

Updated Investor FAQ – October 2, 2026

1) Net Cash as of June 30, 2026

What does Vusion's reported net cash position of €197m include?

Vusion's net cash position as of June 30, 2026, was €197m, including €90m of cash invested for periods of more than three months.

This information was disclosed in Note 6, "Other current receivables and current taxes" to the FY 2025 financial statements, which identifies the current financial asset as cash invested for more than three months.

Do the adjustments between IFRS and adjusted figures have a cash impact?

The adjustments between IFRS and adjusted figures have no cash impact.

2) 2026 Free Cash Flow and Walmart Downpayments

How does the reversal of Walmart downpayments affect free cash flow in 2026?

Vusion stated in its FY 2025 results presentation that free cash flow would continue to be negatively affected by the consumption of Walmart down payments in 2026.

At the end of 2025, there were €415m in down-payments (from all customers) on the balance sheet (see note 14 of the URD 2025 "Other debts and accrual accounts"), still to be reversed in 2026 along with the completion of the deployments.

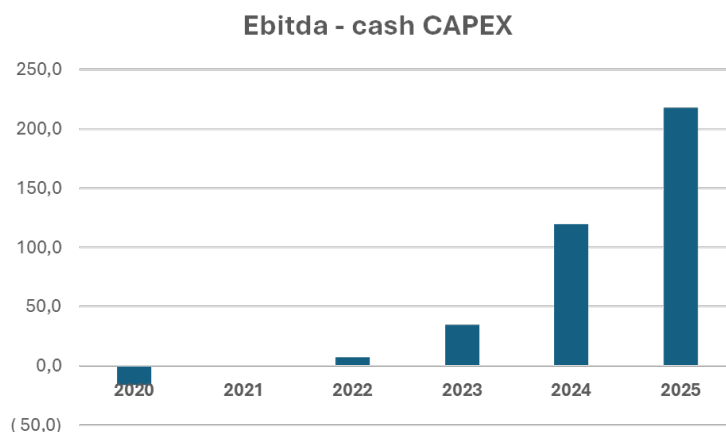
Of this amount, €222m were reversed in H1, and a significant portion of the remainder will be reversed in H2. This was explicitly reported in the Group's H1 2026 results press release and financial report.

3) Cash Generation

Operating Free Cash Flow is defined as:

Adjusted EBITDA - Capital Expenditures self-funded by the Group ('cash CAPEX').

The chart below illustrates the strong growth in the Group's Operating Free Cash Flow which increased from **€(16) million in 2020** to **€218 million in 2025**.



In the first half of 2026, Operating Free Cash Flow amounted to €130 million, representing a 51% increase compared with the first half of 2025.

Total Free Cash-Flow

How much Free Cash Flow did Vusion generate over 2023-2025, excluding the impact of Walmart's downpayments?

Between the end of 2022 and the end of 2025, Vusion's net cash position increased by €479m, from net debt of €40m at December 31, 2022, to net cash of €439m at December 31, 2025.

After adjusting for non-operating items (see table below) and approximately €400m of Walmart downpayments received during the period and expected to reverse in 2026, **cumulative free cash flow was €167m over 2023-2025.**

The reconciliation is as follows:

Reconciliation	€ million
Improvement in net cash over 2023–2025	479
Add back M&A cash outflows	106
Add back share buybacks	40
Add back dividend payments	15
Deduct proceeds from Walmart's warrant exercise	(73)
Deduct Walmart down payments received during the period	Approximately (400)
Cumulative free cash flow after these adjustments	167

4) Customer-funded production lines

What does customer pre-financing of production lines cover, and why is it a cash inflow for Vusion?

The pre-financing covers a complex industrial engineering project for EdgeSense as well as associated products:

- Defining the equipment and production processes required to manufacture the products
- Sourcing, selecting, negotiating and procuring manufacturing equipment
- Overseeing installation, ramp-up of production capacity, optimizing yield / quality and managing related process / product corrections, and commissioning turnkey production lines at the required capacity across four manufacturing sites operated by two partners in two countries
- Maintaining the operational conditions of these lines throughout the program, including replacing equipment as needed to support a highly intensive production output.

The pre-financing received covers all aspects of this complex engineering project, extending well beyond the acquisition of manufacturing equipment alone. Accordingly, the full amount of the pre-financing is retained by the Group and represents a definitive cash inflow.

5) Operating profitability

What explains the improvement in operating profitability?

The improvement in operating profitability, in both IFRS and adjusted terms, reflects:

- A more favorable product mix between ESL and VAS and, within ESL, an increasing contribution from EdgeSense
- Improved manufacturing costs
- An improved operating expense ratio.

6) Timing of Vusion and Walmart deployment announcements

Vusion announces major contracts following their signing, in accordance with its disclosure obligations. Each of the following announcements was made with Walmart's approval:

- **April 27, 2023:** Vusion announced a multi-year contract with Walmart U.S. to deploy its solutions, with an initial phase covering 500 locations. The announcement included a quote from a Walmart executive. [Vusion press release](#)
- **April 30, 2024:** Vusion announced an amendment to the framework contract with Walmart U.S. to accelerate the rollout, followed by Walmart's own announcement on June 6, 2024. [Walmart announcement](#)
- **December 23, 2024:** Vusion announced a signed contract extension to accelerate deployment across Walmart U.S.'s entire fleet of 4,600 stores. This announcement also included a quote from a Walmart executive. [Vusion press release](#)

7) VAS revenue

Is VAS an IFRS operating segment, and did its presentation change in H1 2026?

Vusion has never presented VAS as an IFRS operating segment, and there was no change in its presentation in the H1 2026 results.

What is Vusion's VAS revenue growth guidance for 2026?

Vusion has reconfirmed during the H1 2026 results presentation its guidance for approximately 40% growth in VAS revenue for the full-year 2026.

What is included in ESL and VAS revenue?

Vusion distinguishes between two components of total revenue:

- **ESL** includes revenue from electronic shelf labels (ESLs), EdgeSense rails and mounting accessories;
- **VAS** includes all revenue other than ESL revenue, including software, services and non-ESL solutions such as Computer Vision/Captana, retail media, data analytics, IoT logistics solutions, connected totes and other innovations beyond ESLs.

The Group also discloses a breakdown between recurring and non-recurring VAS revenue.

Vusion's business was historically focused primarily on ESLs. The VAS metric gives investors an indicator of the Group's diversification and the expansion of its solutions portfolio beyond ESLs. Vusion considers this metric to demonstrate that its diversification is significantly ahead of its ESL peers.

What can you tell us about the profitability of your VAS business?

Our VAS business delivers a variable contribution margin (VCM) that is significantly higher than that of our ESL business.

8) SESIM

What is SESIM and how did its stake in Vusion evolve over the past years?

SESIM is the holding company of the management and employees of Vusion, fully invested in Vusion shares. It is the second largest shareholder of Vusion. The company was established in 2017 and has gradually welcomed an increasing number of employees and BNP Paribas Développement as a financial partner.

After seven years of investing in Vusion shares, SESIM agreed to provide its shareholders several liquidity windows. The next one is expected to be completed in the coming months.

Whenever applicable, information relating to these transactions is communicated and duly reported to the AMF (French Financial Markets Authority) in accordance with the applicable regulations.

9) Reporting segments

Why does Vusion not report on different segments?

An operating segment is a component of an entity:

1. that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
2. whose operating results are regularly reviewed by the entity's chief operating decision maker for the purpose of making decisions about resources to be allocated to the segment and assessing its performance; and
3. for which discrete financial information is available.

To date, Vusion assesses the performance of its activities by analyzing the Group's results as a whole and solely at Group level. No income statement is prepared at a more granular level of the organization than the Group as a whole. Only revenue is broken down by geography (Europe, Americas and APAC) and by type of offering (ESL and VAS). No working capital or capital expenditure information is prepared at a more granular level than the Group.

The reason why no income statement analysis or balance sheet information is prepared or reviewed by management at a lower level of the Group is that many activities and resources are shared across the organization. For example, sales teams sell both ESL and other solutions to customers, while R&D teams work on products and solutions that are sold to customers across all countries, without distinction.

In the future, the Group may move towards a model involving a greater allocation of resources to dedicated activities or geographical areas, in which case analyzing performance by geographical area or business lines could become relevant. However, this is not currently the case.

Vusion, as any listed Company, has regular interactions with the Issuers Directorate ("Direction des Emetteurs") of the AMF. Vusion has never had discussions yet with the Issuers Directorate nor the Directorate for Accounting Affairs ("Direction des Affaires Comptables") regarding the presentation of its VAS activities in the financial statements.

10) In-Store Media

How would In-Store Media contribute to Vusion's VAS revenue?

As stated in the July 27, 2026, announcement of the agreement to acquire In-Store Media (ISM), Vusion aims to combine ISM's retail media expertise and multi-year recurring contracts with around 90 retailers and 1,600 brands with Vusion's connected store platform.

The objective is to build a digital in-store retail media platform connecting retailers, brands and shoppers through measurable, real-time in-store activation. This new digital platform, which will leverage AI, will help digitize in-store retail media campaigns and actively contribute to the VAS recurring revenue of the Group.

11) Strong balance sheet

What about your financial strength? Will Vusion need to raise equity?

No. The Group has a strong balance sheet and is able to finance its growth through the debt markets without the need for an equity raise, given its current development plans.

Excluding the impact of acquisitions, Vusion expects to end 2026 with a positive net cash position, even after the reversal of all Walmart customer prepayments.

The Vusion 27 plan, presented in 2022, set a maximum leverage target of 2.0x EBITDA. Vusion expects to end 2026 with a leverage level well below that threshold.

12) BOE Technology

Could you remind us of the key milestones in your relationship with BOE?

In 2017, BOE Technology Group became a shareholder in Vusion when it joined SES-imagotag's Management (aka SESIM) as a co-shareholder of BOE Smart Retail in Hong Kong, which subsequently acquired a controlling stake in Vusion. The shareholders' agreement between BOE and SESIM entered into at that time, expired in 2022.

Beyond its shareholding, BOE Technology continues to be one of Vusion's three main manufacturing partners, alongside Jabil and Foxconn, producing the Group's various products.

What is BOE's current stake in Vusion?

As of 30 June 2026, BOE remained Vusion's largest shareholder, with a 23.8% direct equity stake in the Company.

13) Shareholder returns

How much has Vusion returned to shareholders through share buybacks and dividends over the past three years?

Over the past three years, Vusion has returned **€55 million** to shareholders.

This includes €40 million in share buybacks (plus €17 million repurchased year-to-date in 2026), with 2 additional buyback programs targeting a total of €30 million.

The Group also distributed €15 million in dividends, including €5 million in 2025 and €10 million in 2026.

14) A strong culture of employee share ownership at Vusion

Is there an alignment of interest between Vusion's management and other shareholders?

As of 30 June 2026, the Group's senior management, primarily through SESIM, together with Vusion employees, owned approximately 14% of the Company's share capital, making them the Group's second-largest shareholder.

Vusion has built a strong employee ownership culture. As of the end of June 2026, approximately 90% of the Group's employees were granted performance shares.

Thierry Gadou, Chairman and Chief Executive Officer, has been a long-term shareholder throughout his 15 years with Vusion. He invested the majority of his personal savings when he joined the Group and has made several additional investments in the Company since then. Today, he still holds the vast majority of his shares, both directly (approximately 200,000 shares) and indirectly (through SESIM). Vusion represents well over 80% of his total net assets, ensuring a very strong alignment of interests with the Company's shareholders.

The main components of the CEO's compensation are disclosed annually in the Universal Registration Document (URD) and is over 50% share based.

15) The CEO's performance share awards

What performance conditions apply to the CEO in his performance share plans?

All CEO performance share plans applicable since 2025 are subject to performance conditions based on five key metrics:

- Revenue (25%)
- VAS revenue (20%)
- EBITDA (30%)
- ESG (10%)
- Share price performance (TSR) (15%)

16) Definition of key financial performance indicators

What are your key financial performance indicators, and how do you define them?

Order entries

Order entries represent the year-to-date cumulative value of ESL orders received from customers. Order intake also includes year-to-date VAS invoicing.

Variable Contribution Margin

The Variable Cost Margin (or VCM) is defined as Revenue less cost of goods sold and variable costs such as installation costs, transportation costs, and cloud hosting costs.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

EBITDA is a key performance indicator that measures operating profit before depreciation and amortization. It provides a good approximation of the cash generated from operating activities before capital expenditures and changes in working capital. Accordingly, it is adjusted to exclude significant non-recurring items and non-cash items that will never result in cash outflows.

Working Capital Requirement

Working capital requirement (WCR) is calculated using the following items from the consolidated balance sheet: (+) Trade receivables (gross amount, before impairment) (+) Inventories and work in progress (gross amount, before impairment) (-) Trade payables (+) Current income tax assets and liabilities (+) Other current receivables (-) Other current liabilities and accrued expenses.

Operating Free Cash Flow

Adjusted EBITDA less cash capital expenditures (cash CAPEX) funded by the Group. It is a useful measure of underlying cash generation because it is calculated before the impact of changes in working capital, including (i) often significant customer prepayments on large deployment contracts and (ii) customer pre-financing of capital expenditures.

Free Cash Flow

Free Cash Flow is another key performance indicator for the Group, calculated as Adjusted EBITDA, less capital expenditures, less changes in working capital, and less taxes.

Net Financial Debt / Net Cash

These indicators represent, respectively, the Group's net financial debt or net cash position, calculated using the following items from the consolidated balance sheet: (-) Borrowings (-) Current and non-current lease liabilities (IFRS 16) (+) Cash and cash equivalents.

A negative result indicates that borrowings and lease liabilities exceed cash and cash equivalents, in which case the Group is in a net financial debt position. Conversely, a positive result indicates that cash and cash equivalents exceed borrowings and lease liabilities, in which case the Group has a net cash position.

Change in Net Debt / Net Cash

This indicator represents the change in the Group's net debt or net cash position between two reporting periods. It also corresponds to the cash flow generated during the period.

17) Walmart accounting

What are the key accounting features of the Walmart contract?

Please refer to Note II.1.18 (page 289) of the 2025 Universal Registration Document (URD), entitled "Revenue from Contracts with Customers (IFRS 15)", excerpts of which are summarized below.

In April 2023, the Group signed a deployment contract with Walmart to equip its stores in the United States. This contract, consisting of three successive fulfillment orders (Statements of Work), is of an unprecedented scale for the Group and provides for the equipment of all stores in the United States with EdgeSense, the new hardware solution developed by the Group, as well as the subscription to Cloud-hosted services developed by the Group.

As part of the IFRS 15 analysis of this contract, the Company has identified points of attention in particular:

- payments to customers and the pre-financing of production lines similar to an advance payment on future deliveries;
- discounts on volumes sold;
- the issuance of share subscription warrants (BSA) exercisable according to the future volumes to be delivered, similar to a discount granted in advance on future revenue.

What are the four main accounting implications?

(1) On pre-financed production lines

In order to ensure significant production volumes, Walmart and the Group have agreed to invest in four production lines.

This investment is supported by Vusion and appears in its capital expenditure, but it is fully pre-financed by Walmart. The Group considered this advance payment to be a contract liability recognized in the Other current debts section (Other debts and accrual accounts) on the date of the advance payment to the Group, for a provisional amount of \$323 million.

The contract provides that the amount received as part of this pre-financing may be partially repaid if Vusion uses these lines for other customers. This reimbursement was treated as a “consideration payable to the customer” and recognized as a contract liability in the statement of financial position, for the maximum amount expected. Any subsequent change in this amount should impact revenue. The estimated nonrepayable portion of this advance is recognized in revenue as and when deliveries are made.

(2) On average selling prices versus invoiced prices

As this is a multi-year deployment agreement, Walmart and Vusion also agreed on a price reduction mechanism based on volumes. As a result, the Group has used an average volume-weighted selling price calculated from estimated volumes and projected revenue over the term of the contract to recognize hardware solutions sales in its revenue.

The manufacturing cost of ESLs is closely linked to production volumes, and higher volumes reduce unit production costs.

Accordingly, it was agreed that price reductions would be granted to Walmart in the future once certain cumulative order volume thresholds are reached. Under IFRS 15, these future variable price reductions must be reflected by averaging the transaction price over the expected term of the contract. As a result, IFRS revenue recognized is lower than invoiced revenue, even though the price reductions will only be granted in the future once the agreed volume thresholds have been achieved. The application of this accounting treatment affects revenue and all income statement line items through to net income.

(3) On warrants

On June 2, 2023, at their Annual General Meeting, the Group's shareholders approved a grant to Walmart of 1,761,200 of stock warrants on the Group's shares. According to IFRS standards, the fair value of these warrants should be calculated. On June 2, 2023, the fair value of the warrants was established at €163 million.

The €163 million amount, which was not subsequently remeasured, was recognized as a discount paid in advance and presented on the balance sheet under "Other current receivables". It has subsequently been recognized as a reduction in revenue as the corresponding deliveries were made.

The warrants did not qualify for equity classification because they provided for the issuance of a variable number of shares. Accordingly, they were classified as financial liabilities and are remeasured at each reporting date, with changes in fair value recognized in financial income (expense).

A contract asset and a financial debt were thus recorded in the consolidated accounts for this amount. The contract asset, which is a fixed amount, is amortized in proportion to the projected revenue generated by Walmart over the estimated period necessary for Walmart to reach a level of spending of \$3 billion with the Group. This impact in terms of reduced turnover is conventional because the only potential effect of the warrants will be a dilution that was already simulated and communicated when these warrants were granted at the beginning of June 2023; it does not impact the revenue invoiced to Walmart.

This adjustment has no effect on the Group's cash position. It has an impact on revenue and also on all the aggregates of the Group's income statement, in the same proportions. This negative impact will continue to have an impact on the Group's IFRS accounts until Walmart has spent \$3 billion with the Group and in proportion to the revenue generated by this contract.

Financial debt is subject to a revaluation at each closing date depending in particular on the number of outstanding exercisable warrants and the stock market price of the Vusion share. Any variation is recorded in the Group's consolidated financial statements. The Group would communicate the impact of this IFRS restatement on revenue and net income at each closing.

(4) On customer prepayments

To support the significant production volumes required under the contract, Walmart and Vusion agreed in April 2023 to invest in four production lines.

This investment is made by Vusion and is included in the Group's capital expenditures. It has, however, been fully pre-financed by Walmart in the amount of US\$323 million.

This pre-financing generated a positive cash flow reflected in Vusion's working capital movement in 2024. The cash was progressively utilized by the Group as the production lines were installed during 2024 and 2025.

In addition, significant customer prepayments from Walmart also had a positive impact on working capital in 2024 and 2025. As expected, this effect naturally reverses in 2026 as the U.S. deployment approaches completion.

18) Key strategic markets

Which regional markets are the most important globally, and what is your competitive position in each of them?

The Americas and EMEA currently account for over 85% of the global ESL market, making them by far the two most important regions for the industry. APAC is still a relatively small market. China is a limited and unattractive market so far. Even the leading Chinese ESL vendor generates less than 10% of its total revenue in his domestic market.

About Vusion

Vusion is the global leader in AI-powered digitalization solutions for physical commerce, serving over 350 major retail groups in the world.

The Group develops technologies that bring together the Internet of Things (IoT), data, and artificial intelligence (AI) to power Connected Commerce — transforming physical stores into intelligent, efficient, and sustainable environments for retailers, associates, and shoppers. It provides stores with solutions for operational excellence, local ecommerce, data-driven commerce, and retail media & shopper experiences. Through its integrated ecosystem, comprised of three layers, Vusion Intelligence, Vusion Connect, and Vusion Retail IoT, Vusion delivers the Artificial Intelligence of Things (AioT) for retail, helping the industry unlock higher performance, better experiences, and more responsible growth.

A pioneer in Positive Commerce, Vusion is committed to building a more sustainable, transparent, and human-centered retail future. The company supports the United Nations Global Compact initiative and has received a Platinum Sustainability Rating from EcoVadis, the world's reference for business sustainability ratings.

Vusion is listed in compartment A of Euronext™ Paris and is a member of the SBF120 Index.

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