that date. The difference resulting from the translation of payables and receivables in foreign currencies is recognized on the balance sheet in "translation adjustments." Unrealized losses are the subject of a provision.

**8) Revenue recognition**

Revenues are split between hardware revenues and services based revenues

The revenue-generating event varies depending on the type of sale:

- When SES-imagotag is responsible for installing label systems, revenue is recognized when the system becomes operational (installation of the antenna). At the closing of the accounts, for installations invoiced but not yet completed, deferred income is recognized, and for installations completed but not yet invoiced, accrued income is recognized;
- when SES-imagotag only delivers labels, revenue is recognized when the goods are taken over by the carrier or the freight forwarder (in the case of FOB sales).
- training is charged to customers and recognized when the training has taken place; independently of the hardware delivery date;
- freight costs are charged to customers together with the hardware delivery and thus, these types of revenues are recognized together with the hardware revenue (the principal);
- annual lump-sum rebates granted to customers are recorded as a reduction of sales;
- maintenance contracts are invoiced in advance for, quarterly, or six-month periods. Deferred income is recognized to prorate sales related to the following period.
- the group may charge engineering and R&D type of services : the revenue is then recognized when the service is performed and the performance achieved.

**9) End-of-career benefits**

No provision is established for retirement benefits. Where appropriate, the Company pays all or part of the debt for these commitments to the insurance company.

The unpaid balance appears in off-balance sheet commitments.

**10) Foreign exchange gains and losses**

In accordance with regulation no. 2015-05 of July 2, 2015, applicable to periods beginning on or after January 1, 2017, foreign exchange gains and losses on trade receivables and payables, previously recognized in financial income, are recognized in operating income and expenses respectively. Foreign exchange gains and losses on financial transactions are recognized in financial income and expense respectively.

The allowance for the foreign exchange loss provision follows the same classification on the income statement.

### III. Highlights of the period

#### Changes to the JV in China and new strategic and equity partnership with BOE YiYun

On July 22, 2022, the company's Board of Directors approved the transfer of the 51% share that the Group held in its joint venture in China in exchange for 9.5% of BOE-YiYun, a Chinese tech sector company.

### IV. Post closing event

Strategic acquisition in Data with the acquisition of the French company In The Memory ("Memory"), specializing in data analysis and business decision-making tools.

#### Acquisition of Belive.ai

Captana GmbH, a wholly-owned subsidiary of the SES-imagotag Group, has entered into an agreement to acquire the majority of the capital of Belive.ai, a French start-up specializing in artificial intelligence and image analysis for in-

store retail. With this merger, Captana aims to round out its technological offering in order to offer a wider choice of solutions and better cover all the needs of retailers, both in terms of use cases and in terms of pre-existing digital infrastructure. The synergies between the Captana and Belive.ai solutions will also make it possible to offer the best of both technologies and accelerate innovation for the digitization of stores.

### V. Notes to the balance sheet

#### Note 1 – Fixed assets

Movements during the period are detailed in the tables below:

##### Intangible fixed assets

Gross Fixed Assets in € '000	Opening	Increase	Transfers between line items	Decrease	Closing
R&D	40,847	6	4,331		45,184
Patents and similar rights	37,405	426	5,596		43,427
Technical loss assigned to patents	8,025				8,025
Goodwill	12,639				12,639
Right of use	14,727				14,727
Intangible assets in progress	15,987	32,138	-9,927	-36	38,162
<b>TOTAL</b>	<b>129,630</b>	<b>32,570</b>	<b>0</b>	<b>-36</b>	<b>162,164</b>

The increase in intangible assets corresponds mainly to :

- €24,526 thousand of R&D expenses incurred as part of our new range under development and testing, as well as new versions of the CLOUD solutions;

- €7,612 thousand of expenses incurred in the implementation of a new integrated management software as well as the development of the IT infrastructure;

Transfers between line items relate mainly to R&D and IT projects that recognized in 2021 for €4,331 thousand and €5,043 thousand respectively.

Amortization in € '000	Opening	Increase	Transfers between line items	Decrease	Closing
R&D	32,534	3,824			36,358
Patents and similar rights	13,605	4,910			18,515
Technical loss assigned to patents	8,025				8,025
Right of use	8,182	3,273			11,455
<b>TOTAL</b>	<b>62,345</b>	<b>12,007</b>	<b>0</b>	<b>0</b>	<b>74,352</b>

**Tangible fixed assets**

Gross Fixed Assets in € '000	Opening	Increase	Transfers between line items	Decrease	Closing
Buildings and improvements	2,456	534			2,990
Machinery, equipment, and tools	6,622	2,136			8,758
Other tangible fixed assets	14,562	425			14,987
Tangible assets in progress	1,361	2,485		(71)	3,775
<b>TOTAL</b>	<b>25,001</b>	<b>5,580</b>	<b>0</b>	<b>(71)</b>	<b>30,510</b>

The increase in other tangible assets mainly corresponds to:

- improvements to the premises for €534 thousand;
- renewal of industrial equipment for €2,136 thousand.

- renewal of office and IT equipment for €425 thousand.

The tangible assets in progress mainly correspond to costs incurred by the company for the acquisition of additional production lines.

Amortization in € '000	Opening	Increase	Transfers between line items	Decrease	Closing
Buildings and improvements	1,520	355			1,875
Machinery, equipment, and tools	3,411	1,000			4,411
Other tangible fixed assets	6,091	2,871			8,962
<b>TOTAL</b>	<b>11,022</b>	<b>4,226</b>	<b>0</b>	<b>0</b>	<b>15,248</b>

**Financial assets**

Financial Assets in € '000	Opening	Increase	Decrease	Closing
Participating interests	82,923	20,371	(13,867)	89,427
Receivables due from equity interests	14,039		(6,889)	7,150
Other long-term investments and loans	942	167	(94)	1,015
<b>TOTAL</b>	<b>97,904</b>	<b>20,538</b>	<b>(20,850)</b>	<b>97,592</b>

The change in Participating interests relates to:

- acquisition of an 8.9% stake in the Chinese technology company BOE-YiYun for €18,669 thousand;
- acquisition of the 40% minority tranche in Market Hub for €1,700K thousand. The Irish subsidiary has been wholly owned since February 2022;

- creation of the subsidiary SES-imagotag RDC d.o.o. in Croatia, wholly owned for €3 thousand.

- the disposal of the 51% equity security stake held in BOE Digital Technology Co. Ltd. for €13,867 thousand.

**Note 2 – Inventories**

Inventories in € '000	12/31/2022	12/31/2021
Inventory of raw material	28,418	19,811
Inventory of finished products	105,967	95,572
Inventory of goods purchased for resale	10,441	8,879
Impairment of inventory	(7,888)	(8,559)
<b>TOTAL</b>	<b>136,938</b>	<b>115,704</b>

**Note 3 – Provisions for contingencies and charges**

Provisions for contingencies and charges in € '000	Opening	Allowance	Release of allowance	Release of non-used allowance	Closing
Provision for foreign exchange losses	8,668	13,719	(8,668)		13,719
Other provisions for risks	293				293
<b>TOTAL</b>	<b>8,961</b>	<b>13,719</b>	<b>(8,668)</b>	<b>0</b>	<b>14,012</b>

The provision for risk set up at December 31, 2021 and related to labor disputes has been maintained at December 31, 2022.

## Note 4 – Receivables and payables

### Receivables

Receivables in € '000	12/31/2022	12/31/2021
Receivables due from equity interests	7,150	14,039
Loans and other long-term investments	1,015	942
Trade receivables	155,522	130,237
Social security receivables	32	28
Tax receivables	2,843	4,544
Current accounts and accrued interest	247,193	34,381
Other receivables	6,064	11,507
Prepaid expenses	2,728	1,661
<b>TOTAL</b>	<b>422,546</b>	<b>197,339</b>

Statement of receivables in € '000	12/31/2022	Less than 1 year	1 year to 5 years	More than 5 years
Receivables due from equity interests	7,150	7,150		
Loans and other long-term investments	1,015		1,015	
Trade receivables	155,522	155,522		
Social security receivables	32	32		
Tax receivables	2,843	1,736	1,107	
Current accounts and accrued interest	247,193	247,193		
Other receivables	6,064	6,064		
Prepaid expenses	2,728	2,728		
<b>TOTAL</b>	<b>422,546</b>	<b>420,425</b>	<b>2,121</b>	

- Receivables from investments mainly consist of long-term advances granted by the company to the subsidiary Pervasive Displays.
- Tax receivables mainly correspond to VAT receivables on purchases and the research tax credit.
- Current account receivables rose significantly compared to the previous year, and the balance is mainly composed of advances made to the Austrian subsidiary for €235.2 million, the German subsidiary for €5.4 million and the Taiwanese subsidiary for €1.6 million.
- Credit notes receivable and other receivables mainly correspond to credit notes obtained from our main suppliers of finished products and components, recorded in the amount of €1,597 thousand compared to €5,268 thousand at December 31, 2021.

## Payables

Payables in €'000	12/31/2022	12/31/2021
Bond issues	50,000	50,000
Loans and debts from credit establishments	24,724	31,987
Other financial liabilities	324,386	102,653
Received advances and prepayments	5,486	4,577
Suppliers and related accounts	186,767	168,780
Social & Tax liabilities		
personnel	3,138	2,900
social security bodies	1,769	1,651
Turnover taxes	7,039	2,162
Other taxes, duties and similar	1,248	983
Assets to be established and other debts	3,513	3,674
Deferred income	1,010	776
<b>TOTAL</b>	<b>609,080</b>	<b>370,144</b>

Statement of debts in €'000	12/31/2022	Less than 1 year	1 year to 5 year	More than 5 years
Bond issues	50,000	40,000	10,000	
Loans and debts from credit establishments	24,724	15,835	8,889	
Other financial liabilities	324,386	4,923	319,463	
Received advances and prepayments	5,486	5,486		
Suppliers and related accounts	186,767	186,767		
Social & Tax liabilities				
• personnel	3,138	3,138		
• social security bodies	1,769	1,769		
Turnover taxes	8,287	8,287		
Other taxes, duties and similar	0	0		
Credit note to be established and other debts	3,513	3,513		
Deferred income	1,010	1,010		
<b>TOTAL</b>	<b>609,080</b>	<b>270,728</b>	<b>338,352</b>	<b>0</b>

In June 2021, the company opted to repay the state-guaranteed loans (PGE) over a period of 2 years, starting on August 2022. The terms of other outstanding loans remain unchanged.

The amount of other financial liabilities corresponds to inter-company current account debts mainly with the Austrian subsidiary for €310 million and the Italian subsidiary for €9.6 million. These amounts are part of a centralized cash agreement.

The "Credit note to be established" item mainly includes inter-company credits, which amounted to €2.3M in 2022 compared to €3.2M in 2021.

The change in the "Turnover taxes" item reflects the increase in the level of VAT in correlation with the increase in revenue.

## Note 5 – Accrued income

Accrued income in €'000	12/31/2022	12/31/2021
Long-term investments and loans – accrued interest	202	125
Customers – accrued income	64,647	39,378
Accrued interest on current accounts	3,189	326
<b>TOTAL</b>	<b>68,038</b>	<b>39,829</b>

The amount of invoices to be issued corresponds to the various invoices for management fees and patent royalties within the group for the year 2022 for an amount of €64,253 thousand.

**Note 6 – Accrued expenses**

Accrued expenses in € '000	12/31/2022	12/31/2021
Credit institution	0	6
Suppliers – accrued expenses	69,115	90,696
Debts – provision for paid leave	1,146	930
Staff – other accrued expenses	1,939	1,942
Social security contributions on paid leave	504	409
Other accrued social security contributions	983	480
Central government – other accrued expenses	1,161	910
Credit notes	3,513	3,674
Accrued interest to be paid on current accounts	4,870	
<b>TOTAL</b>	<b>83,229</b>	<b>99,048</b>

The amount of invoices not received mainly corresponds to finished goods purchased in December, shipped by sea and still in transit as at December 31, 2022.

**Note 7 – Adjustments accounts**

Prepaid expenses amounted up to €2,728 thousand and deferred income up to €1,010 thousand and do not call for any particular comment.

Unrealized foreign exchange losses up to €13,719 thousand and unrealized foreign exchange gains up to €9,976 thousand.

**Note 8 – Cash****Liquidity agreement**

Under this agreement dated June 28, 2021, 5,604 treasury shares were held by Natixis – Oddo BHF on behalf of SES-imagotag as of December 31, 2022, for a total of €708 thousand, leaving €298 thousand in available cash.

**Note 9 – Shareholders' equity****Share capital**

Number of shares variation	Number	Nominal value	Share capital
Number of shares beginning of the period	15,761,008	2	31,522,016
Increase	89,800	2	179,600
<b>Number of shares at the end of the period</b>	<b>15,850,808</b>	<b>2</b>	<b>31,701,616</b>

**Other equity items****Stock options and Free shares****Allocation of stock options**

At its meeting of 29 June 2020, the Board of Directors approved the principle of a performance shares plan, the effect of which is to grant 470,000 shares to be issued subject to performance conditions and conditions of continued presence.

The definitive acquisition of the shares is subject to a condition of presence of the beneficiary and planned as follows:

- in 2022 : Delivery of the Tranche 1 Shares in 2022 if the performance conditions are met (Target 2020);
- in 2023: Delivery of the Tranche 2 Shares in 2023 if the performance conditions are met (Target 2021);

- in 2024: Delivery of Tranche 3 shares in 2024 if performance conditions are met (Target 2022);
- in 2025: Delivery of Tranche 4 shares in 2025 if the performance conditions are met (Target 2023).

For free shares delivered during the years 2022 to 2025 (Target 2020 to Target 2023), the free shares will not be subject to any retention period from the date of delivery of the shares (given the 2-year period between grant and vesting).

Earnings per share	12/31/2022	12/31/2021
Profit (Loss) (€' 000)	4,167	(4,643)
Average Number of shares	15,798,896	15,802,297
Stock options		
Earnings per share		
• before dilution	0.26	(0.29)
• after dilution	0.26	(0.29)

### Issue premium

The issue premium of €137 million results from various capital increases carried out since the creation of the company.

### Note 10 – Loans

Loans in €'000	Opening	+	-	Closing
Bond	50,000			50,000
Loans from credit institutions	31,987		(7,263)	24,724
<b>TOTAL</b>	<b>81,987</b>	<b>0</b>	<b>(7,263)</b>	<b>74,724</b>

## VI. Notes to the income statement

### Note 11 – Sales

Sales for the period break down as follows:

Sales in m€	12/31/2022		12/31/2021	
France	65.2	11%	58.6	16%
International	531.4	89%	312.6	84%
<b>TOTAL</b>	<b>596.6</b>		<b>371.3</b>	

Revenue for the fiscal year consists of sales of goods for an amount of €537.3 million and services provided for an amount of €59.3 million.

### Note 12 – Other income

The other income for €12,977 thousand is mainly due to management fees invoiced within the Group for €12,709 thousand and the annual patent license fee for €328 thousand.

### Note 13 – Reversal of amortizations and provisions, expense transfers

As of December 31, 2022, the company recorded reversals of operating provisions for an amount of €4,695 thousand, including €4,547 thousand related to depreciation of stock and €148 thousand related to depreciation on trade receivables.

**Note 14 – Details of other external charges and charges**

External charges in €'000	12/31/2022	12/31/2021
Variable external expenses	7,508	8,734
Travel Expenses and Travel	2,953	1,691
IT and telecom expenses	4,685	3,672
External staff costs and recruitment fees	324	333
Fees	2,527	1,757
Marketing	3,851	1,712
Other external charges	18,134	16,633
<b>TOTAL</b>	<b>39,985</b>	<b>34,532</b>

Other external charges are mainly made up of general and technical subcontracting charges (R&D, IT or recovery in particular) and real estate rental charges.

**Note 15 – Other charges**

Other charges in €'000	12/31/2022	12/31/2021
Patent licenses expenses	8,793	5,646
Other expenses	91	235
<b>TOTAL</b>	<b>8,883</b>	<b>5,881</b>

The royalty expense for patents and licenses mainly relates to intra-group agreements in the amount of €8,699 thousand for 2022 compared to €5,646 thousand for the previous fiscal year.

**Note 16 – Tax on profits****Breakdown of tax on profits**

Tax on profits in €'000	Before tax	Tax	After tax
Operating profit (loss)	2,346	150	2,496
Financial profit (profit)	(3,130)	–	(3,130)
Extraordinary profit (loss)	4,801		4,801
<b>TOTAL</b>	<b>4,017</b>	<b>150</b>	<b>4,167</b>

The tax income of €150K deals with the research tax credit booked for the year 2022.

Increases and reductions in €'000	Amount	Taxes
Increases		
Reductions		
• Provision not deductible in the year of funding		
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**Note 17 – Financial income and expenses**

Financial income amounted to €43,393 thousand, including €30,635 thousand of positive exchange rate differences, €3,392 thousand of interest on receivables from investments and current accounts, €414 thousand of dividends, and €8,668 thousand of reversals of financial provisions.

Financial expenses amounted to €46,523 thousand, of which €25,500 thousand were exchange losses, €1,908 thousand interest on loans, €4,870 thousand interest accrued on subsidiaries' current accounts following the implementation of the cash pooling mechanism, and €13,719 thousand in provisions for exchange losses.



## VII. Other information

### Note 18 – Headcount

Employee headcount as of December 31, 2022 is 252 and breaks down as follows:

Categories	Employees
Manager	141
Supervisors and technicians	21
Workers	59
Apprentices under contract	31
<b>TOTAL</b>	<b>252</b>

Quarterly average headcount is as follows:

Quarter	Employees
Q1 2022	218
Q2 2022	224
Q3 2022	226
Q4 2022	249

### Note 19 – Off balance commitments

#### Commitments made

- Comfort letter to Bank Austria (SES-imagotag GmbH's bank): €4,600K throughout the term of the loan.
- Rental payment guarantee of €182K thousand (CIC).
- Interest-bearing collateral account (CIC).
- Comfort letter to SES-imagotag GmbH, a wholly owned subsidiary.
- Comfort letter to SES-imagotag Netherlands BV, a wholly owned subsidiary.
- An “end-of-career benefits” insurance contract was signed with “CIC Assurances” on September 17, 2007. The payments made to this organization are intended to cover this commitment, estimated at €427 thousand at December 31, 2022. No sums were paid in 2022. The amount of commitments related to retirement benefits not covered by the contract is estimated at €353 thousand.

The method used for this estimate is the retrospective projected credit units method.

The assumptions considered in determining this commitment are as follows:

- retirement age: 65 to 67 years;
- employer contribution rate: 46%;
- discount rate: 3.75%;
- mortality table used: INSEE 2022;
- collective bargaining agreement: Metallurgy.

With regard to the bonds issue, the company is bound by the consolidated debt ratio, meaning the ratio between the net financial debt and the EBITDA, below 3.5 (IFRS 16 impact excluded).

Minimum leasing payments for non terminable leases (see below):

Leases in €'000	Less than 1 year	1 year to 5 year	More than 5 years
Office/Warehouse	1,377,730	3,576,902	112,333
Office equipment			
Vehicles	196,417	161,102	
<b>TOTAL</b>	<b>1,574,148</b>	<b>3,738,004</b>	<b>112,333</b>

#### Contingent liabilities

None

## Note 20 – Corporate officer remuneration and retirement plan

The gross compensation paid to the Chairman and Chief Executive Officer for the period amounted to €642 thousand for his 2022 base pay and his 2021 bonus.

A contract under the Company Guarantee for Company Executives (GSC) was signed in 2012 for the benefit of the Chairman and Chief Executive Officer. The annual contribution for the year 2022 amounts to €20 thousand.

This contract includes the basic plan as well as a supplementary plan providing for compensation coverage over a 12-month period (former plan).

## Note 21 – Auditors' fees

The expense recognized for the Auditors' fees amounted to €820 thousand for the statutory audit assignment (including €802 thousand for the certification of the individual and consolidated financial statement and €18 thousand for services other than the certification the financial statement).

## Note 22 – Degree of exposure to market risks

With regard to receivables and payables subject to exchange rate fluctuations:

As of December 31, 2022, outstanding debts in USD currency represent \$112,408 thousand, or €105,389 thousand. Unpaid trade receivables in USD currency represent \$20,095 thousand or €18,841 thousand.

These receivables and payables gave rise to the recognition of an active translation adjustment of €1,875 thousand and a passive translation adjustment of €8,872 thousand.

## Note 23 – Transactions with related companies

SES-Imagotag S.A. has booked the following transactions with its majority shareholder, BOE Smart Retail Hong Kong Ltd, for 2022 :

- \$354.2 million purchases from Chongqing BOE Smart Electronic System Co. Ltd relating to an industrial supply and sub-contracting agreement ("Master Service Agreement");
- \$53.1 million in sales of components with the entity Chongqing BOE Smart Electronic System Co.Ltd.

Other related parties transactions are agreed under normal conditions.

## Note 24 – Subsidiaries and equity interests<sup>3</sup>

Subsidiaries and equity interests	Share capital	Reserves and retained earnings	% of capital held	Gross value of shares held	Net value of shares held	Loans and advances granted by the company	Turnover excluding taxes of the prior period	Profit (loss) for the prior period
SES-imagotag Mexico srl. de cv	0	(1,458)	99	0	0	36	4,193	-570
SES-imagotag Pte Ltd	35	(214)	100	29	29	0	116	5
SES-imagotag Italia Srl.	10	1,548	100	10	10	0	41,988	1,798
SES-imagotag GmbH	50	6,034	100	17,570	17,570	238,194	317,945	5,791
Solutions Digitales SES-imagotag Ltée	0	(813)	100	0	0	26	32,541	702
SES-imagotag Inc	9	661	100	7	7	0	73,488	1,380
Captana GmbH	67	2,434	100	20,020	20,020	5,523	6,845	2,271
Pervasive Displays Inc	4,584	1,375	100	29,921	29,921	8,960	10,534	87
SES-imagotag Danmark Aps.	7	147	100	7	7	85	289	12
SES-imagotag Netherlands BV	1	(26)	100	1	1	295	494	16
SES-imagotag Iberia S.L.	3	66	100	3	3	611	968	29
Market Hub Technologies Ltd	872	(1,939)	100	2,800	2,800	658	1,995	103
SES-imagotag Pdi Digital	35	946	70	350	350	0	8,674	322
SES-imagotag Australia Pty Ltd	0	2	100	0	0	82	241	-4
SES-imagotag Japan K.K.	36	0	100	39	39	31	377	18
SES-imagotag RDC d.o.o.	3	0	100	3	3	124	480	41
BOE-YiYun	80,651		8.9	18,669	18,669	0		

- €414 thousand dividend distribution has been approved by Pervasive Displays Inc Board on June 29, 2022.
- Off-balance sheet commitments are described in Note 19.

## Note 25 – Credit, liquidity, and cash flow risks

The Company does not hold any risky investments. All short-term investments consist of term deposits.

<sup>3</sup> Amounts converted in euros, based on the 2022 fiscal year average exchange rate for each local currency.

## 6.3 Statutory Auditors' reports

### Statutory Auditors' Report on the Consolidated Financial Statements

For the year ended December 31, 2022

To the Shareholders of SES-imagotag S.A.,

#### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of SES-imagotag S.A. for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

#### Basis for Opinion

##### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

##### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for Statutory Auditors for the period from January 1st, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

#### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

#### Measurement of goodwill

*(Notes II.1.1.2, II.1.2 and II.4- Note 1 to the consolidated financial statements)*

##### Risk identified

Goodwill from prior external growth transactions correspond to the difference between the fair value of the consideration transferred and the fair value of identifiable assets acquired and liabilities assumed, and are allocated to a single cash generating unit (CGU). They are presented in assets of the consolidated financial statement in the amount of €51.3 million at 31 December 2022.

At the end of each financial year, or more frequently if there is an indicator of impairment, management ensures that the carrying amount of goodwill is not higher than its recoverable amount, and that it does not present any risk of impairment.

Details of the impairment tests performed and assumptions used are presented in Note II.1.2 to the consolidated financial statements.

Determining the recoverable amount of goodwill is a key audit matter, given the high degree of judgment required by management regarding growth assumptions, cash flow forecasts based on business forecasts, and discount rates used.

### Audit procedures in response to the risk identified

We examined the way that impairment tests were performed by management and assessed the compliance of the methodology applied with accounting standards in force.

We also critically analysed the implementation of this methodology, assessing in particular:

- the relevance of determining a single cash-generating unit, as management did,
- the relevance of forecasts established in prior financial years, using 2022 actual performance to assess whether they were reliable,
- the consistency of cash flow projections for the years 2023 to 2037 with the Group's 2023 budget approved by the Board of Directors on December 14, 2022 and with the Group's business plan used by management for years after 2022,
- the reasonableness of key assumptions used (particularly the discount rate and long-term growth rate), given our knowledge of the Group's economic environment and market analyses for comparable companies,
- the consistency of revenue projections used with the order book and sales forecasts, assessed by interviewing management responsible for preparing them and by reconciling these items with information collected and documentation obtained,
- Management's analysis of the sensitivity of value in use to changes in the main underlying assumptions.

Finally, we verified the appropriateness of the disclosures in the notes to the consolidated financial statements.

### Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

### Report on Other Legal and Regulatory Requirements

#### Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in macro-marking the consolidated financial statements in accordance with the unique European electronic information format, it is possible that the content of certain tags in the notes may not be identical to the consolidated financial statements attached to this report.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

## Appointment of the Statutory Auditors

We were appointed as statutory auditors of SES-imagotag S.A. by the annual general meeting held on June 23, 2017 for Deloitte & Associés and KPMG.

As at December 31, 2022, Deloitte & Associés and KPMG were in the 6th year of total uninterrupted engagement.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris la Défense, 28 April 2023

**KPMG S.A.**

*French original signed by*

**Deloitte & Associés**

Grégoire Menou

*Partner*

Mathilde Fimayer

*Partner*

Julien Razungles

*Partner*

## Statutory Auditors' Report on the Financial Statements

For the year ended December 31, 2022

To Shareholders of SES-imagotag S.A.,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of SES-imagotag S.A. for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Accounts Committee.

### Basis for Opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

#### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1st, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

### Measurement of equity securities and receivables from equity interests

#### Risk identified

Equity securities and receivables from equity interests are significant items on the balance sheet as at 31 December 2022, amounting to €89,427 thousand and €7,150 thousand respectively. They are initially recognised at acquisition cost and impaired, as needed, based on their value in use, in the case of equity securities, or recoverable amount, in the case of receivables from equity interests.

As stated in Note II to the financial statements, "Accounting rules and methods – 3) Financial assets" to the financial statements, the value in use is estimated by management based on the business and profitability outlooks.

The estimated value in use of these securities requires management judgment since it involves forecasts.

Given the uncertainties inherent to the way forecasts will play out, we considered the correct measurement of equity securities and related loans a key audit matter.



### Audit procedures in response to the risk identified

To assess the reasonableness of the estimated values in use for equity securities and the recoverable amount of receivables from equity interests, based on the information made available to us, our work mainly consisted in verifying that the estimate of these amounts determined by management is founded on a suitably justified assessment method and quantitative information, as well as:

- comparing the carrying amount of equity securities to their value in use determined by management based on business and profitability outlooks;
- assessing the consistency of the cash flow forecasts used by management in the impairment test with the business plans prepared by the financial and general management teams of the relevant entities as part of their budgetary process, which we compared with the 2023 Group budget approved by the Board of Directors on December 14, 2022 and the Group business plan used by management for years after 2022;
- verifying, through interviews of corporate and financial management, that the estimate of these cash flows is founded on suitably justified key assumptions, given recent performance, firm orders and sales opportunities;
- in the event of an independent third party audit, examining methodologies applied and key assumptions used;
- assessing the recoverability of receivables from equity interests in light of analyses of the equity securities.

Lastly, we also assessed the appropriateness of the disclosures in the notes to the financial statements.

### Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### Information given in the Board of Directors' management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (Code de commerce).

### Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

### Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

## Report on Other Legal and Regulatory Requirements

### Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of SES-imagotag by the annual general meeting held on June 23, 2017 for Deloitte & Associés and KPMG

As at December 31, 2022 Deloitte & Associés and KPMG were in their 6th year of total uninterrupted engagement.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Audit Committee

We submit to the Accounts Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Accounts Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris la Défense, 28 April 2023

**KPMG S.A.**

*French original signed by*

**Deloitte & Associés**

Grégoire Menou

*Partner*

Mathilde Fimayer

*Partner*

Julien Razungles

*Partner*





# Information about the Company, its capital and shareholders

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## 7.1 Shareholders

### 7.1.1 Breakdown of the share capital and voting

The table below shows the main shareholders identified as of December 31 of 2020, 2021 and 2022 fiscal years:

Shareholders > 2%	December 31 2022			December 31 2021			December 31 2020		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
<b>BOE Smart Retail (Hong Kong) Co.</b>	5,131,349	32.37%	32.37%	9,489,186	60.21%	60.21%	10,789,186	68.47%	68.47%
<b>SESIM*</b>	1,897,837	11.97%	11.97%						
<b>Amiral Gestion</b>	669,654	4.22%	4.22%	1,111,715	7.05%	7.05%			
<b>Yuanhan Materials Inc (E-Ink Group)</b>	866,666	5.47%	5.47%	866,666	5.50%	5.50%	866,666	5.50%	5.50%
<b>Qualcomm Incorporated</b>	315,789	1.99%	1.99%	315,789	2.00%	2.00%	315,789	2.00%	2.00%

\* SESIM is a "Société anonyme" -Public limited company under French law. owned in particular by the Company's management team and certain of its directors (Mr. Brabeck-Letmathe, Mr. Moison, Ms. Johnson, Ms. Ploix)

The table below is a projection of the diluted share capital at December 31, 2022:

Diluted capital	2022	%
<b>Shares</b>	15,850,808	97.69%
<b>Bonus shares plans 2021-2025 remaining awards</b>	374,400	2.31%
<b>Total diluted</b>	<b>16,225,208</b>	<b>100%</b>

As of the date of this Universal Registration Document, the Company is no longer controlled by a majority shareholder.

A shareholders' agreement governing the relationship between the shareholders of BOE Smart Retail (a 60% shareholder of SES-imagotag in 2021), namely BOE Technology Group and SESIM (SES-imagotag's management company) was concluded in 2017. This agreement constitutes an action in concert with SES-imagotag.

In 2017, the management of SES-Imagotag, united with SESIM, and BOE became joint shareholders of BOE Smart Retail Hong Kong, which subsequently took control of SES-imagotag and currently holds 60.2% of the capital. The shareholders' agreement entered into in 2017 between SESIM and BOE provided for the implementation of a provision during the 2nd quarter of 2022 to allow SESIM to become a direct shareholder of SES-imagotag.

Current BOE Smart Retail Hong Kong stake in SES-imagotag is 32.37%.

On May 3, 2022, SES-imagotag was informed that SESIM had notified BOE Technology (Hong Kong) and BOE Smart Retail of its exercise of the "liquidity option" pursuant to the shareholders' agreement between BOE Technology (Hong Kong) and SESIM, which allows SESIM to become a direct shareholder of SES-imagotag by withdrawing from the BOE Smart Retail holding.

It is the exercise of this option that SESIM notified on November 18, 2022, by crossing upwards the statutory thresholds of 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10% and 11% of the capital and voting rights of the Company, resulting from:

- i. (i) the delivery by BOE Smart Retail (Hong Kong) Co., Limited to SESIM of the 240,000 SES-imagotag shares acquired by SESIM in connection with the sale by BOE Smart Retail (Hong Kong) Co., Limited, on July 26, 2022 of 1.2 million SES-imagotag shares in a private placement by accelerated book building ("ABB") and
- ii. (ii) the delivery by BOE Smart Retail (Hong Kong) Co., Limited to SESIM of 1,657,837 SES-imagotag shares in exchange for the cancellation of the BOE Smart Retail (Hong Kong) Co., Limited shares held by SESIM, as part of the corresponding capital reduction. It should be noted that these transactions were implemented in the context of the exercise by SESIM of its liquidity option, in order to become a direct shareholder of SES-imagotag while withdrawing from BOE Smart Retail (Hong Kong) Co., Limited

## 7.1.2 Declarations for crossing legal thresholds and declarations of intent

In accordance with the provisions of Article L. 233-13 of the French Commercial Code, the Company has been informed that the following thresholds were crossed during 2022:

- on November 18, 2022, SESIM upwardly crossed the thresholds of 5% and 10% of the capital, i.e. 11.97% of the capital and voting rights for a total number of 1,897,837 shares;
- on July 29, November 22 and November 24, 2022, successive downward crossings of BOE Smart Retail (Hong Kong) Co., Ltd, (respectively for 53.81%, 41.84% and 32.37% of the capital and voting rights) resulting in 32.37% of the capital and voting rights for a total number of 5,131,349 shares;
- on March 21, 2022, October 3, 2022 and November 23, 2022, successive downward crossings by Amiral Gestion (respectively for 5.98%, 4.99% and 4.22% of the capital and voting rights) resulting in 4.22% of the capital and voting rights for a total number of 669,654 shares;
- on August 11, 2022, Caisse des Dépôts et Consignations upwardly crossed the threshold of 1.02% of the capital and voting rights for a total number of 161,606 shares;

## 7.2 Employee profit sharing

### Employee profit-sharing agreement and company

At its meeting of May 15, 2005, the Board of Directors of SES-ESL decided to implement a profit-sharing agreement for the benefit of the Group's employees and delegated all powers to the Chairman and CEO of SES-ESL for this purpose.

This agreement was signed on June 7, 2005 and is intended to define the methods for calculating the special profit-sharing reserve of the Group companies and to determine the distribution of this reserve among the beneficiaries, the methods for managing employee rights, the procedure by which any disputes between the parties are settled, as well as the procedures for informing employees individually and collectively.

On December 21, 2012, an amendment to this profit-sharing agreement was signed in order to include a company savings plan created and managed in accordance with Articles L.3332-1 et seq. of the French Labor Code.

This profit-sharing agreement was amended on October 5, 2016 following the change in the account's holder.

### Granting and exercise of options during the year ended December 31, 2022

None.

No new stock options were granted during the fiscal year 2022.

At December 31, 2021, no stock option subscription plans were in progress.

### Granting of bonus shares during the year ended December 31, 2022

Meeting of shareholders is informed more specifically of the transactions relating to the granting of bonus shares in a special report prepared in accordance with the provisions of Article L.225-197-4 of the French Commercial Code and attached to this URD (section 7.7).

### Granting of share subscription warrants

No share subscription warrants were granted during 2022.

### Percentage of share capital held by employees

As of December 31, 2022, the threshold of 3% ownership of the share capital pursuant to Article L.225-102 of the French Commercial Code has not been reached as it stands at 0.9%.

The General Meeting of June 15, 2022 (23rd resolution) was asked to vote on a proposed delegation of authority to the Board of Directors to increase the share capital without preferential subscription rights through the issue of Company shares reserved for members of a company savings plan. It was proposed that this delegation be granted for a period of twenty-six (26) months as from the date of this General Meeting. However, this resolution was rejected.

The General Meeting of June 23, 2023 will once again vote on a proposed delegation of authority to the Board of Directors with a view to increasing the share capital without preferential subscription rights through the issue of Company shares reserved for members of a company savings plan.

## 7.3 Stock market data

The stock's liquidity remained strong in 2022. This effect results mainly from the sale of 4.3 million shares by BOE Smart Retail during the past year.

The share price over-performed the CAC Small & Mid Cap and the CAC 40 performance

	2022	FY 2021
Highest (€)	137	76
Lowest (€)	63	36
Closing (last trading session of the year)	122	75
Annual volume processed	4,678,223	2,684,568
Number of shares comprising the capital	15,850,808	15,758,108
Float (number of shares)Free	7,466,833	5,724,664
Percentage of the capital (in number of shares) traded during the year	30%	35%
Percentage of the free float (in number of shares) traded during the year	63%	81%
Market valuation at Dec. 31 (€m) (a)	1,933.8	1,063.9
Financial debt (excl. effect of IFRS 16) (b)	74.4	81.5
Enterprise value (EV) at Dec. 31 (€m) (a)+(b)	2,008.2	1,145.4
EV/revenue	3.23x	2.71x

Source: Bloomberg data (trading on Euronext and other platforms, in OTC and on dark pools)

The graph of share price on the stock market over the past year is provided, section 1 of this report.

## 7.4 Relationship with the financial community

The relationship that the Group has with its shareholders is based on regular contact, in the form of conference calls and investor meetings, when its provisional and annual financial statements are published after market close.

At the same time, the Management would take part in investor road shows/forums to promote the Group's strategy and answer questions from potential or current investors.

In 2022 the CFO participated in the following events: Oddo Forum, Portzamparc, Stifel, Berenberg, Exane, Euroland for an estimated total of over one hundred investor meetings.

Financial communication tools are also available in the "investors" section of the website [www.ses-imagotag.com](http://www.ses-imagotag.com): all financial documentation (publications, activity reports and investor presentations) and all regulated information.

Finally, there is a continuous stream of publications reporting on commercial successes, innovation awards...

### Financial Calendar 2022

Event	Date
FY 2021 sales	January 27, 2022
FY 2021 audited results	March 3, 2022
2022 Q1 sales	April 28, 2022
General Meeting	June 15, 2022
2022 H1 sales	July 28, 2022
H1 2022 audited results	September 8, 2022
2022 Q3 sales	October 27, 2022

## 7.5 Dividends

The Company has not distributed any dividends since 2012, when it paid out €5,491,011.50 in dividends for 2011, and does not intend to distribute any dividends for 2022.



## 7.6 Share buyback program – Number of shares and share of the capital held by the Company at December 31, 2022

The Board of Directors was authorized to set up its first share buyback program by the Combined General Meeting of June 22, 2012 (sixth resolution).

The Board of Directors used this authorization and the option of sub-delegation, at its meeting of June 22, 2012, and gave full powers to the Chairman and CEO to implement the objectives of the share buyback program and to sign a liquidity agreement with Gilbert Dupont.

A first liquidity agreement was entered into on June 22, 2012, for an automatically renewable term of twelve months. It has been amended on December 2018.

### Legal framework

Since the Combined General Meeting of May 21, 2014, the Board of Directors has renewed every year the authorization given to the Chairman and CEO to continue the liquidity agreement - and these renewals took place in partnership with the Gilbert Dupont brokerage firm.

The Combined General Meeting of November 30, 2016 (first resolution) authorized the adjustment of the share buyback program as it resulted from the Meeting of June 23, 2016 (seventh resolution) by setting the maximum overall amount of the program to €10 million, instead of the previous €5 million.

Following the authorization by the combined general meeting of June 16, 2021 to renew the share buy back program, the Board of Directors used this authorization and gave full powers to the Chairman and CEO to appoint a new brokerage firm to monitor that program: ODDO BHF SCA for a €40,000 annual fee.

### Description of the share buyback program authorized by the Combined General Meeting of June 15, 2022 (Fourteenth resolution)

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, and in accordance with the applicable legal and regulatory provisions and in particular those of Articles L.225-209 et seq. of the French Commercial Code, having reviewed the report of the Board of Directors, authorizes the Board of Directors, with the option of subdelegation under the conditions provided for by law, to carry out transactions on the stock market or other ways with the Company's shares according to the procedures presented below.

The Board of Directors is empowered by virtue of this authorization to acquire, in a single or multiple purchase(s) and by any means, a number of shares totaling up to 5% of the number of shares in the Company's share capital at any time.

In accordance with the provisions of Article L.225-209 paragraph 2 of the French Commercial Code, when shares are

bought back to improve liquidity, under the conditions defined by the General Regulations of the French Financial Markets Authority, the number of shares taken into account to calculate the 5% limit corresponds to the number of shares purchased less the number of shares sold during the authorization period.

The transactions carried out by the Board of Directors by virtue of this authorization can be used to:

- stimulate the secondary market or the liquidity of the share via an investment service provider acting independently within the framework of a liquidity contract in accordance with the market practices allowed by the French Financial Markets Authority on July 2, 2018;
- use all or part of the shares acquired to allocate them to employees and/or corporate officers of the Company and other Group entities, and in particular in the context of (i) profit-sharing (ii) in any stock option plan of the Company, in accordance with the provisions of Articles L.225-177 et seq. of the French Commercial Code, or (iii) any savings plan in accordance with the provisions of Articles L.3331-1 et seq. of the French Labor Code or (iv) any free allocation of shares under the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, and to carry out all hedging transactions for these operations, under the conditions stipulated by the market authorities and at the times that the Board of Directors or the person acting as delegated by the Board of Directors deems appropriate;
- provide shares for the exercise of rights attached to shares giving rights via conversion, exercise, redemption or exchange, or any other means, to the allocation of Company shares, in accordance with the regulations in effect, and to carry out all hedging transactions related to these operations, under the conditions provided for the market authorities, at the times the Board of Directors, or the person acting on delegation of the Board of Directors deems appropriate;
- cancel the shares purchased by reducing the capital under the conditions provided for in the French Commercial Code, subject to the approval of the 15th resolution by this General Meeting;
- to keep all or some of the shares acquired for later exchange or in payment as part of potential future growth by acquisition;
- implement any market practices that would be authorized by the French Financial Markets Authority and, generally, to carry out all transactions in compliance with the regulation in effect.

The Board of Directors cannot, unless it has received the prior authorization of the General Meeting, use this authorization as of the filing by a third party of a public offer on the Company's shares until the offer has expired.

The acquisition, disposal, transfer or exchange of the shares can be completed and paid for by any means and, notably within the framework of a liquidity contract entered into by the Company with an investment service provider, subject to the regulations in effect, including over the counter and by blocks of shares, via the use of derivative financial instruments and the implementation of options strategies (purchase and sale of stock options and all combinations in compliance with the applicable regulations) and at the times the Board of Directors deems appropriate.

The General Meeting decides that the maximum unit purchase price, excluding costs, may not exceed **150 euros** per share.

Acquisitions made by the Company may under no circumstances lead the Company to hold more than 5% of the shares comprising its share capital at any time.

The number of shares and the price shown above will be adjusted in the event of a change in the nominal value of the share, a capital increase via the incorporation of reserves, profits or premiums, the allocation of free shares, the splitting or grouping of shares, amortization or a reduction in capital, the distribution of reserves or other assets and all other transactions impacting equity to take into account the incidence of these transactions on the share price.

This authorization is provided for a period of eighteen months as of the date of this General Meeting. In order to ensure execution of this resolution, all powers are granted to the Board of Directors with the option to subdelegate under the conditions provided for by law, for the purposes of:

- deciding to implement this authorization;
- placing all stock market orders;
- making all declarations and formalities with the French Financial Markets Authority relating to the buyback program referred to above;
- completing any other formalities or to enter into any other agreements for this purpose and, more generally, to do whatever is necessary for the purposes of implementing the aforementioned buyback program.

This authorization supersedes the authorization granted by the Combined General Meeting of June 16, 2021 (14th resolution), which became null and void for the remainder of the period.

**Under the liquidity contract entrusted by SES-imagotag to the brokerage firm ODDO BHF, as of December 31, 2022, the following resources were included in the liquidity account**

- Number of SES-imagotag shares: 5,604 shares.
- Cash balance of the liquidity account: €298,427.83

**An authorization for the Board of Directors to trade in the Company's shares has been submitted to the Combined General Meeting of June 23, 2023**

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, and in accordance with the applicable legal and regulatory provisions and in particular those of Articles L.225-209 et seq. of the French Commercial Code, having reviewed the report of the Board of Directors, authorizes the Board of Directors, with the option of subdelegation under the conditions provided for by law, to carry out transactions on the stock market or other ways with the Company's shares according to the procedures presented below.

The Board of Directors is empowered by virtue of this authorization to acquire, in a single or multiple purchase(s) and by any means, a number of shares totaling up to 5% of the number of shares in the Company's share capital at any time.

In accordance with the provisions of Article L.225-209 paragraph 2 of the French Commercial Code, when shares are bought back to improve liquidity, under the conditions defined by the General Regulations of the French Financial Markets Authority, the number of shares taken into account to calculate the 5% limit corresponds to the number of shares purchased less the number of shares sold during the authorization period.

The transactions carried out by the Board of Directors by virtue of this authorization can be used to:

- stimulate the secondary market or the liquidity of the share via an investment service provider acting independently within the framework of a liquidity contract in accordance with the market practices allowed by the French Financial Markets Authority on July 2, 2018;
- use all or part of the shares acquired to allocate them to employees and/or corporate officers of the Company and other Group entities, and in particular in the context of (i) profit-sharing (ii) in any stock option plan of the Company, in accordance with the provisions of Articles L.225-177 et seq. of the French Commercial Code, or (iii) any savings plan in accordance with the provisions of Articles L.3331-1 et seq. of the French Labor Code or (iv) any free allocation of shares under the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, and to carry out all hedging transactions for these operations, under the conditions stipulated by the market authorities and at the times that the Board of Directors or the person acting as delegated by the Board of Directors deems appropriate;
- provide shares for the exercise of rights attached to shares giving rights via conversion, exercise, redemption or exchange, or any other means, to the allocation of Company shares, in accordance with the regulations in effect, and to carry out all hedging transactions related to these operations, under the conditions provided for the market authorities, at the times the Board of Directors, or the person acting on delegation of the Board of Directors deems appropriate;

- cancel the shares purchased by reducing the capital under the conditions provided for in the French Commercial Code, subject to the approval of the 15th resolution by this General Meeting;
- to keep all or some of the shares acquired for later exchange or in payment as part of potential future growth by acquisition;
- implement any market practices that would be authorized by the French Financial Markets Authority and, generally, to carry out all transactions in compliance with the regulation in effect.

The Board of Directors cannot, unless it has received the prior authorization of the General Meeting, use this authorization as of the filing by a third party of a public offer on the Company's shares until the offer has expired.

The acquisition, disposal, transfer or exchange of the shares can be completed and paid for by any means and, notably within the framework of a liquidity contract entered into by the Company with an investment service provider, subject to the regulations in effect, including over the counter and by blocks of shares, via the use of derivative financial instruments and the implementation of options strategies (purchase and sale of stock options and all combinations in compliance with the applicable regulations) and at the times the Board of Director deems appropriate.

The General Meeting decides that the maximum unit purchase price, excluding costs, may not exceed **250 euros** per share.

Acquisitions made by the Company may under no circumstances lead the Company to hold more than 5% of the shares comprising its share capital at any time.

The number of shares and the price shown above will be adjusted in the event of a change in the nominal value of the share, a capital increase via the incorporation of reserves, profits or premiums, the allocation of free shares, the splitting or grouping of shares, amortization or a reduction in capital, the distribution of reserves or other assets and all other transactions impacting equity to take into account the incidence of these transactions on the share price.

This authorization is provided for a period of eighteen months as of the date of this General Meeting. In order to ensure execution of this resolution, all powers are granted to the Board of Directors with the option to subdelegate under the conditions provided for by law, for the purposes of:

- deciding to implement this authorization;
- placing all stock market orders;
- making all declarations and formalities with the French Financial Markets Authority relating to the buyback program referred to above;
- completing any other formalities or to enter into any other agreements for this purpose and, more generally, to do whatever is necessary for the purposes of implementing the aforementioned buyback program.

This authorization would supersede the authorization granted by the Combined General Meeting of June 15, 2022 in its fourteenth resolution.

## 7.7 Special report on stock options and Special report on bonus shares granted

### A) Special report of the Board of Directors on transactions carried out pursuant to the provisions of Articles L.225-177 to L.225-186 of the French Commercial Code

Year ended December 31, 2022.

#### Share subscription and purchase options

None

In accordance with the provisions of Article L.225-184 of the French Commercial Code, we have the honor of informing you that during fiscal year 2022, no transactions were carried out under the provisions of Articles L.225-177 to L.225-186 of said Code relating to share purchase and subscription options.

No stock option allocation plans were outstanding during fiscal year 2022; all existing stock option allocation plans expired in fiscal year 2021 at the latest.

No new stock option allocations were granted during the fiscal year 2022.

## B) Special report of the Board of Directors on transactions carried out pursuant to the provisions of Articles L.225-197-4 of the French Commercial Code

Year ended December 31, 2022

### Granting of bonus shares

In accordance with the provisions of Article L.225-197-4 of the French Commercial Code, we are honored to report to you on the transactions carried out pursuant to the provisions of Articles L.225-197-1 to L.225-197-3 of the aforementioned code relating to bonus shares.

Indeed, we inform you that pursuant to the delegation of the General Meeting of June 29, 2020 (twenty-fourth resolution), bonus shares were granted during the fiscal year.

#### “VUSION” Strategic Plan

The Extraordinary General Meeting of June 29, 2020 (24th resolution) has decided to authorize the Board of Directors, in accordance with Articles L.225-197-1 et seq. of the French Commercial Code, to grant existing ordinary bonus shares on one or more occasions or to grant the Company's ordinary shares that are either existing or will be issued, up to an overall limit of 3% of the share capital existing on the date of the Board of Directors' decision to grant them to eligible employees and corporate officers of the Company and its related companies within the meaning of Article L.225-197-1-II, paragraph 1 of the French Commercial Code (i.e., 472,743 shares).

The General Meeting thus gave the Board of Directors the power to decide on the terms and conditions of the performance shares plan and, in particular, the duration of the vesting and holding periods for the shares, which must, in accordance with the decision of the General Meeting, comply with a minimum vesting period of one year and a cumulative vesting and holding period of at least two years, in accordance with the Pact law. However, for shares granted with a vesting period of at least two years, the holding period may be reduced or canceled so that the shares are freely transferable from the date on which they are definitively granted.

The General Meeting also gave the Board of Directors the power to set the conditions and criteria for the granting of bonus shares and to determine the category of beneficiaries.

For this purpose, the General Meeting specifies that the beneficiaries will be the employees, or certain categories of them, and the corporate officers, or certain categories of them, of the Company and/or related companies within the meaning of Article L.225-197-2 of the French Commercial Code.

The proposed new plan is a four-year bonus share plan (four tranches).

The objective of the plan is to grant 470,000 shares to be issued subject to performance conditions and continued presence conditions.

The definitive vesting of the shares is subject to the presence of the beneficiary and provided for as follows:

- in 2022: Delivery of Tranche 1 shares in 2022 if the performance conditions are met (Target 2020);
- in 2023: Delivery of Tranche 2 shares in 2023 if the performance conditions are met (Target 2021);
- in 2024: Delivery of Tranche 3 shares in 2024 if the performance conditions are met (Target 2022);
- in 2025: Delivery of Tranche 4 shares in 2025 if the performance conditions are met (Target 2023).

For bonus shares delivered from 2022 to 2025 (targets of 2020 to 2023), the bonus shares will not be subject to any lock-up period from the date of delivery of the shares (given the two-year period between granting and vesting, in accordance with the Pacte Law).

However, as long as the Company's shares are admitted to trading on a regulated market, the bonus shares granted may not be sold during the legal blackout periods. In the event of a change of control of the company (as defined in Article L.233-3 of the French Commercial Code), the condition of continuous presence and the performance conditions will no longer apply and there will be no further conditions to the delivery of the performance shares to the beneficiaries on the delivery date.

## Detail of Performance Shares granted

EGM dated June 29, 2020 (38 months until August 30, 2023) Maximum authorized Volume: 3% of the share capital at the date of the Board meeting of June 29, 2020 i.e maximum of 472,743 bonus shares(1)			
Authorization date by the EGM			
Grant date(2)	29/6/2020	16/6/2021	15/06/2022
Enveloppe authorized by the Board meeting	95,600	114,000	129,000
Beneficiaries	To Mr Thierry GADOU in his capacity as CEO	0	4,000
	To employees who are not corporate officers	95 600	108,400
Performance criteria approved on	29/03/2021	28/03/2022	29/03/2023
Acquisition/delivery date(3)	29/6/2022	16/06/2023	15/06/2024
Volume delivered (estimation for 16/06/2023)	89,800	107,850	

(1) Number of shares at June 29, 2020: 15,758,108.

(2) Board meeting date.

(3) Delivery date subject to performance criteria and subject to compliance with the continuous presence condition.

The value of these tranches can be calculated at the opening price of the share on the definitive allocation date (delivery date):

The 2020 tranche valued at the 29 June 2022 opening share price (80,60 €) stands at € 7 237 880.

Principles for assessing performance criteria: each criterion defined is weighted as follows for the 2020-2022 plans:

Criteria for obtaining performance shares	Weight
Revenues	35 %
Net income/loss	35 %
Debt/EBITDA ratio	15 %
Share price	15 %

Each performance criterion is graded from 0 to 150%:

- 100% being the expected performance in the budget for the year in question, approved by the Board of Directors, for the criteria of revenue, total net income/loss and debt/EBITDA ratio, and
- 0% corresponding to a minimum performance determined by the Board of Directors as the minimum threshold required for this criterion and below which the criterion is considered not met.

In addition, two key criteria are subject to a veto condition by the Board of Directors: total net income/loss (veto if total is negative) and the debt ratio (veto if the ratio is less than 3.5). If one of these two criteria meets the conditions of the Veto, then no distribution of performance shares will take place, regardless of the performance achieved on the other criteria.

## 7.8 Change in the amount of share capital over the last five years

On December 31<sup>st</sup>, 2022, the company's capital amounts to €31,701,616, split in 15,850,808 shares of €2 nominal value. Please find here after the capital history for the past 5 years:

Calendar year	Change in capital	Date of recognition	New Shares	Number of shares	Successive amount	Fiscal year
2018	Options exercised	2018-03-05	110,017	13,494,246	26,988,492	2018-12-31
	Bonus shares delivery	2018-03-05	15,850	13,510,096	27,020,192	2018-12-31
	Capital Increase	2018-09-17	866,666	14,376,762	28,753,524	2018-12-31
	Options exercised	2018-09-17	37,275	14,414,037	28,828,074	2018-12-31
	Bonus shares delivery	2018-09-17	2,000	14,416,037	28,832,074	2018-12-31
2019	Options exercised	2019-02-11	17,800	14,433,837	28,867,674	2018-12-31
	Bonus shares delivery	2019-02-11	69,500	14,503,337	29,006,674	2018-12-31
	Options exercised	2019-09-18	23,600	14,526,937	29,053,874	2019-12-31
	Capital Increase	2019-12-04	1,228,071	15,755,008	31,510,016	2019-12-31
	Options exercised	2019-12-17	1,100	15,756,108	31,512,216	2019-12-31
	Options exercised	2020-02-20	2,000	15,758,108	31,516,216	2019-12-31
2020				15,758,108	31,516,216	2020-12-31
2021	Options exercised	2022-01-26	2,900	15,761,008	31,522,016	2021-12-31
2022	Delivery of free shares	2022-07-22	89,800	15,850,808	31,701,616	2022-12-31

## 7.9 Legal information

### 7.9.1 Company name

As of the date of this Universal Registration Document, the name of the Company is "SES-imagotag."

### 7.9.2 Place of registration and registration number

The Company is registered with the Nanterre Trade and Companies Register under number 479 345 464.

### 7.9.3 Date of incorporation and term of the Company

The Company was incorporated for a period of 99 years from its registration on November 2, 2004, except in the event of early dissolution or extension by collective decision of the shareholders in accordance with the law and the Articles of Association.

The Company's fiscal year begins on January 1 and ends on December 31 of each year.

### 7.9.4 Registered office, legal form and applicable legislation

The Company's registered office is located at 55, Place Nelson Mandela, Nanterre (92000). The telephone number of the registered office is +33 1 34 34 61 61.

As of the date of this Universal Registration Document, the Company is a French public limited company (société anonyme).

The Company's website address is [www.ses-imagotag.com](http://www.ses-imagotag.com). The information on the Company's website is not part of this Universal Registration Document.

The Company's LEI (Legal Entity Identifier) code is 969500U51BYOMEW9M549

### 7.9.5 Corporate purpose

The purpose of the company, in France and abroad, is:

- the design, study, development, industrialization and marketing, in all its forms, of all labeling, signaling, information and communication systems, electronic or otherwise, and their uses;
- the creation, acquisition, rental, leasing, installation, and operation of all establishments, businesses, factories, and workshops related to these activities, directly or indirectly, and in particular by granting licenses or franchises;
- the acquisition, sale, procurement, leasing, exploitation or transfer of all processes, patents, know-how, certificates, signs or trademarks concerning these activities;
- the acquisition of interests or holdings by the company, directly or indirectly, in all commercial or industrial operations, companies or businesses, whether industrial, commercial or financial, service, securities or real estate, by means of the creation of companies, contributions, limited partnerships, subscriptions or purchases of securities or corporate rights, mergers, alliances or joint ventures, or otherwise, and the management by means of the purchase, exchange, sale or arbitration of these interests or holdings;
- and more generally, all commercial, financial, industrial, movable and artistic operations that may be directly or indirectly related to the corporate purpose or likely to facilitate its realization, extension or development.

### 7.9.6 Subsidiaries and equity interests

As of December 31, 2022, the Company held seventeen subsidiaries (all consolidated) and a minority stake ( 9,5% ) in Yiyun Technology Ltd (BOE Group).

Subsidiaries are all entities over which the Group exercises direct or indirect control. Control is characterized by the power to govern financial and operating policies.

In **2011**, SES-imagotag created its first two subsidiaries:

- STORE ELECTRONIC SYSTEMS ASIA PACIFIC PTE. LTD. in Singapore, wholly owned by the Company; now called SES-imagotag PTE, Ltd;
- STORE ELECTRONIC SYSTEMS LATINO AMERICA S de RL de CV in Mexico City, 99% owned by the Company; now called SES-imagotag Mexico Ltda.

In **2013**, SES-imagotag created two other subsidiaries:

- STORE ELECTRONIC SYSTEMS, INCORPORATED in the United States in the State of Delaware, wholly owned by the Company, now called SES-imagotag Inc.;
- STORE ELECTRONIC SYSTEMS ITALIA S.R.L. in the Milan region in Italy, wholly owned by the Company; now called SES-imagotag Italia SRL.

In **2014**, SES-imagotag created SYSTEMES ELECTRONIQUES POUR MAGASINS LTEE in Montreal, Canada, now called Solutions Digitales SES-imagotag Ltée.

In addition, pursuant to a definitive memorandum dated March 7, 2014, SES-imagotag acquired 100% of the shares of Austrian company Imagotag GmbH in two stages over a two-year period. The Board of Directors on May 22, 2014 acknowledged SES-imagotag's acquisition of 69.3% of the shares in Imagotag GmbH, which was the first step in the acquisition of this company. At its meeting on March 11, 2016, the Board of Directors approved the exercise of the call option by SES-imagotag for the remaining shares in Imagotag GmbH.

In **2016**, SES-imagotag acquired:

- 67% of FINDBOX GmbH in Germany; now called Captana GmbH and wholly owned since the second half of 2017;
- 27.95% of MARKET HUB.

Also in 2016, SES-imagotag decided to acquire 100% of the shares of PERVASIVE DISPLAYS Inc. in Taiwan. This acquisition was approved by the General Meeting of November 30, 2016 and was subject to the fulfillment of conditions precedent, which were waived by the Board at its meeting on February 16, 2017. This entity was only consolidated in 2017.

In **2017**, SES-imagotag created four other subsidiaries:

- SES-imagotag Netherlands BV in the Netherlands, wholly owned by the Company;
- SES-imagotag Danmark A.P.S. in Denmark, wholly owned by the Company;
- SES-imagotag HongKong Ltc in Hong Kong, wholly owned by the Company;
- SES-imagotag Iberia S.L. in Madrid, wholly owned by the Company.

SES-imagotag has increased its stake in MARKET HUB to 60%, it being specified that the remaining shares of MARKET HUB may be acquired in 2022.

In **2019**, the Company entered into two joint ventures:

- one in China with the BOE and JD Digits groups: BOE Digital Technology Co., Ltd.

This joint venture is 51% owned by SES-imagotag, 15% by BOE group (BOE Intelligent IOT Technology Co., Ltd) and 34% by JD Digits group (Suqian Xin Dong Teng Commercial Services Co., Ltd);

- the other in Austria with the Bossard AG group: PDi Digital GmbH.

This joint venture is 70% owned by SES-imagotag and 30% by the Bossard AG group in order to develop IoT solutions for industrial markets.

These two entities are subject to the same governance and internal control procedures as the other Group entities, including detailed monthly reporting and control of the cash position.

In 2021, SES-imagotag created a new subsidiary in Australia:

- SES-imagotag Pty Ltd, wholly owned by the Company.

In 2022 SES-imagotag created two new subsidiaries in Japan and Croatia:

- SES-imagotag Japan K.K., wholly owned by the Company.
- SES-imagotag RDC d.o.o. wholly owned by the Company

In 2022, SES-imagotag withdrew from the capital of BOE Digital Technology Co, Ltd. (China). On 22 July 2022, the Board of Directors approved the shares transfer of the 51% stakes owned in the Chinese joint-venture, to be swapped with a minority interest (9.5%) in the BOE Group technology-oriented entity, BOE-YiYun.

In 2023, the Group plans to increase its stake in PDi Digital GmbH to 90% and to make two new acquisitions.

	% ownership
<b>Australia</b>	
SES-imagotag Pty, Ltd	100%
<b>Austria</b>	
SES-Imagotag GmbH	100%
PDi Digital GmbH	70%
<b>Canada</b>	
Solutions Digitales SES-imagotag Ltée.	100%
<b>Croatia</b>	
SES-imagotag RDC d.o.o	100%
<b>Denmark</b>	
SES-imagotag Danmark APS	100%
<b>Germany</b>	
SES-imagotag Deutschland GmbH (Captana GmbH)	100%
<b>Hong Kong</b>	
SES-imagotag Hong Kong LTc	100%
<b>Italy</b>	
SES-imagotag Italia S.R.L	100%
<b>Japan</b>	
SES-imagotag Japan K.K.	100%
<b>Mexico</b>	
SES-imagotag Mexico Srl de cv	99%
<b>Netherlands</b>	
SES-imagotag Netherlands B.V	100%
<b>Singapore</b>	
SES-imagotag PTE. LTD	100%
<b>Spain</b>	
SES-imagotag Iberia S.L.	100%
<b>Taiwan</b>	
Pervasive Displays Inc.	100%
<b>United Kingdom</b>	
Market Hub Technologies LTD	100%
<b>USA</b>	
SES-imagotag, Inc.	100%



## 7.10 Documents available to the public

The Articles of Association, minutes of General Meetings and other corporate documents of the Company, as well as historical financial information and any valuation or statement prepared by an expert at the Company's request to be made available to shareholders, in accordance with the applicable legislation, may be consulted at the Company's registered office located at 55, place Nelson Mandela, 92000 Nanterre, France.

Regulated information within the meaning of the provisions of the AMF General Regulation is also available on the Company's website ([www.ses-imagotag.com](http://www.ses-imagotag.com)).





# General Meeting

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## 8.1 Agenda of the Combined General Meeting of June 23, 2023

The Chairman notes that the General Meeting is required to deliberate on the following agenda:

### Ordinary resolutions

- 1) Approval of the separate financial statements for the fiscal year closed on December 31, 2022
- 2) Approval of the consolidated financial statements for the fiscal year closed on December 31, 2022
- 3) Allocation of the profit (loss) for the 2022 fiscal year
- 4) Approval of the agreements covered in Article L.225-38 et seq. of the French Commercial Code
- 5) Ratification of a development agreement covered in Articles L.225-38 et seq. of the French Commercial Code
- 6) Ratification of a cross-licensing agreement covered in Articles L.225-38 et seq. of the French Commercial Code
- 7) Renewal of the term of office of KPMG as Principal Statutory Auditor
- 8) Renewal of the term of office of DELOITTE ET ASSOCIES as Principal Statutory Auditor
- 9) Approval of the information covered in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers for the 2022 fiscal year, pursuant to Article L.22-10-34 I of the French Commercial Code
- 10) Approval of the fixed, variable and exceptional elements of the total compensation and benefits of all kind paid during the 2022 fiscal year or allocated for the same fiscal year to Mr. Thierry GADOU, Chairman and Chief Executive Officer, in application of Article L.22-10-34 II of the French Commercial Code
- 11) Setting of the overall annual compensation package for directors
- 12) Approval of the compensation policy for directors for the 2023 fiscal year in application of Article L.22-10-8 II of the French Commercial Code
- 13) Approval of the compensation policy for the Chairman and Chief Executive Officer for the 2023 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code
- 14) Authorization to the Board of Directors to carry out transactions on the Company's shares

### Extraordinary resolutions

- 15) Authorization to be given to the Board of Directors to reduce the company capital by cancellation of treasury shares
- 16) Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares of the Company reserved for members of a company savings plan
- 17) Delegation of authority to the Board of Directors to carry out allocations of free shares, whether existing or to be issued, without preferential subscription rights for shareholders, in favor of certain employees and corporate officers of the Company and its related companies
- 18) Amendment of Article 11.1 of the Articles of Association to introduce provisions relating to the age limit for Directors
- 19) Amendment of Article 3 of the Articles of Association relating to the change of corporate name

### Ordinary resolutions

- 20) Ratification of the co-option of Mr Peter BRABECK-LETMATHE as an Independent
- 21) Renewal of the term of office of Mr. Thierry GADOU as a director
- 22) Renewal of the term of office of Ms. Cenhui HE as a director
- 23) Renewal of the term of office of Ms. Hélène PLOIX as an independent director
- 24) Renewal of the term of office of Ms. Candace JOHNSON as an independent director
- 25) Renewal of the term of office of Mr. Franck MOISON as an independent director
- 26) Renewal of the term of office of Mr. Peter BRABECK-LETMATHE as an independent director
- 27) Ratification of the cooptation of Mr. Xangjun YAO as a director
- 28) Powers

## Within the remit of the Ordinary General Meeting

### First resolution

#### **Approval of the separate financial statements for the fiscal year closed on December 31, 2022**

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the reports of the Board of Directors and of the Statutory Auditors for the fiscal year closed on December 31, 2022, approves the annual financial statements closed on that date as they were presented to it and the transactions described or summarized in the statements and reports which show a net profit of **€4,167,242**.

In accordance with the provisions of Article 223 quater of the General Tax Code, the General Meeting records that the Company incurred the expenses and charges listed in Section 4 of Article 39 and 54 quater of said code in the amount of **€211,501**.

### Second resolution

#### **Approval of the consolidated financial statements for the fiscal year closed on December 31, 2022**

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the reports of the Board of Directors and of the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements for the fiscal year closed on December 31, 2022, as they were presented to it, and the transactions described in the statements and or summarized in the reports.

### Third resolution

#### **Allocation of the profit (loss) for the 2022 fiscal year**

On the proposal of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, after reviewing the reports of the Board of Directors and of the Statutory Auditors on the fiscal year closed on December 31, 2022, decides to proceed with the allocation of the profit (loss) for the 2022 fiscal year in the amount of **€4,167,242 euros** as follows:

Income for the financial year	€4,167,242
Income fully allocated to retained earnings	€4,167,242
Which, added to prior retained earnings, now stands at	€(15,417,174)

In accordance with the provisions of Article 243 of the General Tax Code, the General Meeting states that it has not distributed a dividend since the 2012 fiscal year. In 2012, the Company paid 5,491,011.50 euros in dividends.

### Fourth resolution

#### **Approval of the agreements covered in Articles L.225-38 et seq. of the French Commercial Code**

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the reports of the Board of Directors and the special report of the Statutory Auditors on the regulated agreements and commitments referred to in Article L.225-38 of the French Commercial Code, and ruling on the report, approves, under the conditions set out in the last paragraph of Article L.225-40 of the French Commercial Code, each of the agreements listed in said special report.

### Fifth resolution

#### **Ratification of a development agreement covered in Articles L.225-38 et seq. of the French Commercial Code**

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, has reviewed the Statutory Auditors' special report on the regulated agreements and commitments referred to in Article L.225-38 of the French Commercial Code referring to a development agreement signed on January 5, 2022 and covering the period to April 30, 2022, with Fuzhou BOE Optoelectronics Co., Ltd. This agreement was not submitted under the prior authorization procedure and, ruling on this report, the General Meeting decides to ratify and approve the terms of the said agreement.

### Sixth resolution

#### **Ratification of a cross-licensing agreement covered in Articles L.225-38 et seq. of the French Commercial Code.**

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, has reviewed the Auditors' special report on the regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code referring to a cross license agreement signed on February 22, 2022 with BOE Digital Technology Co., Ltd. This agreement has not been submitted to prior authorization by the Board of Directors and the Shareholders' Meeting decided to ratify and approve the terms of the said agreement.

### Seventh resolution

#### **Renewal of the term of office of KPMG as Principal Statutory Auditor**

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to renew the term of office of KPMG as Principal Statutory Auditor, which expires at the end of this Meeting, for a period of six fiscal years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2028 and to be held in 2029.

## Eighth resolution

### ***Renewal of the term of office of DELOITTE ET ASSOCIES as Principal Statutory Auditor***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to renew the term of office of DELOITTE ET ASSOCIES as Principal Statutory Auditor, which expires at the end of this Meeting, for a period of six fiscal years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2028 and to be held in 2029.

## Ninth resolution

### ***Approval of the information covered in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers for the 2022 fiscal year, pursuant to Article L.22-10-34 I of the French Commercial Code***

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Code of Commerce, approves, in accordance with Article L.22-10-34 I of the French Commercial Code, the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the compensation for fiscal year 2022 of the corporate officers, in accordance with their terms of office, as they appear in the corporate governance report (Chapter 3.3.2).

## Tenth resolution

### ***Approval of the fixed, variable and exceptional elements of the total compensation and benefits of all kind paid during the 2022 fiscal year or allocated for the same fiscal year to Mr. Thierry GADOU, Chairman and Chief Executive Officer, in application of Article L.22-10-34 II of the French Commercial Code***

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in application of Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted during the 2022 fiscal year in respect of the same fiscal year to Mr. Thierry GADOU, by virtue of his office as Chairman and Chief Executive Officer of the Company, as they appear in the report on corporate governance (Chapter 3.3.2).

## Eleventh resolution

### ***Setting of the overall annual compensation package for directors***

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors, resolves to set the maximum amount of the annual fixed sum provided for in Article L.225-45 of the French Commercial Code to be allocated to the directors in compensation for their activities for the 2023 fiscal year in the amount of €200,000, the distribution of which will be determined by the Board of Directors under the conditions provided for in Article L.22-10-8 I of the French Commercial Code.

## Twelfth resolution

### ***Approval of the compensation policy for directors for the 2023 fiscal year in application of Article L.22-10-8 II of the French Commercial Code***

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-8 II of the French Commercial Code, the compensation policy for directors, as presented in the report on corporate governance (Chapter 3.3.3).

## Thirteenth resolution

### ***Approval of the compensation policy for the Chairman and Chief Executive Officer for the 2023 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code***

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-8 II of the French Commercial Code, the compensation policy for the Chairman and Chief Executive Officer, as presented in the report on corporate governance (Chapter 3.3.3).

## Fourteenth resolution

### ***Authorization to the Board of Directors to carry out transactions on the Company's shares***

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, and in accordance with the legal and regulatory provisions applicable and, notably, those of Articles L.22-10-62 et seq. and L.225-210 of the French Commercial Code, having reviewed the report of the Board of Directors, authorizes the Board of Directors, with the option to subdelegate under the conditions provided for by law, to carry out transactions on the stock market or in other ways on the Company's shares according to the procedures presented below.

The Board of Directors is empowered by virtue of this authorization to acquire, in a single or multiple purchase(s) and by any means, a number of shares totaling up to 5% of the number of shares in the Company's share capital at any time.

In accordance with the provisions of Article L.22-10-62 paragraph 2 of the French Commercial Code, when shares are bought back to improve liquidity, under the conditions provided for in the General Regulation of the French Financial Markets Authority, the number of shares taken into account to calculate the 5% limit corresponds to the number of shares purchased, less the number of shares sold during the authorization period.

The transactions carried out by the Board of Directors by virtue of this authorization can be used to:

- stimulate the secondary market or the liquidity of the share via an investment service provider acting independently within the framework of a liquidity contract in accordance with the market practices allowed by the French Financial Markets Authority on July 2, 2018;
- use all or some of the shares acquired to allocate them to employees and/or to the corporate officers of the Company and of the other Group entities, notably for (i) profit-sharing, (ii) Company stock option plans in accordance with the provisions of Articles L.225-177 et seq. and L.22-10-56 et seq. of the French Commercial Code, or (iii) for any savings plan in accordance with the provisions of Articles L.3331-1 et seq. of the French Labor Code, or (iv) any allocation of free shares in accordance with the provisions of Articles L.225-197-1 et seq. and L.22-10-59 et seq. of the French Commercial Code and to carry out all hedging transactions for these operations under the conditions provided for by the market authorities, at the times the Board of Directors, or the person acting on delegation of the Board of Directors, deems appropriate;
- provide shares for the exercise of rights attached to shares giving rights via conversion, exercise, redemption or exchange, or any other means, to the allocation of Company shares, in accordance with the regulations in effect and to carry out all hedging transactions related to these operations, under the conditions provided for the market authorities, at the times the Board of Directors, or the person acting on delegation of the Board of Directors deems appropriate;
- cancel the shares purchased by reducing the capital under the conditions provided for in the French Commercial Code, subject to the approval of the fifteenth resolution by this General Meeting;
- keep all or some of the shares acquired for later exchange or in payment as part of potential future growth by acquisition;
- implement market practices authorized by the French Financial Markets Authority and, generally, to carry out all transactions in compliance with the regulation in effect.

The Board of Directors cannot, unless it has received the prior authorization of the General Meeting, use this authorization as of the filing by a third party of a public offer on the Company's shares until the offer has expired.

The acquisition, disposal, transfer or exchange of the shares can be completed and paid for by any means and, notably within the framework of a liquidity contract entered into by the Company with an investment service provider, subject to the regulations in effect, including over the counter and by blocks of shares, via the use of derivative financial instruments and the implementation of options strategies (purchase and sale of stock options and all combinations in compliance with the applicable regulations) and at the times the Board of Director deems appropriate.

The General Meeting decides that the maximum unit purchase price, excluding costs, may not exceed **€250 euros** per share.

Acquisitions made by the Company may under no circumstances lead the Company to hold more than 5% of the shares comprising its share capital at any time.

The number of shares and the price shown above will be adjusted in the event of a change in the nominal value of the share, a capital increase via the incorporation of reserves, profits or premiums, the allocation of free shares, the splitting or grouping of shares, amortization or a reduction in capital, the distribution of reserves or other assets and all other transactions impacting equity to take into account the incidence of these transactions on the share price.

This authorization is provided for a period of eighteen months as of the date of this General Meeting. In order to ensure execution of this resolution, all powers are granted to the Board of Directors with the option to subdelegate under the conditions provided for by law, for the purposes of:

- deciding to implement this authorization;
- placing all stock market orders;
- making all declarations and formalities with the French Financial Markets Authority relating to the buyback program referred to above; and
- completing any other formalities or to enter into any other agreements for this purpose and, more generally, to do whatever is necessary for the purposes of implementing the aforementioned buyback program.

This authorization cancels and replaces that granted by the Combined General Meeting of June 15, 2022 in its fourteenth resolution.

## Within the remit of the Extraordinary General Meeting

### Fifteenth resolution

#### ***Authorization granted to the Board of Directors to reduce the share capital via the cancellation of treasury shares***

The General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings and in accordance with the provisions of Article L.22-10-62 of the Commercial Code, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, decides to grant the Board of Directors authority, with the option to subdelegate under the conditions provided for by law, to reduce the share capital, in one or several times, and at the times it deems appropriate, via the cancellation of shares which the Company can buy as part of the implementation of a share buyback program decided by the Company.

In accordance with the law, the reduction in capital cannot exceed 10% of the share capital in existence on the cancellation date (i.e., adjusted based on the transactions on the share capital occurring since the adoption of this resolution), per 24-month period.

The General Meeting grants all powers to the Board of Directors, with the option to subdelegate under the conditions provided for by law, to decide on the procedure to reduce the capital and to cancel shares, to allocate the difference between the carrying amount of the canceled shares and their nominal value in all reserve accounts or premiums and to make the changes to the Articles of Association resulting from this authorization and to accomplish all required formalities.

This authorization is provided for a period of twenty-six months as of the date of this General Meeting.

This authorization supersedes the one that has been granted by the Combined General Meeting of June 15, 2022 in its fifteenth resolution.

### Sixteenth resolution

#### ***Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares of the Company reserved for members of a company savings plan***

The General Meeting, deliberating according to the quorum and majority required for Extraordinary Shareholders' Meetings, after having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Articles L.225-129-2, L.225-129-6, L.225-138 and L.225-138-1 of the French Commercial Code and those of Articles L.3332-18 et seq. of the French Labour Code:

- 1) delegates, with the option to further delegate in accordance with legal and regulatory provisions, its authority to issue, in one or more instances, at its sole discretion, in the proportions and at the times determined by it, both in France and abroad, new shares reserved for employees and former employees and

eligible corporate officers of the Company and/or companies related to the Company within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, who are members of a company saving plan;

- 2) cancels, for the benefit of the said members, the preferential subscription right of shareholders to any shares that may be issued by virtue of this authorization and waives any rights to any free shares that may be allocated based on this resolution;
- 3) decides that the nominal amount of the capital increase likely to be carried out pursuant to this delegation may not exceed nine hundred fifty thousand euros (€950,000) or the equivalent in any other currency, on the understanding that the nominal amount of any capital increase carried out in application of this delegation shall be charged against the total nominal cap provided for capital increases in paragraph 2 of the seventeenth resolution of the 15 June 2022 Shareholders' Meeting. This cap shall be increased, where applicable, by the par value of the shares to be issued in order to preserve, in compliance with legislative and regulatory provisions and, where applicable, contractual stipulations, the rights of bearers of securities or other rights entitling their bearers to access the Company's capital;
- 4) decides that the price of the shares issued in application of this delegation shall be determined under the conditions specified in Article L.3332-19 of the French Labour Code, on the understanding that the maximum discount calculated in relation to the average of the share's traded prices during the last 20 trading sessions preceding the decision setting the opening date of the subscription may not exceed 20%.  
However, where this delegation is implemented, the Board of Directors may reduce the amount of the discount on a case-by-case basis due to tax, corporate or accounting restrictions applicable in a given country where the Group entities participating in the capital increases are established. The Board of Directors may likewise decide to allocate free shares to subscribers of new shares, in substitution of the discount and/or as an employer matching contribution;
- 5) decides that the Board of Directors shall have all powers, which it may delegate in its turn in accordance with legal and regulatory conditions, to implement this delegation, within the limits and under the conditions specified above, in particular, in order to:
  - i. decide the issue of new shares by the Company,
  - ii. compile the list of companies including employees, former employees and eligible corporate officers who may benefit from the issuance, set the conditions to be fulfilled by the beneficiaries, in order to subscribe, directly or via a mutual investment fund, to the shares issued based on this delegation of authority,



- iii. set the amounts of these issues and determine the subscription prices and dates, periods, methods for each issue and the conditions for subscription, payment and delivery of the shares issued by virtue of this delegation of authority, as well as the date, even if retroactive, from which the new shares will be entitled to dividends,
  - iv. decide, in application of Article L.3332-21 of the French Labour Code, on the allocation, free of charge, of shares to be issued or already issued, as an employer matching contribution and/or, as applicable, for the discount, provided that the recognition of their equivalent pecuniary value, valued at the subscription price, does not result in exceeding the limits specified in Article L.3332- 11 of the French Labour Code,
  - v. set the period granted to subscribers for full payment of their securities,
  - vi. duly note, or have another party note the completion of the capital increase in the amount of the shares to be effectively subscribed,
  - vii. at its sole initiative, allocate the costs of the increase(s) in share capital to the premiums relating to these increases, and deduct from this amount the sums needed to bring the legal reserve to one tenth of the new capital after each increase,
  - viii. generally, take any and all measures and perform any and all formalities that are useful for issuing and listing the shares, and following the capital increases and related amendments of the Articles of Association pursuant to this delegation;
- 6) decides that unless it has the prior authorization of the General Meeting, the Board of Directors may not use this delegation of authority once a third party has filed a public offer for the Company's shares, and until the end of the offer period;
  - 7) decides that this delegation is granted for a period of twenty-six (26) months as from this General Meeting.

## Seventeenth resolution

***Delegation of authority to the Board of Directors to carry out allocations of free shares, whether existing or to be issued, without preferential subscription rights for shareholders, in favor of certain employees and corporate officers of the Company and its related companies***

The General Meeting, deliberating in accordance with the quorum and the majority requirements for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors and in accordance with the provisions of Article L.225-197-1 of the French Commercial Code:

- 1) authorizes the Board of Directors, in accordance with Articles L.225-197-1 et seq. of the French Commercial Code and under the conditions defined in this resolution, to allocate free shares of the Company, existing or to be issued, on one or more occasions, for the beneficiaries it determines from among the employees, or certain categories of them, as well as the corporate officers, or certain categories of them, of the Company and/or companies related to it within the meaning of article L.225-197-2 of the French Commercial Code;
- 2) resolves that the total number of free shares granted under this authorization may not exceed 4.5% of the number of shares comprising the Company's share capital on the date of the Board of Directors' decision to make such grant, and that the cumulative nominal amount of the resulting capital increases will be deducted from the overall nominal ceiling provided for capital increases in paragraph 2 of the seventeenth resolution of the 15 June 2022 General Meeting. It is specified that in any event, the total number of free shares allocated may not exceed the limits set by Articles L.225-197-1 et seq. of the French Commercial Code. This ceiling does not take into account any adjustments that may be made to preserve the rights of any beneficiaries of free share allocations;
- 3) resolves that the maximum total number of free shares that may be allocated to the Company's executive corporate officers under this resolution may not represent more than 20% of the shares that may be allocated under this authorization and that the vesting of shares granted under this authorization will be subject to performance conditions;
- 4) resolves that the allocation of shares to their beneficiaries will be definitive at the end of a vesting period, the duration of which will be set by the Board of Directors, with this duration not being less than one year, and that the minimum duration of the holding period for Company shares by the beneficiaries will also be set by the Board of Directors. This duration may not be less than one year from the vesting of the shares. However, for shares granted with a minimum vesting period of two years, the holding period may be reduced or eliminated such that the shares are freely transferable as soon as they vest;
- 5) resolves, by way of exception, that in the event of disability of the beneficiary corresponding to classification in the second or third of the categories provided for in Article L.341-4 of the French Social Security Code, the vesting of the shares may take place immediately and the beneficiary concerned will not be subject to any holding period, and the shares will be immediately transferable;
- 6) resolves that the Board of Directors will determine the identity of the beneficiaries and the number of free shares that may be granted to each of them, as well as the conditions to be met for the grant to become definitive, in particular the performance conditions for allocations to the Company's corporate officers;

- 7) notes that this authorization automatically entails, in favor of the beneficiaries of the free shares allocated, the express waiver by shareholders of (i) their preferential subscription rights to the shares to be issued allocated free of charge, (ii) the portion of the reserves, profits or premiums that will be incorporated into the share capital in the event of a free allocation of shares to be issued and (iii) any right to existing free shares. The corresponding capital increase will be definitively carried out solely by virtue of the definitive allocation of the shares to their beneficiaries;
- 8) grants full powers, within the limits set above, to the Board of Directors, with the option to subdelegate under the conditions provided by law, to implement this authorization and, in particular, to:
- determine whether the free shares allocated are to be issued or existing shares;
  - determine the identity of the beneficiaries of the share allocations and the number of shares allocated to each of them;
  - determine all the terms and conditions of the free share plans;
  - adjust the number of shares granted in the event of transactions on the Company's share capital or equity that have the effect of modifying the value of the shares comprising the share capital in order to preserve the rights of the beneficiaries of free shares;
  - set the conditions and determine the criteria, dates and terms of the allocation of shares, in particular the minimum vesting period, as well as, where applicable, the length of the holding period required for each beneficiary, record the definitive allocation dates and the dates from which the shares may be freely transferred, taking into account legal restrictions, and generally taking all necessary measures and entering into any agreements to successfully complete the planned allocations.
- 9) resolves that the Board of Directors will also have, with the option to subdelegate under the legal conditions, all powers to deduct, where applicable, in the event of the issue of new shares, from the reserves, profits or issue premiums, the sums necessary for the payment of said shares, record the completion of the capital increases carried out pursuant to this authorization, make the corresponding amendments to the Articles of Association and, generally, carry out all necessary acts and formalities;
- 10) resolves that unless it has the prior authorization of the General Meeting, the Board of Directors may not use this delegation of authority once a third party has filed a public offer for the Company's shares, and until the end of the offer period;

- 11) notes that the Board of Directors will inform the Ordinary General Meeting each year, in accordance with the legal and regulatory conditions, in particular Article L.225-197-4 paragraph 1 of the French Commercial Code, of the transactions carried out within the framework of this resolution;
- 12) resolves that this delegation is granted for a period of thirty-eight (38) months as from this General Meeting.

## Eighteenth resolution

### ***Amendment of Article 11.1 of the Articles of Association to introduce provisions relating to the age limit for Directors***

The General Meeting, deliberating in accordance with the quorum and the majority requirements for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to introduce provisions into the Company's Articles of Association relating to age limits for Directors.

Consequently, the General Meeting decides to add, as of today, a second paragraph to Article 11.1 of the Articles of Association entitled "Composition - General provisions" as follows:

***"The number of Directors, natural persons and permanent representatives of legal entities over the age of 70 may not exceed 40% (rounded up, where appropriate, to the next whole number) of Directors in office. When this proportion is exceeded, the term of office of the oldest director automatically ends at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year during which the age was exceeded."***

## Nineteenth resolution

### ***Amendment of Article 3 of the Articles of Association relating to the change of corporate name***

The General Meeting, deliberating in accordance with the quorum and the majority requirements for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report, resolves to change the name of the Company and to adopt "VusionGroup" as the new corporate name.

Consequently, the General Meeting decides to amend the second paragraph of Article 3 of the Articles of Association entitled "CORPORATE NAME" as follows:

***"The corporate name of the Company is: "VusionGroup."***

The second paragraph of Article 3 remains unchanged.

## Within the Remit of the Ordinary General Meeting

### Twentieth resolution

#### ***Ratification of the cooptation of Mr. Peter BRABECK-LETMATHE as an independent director***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, ratifies the cooptation by the Board of Directors, on November 28, 2022, of Mr. Peter BRABECK-LETMATHE as an independent director, to replace Mr. Xiangjun YAO for the remainder of his term of office, i.e., until this Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2022.

### Twenty-first resolution

#### ***Renewal of the term of office of Mr. Thierry GADOU as a director***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to renew the term of office as director of Mr. Thierry GADOU, which expires at the end of this Meeting, for a term of 3 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2025 and to be held in 2026.

### Twenty-second resolution

#### ***Renewal of the term of office of Ms. Cenhui HE as a director***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to renew the term of office as director of Ms. Cenhui HE, which expires at the end of this Meeting, for a term of 3 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2025 and to be held in 2026.

### Twenty-third resolution

#### ***Renewal of the term of office of Ms. Hélène PLOIX as an independent director***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to renew the term of office as director of Ms. Hélène PLOIX, for a term of 3 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2025 and to be held in 2026.

### Twenty-fourth resolution

#### ***Renewal of the term of office of Ms. Candace JOHNSON as an independent director***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General

Meetings, resolves to renew the term of office as director of Ms. Candace JOHNSON, which expires at the end of this Meeting, for a term of 3 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2025 and to be held in 2026.

### Twenty-fifth resolution

#### ***Renewal of the term of office of Mr. Franck MOISON as an independent director***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to renew the term of office as director of Mr. Franck MOISON, which expires at the end of this Meeting, for a term of 3 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2025 and to be held in 2026.

### Twenty-sixth resolution

#### ***Renewal of the term of office of Mr. Peter BRABECK-LETMATHE as an independent director***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to renew the term of office as director of Mr. Peter BRABECK-LETMATHE, which expires at the end of this Meeting, for a term of 3 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2025 and to be held in 2026.

### Twenty-seventh resolution

#### ***Ratification of the cooptation of Mr. Xiangjun YAO as a director***

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, ratifies the cooptation by the Board of Directors of Mr. Xiangjun YAO as a director, to replace Mr. Rengui CHEN for the remainder of his term of office, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2023 and to be held in 2024.

### Twenty-eighth resolution

#### ***Powers***

The General Meeting grants full powers to the bearer of an original, a copy or an excerpt of these minutes to carry out all formalities of filing, publication and other required by law.

## 8.2 Report of the Board of Directors to the Combined General Meeting - June 23, 2023

Dear Shareholders,

We have convened a Combined General Meeting to discuss the following items on the agenda:

### Ordinary resolutions

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1) Approval of the separate financial statements for the fiscal year closed on December 31, 2022</li> <li>2) Approval of the consolidated financial statements for the fiscal year closed on December 31, 2022</li> <li>3) Allocation of the profit (loss) for the 2022 fiscal year</li> <li>4) Approval of the agreements covered in Article L.225-38 et seq. of the French Commercial Code</li> <li>5) Ratification of a development agreement covered in Articles L.225-38 et seq. of the French Commercial Code</li> <li>6) Ratification of a cross-licensing agreement covered in Articles L.225-38 et seq. of the French Commercial Code</li> <li>7) Renewal of the term of office of KPMG as Principal Statutory Auditor</li> <li>8) Renewal of the term of office of DELOITTE ET ASSOCIES as Principal Statutory Auditor</li> <li>9) Approval of the information covered in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers for the 2022 fiscal year, pursuant to Article L.22-10-34 I of the French Commercial Code</li> </ol> | <ol style="list-style-type: none"> <li>10) Approval of the fixed, variable and exceptional elements of the total compensation and benefits of all kind paid during the 2022 fiscal year or allocated for the same fiscal year to Mr. Thierry GADOU, Chairman and Chief Executive Officer, in application of Article L.22-10-34 II of the French Commercial Code</li> <li>11) Setting of the overall annual compensation package for directors</li> <li>12) Approval of the compensation policy for directors for the 2023 fiscal year in application of Article L.22-10-8 II of the French Commercial Code</li> <li>13) Approval of the compensation policy for the Chairman and Chief Executive Officer for the 2023 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code</li> <li>14) Authorization to the Board of Directors to carry out transactions on the Company's shares</li> </ol> |
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### Extraordinary resolutions

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>15) Authorization to be given to the Board of Directors to reduce the company capital by cancellation of treasury shares</li> <li>16) Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares of the Company reserved for members of a company savings plan</li> <li>17) Delegation of authority to the Board of Directors to carry out allocations of free shares, whether existing or to be issued, without preferential subscription rights for shareholders, in favor of certain employees and corporate officers of the Company and its related companies</li> </ol> | <ol style="list-style-type: none"> <li>18) Amendment of Article 11.1 of the Articles of Association to introduce provisions relating to the age limit for Directors</li> <li>19) Amendment of Article 3 of the Articles of Association relating to the change of corporate name</li> </ol> |
|---|--|

### Ordinary resolutions

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>20) Ratification of the co-option of Mr PETER BRABECK LETMATHE as an Independent</li> <li>21) Renewal of the term of office of Mr. Thierry GADOU as a director</li> <li>22) Renewal of the term of office of Ms. Cenhui HE as a director</li> </ol> | <ol style="list-style-type: none"> <li>23) Renewal of the term of office of Ms. Hélène PLOIX as an independent director</li> <li>24) Renewal of the term of office of Ms. Candace JOHNSON as an independent director</li> <li>25) Renewal of the term of office of Mr. Franck MOISON as an independent director</li> </ol> |
|--|--|

- 26) Renewal of the term of office of Mr. Peter BRABECK-LETMATHE as an independent director
- 27) Ratification of the cooptation of Mr. Xangjun YAO as a director

## 28) Powers

The purpose of this report is to inform you of the resolutions that will be submitted for your approval at the Combined General Meeting.

## Ordinary resolutions

### 1) Approval of the annual and consolidated financial statements for the fiscal year ended December 31, 2022, Allocation of the Company's profit/(loss) and Approval of agreements referred to in Articles L.225-38 and following of the French Commercial Code (Resolutions 1 to 6)

**Resolutions 1 and 2** which will be submitted to you cover the approval of the annual individual and consolidated financial statements of the Company. The financial statements include notes which are provided to you, notably on the Company's website ([http:// www.ses-imagotag.com](http://www.ses-imagotag.com)).

The separate financial statements for the fiscal closed with a positive balance of **€4,167,242**.

We propose that you approve the financial statements.

In its **third Resolution**, the Board of Directors proposes to allocate the income for fiscal year 2022 in the amount of **€4,167,242** as follows:

- earnings fully allocated to retained earnings;
- which, added to prior retained earnings, now amounts to -€15,417,174.

In accordance with the provisions of Article 243 of the French General Tax Code, the General Meeting also stated that it has not distributed a dividend since 2013. The Company paid €5,491,011.50 in dividends in 2012.

**The fourth Resolution** concerns the so-called "regulated" agreements approved by your Board (Article L.225-38 of the French commercial code). These agreements resulting in the drafting by your Statutory Auditors of the special report, which also includes the agreements approved during prior fiscal years and whose execution continued in 2022. After reviewing this report, you will be asked to approve it and the agreement described in the Statutory Auditors' special report.

**The fifth resolution** relates to the ratification of a so-called "regulated" agreement (article L.225-38 of the French Commercial Code) not submitted under the prior authorization procedure by your Board, namely a development agreement signed on January 5, 2022 for a term until April 30, 2022 with Fuzhou BOE Optoelectronics Co., Ltd.

**The sixth resolution** relates to the ratification of a so-called "regulated" agreement (Article L.225-38 of the French Commercial Code) not submitted under the prior authorization procedure by your Board, namely a cross-licensing agreement signed on February 22, 2022 with BOE Digital Technology Co., Ltd.

These agreements resulting in the drafting by your Statutory Auditors of the special report. After reviewing this report, and in view of the reasons justifying their interest for the Company, you will be asked to ratify and approve the terms of the said agreements described in the Statutory Auditors' special report.

### 2) Statutory Auditors (Resolutions 7 and 8)

The terms of office of the Statutory Auditors expire at the close of the next General Meeting called to approve the financial statements for the fiscal year ended December 31, 2022.

It is therefore proposed that your General Meeting renew the term of office as Principal Statutory Auditors of:

- KPMG (**Resolution 7**), and
- DELOITTE ET ASSOCIES (**Resolution 8**)

for a term of 6 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the 2028 fiscal year and to be held in 2029.

### 3) Compensation of the Company's Corporate Officers (Resolutions 9 to 13)

*Approval of the information mentioned in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers for the 2022 fiscal year, pursuant to Article L.22-10-34 II of the French Commercial Code*

In accordance with Article L.22-10-34 I of the French Commercial Code, the General Meeting must deliberate on the on the draft resolution on the information contained in Article L.22-10-9 I of the French Commercial Code regarding fiscal year 2022 compensation for the corporate officers based on their mandate.

In the **ninth resolution** it is therefore proposed that you approve the information mentioned in Article L.22-10-9 I of the French Commercial Code as it appears in the report on corporate governance (Chapter 3.3.2).

***Approval of the fixed, variable and exceptional elements of the total compensation and benefits of all kinds paid during the 2022 fiscal year or allocated for the same fiscal year to Mr. Thierry GADOU, Chairman and Chief Executive Officer, in application of Article L.22-10-34 II of the French Commercial Code.***

As part of the **tenth resolution**, and having taken note of the recommendation of the Remuneration Committee, it is proposed that you approve, in accordance with Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during fiscal year 2022 or granted for the same fiscal year to Mr. Thierry GADOU, due to his office as Chairman and Chief Executive Officer of the Company, as they appear in the report on corporate governance (Chapter 3.3.2).

***Setting of the annual fixed amount allocated to directors for their contribution (Resolution 11)***

In the **eleventh resolution**, we propose to set the overall annual maximum amount of compensation allocated to directors in compensation for their activity for the current fiscal year at the sum of two hundred thousand euros (200,000) euros. In accordance with the provisions of Article L.225-45 of the French Commercial Code, this amount is all-inclusive and it is up to the Board of Directors to decide on its allocation.

***Approval of the compensation policy for corporate officers for the 2023 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code (Resolutions 12 and 13)***

In accordance with the Article L.22-10-8 II of the French Commercial Code, the compensation policy for corporate officers is the subject of a resolution submitted for the approval of the General Meeting.

In the **twelfth resolution** it is therefore proposed that you approve the compensation policy for directors, as presented in the corporate governance report (Chapter 3.3.3).

In the **thirteenth resolution** it is therefore proposed that you approve the compensation policy for the Chairman and Chief Executive Officer, as presented in the corporate governance report (Chapter 3.3.3).

**4) Authorization given to the Board of Directors to carry out transactions on the Company's shares (Resolution 14)**

The purpose of the **fourteenth resolution** is to renew the authorization of the Board of Directors to buy Company shares. The Company must be able to trade its own shares at any time. We therefore propose that the Board of Directors be authorized, with the option for subdelegation and under the conditions provided for in law, to trade Company shares on the stock exchange or in other ways, under the conditions and terms presented below.

We propose that you authorize the Board of Directors, as part of this authorization, to acquire, on one or more occasions and by all means, a number of shares representing up to 5% of the number of shares in the share capital of the Company at any time.

The transactions carried out by the Board of Directors by virtue of this authorization could be used to:

- stimulate the secondary market or the liquidity of the share via an investment service provider acting independently within the framework of a liquidity contract in accordance with the market practices allowed by the French Financial Markets Authority on July 2, 2018;
- use all or part of the shares acquired to allocate them to employees and/or corporate officers of the Company and other Group entities, and in particular in the context of (i) profit-sharing (ii) in any stock option plan of the Company, in accordance with the provisions of Articles L.225-177 et seq. of the French Commercial Code, or (iii) any savings plan in accordance with the provisions of Articles L.3331-1 et seq. of the French Labor Code or (iv) any allocation of free shares under the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, and to carry out all hedging transactions for these operations, under the conditions stipulated by the market authorities and at the times that the Board of Directors or the person acting as delegated by the Board of Directors would appreciate;
- provide shares for the exercise of rights attached to shares giving rights via conversion, exercise, redemption or exchange, or any other means, to the allocation of Company shares, in accordance with the regulations in effect and to carry out all hedging transactions related to these operations, under the conditions provided for the market authorities, at the times the Board of Directors, or the person acting on delegation of the Board of Directors deems appropriate;
- cancel the shares purchased by reducing the capital under the conditions provided for in the French Commercial Code, subject to the approval of the fifteenth resolution by this General Meeting;
- to keep all or some of the shares acquired for later exchange or in payment as part of potential future growth by acquisition;
- implement any market practices that would be authorized by the French Financial Markets Authority and, generally, to carry out all transactions in compliance with the regulation in effect.

The Board of Directors cannot, unless it has received the prior authorization of the General Meeting, use this authorization as of the filing by a third party of a public offer on the Company's shares until the offer has expired.

The acquisition, disposal, transfer or exchange of the shares can be completed and paid for by any means and, notably within the framework of a liquidity contract entered into by the Company with an investment service provider, subject to the regulations in effect, including over the counter and by blocks of shares, via the use of derivative financial instruments and the implementation of options strategies (purchase and sale of stock purchase and sale options of all combinations in compliance with the applicable regulations) and at the times the Board of Director will deem appropriate.

Under this authorization, the Meeting would decide that the maximum purchase price per share may not exceed **€250** per share, excluding costs.

Acquisitions made by the Company may under no circumstances lead the Company to hold more than 5% of the shares comprising its share capital at any time.

The number of shares and the price shown above will be adjusted in the event of the modification of the nominal value of the share, a capital increase via the incorporation of reserves, profits or premiums, the allocation of free shares, the splitting or grouping of shares, amortization or a reduction in capital, the distribution of reserves or other assets and all

other transactions impacting equity to take into account the incidence of these transactions on the share price.

In order to ensure execution of this authorization, it will be proposed that all powers be granted to the Board of Directors with the option to subdelegate under the conditions provided for by law, for the purpose of:

- deciding to implement this authorization;
- placing all stock market orders;
- making all declarations and formalities with the French Financial Markets Authority relating to the buyback program referred to above; and
- completing any other formalities or to enter into any other agreements for this purpose and, more generally, to do whatever is necessary for the purposes of implementing the aforementioned buyback program.

This authorization will replace the authorization granted by the Combined General Meeting of June 15, 2022 which would be null and void for its remaining period. The authorization was granted for a period of 18 months.

## Extraordinary resolutions

### 5) Reduction in the share capital via the cancellation of Company treasury shares (Resolution 15)

The purpose of the **fifteenth** resolution is to authorize the Board of Directors to reduce the share capital via the cancellation of treasury shares, up to 10% of the existing share capital on the date of cancellation, per 24-hour (24) period and to allocate the difference to the premiums or available reserves, at its discretion.

The Board of Directors proposes that the authorization, which will cancel and replace the authorization granted by the fifteenth resolution of the General Meeting of June 15, 2022 be granted for a period of twenty-six (26) months as of the General Meeting.

### 6) Capital increases reserved for employees (Resolution 16)

With the **resolution 16**, we propose, pursuant to the legal provisions in force, to delegate to the Board of Directors for a period of 26 months, with the option to subdelegate, your authority to increase the share capital via the issue of Company shares reserved for the members of a Company savings plan up to the maximum nominal amount of nine hundred fifty thousand euros (€950,000), it being noted that the nominal amount of any capital increase would be deducted from the overall nominal ceiling provided for capital increases of fifteen million seven hundred fifty thousand euros (€15,750,000) provided for by the seventeenth resolution of the 15 June 2022 General Meeting.

This delegation would include elimination of the preferential subscription right for the benefit of the employees, former employees and corporate officers and shares or securities eligible for the shares issued or granted free of charge.

The subscription price of the shares issued will be determined under the conditions provided for in Article L.3332-19 of the French Labor Code, it being noted that the maximum discount compared to an average of share prices for the last twenty trading sessions preceding the decision setting the opening date of the subscription cannot exceed 20%. The Board of Directors can reduce the amount of the discount on a case-by-case basis, notably via tax, social or accounting constraints applicable in the countries in which the Group's entities are located and which are taking part in the capital increase. The Board of Directors can also decide to allocate free shares to subscribers to new shares, instead of the discount and/or as a top-up.

The Board of Directors proposes that this authorization be provided for a period of twenty-six (26) months as of the date of this General Meeting.

**However, the Board of Directors recommends that shareholders not approve this last delegation.**

### 7) Allocation of free shares, whether existing or to be issued, without preferential subscription rights for shareholders, in favor of certain employees and corporate officers of the Company and its related companies (resolution 17)

With the **seventeenth resolution**, we propose to delegate to the Board of Directors for a period of 38 months, with the option to subdelegate, your authority to increase the share capital via the issue of Company shares reserved for employees and corporate officers who are beneficiaries of a performance share plan, up to the maximum nominal amount of 4.5% of the share capital existing on the date of the Board of Directors' decision to grant them, it being noted that the nominal amount of any capital increase would be deducted from the overall nominal ceiling provided for capital increases of fifteen million seven hundred fifty thousand euros (€15,750,000) provided for by the **seventeenth resolution** of the 15 June 2022 General Meeting.

### 8) Amendments to the Articles of Association (Resolutions 18 and 19)

The **eighteenth resolution** concerns the amendment of Article 11.1 of the Articles of Association to introduce provisions relating to the age limit for Directors.

It is proposed that your General Meeting introduce into the Company's Articles of Association provisions relating to the age limit for Directors and add a second paragraph to Article 11.1 of the Articles of Association entitled "Composition - General provisions" in order to ensure a maximum of 40% (rounded up to the next whole number, if applicable) of Directors over the age of 70 in the composition of the Board. The following mechanism is also proposed: when this proportion is exceeded, the term of office of the oldest director automatically ends at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year during which the age was exceeded.

The **nineteenth resolution** concerns the amendment of Article 3 relating to the change of corporate name.

It is proposed that your General Meeting change the current corporate name "SES-imagotag" and adopt "VusionGroup" as the Company's new corporate name.



## Ordinary resolutions

### 9) Directors (Resolutions 20 to 27)

#### ***Ratification of the cooptation of Mr. Peter BRABECK-LETMATHE***

On November 28, 2022, the Board of Directors decided to co-opt Mr. Peter BRABECK-LETMATHE, as an independent director, to replace Mr. Xiangjun YAO.

**Resolution 20** therefore proposes to your General Meeting the ratification of this cooptation for the remainder of the term of office, i.e., until this General Meeting called to approve the financial statements for the 2022 fiscal year.

#### ***Ratification of the cooptation of Mr. Xiangjun YAO***

The Board of Directors decided to co-opt Mr. Xiangjun YAO, as a director, to succeed Mr. Rengui CHEN, who resigned.

**Resolution 27** therefore proposes to your General Meeting the ratification of this cooptation for the remainder of the term of office, i.e., until the General Meeting called to approve the financial statements for the 2023 fiscal year and to be held in 2024.

#### ***Renewal of the terms of office that expire at the next General Meeting called to approve the financial statements for the year ended December 31, 2022***

The terms of office of the following Directors expire at the next General Meeting called to approve the financial statements for the year ended December 31, 2022:

- Mr. Thierry GADOU
- Ms. Cenhui HE
- Ms. Hélène PLOIX
- Ms. Candace JOHNSON
- Mr. Franck MOISON
- Mr. Peter BRABECK-LETMATHE

Pursuant to **Resolution 18** regarding the age limit for Directors, it is therefore proposed that your General Meeting renew the terms of office of:

- Mr. Thierry GADOU as a director (**Resolution 21**)
- Ms. Cenhui HE as a director (**Resolution 22**)
- Ms. Hélène PLOIX as an independent director (**Resolution 23**)
- Ms. Candace JOHNSON as an independent director (**Resolution 24**)
- Mr. Franck MOISON as an independent director (**Resolution 25**)
- Mr. Peter BRABECK-LETMATHE as an independent director (**Resolution 26**)

for a term of 3 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the 2025 fiscal year and to be held in 2026.

### 10) Powers (Resolution 28)

The purpose of **Resolution 28** is to grant the power to carry out all legal or administrative formalities and to file all public notices of decisions taken by this General Meeting.

## 8.3 Special report by the Statutory Auditors and information on the statutory auditors

### Statutory Auditors' special report on the regulated agreements

#### Annual General Meeting held to approve the financial statements for the year ended 31 December 2022

This is a free translation into English of the statutory auditors' special report on regulated agreements issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Annual General Meeting of SES-imagotag,

In our capacity as Statutory Auditors of your Company, we hereby present our report on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements and commitments, if any. It is your responsibility to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Annual General Meeting, if any.

We conducted the procedures we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

### Agreements submitted for approval at the Annual General Meeting

#### Agreements authorised and entered into during the financial year

In accordance with Article L. 225-40 of the French Commercial Code, we were advised of the following agreements entered into during the year and previously authorised by the Board of Directors.

Agreement with Chongqing BOE Smart Electronics System Co, Ltd.

New amendment to the Master Service Agreement and its riders.

#### Persons involved:

- BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of your Company's voting rights and a 15% indirect interest in BOE Digital Technology Co., Ltd (through its subsidiary BOE Intelligent IoT Technology Co., Ltd).
- Mr Thierry Gadou, Chairman and Chief Executive Officer of your company, Director of both the company and BOE Smart Retail (Hong Kong) Co.
- Mr Xiang Jun Yao, Director of the company until November 28, 2022, and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.
- Ms Cenhui He, Director of both the company until November 28, 2022, and BOE Smart Retail (Hong Kong) Co.
- Mr Feng Bai, Director of the company until November 28, 2022 and BOE Smart Retail (Hong Kong) Co.

- Mr Gang Cheng, until 28 March 2022 and then Mr Rengui Chen, Director of both the company and BOE Smart Retail (Hong Kong) Co.
- Ms Fangqi Ye, Director of both the company and BOE Smart Retail (Hong Kong) Co.

#### **Nature, purpose and terms:**

A new amendment to the Master Service Agreement ("MSA"), described in the section "Agreements approved in previous years with continuing effect during the year" of this report, was signed on 15 December 2022 to include PDI Digital GmbH in its scope. PDI Digital GmbH is authorised to purchase products from Chongqing BOE Smart Electronics System Co., Ltd. under the same terms and conditions as those set out in the original MSA.

This agreement had no impact on the 2022 financial year.

#### **Benefits to your Company:**

Your Board of Directors considered that PDI Digital GmbH's access to a integrated digital labelling plant of critical size will boost the competitiveness of the products offered by the Group.

Your Board of Directors voted to authorise this agreement at its meeting of 14 December 2022.

#### **Agreements not previously authorised**

In accordance with Articles L. 225-42 and L. 823-12 of the French Commercial Code, we bring to your attention the following agreements that were not approved beforehand by your Board of Directors.

It is our responsibility to inform you of the circumstances under which the authorisation procedure was not followed.

#### **Persons involved:**

- Mr Thierry Gadou, Chairman and Chief Executive Officer of your company, Director of both the company and BOE Smart Retail (Hong Kong) Co.
- Mr Xiang Jun Yao, Director of the company until November 28, 2022, and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.
- Ms Cenhui He, Director of both the company until November 28, 2022, and BOE Smart Retail (Hong Kong) Co.
- Mr Feng Bai, Director of the company until November 28, 2022 and BOE Smart Retail (Hong Kong) Co.
- Mr Gang Cheng, until 28 March 2022 and then Mr Rengui Chen, Director of both the company and BOE Smart Retail (Hong Kong) Co.
- Ms Fangqi Ye, Director of both the company and BOE Smart Retail (Hong Kong) Co.

#### **Benefits to your Company:**

Your Board of Directors considered that these agreements offer greater possibilities for the reorganization of the SES-imagotag group supply function. The search for more competitiveness led your company to rely on several BOE group entities, in technical or sourcing areas, and conclude several agreements in early 2022: this series of agreements could not be submitted to the Board of Directors prior to their signature due to the speed of the negotiations needed to secure the purchase volumes required to meet first half-year sales forecasts.

Your Board of Directors voted to authorise the following two agreements after the fact, at its meeting of 15 June 2022.

## Agreement with Fuzhou BOE Optoelectronics Co, Ltd.

### *Product development agreement with Fuzhou BOE Optoelectronics Co, Ltd.*

#### **Nature, purpose and terms:**

An agreement was signed on 5 January 2022, with effect from 1 December 2021, between your company and Fuzhou BOE Optoelectronics Co, Ltd to draw on the latter's research teams to develop a project called "TFT EPD". This agreement expired on 30 April 2022.

Your company paid USD 357 thousand to Fuzhou Optoelectronics Co, Ltd. under this agreement in financial year 2022.

## Agreement with BOE Digital Technology Co Ltd

### *Cross license agreement with the Chinese joint-venture BOE Digital Technology Co Ltd*

#### **Nature, purpose and terms:**

A cross-license agreement was signed on 22 February 2022 with the Chinese joint venture BOE Digital Technology Co Ltd. SES-imagotag grants BOE Digital Technology a license on its historical intellectual property to enable it to make improvements and possible developments. Consequently, BOE Digital Technology benefits from the right to use this intellectual property to improve and manufacture, or have manufactured, electronic labels or more high-performing components and semi-finished products (such as batteries and cables). In return, BOE Digital Technology grants SES-imagotag SA the right to use the improvements and manufacture and distribute the improved products.

## Agreements already approved by the Annual General Meeting

### Agreements approved in previous years with continuing effect during the year

In accordance with Article R.225-30 of the French Commercial Code, we have been informed of the following regulated agreements, which were approved by the Annual General Meeting in previous years and continued to have effect in financial year 2022.

### Agreements with Chongqing BOE Smart Electronics System Co, Ltd

#### **Persons involved:**

- BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of your Company's voting rights and an indirect interest in Chongqing BOE Smart Electronics System Co., Ltd.
- Mr Thierry Gadou, Chairman and Chief Executive Officer of your company, Director of both your company and BOE Smart Retail (Hong Kong) Co.
- Mr Xiang Jun Yao, Director of your company until 28 November 2022, and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.
- Ms Cenhui He, Director of both your company and<sup>2</sup> BOE Smart Retail (Hong Kong) Co
- Mr Feng Bai, Director of your company until 28 November 2022 and Director of BOE Smart Retail (Hong Kong) Co.
- Mr Gang Cheng, until 28 March 2022, and then Mr Rengui Chen, Director of both your company and BOE Smart Retail (Hong Kong) Co.
- Ms Fangqi Ye, Director of your company and BOE Smart Retail (Hong Kong) Co.

### 1) *Master Service Agreement and rider thereto with Chongqing BOE Smart Electronics System Co., Ltd*

#### *Nature, purpose and terms:*

At its meeting on 23 October 2018, your Board of Directors authorised the agreement covering the production, assembly, testing and packaging of finished goods (electronic labels), signed on 19 August 2019.

Rider 1 to this agreement was signed on 20 July 2020, effective 26 January 2020. The rider, authorised by your Board of Directors on 12 May 2020, modifies the incoterm (FCA) and length of the agreement to three years, to be tacitly renewed for an indefinite term after that period (unless terminated by either of the parties at any moment by giving thirty days' notice).

Under this agreement, your Company recognised a total of USD 354,181 thousand in purchases and USD 53,073 thousand in sales of components over the 2022 financial year.

### 2) *Exclusive manufacturing agreement with Chongqing BOE Smart Electronics System Co., Ltd :*

#### *Nature, purpose and terms:*

The exclusive agreement relating to the manufacturing capacity of the Chongqing factory was entered into on 1 July 2019 for a term of four and a half years. The agreement was previously authorised by your Board of Directors on 24 May 2019.

Remuneration generated by the exclusive rights in financial year 2019 amounted to EUR 14.7 million. The total amount was paid in financial year 2020.

## Agreements with Chinese joint venture BOE Digital Technology Co., Ltd

#### *Persons involved:*

- BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and a 15% indirect interest in Chinese joint-venture BOE Digital Technology Co., Ltd (through its subsidiary BOE Intelligent IoT Technology Co., Ltd).
- Mr Thierry Gadou, Chairman and Chief Executive Officer of the company, Director of both your company and BOE Smart Retail (Hong Kong) Co.
- Mr Xiang Jun Yao, Director of the company until 28 November 2022 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.
- Ms Cenhui He, Director of both your company and BOE Smart Retail (Hong Kong) Co.
- Mr Feng Bai, Director of the company until 28 November 2022 and Director of BOE Smart Retail (Hong Kong) Co.
- Mr Gang Cheng, until 28 March 2022, and then Mr Rengui Chen, Director of both your company and BOE Smart Retail (Hong Kong) Co.
- Ms Fangqi Ye, Director of both your company and BOE Smart Retail (Hong Kong) Co.

### 1) *Electronic label supply agreement with Chinese joint venture (Supply Services Agreement)*

#### *Nature, purpose and terms:*

A supply agreement for finished goods (electronic labels) was signed by your company and BOE Digital Technology Co., Ltd, for an initial term of two years, and entered into effect on 16 October 2019. The agreement was previously authorised by your Board of Directors on 24 October 2019.

A new agreement was signed on 20 December 2021, entering into effect 1 January 2021 for a term of two years. It modified several provisions of the agreement signed in 2019, such as the length of SES-imagotag SA's product warranty, reduced to 12 months. The financial terms of the agreement remained unchanged, i.e. for market prices in line with OECD recommendations.

Under the agreement, your company generated EUR 33,000 in sales of finished goods in financial year 2022.

## 2) *Electronic label and component supply agreement with Chinese joint venture BOE Digital Technology Co., Ltd (Framework delivery and quality assurance agreement)*

### *Nature, purpose and terms:*

A sub-contracting agreement for component supply and industrial sub-contracting was signed with BOE Digital Technology Co., Ltd, effective 22 December 2021 for an undefined term. The agreement deals with the selection of component suppliers and of sub-contractors that assemble finished products (electronic labels). It defines delivery terms, incoterms, quality levels required and the price of every product that is sold

Your Company made EUR 3,209 thousand in purchases under this agreement in the 2022 financial year.

## Executive unemployment insurance for the Chairman and Chief Executive Officer

### *Person involved:*

Mr Thierry Gadou, Chief Executive Officer since 13 January 2012 and Chairman of the Board of Directors since 18 January 2012.

### *Nature, purpose and terms:*

At its meeting on 13 January 2012, your Board of Directors authorised your company to take out an executive unemployment insurance policy for Mr Thierry Gadou, starting on 18 January 2012.

For the financial year ended 31 December 2022, the insurance premiums paid by your company amounted to EUR 20,000.

## Agreements approved in previous years, but with no continuing effect during the financial year

We have also been informed of the following regulated agreements, which were approved at the Annual General Meeting in previous years but had no continuing effect in financial year 2022.

Agreements with Chinese joint venture BOE Digital Technology Co., Ltd

### *Persons involved:*

- BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of your Company's voting rights and a 15% indirect interest in BOE Digital Technology Co., Ltd (through its subsidiary BOE Intelligent IoT Technology Co., Ltd).
- Mr Thierry Gadou, Chairman and Chief Executive Officer of the company, Director of both your company and BOE Smart Retail (Hong Kong) Co.
- Mr Xiang Jun Yao, Director of your company until 28 November 2022 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co.
- Ms Cenhui He, Director of both your company and BOE Smart Retail (Hong Kong) Co.
- Mr Feng Bai, Director of your company 28 November 2022 and Director of BOE Smart Retail (Hong Kong) Co.
- Mr Gang Cheng, until 28 March 2022, and then Mr Rengui Chen, Director of both your company and BOE Smart Retail (Hong Kong) Co
- Ms Fangqi Ye, Director of both your company and BOE Smart Retail (Hong Kong) Co.

## 1) *Intellectual property license agreement with Chinese joint venture BOE Digital Technology Co., Ltd*

### *Nature, purpose and terms:*

This agreement was signed and came into effect on 1 January 2021 for a term of two years. The intellectual property license is prorated at 1% of revenue from the sale of electronic labels and related services in the People's Republic of China

It authorises the joint venture to use, copy, reproduce, and develop the existing intellectual property of the SES-imagotag Group entities in order to manufacture, sell, distribute, and sub-licence products and solutions throughout continental China. The licence also grants the right to set up serial manufacturing directly with the Chongqing factory.

In view of the deconsolidation of BOE Digital Technology Co, Ltd on 30 September 2022, no invoices were issued by SES-imagotag SA for the financial year.

## 2) Support service agreement with Chinese joint venture BOE Digital Technology Co., Ltd

### **Nature, purpose and terms:**

A support service agreement was signed between your company and BOE Digital Technology Co., Ltd, entering into effect on 1 September 2019 for an initial term of two years. The agreement was previously authorised by your Board of Directors on 24 October 2019.

Under the agreement your company rebills the support service fees incurred in assisting BOE Digital Technology Co., Ltd.

BOE Digital Technology Co., Ltd did not use these central services in financial year 2022, so your Company did not rebill any management fees.

The termination of this agreement, due to the fact that it has no longer been applicable since its signature and that this entity has left the group consolidation scope, was authorised by the Board of Directors on 24 January 2023.

The Statutory Auditors

Paris la Défense, 28 April 2023

**KPMG S.A.**

**Deloitte & Associés**

*French original signed by*

Grégoire Menou

Mathilde Fimayer

Julien Razungles

*Partner*

*Partner*

*Partner*

## 8.3.2 Information on Statutory Auditors

The Ordinary General Assembly of 23 June 2017 ruled on the mandate of the auditors and appointed the KPMG cabinet, represented by Mr. Grégoire MENOUE and the firm DELOITTE AND ASSOCIES, represented by Mr. Julien RAZUNGLES, Auditors. This mandate is conferred for a period of six years and will end at the end of this ordinary General Assembly to decide on the accounts for the year 31 December 2022 and to be held in 2023.

It is therefore proposed that your General Meeting renew the term of office as Principal Statutory Auditors of:

- KPMG (**Resolution 7**), and
- DELOITTE ET ASSOCIES (**Resolution 8**)

for a term of 6 years, i.e., until the Ordinary General Meeting called to approve the financial statements for the 2028 fiscal year and to be held in 2029.

In addition, in accordance with art. 823-1 of the French Commercial code, which resulted from Act 2016-1691 of December 9, 2016, and at the initiative of the Board of Directors, the Extraordinary General Assembly of June 23, 2017 amended Article 26 of the Company's statutes for the purpose of harmonizing with the new rules for the appointment of auditors, including the removal of the obligation of the Company appoint one or more alternate auditors when the auditor is not a natural person or a one-person corporation.







## Certifications from person in charge of the universal registration document

"I certify that the information contained in this universal registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import."

Nanterre, April 28, 2023

Mr Thierry GADOU  
Chairman & Managing Director

## Cross-reference table for the Universal Registration Document

The following cross-reference table is intended to facilitate access to the sections of the Universal Registration Document, which contain the information referred to in the sections of Annexes I and II of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019.

Section	Contenu	Section(s) of the Universal Registration Document	Page(s) of
<b>SECTION 1</b>	<b>PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL</b>		
Item 1.1	Identify all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	9	268
Item 1.2	A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import. Where applicable, a declaration by those responsible for certain parts of the registration document that, to the best of their knowledge, the information contained in those parts of the registration document for which they are responsible is in accordance with the facts and that those parts of the registration document make no omission likely to affect their import.	9	268
Item 1.3	Where a statement or report attributed to a person as an expert is included in the registration document, provide the following details for that person: (i) name (ii) business address (iii) qualifications (iv) material interest if any in the issuer If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorized the contents of that part of the registration document for the purpose of the prospectus.	N/A	N/A
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	N/A	N/A
Item 1.5	A statement that: the registration document has been approved by the [name of the competent authority], as competent authority under Regulation (EU) 2017/1129; the Autorité des marchés financiers (AMF) only approves this registration document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; such approval should not be considered as an endorsement of the issuer that is the subject of this registration document/prospectus.		1
<b>SECTION 2</b>	<b>STATUTORY AUDITORS</b>		
Item 2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	8.3.2	265
Item 2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A	N/A
<b>SECTION 3</b>	<b>RISK FACTORS</b>		
Item 3.1	A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed "Risk Factors." In each category, the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risks shall be corroborated by the content of the registration document.	2	45-54

Section	Contenu	Section(s) of the Universal Registration Document	Page(s) of
<b>SECTION 4 INFORMATION ABOUT THE ISSUER</b>			
Item 4.1	The legal and commercial name of the issuer.	7	242
Item 4.2	The place of registration of the issuer, its registration number and legal entity identifier ("LEI").	7	242-244
Item 4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite.	7	242
Item 4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business, if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	7	242
<b>SECTION 5 BUSINESS OVERVIEW</b>			
Item 5.1	Principal activities		
Item 5.1.1	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information.	1	11-43
Item 5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services, has been publicly disclosed, give the status of their development.	1	11-43
Item 5.2	Principal markets A description of the principal markets in which the issuer competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.	1	27-44
Item 5.3	The important events in the development of the issuer's business.	1	15-17
Item 5.4	Strategy and objectives A description of the issuer's business strategy and objectives, both financial and non-financial (if any). This description shall take into account the issuer's future challenges and prospects.	1	27-44
Item 5.5	If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	1	18
Item 5.6	The basis for any statements made by the issuer regarding its competitive position.	1	4; 28-38
Item 5.7	Investments	5	178
<b>SECTION 6 ORGANIZATIONAL STRUCTURE</b>			
Item 6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organizational structure if this helps to clarify the structure.	1	12-14
Item 6.2	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.	6;7	207; 243-244
<b>SECTION 7 REVIEW OF FINANCIAL POSITION AND PROFITS AND LOSSES</b>			
Item 7.1	Financials	5	175-180

Section	Contenu	Section(s) of the Universal Registration Document	Page(s) of
Item 7.1.1	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes. The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business. To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.		
Item 7.1.2	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of: (a) the issuer's likely future development; (b) activities in the field of research and development. The requirements set out in item 7.1 may be satisfied by the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU of the European Parliament and of the Council		
Item 7.2	Operating results	6	186-207
Item 7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments materially affecting the issuer's income from operations and indicate the extent to which income was so affected.		
Item 7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.		186
<b>SECTION 8 CAPITAL RESOURCES</b>			
Item 8.1	Information concerning the issuer's capital resources (both short term and long term).	7	234-242
Item 8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flow.	5 ; 6	178 ; 217
Item 8.3	Information on the borrowing requirements and funding structure of the issuer.	6	217
Item 8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	N/A	N/A
Item 8.5	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in item 5.7.2.	N/A	N/A
<b>SECTION 9 REGULATORY ENVIRONMENT</b>			
Item 9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	1	24-26
<b>SECTION 10 TREND INFORMATION</b>			
Item 10.1	A description of: (i) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document (ii) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document, or provide an appropriate negative statement.	1 ; 5	6 ; 176-179
Item 10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	N/A	N/A

Section	Contenu	Section(s) of the Universal Registration Document	Page(s) of
<b>SECTION 11</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>	<b>N/A</b>	<b>N/A</b>
<b>SECTION 12</b>	<b>ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>		
Item 12.1	<p>Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer:</p> <p>(i) members of the administrative, management or supervisory bodies</p> <p>(ii) partners with unlimited liability, in the case of a limited partnership with a share capital</p> <p>(iii) founders, if the issuer has been established for fewer than five years</p> <p>(iv) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business</p> <p>Details of the nature of any family relationship between any of the persons referred to in points (i) to (iv).</p> <p>In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (ii) and (iv) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:</p> <p>(i) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies</p> <p>(ii) details of any convictions in relation to fraudulent offences for at least the previous five years</p> <p>(iii) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (i) and (iv) of the first subparagraph who acted in one or more of those capacities for at least the previous five years</p> <p>(iv) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies), and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years</p> <p>If there is no such information required to be disclosed, a statement to that effect is to be made.</p>	3	63-75
Item 12.2	<p>Administrative, management and supervisory bodies and senior management conflicts of interest</p> <p>Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts of interest, a statement to that effect must be made.</p> <p>Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.</p> <p>Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.</p>	3	83-84
<b>SECTION 13</b>	<b>COMPENSATION AND BENEFITS</b>		
Item 13.1	<p>The amount of compensation paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person. That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.</p>	3	94-103
Item 13.2	<p>The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits.</p>	3	94-103

Section	Contenu	Section(s) of the Universal Registration Document	Page(s) of
<b>SECTION 14 BOARD PRACTICES</b>			
Item 14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	3	69
Item 14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.	3	94-103
Item 14.3	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	3	79-84
Item 14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	3	62
Item 14.5	Potential material impacts on the corporate governance, including future changes in the board and committees' composition (insofar as this has been already decided by the board and/or shareholders meeting).	3	66-68
<b>SECTION 15 EMPLOYEES</b>			
Item 15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	4; 6	160-161; 205
Item 15.2	Shareholdings and stock options With respect to each person referred to in points (i) and (iv) of the first subparagraph of item 12.1 provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	3; 7	69-74; 83; 234
Item 15.3	Description of any arrangements for involving the employees in the capital of the issuer.	7	235; 239-2
<b>SECTION 16 MAJOR SHAREHOLDERS</b>			
Item 16.1	Insofar as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest as at the date of the registration document. If there are no such persons, an appropriate statement to the effect that no such person exists.	7	234-235
Point 16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.	3	107
Point 16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, describe the nature of such control and describe the measures in place to ensure that such control is not abused.	3; 7	107; 234
Point 16.4	A description of any arrangements known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	N/A	N/A

Section	Contenu	Section(s) of the Universal Registration Document	Page(s) of
<b>SECTION 17 RELATED PARTY TRANSACTIONS</b>			
Point 17.1	<p>Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002, if applicable.</p> <p>If such standards do not apply to the issuer, the following information must be disclosed:</p> <p>(i) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the issuer. Where such related party transactions are not concluded under market conditions, explain why. In the case of outstanding loans, including guarantees of any kind, indicate the amount outstanding</p> <p>(b) the amount or the percentage to which related party transactions form part of the turnover of the issuer</p>	6;3	206;86-90
<b>SECTION 18 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>			
Item 18.1	Historical financial information	6	186-223
Item 18.2	Interim and other financial information	N/A	N/A
Item 18.3	Auditing of historical annual financial information	6	224-227
Item 18.4	Pro forma financial information	N/A	N/A
Item 18.5	Dividend policy	7	236
Item 18.6	Legal and arbitration proceedings	2	57
Item 18.7	Significant change in the issuer's financial position	N/A	N/A
<b>SECTION 19 ADDITIONAL INFORMATION</b>			
Item 19.1	Share capital The information in items 19.1.1 to 19.1.7 in the historical financial information as of the date of the most recent balance sheet:	3;7	107; 234-242
Item 19.1.1	<p>The amount of issued capital, and for each class of share capital:</p> <p>(i) the total of the issuer's authorized share capital;</p> <p>(ii) the number of shares issued and fully paid and issued but not fully paid;</p> <p>(iii) the par value per share, or that the shares have no par value; and</p> <p>(iv) a reconciliation of the number of shares outstanding at the beginning and end of the year</p> <p>If more than 10 % of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.</p>		
Item 19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.		
Item 19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.		
Item 19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.		
Item 19.1.5	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital.		
Item 19.1.6	Information about the capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options, including those persons to whom such options relate.		
Item 19.1.7	A history of share capital, highlighting information about any changes for the period covered by the historical financial information.		
Item 19.2	Memorandum and Articles of Association	3	107-110



Section	Contenu	Section(s) of the Universal Registration Document	Page(s) of
Item 19.2.1	The register and the entry number therein, if applicable, and a brief description of the issuer's objects and purposes and where they can be found in the up-to-date memorandum and articles of association.		
Item 19.2.2	Where there is more than one class of existing shares, a description of the rights, privileges and restrictions attached to each class.		
Item 19.2.3	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.		
<b>SECTION 20 MATERIAL CONTRACTS</b>			
Item 20.1	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document. A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.	3.2.7.2	87-88
<b>SECTION 21 DOCUMENTS AVAILABLE</b>		<b>7</b>	<b>245</b>

# NOTES



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