

**VUSION '27**

# **A VUSION for the future**

**2022-2027 Strategic Plan**

**CAPITAL MARKETS DAY**  
**NOV. 9, 2022**

# Disclaimer

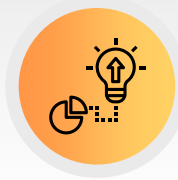


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# Agenda



## Market & Strategy

- 
- 2.00pm – **Welcome & Agenda**  
2.05pm
- 
- 2.05pm – **SES-imagotag 2017 – 2022: The end of the beginning**  
2.20pm
- 
- 2.20pm – **Current state of retail and market trends**  
2.40pm
- 
- 2.40pm – **2022 – 2027: A VUSION for the Future**  
2.55pm
- 
- 2.55pm – **Driving sustainability in physical retail: SES-imagotag's purpose and ESG commitments**  
3.15pm
- 
- 3.15pm – **Q&A**  
3.25pm



## Technology & Products

- 
- 3.25pm – **R&D Strategy: Making the Physical Store a Digital Asset**  
3.35pm
- 
- 3.35pm – **Captana: Shelf Transparency Delivered**  
4.00pm
- 
- 4.00pm – **Engage: The Next Big Digital Media is the Store**  
4.10pm
- 
- 4.10pm – **Q&A & Break**  
4.30pm



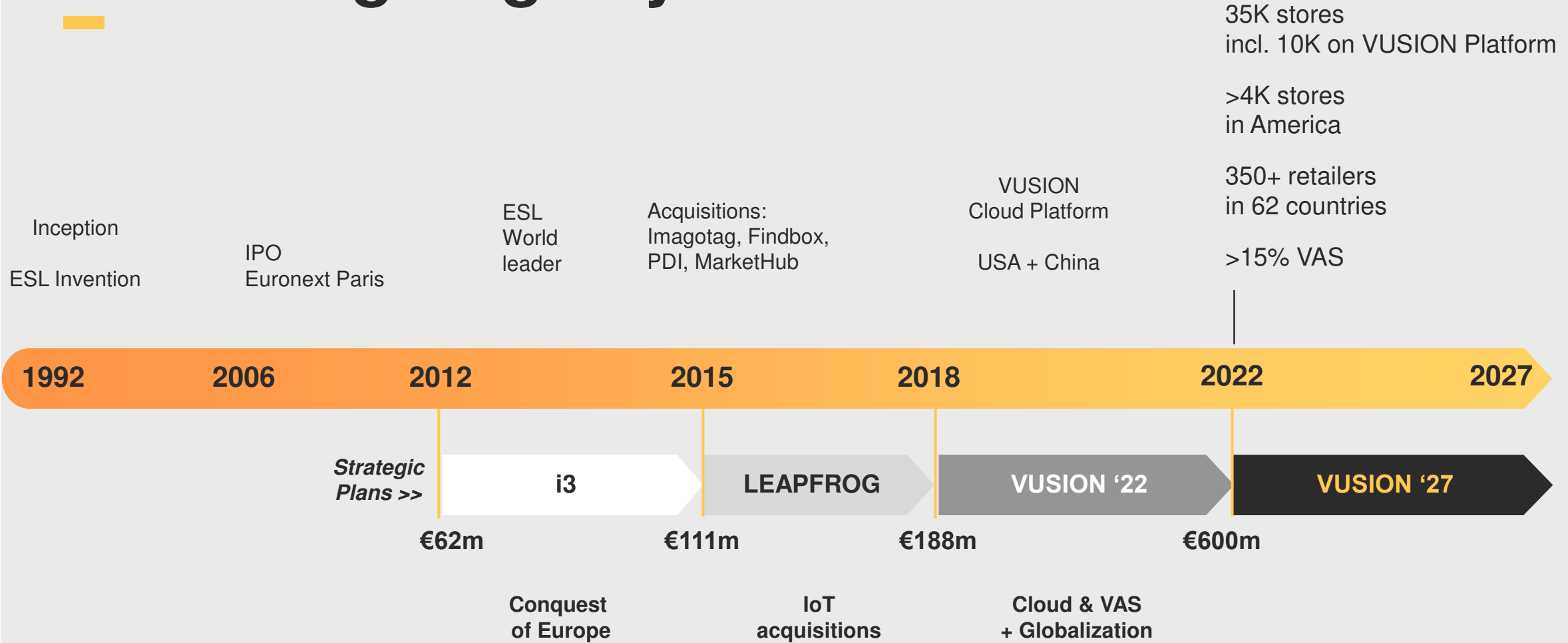
## Global Growth & VUSION '27

- 
- 4.30pm – **The €2B+ Global Growth Plan**  
4.45pm
- 
- 4.45pm – **Europe: Elevating our historic market**  
5.00pm
- 
- 5.00pm – **North America: Scaling up in the world's largest retail market**  
5.20pm
- 
- 5.20pm – **VUSION '27 Business Plan + Q&A**  
5.50pm
- 
- 5.50pm – **Closing remarks**  
6.00pm

**2017-2022**






**The End of the Beginning**

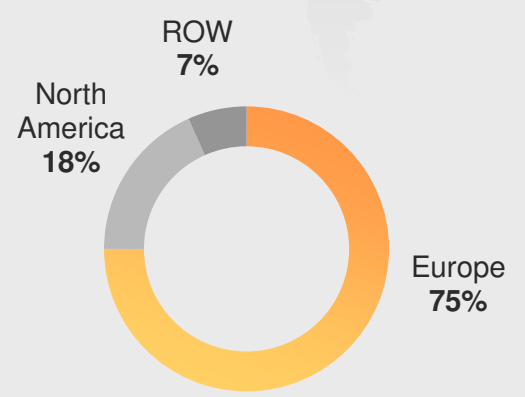
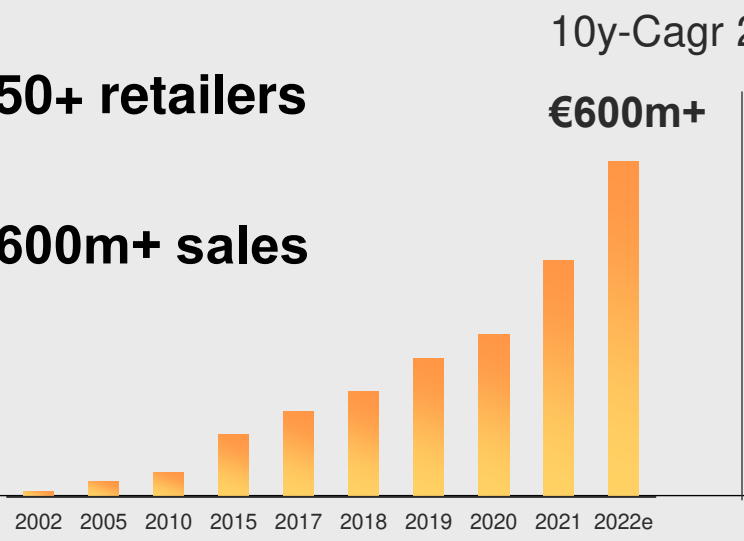
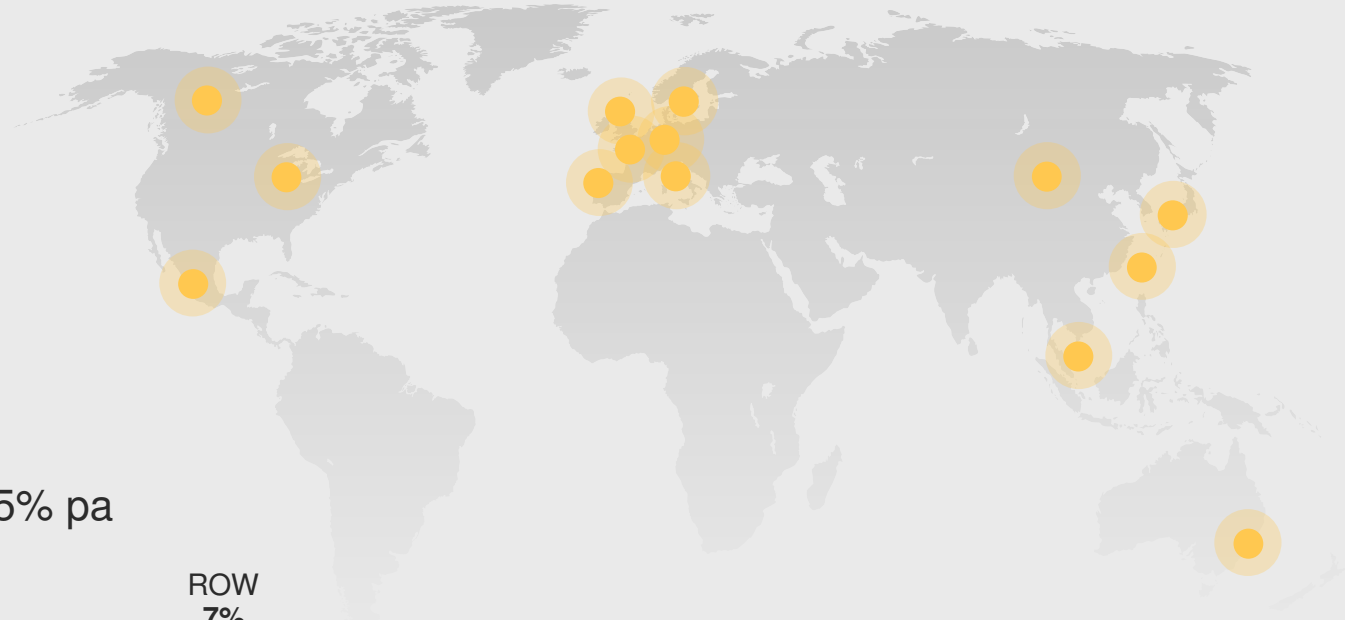
# SES-imagotag key milestones



# Global leader in IoT & digital solutions for physical retail

19 Regional Hubs

-  **630 employees**
-  **62 countries**
-  **35,000 stores**
-  **350+ retailers**
-  **€600m+ sales**



# Best performing retailers choose **SES-imagotag**



~30%  
of the Top250

~50%  
of the Top50

**50**  
Customer  
NPS  
2022  
(Tech avg. = 35)

**SES-imagotag customers outperform:**  
+19% 5-yr growth  
vs. 9% avg. Top250



**350+ clients**



# Our Solutions

## digitalize physical retail



**Pricing Automation**



**Optimized Picking & Replenishment**



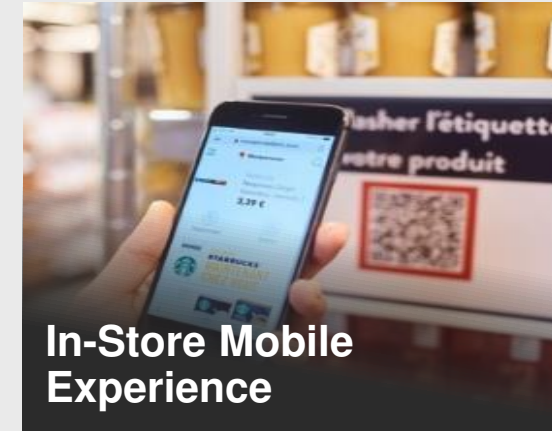
**Real-Time Shelf Monitoring & Analytics**



**Digital Advertising**



**In-Store Search & Flash**



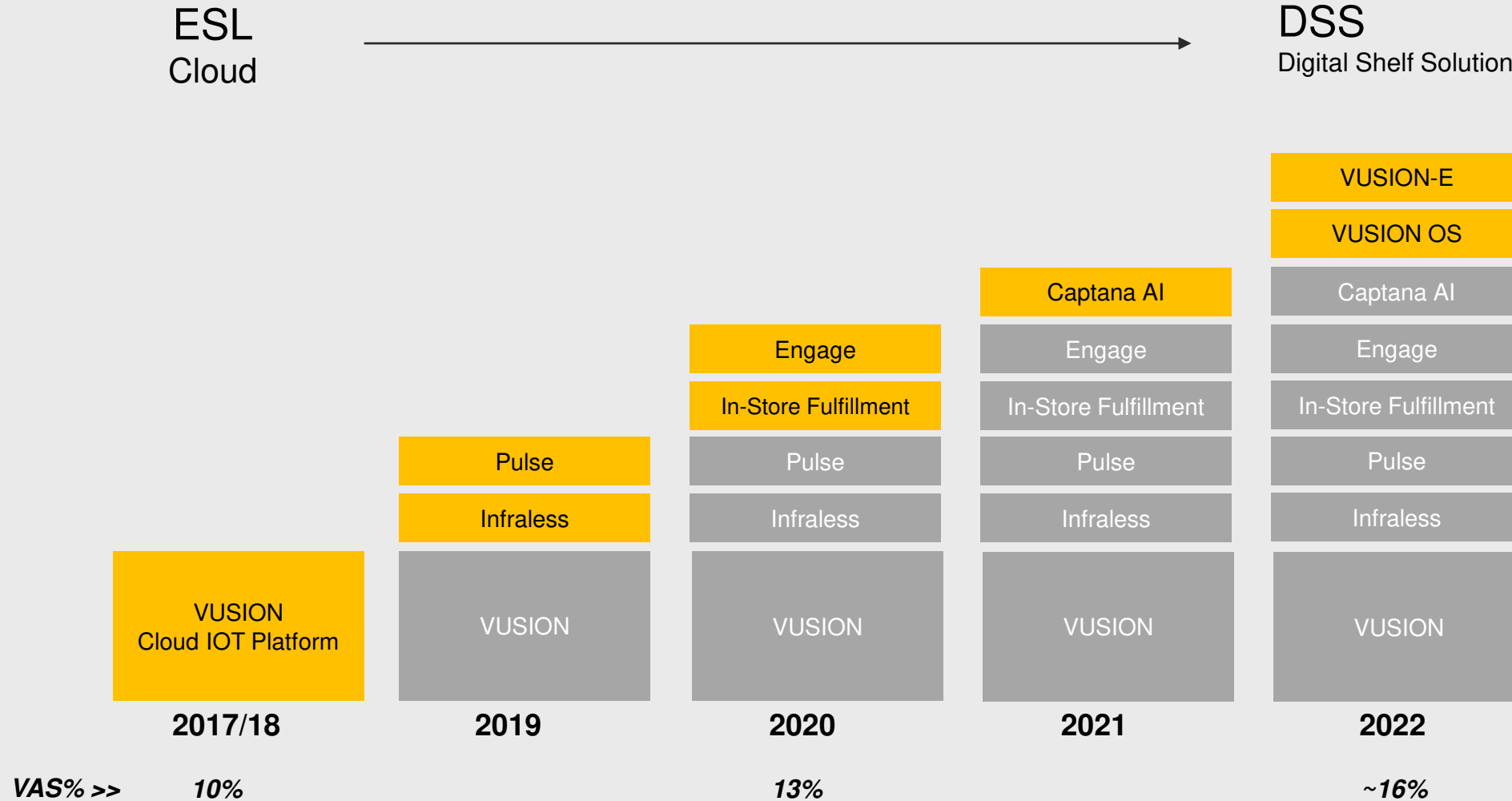
**In-Store Mobile Experience**

# 2017-22: innovation acceleration

ESL  
Cloud

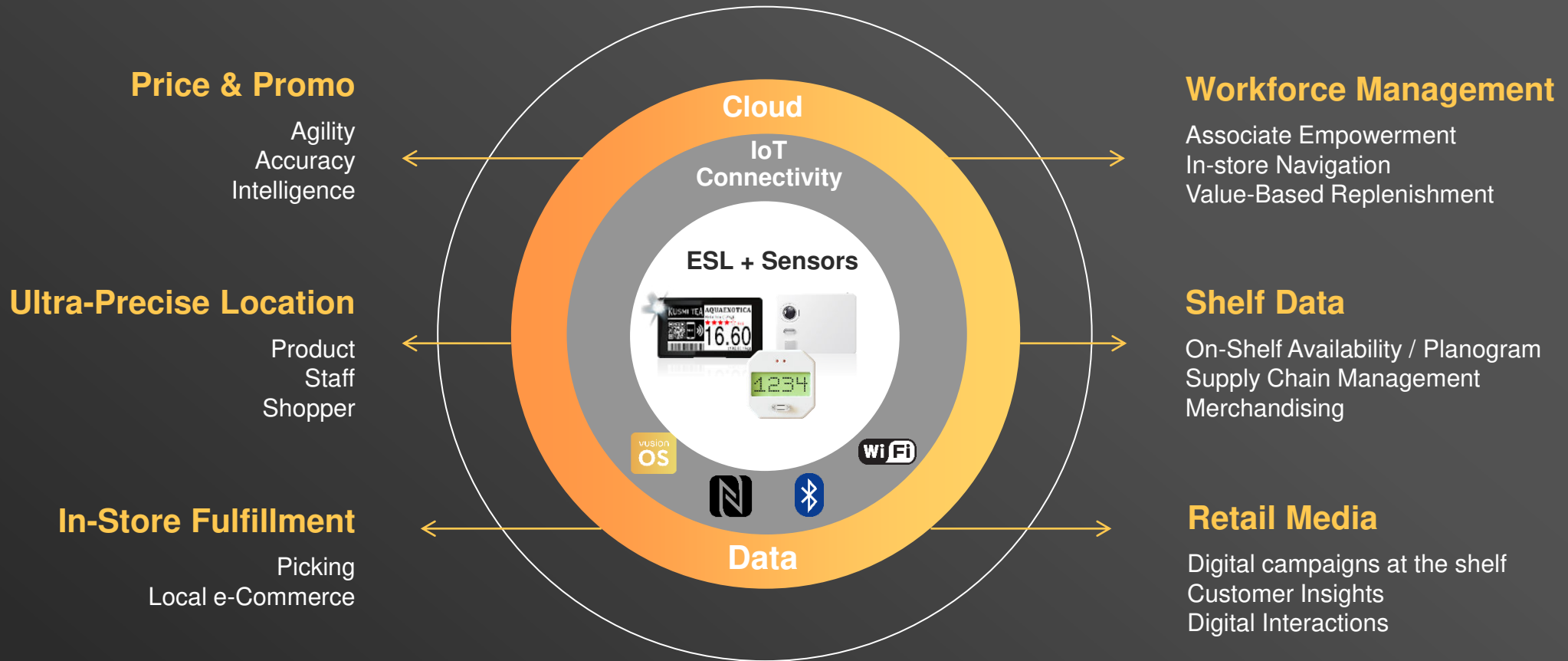


DSS  
Digital Shelf Solution



# Digital Shelf System

The technology backbone of store digitization



# 2017-2022

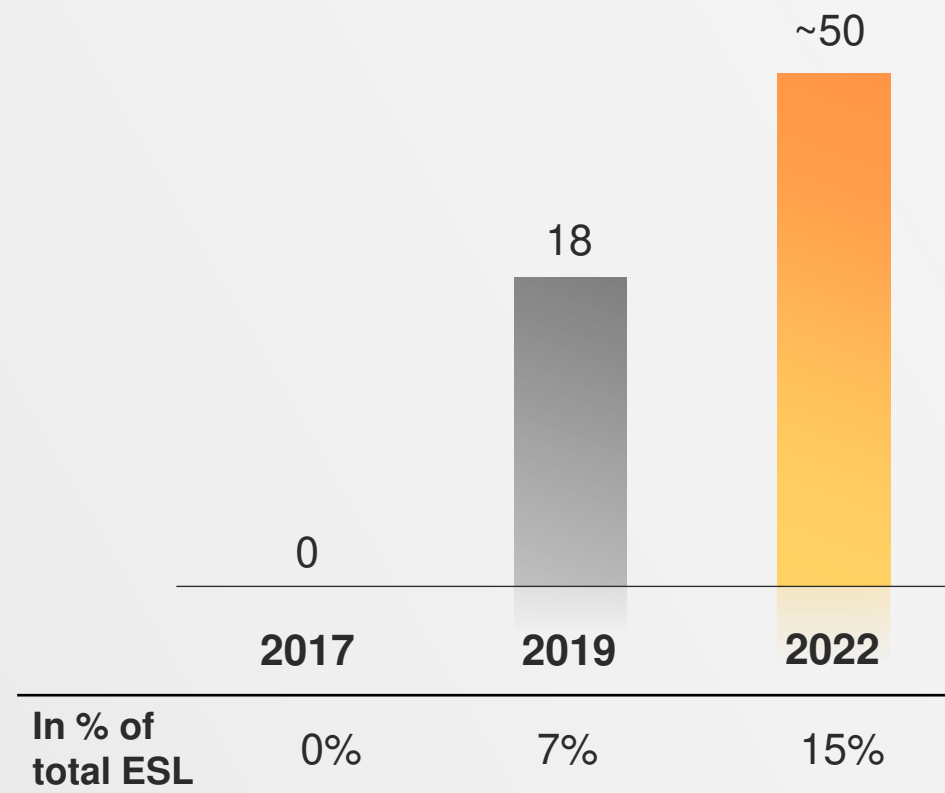
## key figures



	2017	2022e
<b>SALES in €m</b>	153	<b>600+</b>
5-year CAGR%	20%	<b>31%</b>
<b>% International</b>	55%	<b>90%</b>
<b>VAS %</b>	8%	<b>~16%</b>
in € / ESL / yr	0.1	<b>0.3</b>
<b>Total ESL</b>	160	<b>350</b>
Cloud-ESL	-	50
<b>EBITDA</b>	4%	<b>9-10%</b>
<b>NPS</b>	NA	<b>50</b>
<b>People</b>	370	<b>630</b>

### Cloud ESL

Installed base in million units



# Global supply chain

Weekly ESL  
production 2022  
**1.5 M pcs**

Cumulated ESL  
qty total  
**350 M pcs**

Ramp-up  
H2/2022

**MEXICO**  
Chihuahua



**BOE**

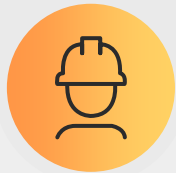


SES workforce:  
# TAG & EPD:  
2,350

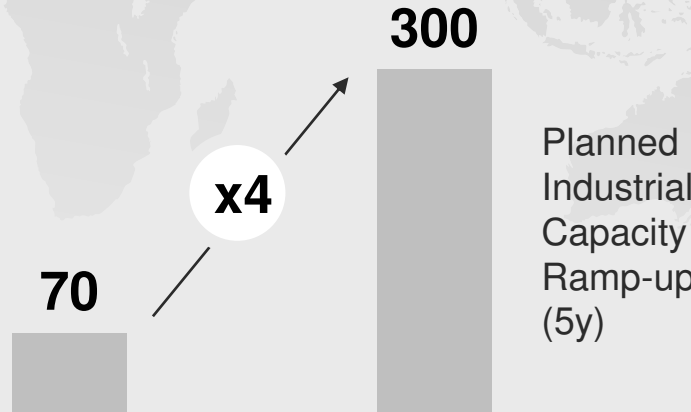
**CHINA**  
Chongqing

SES workforce:  
# TAG: 600

**VIETNAM**  
Ho Chi Minh City



**Total**  
**~3,000 staff**  
at SES-imagotag's  
production sites



# Building for the long-term

2014



Quality  
Management

NEW - 2022



Environmental  
Management

Target 2023



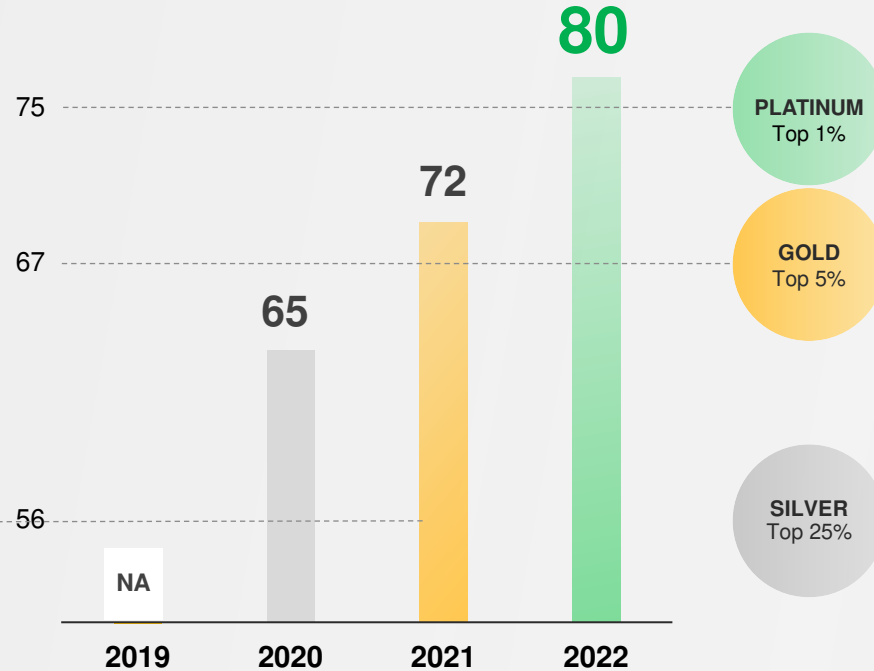
*Underway*

Cybersecurity  
Management

# SES-imagotag NOW IN the **Top 1%** of all Ecovadis rated companies



SES-imagotag ECOVADIS rating



Theme	Scorecard
Environment	80/100
Labor & Human Rights	80/100
Sustainable Procurement	80/100
Ethics	80/100

# Our shareholders

2018

75%  
BOE  
Smart Retail



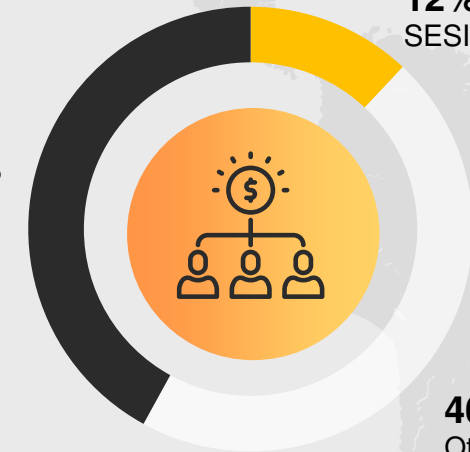
25%  
Other  
investors

Placements

Unbundling

NOV 2022

42%  
BOE



12%  
SESIM

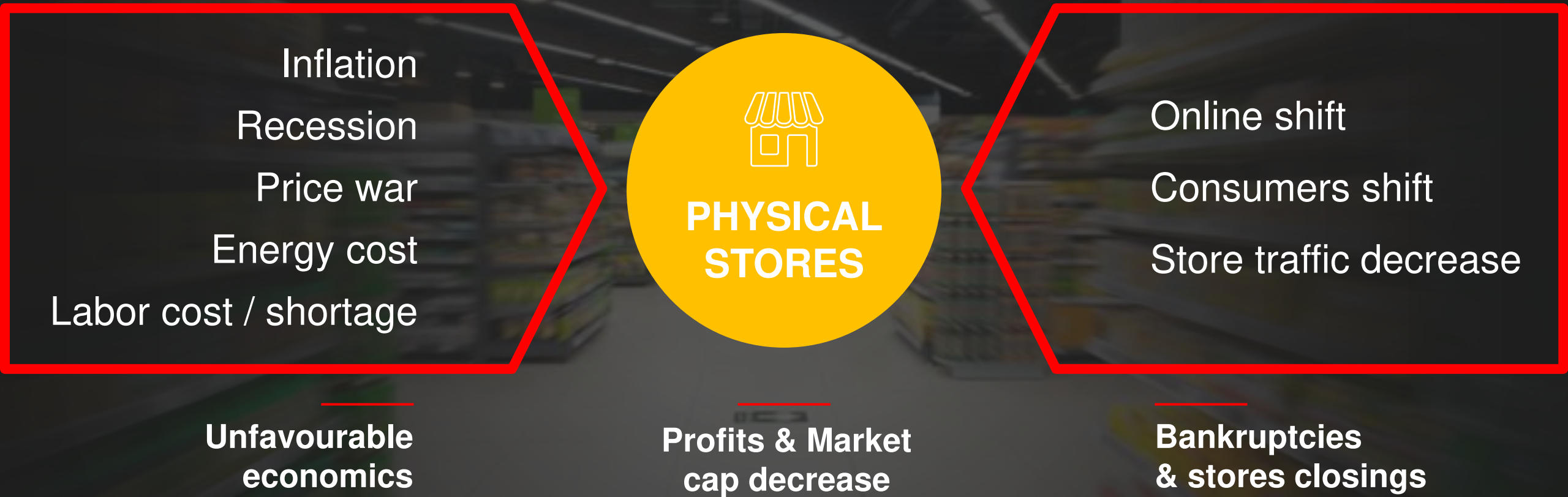
46%  
Other  
investors

vusion  
ses imagotag

2022-2027

A **VUSION** for the future

# Physical Stores Under Pressure



# Consumer expectation changers



Google

amazon

NETFLIX

You Tube

airbnb

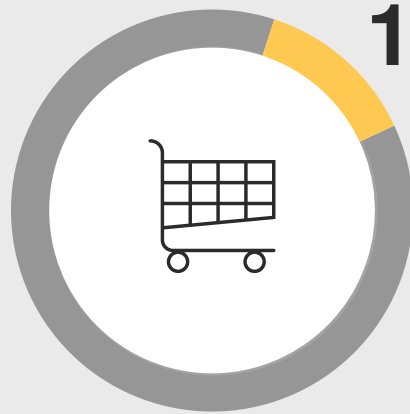


Uber

# E-Commerce Global Growth

E-commerce in % of total retail sales

**30-40%**  
In 5 years

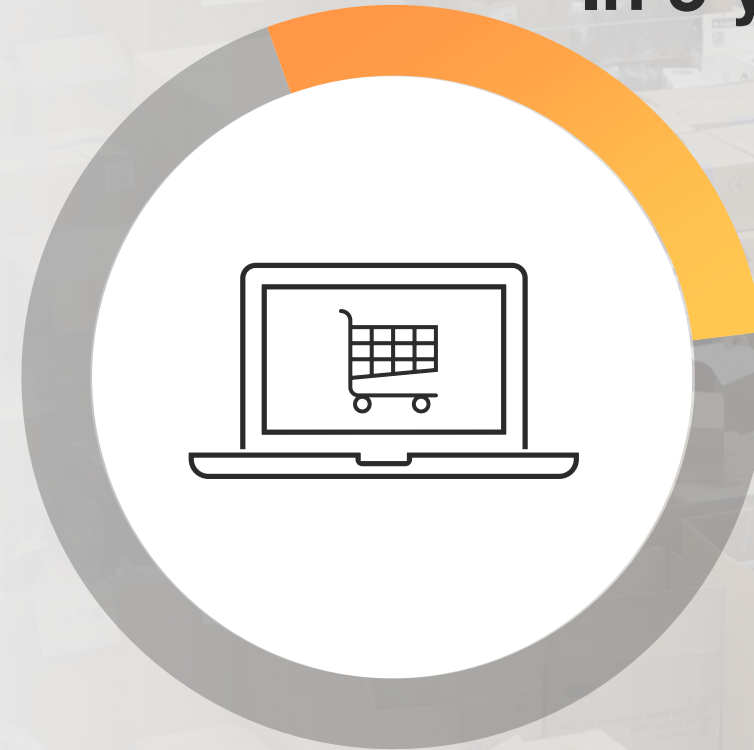



**15-20%**


**+10-20% per year**

**E-commerce will represent  
60% of total retail sales added  
in 2022-27 (5 years)**

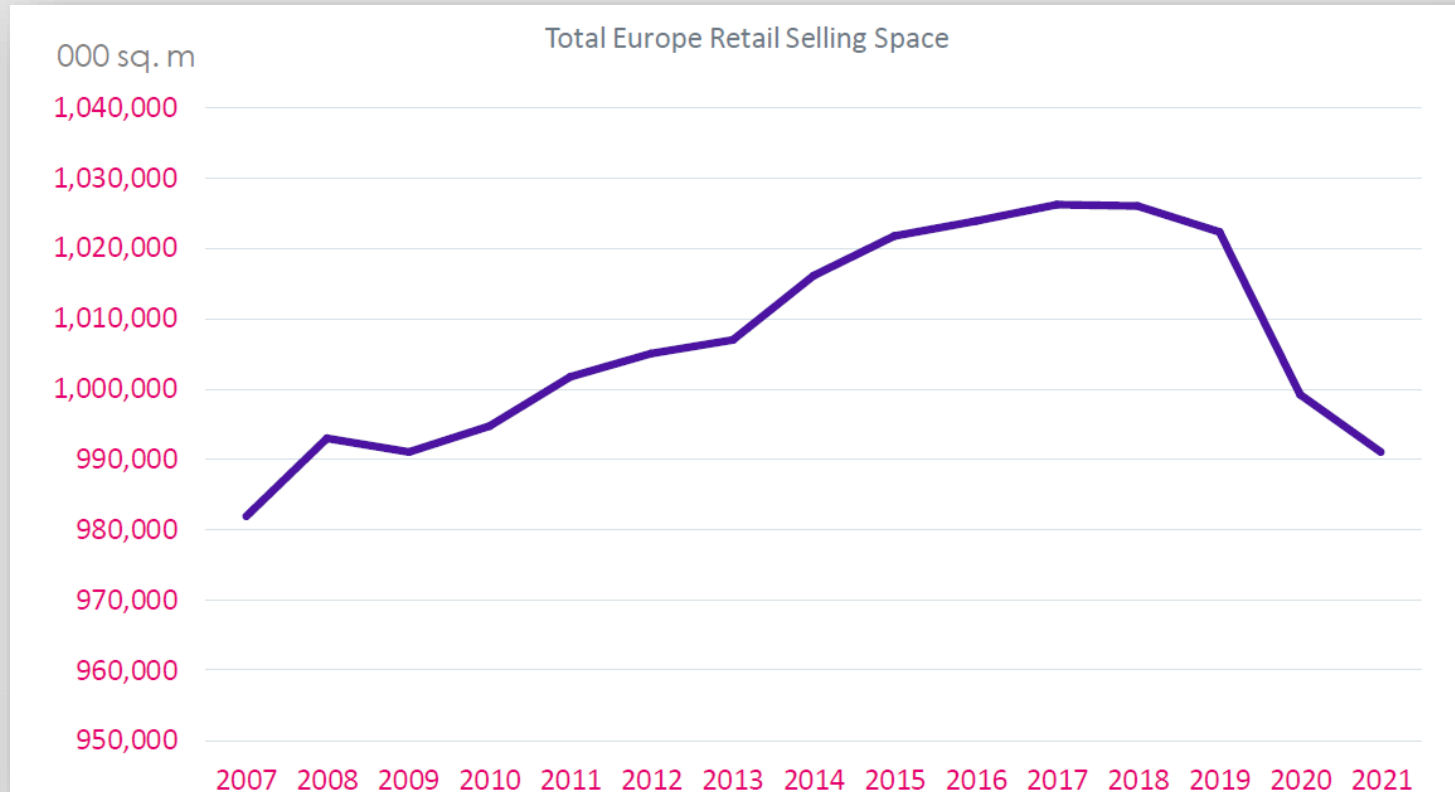
**+\$2.3tn**



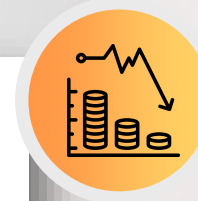
 E-commerce

 Brick & Mortar

# Falling retail space



Source: Euromonitor



In the United States alone, more than **100 retailers** have declared **bankruptcy** in the past three years, and about 30,000 stores closed in the same period according to McKinsey&Company

# High social risks associated with the current retail challenges

-50%



Long-term potential negative impact on **retail employment** due to on/offline substitution and stores closings



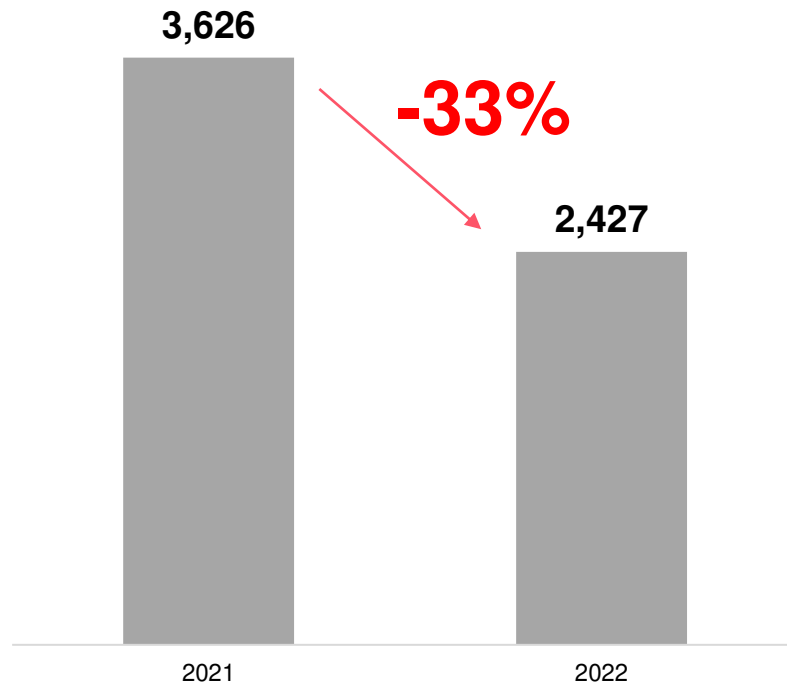
# High environmental risks



If it continues to be based primarily on a direct-to-consumer logistics model, the rapid growth in E-commerce will require hundreds of millions of sqm of new fulfillment centers and trigger **massive new CO<sub>2</sub> emissions.**

# Risk of reduced access to **capital** to fund physical retail's transformation journey

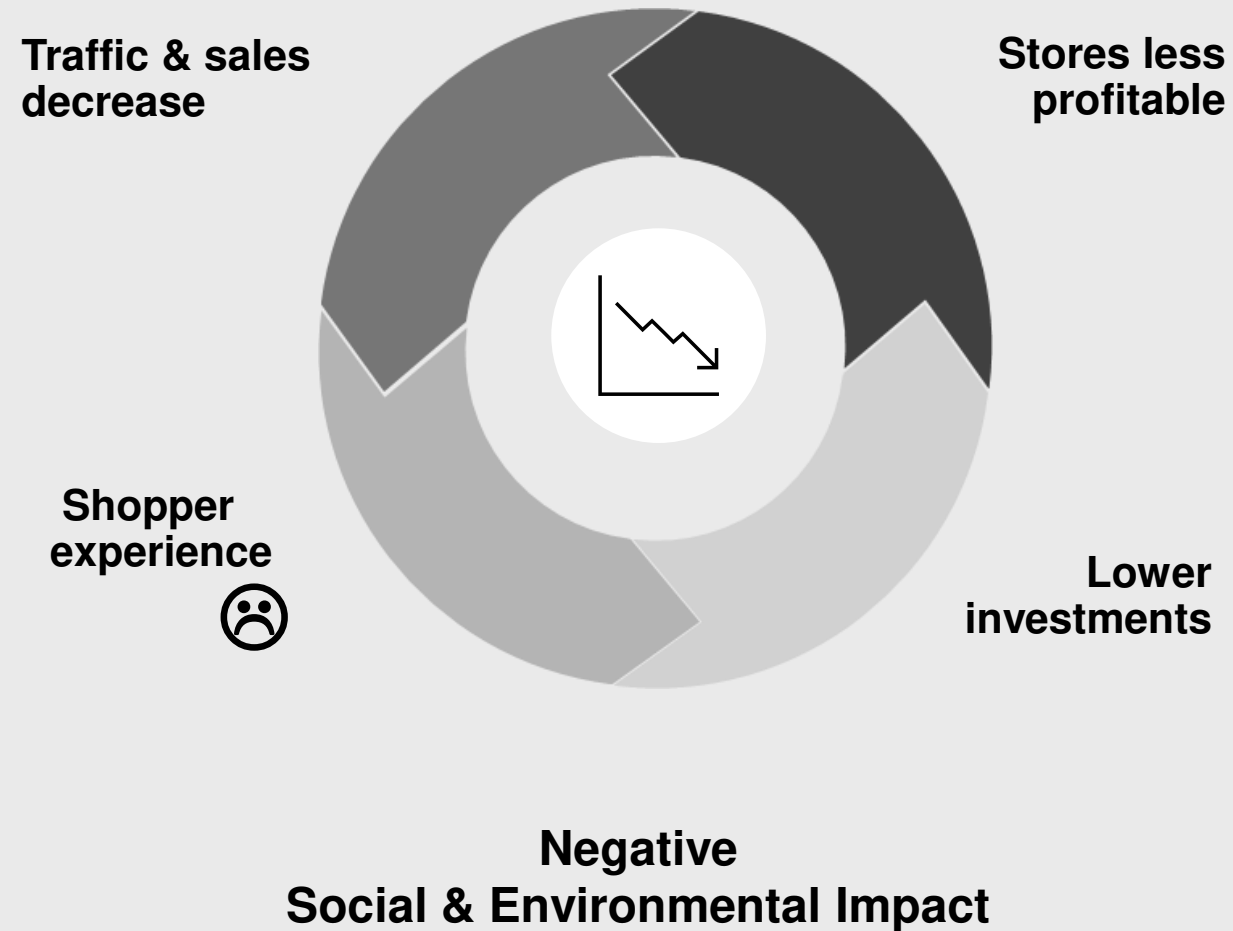
Top 20 Listed Retailers Market Cap (\$bn)



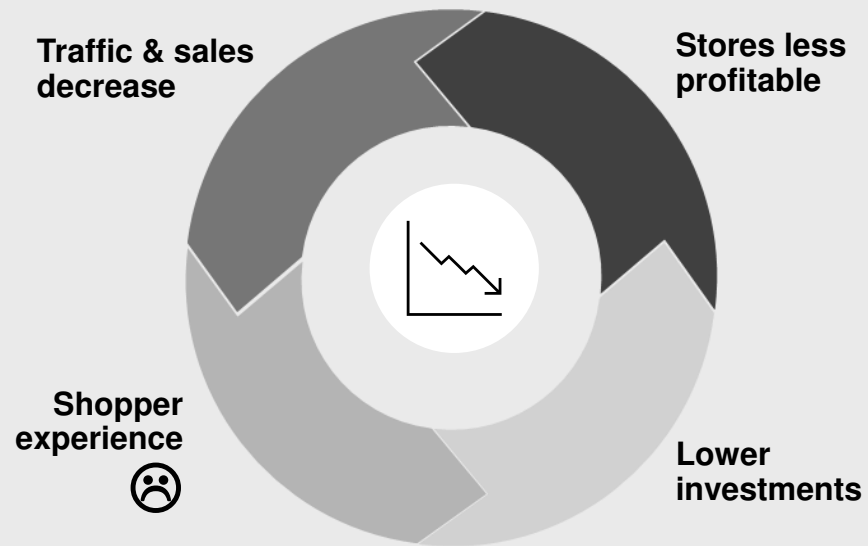
S&P Retail Select Industry Index



# Breaking the negative cycle?



# Breaking the negative cycle?

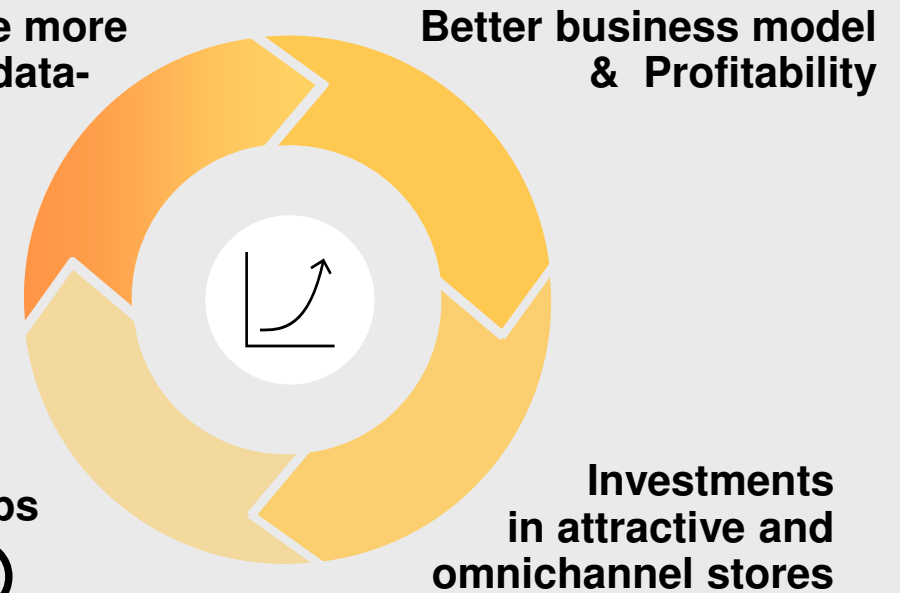


**Negative Societal Impact**



**Making store more automated, data-driven and connected**

**Great experience & better jobs** 😊



**Positive Societal Impact**

# Market Trends, Challenges & Opportunities

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**Mark Ibbotson**

Retail Expert  
Former EVP Realty & Central  
Operations at Walmart  
Former COO at ASDA  
Sr. Advisor at McKinsey



**Colin Peacock**

Retail Expert  
Group Coordinator at ECR Group  
Former Procter & Gamble  
Top Executive



**Roy Horgan**

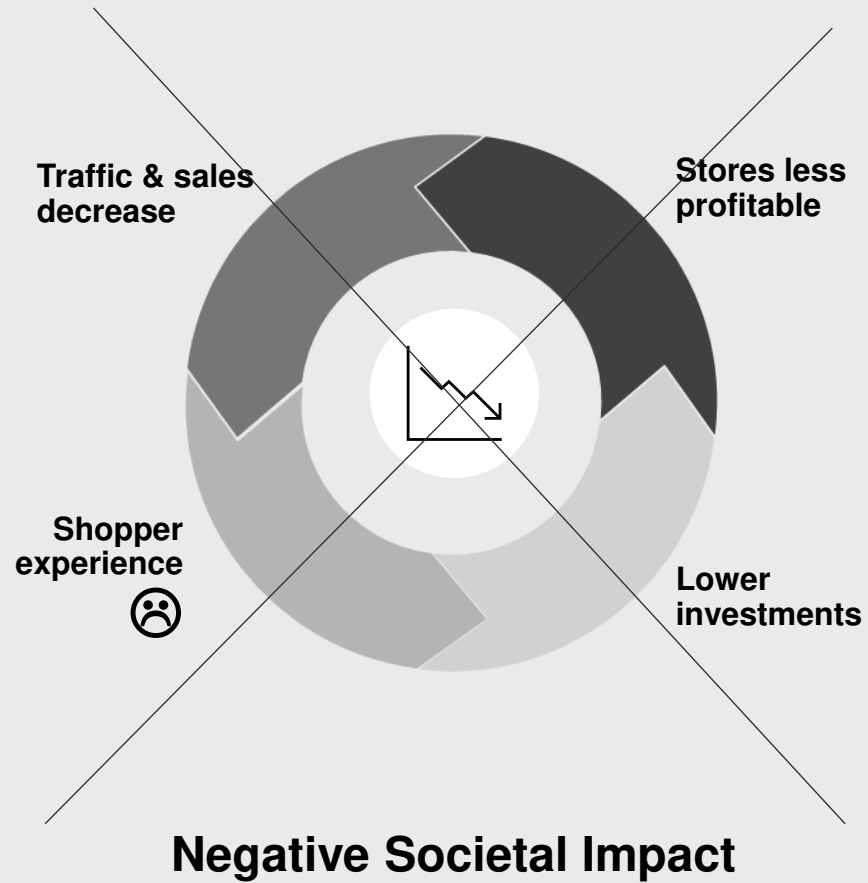
SEVP Strategy, Marketing &  
Communications at SES-imagotag

vusion  
ses imagotag

2022-2027

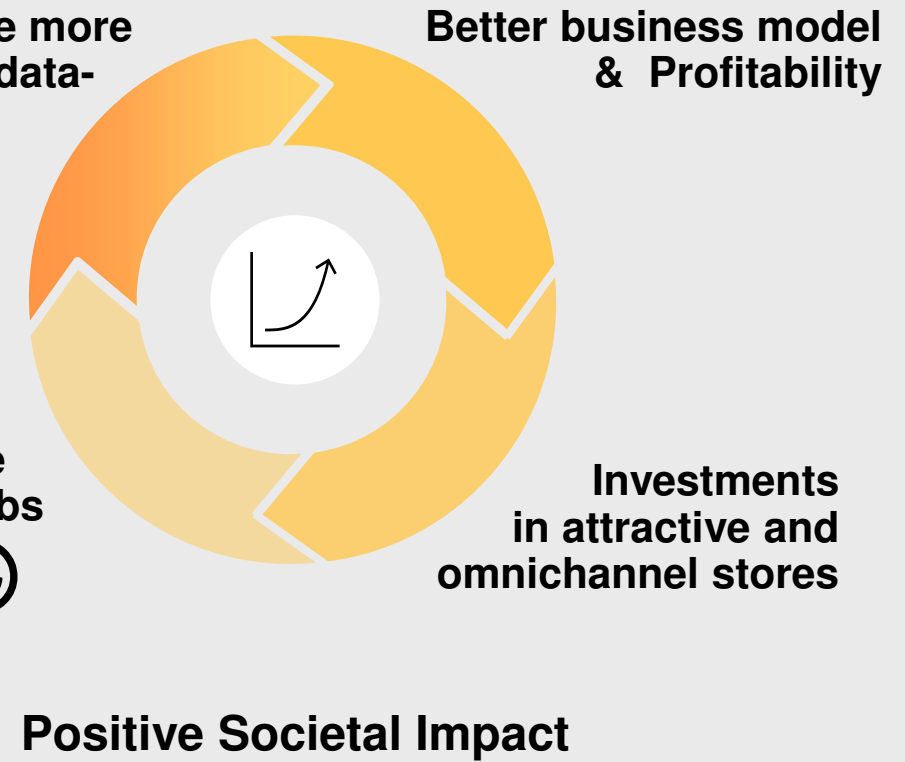
A **VUSION** for the future

# Breaking the negative cycle!



**Making store more automated, data-driven and connected**

**Great experience & better jobs**  
(with a happy face icon)





**For all the headwinds,**  
**a bright future lies ahead.**  
The potential value of physical  
stores is vastly underestimated

# Stores digitization more than ever at the top of the agenda

Inflation

Labor cost

Demand slow-down

Food supply chains strained

Climate crisis



**Pricing agility (ESL)**



**Productivity (ESL, ISF)**



**Availability (CAPTANA)**



**Brand activation (ENGAGE)**



**Local e-Commerce (ISF)**

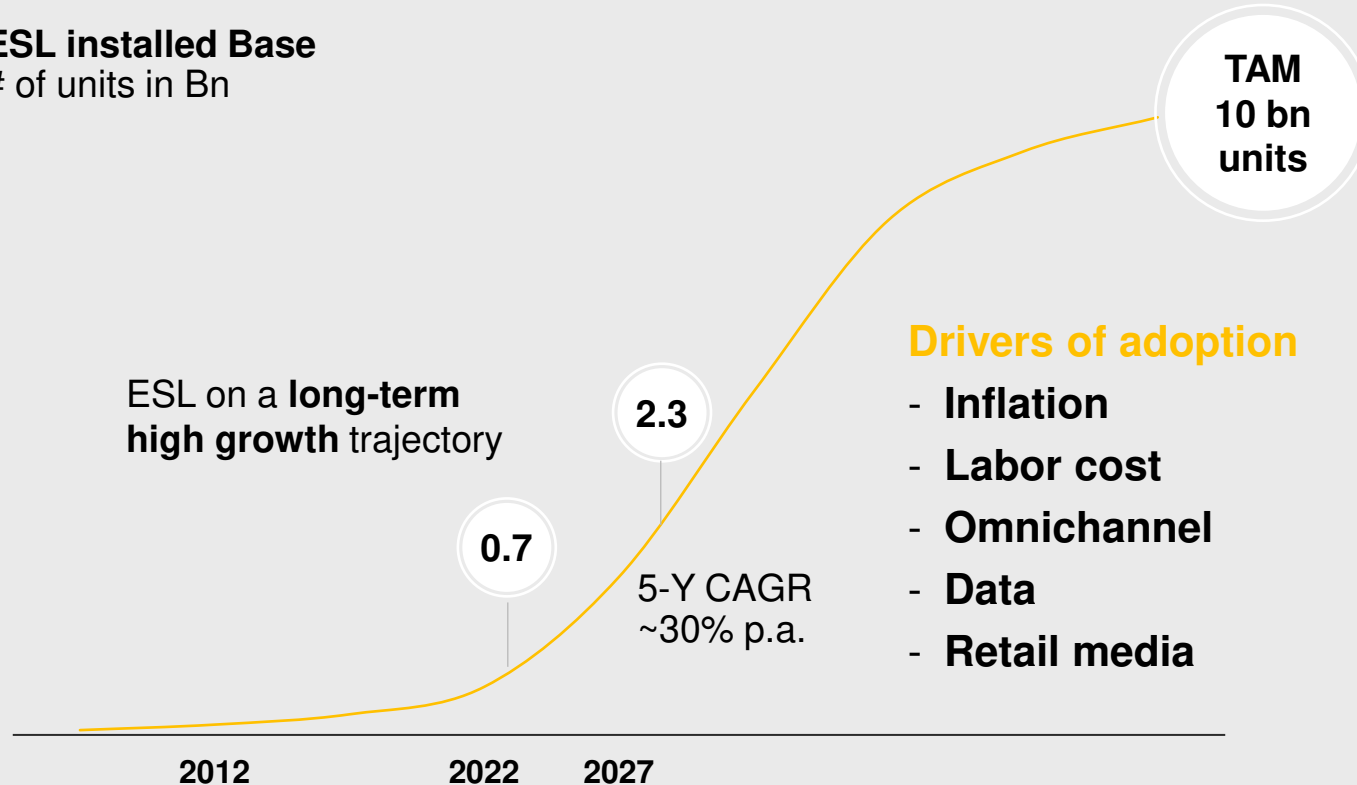


**Capital efficiency (ISF, CAPTANA)**

**Our solutions have never been so strategic and crucial to retailers**

# Intelligent shelf labels will become the **backbone technology** of store digitization

ESL installed Base  
# of units in Bn



## Drivers of adoption

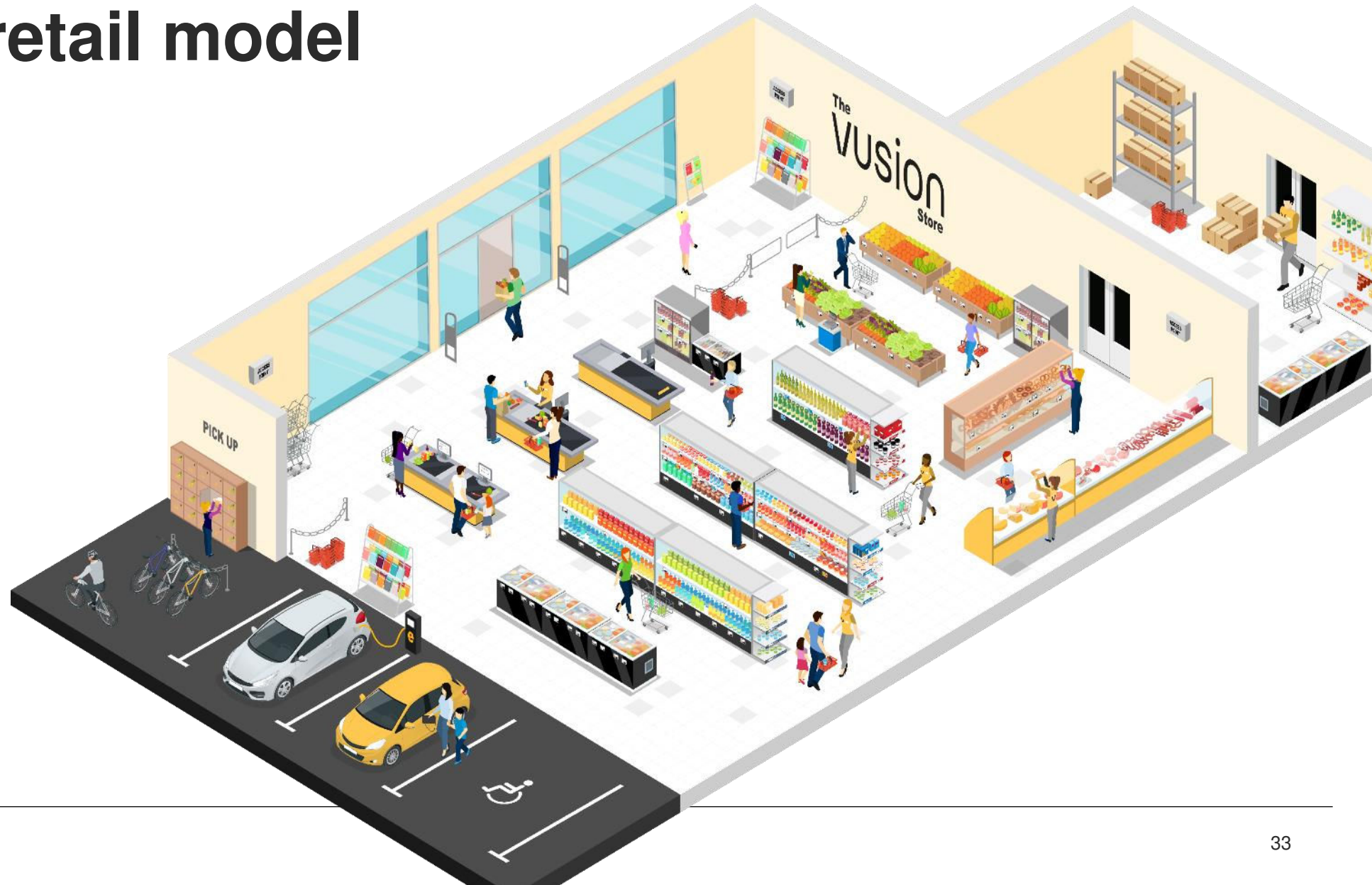
- Inflation
- Labor cost
- Omnichannel
- Data
- Retail media

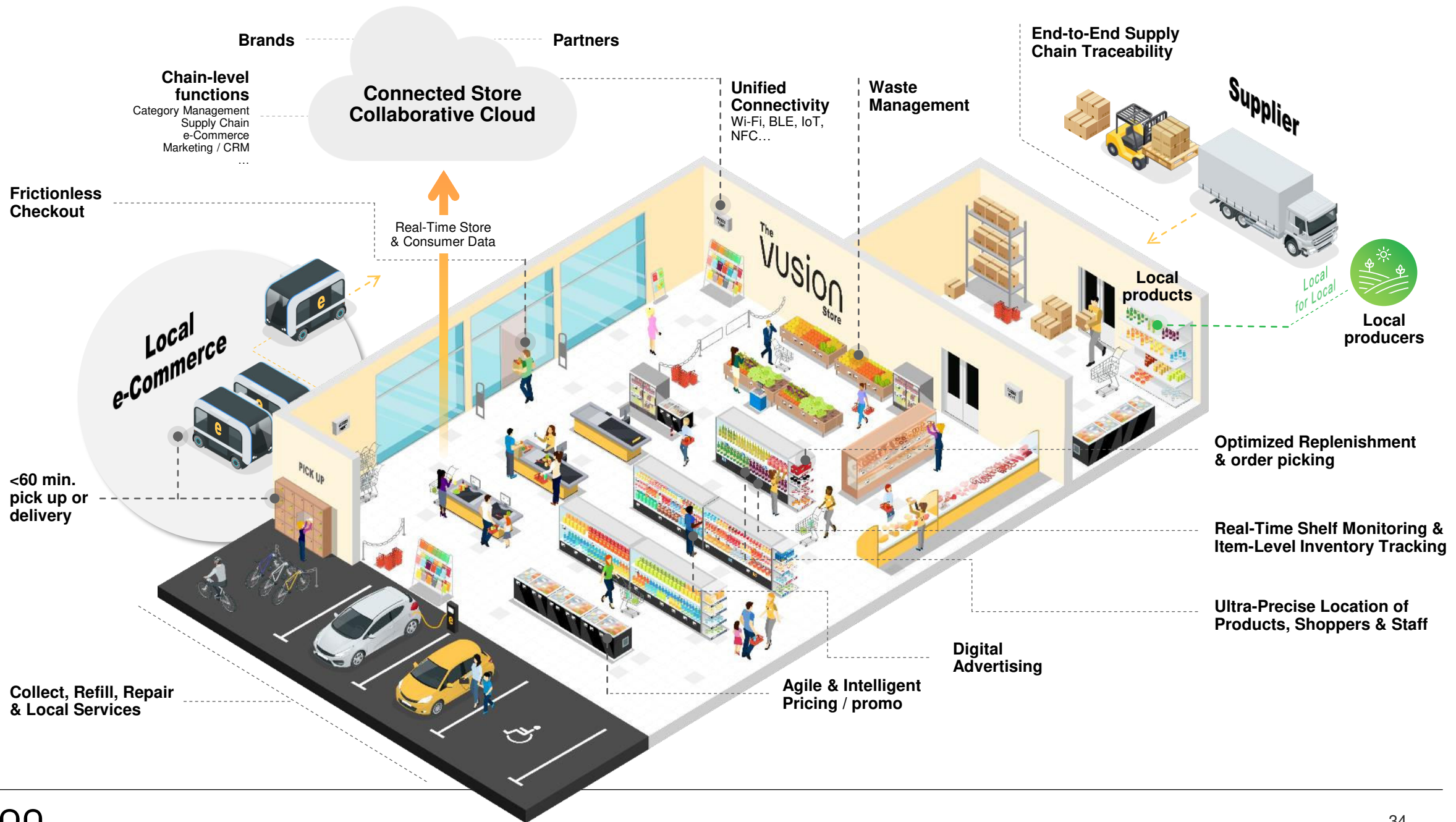
## Key enabler of store efficiency & shopper engagement

Intelligent and agile pricing  
In-Store Fulfillment of E-Commerce  
Store Automation  
Shelf Monitoring  
Inventory Management  
Digital Engagement at the Shelf  
Location-based Services

# Our vision of the future winning retail model

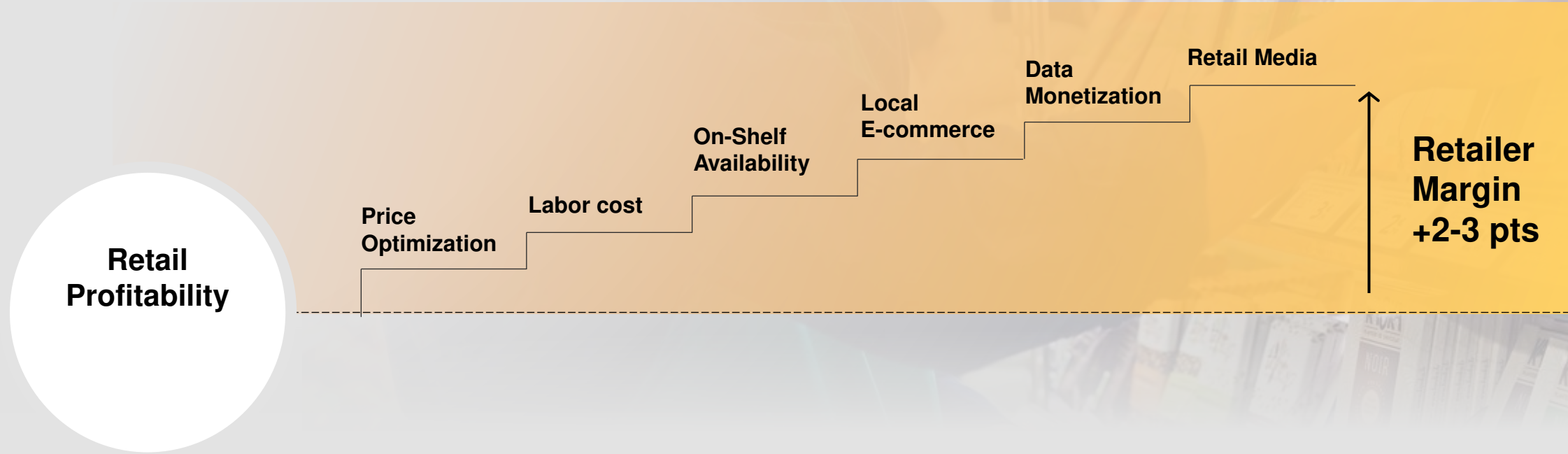
Hybrid &  
Store-centric



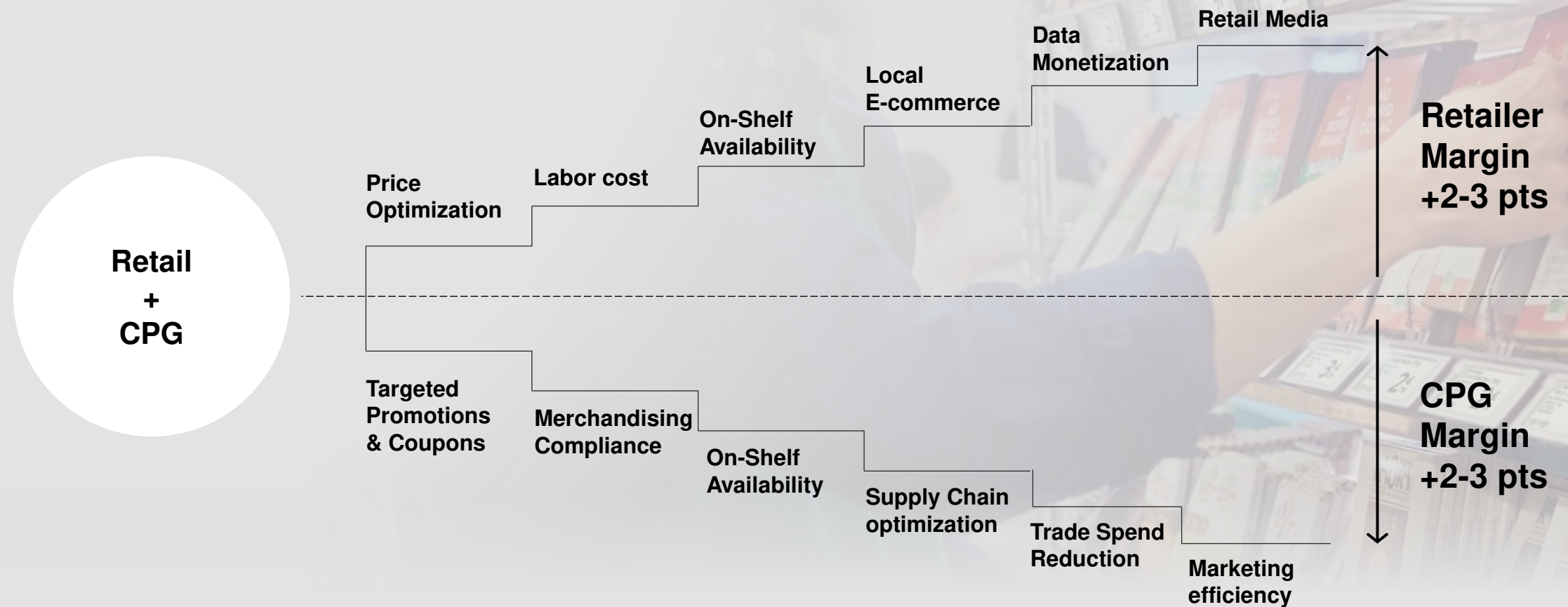


# Technology can reboot stores operating model

Store digitization has the potential to yield 2-3 points of incremental operating margin



# ... and create value across the entire value chain



# Stores are here to stay

5-sense shopping

Brand experience

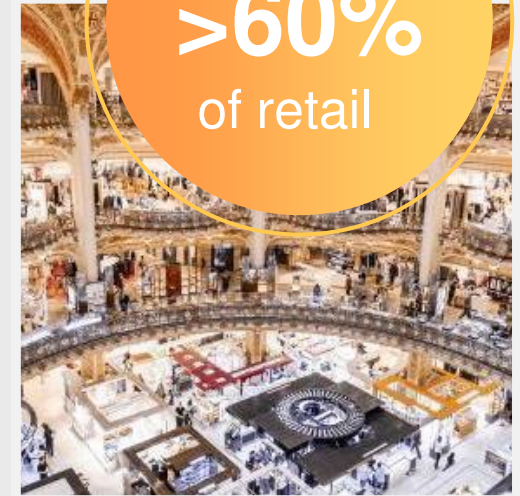
Human

Local

E-commerce

Better jobs

Communities well-being



Will remain  
**>60%**  
of retail



# Technology enabled stores are efficient **sustainable** e-commerce centers

**In-Store  
Fulfilment**

**Ultra-Fast  
Pick-up**

**Express  
Delivery**

**Returns  
& Service**

**Low  
Carbon**

# Stores are the future of **Sustainable E-commerce**



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**~20M**  
stores worldwide

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**1 Store**  
per 400 persons

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Most goods are  
**< 3 miles**  
from most consumers

---

**Stores could deliver in the future >50% of total online sales, avoiding up to 0,5 GT unnecessary GHG emissions**

# Walmart is putting stores at the heart of its E-commerce strategy

Instore fulfilment  
Pick-up & Express delivery



**3,700**  
stores



**80%**  
of total fleet



**\$25 Bn**  
sales in 2022



RETAIL

## Walmart drew one in four dollars spent on click and collect — with room to grow in 2022

PUBLISHED THU, DEC 30 2021 7:00 AM EST  
UPDATED THU, DEC 30 2021 1:17 PM EST

Melissa Repko  
[@MELISSA\\_REPKO](#)

WATCH LIVE



Employees assist customers with online pickup orders at a Walmart Inc. store in Burbank, California, U.S., on Monday, Nov. 19, 2018.

# IKEA goes phygital

*“By including stores in our last mile and fulfilment network we create a win-win situation. Shipping online purchases from the out-of-town stores means faster and cheaper deliveries, with **lower emissions**, than by shipping from logistics centers.”*

IKEA to spend 3 billion euros on stores as it adapts to e-commerce

10 May 2022 22:45 (UTC+04:00) 1 185



**VUSION'27**

The  
**Store**  
**Digitization**  
Business  
& ESG  
case

**More profitable and efficient stores**

Productivity / cost / OSA / Local E-commerce  
Business model upgrade (data + retail media)

**Consumer experience**

Better service & store experience  
Seamless hybrid commerce / Local, fast, fresh

**Brand-retailer collaboration**

E2E supply chain transparency  
Data sharing / Retail media

**Sustainability & positive social impact**

Low Carbon / Local for local / Circular Economy  
Better jobs and cities / Communities well-being

# VUSION '27 - Our Transformation Plan

## Five Strategic Programs



→ 30 focused transformation projects (already underway)

# VUSION '27 Transformation Plan



## AMBITION

Make VUSION the Global  
N°1 Cloud IoT platform



## 2027 TARGET

**REV €2.2B** (40% in US)  
30% CAGR  
1B Connected IOT devices

# VUSION '27 Transformation Plan



## AMBITION

Deliver outstanding customer value, experience and ROI



## 2027 TARGET

NPS 70

# VUSION '27 Transformation Plan



**VAS**  
**Value Added  
Software &  
Services**



## AMBITION

Shift to a Cloud & VAS-centric offering and business model



## 2027 TARGET

VAS 30%

# VUSION '27 Transformation Plan



**TOP**  
**Top**  
**Operational**  
**Performance**



## AMBITION

Drive an efficient business and operating model through fully digitized operations and superior supply chain



## 2027 TARGET

EBITDA 22%

# VUSION '27 Transformation Plan



## AMBITION

Proven contribution to a  
low-carbon and positive retail  
Great place to work



## 2027 TARGET

Top ESG Ratings  
Half-way to Net-Zero  
E-NPS 50-70

Driving **sustainability** in physical retail:  
Our shared purpose and ESG commitments

# ESG Plan - Creating **shared value**

01

## Roadmap for Positive Retail

Contribute to retail's Net-Zero target  
Develop ultra-low carbon IoT devices  
Protect jobs, communities and consumers by enabling better and more sustainable stores

02

## Great Place to Work

Proactive human capital development  
Long-term motivation  
Well-being at work  
Diversity and gender equality  
High-quality social dialogue

03

## Long-term Stakeholder Value

World class governance standards  
Measurable long-term positive impact and stakeholder value  
High transparency and quality of ESG reporting



Our shared purpose

**We invent IoT and digital technologies that create a positive impact on society by enabling sustainable and human-centered commerce.**

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# Retail is the largest industry with the biggest impacts on our lives



# RACE TO ZERO BREAKTHROUGHS

## RETAIL CAMPAIGN

Retail supply chains are responsible for 25% of the world's GHG Emissions.

Many retailers have set bold targets but only a few are on track with an actionable agenda. Cross Sector-Collaboration is seen as crucial on the journey to Net-Zero.

Sources: Accenture, CEO Study 2021 / [ECQ](#), Sustainability in Retail is possible, 2022

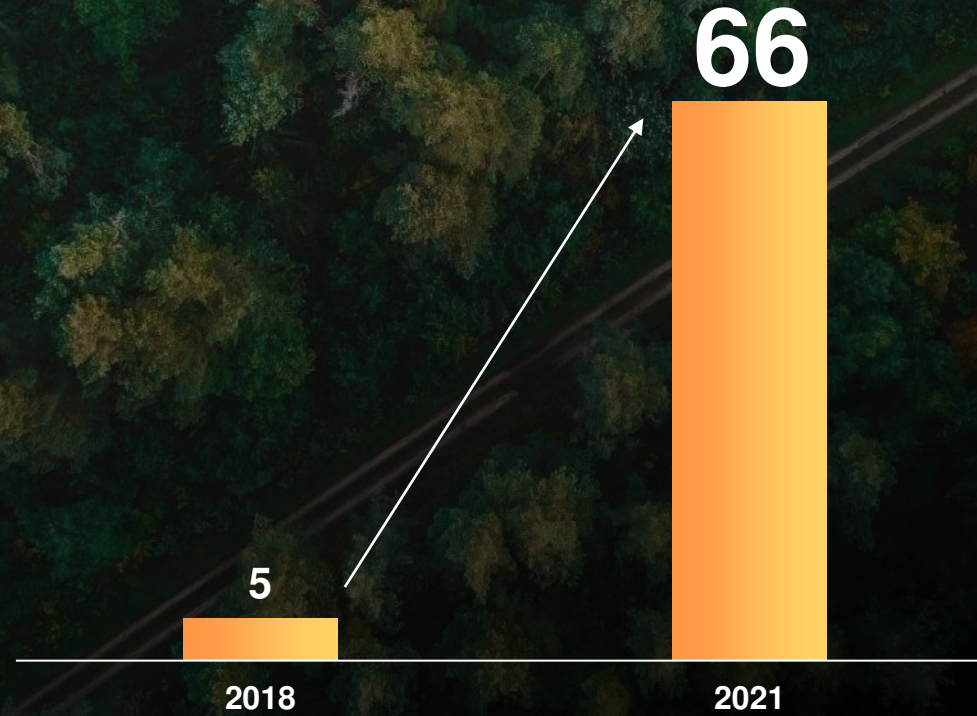
2030  
BREAKTHROUGHS  
RETAIL



United Nations  
Climate Change



# Sustainability has become a top priority for retailers



Global retailers setting  
science-based targets  
each year

(# of companies)

McKinsey  
& Company

# Physical retail digitization has an important role to play in the **world's sustainability agenda**



**Enabling  
Local &  
Low-Carbon  
E-Commerce**



**Reducing  
Food  
Waste**



**Influencing  
Responsible  
Consumption  
at the Shelf**



**Fostering  
Local for Local  
Production &  
Consumption**



**Enabling  
End-to-End  
Supply Chain  
Transparency**



**Paperless  
Commerce**

# Putting retail's digitization at the core of climate agenda

WORLD  
ECONOMIC  
FORUM

Physical retail digitization has an important role to play in the **world's sustainability agenda**



## Sustainable Development Impact Meetings

*New York, 19-23 September*

Hosted on the sidelines of United National General Assembly in New York, the Sustainable Development Impact Meetings bring together the world's top academics, politicians and business, youth and civil society leaders to progress the impact of Forum initiatives



## COP27

*Sharm el-Sheikh, 7-18 November*

Egypt convenes heads of state, ministers, business, civil society and academic leaders to coordinate the global response to climate mitigation and adaptation.



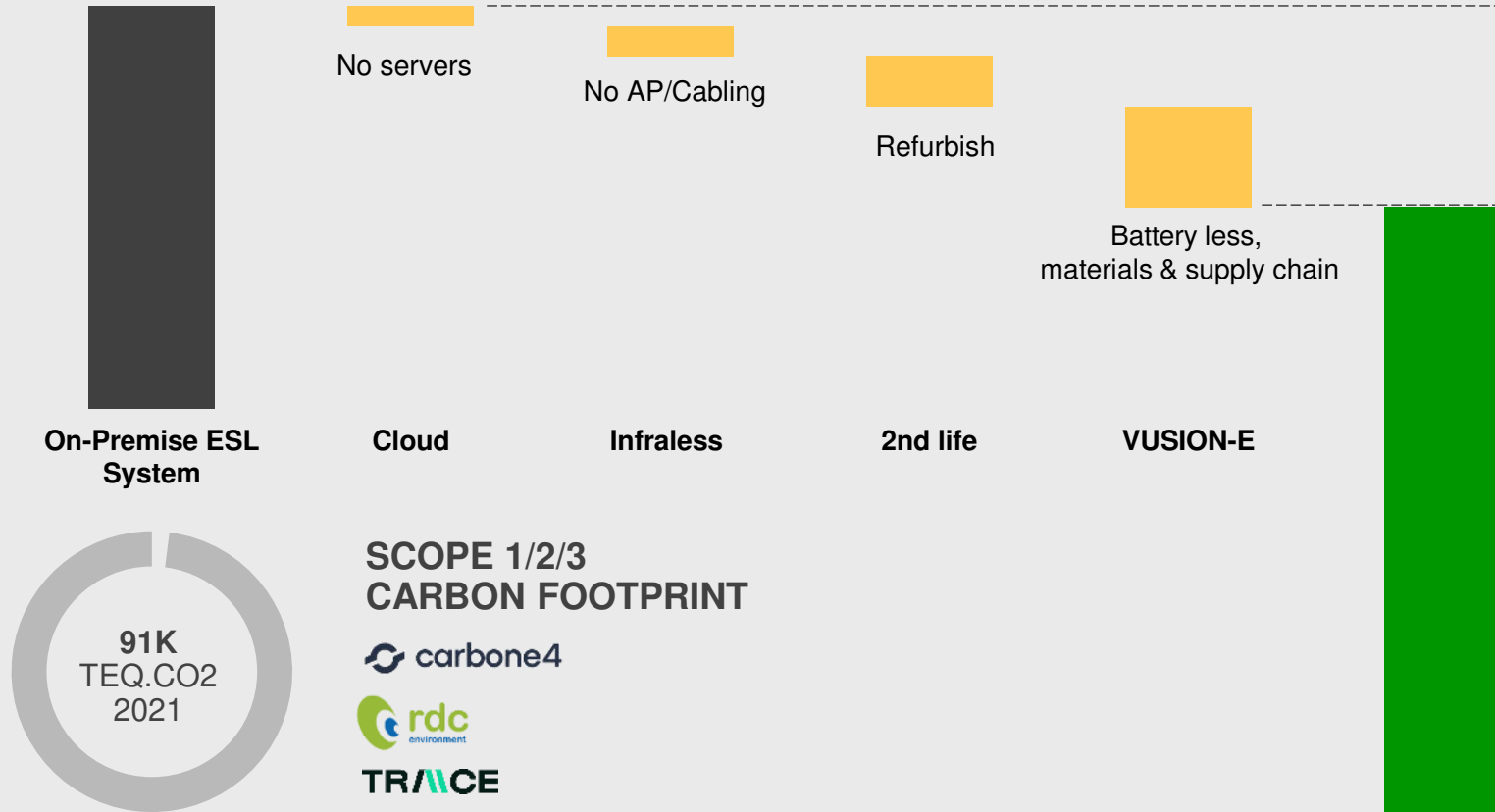
## Annual Meeting 2023

*Davos-Klosters, 16-20 January*

The meeting brings together a critical mass of leaders and experts from around the world, all committed to the "Davos Spirit" of improving the state of the world.

# Building our Net Zero contribution plan

2.5 KG / ESL EQ. CO2



On-Premise ESL System

Cloud

Infraless

2nd life

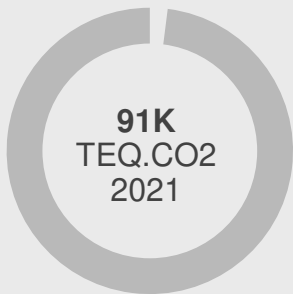
VUSION-E

SCOPE 1/2/3  
CARBON FOOTPRINT

carbone4

rdc environment

TR/ACE



## 1. Decarbonizing our products

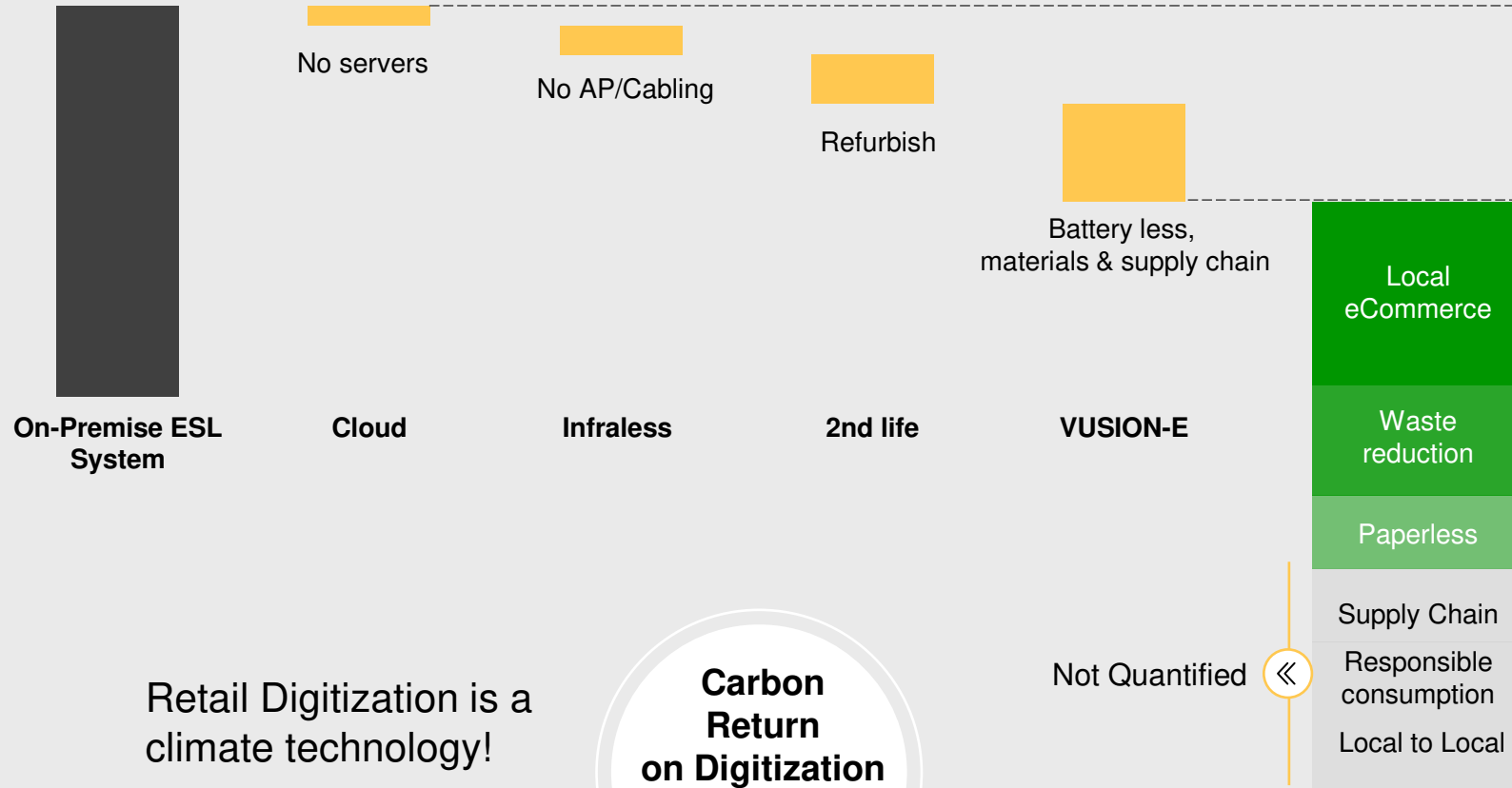
## 2. Decarbonizing Retail

- Paperless
- Local eCommerce
- Waste
- Supply Chain improvement
- Responsible consumption
- Local to Local

# Building our Net Zero contribution plan

VUSION '27  
Ambition

2.5 KG / ESL EQ. CO2



**1. Decarbonizing our products**  
-30% / -40%

**2. Decarbonizing Retail**  
Potential carbon emissions avoided by the use of VUSION  
**-4 to -7 KG**  
EQ. CO2 Net / ESL

Retail Digitization is a climate technology!

**Carbon Return on Digitization**  
**x3 / x4**

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Long-term motivation

Well-being at work

Diversity and gender equity

High-quality social dialogue

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World class governance standards

Measurable long-term positive impact and stakeholder value

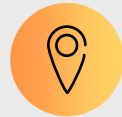
High transparency and quality of ESG reporting



# Our people



**630+**  
People



**19**  
Countries



**43**  
Different nationalities



**37**  
Average age

**3%** Generation Z  
**59%** Millennial  
**33%** Generation X  
**5%** Baby Boomers



**33%**  
Women  
40% new recruits  
40% Board of Directors  
29% of Managers



**30%**  
Beneficiaries of Employee Shareholding Program  
3% of attrition



**25**  
Employee NPS



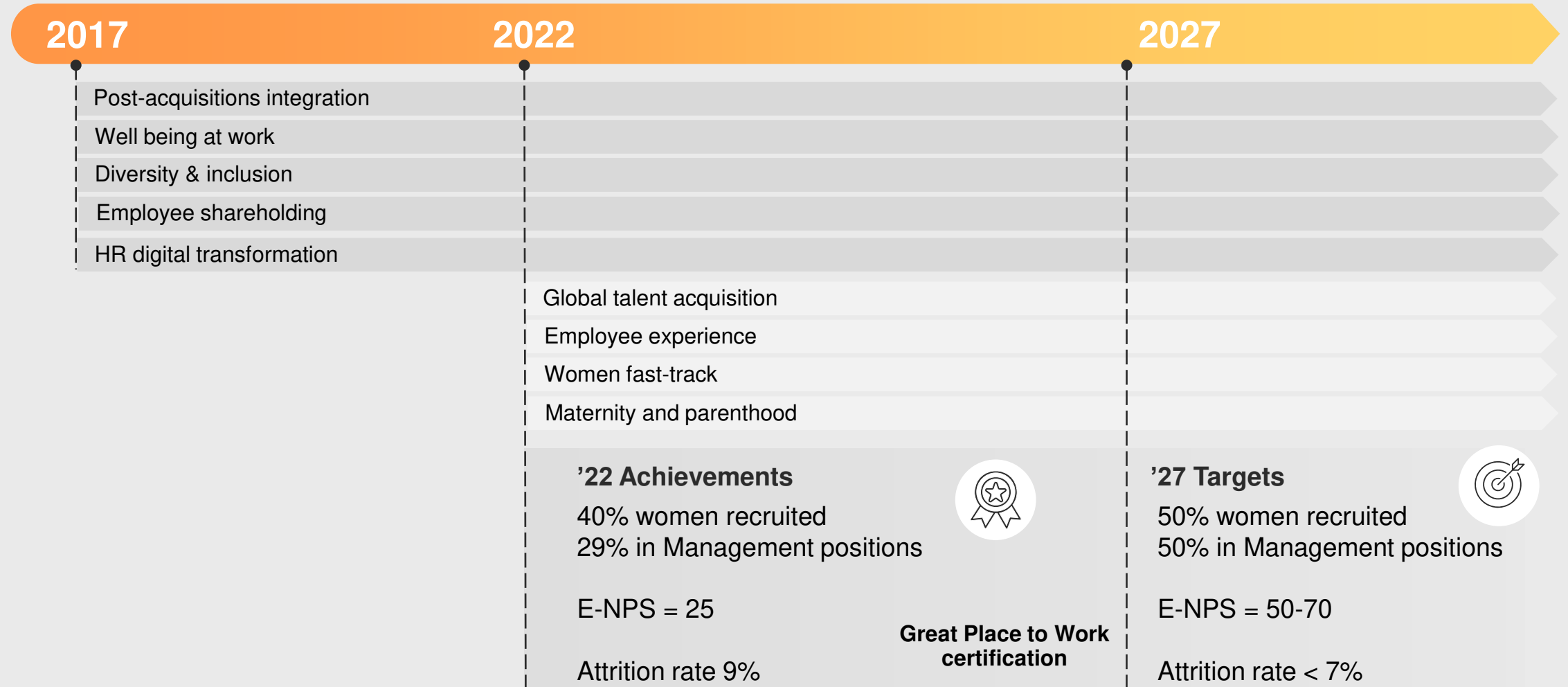
**9%**  
Attrition

## We support

Human rights, labor standards, environment sustainability and anti-corruption



# Great place to work program



# ESG Plan - Creating **shared value**

01

## Roadmap for Positive Retail

Contribute to retail's Net-Zero target

Develop ultra-low carbon IoT devices

Protect jobs, communities and consumers by enabling better and more sustainable stores

02

## Great Place to Work

Proactive human capital development

Long-term motivation

Well-being at work

Diversity and gender equality

High-quality social dialogue

03

## Long-term Stakeholder Value

Governance standards

Measurable long-term positive impact and stakeholder value

High transparency and quality of ESG reporting



# ESG Governance

**INTERNATIONAL  
ADVISORY BOARD**  
for global retail  
sustainability  
transparency and  
consumer protection



**Peter Brabeck-Letmathe**  
Chairman Emeritus of Nestlé  
Vice-Chairman of the World  
Economic Forum (WEF)



**Yanshun Chen**  
Chairman  
BOE Technology



**Viviane Reding**  
Former EU Commissioner  
& VP of EU Commission



**Candace Johnson**  
Board Member of the ICC  
Chair of Seraphim Board



**Franck Moison**  
Former Vice Chair of  
Colgate-Palmolive



**Hélène Ploix**  
Chair of Pechel Industries  
Former Director of IMF &  
World Bank

BOARD OF  
DIRECTORS

-----  
**ESG,  
NOM & REM  
COMMITTEE**

**Candace Johnson (Chair)**  
Board Member of the ICC  
Chair of Seraphim Board

**Franck Moison**  
Former Vice Chair of  
Colgate-Palmolive

**Hélène Ploix**  
Chair of Pechel Industries  
Former Director of IMF &  
World Bank

**George Yao**  
Executive Vice President of BOE Technology  
Chairman of BOE Smart Retail and BOE Art  
Cloud Technology

TARGETS



**SES-imagotag  
Net Zero by 2030**

# Driving sustainability in physical retail

---



## Peter Brabeck-Letmathe

Chairman Emeritus of Nestlé &  
Chairman of the International  
Advisory Board for a Positive &  
Sustainable Retail

# Technology & Products



**vusion**  
ses imagotag

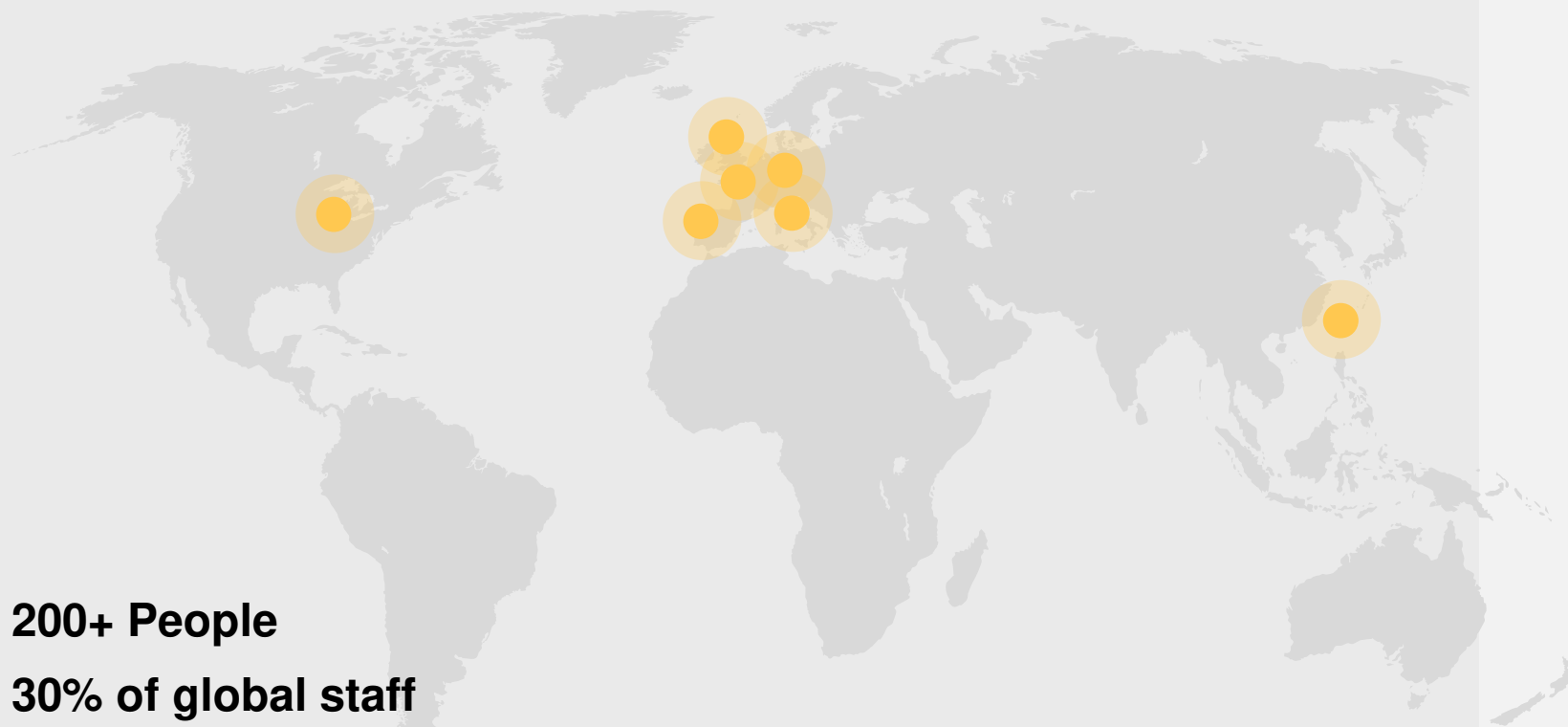
Technology & Products

# Making the Physical Store a Digital Asset

# International R&D team



## R&D excellence centers



**200+ People**

**30% of global staff**

**2022 R&D spend €30m  
(~5% of revenues)**

**France / Paris**  
(Cloud, IoT)

**Austria / Graz**  
(IoT, Radio, Display, NB IoT)

**Germany / Ettenheim**  
(Computer Vision, A.I., Sensors)

**Ireland / Cork**  
(Big Data Analytics)

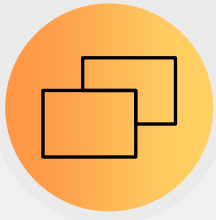
**Croatia / Zagreb**  
(IoT)

**Taiwan / Tainan**  
(Display)

**US / Chicago**  
(IoT, Radio)

# Our Core Expertise & Capabilities

Displays



IoT & Edge



Connectivity



Cloud



CV & AI



Big Data



Ultra-low  
power

Security

High  
scalability

Real-time

Inter-  
operability

# Cutting-edge tech to digitize physical retail



vusion

ECOSYSTEMS

v Cloud



vusione

captana

engage

PRODUCTS

Cloud

CV / AI

Display  
Technologies

Big Data  
& Analytics

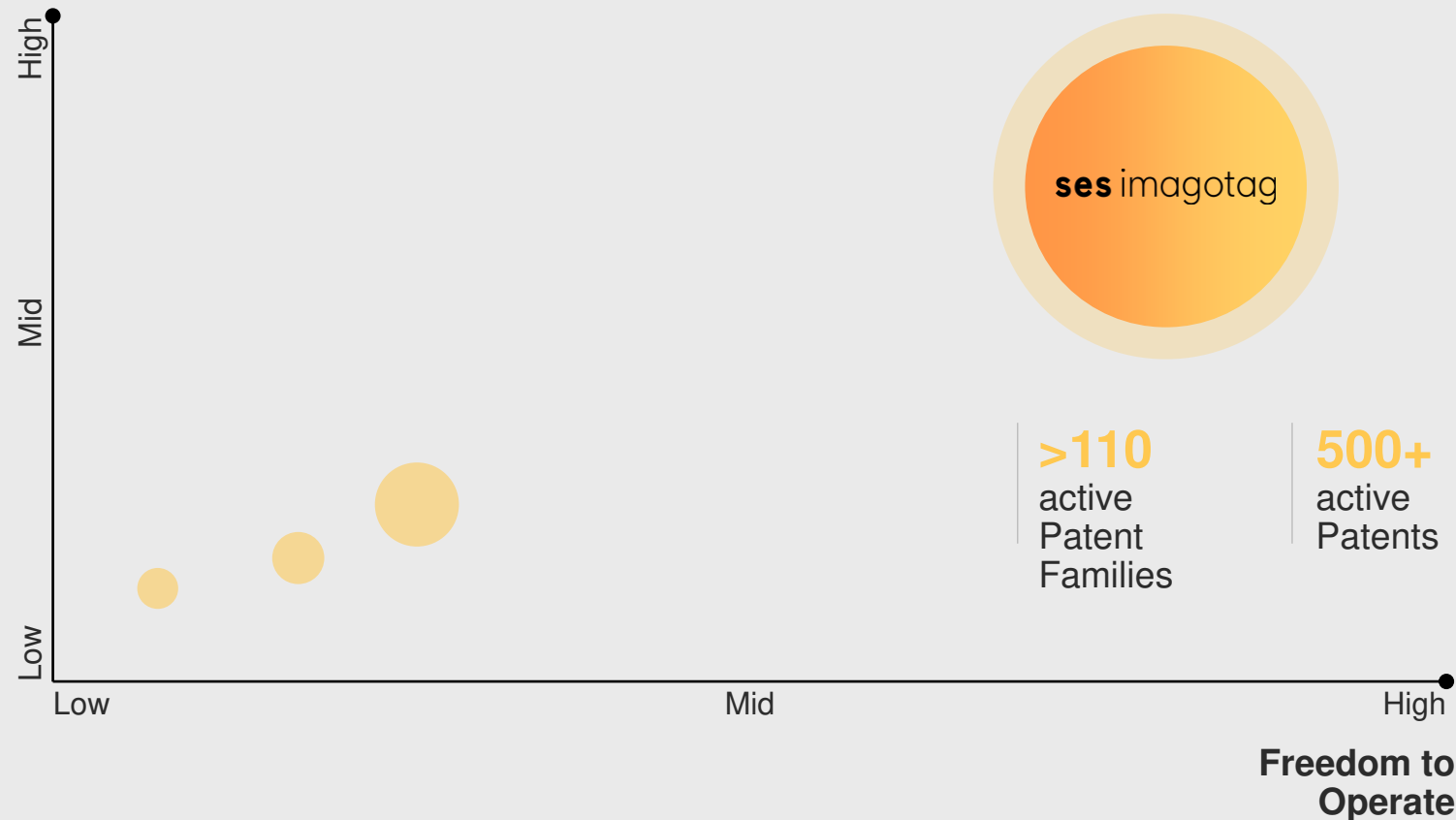
IOT & EDGE

Connectivity

TECHNOLOGIES

# Strongest IP Assets

IP Portfolio  
Value



## Number of patents per technology

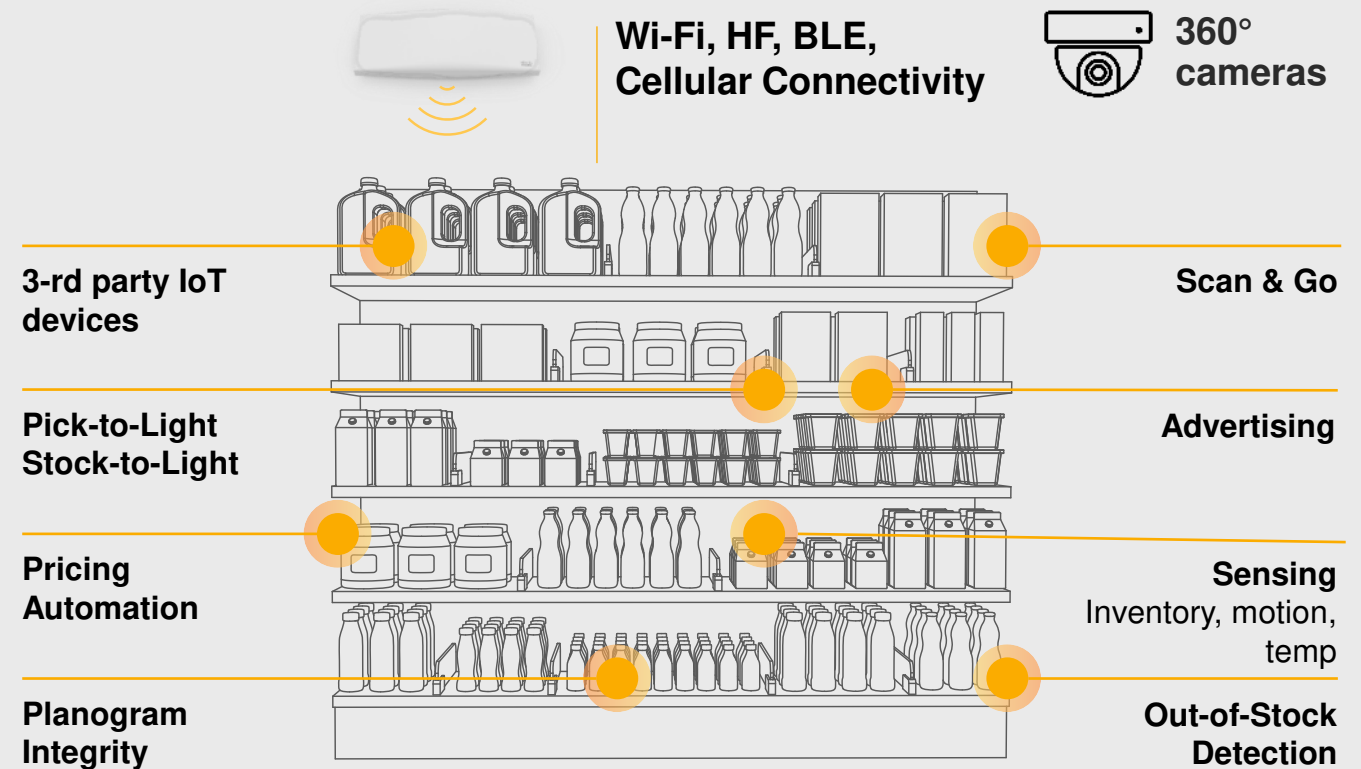
IoT	211
Display	118
Cloud & SaaS	104
CV & AI	62
Connectivity	43

# Making the Physical store a digital asset

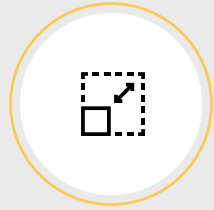
## Making the store more:

- » Data-driven
- » Automated
- » Connected
- » Collaborative
- » Interactive
- » People-First

Requires IOT technologies (ESL, Cam, Sensors, ...)



# Why is **retail digitization** so complex technically?



## Massive Scale

Thousands of stores  
Billions of SKUs,  
devices and shoppers



## Ultra-Low Energy

Long lifetime devices  
High data reliability  
and accuracy



## Security

Huge amounts  
of critical data in  
the cloud



## Affordability

High Capex  
vs.  
Low margin  
business



## SES-imagotag

is bringing the most powerful solutions to retailers' key problems and is preparing the next IoT revolution

# Devices & Sensors



Smart Labels



Cameras & Sensors



Digital Signage

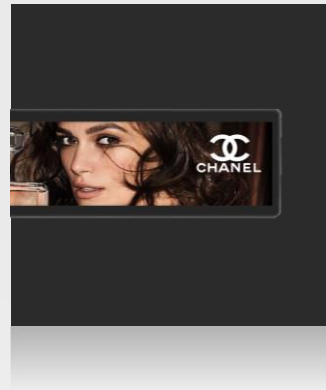
# Display tech

## Smart paper vision



### Next Gen E-paper

4-color / 7-color  
Full-color / Industrial  
grade EPDM

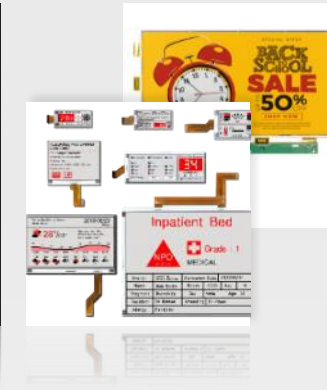


### LCD

Bar-/Stripe displays  
Large format displays  
integration

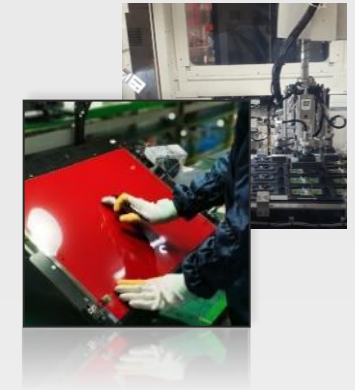


### Display driver IC



### Material research

(Epaper module  
composition)



### Production engineering

(Automation,  
Quality)

**LOW POWER COLOR & IMPACT**

**ENGINEERING**



## Lower environmental impact IOT

Eco-friendly Design

Repairability & 2<sup>nd</sup> Life enablement

Recycled materials

Waste reduction (fewer components & materials)

Energy efficiency

Battery less

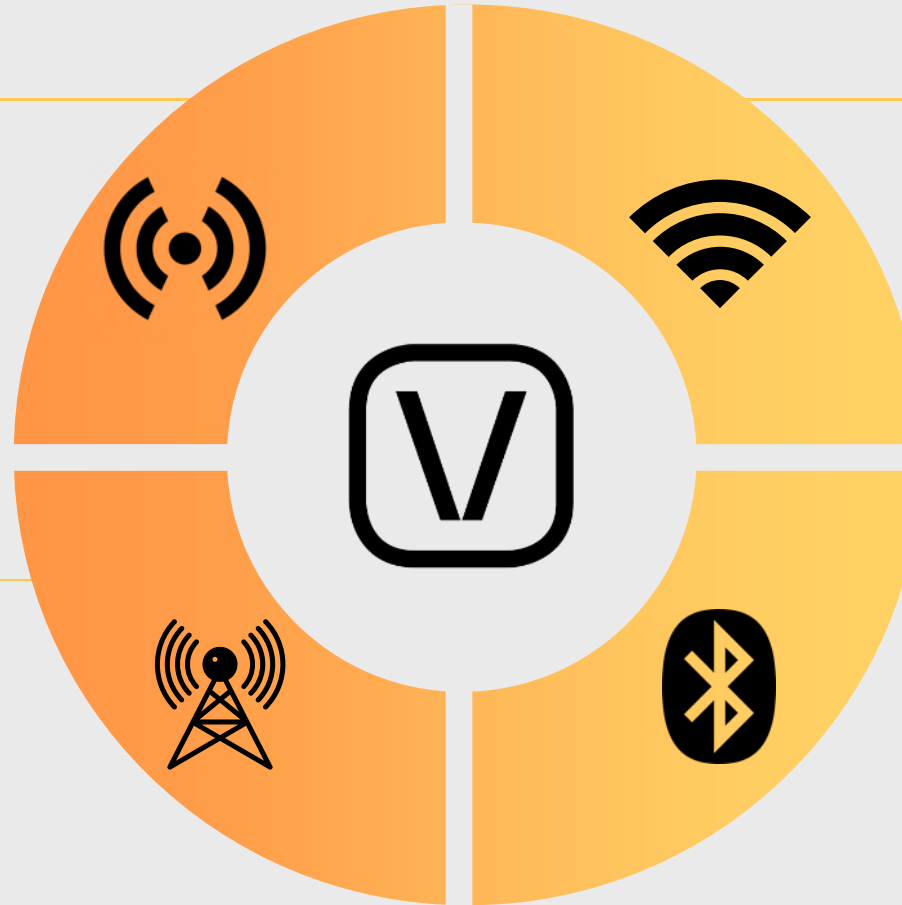
# First Retail IoT Hub enabled by Connectivity

## Ultra-Low Power RF

Built on decades of RF experience, we are constantly improving our protocol and access points, as well as exploring new connectivity solutions.

## Cellular

NB-IoT  
LTE-M  
5G



## Infraless

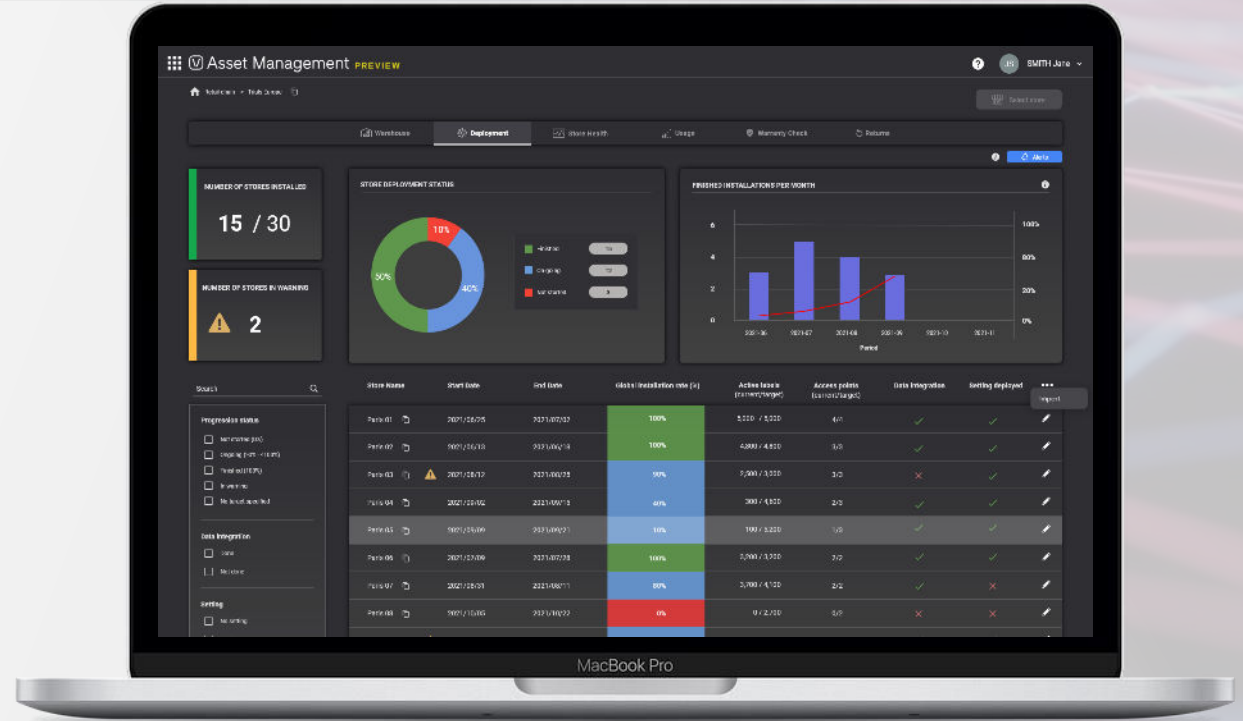
Native VUSION OS integration with leaders in the Wi-Fi Industry (Aruba, Cisco, Extreme, Huawei, Lancom, Meraki, Mist...)

## Bluetooth Low Energy

Developing with Qualcomm the leading next-gen protocol for connected devices and sensors.



# Let's talk about **Cloud**



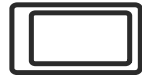
# Building the largest Retail IoT Cloud platform



**10,000+**

Stores

30%  
of installed base



**50M+**

IoT Devices



**3Bn+**

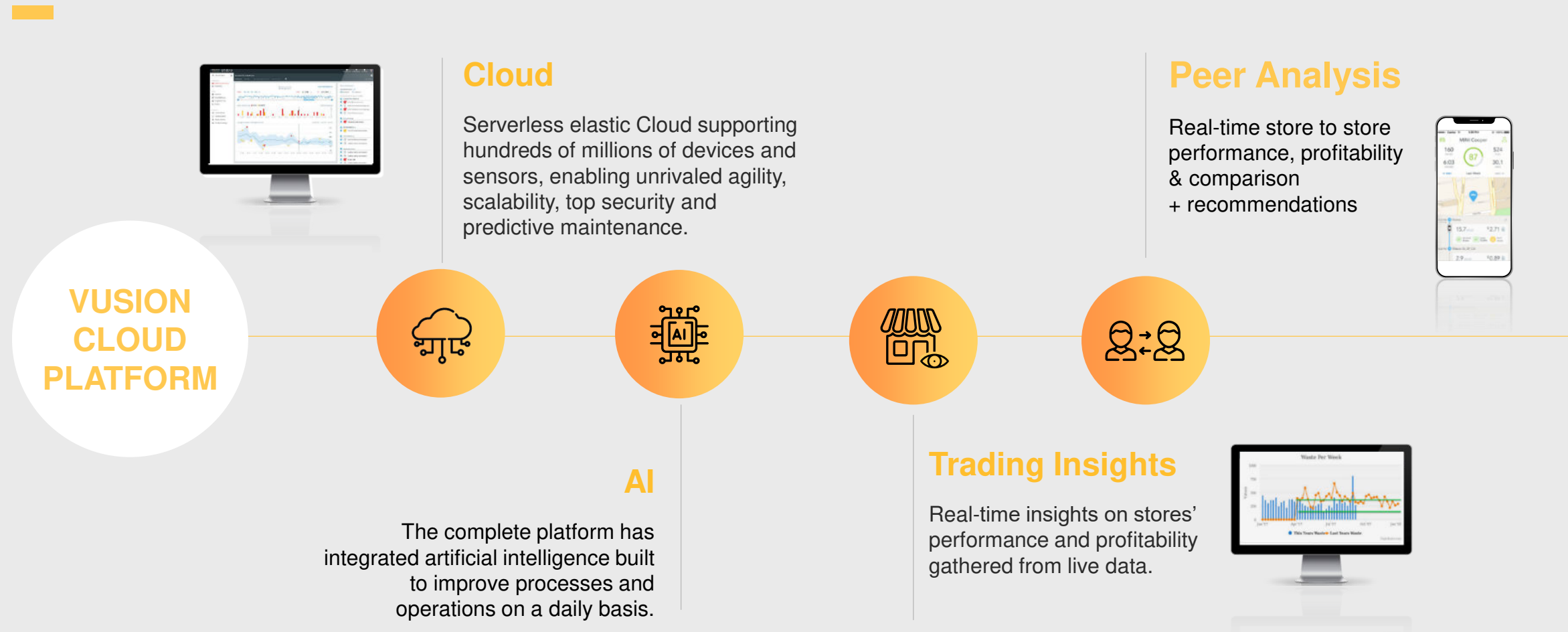
IoT Health checks  
daily



**99.99%**

Availability

# Building the next retail data cloud & analytics platform



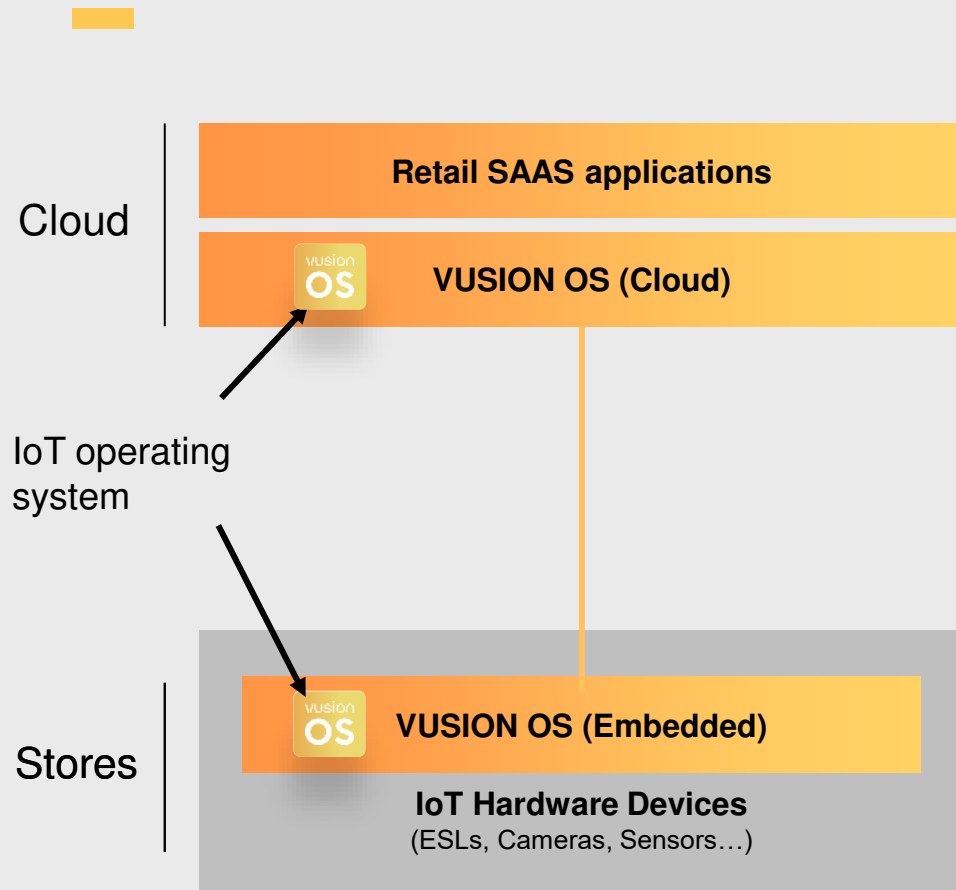
# IoT is the new world of deep hardware & software integration



**"People who are really serious about software should make their own hardware."**

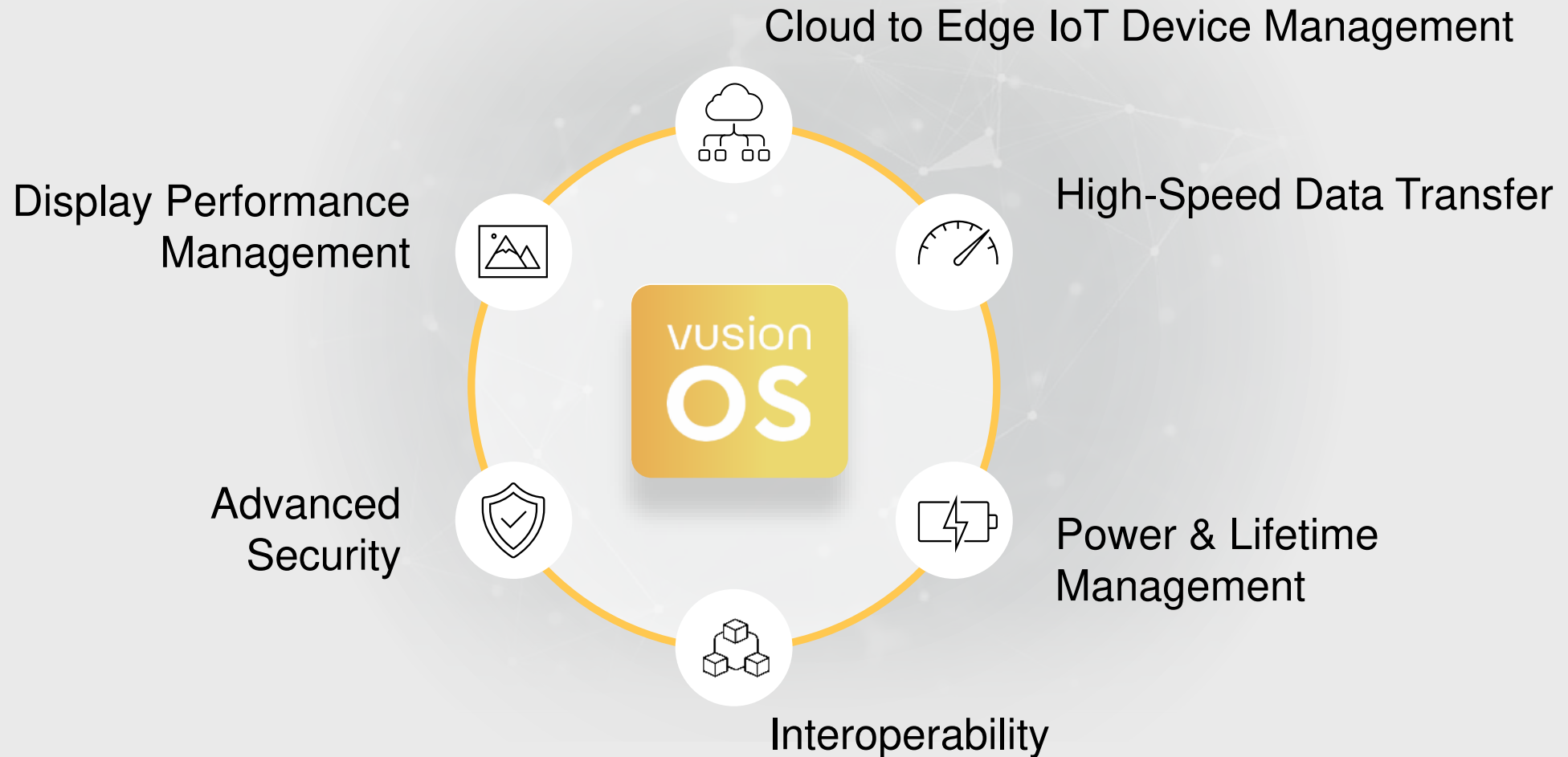
- Alan Kay

# Retail digitization requires a Scalable, Secure, Open, Cloud-to-Edge IOT platform



- › Manage **millions of connected IOT devices** across entire stores fleet
- › Operate at any point in time **multiple generations of hardware** and ensure **consistency across the entire store fleet**
- › Transfer the **intelligence from hardware to software** in order to update features, performance and security from the cloud over time
- › Ensure utmost **end-to-end security**
- › Rely on **IP risk-free technologies**
- › Enable **open ecosystems** of IoT vendors

# VUSION OS cloud-to-edge software manages and upgrades hardware from the cloud



# VUSION OS enabled the **infraless** breakthrough



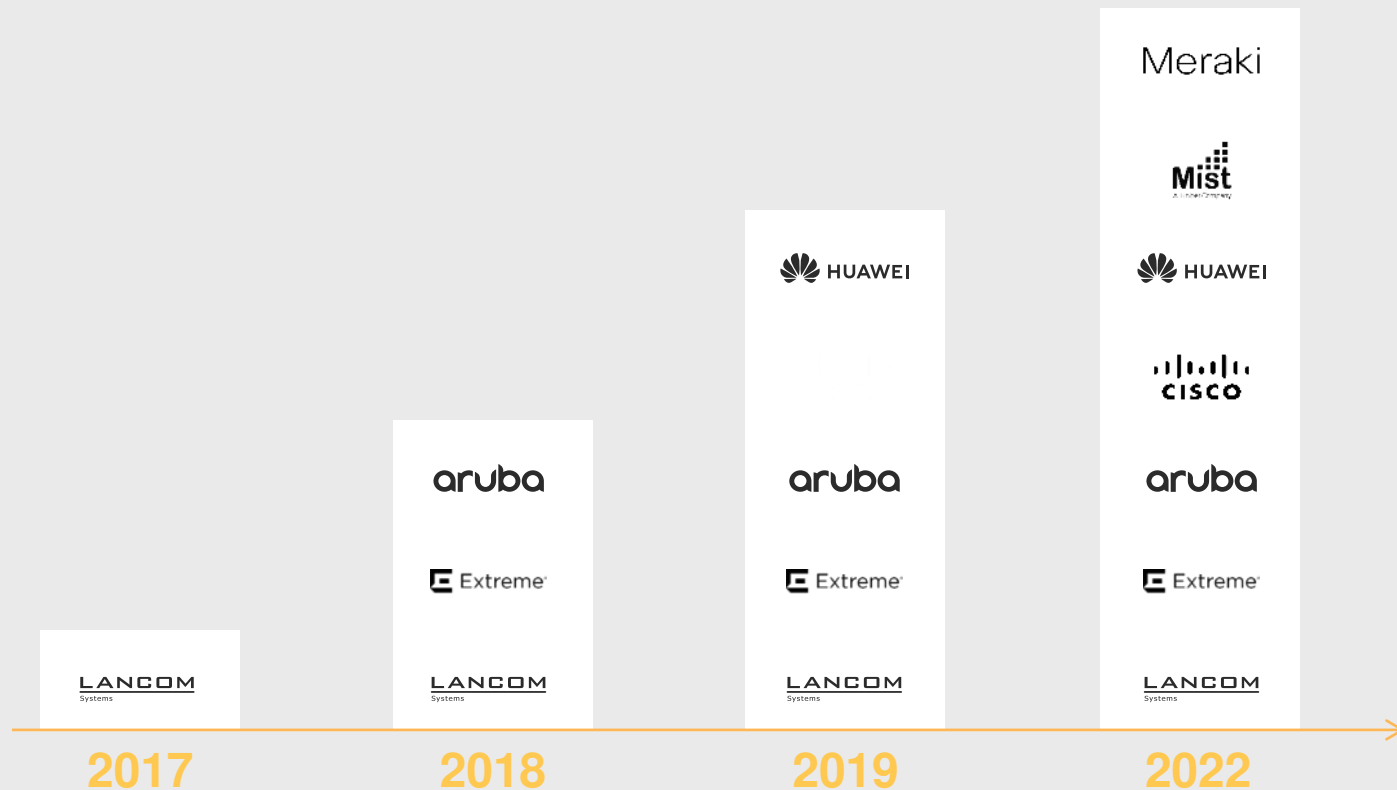
**Infraless allows ESL deployment leveraging existing WiFi infrastructure**

VUSION OS embedded in 3<sup>rd</sup>-party WiFi infrastructure

Smart Co-existence patented solution ensuring no interference

Open / interoperable

Easy and low-cost solution.



# Next Gen Retail IOT in pursuit of perfect

## 1st Unified In-Store IOT Hub

Need large and open eco-systems to drive cost down and foster

## 1st Open, Secure & Standard-based platform

Providing long-term IP security and highest data security, allowing a large ecosystem of IOT vendors to participate in mutually compatible store digitization solutions.

## 1st Sustainable IOT platform

No more disposable batteries  
Low carbon hardware

## 1st Instore Retail Media platform

Different technologies address different problems (robots, ESLs, AI-cameras, Beacons)

## 1st Real-time source of accurate shelf data

With integrated display, micro-cameras and sensors, real-time shelf monitoring and item-level inventory tracking



# Innovating beyond Retail



Healthcare



Office signage



Industrial



Logistics



# CAPTANA

## Shelf Transparency Delivered

# Absence of data is **one** the biggest problems

A lot of data exist but the two missing puzzle pieces are real time shelf and real time item level data

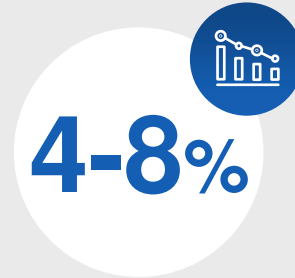
**Captana delivers the last missing data**



# Addressing a 1 Trillion dollar problem



Of Amazon's Revenue can be attributed to customers who first tried to shop in stores but found stores OoS according to IHL



Retailers lose on average 4 to 8 % of their annual sales due to OOS



End in "lost sales" because items that were OOS were not purchased or consumers postpone their purchase



From a shopper perspective, this means that for every 13 items one wants to buy, one will be out of stock

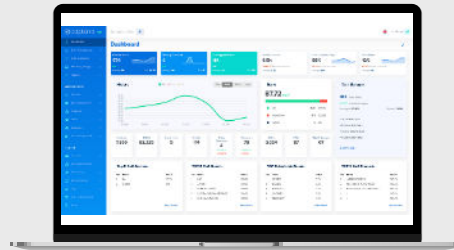


# Captana – is a holistic out of the Box Sensor Fusion System

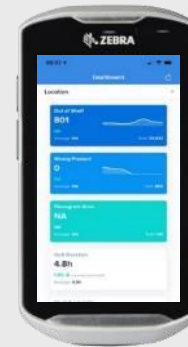
## Sensors + Cameras



## Full Cloud based Analytics + CV + AI Capabilities



## Empower the Associates on the store floor with prioritized tasks



## Exchange the data with the leading ERP + Forecasting & Replenishment Systems



# Automated Shelf Monitoring



# CAPTANA AI + COMPUTERVISION KEY FUNCTIONALIY



## Transforming Pictures Into Structured Data

Processing of image data in the Captana Cloud using artificial intelligence, machine learning and computer vision

SKU	Name	Brand	Out of Shelf	Stock	Miss-placed	Plano-gram	Promotion
100180400	Milch 3,8%	Danone	Yes	23	NO	correct	NO
100180401	Milchdrink Haselnuss	Danone	NO	8	NO	correct	NO
100180402	Milchdrink Vanille	Danone	NO	6	NO	correct	NO
10016455	Milch 1,5 %	Danone	NO	6	NO	correct	NO
10036587	Milchdrink probiotisch Erdbeere	Danone	Yes	0	NO	correct	NO
10035544	Milchdrink probiotisch Vanille	Danone	NO	6	NO	correct	Yes
10038999	Milchdrink probiotisch Orange	Danone	NO	15	NO	correct	NO
10035467	Kefir Blaubeere	Danone	NO	5	Yes	falsch	NO

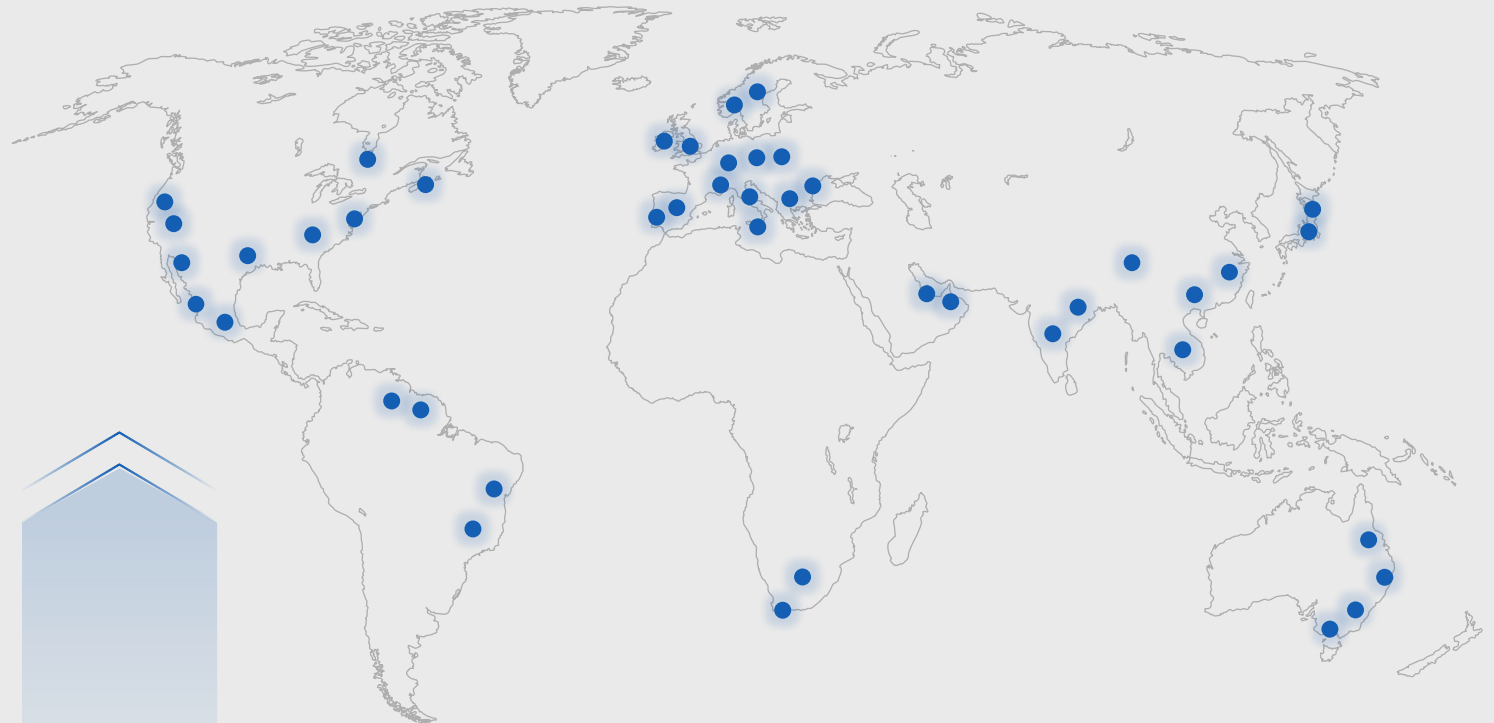
# GLOBAL EXPANSION

Captana runs already in more than 250 Stores

38 active POCs with Probability of >70% in the Sales Pipe

82 out of our 350 existing customers in advanced talks

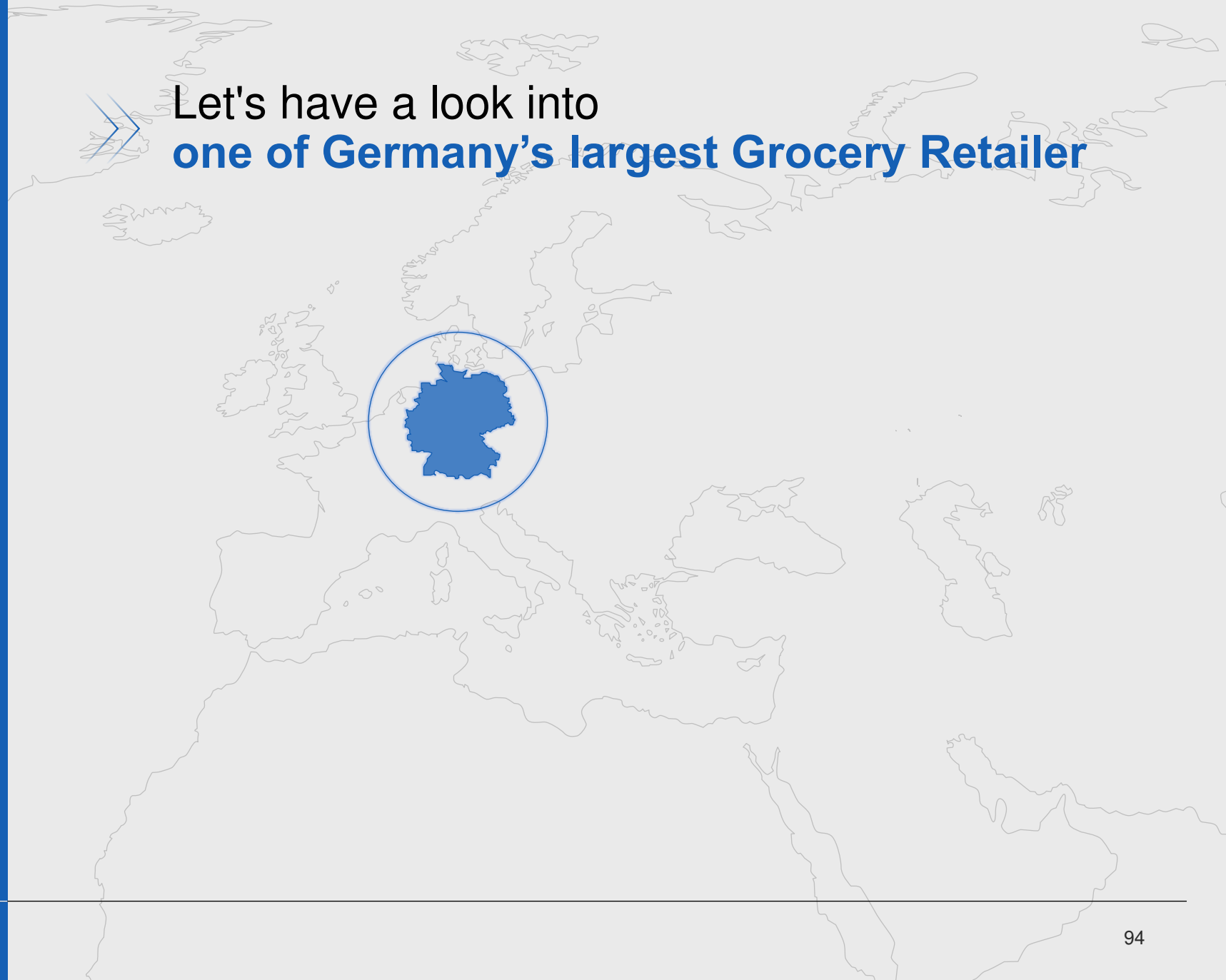
Transparent SKU - More than **1. Mio SKUs monitored daily**



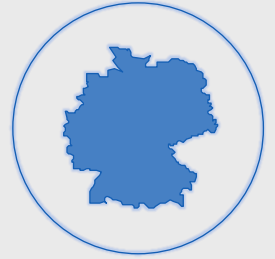
# GERMAN PROJECT



Let's have a look into  
**one of Germany's largest Grocery Retailer**



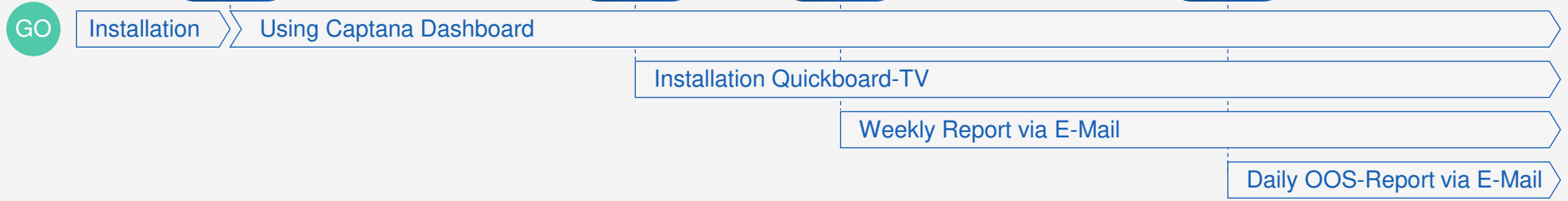
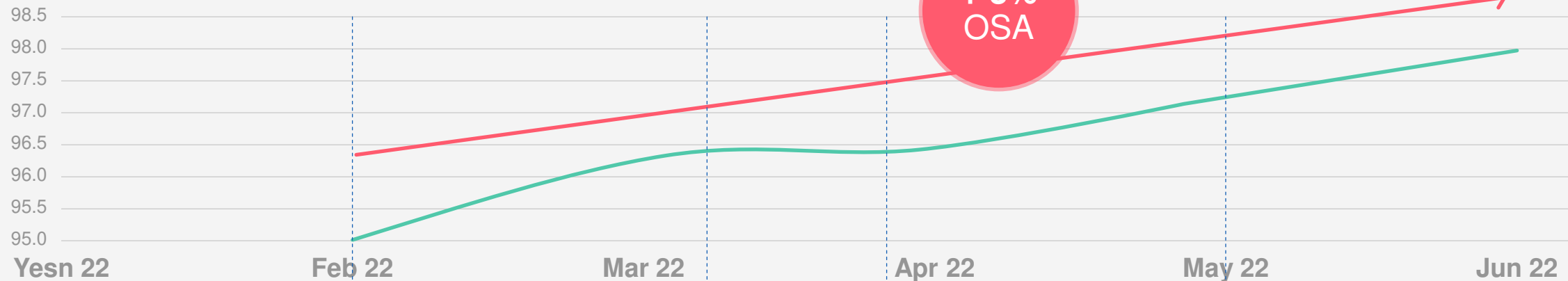
# Significant Improvement Already After 6 Months



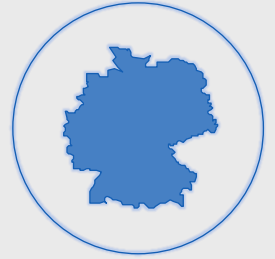
## On-Shelf Availability

● OK ● OoS

D W M Q **HY** Y



# Examples for Process Optimization



## Time analysis

Analysis – time slot which needs special attention from the in-store supply chain associates

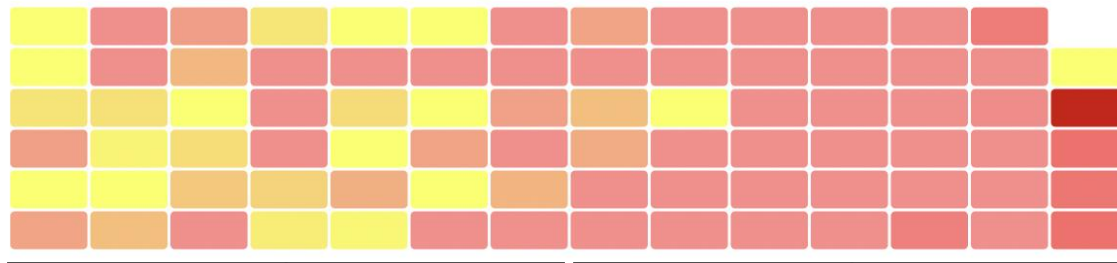
Enter a date range

1.1.2022 – 23.6.2022



Monday  
Tuesday  
Wednesday  
Thursday  
Friday  
Saturday  
Sunday

0:00 1:00 2:00 3:00 4:00 5:00 6:00 7:00 8:00 9:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00



Woche Jahr

Oos [%]



2,6 - 3 % OOS

3 - 5 % OOS



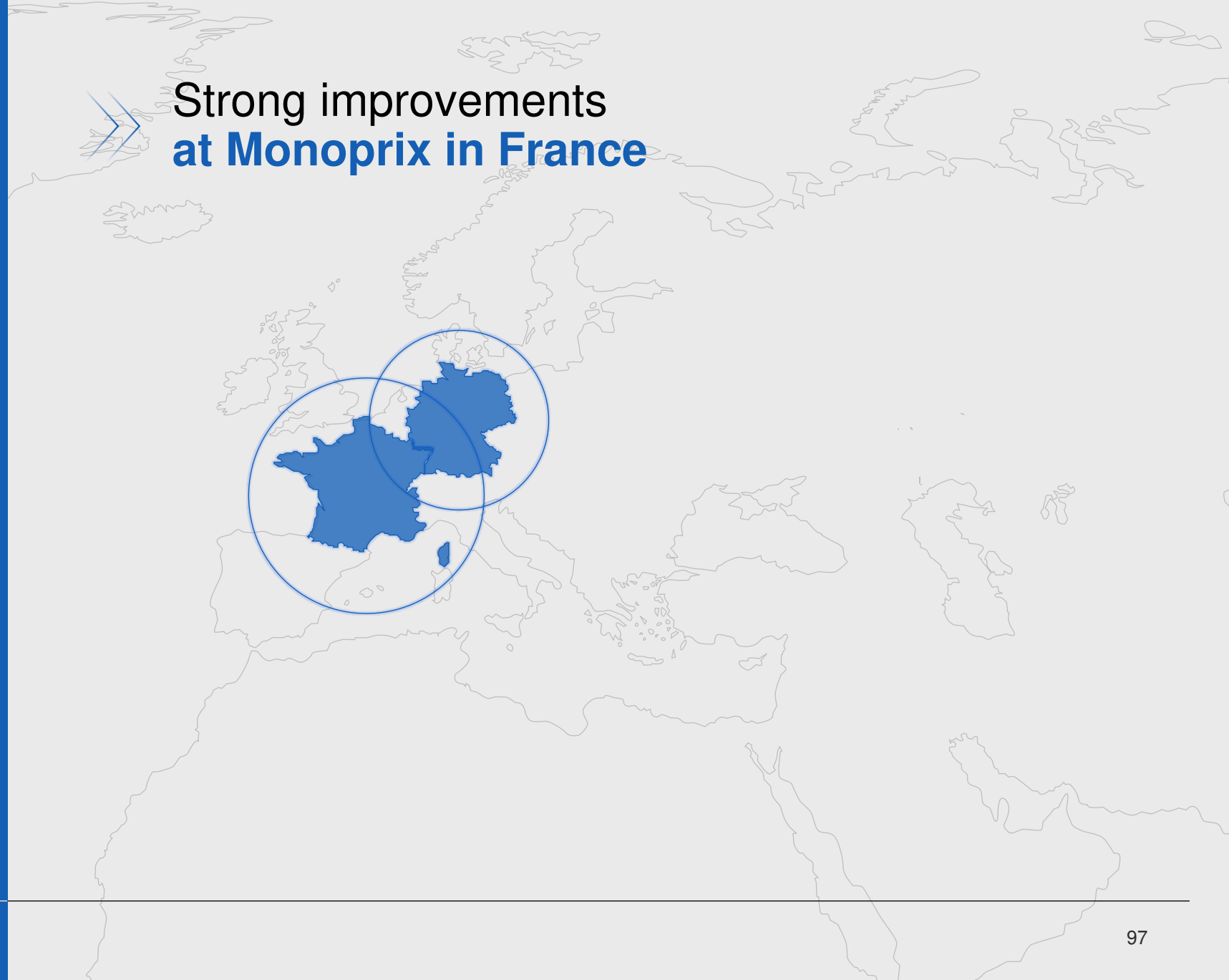
## Optimizing the work schedules

With Captana the work scheduled gets optimized to have the associates available when needed

# FRANCE ROLL OUT



Strong improvements  
**at Monoprix in France**

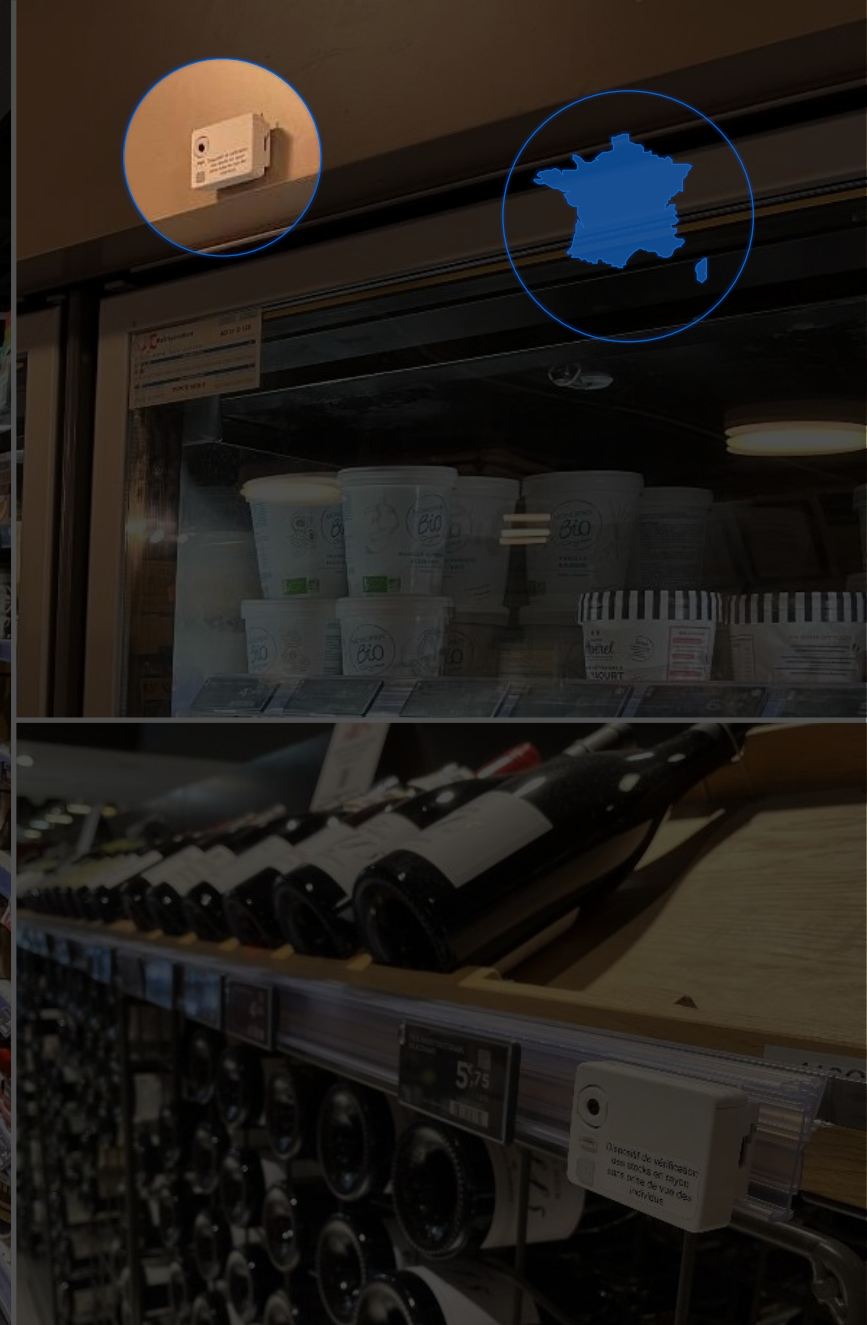




Dispositif de vérification  
des stocks en rayon  
sans prise de vue des  
individus



# MONOPRIX





**Shelfviewer** Shelf 38 - 16.9.2022 12:30:04

← Back Prepare image #1Z Edit

Q Search or Filter Results... x Start Live Mode

300 mm

08:31 09:00 09:30 10:00 10:30 11:00 12:30 latest

Year 2022 Month Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Date 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Slot info CVMoellImages x

### FILTRES 1X4 X80 MELITTA

Brand MELITTA  
GTIN 4006508200504  
SKU 4006508200504

#### Slot Data

Shelf	38
Level	7
Position	22
Facings	0
OoS Status	Out of Shelf
Out of Shelf since	16.9.2022, 12:30
Monthly Revenue	NA
Monthly Margin	NA

#### Current Out Of Shelf Loss

Lost Revenue	NA
Lost Margin	NA

#### Monthly Out Of Shelf Loss

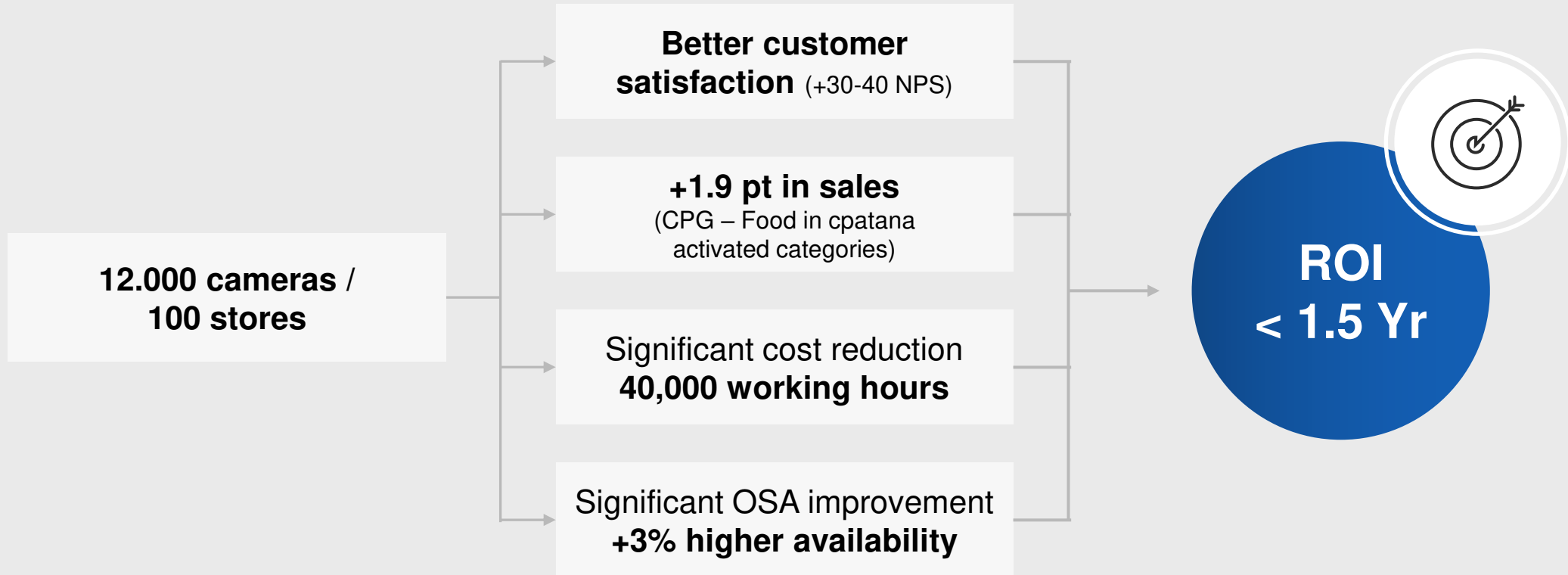
Lost Revenue	NA
Lost Margin	NA

#### Slot Score History

● Ok ● OoS ● WP D W M Q HY Y

Date	Score
Sat, 10 Sep	100
Sun, 11 Sep	100
Mon, 12 Sep	100
Tue, 13 Sep	100
Wed, 14 Sep	100
Thu, 15 Sep	0
Fri, 16 Sep	0

# Instant + fast results and impressive improvements



# Strong Business improvements

per store



**Increase in  
Labour Efficiency**

**1-3 FTE**

Of store assistant time allocated to higher value tasks or changing staff levels



**Increase in  
On-shelf Availability**

**+4% on avg.**

More products available on shelf, available to purchase



**Elevated Customer  
Experience**

**+30-40 NPS**

Fully-stocked as well as well-informed shelves means happier customers

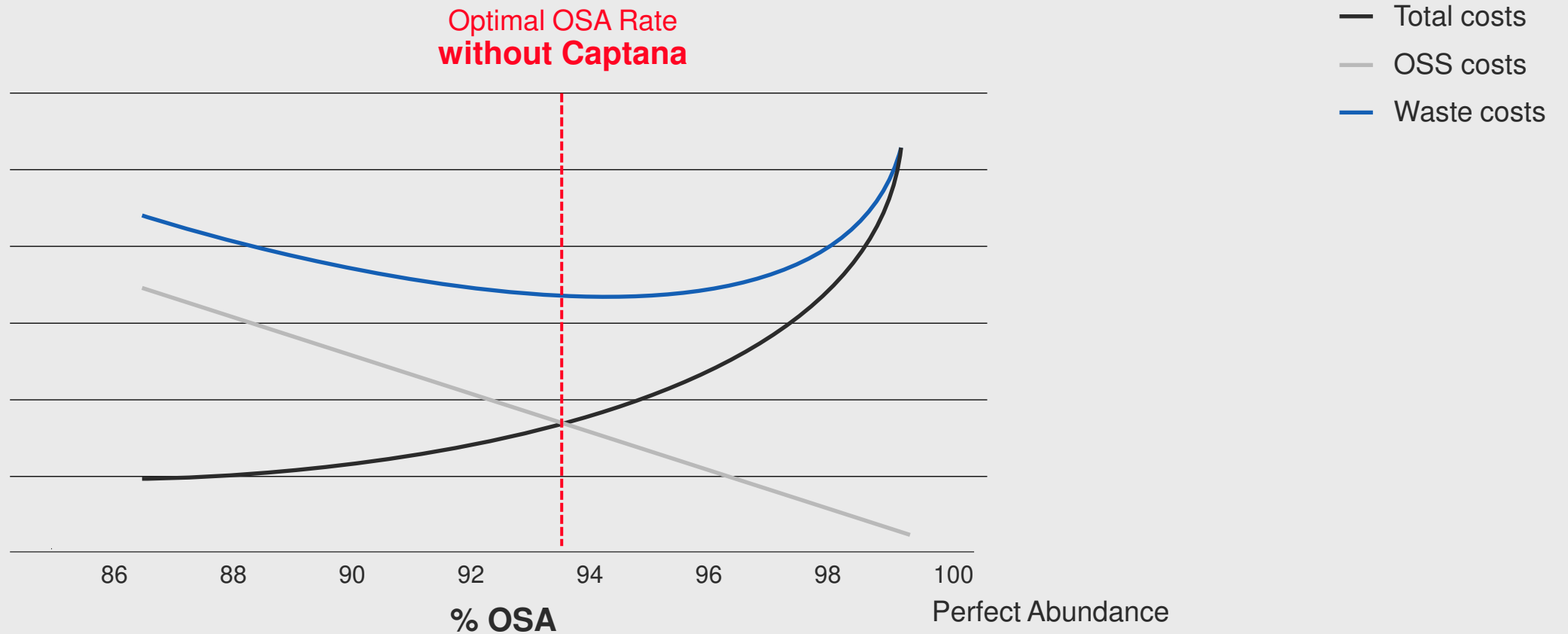


**Resulting in**

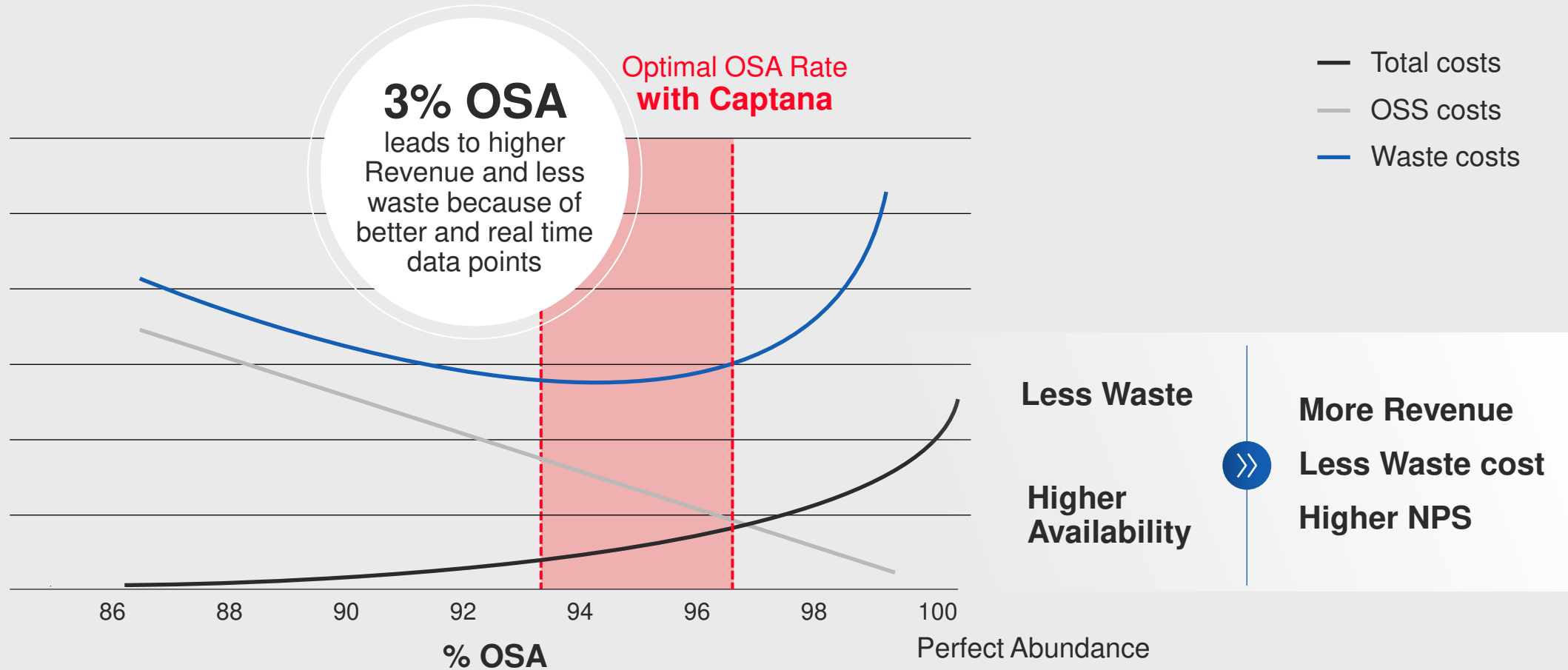
**2% +**

Incremental sales

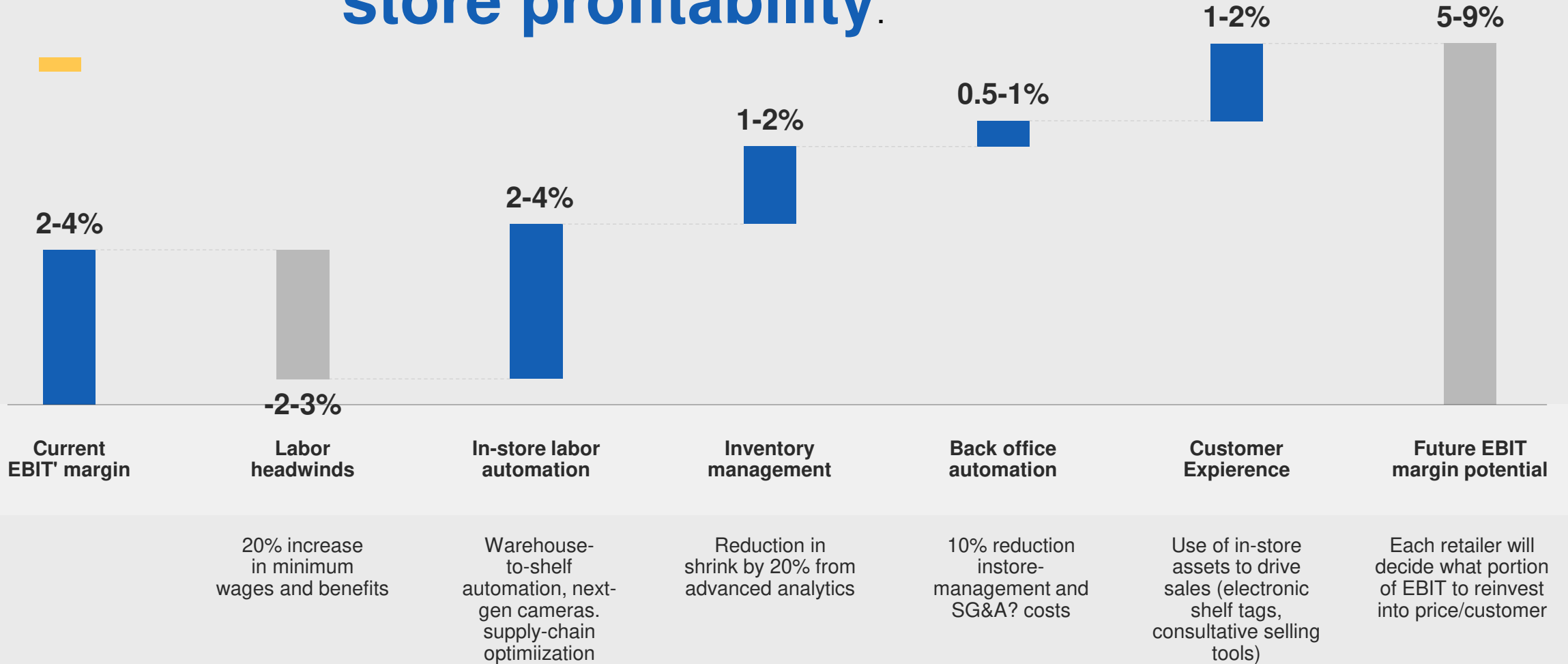
# Cost per Euro of Demand Relative to On-shelf Availability (OSA)



# Cost per Euro of Demand Relative to On-shelf Availability (OSA)

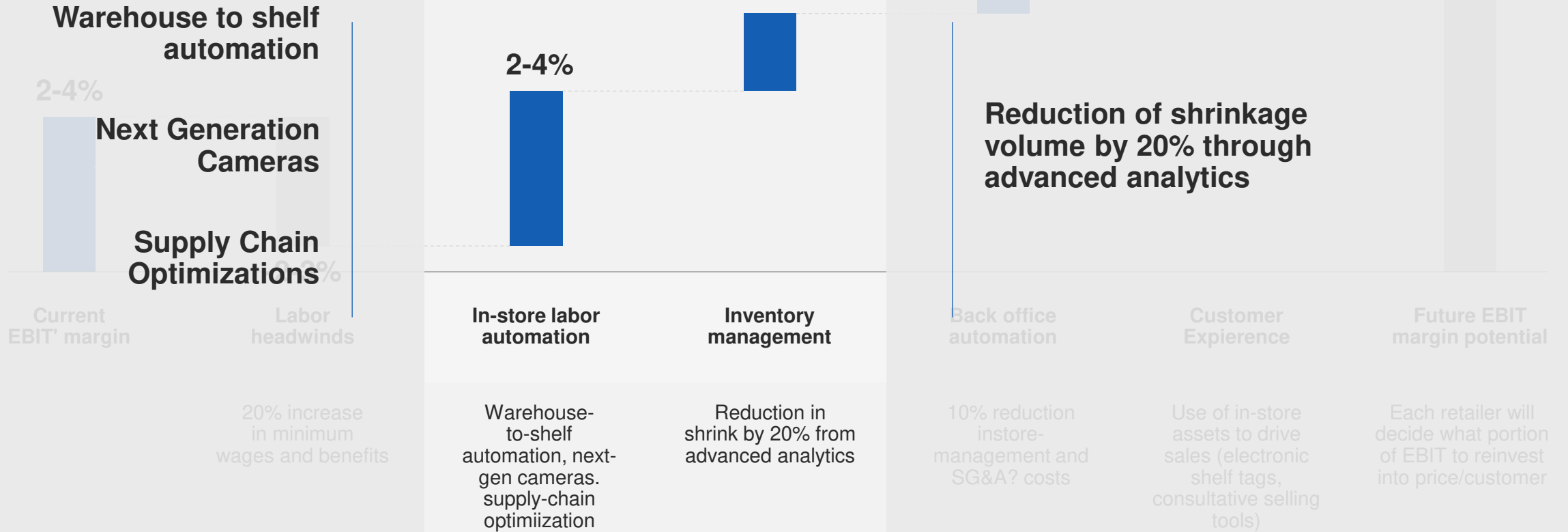


# Technology will likely double store profitability.





Captana  
**highest Impact**



# Strong Growths in front of us

2023

**1,5 Mio**  
SKU monitored



2027

**200 Mio**  
SKU monitored  
transparent SKU

# Digital Shelf Ambition



Wi-Fi, HF, BLE,  
Cellular Connectivity



360°  
cameras

3-rd party IoT  
devices

Scan & Go

Pick-to-Light  
Stock-to-Light

Advertising

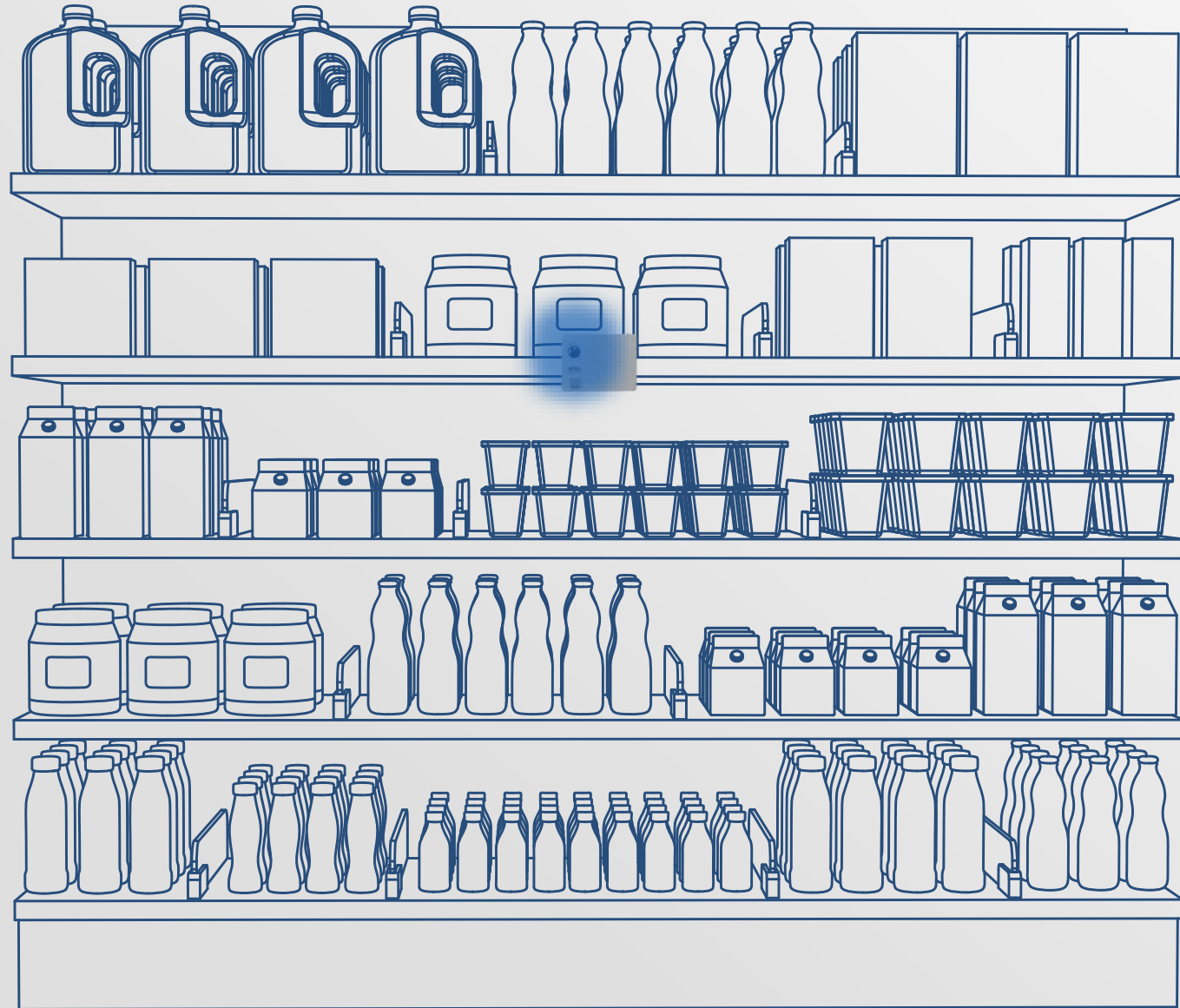
Pricing  
Automation

Sensing  
Inventory, Motion  
& Temp

Planogram  
Integrity

Out-of-Stock  
Detection



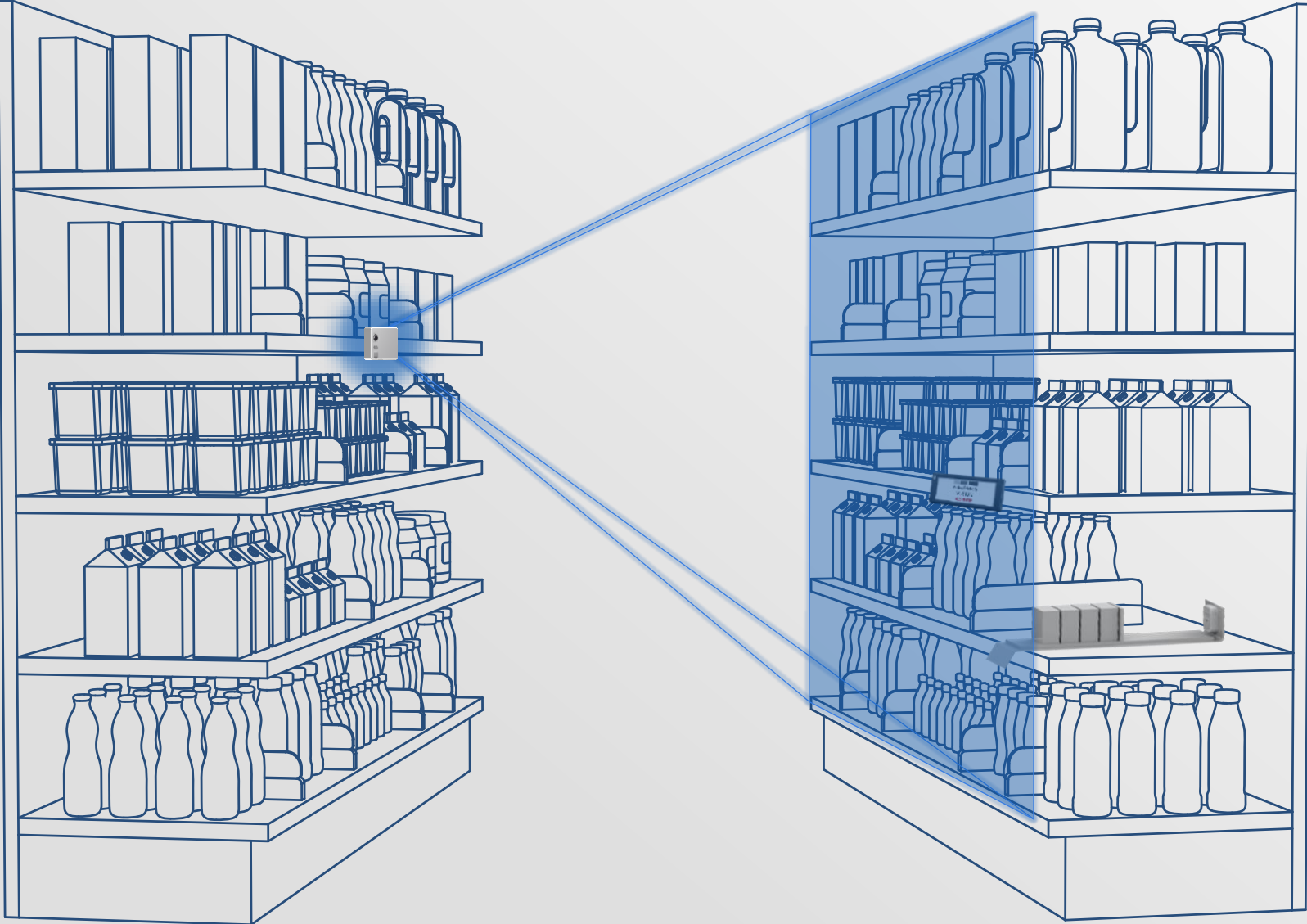


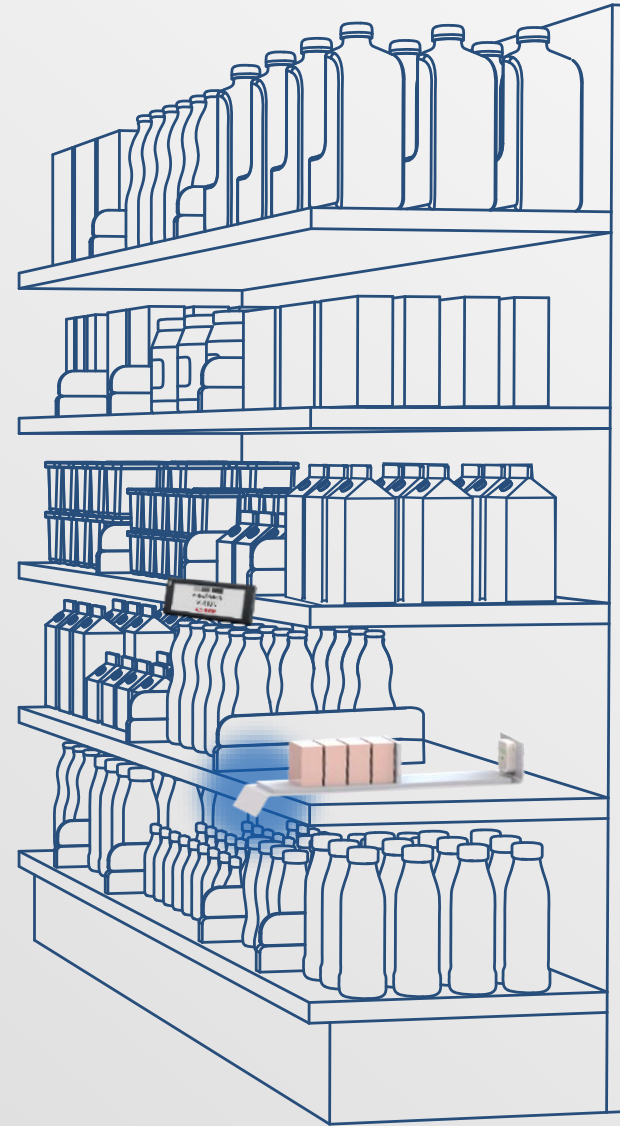
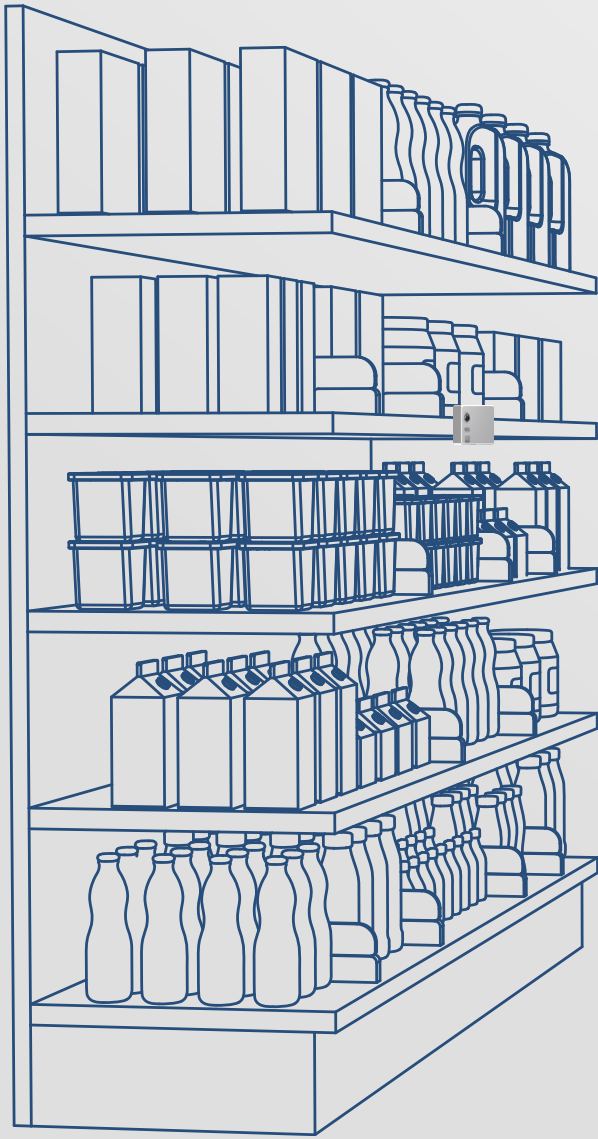
Capturing pictures and  
transform them into  
**structured data.**



Using Ultra Low Power  
Consumption **Cloud  
Connected Camera** for  
permanent Shelf Monitoring.



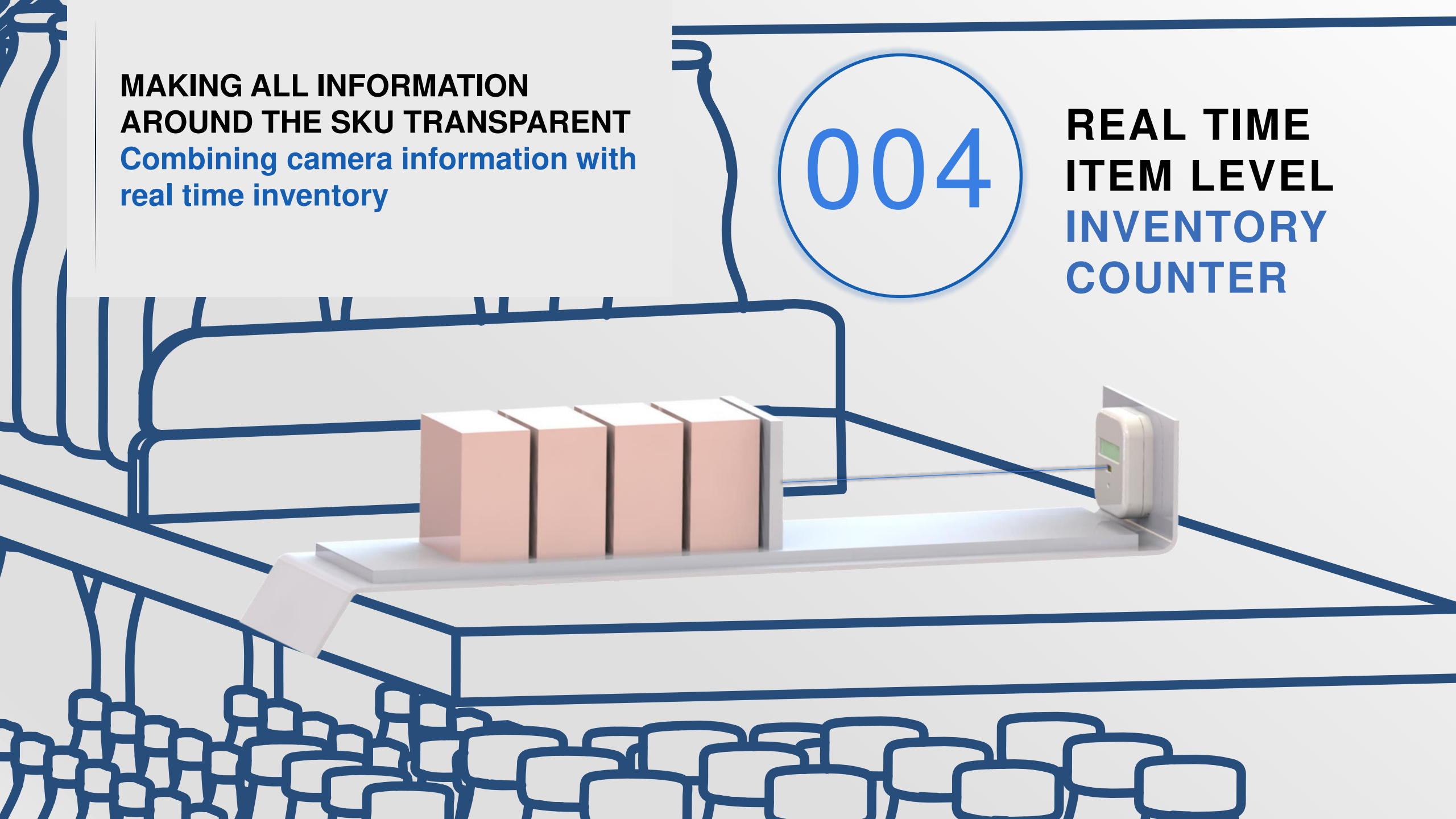




**MAKING ALL INFORMATION  
AROUND THE SKU TRANSPARENT**  
Combining camera information with  
real time inventory

004

**REAL TIME  
ITEM LEVEL  
INVENTORY  
COUNTER**





003

**REAL TIME  
ITEM LEVEL  
INVENTORY  
COUNTER**



002

**REAL TIME  
ITEM LEVEL  
INVENTORY  
COUNTER**



001

**REAL TIME  
ITEM LEVEL  
INVENTORY  
COUNTER**

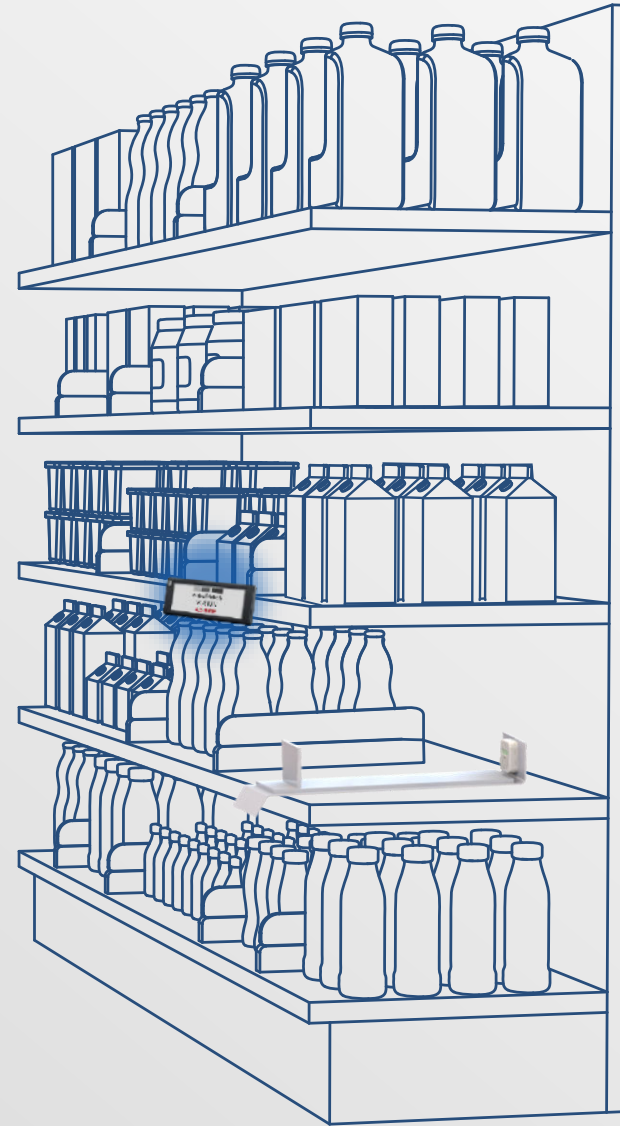
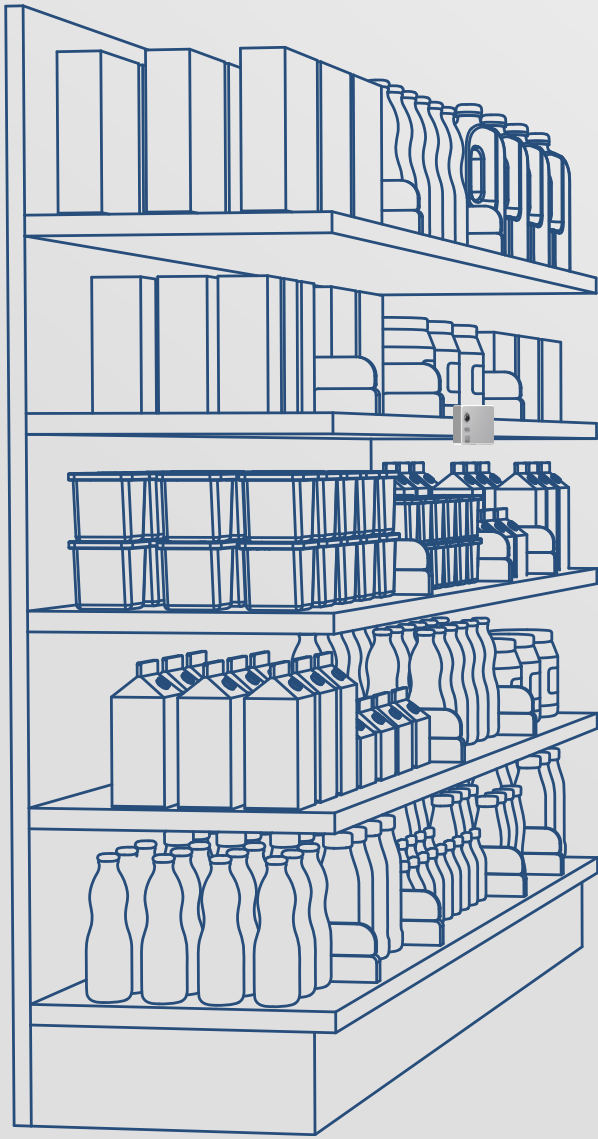
Minimum Order Value reached,  
Info send to Associate.



000

**REAL TIME  
ITEM LEVEL  
INVENTORY  
COUNTER**

Minimum Order Value reached,  
Info send to Associate.

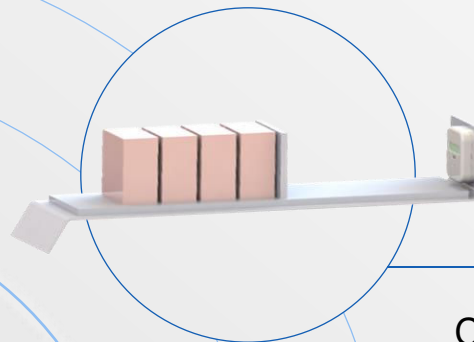


# Digital Shelf System



## CAPTANA ShelfEye

Perfect view for the perfect shelf measuring shelf compliance, OoS



## CAPTANA Counter

Ultra precise  
Real time inventory and throughput



## CAPTANA StoreEye 360

Perfect view for the perfect store measuring shelf compliance, OoS, checkout lanes...



## VUSION Electronic Shelf Edge Labels

Ultra precise  
Price Automation,  
Instore Optimization

# Delivering Shelf Transparency

---



**Mark Ibbotson**

Retail Expert  
Former EVP Realty & Central  
Operations at Walmart  
Former COO at ASDA  
Sr. Advisor at McKinsey



**Colin Peacock**

Retail Expert  
Group Coordinator at ECR Group  
Former Procter & Gamble  
Top Executive



**Michael Unmussig**

SEVP & CEO - Captana

# ENGAGE

The Next Big Digital Media  
is the Physical Store

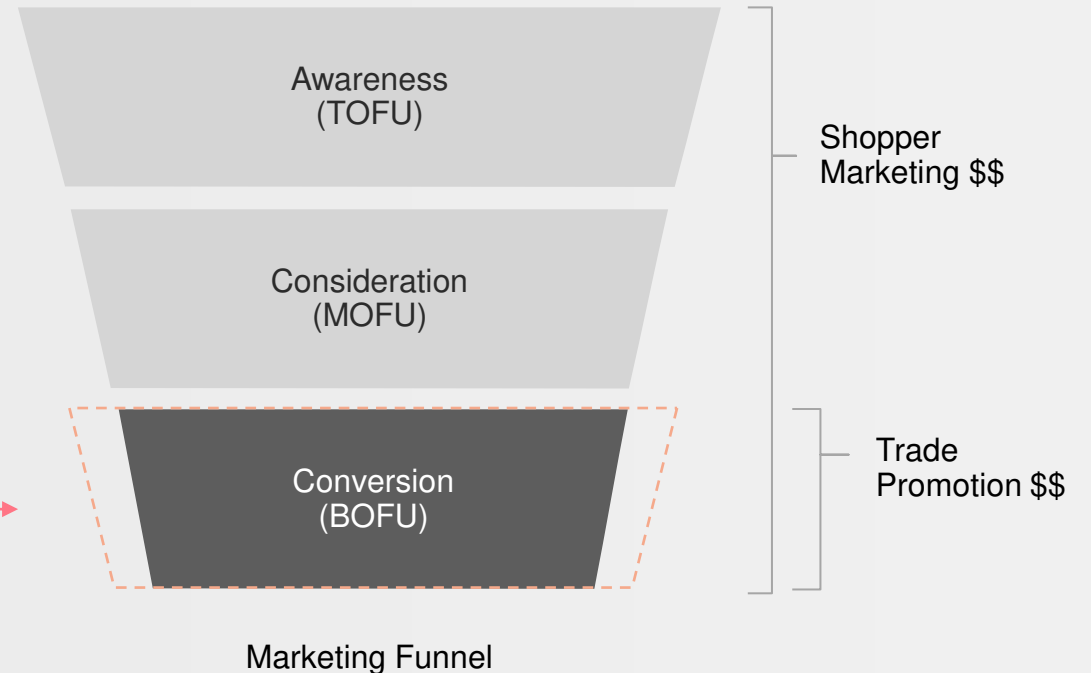
A photograph of a man with a beard and short dark hair, wearing a white t-shirt with thin black horizontal stripes. He is looking towards the right of the frame with a slight smile, holding a dark-colored smartphone in his left hand. The background is a brightly lit grocery store aisle with shelves of various products. In the foreground, there is a promotional display for bread, with several packages of '8 Pains au CHOCOLAT PUR BEURRE' and a sign that says 'PROMOTI'.

# Are Retailers Leveraging the Full Potential of their Foot-Traffic?

# Delivering The Right Message, When It Matters Most

**82%\* of  
purchasing  
decisions are  
made while  
in a store**

→  
**Decisions happen  
here, at the shelf**



# Global Advertising Spend = \$866B

## 60% is Digital

Why? Digital campaigns are targeted, data-rich and automated across multiple **touchpoints..**

Evolving Demographic and Shopper Journey

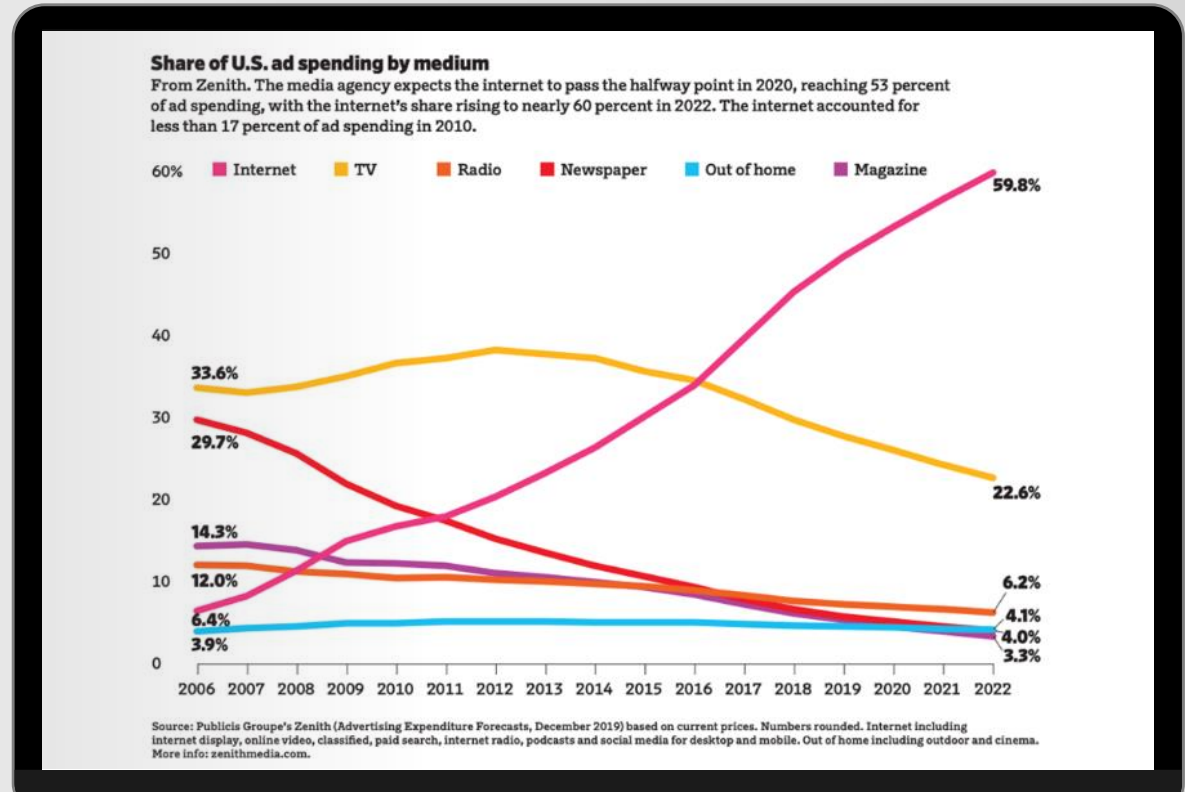
Targeted + Reach + Transparency + Control

Analytic / Data Driven (Attribution)

Automated / Programmatic

Learning (A/B, Incrementality)

The rise of **retail media** is the next big wave of digital advertising



Source: Economist, Sept 19<sup>th</sup> 2021, Two new shocks for American Shopping

# The untapped potential of in-store foot traffic

**30M**

daily  
visits

**30M**

missed  
Impressions

**\$20**

On-demand TV  
CPM Price



On average, **30 million** people visit  
retails stores in the US, **every day**.

A photograph of a young couple shopping in a store. The woman, on the left, is wearing a white short-sleeved top and blue jeans, and is pointing her right hand towards a product on a shelf. The man, on the right, is wearing a blue button-down shirt and is smiling. They are both looking at the product. The background is slightly blurred, showing other shelves and products in the store.

*engage*

# Creating New Digital Touchpoints At The Shelf

---

Run Digital Campaigns, Enable Interactions,  
Instantly Measure Results & Monetize Foot Traffic, In Your Store

# engage

## One single solution to:



### Run Dynamic Campaigns In-store

With digital content delivered at the shelf, on schedule, automatically



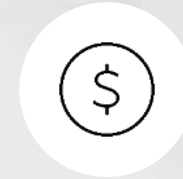
### Enable Interactions In-Store

Through QR codes / NFC to engage with shoppers at the moment of purchase



### Monitor the Impact in Real-time

Measure the real-time impact of campaigns and generate real-time 360° insights for understanding customer behaviors.



### Monetize Your Aisles

Leverage retail media ad spend & foot traffic to create an additional revenue stream at the shelf

# The Digital Endcap Solution



## Display & Sense at the shelf

Display digital campaigns at prime locations in store  
Capture proof of play and on-shelf availability



## Manage in the cloud

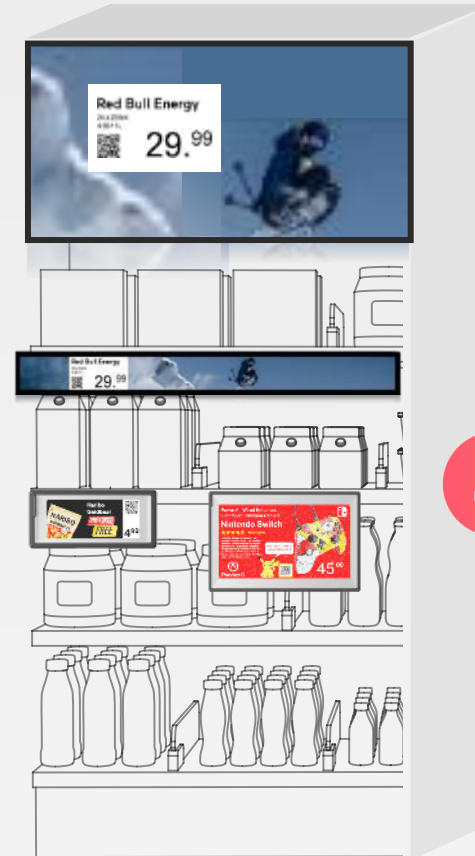
Automate price management and marketing campaigns



## Analyze for maximum impact

Monitor the impact of in-store promotions, in real-time, with 360° insights and improve on-shelf availability, and campaign compliance

↑↓ Physical meets digital ↑↓



Cloud  
PUBLISHER



captana

pulse

# ESLs are In-Store Opportunities for Engaging Customers

**Flashing** ←

**Dynamic Price**

**Sponsored Badge**

QR/NFC

**Sponsored Content**

# Engage



## DISPLAY PROMOS on labels

- Advertise through Promotional or Brand Callouts on Labels



## MONITOR the campaign impact

- Track Campaign Execution In-store, Shopper Engagement and Sales Uplift



## INTERACT with shoppers in aisles

- Offer Rich Product Content via ESL+Smartphone Interactions
- Guide Shoppers to their Products with Store Search and Flashing Capabilities

# The Digital Endcap Solution



## Display & Sense at the shelf

Display digital campaigns at prime locations in store  
Capture proof of play and on-shelf availability



## Manage in the cloud

Automate price management and marketing campaigns



## Analyze for maximum impact

Monitor the impact of in-store promotions, in real-time, with 360° insights and improve on-shelf availability, and campaign compliance



# Proof Points



Connecting Retailers and Brands to deliver **Sales Uplift** through Digital Campaigns, in Stores



## EUROSPAR + WINE ACTIVATION

### DESCRIPTION

Wines  
Upsell Trial with Engage on higher value category  
Generic, Dynamic Content

### DURATION

1 Month

### UPLIFT

  
**+17%**  
 uplift in sales with higher value



## MONOPRIX + GARNIER OLIA

Cosmetics  
With and Without Price Promotion  
Branded Content

1+1 Month  
(Baseline + Pilot)

  
**+29%**  
 uplift in sales



## EUROSPAR END CAP

Sweets & Candies  
Promotion  
Omnichannel Campaign Content

2 weeks

  
**+61%**  
 uplift in sales



## MONOPRIX + L'OREAL REVITALIFT

Cosmetics  
Price Promotion  
Branded, Benefit-Oriented Content

2+2 Month  
(Baseline + Pilot)

  
**+65%**  
 uplift in sales

# Monetizing Prime Locations for Ads

with VUSION Engage

**VUSION Engage**  
for **retailers**

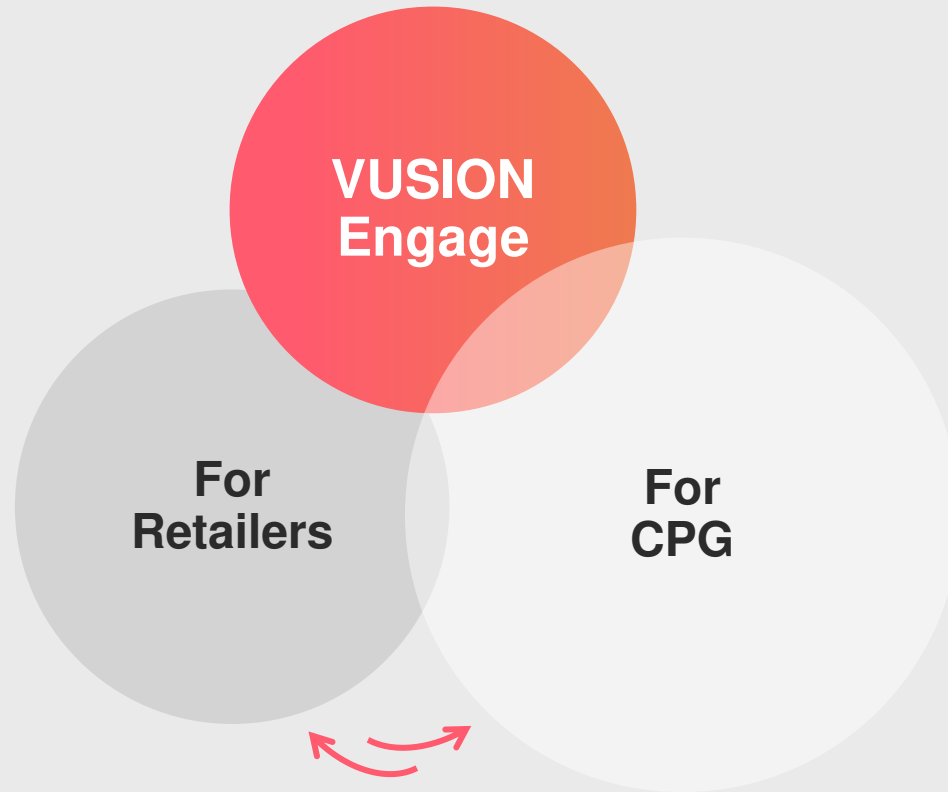
=

**New Revenue Stream**  
from Retail Media

Digital Touchpoint In-store

Automated Promotion  
Management

Real-time Monitoring of  
Performance



**VUSION Engage**  
for **CPG brands**

=

**Cost-Effective & Targeted**  
**Access to Shoppers**

Transparency of In-Store  
Campaign Execution

Real-time Monitoring of  
On-Shelf Availability

A/B Testing Capabilities

In-store Consumer Behaviors  
Insights



Brands are stories unfolding  
across all customer  
**touchpoints.** - *Jonah Sachs, Author of “Winning the Story Wars”*

---

VUSION ENGAGE, is one single solution in store ...

**TO** Run Digital Campaigns  
Instantly **Measure** Results  
& **Monetize** Foot Traffic

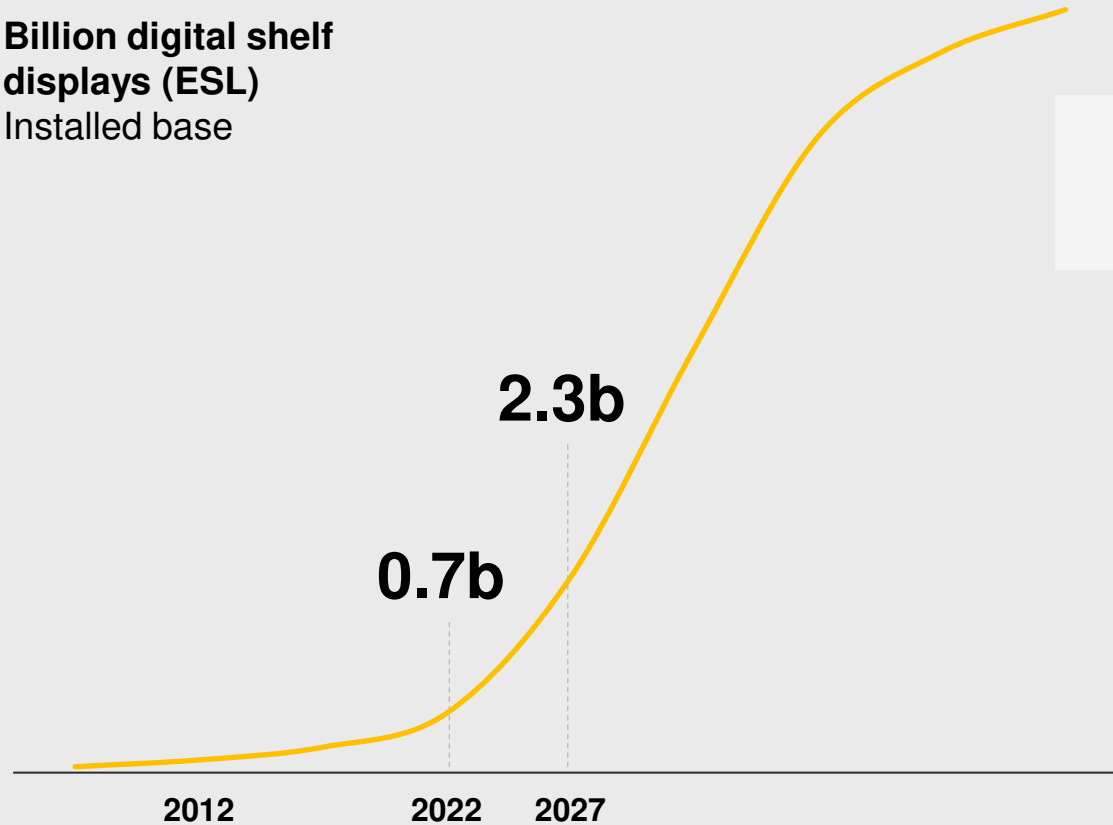
**FOR** Retailers to create a **new**  
**Revenue Stream** from  
Retail Media

**FOR** Brands to leverage a  
**Cost-Effective & Targeted**  
**Access** to Shoppers

# Global footprint expansion: Strategy and Roadmap

# In 5 years, **ESL** will have become one the most pervasive digital communication network in history

**Billion digital shelf displays (ESL)  
Installed base**



Smartphones ~7.2 billion

**ESL ~2.3 billion**

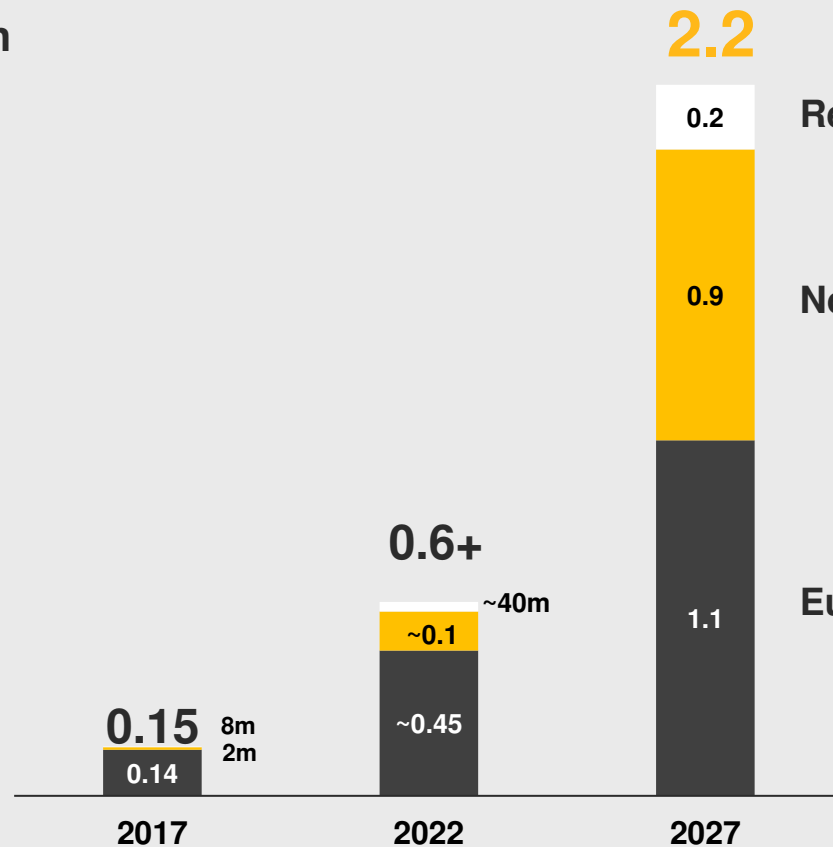
TV ~2 billion

Laptops ~2 billion

iPad ~0.4 billion

# Global Growth Plan Summary

€Bn



**5-yr CAGR 30% p.a.**

~25%+ p.a.

Focus on selected countries and top accounts

~50%+ p.a.

Top growth priority  
(Half of total revenue add)

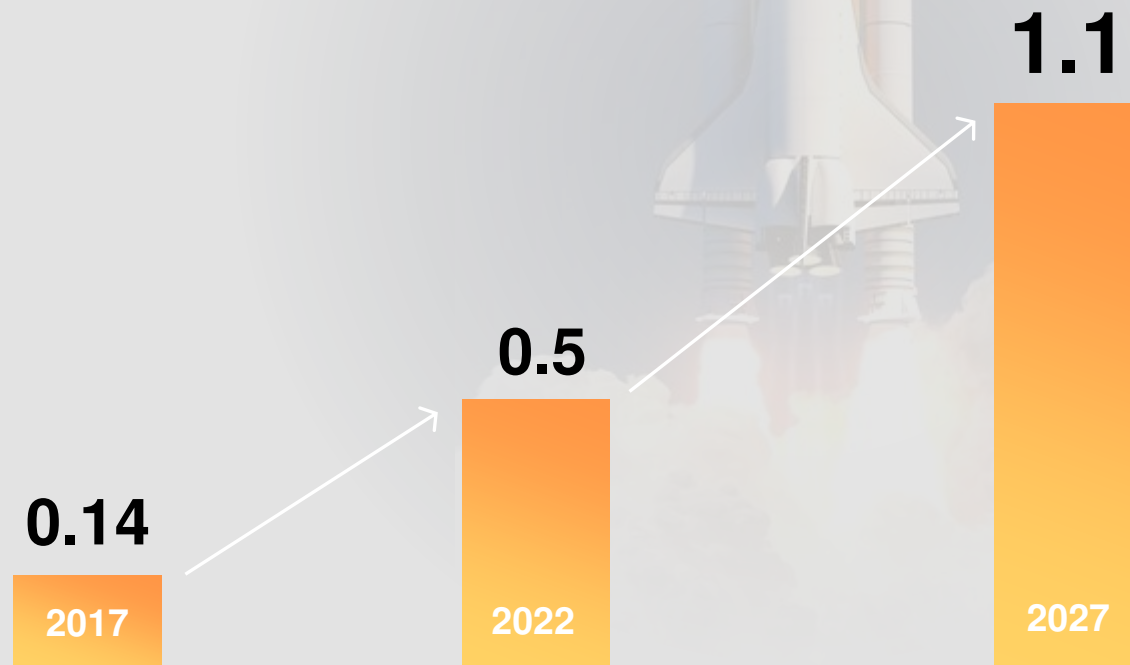
~20%+ p.a.

Key markets to accelerate  
Upgrade installed base  
New verticals takeoff

# Growth Plan Europe

# EUROPE

## Revenue Growth (€Billions)



### Drivers of growth



Installed-Base  
Swap & upgrade



Value-added  
Solutions



DACH & UK  
Acceleration



New  
Verticals

# SES-imagotag in Europe



**180 people**



**12 offices & branches**

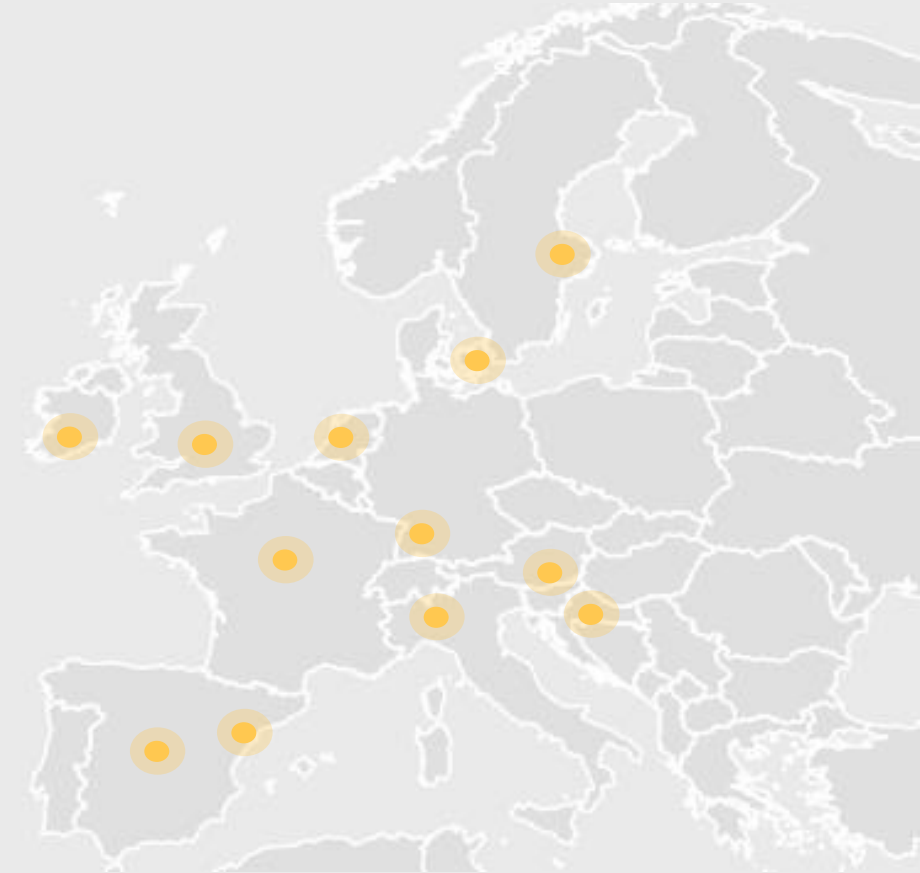
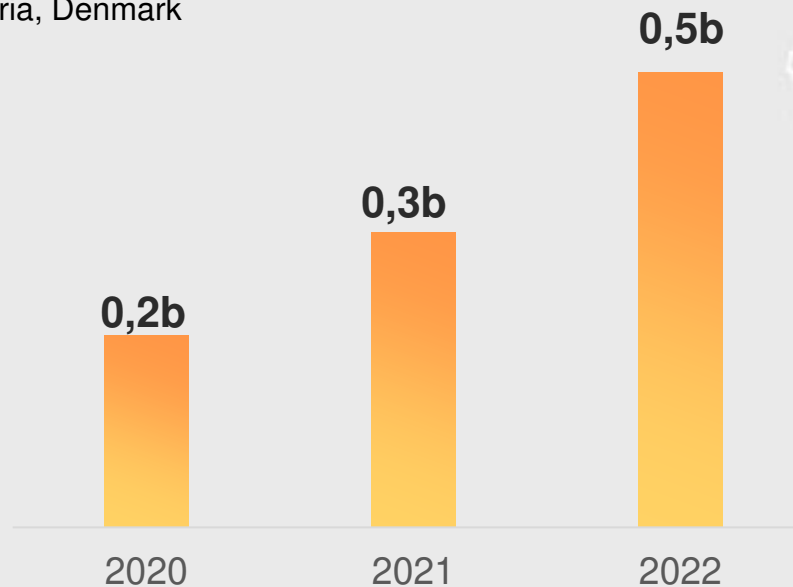
France, Netherlands, Spain, Italy, Sweden, England, Ireland, Germany, Croatia, Austria, Denmark



**30,000 stores**



**Historical  
revenue growth**



# Clients



**200+**  
clients



**80%**  
of the TOP10


# Upgrade & develop our customers



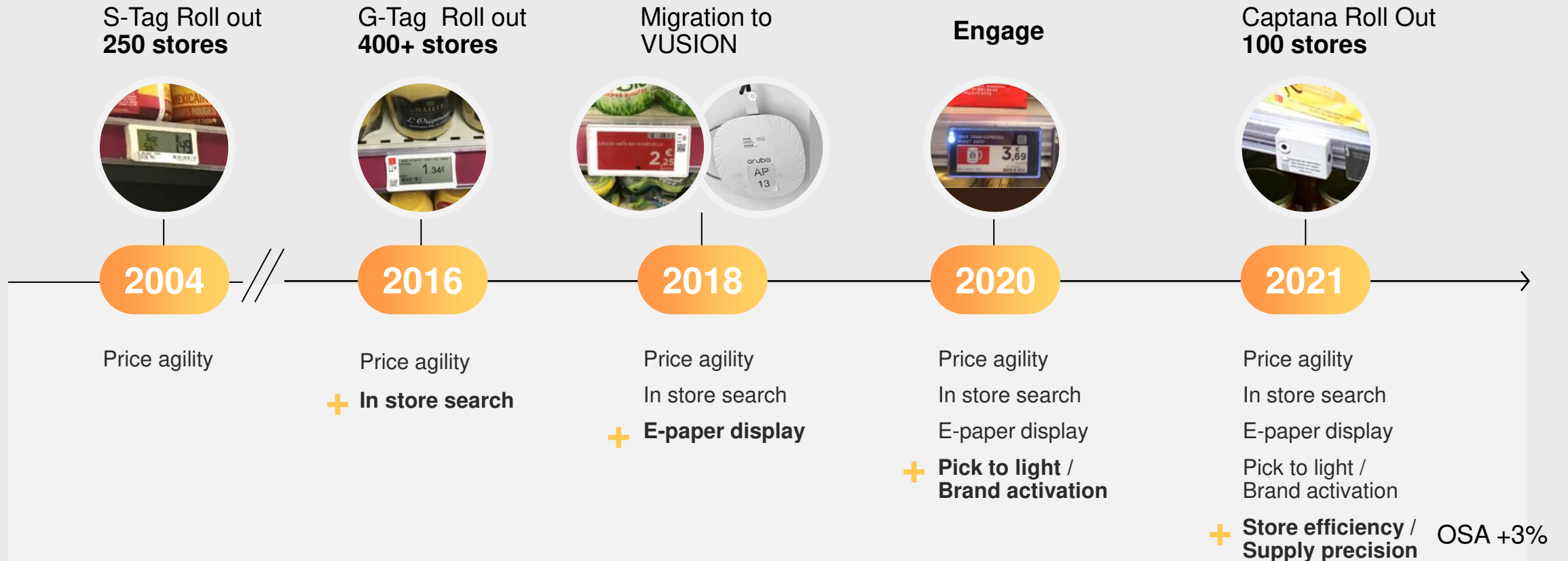
+



**25,000+ legacy  
on-premise stores**  
to be upgraded &  
converted to Cloud

**Upsell to  
value-added  
solutions**

# Monoprix Example Past & Future



# Accelerating in the UK & Ireland

one|stop

care+PLUS  
PHARMACY

ASDA

united  
BEST CASE CASEY 2020

WHSmith  
EST. 1792

Morrisons  
Since 1899

roadchef

Daybreak

Costcutter<sup>e</sup>  
Supermarkets Group

euronics

MACE

Londis

M&S  
EST. 1884

Musgrave  
SuperValu Centra

SPAR





Viele tolle  
**NEUERÖFFNUNGS-  
PREISE**



Viele  
**NE  
PR**

Online-Shop  
  
[www.DaenischesBettenlager.de](http://www.DaenischesBettenlager.de)



Hier  
gibt's  
noch mehr  
**Auswahl**



BUY PARIS DUTY FREE  
CHANEL

Dior

LANCÔME

GUÉLAN



Dior



-20%

SHISEIDO

SHISEIDO

SHISEIDO  
UNZA TOKYO

CHANEL









 **tangerina**

Autoservicio  
00.00 > 24.00

 Jet wash

Gasóleo A  1 044

Sin Plomo 95  1 189

Gasóleo Diésel  1 104

Hi Gasolina 95  1 309



<b>Bezahlungspreis (EUR)</b>	
<b>38.390,-</b>	
Umsatzsteuer	6,00%
Grundpreis inkl. Probefahrt	38.390,-
Umsatzsteuer	6,00%
<b>Unser Finanzierungsangebot</b>	
<b>380,-</b>	
Einschüsse	
Grundpreis (EUR)	38.390,-
Zinssatz	4,99%
<b>Finanzierungsplan</b>	
Leistung	33.000 km/3Jahre
Restzahlung	7.879,00 €
Restschuld	30.121,00 €
Restschuldzahlung	30.121,00 €
Restschuld	1.000,-
Effektiver Jahreszins	5,00%
Leihzeit	36 Monate
Grundpreis	38.390,-
Mercedes Finanzierungspreis	38.390,-
Schleuse	18.000,-

<b>Unser Finanzierungspreis (EUR)</b>	
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Leihzeit	36 Monate
Grundpreis	38.390,-
Mercedes Finanzierungspreis	38.390,-
Schleuse	18.000,-

<b>Eingangsscheck</b>	
Aufnahme Datum	28.10.2017
Häusernahme	05.11.2017
Eingangsscheck	09.11.2017
in Werkstatt	
Technik o.ä.	
in Aufbereitung	
Optik o.ä.	
Preis angepasst	
Preis geändert	
Daten geprüft	
M. Schülze	
Tel. 20983-344	
Mail: M.Schulze@ah-muellet.de	

**Reserviert für Familie Buchwald.**

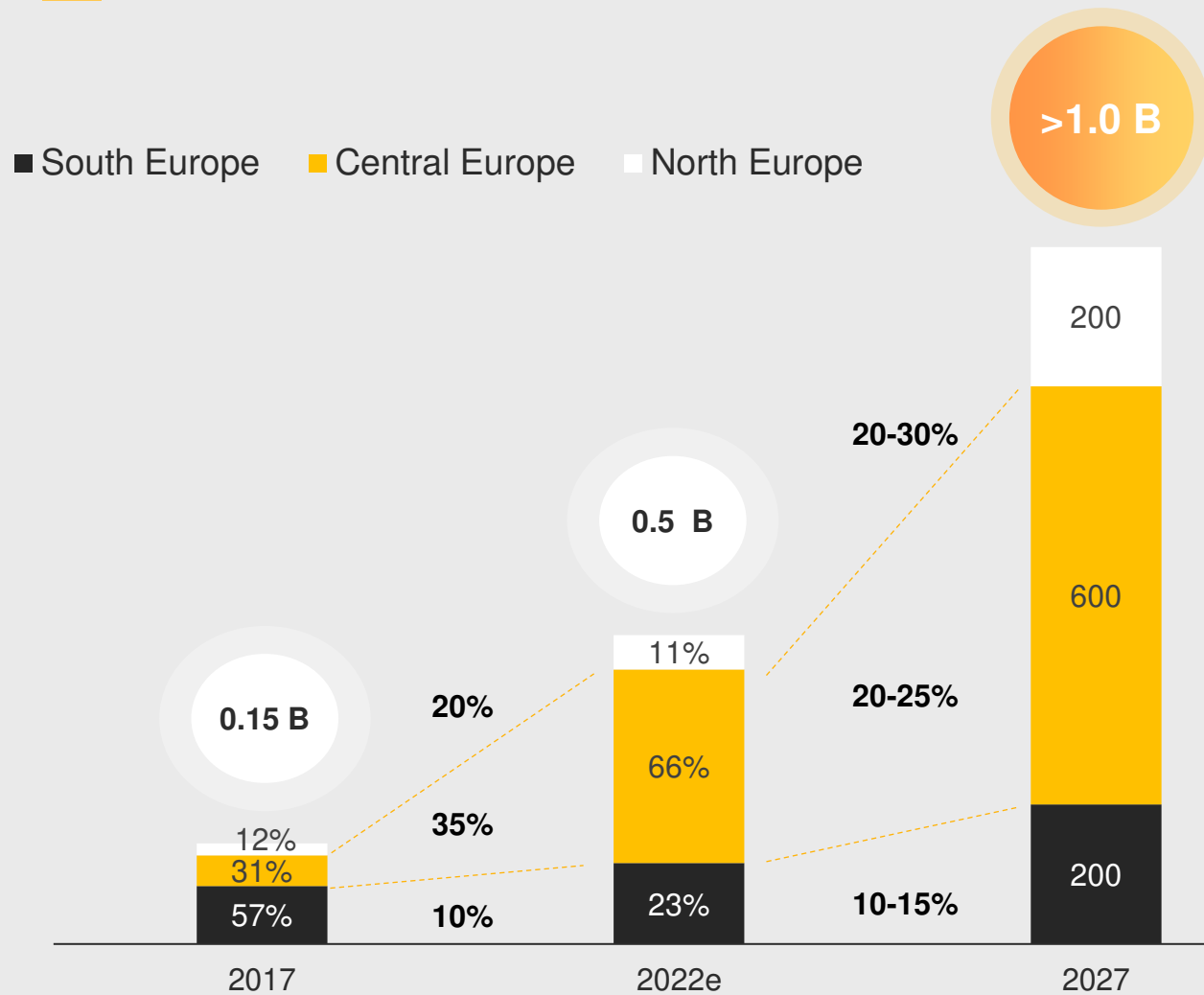
**Wir wünschen viel Spaß bei der Probefahrt.**

**Ihr Ansprechpartner:**  
Martin Schülze

<b>Bezahlungspreis (EUR)</b>	
<b>38.390,-</b>	
Umsatzsteuer	6,00%
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Leihzeit	36 Monate
Grundpreis	38.390,-
Mercedes Finanzierungspreis	38.390,-
Schleuse	18.000,-

<b>Junge Sterne</b>	
So Mercedes wie am ersten Tag.	
<b>Mercedes-Benz GLA 250</b>	
125.390,-	
1.237,-	
125.390,-	

# Europe growth per area



Europe  
5-year CAGR  
~**20% p.a.**

## Growth drivers

- Inflation & labor cost
- Installed-base upgrade
- DACH & UK acceleration
- Value-added solutions
- New verticals

# Growth Plan North America

# SES-imagotag America



50 people,  
growing to 100+ by YE23



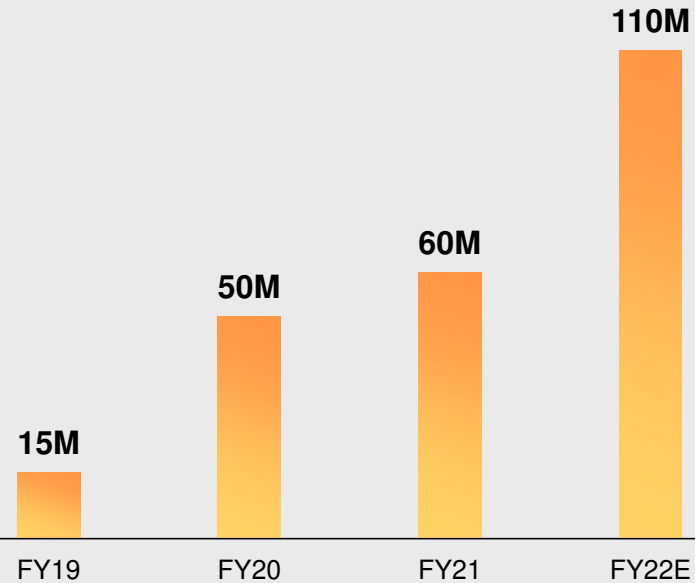
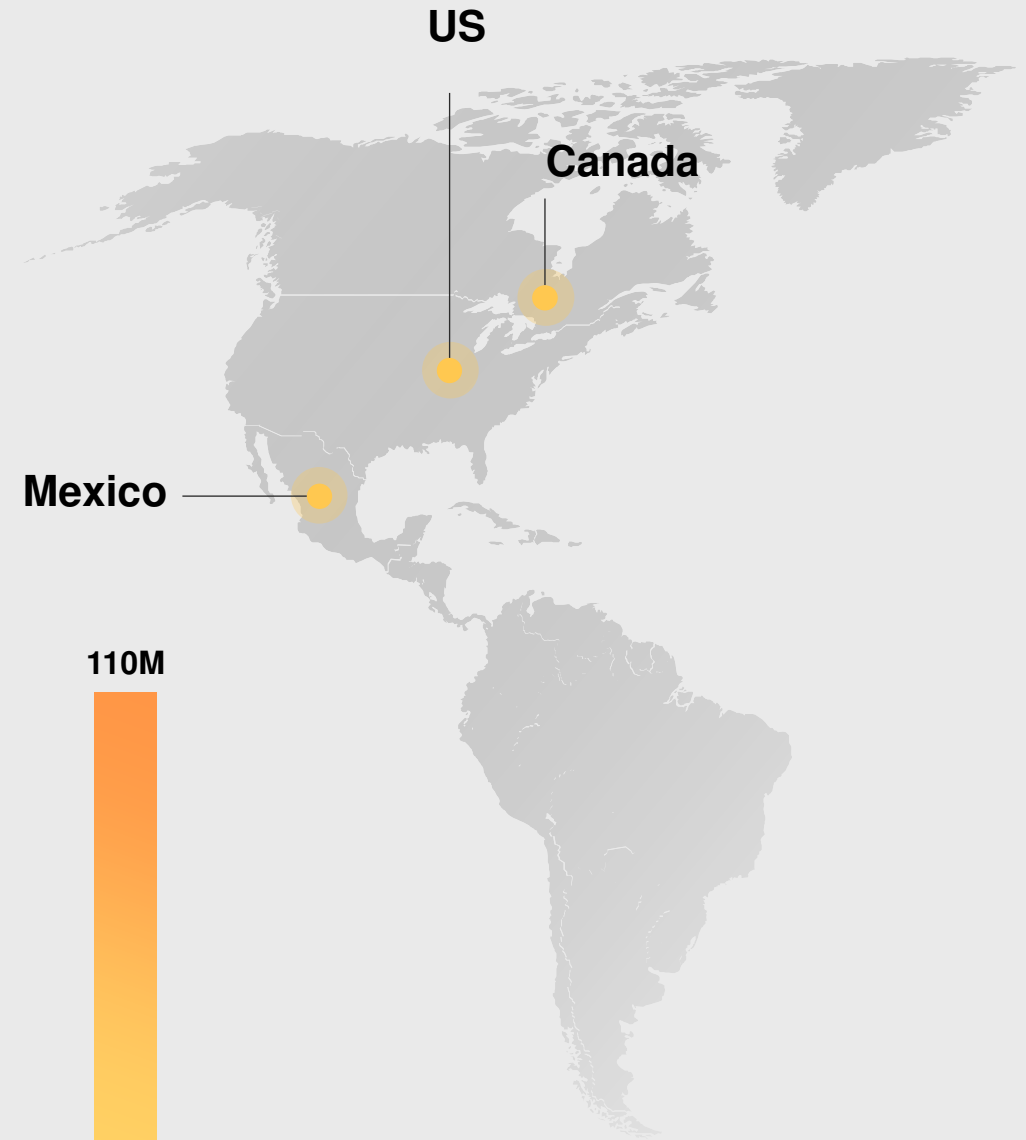
**4 offices**  
Chicago, Dallas (new), Montreal, Mexico City



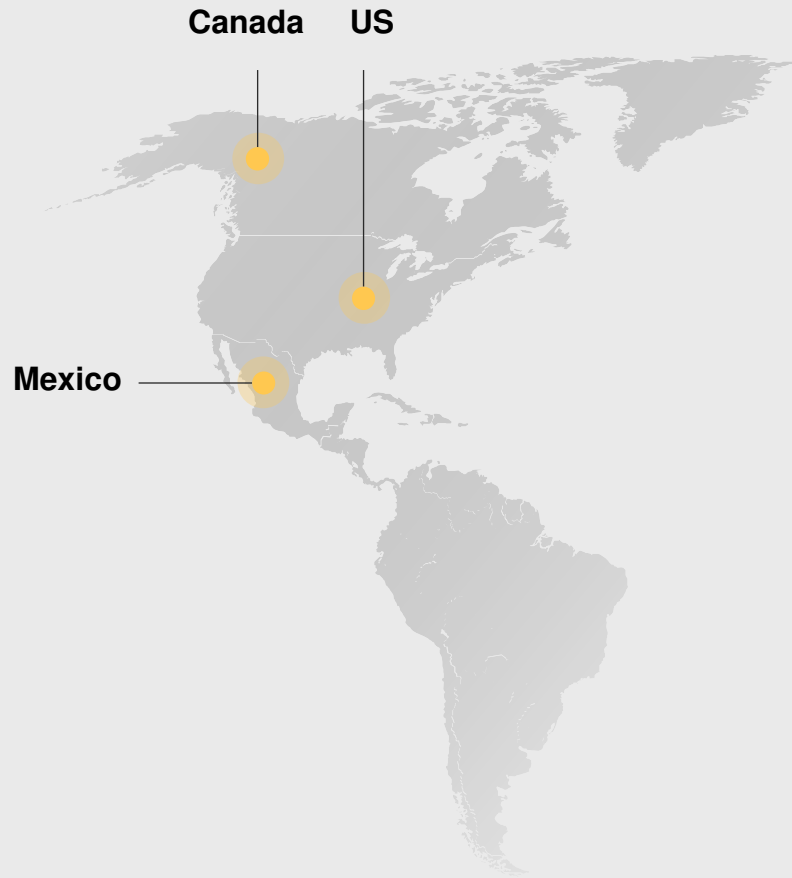
**4,000+ stores**


























**Historical  
revenue growth**




# Clients, etc.



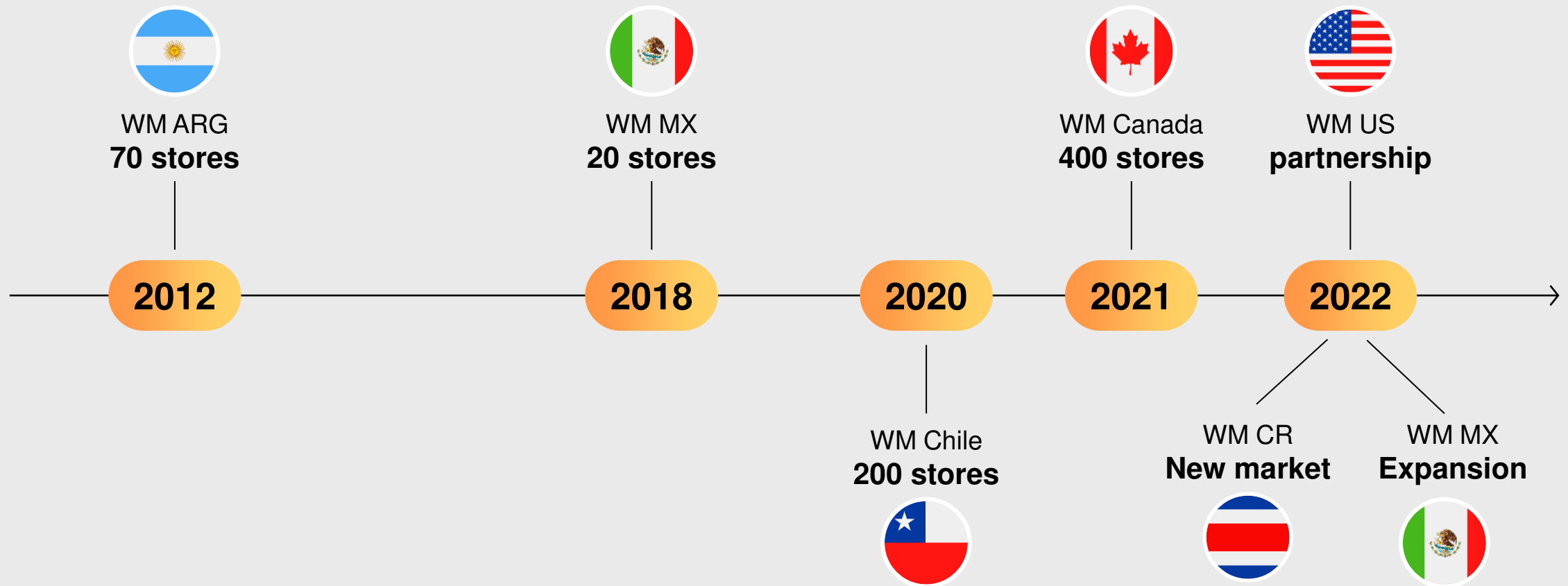
				
				
				
				
				

 **100+**  
clients

---

 **60%**  
of the TOP10

# Walmart Past & Future



# Unique Selling Proposition



## Technology leadership

100% cloud connected, dominantly infra-less, ARR & VAS centric models – ISF, OSA, Retail Media



## Services capabilities

Local teams delivering excellent end to end service capabilities throughout the customer journey



## Partner-heavy ecosystem:

### CLOUD PARTNER



### WIFI PARTNERS



### TECH PARTNERS

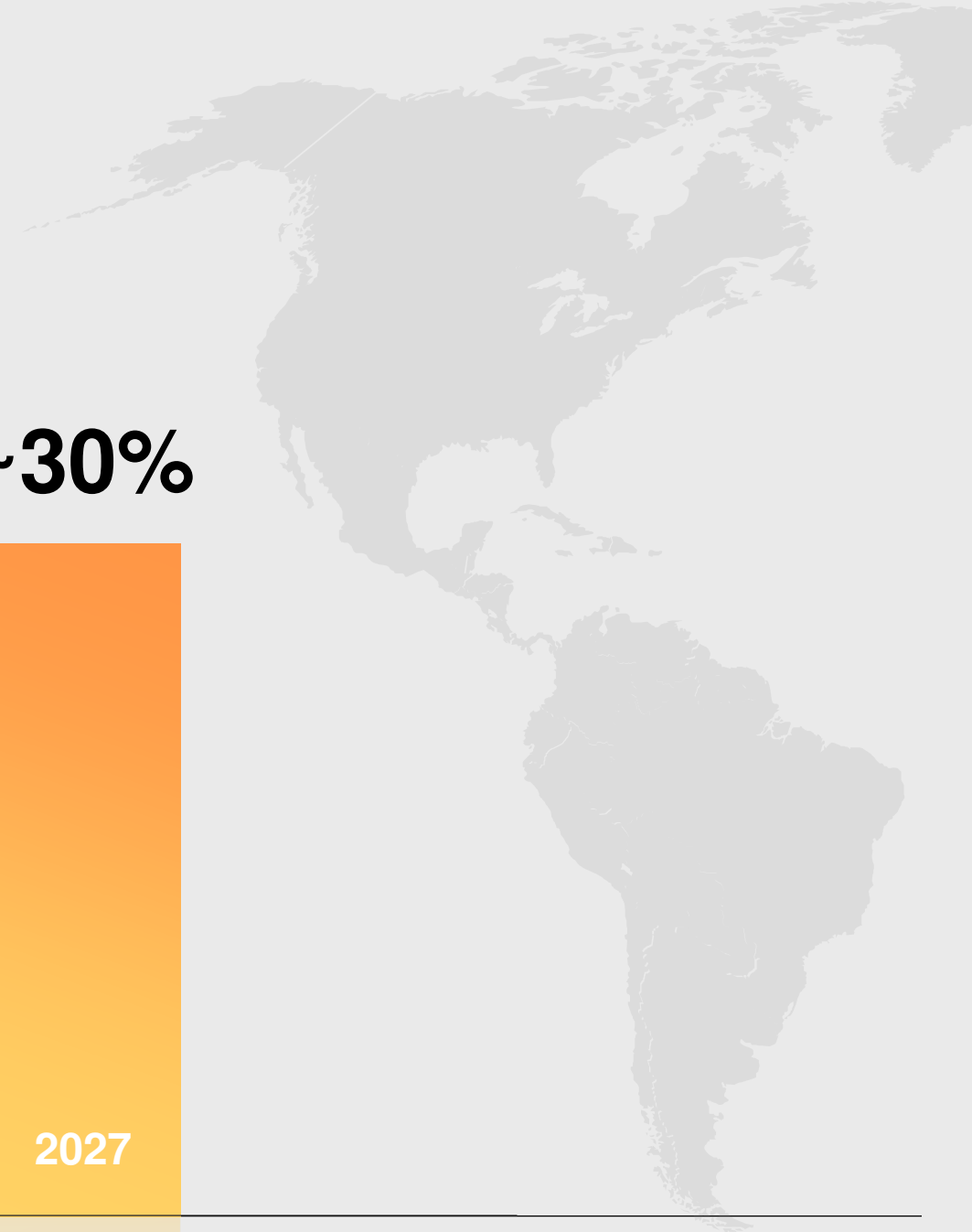
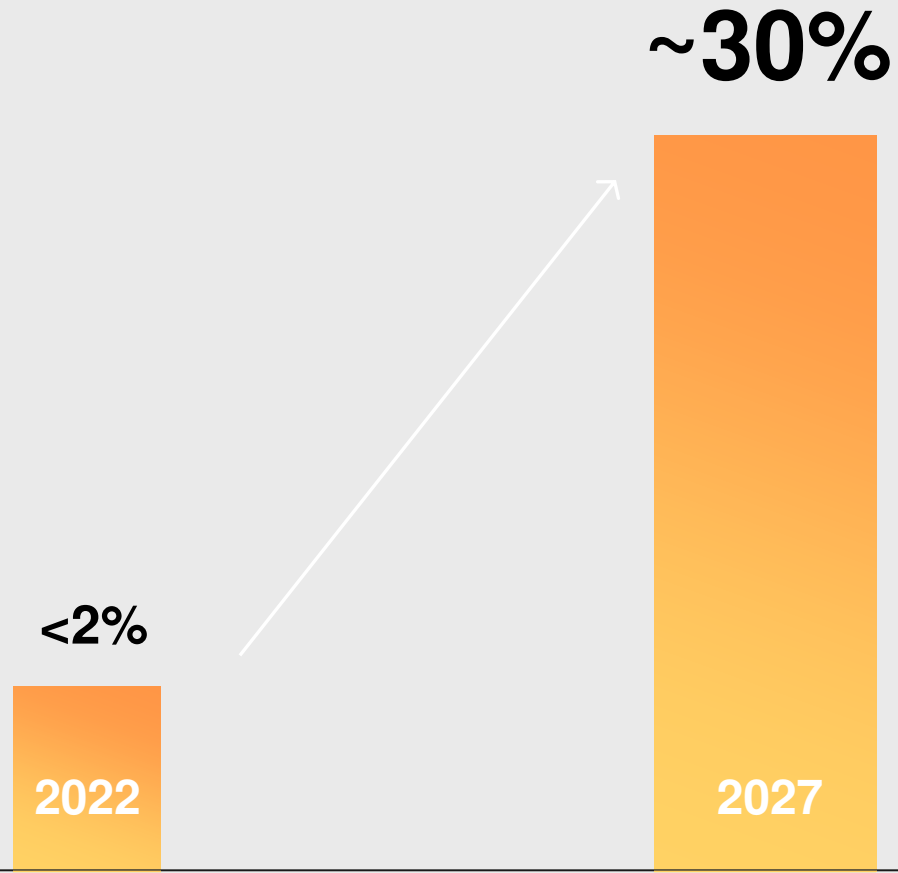


### MERCHANDISING PARTNERS



# The Market Opportunity

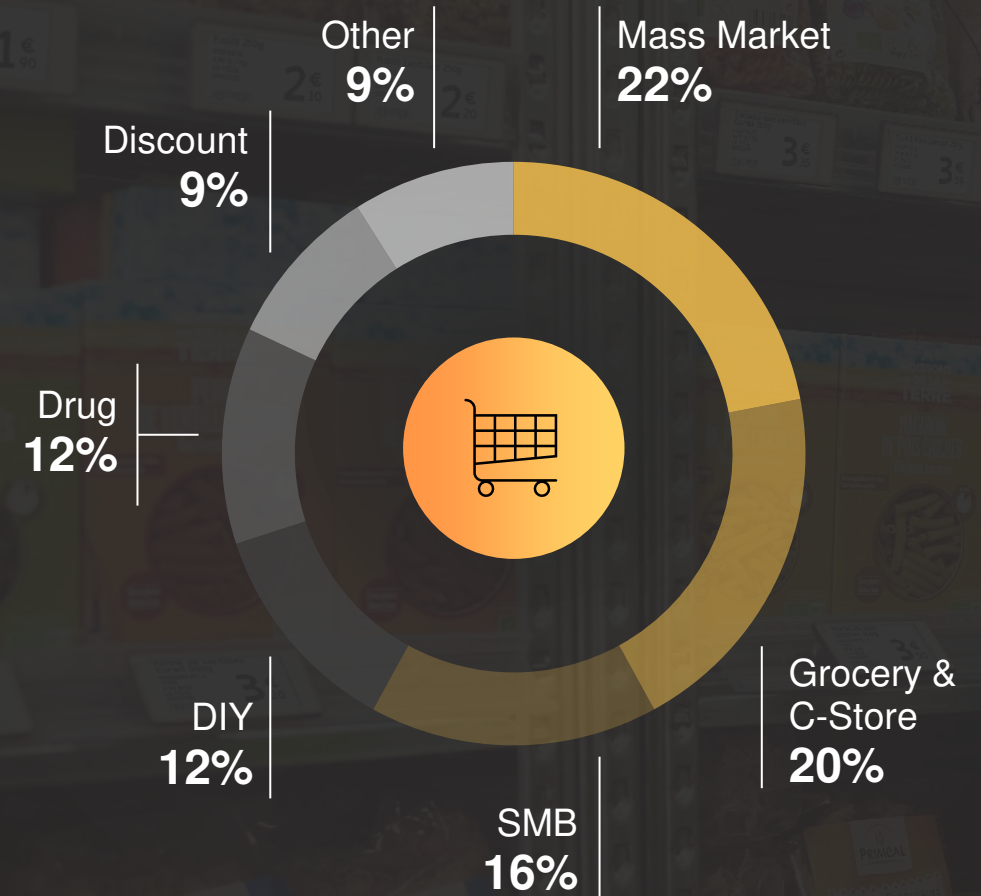
TAM  
**3.2B**  
ESLs



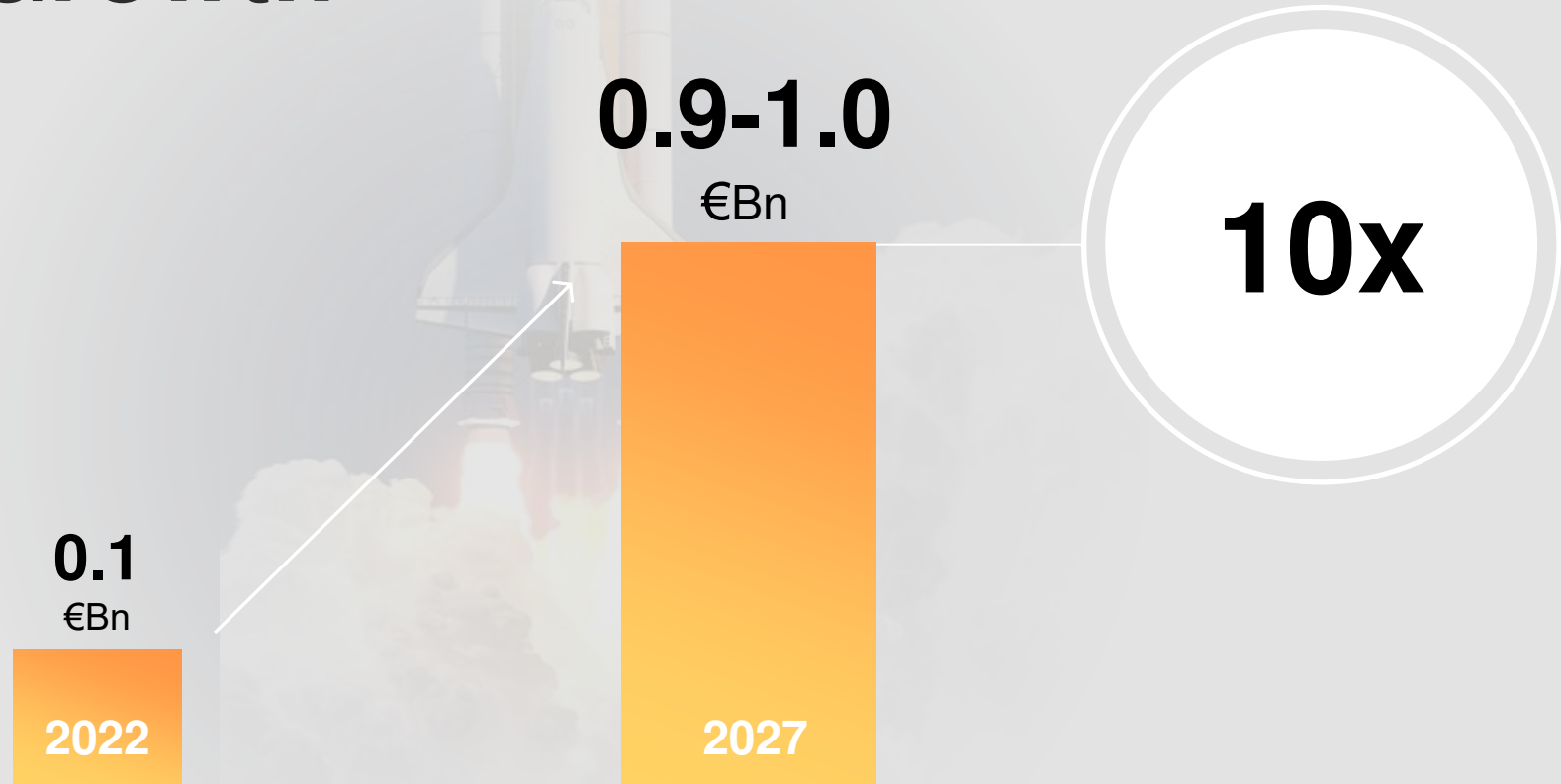
# The Market Segmentation

	Est. # of ESLs	% of Total	GTM
TOP 1-30	~2.2B	68%	Direct
TOP 31-100	~0.5B	16%	Direct
SMB	~0.5B	16%	Channel
<b>TOTAL</b>	<b>3.2B</b>	<b>100%</b>	

## ESL Market break-down per retail segment



# Expected Revenue Growth



## Drivers of growth



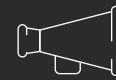
Pricing & promotional velocity



In Store fulfillment



Supply chain optimization



Retail Media

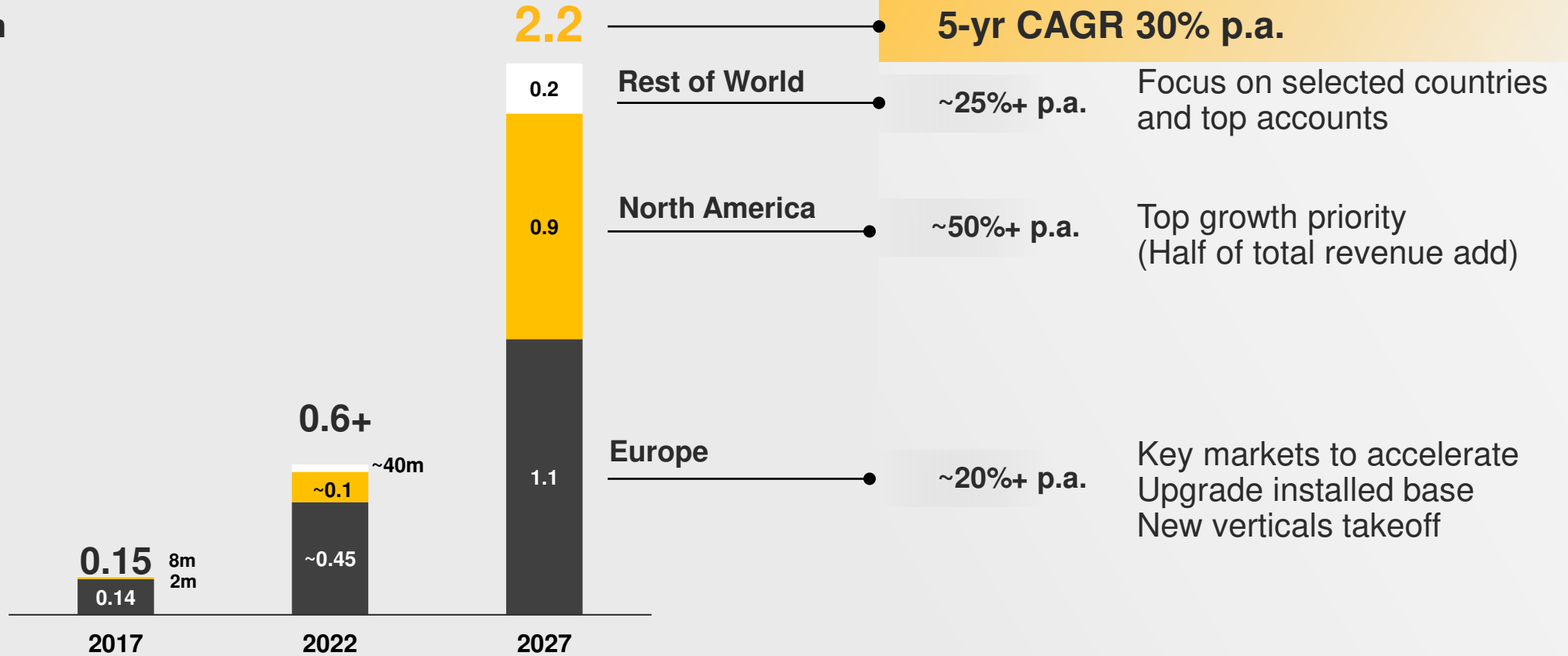
# Financials

# Our ambition: to build the largest retail IoT platform with 1b+ intelligent connected IoT devices

	2017	2022e	2027e	Key drivers
<b>SALES in €m</b>	153	600+	<b>2,200</b>	Increasing demand (inflation, labor cost, O2O) American market take off / New verticals (retail & Ind.) SES focus on higher value markets / customers
<b>VAS €m</b> % total rev.	12 8%	95 16%	<b>650</b> <b>30%</b>	Migration to Cloud + Adoption of ISF, Captana, Pulse, Engage, Location, Industrial IoT
<b># ESLs in millions</b>	160	350	<b>1,150</b>	Large US retailers + EU increased coverage + New verticals
<b># Cloud ESLs in millions</b>	-	50	<b>1,000</b>	Cloud managed IoT assets
<b>VAS in € / ESL / yr</b>	0.1	0.3	<b>0.6</b>	IoT business model focused on ARR per connected device
<b>EBITDA</b>	4%	10%	<b>22%</b>	VAS profitability + Operational leverage COGS down after Covid peak

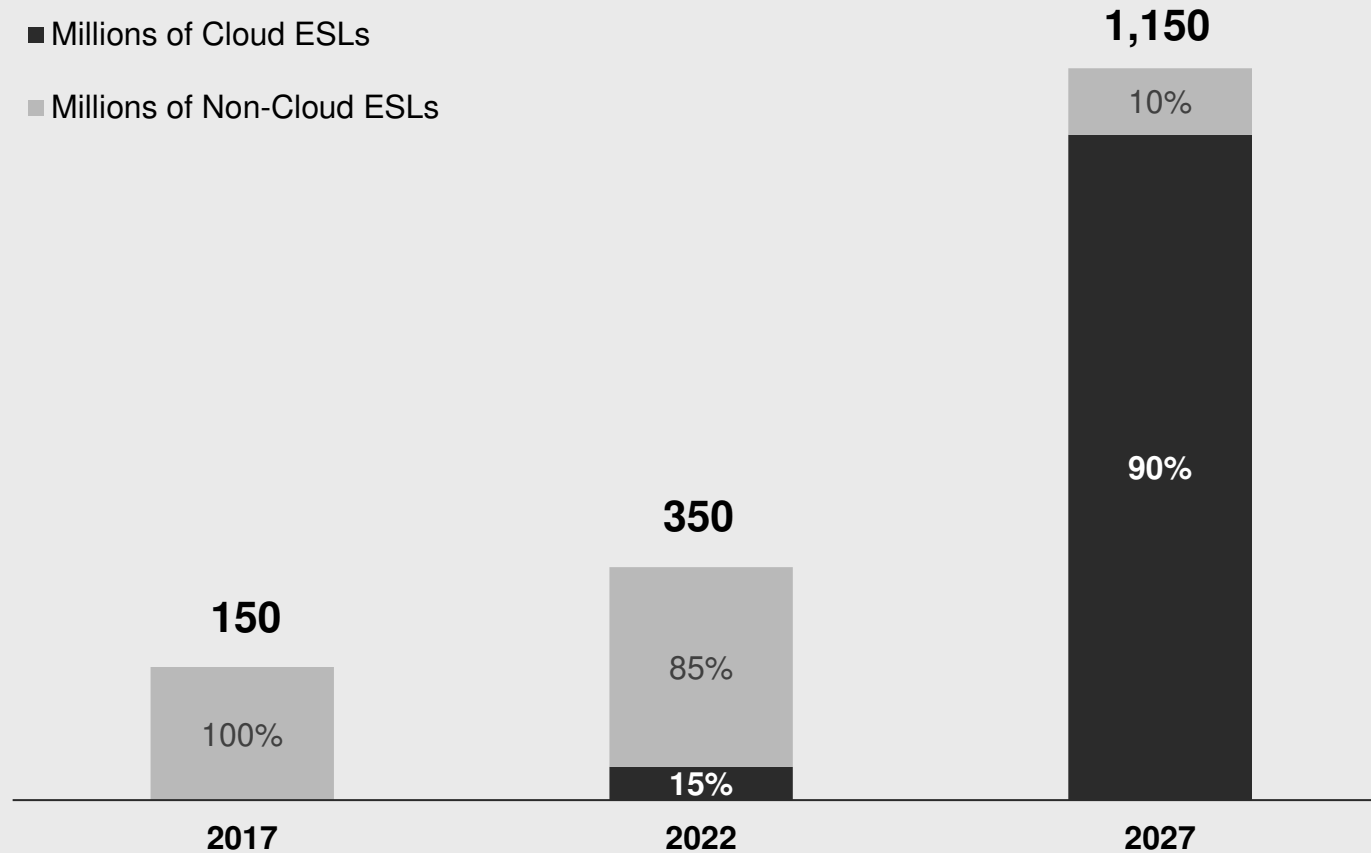
# Global Growth Plan Summary

€Bn



# 1 Billion Cloud-Connected ESLs in 2027

- Millions of Cloud ESLs
- Millions of Non-Cloud ESLs

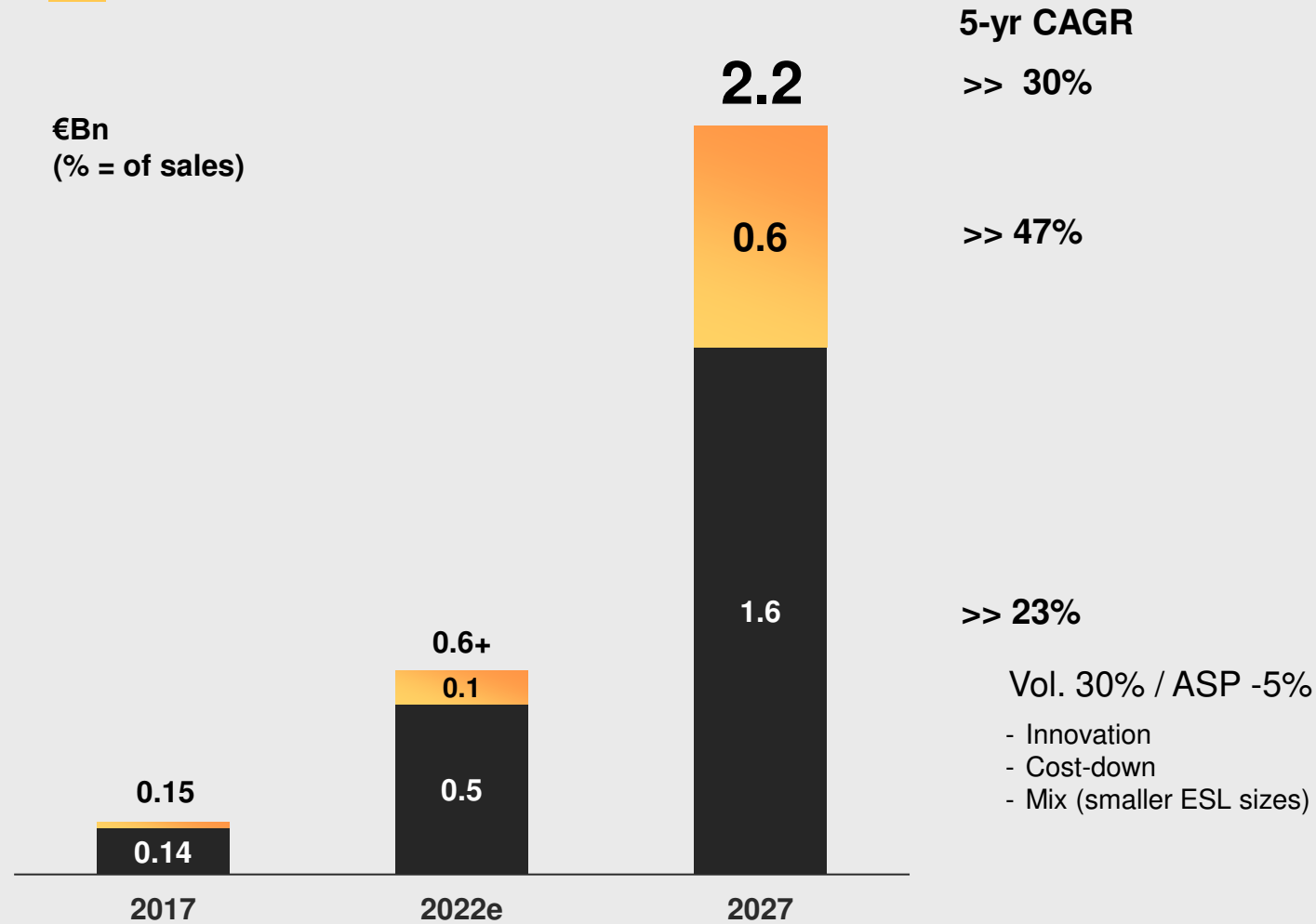


**+800M**  
New ESLs

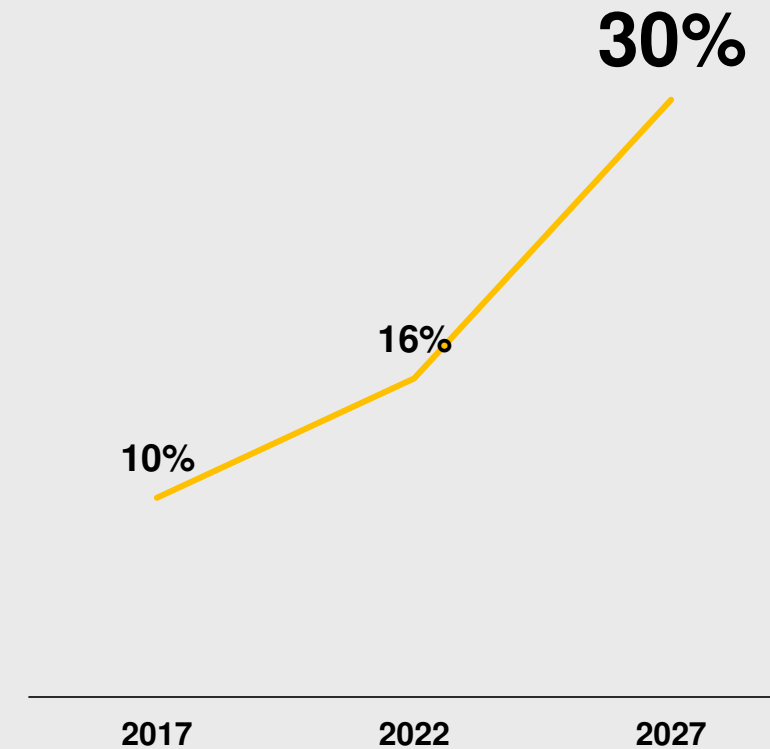
Rapid growth of  
ESL network  
and conversion  
from on-premise  
to cloud



# Revenue growth breakdown

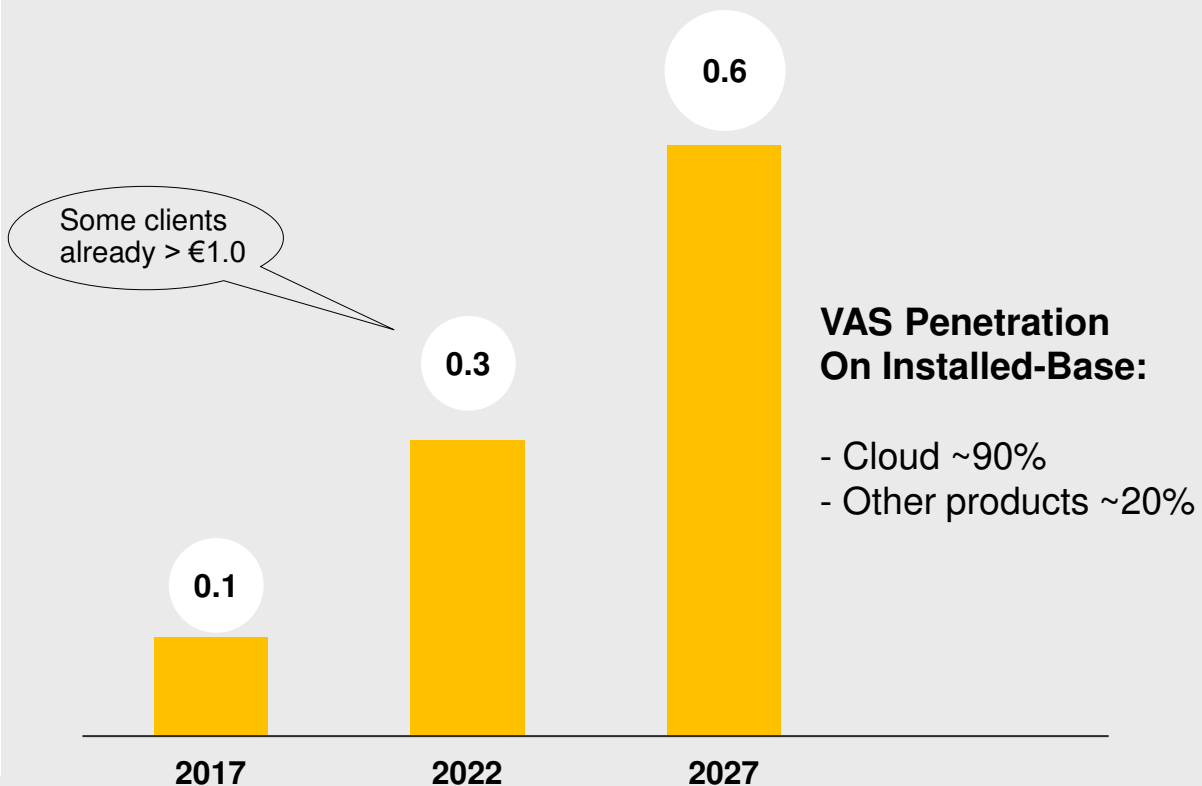


VAS as % of total sales

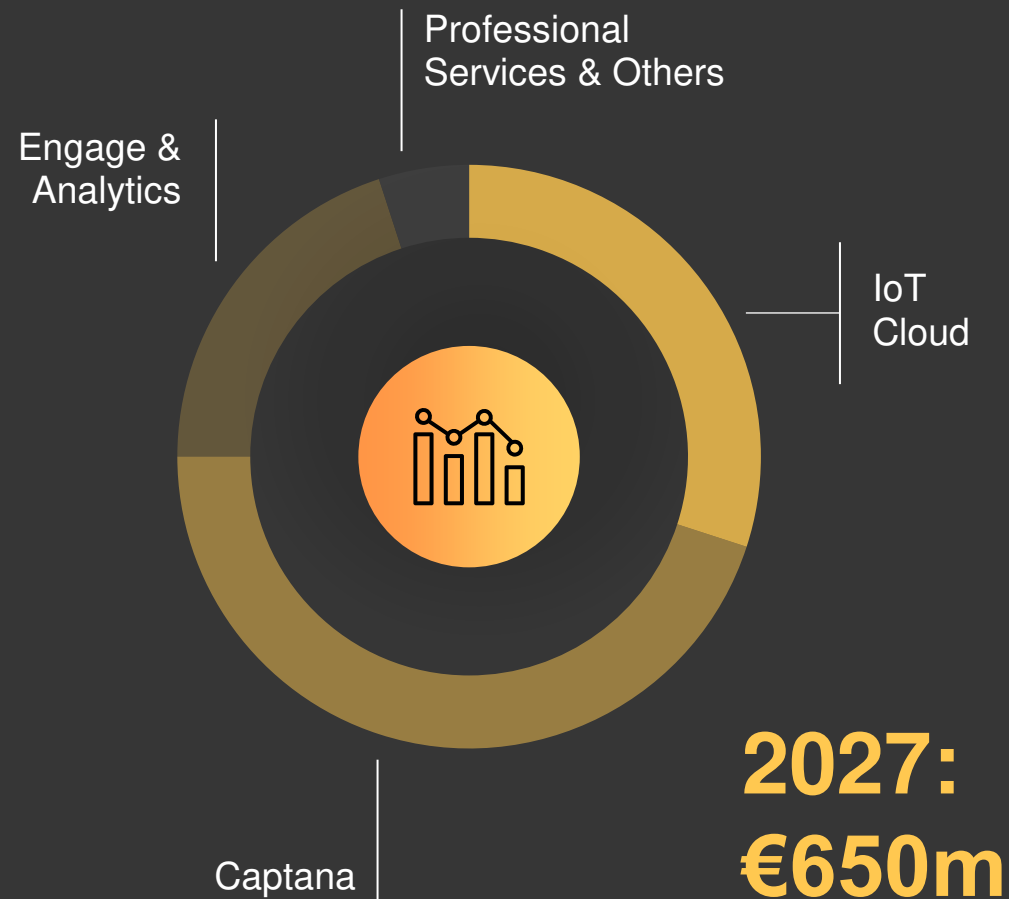


# VAS revenue

In € per ESL per year



## VAS Breakdown per product



# VUSION 2027 Key figures

€m	2017	2022e	2027e
<b>Revenue</b>	<b>153</b>	<b>600+</b>	<b>2,200</b>
<b>VCM</b> % of sales	<b>40</b> 26%	<b>125-132</b> 21-22%	<b>700</b> 32%
<b>Opex</b> % of sales	<b>(34)</b> 22%	<b>~(72)</b> 12%	<b>(220)</b> 10%
<b>EBITDA</b> % of sales	<b>6</b> 4%	<b>53-60</b> 9-10%	<b>480</b> 22%

# Financial Structure

## Free Cash-Flow

	2027	Sales %
Ebitda	480	22%
Capex	(110) - (150)	5-7%
Change in WC	(60) - (100)	3-5%
<b>Free cash Flow</b>	<b>230 - 300</b>	<b>&gt; 10%</b>

### Capex

set around 5-7% of sales mainly consisting of R&D capitalized expenses + industrial capex to support the ESL growth in volumes

### Change in WC

at 10%-15% of the revenue growth

**Free cash flow generation expected at 10%+ of the revenues in 2027**

# Financial Structure

## Financing and Dividends Policies

---

Favor **Debt**  
vs Equity.

---

**Potential  
progressive shift**  
from bullet to  
amortizable and  
from Europe to US

---

**Max Leverage**  
(Net Debt to  
Ebitda ratio):  
<< 2x

---

**Dividend policy**  
(subject to  
shareholders  
approval)  
  
Targeting dividends  
starting in 2024 based  
on 2023 results

# Conclusion

# A VUSION for the Future

## **VUSION '27**

**1 Billion Connected IoT Devices**

**€2.2bn sales (30% CAGR)**  
40% in North America

**30% VAS**

**22% EBITDA**

**NPS 70 (Customers & Employees)**

**Top ESG Ratings**

**-30%/-40% Carbon Intensity**

**x3 Carbon Return**

A man and a woman are standing in a grocery store aisle, looking at a smartphone together. The woman is on the left, wearing a dark patterned dress, and the man is on the right, wearing a white and black striped t-shirt. They are both smiling and appear to be engaged in a conversation. The background shows shelves stocked with various grocery items.

# Thank you!