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THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN

CONFIDENTIAL

IMPORTANT NOTICE

THE OFFERING IS AVAILABLE OUTSIDE THE UNITED STATES, IN ACCORDANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")

IMPORTANT: You must read the following before continuing. The following applies to the attached International Offering Memorandum dated May 22, 2017 (the "**International Offering Memorandum**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached International Offering Memorandum. In accessing the International Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. This International Offering Memorandum is intended only for the addressee of the e-mail to which it was attached. If you are not an intended recipient, please notify us immediately by e-mail and then delete and discard all copies of this e-mail. You acknowledge that this electronic transmission and the delivery of the attached International Offering Memorandum is confidential and intended only for you and you agree you will not forward, reproduce or publish this electronic transmission or the attached document to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES TO WHICH THIS INTERNATIONAL OFFERING MEMORANDUM RELATES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

THE FOLLOWING INTERNATIONAL OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE PUBLISHED OR REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IN PARTICULAR, PLEASE BE AWARE THAT THIS ELECTRONIC COPY OF THE INTERNATIONAL OFFERING MEMORANDUM MAY NOT BE TAKEN OR TRANSMITTED INTO, OR DISTRIBUTED IN, THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. OR OTHER SECURITIES LAWS.

Confirmation of your representation: The attached document is delivered to you at your request and you shall be deemed to have represented to Natixis and Gilbert Dupont (the "**Underwriters**") and Balyo S.A. that, to the extent that you subscribe to the offering referenced herein, you will be doing so pursuant to Regulation S under the Securities Act or pursuant to another available exemption from the registration requirements of the Securities Act and you are not, nor are you acting on behalf or for the account of any person located in the United States.

You have been sent this International Offering Memorandum in electronic form on the basis that you are an institutional investor outside the United States. You may not, nor are you authorized to, deliver to any other person or publish this International Offering Memorandum, in whole or in part, for any purpose.

This International Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Balyo S.A. nor any of Balyo S.A.'s directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any difference between the International Offering Memorandum distributed to you in electronic form and the hard copy version available to you on request from Balyo S.A. By accessing the linked document, you consent to receiving it in electronic form.

Neither the Underwriters nor any of their respective affiliates accept any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with Balyo S.A. or the offer. The Underwriters and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

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International Offering Memorandum
BALYO S.A.
8,419,393 Ordinary Shares
Indicative Subscription Price Range: between €3.05 and €4.11 per ordinary share

Balyo S.A., a *société anonyme* (limited liability company) organized under the laws of France ("**Balyo**" or the "**Company**") is offering 8,419,393 new shares of €0.08 nominal value each in a global offering, which can be increased to 9,682,301 new shares if the extension clause is fully exercised, and up to a maximum number of 11,134,646 new shares if the extension clause and the over-allotment option are fully exercised (the "**New Shares**"). The New Shares will be offered by Balyo by way of a public offering in France to retail investors (*offre à prix ouvert*) and internationally in private placements to institutional investors (the "**Offering**"). Any New Shares not subscribed for in the Offering may be subsequently offered by the underwriters named herein (the "**Underwriters**") in a private placement to institutional investors in France and internationally outside France and outside the United States of America (the "**Institutional Placement**" and, together with the Offering, the "**Global Offering**").

This International Offering Memorandum has been prepared by the Company solely for the purpose of the international private placement to institutional investors. The French retail public offering is being made pursuant to a separate offering document in the French language.

In accordance with the terms of the underwriting agreement to be entered into by the Company with the Underwriters, the Underwriters will agree to underwrite the New Shares being offered by Balyo (see paragraph 5.4.3 of the English translation of the securities note (*Note d'opération*) as included herein as Annex A).

The offering price for the shares sold in the French retail public offering and the international offering will be the same.

Prior to the global offering, there has been no market for Balyo shares. Balyo is seeking the listing of its shares on the regulated market of Euronext in Paris under the symbol "BALYO".

Indicative Subscription Price Range: between €3.05 and €4.11 per New Share

Investing in the New Shares involves certain risks. See Section 2 of the English translation of the securities note (*Note d'opération*) as included herein as Annex A and Section 4 of the English translation of the registration document (*Document de base*) of Balyo, as included herein as Annex B for certain of the factors you should consider before subscribing for or purchasing New Shares. In making an investment decision, prospective investors must rely upon their own examination of Balyo and the terms of this International Offering Memorandum, including the risks involved. Investors are advised to read carefully this International Offering Memorandum and the documents incorporated by reference herein.

The New Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except in transactions exempt from registration under the Securities Act. The New Shares are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act ("Regulation S"). See "Important Information about Jurisdictional and Selling Restrictions" and "Notice to Investors" in this International Offering Memorandum.

This International Offering Memorandum has been prepared for use solely in connection with the international private placement to institutional investors. It has not been submitted to the clearance procedure of the French *Autorité des marchés financiers* (the "**AMF**"), and may not be used in connection with any offer to the public in France to purchase or sell New Shares.

Delivery of the New Shares is expected to be made against payment on or about June 12, 2017.

This International Private Placement Memorandum should be read in conjunction with the English translation of the securities note (*Note d'opération*) as included herein as Annex A, and the English translation of the registration document (*Document de base*) of Balyo as included herein as Annex B, the French version of which was registered by the AMF on May 10, 2017 under number I. 17-041.

Global Coordinator, Lead Manager and Joint Bookrunner	*Global Coordinator, Lead Manager and Joint Bookrunner*
Natixis	**Gilbert Dupont**

The date of this International Offering Memorandum is May 22, 2017.

IMPORTANT INFORMATION ABOUT THIS INTERNATIONAL OFFERING MEMORANDUM

Balyo is responsible for the information contained in this International Offering Memorandum. Balyo has not authorized anyone to provide you with information that is different from the information contained in this International Offering Memorandum. The information in this International Offering Memorandum may only be accurate on the date of this document. The Global Offering is being made on the basis of this International Offering Memorandum. Any decision to subscribe shares in the Global Offering must be based on the information contained in this International Offering Memorandum.

The information contained in this International Offering Memorandum has been furnished by Balyo and has been derived from sources it believes to be reliable. This International Offering Memorandum is confidential and is being furnished in connection with a private placement to institutional investors in several jurisdictions outside the United States, in transactions not subject to the registration requirements of the Securities Act, solely for the purpose of enabling such prospective investors to consider the purchase the New Shares described in this International Offering Memorandum. Investors may not reproduce or distribute this International Offering Memorandum, in whole or in part, and investors may not disclose any of the contents of this International Offering Memorandum or use any information herein for any purpose other than considering the purchase of New Shares. Investors agree to the foregoing by accepting delivery of this International Offering Memorandum.

Balyo and other sources identified herein have provided the information contained in this International Offering Memorandum. No representation or warranty, express or implied, is made by the Underwriters or any of their affiliates or any of their respective advisers as to the accuracy or completeness of the information set out herein, and nothing contained in this International Offering Memorandum is or shall be relied upon as a promise or representation by the Underwriters or their affiliates whether as to the past or future. The Underwriters are acting exclusively for Balyo and no one else in connection with the Global Offering. They will not regard any other person (whether or not a recipient of this document) as their respective client in relation to the Global Offering and will not be responsible to anyone other than Balyo for providing the protections afforded to their respective clients or for giving advice in relation to the Global Offering or any transaction or arrangement referred to herein.

No person has been authorized to give any information or to make any representations in connection with the private placement outside the United States other than those contained in this International Offering Memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized by Balyo, the Underwriters, any of its or their respective affiliates, or by any other person. Neither the delivery of this International Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in Balyo’s business since the date of this International Offering Memorandum or that the information contained herein is correct as of any time subsequent to its date.

This International Offering Memorandum has been prepared by the Company on the basis that any purchaser of New Shares is a person or entity having such knowledge and experience of financial matters as to be capable of evaluating the merits and risks of such purchase. Before making any investment decision with respect to the New Shares, purchasers of New Shares should conduct such independent investigation and analysis regarding Balyo, the New Shares as they deem appropriate to evaluate the merits and risks of such investment. In making any investment decision with respect to the New Shares, investors must rely (and will be deemed to have relied) solely on their own independent examination of Balyo and the terms of the offering of the New Shares, including the merits and risks involved. Each person who receives this International Offering Memorandum acknowledges that such person has not relied on any Underwriter or any of their affiliates or any of their respective advisers in connection with its investigation of the accuracy of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision. Before making any investment decision with respect to the New Shares, prospective investors should consult their own counsel, accountants or other advisers and carefully review and consider such investment decision in light of the foregoing.

Balyo’s ordinary shares offered hereby have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any representation to the contrary is a criminal offense in the United States.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY OR APPROVED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Balyo reserve the right to withdraw this offering at any time and they and the Underwriters reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the shares offered hereby.

This International Offering Memorandum is confidential and has been prepared solely for use in connection with the international offering contemplated hereby. This International Offering Memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any person or to the public in general to purchase or otherwise acquire the shares. Any reproduction or distribution of this International Offering Memorandum, in whole or in part, to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the shares offered hereby is prohibited. By accepting delivery of this International Offering Memorandum, prospective investors agree to the foregoing.

You also acknowledge that you have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of the information contained in this International Offering Memorandum or their investment decision, that you have relied only on the information contained in this document, and that no person has been authorized to give any information or to make any representation concerning Balyo or the shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorized by Balyo or the Underwriters.

The distribution of this International Offering Memorandum and the offering of Balyo's shares in certain jurisdictions may be restricted by law. Persons into whose possession this International Offering Memorandum comes are required by Balyo and the Underwriters to inform themselves about and to observe any such restrictions. The shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws. You may be required to bear the financial risks of this investment for an indefinite period of time. Neither this document nor any advertisement or any other offering material related to the global offering may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this International Offering Memorandum comes are required to inform themselves about and observe any such restrictions, including those set out in the following paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For a further description of certain restrictions on the offering and sale of Balyo's shares, see "Important Information about Jurisdictional and Selling Restrictions" and "Notice to Investors" in this International Offering Memorandum.

IMPORTANT INFORMATION ABOUT
THIS INTERNATIONAL OFFERING MEMORANDUM

This International Offering Memorandum contains, as Annex A, an English translation of the securities note (*Note d'opération*) forming part of the French Prospectus approved by the AMF under visa number 17-225 dated May 22, 2017. The English translation of the securities note (*Note d'opération*) excludes certain sections included in the original French language securities note (*Note d'opération*). The following table sets forth the sections of the securities note (*Note d'opération*) that are excluded from the English translation as included herein as Annex A (the "**Excluded Securities Note Sections**").

Page(s) in the original French language securities note (*Note d'Opération*)	**Relevant Section**
Cover Page	AMF visa together with the related text box
Cover Page	Reference to copies of the securities note (*Note d'opération*) being available with the AMF
Cover Page	Reference to the filing of the registration document (*Document de base*) with the AMF
Cover Page, Page 5	Reference to AMF *visa*
Page 34	Section 1.2: Statement from the person responsible for the French Prospectus
Page 34	Section 1.2: Reference to the statutory auditors' completion letter in the statement from the person responsible for the French Prospectus

Any references to the securities note (*Note d'opération*) shall be deemed to exclude the Excluded Securities Note Sections.

In addition, this International Offering Memorandum contains, as Annex B, an English translation of the Company's registration document (*Document de base*) registered with the AMF on May 10, 2017 under number I. 17-041. The registration document (*Document de base*) includes the Company's audited consolidated financial statements at and for the year ended December 31, 2016 and the statutory auditors' reports related thereto. The English translation of the registration document (*Document de base*) excludes certain sections included in the original French language registration document (*Document de base*). The following table sets forth the sections of the registration document (*Document de base*) that are excluded from the English translation as included herein as Annex B (the "**Excluded Registration Document Sections**").

Page(s) in the original French language registration document (*Document de base*)	**Relevant Section**
Cover page	Text relating to the filing of the Document de Base with the AMF and reference to copies of the Document de Base being available with the AMF
Page 11	Statement from the person responsible for the Document de Base
Page 218	Statutory auditors' report relating to the Company's audited consolidated financial statements at and for the year ended December 31, 2016

Any references to the registration document (*Document de base*) shall be deemed to exclude the Excluded Registration Document Sections.

Investors should not make an investment decision based on any information contained in the Excluded Securities Note Sections or the Excluded Registration Document Sections.

Any statement in this International Offering Memorandum which is incorporated by reference herein will be deemed to have been modified or superseded to the extent that a statement contained in this International Offering Memorandum (including the Annexes) modifies or supersedes that statement. Any statement so modified or superseded will not be deemed to be a part of this International Offering Memorandum except as so modified or superseded.

Investors are urged to pay careful attention to the risk factors described in Section 2 of the English translation of the securities note (*Note d'opération*) as included herein as Annex A and Section 4 of the English translation of the registration document (*Document de base*) of Balyo for the year ended December 31, 2016, as included herein as Annex B, and this International Offering Memorandum before making their investment decision. The materialization of one or more of the risks described herein could have an adverse effect on the Company's activities, condition, the results of its operations or on its objectives. Furthermore, other risks not yet identified or not considered significant by the Company could have adverse effects and investors may lose all or part of their investment.

No representation or warranty, express or implied, is made by the Underwriters or any of their affiliates as to the accuracy or completeness of the information set out herein, and nothing contained in this International Offering Memorandum is or shall be relied upon as a promise or representation by the Underwriters or their affiliates whether as to the past or future. The Underwriters are acting exclusively for Balyo and no one else in connection with the Offering and will not regard any other person as their client in relation to the Offering and will not be responsible to anyone other than Balyo for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering, the contents of this document or any transaction, arrangement or other matter referred to herein.

STABILIZATION

In case of exercise of the over-allotment option in connection with this offering, Natixis, as stabilizing manager on behalf of the Underwriters (the "**Stabilizing Manager**"), may effect transactions with a view to maintaining the market price of the shares, which could result in market prices for the shares higher than those which might otherwise prevail. However, there is no assurance that the Stabilizing Manager will take any stabilizing action and, if begun, stabilizing action may be ended at any time. Any stabilization action may be conducted for a period of 30 days following the date of adequate public disclosure of the offering price (from June 8, 2017 up to and including July 7, 2017 based on the expected timetable included herein). In compliance with European Parliament and Council Regulation No. 596/2014 of April 16, 2014, stabilization transactions may not be effected at a price greater than the offering price in the global offering. Over-allotments of shares by the underwriters in connection with the global offering may be made for up to the amount of the shares subject to the over-allotment option.

IMPORTANT INFORMATION ABOUT JURISDICTIONAL AND SELLING RESTRICTIONS

General

This International Offering Memorandum does not constitute an offer of, or an invitation to subscribe for or purchase any security other than the New Shares offered hereby. The distribution of this International Offering Memorandum and the offer, sale of the New Shares may be restricted by law in certain jurisdictions. Persons into whose possession this International Offering Memorandum comes are required to inform themselves about and to observe any such restrictions. Neither Balyo nor any of the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of New Shares, of any such restrictions. For a description of certain restrictions relating to the offer and sale of New Shares, see below and "Notice to Investors". Any resale or other transfer or attempted resale or other transfer of New Shares made other than in compliance with the restrictions set forth in this International Offering Memorandum shall not be recognized by Balyo, any agent or intermediary for the transfer of the New Shares. This International Offering Memorandum does not constitute an offer of, or an invitation to subscribe for or purchase, any New Shares in any jurisdiction in which such offer or invitation would be unlawful.

No action has been taken in any jurisdiction that would permit a public offering of the New Shares, other than in France. No offer or sale of the New Shares may be made in any jurisdiction except in compliance with the applicable laws thereof. If a prospective investor is in any doubt as to whether it is eligible to purchase, exercise or subscribe for any New Shares, such investor should consult its own counsel or other advisers without delay.

United States

The New Shares offered hereby have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, taken up, resold, renounced, exercised, pledged, transferred or delivered, directly or indirectly, in or into the United States at any time except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and other securities laws of the United States. The New Shares are being offered and sold (a) outside the United States only in reliance on Regulation S in "offshore transactions" as defined in, and in accordance with, Regulation S and (b) in the United States solely by Balyo only to "qualified institutional buyers", or "**QIBs**", as defined in Rule 144A under the Securities Act, in reliance on the exemption from registration provided for private placements by Section 4(a)(2) of the Securities Act and pursuant to a separate U.S. Private Placement Memorandum. Accordingly, except for offers and sales by Balyo to QIBs as set forth in the preceding sentence:

- no subscription order may be mailed or sent by any means from the United States, and any person wishing to hold its New Shares in registered form must provide an address outside of the United States.

- no communication relating to the offer and no invitation to the subscription for New Shares may be addressed to the United States or directed to persons who reside or are present in the United States.

- neither this International Offering Memorandum nor any other offer document relating to the offer of New Shares, nor any exercise form or information may be distributed or disseminated by an intermediary or any other person into the United States.

- at the time of a person's decision to purchase New Shares, a person receiving this International Offering Memorandum represents that (i) such person did not receive in the United States a copy of this International Offering Memorandum, any other offer document or document relating to the offer of the New Shares, nor any exercise form or information, (ii) such person is acquiring the New Shares outside the United States in an "offshore transaction" as this term is defined in Regulation S under the Securities Act.

Authorized financial intermediaries may not accept subscriptions for New if they reasonably believe that this subscription does not conform to the provisions mentioned above, and in particular may not accept subscriptions or purchases of New Shares made by clients who are present in the United States or have an address in the United States, subject to certain exceptions.

Without prejudice to the implementation of the foregoing procedures and restrictions, any person recipient of this International Offering Memorandum who acquires New Shares will be deemed to have represented, warranted and agreed, by accepting delivery of this International Offering Memorandum or delivery of New Shares or sale proceeds therefrom, that such person is acquiring the New Shares in compliance with Rule 903 of Regulation S under the Securities Act and in "offshore transactions" as defined by Regulation S under the Securities Act.

Any incomplete instruction or instruction that does not meet these requirements shall be null and void, and the subscription price paid in respect thereof will be returned without interest.

Any person in the United States who obtains a copy of this International Offering Memorandum or a subscription form is required to disregard them.

In addition, until the expiration of 40 days as from the later of (a) the commencement of the subscription period and (b) the commencement of any offering by Underwriters of New, an offer to sell or a sale of New Shares within the United States by a dealer (whether or not it is participating in this offer) may violate the registration requirements of the Securities Act.

France

This International Offering Memorandum has not been and will not be submitted to the clearance procedure of the French *Autorité des marchés financiers* (the "**AMF**"), and accordingly may not be released, issued, or distributed, or caused to be released, issued, or distributed, directly or indirectly, to the public in France, or used in connection with any offer for subscription or sale of the New Shares to the public in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*). For the purpose of the French public offering, a French language prospectus has been prepared, consisting of the Company's registration document (*Document de base*) registered with the AMF on May 10, 2017 under number I. 17-041, and a securities note (*Note d'opération*) including the summary of the prospectus, which received registration (visa) number 17-225 from the AMF on May 22, 2017. Such French-language prospectus is the only document by which offers to purchase or subscribe for New Shares may be made to the public in France.

This International Offering Memorandum is not to be distributed or reproduced (in whole or in part) in France by the recipients of this International Offering Memorandum, and this International Offering Memorandum has been distributed on the understanding that such recipients will only participate in the issue or sale of the New Shares for their own account and undertake not to transfer, directly or indirectly, the New Shares to the public in France, other than in compliance with all applicable laws and regulations and in particular with Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-4 of the French Monetary and Financial Code (*Code monétaire et financier*).

European Economic Area

Balyo has not authorized any offer to the public of New Shares in any Member State of the European Economic Area other than France.

With respect to each Member State of the European Economic Area which has implemented the Prospectus Directive, other than France (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of New Shares requiring the publication of a prospectus in any Relevant Member State. As a result, an offer to the public in any Relevant Member State of any New Shares may be made only under the following exemptions under the Prospectus Directive, if these exemptions have been implemented in that Relevant Member State:

(i) to legal entities which are qualified investors, as defined in the Prospectus Directive;

(ii) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(iii) in any other circumstances not requiring Balyo to publish a prospectus as provided under Article 3(2) of the Prospectus Directive.

provided that no such offer of new shares or rights shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this paragraph, the expression an "offer to the public of New Shares" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Shares to be offered so as to enable an investor to decide to purchase, or subscribe for any securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out in this International Offering Memorandum.

United Kingdom

This International Offering Memorandum is only being distributed to persons who are (i) outside of the United Kingdom, (ii) investment professionals under Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, or other persons described in Article 49(2) (a) to (d) (high net worth companies, unincorporated associations etc) of the Order (hereafter collectively referred to as "**Relevant Persons**"). No invitation, offer or agreements to subscribe, purchase or otherwise acquire New Shares may be proposed or concluded other than with Relevant Persons. The New Shares may be offered or issued in the United Kingdom only to Relevant Persons, and no person in the United Kingdom other than a Relevant Person may act or rely on this International Offering Memorandum or any provision thereof. Persons distributing this International Offering Memorandum must satisfy themselves that it is lawful to do so.

Canada, Australia and Japan

The New Shares will not be offered, sold, acquired or exercised in Canada, Australia or Japan.

THE GLOBAL OFFERING

The New Shares will be offered by way of an offering to the public in France and in private placements to institutional investors outside the United States. The Underwriters may also effect any distribution of New Shares, if any, from time to time in the over-the-counter market, in negotiated transactions, through the writing of options on New Shares (whether such options are listed on an options exchange or otherwise), or a combination of such methods of sale. The price of the New Shares sold in the Institutional Placement, if any, will depend on market conditions and consequently could be above or below the indicative subscription price range indicated on the cover of this International Offering Memorandum.

NOTICE TO INVESTORS

Each person acquiring New Shares in this private placement outside France and the United States in reliance on Regulation S under the Securities Act will be deemed to have represented, acknowledged and agreed as follows (terms used in this paragraph that are defined in Regulation D under the Securities Act or Regulation S under the Securities Act are used herein as defined therein):

- such person is outside the United States;

- such person is aware that the New Shares have not been and will not be registered under the Securities Act and that they are being offered outside the United States in reliance on Regulation S under the Securities Act;

- the New Shares may not be resold in the United States except pursuant to an exemption from the registration requirements of the Securities Act;

- such person may not engage in any general solicitation, general advertising or directed selling efforts in the United States in connection with the reoffer or resale of the New Shares;

- if such person is acquiring the New Shares as a fiduciary or agent for one or more other investor accounts, it has sole investment discretion with respect to each such account and it has full power to make, and makes, these acknowledgements, representations and agreements on behalf of such accounts; and

- if such person is a dealer (as such term is defined under the Securities Act), it may not resell the New Shares in the United States prior to the later of (x) the expiration of 40 days after the later of (i) the commencement of the subscription period and (ii) the commencement of any offering by the Underwriters of New Shares and (y) if the dealer is a participant in the distribution of the New Shares in the Global Offering, the date on which such dealer has sold its whole allotment in the Global Offering.

Any envelope containing an exercise form and post-marked (physically, by fax or electronically) from the United States will not be accepted. Similarly, any exercise form in which the exercising person requests New Shares to be issued in registered form and gives an address in the United States will not be accepted.

The subscription price paid in respect of exercise forms that do not meet the foregoing criteria will be returned without interest.

Any person in the United States who obtains a copy of this International Offering Memorandum or a subscription form is required to disregard them.

Reliance

Balyo, the Underwriters, and their respective affiliates and others will rely upon the truth and accuracy of the representations, acknowledgements and agreements of each person acquiring New Shares, and each such person will be deemed to consent to Balyo giving instructions to any transfer agent of the New Shares to implement the restrictions on transfer described herein.

INDUSTRY AND MARKET DATA

This International Offering Memorandum contains information concerning the markets in which Balyo operates. This information is taken in significant part from research carried out by external organizations. This publicly available information, which the Company believes to be reliable, has not been independently verified, and Balyo makes no representation as to the accuracy of such information and cannot guarantee that a third party using different methods to collect, analyze or compute market data would arrive at the same results. Accordingly, trends in Balyo's business activities may differ from the market trends set forth in this International Offering Memorandum. Balyo undertakes no obligation to update such information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This International Offering Memorandum contains certain "forward-looking statements", including statements about the Company's objectives. These statements may address among other things, the financial condition, results of operations and business, including strategy for growth, regulatory approvals and market position of Balyo. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements, including those discussed elsewhere in this International Offering Memorandum and in other public filings of Balyo with the AMF, press releases, oral presentations and discussions. Forward-looking statements include, among other things, discussions concerning the potential exposure of Balyo to certain risks, as well as statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions.

In addition to statements that are forward-looking by reason or context, the words “aims”, “anticipates”, “believes”, “considers”, “estimates”, “intends”, “may”, “should”, “targets”, “will”, “wishes”, and similar expressions, or, in each case, their negative, or other variations or other comparable terminology, identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements are based on data, assumptions and estimates that the Company considers to be reasonable. They may change or be amended owing to uncertainties, related to the economic, financial, competitive and regulatory environment, many of which are outside of Balyo’s control. In addition, the Company’s business activities and its ability to meet its objectives may be affected if certain of the risks that are set forth in this International Offering Memorandum materialize. See Section 2 of the English translation of the securities note (*Note d’opération*) as included herein as Annex A and Section 4 of the English translation of the registration document (*Document de base*) of Balyo, as included herein as Annex B. The Company does not undertake to meet or give any guarantee that it will meet the targets shown in this International Offering Memorandum.

The following risk factors, among others, could affect the future results of operations of Balyo and could cause those results to differ materially from those expressed in the forward-looking statements included in this International Offering Memorandum:

Risks related to the Company’s business sector

- Risks related to the Company’s ability to maintain its technological lead: the Company markets autonomous material handling robots that allow industry to improve productivity and reduce their pallet-handling costs. The Company have to handle the technological advances offered by the competition, ensure the consolidation of the sector, and maintain research and development activities.
- Risk related to the market launch of alternative solutions: in the near or distant future, competing technologies - whether they exist, are under development or are even unknown today - could gain significant market share and limit the Company’s capacity to successfully market its products.

Risks related to the Company’s business

- Risks related to the partnership agreements signed with the German group Kion and the US group Hyster-Yale: in recent years, the Company signed partnership agreements with two of the leading manufacturers of material handling equipment, Linde Material Handling (a subsidiary of the Kion Group) and the US group Hyster-Yale. These partnerships are decisive advantages for the Company’s development, but expose the Company to heavy reliance on Linde Material Handling and Hyster-Yale, which creates additional risks, such as a change in their commercial or pricing policy; any event that affects their organization (in particular a merger, acquisition, insolvency or bankruptcy); a breach of their agreements with the Company; a termination or non-renewal of these agreements for reasons outside of the Company’s control; responsiveness that is more difficult to ensure in light of unforeseen events affecting manufacturing and procurement.
- Risks related to dependence on end-customers: the future loss of one of these key customers or a change in payment terms could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.
- Risks related to dependence on subcontractors: the Company subcontracts the assembly of its devices for the range of autonomous material handling robots marketed in the US and Asia. The risks related to a failure on the part of its subcontractors or the termination of contractual relations could delay the delivery of the Company’s products and thereby have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.
- Risks related to software security: the Company operates in a market known for very rapid technological changes, thereby continuously exposing it to the risks of computer hacking and industrial piracy, as well as attacks by viruses or bugs that can disrupt the orderly operations of its systems and software packages, as well as those installed at its customers. Furthermore, although the Company has implemented suitable means to guarantee the security and integrity of its information systems, it cannot guarantee absolute protection from viruses, Trojan horses, computer worms, vulnerability exploiters and other system intrusion techniques.

Risks related to the Company’s assets

- Risks related to intellectual property right: the Company may be unable to guarantee that the systems in place to protect its intellectual property rights (patents, software, trademarks and related rights) will prevent the misappropriation or illegal use of its know-how by third parties or that its competition will not develop technologies that are similar to the Company's, therefore causing it to lose its technological and competitive advantage.

Financial and market risks

- Liquidity risk: the Company's history of operating losses is explained by the innovative nature of the products and services it has developed and marketed, requiring a research and development phase that covers a number of years. A future increase in the Company's indebtedness or, inversely, its inability to raise capital to meet its financing requirements could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

The above factors are in addition to those factors discussed elsewhere in this International Offering Memorandum. In light of these risks, the results of Balyo could differ materially from the forward-looking statements contained in this International Offering Memorandum, including matters discussed in Section 2 of the English translation of the securities note (*Note d'opération*) as included herein as Annex A and Section 4 of the English translation of the registration document (*Document de base*) of Balyo, as included herein as Annex B.

You should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this International Offering Memorandum. Balyo operates in a competitive and rapidly changing environment. New risks, uncertainties and other factors may emerge that may cause actual results to differ materially from those contained in any forward-looking statements. Except as required by law or the rules and regulations of any stock exchange on which its securities are listed, Balyo expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this International Offering Memorandum to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any forward-looking statement contained herein is based.

STATUTORY AUDITORS

Balyo's financial year commences on January 1 and ends on December 31 of each year. Balyo's consolidated financial statements prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Union, as of and for the year ended December 31, 2016, included in Balyo's registration document (*Document de base*) referred to in this International Offering Memorandum, have been audited by SIRIS and DELOITTE & ASSOCIES, statutory auditors, as stated in their reports appearing therein.

DOCUMENTS INCORPORATED BY REFERENCE

The references to Balyo's website contained in this document are provided for information purposes only and the information contained on such websites, except as explicitly provided herein, is not incorporated herein by reference.

In the event of any ambiguity or conflict between corresponding statements or other items contained in these English translations and the original French versions, the relevant statements or items of the French versions shall prevail.

TABLE OF CONTENTS

This International Offering Memorandum (other than the pages prior to the Table of Contents) contains English translations of the French language securities note (*Note d'opération*) relating to the issuance of New Shares and Balyo's registration document (*Document de base*) as described above. In the event of any ambiguity or conflict between corresponding statements or other items contained in these English translations and the original French versions, the relevant statements or items of the French versions shall prevail.

ANNEX A

ENGLISH TRANSLATION OF THE SECURITIES NOTE (*NOTE D'OPÉRATION*)
dated May 22, 2017, excluding the Excluded Securities Note Sections
as described under "Important Information about this International Offering Memorandum"

BALYO

A French public limited company (*société anonyme*) with share capital of €1,272,530.96
Registered office: 240 rue de la Motte, 77550 Moissy-Cramayel, France
483 563 029 RCS Melun

SECURITIES NOTE ("*Note d'opération*")

This securities note (the "**Securities Note**") is provided for the following:

- the admission to trading on the Euronext regulated market in Paris ("**Euronext Paris**") of the 15,906,637 existing shares, with a par value of €0.08 per share, that comprise the share capital of Balyo (the "**Company**");
- the admission to trading on Euronext Paris of a maximum number of 1,160,051 shares to be issued by the Company resulting from the redemption of the 2,800 bonds convertible into shares in circulation (the "**ORA**"); and
- the issue and admission to trading on Euronext Paris, in the framework of an open price offer to the public in France (the "**Open Price Offer**") and a global placement offer primarily for institutional investors in France and abroad (the "**Global Placement**"; together with the Open Price Offer, the "**Offering**"), of 8,419,393 new shares to be issued by the Company in the framework of a capital increase with suppression of the preferential subscription right of shareholders, to be subscribed in cash, which can be increased to 9,682,301 new shares if the extension clause is fully exercised, and up to a maximum number of 11,134,646 new shares if the extension clause and the over-allotment option are fully exercised. The amount of this capital increase (including the issue premium) will be €30,141,427, on the basis of the midpoint of the indicative price range (before the extension clause and the Over-Allotment Option are fully exercised).

Open Price Offer period: from May 23, 2017 to June 7, 2017 (inclusive)
Global Placement period: from May 23, 2017 to June 8, 2017 (inclusive)
Indicative price range applicable to the Offering: between €3.05 and €4.11 per share

The price of the Offering may be set below €3.05 per share. If the high end of the indicative price range referred to above changes or if the price is set above €4.11 per share, the orders issued in the framework of the Open Price Offer may be revoked for a period of at least two trading days.

[INTENTIONALLY OMITTED]

The prospectus (the "**Prospectus**") approved by the AMF is composed of:

- The Company's Registration Document registered by the AMF on May 10, 2017 [INTENTIONALLY OMITTED] (the "**Registration Document**"),
- The Securities Note, and
- The Prospectus summary (included in the Securities Note).

[INTENTIONALLY OMITTED]

Joint Global Coordinators, Lead Managers and Bookrunners

NATIXIS

Gilbert Dupont
Société de bourse

Note

In the Prospectus, the terms "Balyo" or the "Company" refer to Balyo S.A. The term "Group" means the Company and its consolidated subsidiary, Balyo Inc.

Warning

The Prospectus presents information on the Group's objectives as well as forward-looking statements related, in particular, to current and future projects. This information is at times identified by the use of the future or conditional tense, or terms such as "believe", "expect", "may", "estimate", "intend to", "plan", "anticipate", "must" and other similar terms. The reader's attention is drawn to the fact that the achievement of these objectives and the materialization of these forward-looking declarations and information on objectives may be affected by risks known or unknown today, uncertainties and other factors that may lead to the Group's future earnings, performance and achievements being significantly different from the objectives indicated or referred to.

The Prospectus presents information on the Group's markets and competitive positioning, including the size of its markets. Unless indicated otherwise, this information consists of Group estimates and is provided for information only. The Group's estimates are based on information obtained from customers, suppliers, trade organizations and other operators in the markets in which the Group conducts its business. Although the Group is of the opinion that these estimates are applicable on the date of the Prospectus, it cannot guarantee that the information on which these estimates are based is exhaustive or accurate, or that its competition uses the same definitions of the markets in which they operate.

Investors are invited to carefully read the risk factors in the Prospectus described in Section 4 "Risk Factors" of the Registration Document and Section 2 of the Securities Note before deciding to invest. The materialization of all or some of these risks could have an adverse effect on the Group's business, financial situation and earnings or its ability to achieve its objectives. Furthermore, other risks that the Company has not yet identified or that it does not consider significant on the date of the Prospectus could also have a material adverse effect if they materialized.

CONTENTS

SUMMARY OF THE PROSPECTUS

[INTENTIONALLY OMITTED]

The summary is composed of a list of disclosure requirements known as “Elements”, which are presented in five sections (A to E) and numbered from A.1 to E.7.

This summary includes all the Elements that must be provided in the summary of a prospectus related to this category of securities and this type of issuer. As information is not required for all Elements, the numbering of the Elements in this summary is not continuous.

It may be that no relevant information can be provided on a given Element that is to be included in this summary due to the category of securities and type of issuer involved. In this event, a summary description of the relevant Element is provided in the summary with the term “not applicable”.

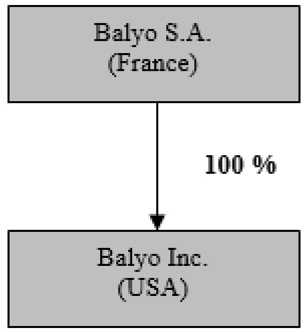
Section A – Introduction and Warning		
A.1	**Warning to the reader**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities issued in connection with the public offering or whose admission to trading on a regulated market is applied for must be based on the investor's thorough review of this Prospectus. If an action is brought before a court with respect to information contained in this Prospectus, the plaintiff investor may be required to bear the cost of translating this document prior to the commencement of legal proceedings pursuant to the national legislation of the Member States of the European Union or of the parties to the Agreement on the European Economic Area. The individuals who presented this summary, including its translation, if applicable, and who applied for the notification thereof, within the meaning of Article 212-41 of the AMF's General Regulation, are only liable if its contents are misleading, inaccurate or contradict the other sections of the Prospectus, or if they do not provide, when read with other parts of the Prospectus, key disclosures to help investors who are contemplating making an investment in these securities.
A.2	**Company's consent to the use of the Prospectus**	Not applicable.
Section B – Issuer		
B.1	**Company name and trade name**	Balyo (the "**Company**" and, with its consolidated subsidiary Balyo Inc., the "**Group**").
B.2	**Registered office/legal**	Registered office: 240 rue de la Motte, 77550 Moissy Cramayel, France. Legal form: public limited company with a board of directors (*société anonyme à conseil d’administration*).

	form/applicable law/country of origin	Applicable law: the laws of France. Country of origin: France.
B.3	**Nature of operations and main business**	Based on standard material handling trucks, the Company designs, develops, markets and installs autonomous material handling robots that allow industry and logistics specialists to significantly reduce their pallet handling costs by robotizing their equipment and by improving the safety of the space in which they operate. After an initial phase in which stationary robots are massively deployed on most production lines, the primary issue facing the material handling industry today is to support the transformation of production entities into modules and organize the individual and overall flows of merchandise. The main challenge is to manage this transformation, while protecting and adding value to the decades of investments in the building of production and storage units. The Company estimates that expenditure relative to pallet handling exceeds €200 billion per annum worldwide today. Most of this expenditure covers the wages of operators of each of the 5.1 million standard electric handling trucks in circulation. This represents a considerable value potential if a simpler, less expensive solution, integrated into the existing environment and as reliable as man-driven material handling trucks, can be offered. According to the FEM (European Materials Handling Federation), the global market for material handling equipment totals more than €33 billion, which corresponds to more than 1.2 million material handling trucks sold in 2016. This global market is composed of two major categories of vehicles: electric vehicles, 740,000 units of which were sold in 2016 (two-thirds of the total), and internal combustion vehicles, approximately 400,000 units of which were sold in 2016 (one third of the total). The Company is of the opinion that only a portion of the electric vehicles can be robotized, representing between €6.3 and €12.6 billion based on a rate of robotization of the electric vehicle market of either 10% or 20%. This segment is the market of interest to the Company. To date, the Company's target share of the electric vehicles market is very low as the rate of robotization of these trucks is residual. The Company assumes that this rate will rapidly increase to exceed 3% in 2022, resulting in a market worth close to €2 billion (see Section 12 "Trends" of the Registration Document), which is a particularly cautious estimate in light of market studies and the objectives of its customers and strategic partners (see Section 6.7 "Strategic Partners" of the Registration Document). The Company's approach is highly innovative, revolutionizing this historic market by making automated flows of merchandise available to the entire market at a reasonable cost. The Company's research and development has progressively eliminated the barriers to easier accessibility of this solution, in particular via: - Navigation: Balyo's technology, the system's cornerstone, allows material handling trucks to circulate autonomously inside buildings. Infrastructure-free localization that is crucial to navigate simply and naturally indoors where, by definition, GPS does not work, is a major breakthrough compared to traditional electromechanical technologies such as wire guidance, laser guidance and optical guidance. This technology relies on software created by the Company that

		allows the truck to integrate the physiognomy of spaces. It thereby drastically reduces the cost of installation and time required, compared to navigation systems with traditional infrastructures; - The design of a unique calculator that embeds all of the trucks' control, safety and communication features, which facilitates and reduces handling costs, in particular by capitalizing on the know-how of existing maintenance teams; - The integration of Balyo's technology via standard and industrial-scale interfaces on the trucks, produced in large series on industrial OEM production lines. In recent years, the Company signed partnership agreements with two of the leading manufacturers of material handling equipment, Linde Material Handling (a subsidiary of the Kion Group) and the US group Hyster-Yale (hereafter jointly referred to as the "Strategic Partners"). These two operators in the material handling sector, both of which have global coverage, represent a very large market segment (Linde Material Handling ranks second worldwide and first in Europe; Hyster-Yale ranks fifth worldwide and second in the United States), and make very extensive distribution and maintenance networks available to the Company. In this framework, they provide the Company with sales and distribution support. As a result of these partnership agreements, signed on November 4, 2014 with Linde Material Handling and on October 29, 2015 with Hyster-Yale, both covering a three-year period, the Strategic Partners have placed products under their brands but with the Company's technology on the market. In this regard, based on the commercial success and caliber of the partnership, the Company and Linde Material Handling have extended their agreement (signed in 2014). The new agreement provides for an initial period of six years. This agreement has been signed not just with Linde Material Handling, but also with its parent company, Kion Group AG. The new agreement now covers the entire world and provides that the robots will be sold by Balyo on the basis of a transfer price (that takes into account all of the components, development amortization, the embedded software and the assembly costs). This transfer price equitably allocates the margin achieved through the sale of robots. This new agreement also provides for the progressive transfer of the onsite assembly and installation work to the Strategic Partner. The new agreement entered into force on May 8, 2017, causing the immediate termination of the initial agreement dated November 4, 2014. On May 19, 2017, the Company and Hyster-Yale have also signed a non-binding term sheet to set the principal terms and conditions of a future agreement to extend the initial partnership initially entered into at the end of 2015 for three years, to notably increase its term for 10 additional years. However, it cannot be excluded that the agreement that will ultimately be entered into includes financial conditions that are less favorable than those in place today. On the date of the Prospectus the Company employs 91 individuals in five countries, and has already sold its solution - essentially via its strategic partners - to close to 30 major customers who are leaders in their field, such as Procter & Gamble, FM Logistic, Renault, BMW and Valéo. In the fiscal year ending on December 31, 2016,

		the Company achieved consolidated sales revenue of €5,153K, compared to €2,863K for the fiscal year ending on December 31, 2015.
B.4	**Principal recent trends having affected the Company and its business sectors**	**Recent trends since December 31, 2016** The Company had outstanding orders in the amount of €14.5 million as at March 31, 2017 (including €5.4 million new orders received in the first quarter of the fiscal year), an increase of close to 30% compared to the €11.2 million recorded as at December 31, 2016. On May 8, 2017, the Company, Linde Material Handling and Kion Group AG signed a new agreement which became effective on the same date. The Company is of the opinion that this new partnership agreement should improve the financial performance of the Company and its Strategic Partner over time as compared to the prior agreement. **Future prospects and objectives** The Company's objectives, as presented below, do not constitute forward-looking information resulting from a budget process, but are simple objectives based on the strategic choices described in Section 6.3 "Strategy" of the Registration Document, the Company's development plan and sector-based studies related to the industry in which the Company operates. These objectives are based on data and assumptions the Company considers reasonable on the date of registration of the Registration Document. These data and assumptions may evolve or change in light of uncertainties related, in particular, to the regulatory, economic, financial, competitive, accounting and tax environment or to other factors of which the Company has no knowledge on the date of registration of the Registration Document. Furthermore, the materialization of certain risks described in Section 4 "Risk Factors" of the Registration Document could impact the Company's business, financial situation, earnings and prospects, and its capacity to achieve its objectives. The achievement of these objectives also presupposes that the Company's strategy, presented in Section 6.3. "Strategy" of the Registration Document, succeeds, as it can also be affected by the materialization of these same risks. The Company therefore cannot provide an undertaking or guarantee on the achievement of the objectives described in the Registration Document and does not undertake to publish or issue potential corrections or updates of this information. The Company is of the opinion that the autonomous material handling robot market in which it operates offers major growth potential. The Company intends to rely on its competitive advantages and, by implementing the strategy presented in Section 6.3 "Strategy" of the Registration Document, aims at becoming a global leader by being capable of offering a comprehensive solution to allow its worldwide customers to automate all of their intralogistics flows. To achieve this objective, the Company intends to globalize and generalize its offering by (i) maintaining its technological leadership and enhancing its offering, (ii) stepping up its commercial development, in particular by creating a strategic marketing unit, and (iii) adopting a targeted opportunity-based acquisition policy to accelerate the creation of teams, extend the range and/or expand its portfolio of customers. To this end, the Company has set operational and financial objectives for the current fiscal year (2017) and the medium term (2022).

		Medium-term objectives The objectives were set based on the accounting principles adopted by the Company to prepare its consolidated financial statements for the fiscal years ending on December 31, 2015 and 2016. Note that in fiscal 2016, the Company recorded sales revenue of €5.2 million. For fiscal 2017, the Company has notably adopted a sales objective in excess of €15 million, with average revenue per autonomous material handling robot (including the sale of equipment and the embedded software) of €47.5K. This objective was determined based on the orders placed as at March 31, 2017 and the execution stage, which generally ranges from six to nine months. The Company expects a significant increase in its gross margin over the next three years, generated by an increase in volumes, which will allow for the optimization of the cost of components and a progressive decrease in the labor time required for assembly and installation. Furthermore, the Company aims at reaching a quasi-operating breakeven in the upcoming fiscal year based on the assumption of an increase in sales revenue in line with its historical growth and the potential market growth identified, as well as by controlling its operating expenses (evolution of research and development, sales and marketing, and administrative expenses in line with historical expenses and inferior to growth in sales revenue). **2022 objectives** To determine its medium-term goals, the Company has relied on sector-specific studies to establish its operational and financial objectives. On the basis of these studies, the Company has adopted the following objectives to be achieved by 2022: - over 20 % market share of the global autonomous material handling robot market, based on an assumed rate of robotization of the worldwide fleet of electric material handling trucks in the range of 3%; - sales revenue in excess of €200 million, with an average sales price for autonomous material handling robots (including the sale of equipment and the embedded software) of €41K, a decrease in the range of 5% per year, partially offset by changes in the product mix. The Company is of the opinion that the price erosion will also be offset by the optimization of production costs and that its positioning as a technological leader will guarantee it has the ability to influence the price of autonomous material handling robots. **Long-term objectives** Furthermore, the Company is of the opinion that its business model should allow for the achievement over time of the following allocation of its sales revenue and profitability: - 70% of revenue from the sale of autonomous material handling robots (sale of equipment and the embedded technology) and 30% from revenue resulting from sales and the provision of services and maintenance; - an operating margin (operating income, excluding non-recurring expenses, to sales ratio) in the range of 20%.

		Note that in fiscal 2016, the Company's operating margin was negative, in the range of -129% (i.e., in the amount of -€6.6 million). These objectives, however, in no way constitute an undertaking by the Company, nor forward-looking data or earnings forecasts within the meaning of Regulation (EC) 809/2004, as amended, and ESMA recommendations related to forecasts in light of the uncertainties and risks factors that may materialize over the period, as described in the preamble to the present paragraph.
B.5	**Description of the Group and the Company's role in the Group**	On the date of the Prospectus, the Company owns 100% of Balyo Inc.  Balyo Inc. is a company incorporated in the State of Delaware in the United States, has capital of $1,000 and is registered under number 001191617. On the date of the Prospectus, all of Balyo Inc.'s capital is held by the Company. Balyo Inc.'s principal business is the design, manufacturing and commercialization in the United States of automated devices and systems for industry and logistics sectors.

B.6 **Principal shareholders**

Share ownership

On the date of the Prospectus, the breakdown of the Company's share ownership is as follows [2]

	Status on a non-diluted basis		Status on a fully diluted basis [1]				Status on a fully diluted basis [1] including the shares to be issued relative to the potential capital and that may be allocated upon completion of the Offering			
Shareholders	Total number of shares	% of capital and voting rights	Number of shares that may result from the exercise of the BSAs	Number of shares that may result from the exercise of the BSPCEs	Total number of shares after the exercise of the BSAs and BSPCEs	% of capital and voting rights	Number of shares that may be issued relative to the potential capital and that may be allocated upon completion of the Offering	Number of shares that may be issued relative to the redemption of the ORAs	Total number of post-exercise shares relative to the potential capital whose allocation is planned upon completion of the Offering	% of capital and voting rights
Raul Bravo Orellana	950,000	5.97 %	60,000	-	1,010,000	5.68 %	-	-	1,010,000	5.21 %
Thomas Duval	950,000	5.97 %	-	245,000	1,195,000	6.72 %	-	-	1,195,000 [6]	6.17 %
Fabien Bardinet	31,250	0.20 %	-	730,000	761,250	4.28 %	-	-	761,250 [6]	3.93 %
Total founders and executives	***1,931,250***	***12.4 %***	***60,000***	***975,000***	***2,966,250***	***16.68%***	***-***	***-***	***2,906,250***	***15.31 %***
Seventure Partners[2]	7,083,903	44.3 %	-	-	7,083,903	39.82 %	-	414,304	7,498,207	36.55 %
Bpifrance Investissement[3]	4,246,498	26.0 %	-	-	4,246,498	23.87 %	-	414,304	4,660,802	21.91 %
360 Capital Partners[4]	801,250	5.4 %	-	-	801,250	4.50 %	-	124,291	925,541	4.13 %
Total financial shareholders	***12,131,651***	***76.7%***	***-***	***-***	***12,131,651***	***68.19 %***	***-***	***952,899***	***13,084,550***	***62.59 %***
Linde Material Handling[5]	1,656,250	10.1 %	-	-	1,656,250	9.31 %	-	207,152	1,863,402	8.55 %
Total industry shareholders	***1,656,250***	***10.1 %***	***-***	***-***	***1,656,250***	***9.31 %***	***-***	***207,152***	***1,863,402***	***8.55 %***
Jean-Marie Bergeal	98,205	0.62 %	-	-	98,205	0.55 %	-	-	98,205	0.51 %
Michel Leonard	59,281	0.37 %	-	-	59,281	0.33 %	-	-	59,281	0.31 %
Rémi Bader	30,000	0.19 %	-	-	30,000	0.17 %	-	-	30,000	0.15 %
Total other investors	***187,486***	***1.18%***	-	-	***187,486***	***1.05 %***	-	***-***	***187,486***	***0.97 %***
Total employees/consultants who are BSPCE and BSA holders	***-***	***-***	***100,000***	***748,600***	***848,600***	***4.77 %***	***-***	***-***	***848,600***	***4.38 %***
Beneficiaries of the potential capital whose allocation is planned upon completion of the Offering[1]	-	-	-	-	-	-	1,590,663	-	1 590,663	10 %
Total	**15,906,637**	**100 %**	**160,000**	**1,723,600**	**17,790,237**	**100 %**	**1,590,663**	**1,160,051**	**20,540,951**	**100 %**

		[1] On May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to allocate to the Group's employees and corporate officers dilutive instruments that may give rise to the issue of a maximum number of 1,590,663 shares (see details below). [2] FCPI Masseran Innovation I; FCPI Masseran Innovation II; FCPI Masseran Innovation III; FCPI Masseran Innovation IV; FCPI Masseran; Patrimoine Innovation 2009; FCPI Masseran Patrimoine Innovation 2010; FCPI Masseran Patrimoine Innovation 2011; FCPI Masseran Patrimoine Innovation 2012; FCPI Masseran Innovation V; FCPI Seventure Innovation 2012; FCPI Seventure Premium 2013; FCPI Masseran Patrimoine Innovation 2013; FCPI Seventure Préférence Innovation 2013; FCPI Masseran Innovation VI; FCPI Seventure Premium 2014; FCPI Masseran Patrimoine Innovation 2014, managed by the management firm Seventure Partners. [3] FPCI FSN PME Ambition Numérique, managed by the management firm Bpifrance Investissement. [4] FCPI Robolution Capital 1, managed by the management firm 360 Capital Partners. [5] A limited liability company incorporated under the laws of Germany, controlled by Kion Group AG, a company listed on the Frankfurt stock market. [6] Excluding the potential benefit of the allocation of part of the potential capital referred to in note 1. On the date of the Prospectus, the Company is controlled - within the meaning of Article L. 233-3 of the Commercial Code - by Seventure Partners, which indirectly holds (through the funds it manages) 44.53% of the shares that comprise its capital. Seventure Partners does not have authority to appoint or dismiss the majority of the members of the Company's Board of Directors. After the completion of the Offering, the Company is of the opinion that the Company's capital will no longer be controlled by Seventure Partners (within the meaning of Article L. 233-3 of the Commercial Code). However, this loss of control should not be interpreted as a change in control within the meaning of the partnership agreement entered into by the Company, Linde Material Handling and Kion Group AG, which provides the partner with a right to terminate the agreement only if a third party gains control over the Company. Furthermore, as indicated in note 1 of the above table, on May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to use authorizations 14 to 17 of the general meeting held on April 24, 2017, after completion of the Offering, for the purposes of (i) proceeding with a free allocation of shares to all of the Company employees up to a limit of 100,000 shares, with each Company employee receiving an identical number of shares, and (ii) granting warrants/options or issuing BSPCEs to certain employees and corporate officers (to be determined) and issuing BSAs to independent directors (subject to payment by them of a subscription price determined by an independent expert), which could together give rise to the issue of a maximum number of 1,490,663 shares, in each case at an exercise price determined in accordance with the relevant authorization. The final acquisition of the free shares, and the exercise of the warrants/options, BSPCEs and BSAs, will be subject exclusively to the fulfillment of one condition, that the recipient be present within the Company on the date of the final acquisition or exercise.

B.7	Selected key historical financial information	

B.7 — Selected key historical financial information

The tables below are taken from the Group's audited consolidated balance sheet and income statement for the fiscal years ending on December 31, 2016 and 2015, prepared according to the International Financial Reporting Standards (IFRS), as adopted in the European Union.

The reader's attention is drawn to the notes to the Group's consolidated financial statements presented in Section 20 "Financial Information" of the Registration Document.

Simplified balance sheets as at December 31, 2016 and December 31, 2015

Simplified balance sheet in €K IFRS	12/31/2016	12/31/2015
TOTAL ASSETS	**10 649**	**7 872**
Non-current assets	**1 016**	**751**
Intangible assets	190	85
Tangible assets	674	588
Other non-current financial assets	152	77
Current assets	**9 633**	**7 121**
Inventories	1 027	792
Customer receivables and related accounts	3 374	2 227
Other receivables	1 596	1 080
Cash and cash equivalents	3 637	3 022
TOTAL LIABILITIES	**10 649**	**7 872**
Equity	**(3 613)**	**469**
Non-current liabilities	**3 307**	**2 356**
Commitments to employees	115	68
Non-current financial debts	3 189	2 286
Other non-current debts	2	2
Current liabilities	**10 956**	**5 047**
Current financial debts	3 284	1 361
Current provisions	54	54
Supplier payables and related accounts	3 709	1 584
Tax and social security liabilities	1 524	1 100
Other current liabilities	2 384	947

Simplified income statements as at December 31, 2016 and December 31, 2015

Simplified income statement in €K IFRS	12/31/2016	12/31/2015
Operating revenue	**5 153**	**2 863**
Production costs	*(3 642)*	*(2 033)*
Gross margin	**1 511**	**830**
Research and development expenses	*(2 413)*	*(1 860)*
Marketing and sales expenses	*(3 122)*	*(1 913)*
General and administrative expenses	*(2 437)*	*(2 351)*
Payments in shares	*(162)*	*(331)*
Operating loss/gain	**(6 624)**	**(5 625)**
Loss/gain of the year	**(6 830)**	**(5 804)**
Basic losses per share	*- 0.440*	*- 0.436*

		Simplified cash flow tables as at December 31, 2016 and December 31, 2015

Simplified cash flow statement in €K	12/31/2016	12/31/2015
Net cash used in operating activities	**(3 985)**	**(5 701)**
Self-financing capacity before net financial debt and taxes	*(6 072)*	*(5 265)*
Change in working capital requirements	*2 088*	*(435)*
Net cash used in investment activities	**(536)**	**(379)**
Net cash used in financing activities	**5 104**	**8 320**
Increase (Decrease) in cash and cash equivalents	**615**	**2 236**
Cash and cash equivalents at the beginning of the year	3 019	783
Cash and cash equivalents at end of the year	3 634	3 019

Indebtedness tables as at December 31, 2016 and December 31, 2015

Net debt level in €K IFRS	12/31/2016	12/31/2015
+ Non-current financial debts	3 189	2 286
+ Current financial debts*	3 282	1 358
- Cash and cash equivalents	3 634	3 019
Total net debt	**2 837**	**625**

** Excluding current bank loans*

B.8	**Selected key pro forma financial information**	Not applicable.
B.9	**Profit forecast or estimate**	Not applicable: the Company does not publish profit forecasts or estimates.
B.10	**Reservations as to the historical financial statements**	Not applicable.
B.11	**Net working capital**	On the date of the Prospectus, the Company's net working capital is not sufficient to fulfill its obligations and cash requirements over the upcoming 12 months. The Company's history of operating losses is explained by the innovative nature of the solution it has developed, which requires research and development over multiple years. The development of the Company's technology and rollout of its development program will continue to generate major financing needs in the future. The Company could be unable to self-finance its growth, which could lead it to seek other sources of financing, in particular through new capital increases. The cash available as at March 31, 2017 (i.e., €2,130.9K, the amount described in Section 3.2 of the Securities Note) will allow the Company to pursue its activities until

		January 2018, taking into account, in particular, the benefit of the Research Tax Credit for 2016 (€647K) in the second half of 2017. The amount required to allow the Company to continue its activities over the 12 months following the date of the Prospectus is estimated at €3,100K, net of the Research Tax Credit for fiscal 2016. This amount includes the payment of all of the commitments the Company is aware of on the date of the Prospectus, in particular: (i) the net requirement for operations for the period in the amount of close to €1,567K (in particular for expenses related to research and development, as well as commercial development); (ii) repayments of the repayable advances from Bpifrance Investissement, Coface and bank loans from April 2017 to March 2018, in the total amount of €932.9K; and (iii) fixed costs inherent in the planned IPO of the Balyo Shares on the Euronext regulated market in Paris in the amount of €600K, which the Company must pay (including €0K paid on March 31, 2017). The preparation for the admission of the Balyo Shares for trading on Euronext Paris and the net proceeds from the Offering (as defined in Section E.3 of the present summary), i.e., approximately €27,814,957 based on the capital increase being 100% subscribed and a subscription price equal to the midpoint of the Offer Price's indicative range, i.e. €3.58, is the solution the Company prefers to finance the continuation of its operations required for its development and to manage the insufficiency of its net working capital over the 12 months that follow the date of the Prospectus. If the planned capital increase is partially subscribed (75%), and assuming a subscription price at the low end of the Offer Price's indicative range, i.e. €3.05, in other words, a capital increase, not including expenses, limited to approximately €17,484,613, the Company will be able to meet its cash flow needs for the 12 months that follow the date of the Prospectus. There is a risk that future financing may not be obtained. The materialization of this risk would create a major uncertainty, which would seriously affect the Company's ability to continue to operate in the future. Based on this assumption, the Company intends to continue to search for financing, in particular in the framework of private placement. As a result of the operation that is the subject of the Prospectus, the Company's net working capital will be sufficient to fulfill its obligations and cash requirements over the upcoming 12 months.

<table>
<tr><th colspan="3">Section C – Securities</th></tr>
<tr><td>C.1</td><td>Type, category and identification number of the shares issued and admitted to trading</td><td><u>Details on the shares admitted to trading</u>:

The shares the subject of the application for admission to trading on Euronext Paris (Compartment C) are as follows:

▪ all of the 15,906,637 existing shares that comprise the Company's share capital, with a par value of €0.08 each (the "Existing Shares");

▪ a maximum number of 1,160,051 new shares to be issued by the Company resulting from the redemption of the ORAs (on the basis of low end of the indicative price range to which a 20% discount is applied);

▪ 8,419,393 new shares to be issued by the Company in the framework of a capital increase with suppression of the shareholders' preferential subscription right and through a public offering, which may increase to 9,682,301 new shares if the Extension Clause is fully exercised (all totaled, the "New Shares"); and

▪ a maximum number of 1,452,345 additional new shares to be issued by the Company if the Over-Allotment Option is fully exercised (the "Additional New Shares").

The New Shares and the Additional New Shares are referred to jointly hereafter as the "Shares Offered".

The Existing Shares and the Shares Offered are referred to jointly hereafter as the "Balyo Shares".

All of the Balyo Shares are in the same category and have the same par value.

The New Shares and the Additional New Shares offering is defined as the "Offering".

Entitlement date: as soon as they are issued, the Shares Offered will be equivalent to Existing Shares. They will give a right to any dividend distributed by the Company as of the date they are issued.

<u>Category and identification of the Shares Offered</u>

- Name of the shares: "BALYO"
- ISIN Code: FR0013258399
- Ticker symbol: BALYO
- ICB sector classification: 2737 Electronic Equipment
- Place listed: Euronext Paris, Compartment C</td></tr>
<tr><td>C.2</td><td>Issue currency</td><td>Euro.</td></tr>
<tr><td>C.3</td><td>Number of shares issued/par value of the shares</td><td>In the framework of the Offering, the Company will issue:

- 8,419,393 New Shares;

- which may increase to 9,682,301 New Shares if the Extension Clause is fully exercised; and

- which may increase to 1,452,345 New Shares if the Over-Allotment Option is fully exercised.</td></tr>
</table>

		Once issued, the Shares Offered will be fully subscribed, paid up and of the same category as the Existing Shares. The par value per share is €0.08.
C.4	**Rights attached to the shares**	In light of current French law and the Company's bylaws, the principal rights attached to the Balyo Shares are as follows: - a dividend right (it being noted that the Company has no intention of distributing dividends); - a voting right (it being noted that the principle set out in Article L. 225-123, paragraph 3, of the Commercial Code related to double voting rights is the subject of an express derogation in the Company's bylaws in favor of the principle according to which each share gives the right to one vote); - a preferential subscription right for capital increases; - a right to a share of any surplus in the event of liquidation.
C.5	**Restriction on the free trading of securities**	No term of the bylaw prevents the free trading of the shares that comprise the Company's share capital.
C.6	**Application for admission to trading**	Application has been made for the admission to trading of the Balyo shares in Compartment C of Euronext Paris. According to the indicative timetable, the terms governing the trading of the Balyo Shares will be set out in a notice from Euronext Paris, which should be issued on May 23, 2017. According to the indicative timetable, trading on Euronext Paris (in the form of when-issued shares, within the meaning of Article L. 228-10 of the Commercial Code) should start on June 9, 2017. If the Underwriting Agreement (as this term is defined below) is not signed, the Offering will be canceled retroactively. If the Underwriting Agreement is terminated in accordance with its terms and conditions, the Offering will be canceled retroactively, the depositary certificate will not be issued on the date of settlement-delivery of the Offering, and all transactions involving Balyo Shares since the admission to trading will be canceled retroactively, with each investor bearing and being responsible for its own losses or costs resulting from such cancellation, if applicable. As of June 13, 2017, all of the Balyo Shares will be traded on a single listing line entitled "BALYO". On the date of the Prospectus, no other application for admission to trading on a regulated market has been filed or is planned by the Company.
C.7	**Dividend policy**	No dividend has been distributed by the Company since it was founded, including during the fiscal years ending on December 31, 2016 and 2015. The Company does not plan to adopt a policy to regularly pay dividends in light of its stage of development.
Section D – Risks		

D.1	**Principal risks specific to the issuer or its business sector**	Before deciding to invest, investors are invited to take the following principal risk factors into consideration: ***Risks related to the Company's business sector*** - Risks related to the Company’s ability to maintain its technological lead: The Company markets autonomous material handling robots that allow industry to improve productivity and reduce their pallet-handling costs. It must therefore take technological advances offered by the competition into account, monitor sector consolidation and continue its research and development activities. - Risks related to the market launch of alternative solutions: Competing technologies - whether they exist, are under development or are even unknown today - could gain significant market share in the near or distant future and limit the Company's capacity to successfully market its products. ***Risks related to the Company's business*** - Risks related to the partnership agreements signed with the German group Linde Material Handling and the US group Hyster-Yale: In recent years, the Company signed partnership agreements with two of the leading manufacturers of material handling equipment, Linde Material Handling (a subsidiary of the Kion Group) and the US group Hyster-Yale. These partnerships are decisive advantages for the Company's development, but expose the Company to heavy reliance on Linde Material Handling and Hyster-Yale, which creates additional risks, such as a change in their commercial or pricing policy; any event that affects their organization (in particular a merger, acquisition, insolvency or bankruptcy); a breach of their agreements with the Company; a termination or non-renewal of these agreements for reasons outside of the Company's control; and responsiveness that is more difficult to ensure in light of unforeseen events affecting manufacturing and procurement. - Risks related to dependence on end-customers: The future loss of one of its key customers or a change in payment terms could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects. - Risks related to dependence on subcontractors: The Company subcontracts the assembly of its devices for the range of autonomous material handling robots marketed in the US and Asia. The risks related to a failure on the part of its subcontractors or the termination of contractual relations could delay the delivery of the Company's products and thereby have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects. - Risks related to software security: The Company operates in a market known for very rapid technological changes, thereby continuously exposing it to the risks of computer hacking and industrial piracy, as well as attacks by viruses or bugs that can disrupt the orderly operations of its systems and software packages, as well as those installed at its customers. Furthermore, although the Company has implemented suitable means to guarantee the security and integrity of its information systems, it cannot guarantee absolute protection from viruses, Trojan horses, computer worms, vulnerability exploiters and other system intrusion techniques. ***Risks related to the Company's assets***

		- <u>Risks related to intellectual property rights</u>: The Company may be unable to guarantee that the systems in place to protect its intellectual property rights (patents, licenses, trademarks and domain names) will prevent the misappropriation or illegal use of its know-how by third parties or that its competition will not develop technologies that are similar to the Company's, therefore causing it to lose its technological and competitive advantage. ***Financial and market risks*** - <u>Liquidity risk</u>: The Company's history of operating losses is explained by the innovative nature of the products and services it has developed and marketed, requiring a research and development phase that covers a number of years. A future increase in the Company's indebtedness or, inversely, its inability to raise capital to meet its financing requirements could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.
D.2	**Principal risks specific to the shares offered**	The principal risk factors related to the Offering and Balyo Shares are set out below: - The Company's shares have never been traded on a financial market and will be subject to market fluctuations, and an active market may not develop for the Company's shares; - The volatility and liquidity of the Company's shares could fluctuate significantly; - The Company's principal shareholders will continue to own a significant percentage of the capital and voting rights, and could therefore influence the Company's business or decisions; - The sale of a large number of Company shares by the principal historic shareholders which have no lock-up commitments for the New Shares they may subscribe under the Offering (i.e. approximately 2.6% of the shares after completion of the Offering, including the shares resulting from the redemption of the ORAs, on the basis of the midpoint of the indicative range for the Offer Price if the Extension Clause and the Over-Allotment Option are not exercised) could have a material effect on the market price of the Company's shares as soon as the shares are admitted to trading; - An insufficient number of subscriptions could lead to the capital increase being limited (up to a minimum of 75% of the amount of the planned capital increase) and even the cancellation of the Offering if the subscription orders do not reach this minimum of 75% of the amount of the planned capital increase; - If the Underwriting Agreement (as this term is defined below) is not signed or is terminated, the Offering will be canceled, as will the trading of when-issued shares that took place up to and on the date of settlement-delivery, with each investor bearing and being responsible for its own losses or costs resulting from such cancellation, if applicable; - There is no plan to adopt a policy to pay dividends for the short term in light of the Company's stage of development; and - The future issue of financial instruments, in particular in the framework of potential additional financing, could create a risk of dilution. In this regard, on May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to allocate to the Group's employees and corporate

		officers dilutive instruments that may give rise to the issue of a maximum number of 1,590,663 shares (i.e. 6.24% of the shares after completion of the Offering, including the shares resulting from the redemption of the ORAs, and 6.32% of the share capital on the basis of the low end of the indicative range for the Offer Price if the Extension Clause and the Over-Allotment Option are not exercised). These events could have a material adverse effect on the market price of the Company's shares.

<table>
<tr><th colspan="3">Section E – Offering</th></tr>
<tr><td>E.1</td><td>Total amount of the proceeds from the Offering and estimated total Offering expenses</td><td>On the basis of an Offer Price of €3,58 on the basis of the midpoint of the indicative price range, the gross proceeds and net proceeds from the Offering would be as follows:
<table>
<tr><th>In millions of euros</th><th>Gross proceeds</th><th>Net proceeds</th></tr>
<tr><td>Initial offering</td><td>30,141,427</td><td>27,814,957</td></tr>
<tr><td>Initial offering and the full exercise of the Extension Clause</td><td>34,662,638</td><td>32,106,942</td></tr>
<tr><td>Initial offering, and the full exercise of the Extension Clause and Over-Allotment Option</td><td>39,862,033</td><td>37,042,728</td></tr>
<tr><td>If the capital increase is limited to 75% of the Initial Offering, on the basis of the low end of the indicative range for the Offer Price</td><td>19,259,362</td><td>17,484,613</td></tr>
</table>
The expenses related to the Offering that the Company must pay are estimated at close to €2,326,470 if the Extension Clause and the Over-Allotment Option are not exercised, and at close to €2,819,305 if the Extension Clause and the Over-Allotment Option are fully exercised.</td></tr>
<tr><td>E.2a</td><td>Reasons for the Offering and used of the proceeds</td><td>The issue of the Shares Offered and the admission to trading of the Balyo Shares on Euronext Paris are intended to provide the Company with additional resources to finance its development plan and thereby allow it to become a major international operator in the robotized handling of pallets over the medium term.

The net proceeds from the funds raised in the framework of the issue of the New Shares, i.e. €27,814,957 at the midpoint of the indicative price range will allow the Company to rapidly become a global leader capable of offering a comprehensive solution to allow its international customers to automate all of their intralogistic flows. The Company intends to create the technological, commercial and operational foundation which it can rely on to provide robotic products and services to its customers over the long term.

The key factors underlying the achievement of this objective are globalization (geographic and technological) and the “democratization” of the offer (technological, financial and commercial). This move from a niche market to a global market will allow this new business model to emerge.</td></tr>
</table>

		To achieve these objectives, the Company intends to base its growth strategy on: - most importantly, ramping up its commercial development, representing approximately 50% of the funds raised; - then on retaining its technological leadership and enhancing its offer, representing approximately 25% of the funds raised; - and finally on an opportunity-based acquisition policy, representing approximately 25% of the funds raised. - If the capital increase is limited to 75% of the initial Offering, the funds will be allocated solely to the first two objectives, i.e. (i) commercial development, and (ii) retaining its technological leadership and enhancing its offer. In addition, as set out in section B.11 of this summary, the proceeds of the Offer will enable the Company to meet its net working capital.

E.3	**Terms and conditions of the Offering**	***Number of New Shares to be issued*** The Offering will consist in placing on the market (i) 8,419,393 New Shares to be issued, with suppression of the preferential subscription right, which may be increased to 9,682,301 New Shares if the Extension Clause is fully exercised, and (ii) 1,452,345 Additional New Shares if the Over-Allotment Option is fully exercised, i.e., a maximum of 11,134,646 Shares Offered if the Extension Clause and Over-Allotment Option are fully exercised. ***Structure of the Offering*** The distribution of the Shares Offered is planned to be part of a global offer (the "**Offering**"), which includes: ▪ a public offering in France in the form of an open price offer, mainly intended for individuals (and not entities) (the "**Open Price Offer**"); and ▪ a global placement mainly intended for institutional investors (the "**Global Placement**"), which includes: o a placement in France; and o a private international placement in certain countries, excluding, in particular, the United States. If the demand expressed under the Open Price Offer allows, the number of shares allocated to fill the orders issued under the Open Price Offer will equal at least 10% of the number of New Shares. If the demand expressed under the Open Price Offer falls under 10% of the number of New Shares in the framework of the Offering, the balance of the remaining New Shares not allocated in the calculation of the Open Price Offer will be offered as part of the Global Placement. The orders will be broken down in accordance with the number of securities requested:

- A1 order portion: from 5 to 250 shares; and
- A2 order portion: over 250 shares.

A1 orders will benefit from preferential treatment, as compared to A2 orders, if all of the orders cannot be fulfilled.

Order revocation

Subscription orders over the internet for the Open Price Offer may be revoked over the internet up until the closing of the Open Price Offer on June 7, 2017 at 8:00 pm (Paris time). It is up to individuals to consult their financial intermediary to verify whether the orders sent by other means are revocable and the terms thereof, or whether the orders sent over the internet may be revoked by means other than over the internet.

Extension Clause

Depending on the quantity of the demand for the Offering, the number of New Shares may increase by 15%, i.e., a maximum of 9,682,301 New Shares (the "**Extension Clause**").

The decision to exercise the Extension Clause will be taken when the price is determined by the Board of Directors, which should take place on June 8, 2017, according to the indicative timetable, and will be indicated in the Company's press release and the notice from Euronext announcing the results of the Offering.

Over-Allotment Option

Also, the Company will grant the stabilization agent (the "**Stabilization Agent**"), acting in the name and on behalf of Natixis and Gilbert Dupont, hereafter referred to as the "**Joint Global Coordinators, Lead Managers and Bookrunners**", an Over-Allotment Option (the "**Over-Allotment Option**") related to a maximum of 15% of the number of New Shares once the Extension Clause has potentially been exercised, i.e., a maximum of 1,452,345 New Additional Shares at the Offer Price.

This Over-Allotment Option may be exercised by the Stabilization Agent, acting in the name and on behalf of the Joint Global Coordinators, Lead Managers and Bookrunners, on a single occasion, at any time, in whole or in part, at the Offer Price at the latest on July 7, 2017, solely to cover potential over-allotments and facilitate stabilization operations, if applicable.

If the Over-Allotment Option is exercised, this information will be brought to the public's attention by way of a press release issued by the Company.

Indicative price range

		The price of the Shares Offered under the Open Price Offer will be equal to the price of the Shares Offered in the framework of the Global Placement (the "**Offer Price**"). The Offer Price may range from €3.05 to €4.11 per share. The Offer Price may be set outside of this range. In the event that the high end of the indicative price range is increased or if the Offer Price is set above the higher end of the price range (the initial or, if applicable, amended price range), the closing date for the Open Price Offer will be determined so that at least two trading days pass between the date of issuance of the press release informing the public of this modification and the new closing date for the Open Price Offer. The orders issued under the Open Price Offer before the press release referred to above is issued will be maintained, unless they are expressly revoked before or on the new closing date for the Open Price Offer. The Offer Price may be set below the low end of the indicative price range (if this does not significantly impact the other characteristics of the Offering). ***Methods to set the Offer Price*** It is expected that the Offer Price will be determined by the Company, after consulting the Lead Managers and Bookrunners, on June 8, 2017, according to the indicative timetable, it being noted that this date may be postponed if market conditions and the results of the bookbuilding process do not allow for the Offer Price to be determined under satisfactory conditions. The price will be determined by taking into account the share offering in the framework of the Global Placement and the requests sent by investors, according to the technique referred to as "bookbuilding", as practiced in the trade. The date for the determination of the Offer Price may also be brought forward if the Open Price Offer and Global Placement close early, or it may be postponed if the Open Price Offer and Global Placement are extended. ***Cancellation of the Offering*** If the Offering is reduced to the amount of the subscriptions received, within the limits of €19,259,362, the achievement of the Company's objectives will still be possible. However, if the amount of subscription orders does not reach a minimum amount of €19,259,362, the Offering will be canceled and the subscription orders will be null and void. ***Underwriting*** The Offering will be the subject of an underwriting agreement entered into between Natixis and Gilbert Dupont, hereafter referred to as the "**Joint Global Coordinators, Lead Managers and Bookrunners**", and the Company related to the New Shares (the "**Underwriting Agreement**"). The Underwriting Agreement does not constitute a performance guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the Commercial Code.

		The Underwriting Agreement should be signed on the date the Offer Price is set, which is planned for June 8, 2017, as per the indicative timetable. The Underwriting Agreement may be terminated at any time by the Joint Global Coordinators, Lead Managers and Bookrunners in certain circumstances up until and including the date of settlement-delivery of the Offering planned to take place on June 12, 2017 according to the indicative timetable. The circumstances that may cause the termination of the Underwriting Agreement include, among others, inaccuracies or non-conformity of the declarations and guarantees or any of the Company's undertakings assuming one of the conditions precedent has not been fulfilled and certain specific events that make the placement, settlement or delivery of the Shares Offered impossible or seriously compromised in the opinion of the Joint Global Coordinators, Lead Managers and Bookrunners. ***Indicative timetable*** May 22, 2017 — AMF approval of the Prospectus May 23, 2017 — Press release issued, announcing the Offering and the availability of the Prospectus Publication by Euronext of the notice announcing the opening of the Open Price Offer Opening of the Offering June 7, 2017 — The Open Price Offer closes at 5:00 pm (Paris time) for subscriptions over the counter and at 8:00 pm (Paris time) for internet subscriptions June 8, 2017 — Closing of the Global Placement at noon (Paris time) Determination of the Offer Price and potential exercise of the Extension Clause Signing of the Underwriting Agreement Press release issued indicating the Offer Price and the results of the Offering Publication by Euronext of the Offering results notice Initial listing of the Company's shares on Euronext Paris Start of the potential stabilization period June 9, 2017 — Trading starts for the Company's New Shares on Euronext Paris in the form of when-issued shares (on a listing line entitled "BALYO - Promesses") June 12, 2017 — Settlement-delivery of the Offering June 13, 2017 — Trading starts for the Company's Shares on Euronext Paris (on a single listing line entitled "BALYO"). July 7, 2017 — Deadline for the exercise of the Over-Allotment Option

		End of the stabilization period ***Terms and conditions of subscription*** Investors who wish to participate in the Open Price Offer must submit their orders to an authorized financial intermediary in France at the latest on June 7, 2017 at 5:00 pm (Paris time) for subscriptions over the counter and at 8:00 pm (Paris time) for internet subscriptions. To be taken into consideration, the orders issued under the Global Placement must be received by the Joint Global Coordinators, Lead Managers and Bookrunners at the latest by noon (Paris time) on June 8, 2017. ***Joint Global Coordinators, Lead Managers and Bookrunners*** ▪ **Natixis** 30 avenue Pierre Mendès-France 75013 Paris ▪ **Gilbert Dupont** 50 Rue d'Anjou 75008 Paris ***Concurrent offering of the Company's shares*** Not applicable. ***Subscription commitments received that do not contribute to the Offering's price formation*** Seventure Partners, Bpifrance Investissement and 360 Capital Partners, the Company's historic shareholders, as well as Hyster-Yale and Financière Arbevel (together with the historic shareholders referred to above, the "**Investors**") have irrevocably committed to subscribe for the capital increase at a share price equal to the Offer Price, as determined by the Company's Board of Directors on June 8, 2017 in the total amount of €11,894,538, representing 39,5% of the gross amount of the Offering, on the basis of the midpoint of the indicative range for the Offer Price (if the Extension Clause and the Over-Allotment Option are not exercised) total amount likely to be increased to €12,363,271 according to the final conditions of the Offer. These subscription commitments are broken down as follows: - Seventure Partners[1]: €1,000,000 (i.e., 3.3% of the gross amount of the Offering*);

[1] *FCPI Masseran Innovation I; FCPI Masseran Innovation II; FCPI Masseran Innovation III; FCPI Masseran Innovation IV; FCPI Masseran; Patrimoine Innovation 2009; FCPI Masseran Patrimoine Innovation 2010; FCPI Masseran Patrimoine Innovation 2011; FCPI Masseran Patrimoine Innovation 2012; FCPI Masseran Innovation V; FCPI Seventure Innovation 2012; FCPI Seventure Premium 2013; FCPI Masseran Patrimoine Innovation 2013; FCPI Seventure Préférence Innovation 2013; FCPI Masseran Innovation VI; FCPI Seventure Premium 2014; FCPI Masseran Patrimoine Innovation 2014, managed by the management firm Seventure Partners.*

		- Bpifrance Investissement[2]: €1,000,000 (i.e., 3.3% of the gross amount of the Offering*).This subscription commitment must be within the indicative price range, failing which it may be revoked or modified by Bpifrance Investissement; - 360 Capital Partners[3]: €363,271 (i.e., 1.2% of the gross amount of the Offering*); - Hyster-Yale: the lesser of (i) €5,000,000 and (ii) the amount allowing for subscription to a proportion equal to 5% of the Company's post-Offering capital (i.e., 15% of the gross amount of the Offering*); - Financière Arbevel[4]: €5,000,000 (i.e., 16.6% of the gross amount of the Offering*) fully subscribed in cash, it being noted that this Investor has indicated that it reserves the right to issue an additional offer under the Offering. All of the orders mentioned above, i.e. €11,894,538 million, representing 39.5% of the gross amount of the Offering on the basis of the midpoint of the indicative price range, are to be fulfilled as a priority, subject, however, to a potential reduction in accordance with the usual allocation principles if the subscriptions received under the Offering exceed the number of New Shares. These commitments represent 66.6% of the amount of the capital increase if the capital increase is limited to 75% of the initial Offering (on the basis of the low end of the indicative price range for the Offer Price). It is specified that on May 19, 2017, Mr. Thomas Duval resigned as Director of the Company, subject to the condition precedent to the completion of the above-mentioned investment by Hyster-Yale. In this context, the Board of Directors has decided to co-opt Hyster-Yale as Director in place of Mr Thomas Duval for the remainder of the latter's term of office. This cooptation will be effective at the moment of the fulfillment of the condition attached to the resignation of Mr. Thomas Duval. ** Gross amount of the Offering defined on the basis of the midpoint of the indicative range for the Offer Price, excluding the Extension Clause and Over-Allotment Option*
E.4	**Interests that may have a material impact on the issue**	The Joint Global Coordinators, Lead Managers and Bookrunners and/or some of their affiliates may, in the future, provide banking, financial, investment, commercial or other services to the Company, its affiliates or shareholders, or to its corporate officers for which they may be remunerated.
E.5	**Person or entity offering to sell shares/lock-up agreement**	***Person or entity offering to sell shares*** Not applicable. ***The Company's lock-up commitment ("engagement d'abstention")*** For a period that expires 180 calendar days after the date of settlement-delivery of the Offering, subject to certain usual exceptions. **Lock-up commitment ("*engagement de conservation*")** The New Shares subscribed by the Company's historic shareholders are not subject to a lock-up commitment.

[2] *FPCI FSN PME Ambition Numérique, managed by the management firm Bpifrance Investissement.*
[3] *FCPI Robolution Capital 1, managed by the management firm 360 Capital Partners*
[4] *OPCVM and mandates managed by the management firm Financière Arbevel*

		However, all of the Company's shareholders on the date of the Prospectus, the recipients of new shares to be received at the redemption of the ORAs and all of the holders of BSAs and BSPCEs in circulation on the date of the Prospectus, as well as Hyster-Yale which has committed to subscribe for the increase of capital as described in Section E.3 above, have irrevocably committed not to directly or indirectly offer, pledge, loan, transfer, sell or promise to sell the Company's shares or securities that give immediate or future right to the Company's shares they hold or will hold through the exercise of securities that give access to capital, nor enter into any other agreement or operation that leads to an equivalent financial result, nor publicly indicate an intent to proceed with one or more of the operations listed above in the present paragraph, until the expiry of a maximum period of 360 calendar days that follow the date of settlement-delivery of the shares issued under the Offering. These lock-up commitments are as follows: ▪ Seventure Partners, Bpifrance Investissment and 360 Capital Partners, acting in the name and on behalf of the funds they manage, which respectively hold 44.53%, 26.70% and 5.04% of the current capital and 2,300 ORAs, benefit from the following terms regarding the lock-up: - 100% for a period that expires 180 days after the date of settlement-delivery of the shares issued under the Offering; - 80% for a period that expires 270 days after the date of settlement-delivery of the shares issued under the Offering; - 65% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering. The lock-up commitments of Seventure Partners, Bpifrance Investissement and 360 Capital Partners apply to the Existing Shares and to the shares that may be issued relative to the redemption of the ORAs. However, they do not apply to the New Shares they may subscribe under the Offering. In light of the subscription commitments from Investors received on the date of the Prospectus, as described in Section E.3 of the present summary, the New Shares thereby subscribed by said Investors, which could be transferred without constraints from the first trading date, would represent 2.6% of the shares after the date of settlement-delivery of the shares issued under the Offering, (including the shares resulting from the redemption of the ORAs, on the basis of the midpoint of the indicative range for the Offer Price if the Extension Clause and the Over-Allotment Option are not exercised) in the event their subscription commitments are fully fulfilled. ▪ Linde Material Handling, which holds 10.41% of the current capital and 500 ORAs, benefits from the following terms regarding the lock-up: - 100% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering.

		Linde Material Handling's lock-up commitment does apply to the Existing Shares and to the shares resulting from the redemption of the ORAs. ▪ Raul Bravo Orellana and Thomas Duval, who hold 5.97% each of the current capital and respectively 60,000 BSAs and 245,000 BSPCEs, benefit from the following terms regarding the lock-up: - 100% for a period that expires 180 days after the date of settlement-delivery of the shares issued under the Offering; - 80% for a period that expires 270 days after the date of settlement-delivery of the shares issued under the Offering; - 65% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering. The lock-up commitments of Raul Bravo Orellana and Thomas Duval commitment do apply to the Existing Shares but do not apply to the New Shares they may subscribe under the Offering. ▪ Jean-Marie Bergeal, Michel Leonard and Rémi Bader, who respectively hold 0.62%, 0.37% and 0.19% of the current capital, benefit from the following terms regarding the lock-up: - 100% for a period that expires 180 days after the date of settlement-delivery of the shares issued under the Offering. The lock-up commitments of Jean-Marie Bergeal, Michel Leonard and Rémi Bader do apply to the Existing Shares but do not apply to the New Shares they may subscribe under the Offering. ▪ Fabien Bardinet, who holds 0.20% of the current capital and 730,000 BSPCEs benefits from the following terms regarding the lock-up: - 100% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering. Fabien Bardinet's lock-up commitment does apply to the Existing Shares but does not apply to the New Shares he may subscribe under the Offering. All other parties who have signed lock-up commitments (holders of BSAs and BSPCEs) have committed to retaining 100% of their potential holdings for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering. Furthermore, Hyster-Yale, which is not a Company shareholder on the date of the Prospectus but which has committed to invest, in the framework of the Offering, an amount equal to the lesser of (i) €5,000,000 and (ii) the amount allowing for subscription to a proportion equal to 5% of the Company's post-Offering capital as described in Section E.3 above, benefits from the following terms of the lock-up regarding the New Shares thereby subscribed:

		- 100% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering.

E.6	Amount and percentage of the dilution immediately resulting from the Offering	Impact of the Offering on the distribution of equity

E.6 **Amount and percentage of the dilution immediately resulting from the Offering**

<u>Impact of the Offering on the distribution of equity</u>

For information, the impact of the issue on the distribution of the Company's consolidated equity per share (calculation based on the Company's consolidated equity, as indicated in the consolidated financial statements as at March 31, 2017, and a total of 15,906,637 shares that comprise the Company's share capital on said date and after the redemption of the ORAs at the time of the initial public offering, on the basis of the midpoint of the indicative price range) would be as follows:

	Share of equity as at March 31, 2017			
(in euros per share)	Non-diluted basis	Diluted basis*	Diluted basis** after the redemption of the ORAs	Status on a fully diluted*** basis, including the shares to be issued in respect of the potential capital and whose allocation is planned upon completion of the Offering
Before the issue of 8,419,393 New Shares	(0.23)	(0.04)	0.11	0.36
After the issue of 8,419,393 New Shares (if the Extension Clause is not exercised)	0.99	1.03	1.10	1.22
After the issue of 9,682,301 New Shares (if the Extension Clause is fully exercised and the Over-Allotment Option is not exercised)	1.11	1.14	1.20	1.31
After the issue of 11,134,646 Shares Offered (if the Extension Clause and the Over-Allotment Option are fully exercised)	1.24	1.25	1.31	1.41
If the capital increase is limited to 75% of the initial Offering	0.62	0.69	0.78	0.93

** If all of the stock warrants and founders' share warrants in circulation on the date of the Prospectus are exercised.*

*** On the basis of the midpoint of the indicative range for the Offer Price.*

**** On May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to use authorizations 14 to 17 of the general meeting held on April 24, 2017, after completion of the Offering, for the purposes of (i) proceeding with a free allocation of shares to all of the Company employees up to a limit of 100,000 shares, with each Company employee receiving an identical number of shares, and (ii) granting warrants/options or issuing BSPCEs to certain employees and corporate officers (to be determined) and issuing BSAs to independent directors (subject to payment by them of a subscription price determined by an independent expert), which could together give rise to the issue of a maximum number of 1,490,663 shares, in each case at an exercise price determined in accordance with the relevant authorization. The final acquisition of the shares allocated for free, and the exercise of the warrants/options, BSPCEs and BSAs, will be subject exclusively to the fulfillment of one condition, that the recipient be present within the Company on the date of the final acquisition or exercise.*

Impact of the issue on the shareholder's situation

For information, the impact of the issue on the stake of a shareholder who owns 1% of the Company's share capital prior to the issue and who does not subscribe for the issue (calculation based on the Company's consolidated equity, as indicated in the consolidated financial statements as at March 31, 2017, and a total of 15,906,637 shares that comprise the Company's share capital on said date and after the redemption of the ORAs at the time of the initial public offering, on the basis of the midpoint of the indicative price range) would be as follows:

	Shareholder's stake (%)			
(in euros per share)	Non-diluted basis	Diluted basis*	Diluted basis** after the redemption of the ORAs	Status on a fully diluted*** basis, including the shares to be issued in respect of the potential capital and whose allocation is planned upon completion of the Offering
Before the issue of 8,419,393 New Shares	1.00%	0.89%	0.85%	0.78%
After the issue of 8,419,393 New Shares (if the Extension Clause is not exercised)	0.65%	0.61%	0.58%	0.55%
After the issue of 9,682,301 New Shares (if the Extension Clause is fully exercised and the Over-Allotment Option is not exercised)	0.62%	0.58%	0.56%	0.53%
After the issue of 11,134,646 Shares Offered (if the Extension Clause and the Over-Allotment Option are fully exercised)	0.59%	0.55%	0.53%	0.50%
If the capital increase is limited to 75% of the initial Offering	0,72%	0,66%	0,63%	0,60%

* *If all of the stock warrants and founders' share warrants in circulation on the date of the Prospectus are exercised.*

** *On the basis of the midpoint of the indicative range for the Offer Price.*

*** *On May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to use authorizations 14 to 17 of the general meeting held on April 24, 2017, after completion of the Offering, for the purposes of (i) proceeding with a free allocation of shares to all of the Company employees up to a limit of 100,000 shares, with each Company employee receiving an identical number of shares, and (ii) granting warrants/options or issuing BSPCEs to certain employees and corporate officers (to be determined) and issuing BSAs to independent directors (subject to payment by them of a subscription price determined by an independent expert), which could together give rise to the issue of a maximum number of 1,490,663 shares, in each case at an exercise price determined in accordance with the relevant authorization. The final acquisition of the shares allocated for free, and the exercise of the warrants/options, BSPCEs and BSAs, will be subject exclusively to the fulfillment of one condition, that the recipient be present within the Company on the date of the final acquisition or exercise.*

E.7	**Expenses charged to the investor by the issuer**	Not applicable.

1. PERSONS RESPONSIBLE

1.1. Person responsible for the Prospectus

Fabien Bardinet, Chief Executive Officer of Balyo S.A.

1.2. Attestation of the Person Responsible for the Prospectus

[INTENTIONALLY OMITTED]

[INTENTIONALLY OMITTED]

On May 22, 2017

Fabien Bardinet
Chief Executive Officer

1.3. Person responsible for the financial information

Stanislas Piot
Financial Director of Balyo S.A.
Tel: +33 1 55 26 43 10
Email: stanislas.piot@balyo.com

Financial communication/Investor relations

Stanislas Piot
Financial Director of Balyo S.A.
Tel: +33 1 55 26 43 10
Email: stanislas.piot@balyo.com

Eloïse Duclos
Tel: +33 1 55 26 43 10
Email: eloise.duclos@balyo.com

2. RISK FACTORS RELATED TO THE OFFERING

In addition to the risk factors described in Section 4 "Risk Factors" of the Registration Document, investors are invited to take the following risk factors and other information included in the Securities Note into account before deciding to invest in the Company's shares. An investment in the Company's shares may entail risks. The major risks the Company has identified on the date of the AMF's approval of the Prospectus are those set out in the Registration Document, as well as those described below. If one of these risks materializes, it could have a material adverse effect on the Company's business, financial situation, earnings and prospects. If a risk materialized, the price of the Company's shares could decline and the investor could lose all or part of the sums invested in the Company's shares. Other risks and uncertainties not identified by the Company on the date of the Prospectus or that it considers, on the same date, not to be significant could exist and occur, and could also disrupt or have an adverse effect on the Company's business, financial situation, earnings and prospects and/or on the Company's shares.

The Company's shares have never been traded on a financial market and will be subject to market fluctuations, and an active market could fail to materialize or last

Until the Company's shares have been admitted to trading on the Euronext regulated market in Paris ("**Euronext Paris**"), they will never have been listed on any market, whether regulated or not. The Offer Price is not indicative of the performance of the market price for the Company's shares once they have been admitted to trading on Euronext Paris. The price that will be determined once the Company's shares have been admitted to trading on Euronext Paris may vary significantly from the Offer Price. Although the Company has applied for the admission of its shares to trading on Euronext Paris, it is impossible to guarantee that a liquid market will exist for its shares or that, if such a market comes to exist, it will last. If an active market does not materialize for the Company's shares, the market price of its shares and the investors' ability to trade their shares under conditions they consider to be satisfactory may be affected.

The volatility and liquidity of the Company’s shares could fluctuate significantly

Over the last few years, stock markets have experienced significant fluctuations, which often had no connection with the listed companies’ results. Market fluctuations and the economic environment may increase the Company’s share price volatility. The market price for the Company’s shares may fluctuate significantly under the influence of several factors and events, including the risk factors described in the Registration Document, as well as the liquidity of the market on which the Company’s shares are traded.

The Company's principal shareholders will continue to hold a significant percentage of the capital and voting rights, and could therefore influence the Company's business or decisions

Upon completion of the Offering, the Company is of the opinion that the Company’s capital will no longer be controlled by Seventure Partners (within the meaning of Article L. 233-3 of the Commercial Code). However, this loss of control should not be interpreted as a change in control within the meaning of the partnership agreement entered into by the Company, Linde Material Handling and Kion Group AG, which provides the partner with a right to terminate the agreement only if a third party gains control over the Company.

Upon completion of the Offering, Seventure Partners and Bpifrance Investissement, the Company's principal shareholders, will jointly hold 45% of the Company's share capital and 45% of its voting rights, based on the low end of the indicative price range for the Offering (assuming the Extension Clause and Over-Allotment Option are fully exercised). As key shareholders of the Company, Seventure Partners and Bpifrance could exercise significant influence over certain resolutions that require a simple majority, such as the appointment of members to the Company's Board of Directors, the approval of annual financial statements, and the distribution of dividends.

The sale of a large number of Company shares by the principal historical shareholders which have no lock-up commitments for the New Shares they may subscribe under the Offering (i.e. approximately 2.6% of the shares after completion of the Offering, including the shares resulting from the redemption of the ORAs, on the basis of the midpoint of the indicative range for the Offer Price if the Extension Clause and the Over-Allotment Option are not exercised) could have a material effect on the market price of the Company's shares as soon as the shares are admitted to trading

The current principal shareholders (Seventure Partners, Bpifrance Investissement and 360 Capital Partners) which have no lock-up commitments for the New Shares they may subscribe under the Offering (who collectively hold 76% of the capital prior to the Offering) will hold approximately 54% of the Company's share capital when the Offering comes to an end (based on the assumption that the Extension Clause and Over-Allotment Option will be fully exercised). If some of these shareholders who subscribe for the Offering decide to sell all or part of the shares thereby subscribed on the market (i.e., 2.6% of the post-Offering capital on the basis of the midpoint of the indicative range for the Offer Price if their subscription commitments are entirely fulfilled, including the shares resulting from the redemption of the ORAs) as soon as the Company's shares are listed and if they are not subject to the lock-up agreement, as well as if the existing principal shareholders decide to sell all or part of their holdings on the market after the expiry of their lock-up commitment (as described in Section 7.3 of the Securities Note) or before its expiry in the event the commitment is lifted, or there is a perception that such a sale is imminent or probable, these situations could have a material adverse effect on the price of the Company's shares.

An insufficient number of subscriptions could lead to the capital increase being limited (up to a minimum of 75% of the amount of the planned capital increase) and even the cancellation of the Offering if the subscription orders do not reach this minimum of 75% of the amount of the planned capital increase

If demand is insufficient, the capital increase targeted by the Offering (as defined in Section 5.1.1 of the Securities Note) could be limited to subscriptions received if they reach three-quarters (75%) of the issue initially planned, which would not jeopardize the achievement of the Company's objectives.

Inversely, if the subscriptions received do not total three-quarters (75%) of the issue initially planned, the Offering will be canceled and the subscription orders will become null and void.

If the Underwriting Agreement is not signed or is terminated, the Offering could be canceled as would the trading of when-issued shares that took place up to (and including) the date of settlement-delivery, with each investor bearing and being responsible for its own losses or costs resulting from such cancellation, if applicable.

The Underwriting Agreement may not be signed or, after having been signed, may be terminated in certain circumstances by the Joint Lead Managers and Bookrunners at any time up to (and including) the date of settlement-delivery of the Offering (see Section 5.4.3 of the Securities Note).

If the Underwriting Agreement is not signed or is terminated, the Company's initial public offering and the Offering will be canceled retroactively. The Open Price Offer, the Global Placement (as defined in Section 5.1.1 of the Securities Note), all of the subscription orders placed in the framework thereof and, in the event of termination, all of the trading that took place up until (and including) the date of settlement-delivery of the Offering will be canceled retroactively and will have to be settled, with each investor bearing and being responsible for its own losses or costs resulting from such cancellation, if applicable.

If the Underwriting Agreement is not signed or is terminated, the Balyo Shares will not be admitted to trading on Euronext Paris. This information will be provided in a press release issued by the Company and a notice released by Euronext.

Absence of a policy to pay dividends in the short term in light of the Company's stage of development

No dividend has been distributed by the Company since it was founded, including during the fiscal years ending on December 31, 2016 and 2015.

The Company does not plan to adopt a policy to regularly pay dividends in light of its stage of development.

The future issue of financial instruments, in particular in the framework of potential additional financing, could create a risk of dilution

Since it was founded, the Company has issued or allotted stock warrants ("**BSA**") and founders' share warrants ("**BSPCE**"), as well as bonds convertible into shares ("**ORA**").

As the Company has decided on a redemption of the 2,800 ORAs in ordinary shares and the holders of ORAs have decided to benefit from a reference unit price equal to the Offer Price, less a discount of 20% in accordance with the third point of Article 5.4.2 of the ORA issue contract, the full exercise of all of the instruments that give access to capital, and that have been allocated and are in circulation on the date the Company's shares are listed for the first time on Euronext Paris, would allow for the subscription of a maximum number of 1,160,051 new shares, on the basis of the low end of the indicative price range for the Offer Price representing a maximum dilution of 7,3% on the basis of the current capital.

As part of its incentive policy in favor of its executives and employees, and to attract additional talent, in the future, the Company could issue or allot shares or new financial instruments that give access to the Company's capital, which could cause additional dilution – which may be significant – to the interests of the Company's current and future shareholders.

Thus, further to the resolutions of the general meeting of the Company's shareholders that took place on April 24, 2017, the shareholders granted the Board of Directors a number of authorizations to allow for the implementation of profit-sharing plans in order to proceed with one or more issues of shares and/or securities that give access to the Company's capital, with suppression of the shareholders' preferential subscription right, for a capital increase in a total maximum amount (for all of the authorizations related to the issue or allotment of stock warrants, founders' share warrants and stock options and/or the allocation of free shares) equal to €127,253.09 in nominal value, which corresponds to a maximum dilution of 10% on the basis of current capital.

In this regard, on May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to use authorizations 14 to 17 of the general meeting held on April 24, 2017, after completion of the Offering, for the purposes of (i) proceeding with a free allocation of shares to all of the Company employees up to a limit of 100,000 shares, with each Company employee receiving an identical number of shares, and (ii) granting warrants/options or issuing BSPCEs to certain employees and corporate officers (to be determined) and issuing BSAs to independent directors (subject to payment by them of a subscription price determined by an independent expert), which could together give rise to the issue of a maximum number of 1,490,663 shares, in each case at an exercise price determined in accordance with the relevant authorization (i.e. a total of : 1,590,663 shares representing 6.24% of the shares after completion of the Offering, including the shares resulting from the redemption of the ORAs, and 6.32% of the share capital on the basis of the low end of the indicative range for the Offer Price if the Extension Clause and the Over-

Allotment Option are not exercised).. The final acquisition of the shares allocated for free, and the exercise of the warrants/options, BSPCEs and BSAs, will be subject exclusively to the fulfillment of one condition, that the recipient be present within the Company on the date of the final acquisition or exercise.

3. KEY INFORMATION

3.1. Declaration related to net working capital

On the date of the Prospectus, the Company's net working capital is not sufficient to fulfill its obligations and cash requirements over the upcoming 12 months.

The Company's history of operating losses is explained by the innovative nature of the solution it has developed, which requires research and development over multiple years.

The cash available as at March 31, 2017 (i.e., €2,130.9K, the amount described in Section 3.2 of the Securities Note) will allow the Company to pursue its activities until January 2018, taking into account, in particular, the benefit of the Research Tax Credit for 2016 (€647K) in the second half of 2017.

The amount required to allow the Company to continue operatoins over the 12 months following the date of the Prospectus is estimated at €3,100K, net of the Research Tax Credit for fiscal 2016. This amount includes the payment of all of the commitments the Company is aware of on the date of the Prospectus, in particular:

(i) the net requirement related to business for the period in the amount of close to €1,567K (in particular for expenses related to research and development, as well as commercial development);

(ii) repayments of the repayable advances from Bpifrance Investissement, Coface and bank loans from April 2017 to March 2018, in the total amount of €932.9K; and

(iii) and fixed costs inherent in the plan to have the Balyo Shares admitted to trading on the Euronext regulated market in Paris in the amount of €600K, which the Company must pay (including €0K paid on March 31, 2017).

The preparation for the admission of Balyo Shares for trading on Euronext Paris and the net proceeds from the Offering, i.e., approximately €27,814,957 based on the capital increase being 100% subscribed and a subscription price equal to the midpoint of the indicative range for the Offer Price, i.e. €3.58, is the solution the Company prefers to finance the continuation of its business required for its development and to manage the insufficiency of its net working capital over the 12 months that follow the date of the Prospectus.

If the planned capital increase is partially subscribed (75%), and assuming a subscription price at the low end of the Offer Price's indicative range, i.e. €3.05, in other words, a capital increase, not including expenses, limited to €17,484,613, the Company will be able to meet its cash flow needs for the 12 months that follow the date of the Prospectus.

Upon completion of the operation that is the subject of the Prospectus, the Company's net working capital will be sufficient to fulfill its obligations and cash requirements over the upcoming 12 months.

The development of the Company's technology and rollout of its development program will continue to generate major financing needs in the future. The Company could be unable to self-finance its growth, which could lead it to seek other sources of financing, in particular through new capital increases.

3.2. Capitalization and indebtedness

In accordance with the ESMA (European Securities and Markets Authority) (ESMA/2013/319/Section 127) recommendations, the table below presents the Company's consolidated capitalization as at March 31, 2017 and consolidated net indebtedness as at March 31, 2017.

(in thousands of euros)	**March 31, 2017**
1 Capitalization and indebtedness	
Current debt	**4,076.7**
Current debt guaranteed	30.0
Current debt secured	0.0
Current debt neither guaranteed nor secured	4,046.7
Non-current debt	**2,669.5**
Non-current debt guaranteed	815.0
Non-current debt guaranteed	0.0
Non-current debt neither guaranteed nor secured	1,854.5
Equity (1)	**(3,613.1)**
Capital	1,272.5
Legal reserve	17,588.6
Other reserves	-22,474.2
(1) Information prepared based on the financial statements as at December 31, 2016, but that does not include the income for the period running from January 1 to March 31, 2017, nor expenses incurred for the capital increase that is the subject of the Offering, which will be charged against the issue premium, nor the update of the other items under other comprehensive income.	
2. Net financial indebtedness	
A – Cash and cash locked-in	2,130.9
B – Cash equivalents	0.0
C - Trading securities	0.0
D - Liquidity (A+B+C)	**2,130.9**
E - Short-term financial receivables	0.0
F - Short-term bank debt	3,143.8
G – Portion of medium and long-term debts with a maturity of less than one year	43.5
H - Other short-term financial debt	889.4
I – Current short-term financial debt (F+G+H)	**4,076.7**
J – Net short-term financial indebtedness (I-E-D)	**1,945.8**
K – Bank loans with maturities of more than one year	1,015.0
L - Bonds issued	0.0
M – Other financial debt with maturity of more than one year	1,654.5
N – Medium to long-term net financial indebtedness (K+L+M)	**2,669.5**
O – Net financial indebtedness (J+N)	**4,615.3**

As at March 31, 2017, the Company decided to proceed with the redemption in ordinary shares of the ORAs subscribed in late 2016 by certain historic shareholders, described in Section 21.1.4.3 “Bonds convertible into shares”, of the Registration Document.

Also, in the framework of the financing of its business, the Company has not made any financial commitments other than the debts referred to in the balance sheet for the period ending on December 31, 2016.

3.3. Interests of individuals and legal entities participating in the issue

The Joint Global Coordinators, Lead Managers and Bookrunners and/or some of their affiliates may, in the future, provide banking, financial, investment, commercial or other services to the Company, its affiliates or shareholders, or to its corporate officers for which they may be remunerated.

3.4. Reasons for the Offering and use of the proceeds

The issue of the Shares Offered and admission to trading of the Balyo Shares on Euronext Paris are intended to provide the Company with additional resources to contribute to the financing of its development plan and thereby allow it to become a major international operator in the robotized handling of pallets over the medium term.

The net proceeds from the funds raised in the framework of the issue of the New Shares, i.e. €27,814,957 at the midpoint of the indicative price range will allow the Company to rapidly become a global leader capable of offering a comprehensive solution to allow its international customers to automate all of their intralogistic flows. The Company intends to create the technological, commercial and operational foundation which it can rely on to provide robotic products and services to its customers over the long term.

The key factors underlying the achievement of this objective are globalization (geographic and technological) and the “democratization” of the offer (technological, financial and commercial). This move from a niche market to a global market will allow this new business model to emerge.

To achieve these objectives, the Company intends to base its growth strategy on:

- most importantly, ramping up its commercial development, representing approximately 50% of the funds raised;
- then on retaining its technological leadership and enhancing its offer, representing approximately 25% of the funds raised;
- and finally on an opportunity-based acquisition policy, representing approximately 25% of the funds raised.
- If the capital increase is limited to 75% of the initial Offering, the funds will be allocated solely to the first two objectives, i.e. (i) commercial development, and (ii) retaining its technological leadership and enhancing its offer.

In addition, as set out in section 3.1 of the Securities Note, the proceeds of the Offer will enable the Company to meet its net working capital.

4. THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING ON THE EURONEXT REGULATED MARKET IN PARIS

4.1. Type, category and dividend entitlement (*jouissance*) of the securities offered and admitted to trading

The shares for which admission to trading on Euronext Paris (Compartment C) is sought are as follows:

- all of the 15,906,637 existing shares that comprise the Company's share capital, with a par value of €0.08 each (the "**Existing Shares**");
- a maximum number of 1,160,051 new shares to be issued by the Company resulting from the redemption of the ORAs (on the basis of low end of the indicative price range to which a 20% discount is applied);
- 8,419,393 new shares to be issued by the Company in the framework of a capital increase with suppression of the shareholders' preferential subscription right and through a public offering, which may increase to 9,682,301 new shares if the Extension Clause is fully exercised (all totaled, the "**New Shares**"); and
- a maximum number of 1,452,345 additional new shares to be issued by the Company if the Over-Allotment Option is fully exercised (the "**Additional New Shares**").The New Shares and the Additional New Shares are referred to jointly hereafter as the "**Shares Offered**".

The Existing Shares and the Shares Offered are referred to jointly hereafter as the "**Balyo Shares**".

All of the Balyo Shares are in the same category and have the same par value.

The New Shares and the Additional New Shares offering is defined as the "**Offering**".

Date of dividend entitlement

As soon as they are issued, the Shares Offered will be equivalent to Existing Shares. They will give a right to any dividend distributed by the Company as of the date they are issued.

Name of the shares:

"BALYO"

ISIN Code

FR0013258399

Ticker symbol

BALYO

Compartment

Compartment C

Business sector

NAF Code: 7112B - Engineering, technical studies
ICB classification: 2737 Electronic Equipment

Trading of shares

According to the indicative timetable, the terms governing the trading of the Balyo Shares will be set out in a notice from Euronext Paris, which should be issued on May 23, 2017.

According to the indicative timetable, trading on Euronext Paris (in the form of when-issued shares, within the meaning of Article L. 228-10 of the Commercial Code) should start on June 9, 2017.

As of June 13, 2017, all of the Balyo Shares will be traded on a single listing line entitled "BALYO".

If the Underwriting Agreement (as this term is defined below) is not signed, the Offering will be canceled retroactively. If the Underwriting Agreement is terminated in accordance with its terms and conditions, the Offering will be canceled retroactively, the depositary certificate will not be issued on the date of settlement-delivery of the Offering, and all transactions involving Balyo Shares since the admission to trading will be canceled retroactively, with each investor bearing and being responsible for its own losses or costs resulting from such cancellation, if applicable.

4.2. Applicable law and jurisdiction

The Company's shares are governed by French law.

In the event of any dispute, the competent courts will be those in the jurisdiction of the Company's registered office if the Company is the defendant, and will be designated in accordance with the nature of the dispute if the Company is the plaintiff, unless otherwise provided by the New Code of Civil Procedure

4.3. Form and registration of the shares

Balyo Shares may be held in registered or bearer form, as opted by the subscribers.

In accordance with Article L. 211-3 of the Monetary and Financial Code, they must be recorded in a securities account held, as applicable, by the Company or an authorized intermediary.

Therefore, the rights of holders will be evidenced by way of an entry in a securities account open in their name in the books of:

- Société Générale Securities Services (32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03), mandated by the Company, for shares kept in registered form (*forme nominative pure*);
- an authorized intermediary of their choice and Société Générale Securities Services (32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03), mandated by the Company, for shares kept in administered registered form (*forme nominative administrée*);
- An authorized intermediary of their choice for shares kept in bearer form (*forme au porteur*).

In accordance with Articles L. 211-15 and L. 211-17 of the Monetary and Financial Code, the shares will be transferred by way of an account-to-account transfer and the transfer of ownership of the New Shares will be evidenced by their entry into the subscriber's securities account.

An application will be filed to admit the Balyo Shares to the clearing procedures of Euroclear France, who will ensure the clearing of shares between account holders. An application will also be filed to admit the New Shares to the clearing procedures of Euroclear Bank S.A./N.V.

According to the indicative timetable, the Balyo Shares are planned to be recorded in securities accounts June 12, 2017 and tradable as of June 13, 2017.

4.4. Issue currency

The issue currency for the New Shares is the euro.

4.5. Rights attached to the New Shares

As of the date they are created, the New Shares will be subject to all the terms of the Company's bylaws. Based on current French law and the Company's bylaws, the main rights attached to the New Shares are described below:

Dividend rights - Right to a share of the issuer's profits

The New Shares issued will give right to dividends under the conditions described in Section 4.1 of the Securities Note.

The Company's shareholders have a right to profits under the conditions defined by Articles L. 232-10 *et seq.* of the Commercial Code.

The general meeting that approves the annual financial statements may grant a dividend to all of the shareholders (Article L. 232-12 of the Commercial Code).

Interim dividends may also be distributed prior to the approval of the annual financial statements (Article L. 232-12 of the Commercial Code).

For all or part of the dividends or interim dividends to be distributed, the general meeting may grant all shareholders the option of receiving the payment of their dividends or interim dividends in cash or in shares issued by the Company (Articles L. 232-18 *et seq.* of the Commercial Code).

Dividends must be paid within a maximum period of nine months following the closing of the fiscal year. An extension to this time period may be granted by a court decision

All actions initiated against the Company for the payment of dividends related to the shares will be time-barred at the end of a period of five years from the date they are due. Furthermore, dividends will also be time-barred in favor of the State at the end of a period of five years from the date they are due.

Dividends paid to non-residents are in principle subject to withholding tax (see Section 4.11 of the Securities Note).

Dividend policy

No dividend has been distributed by the Company since it was founded, including during the fiscal years ending on December 31, 2016 and 2015.

The Company does not plan to adopt a policy to regularly pay dividends in light of its stage of development.

Voting rights

The voting right attached to the shares is proportional to the percentage of capital they represent. Each share gives the right to one vote (Article L. 225-122 of the Commercial Code).

The principle set out in Article L. 225-123, paragraph 3, of the Commercial Code related to double voting rights is the subject of an express derogation in the Company's bylaws in favor of the principle according to which each share gives the right to one vote.

Preferential subscription rights for capital increases

The shares bear a preferential subscription right for capital increases, unless the shareholders waive said right. Proportionally to the number of shares they hold, shareholders have a preferential subscription right to subscribe for shares in cash in an immediate or future capital increase. Throughout the subscription period, this right can be traded when it is separated from the shares, which are also tradable. Otherwise, the right may be transferred under the same conditions as the share itself. Shareholders may individually waive their preferential subscription right (Articles L. 225-132 and L. 228-91 to L. 228-93 of the Commercial Code). Furthermore, the general meeting may suppress the preferential subscription right for the entire capital increase or for one or more tranches of this increase (Article L. 225-135 of the Commercial Code).

Right to the surplus in the event of liquidation

The shareholders' equity remaining after the repayment of the par value of the shares is shared among the shareholders in the same proportion as their interests in the share capital (Article L. 237-29 of the Commercial Code).

Buyback clauses - Conversion clauses

The bylaws do not include any specific clause on buybacks or the conversion of shares.

Identity of shareholders

The Company has a right to request, at any time and in return for compensation paid by the Company, provision by the central securities depository in charge of its securities issue account, as applicable, the name or company name, nationality, year of birth or year of incorporation, and address of the holders of securities that confer an immediate or future right to vote at its shareholders' meetings, as well as the quantity of capital securities each holder possesses, and, if applicable, any restrictions on said securities.

In light of the list provided by the central securities depository, the Company may ask the persons on this list and who the Company believes they may be registered on behalf of third parties, either through this central securities depository or directly, under the same conditions and under penalty of sanctions, the identity of the security owners and the quantity of securities held by each owner.

As long as the Company believes that certain holders, whose identity was communicated to it, are holders on behalf of third party security owners, it is entitled to ask said holders to reveal the identity of the owners of these securities, as well as the quantity of securities each one holds (Articles L. 228-2 *et seq.* of the Commercial Code).

Crossings of thresholds

There is no specific stipulation regarding the crossings of statutory thresholds in the Company's bylaws.

In accordance with Article L 233-7 of the Commercial Code, any individual or entity that acts alone or jointly and comes to directly or indirectly hold a number of shares that represent more than the twentieth, tenth, three-twentieths, fifth, quarter, three-tenths, third, half, two-thirds, eighteen-twentieths or nineteen-twentieths of the capital or voting rights informs the Company by registered letter with an acknowledgment of receipt and the *Autorité des marchés financiers* of the total number of shares or voting rights it holds at the latest before the close of trading on the fourth trading day that follows the day on which the threshold was crossed.

This information is also provided by the same deadline when the number of shares or voting rights held drops below the thresholds referred to above.

A shareholder who does not comply with the obligation to file the declarations incumbent on it as provided in this article will lose its voting rights attached to the shares that exceed the portion that was not legally declared at any shareholder meeting that might take place up until the expiry of a period of two years following the date on which the situation is remedied further to notification.

4.6. Authorizations

4.6.1. Authorization of the general meeting of shareholders held on April 24, 2017

The issue of New Shares and, if applicable, the Additional New Shares was authorized by the second and third resolutions of the Company's extraordinary general meeting held on April 24, 2017, the text of which is set out below:

Second resolution — *(Delegation of authority granted to the Board of Directors in accordance with the terms of Article L. 225-192-2 of the Commercial Code to approve the issue of ordinary shares via a public offering of securities in the framework of an IPO on the Euronext regulated market in Paris.)*

The general meeting, having read the report of the Board of Directors and the special report of the Statutory Auditors, after having noted that the share capital has been fully paid up, and acting in accordance with Articles L. 225-129, L 225-129-2, L. 225-135 and L. 225-136 *et seq.* of the Commercial Code, subject to the condition precedent of Euronext Paris' decision to admit the Company's shares to trading on this regulated market:

1. Delegates its authority to the Board of Directors to decide, by way of a public offering, in the proportions and at the times it decides, in France or abroad, the issue of Company shares with suppression of the preferential subscription right, with no indication of the beneficiaries, with said shares conferring the same rights as the former shares subject to their date of entitlement, it being noted that the subscription for shares may be transacted either in cash or by offset against unequivocal, liquid, due and payable claims (the "**Capital Increase**");

2. Resolves that any issue of preference shares and securities that give a right to preference shares is excluded;

3. Resolves that the maximum nominal amount of the capital increases that may be executed by virtue of the present authorization, as increased, if applicable, in accordance with the third resolution, may not exceed the amount of €890,771.68, which may increase if the Extension Clause is exercised (as this term is defined below) and/or of the third resolution of the present extraordinary general meeting, it being noted that this amount does

not take into account the additional shares to be issued to protect the rights of holders of securities that give access to capital in accordance with applicable laws and regulations as well as, if applicable, contractual stipulations that provide for other adjustment scenarios;

4. Resolves to suppress the preferential subscription right of holders of the shares to be issued in accordance with the present authorization;

5. Resolves that the issue price of the new ordinary shares will be set by the Board of Directors at the end of the placement period and will take into account the number of New Shares offered for subscription and the number of subscription requests from investors as part of the Global Placement, according to the "bookbuilding" technique, as practiced by market professionals;

6. Resolves that the Board of Directors will have full powers to use the present authorization in accordance with the law, and within the limits and under the conditions referred to above, in order to, in particular:

   - Decide to implement the Capital Increase;
   - Determine the amount, terms and conditions and, in particular, the dates of opening and closing of the subscriptions, as well as extend the closing of the subscriptions, and receive the subscriptions;
   - If applicable, resolve, at the latest at its meeting to define the final terms and conditions of the Capital Increase, to set the final price for the new shares below or above the low end of the price range initially adopted by the Board of Directors;
   - If applicable, resolve, at the latest at its meeting to define the final terms and conditions of the Capital Increase, to increase the number of new shares by a maximum additional amount of 15% of the number of shares initially determined in order to fulfill the surplus requests submitted in the framework of the public offering, in accordance with an "Extension Clause";
   - If the subscriptions have not absorbed the entire issue, resolve to limit the amount of the Capital Increase to the amount of the subscriptions received on the condition that said amount is equal to at least three-quarters of the issue decided;
   - On its sole initiative, charge the Capital Increase expenses against the amount of the related premium and withdraw from this amount the sums required to ensure the legal reserve is equal to one-tenth of the new post-increase capital;
   - Determine and make any and all adjustments to take the impact of operations on the Company's capital into account;
   - Take note of the definitive completion of the Capital Increase and proceed with the related amendments to the bylaws;
   - In general, enter into any agreement, in particular to ensure the proper completion of the planned issues; take all measures and fulfill all formalities required for the issue, listing and financial services for the securities issued by virtue of the present delegation, as well as for the exercise of related rights.

The authorization granted to the Board of Directors is valid for a period that runs until the date of settlement-delivery of the shares to be issued when the Company's shares are admitted to trading on the Euronext regulated market in Paris, and at the latest for a period of 12 months from the date of the present extraordinary general meeting.

Third resolution — *(Authorization granted to the Board of Directors to increase the number of ordinary shares issued in the framework of an IPO on the Euronext regulated market in Paris, in accordance with the terms of Article L. 225-135-1 of the Commercial Code)*

The general meeting, having read the report of the Board of Directors and the special report of the Statutory Auditors, and acting in accordance with the terms of Article L. 225-135-1 of the Commercial Code, authorizes the Board of Directors, within the framework of the Company's IPO on the Euronext regulated market in Paris, and for the purposes of covering potential over-allotments and stabilizing the price, to increase the number of new shares issued and proceed with the corresponding issue at the same price as the price adopted for the Capital Increase, within the limit of a maximum of 15% of the initial issue, as potentially increased if the Extension Clause is exercised, in accordance with the terms of Article R. 225-118 of the Commercial Code.

The authorization thereby conferred is valid for a period of 30 days from the closing of subscriptions for the Capital Increase.

4.6.2. Resolution of the Board of Directors

By virtue of the authorization referred to in the above paragraphs, at its meeting held on May 19, 2017, the Board of Directors:

- Resolved to execute a capital increase in cash for a nominal amount of €673,551, with suppression of the preferential subscription right, by offering the public, with no priority subscription period, a maximum of 8,419,393 New Shares with a par value of €0.08 each, which number may increase to a maximum of 9,682,301 New Shares in accordance with the potential resolution of the Board of Directors, on the day the final terms and conditions of the Offering are determined, to increase by a maximum of 15% the number of New Shares set by exercising the Extension Clause (see Section 5.2.5 "Extension Clause" of the Securities Note);
- Set the indicative price range for the issue of New Shares at €3.05 to €4.11 per share, it being noted that this range may be modified in accordance with the terms of Section 5.3.2.3 of the Securities Note; and
- Decided to grant a Over-Allotment Option to the Stabilization Agent acting in the name and on behalf of the Joint Global Coordinators, Lead Managers and Bookrunners, representing a maximum of 15% of the number of New Shares, i.e., a maximum of 1,452,345 Additional New Shares if the Extension Clause is fully exercised.

The final terms and conditions for these capital increases, including the number and issue price of the Shares Offered, will be determined by the Board of Directors at a meeting that should be held on June 8, 2017.

4.7. Expected date of issue of the new shares

The new shares are expected to be issued on June 12, 2017.

4.8. Restrictions on the free transferability of the new shares

No provision of the bylaws restricts the transferability of the shares that comprise the Company's share capital.

A detailed description of the lock-up commitments made by the Company and some of its shareholders and executives is set out in Section 7.3 of the Securities Note

4.9. French regulations governing public offerings

As of the admission of the Company's shares to trading on Euronext Paris, the Company will be subject to the laws and regulations in effect in France governing mandatory public offers ("*offre publique obligatoire*"), buyout offers ("*offer publique de retrait*") and squeeze-outs ("*retrait obligatoire*").

4.9.1. Mandatory public offer (*offre publique obligatoire*)

Article L. 433-3 of the Monetary and Financial Code, and Articles 234-1 *et seq.* of the AMF's General Regulation define the terms and conditions for the mandatory submission of a public offering plan, the text of which is such that it may be approved by the AMF, covering all of the capital securities and securities that give access to the capital or voting rights of a company whose shares are admitted to trading on a regulated market.

4.9.2. Buyout offers and squeeze-outs (*offre publique de retrait et retrait obligatoire*)

Article L. 433-4 of the Monetary and Financial Code and Articles 236-1 *et seq.* (buyout offer), 237-1 *et seq.* (squeeze-out following any buyout offer) and 237-14 *et seq.* (squeeze-out following any public tender offer) of the AMF's General Regulation define the terms and conditions for the filing of a buyout offer and the implementation of a procedure to squeeze out the minority shareholders of a company whose shares are admitted to trading on a regulated market.

4.10. Takeover bids launched by third parties related to the issuer's capital in the prior and current fiscal years

As none of the Company's securities has been admitted to trading on a regulated market on the date of the Prospectus, no takeover bid has been launched by a third party related to the Company's capital in the prior and current fiscal years.

4.11. Taxation in France

As the French laws and regulations currently stand, the following sections summarize the tax consequences that may apply to individuals who become Company shareholders.

Their attention is nevertheless drawn to the fact that this information is simply a summary and provided for information only. The rules set out below may be the subject of legal or regulatory changes (which may apply retroactively) or by a change in the interpretation thereof by the French tax authorities.

In any event, this information does not constitute a comprehensive analysis of all of the tax consequences that may apply to the Company's future shareholders.

Investors are invited to consult their usual tax advisor regarding the tax regime that applies to their individual situation if they acquire, hold or sell Company shares.

“Non-French tax residents” (*non-résidents fiscaux français*) must also comply with the tax laws in effect in their country of residence, as potentially amended by the international tax treaty signed by their country of residence and France.

4.11.1. Shareholders whose tax residence is located in France

4.11.1.1. Dividends paid to individuals who own Company shares as part of their private estate and not through a "stock savings plan" ("PEA") and who do not enter into stock market transactions under conditions similar to those that constitute a business carried out by a person who conducts this type of operation on a professional basis

Dividends are subject to the progressive income tax scale after applying, if applicable, the 40% reduction (Article 158-3 of the General Tax Code, hereafter referred to as the "**GTC**", and the "40% Reduction").

Furthermore, it is to be noted that, by virtue of Article 223 *sexies* of the GTC, taxpayers subject to income tax owe a contribution at the rate of:

- 3% of the portion of the taxable income that falls between €250,000 and €500,000 (for taxpayers who are single, widowed, divorced or separated) and between €500,000 and €1,000,000 for taxpayers subject to joint taxation;
- 4% of the portion of the reference taxable income that exceeds €500,000 (for taxpayers who are single, widowed, divorced or separated) and €1,000,000 for taxpayers subject to joint taxation.

The tax base is composed of the amount of the taxable household's reference taxable income, as defined in 1 of IV of Article 1417 of the GTC, without taking into account the gains described in Article 150-0 B *ter*, I, before applying the reduction referred to in 1 of Article 150 0 D to this amount, for which the tax deferral has expired and without applying the "quotient rules" defined in Article 163-0 A of the GTC. The reference income referred to includes, in particular, dividends received by the relevant taxpayers before the 40% Reduction is applied.

Before being taxed according to the progressive income tax scale, individuals who reside in France are subject to a flat-rate withholding tax at the rate of 21% on the gross amount of the income distributed, in accordance with Article 117 *quater* of the GTC, subject to the exceptions set out below. The withholding is levied by the institution that pays the dividends if it is located in France. When the institution that pays the dividends is established outside of France, the income is declared and the corresponding withholding is paid within the first 15 days of the month that follows the month in which the income was paid either by the taxpayer himself or by the person that pays the income, if said person is domiciled in a Member State of the European Union or a State that is party to the Agreement on the European Economic Area and has entered into an agreement with France for mutual administrative assistance in the fight against fraud and tax evasion, and that said person has been mandated for this purpose by the taxpayer.

However, the individuals who are part of a taxable household whose reference taxable income for the penultimate year, as defined in 1° of IV of Article 1417 of the GTC, is less than €50K (for taxpayers who are single, divorced or widowed) and €75K for taxpayers who are subject to joint taxation, may request an exemption from this withholding, subject to the terms of Article 242 *quater* of the GTC, i.e., by providing, at the latest on November 30 of the year that precedes that in which the distributed income is paid, to the persons who make said payment, a sworn statement indicating that their reference taxable income indicated on the tax assessment notice for the income of the penultimate year preceding the payment of said income, is less than the thresholds indicated. However, taxpayers who acquire shares after the deadline for the submission of the abovementioned exemption request may file this exemption request under certain conditions with the paying agent at the time these shares are acquired, in accordance with paragraph 320 of "administrative doctrine" BOI-RPPM-RCM-30-20-10-20160711.

When the paying agent is established outside of France, it is only individuals who belong to a taxable household whose reference taxable income for the penultimate year, as defined in 1° of IV of Article 1417 of the GTC, is equal to or higher than the amounts indicated in the previous paragraph, who are subject to the tax.

The withholding tax does not constitute a discharge from the payment of income tax and, if applicable, the exceptional contribution applied to higher income earners ("*contribution exceptionnelle sur les hauts revenus*"). However, it is chargeable against the income tax due for the year during which it is levied, and any potential surplus is refundable. Relevant shareholders are invited to consult their usual tax advisor to determine the tax regime for the income from Company shares that applies to their situation.

If dividends are paid outside of France in a State or territory that is non-cooperative, within the meaning of Article 238-0 A of the GTC (the "NCST"), a withholding tax at the rate of 75% applies in accordance with the terms of paragraph 4.11.2 "Shareholders whose tax residence is located outside of France", fourth subparagraph, of the Securities Note, unless the Company provides proof that the distribution of these dividends in this State or territory are not intended to constitute nor cause tax fraud by being located in said State or territory. Relevant shareholders are invited to consult their usual tax advisor to determine the methods in which this withholding tax is charged against the amount of their income tax.

Furthermore, whether or not the 21% withholding tax described above applies, the gross amount of the dividends distributed, if applicable, by the Company will also be fully subject to social contributions at an overall rate of 15.5%, broken down as follows:

- the "general social contribution" ("CSG") at the rate of 8.2%;
- the "contribution to reimburse the social debt" ("CRDS") at the rate of 0.5%;
- the "social contribution" at the rate of 4.5%;
- the "additional social contribution" at the rate of 0.3%;
- the "solidarity withholding" instituted by the Social Security finance law for 2013 at the rate of 2%.

These social contributions are levied in the same manner as the 21% withholding tax described above when said withholding tax applies. Specific rules, which differ depending on whether the paying agent is established inside or outside of France, apply when the 21% withholding tax does not apply.

Apart from the CSG, which is deductible in the year of its payment at a rate of 5.1%, these contributions are not deductible from taxable income.

Shareholders are invited to consult their usual tax advisor to determine the methods for the declaration and payment of the 21% withholding tax and the social contributions that apply to their situation, as well as, more generally, the tax regime that applies.

4.11.1.2. Special regime applicable to stock savings plans ("PEA") and "PME-ETI" PEAs

For shareholders whose tax residence is in France, the Company's ordinary shares are assets eligible for the PEA.

Under certain conditions, the PEA gives a right:

- for the duration of the PEA, to an exemption from income tax and social contributions based on the net capital gains, dividends and other proceeds realized through investments made in the PEA framework, providing that these capital gains and proceeds are reinvested in the PEA; and
- when the PEA is closed (if this occurs more than five years after the date on which it was opened) or at the time of a partial withdrawal (if this occurs more than eight years after the date it was opened), to an income tax exemption for the net gain realized since the opening date of the PEA. However, these capital gains and proceeds are still subject to social contributions, additional contributions to this levy, the CSG and CRDS at the total rate of 15.5%.

Capital losses on shares held in the framework of a PEA are, in principle, only offset by the gains realized in the same framework (specific rules apply to certain cases in which the PEA closes, however). Investors are invited to consult their tax advisor on this issue.

Failure to comply with the exemption conditions will cause the capital gains and the proceeds resulting from the investments made in the framework of a PEA to become taxable (i) when the sale occurs within two years of it being opened, at the rate of 22.5%, and (ii) when the sale takes place between two and five years from the date the PEA is opened, at the rate of 19% (Article 200 A of the GTC), to which is added in any event the social contributions described above at the overall rate of 15.5%. Note that the finance law for 2014 created a new category of PEA called "PME-ETI", which provides the same benefits as the PEA.

Eligible securities must, in particular, be issued by a company that employs less than 5,000 individuals and also achieves annual sales revenue equal to or below €1.5 billion or presents a total balance sheet that does not exceed €2 billion.

The limit for payments is capped at €75K€ (€150K for a couple). The "PME-ETI" PEA can be combined with a common law (*droit commun*) PEA, and a taxpayer may only be a member of one "PME-ETI" PEA.

On the date of the Securities Note, the Company's shares are assets eligible for a "PME-ETI" PEA.

4.11.1.3. Dividends paid to entities subject to corporate tax (common law regime)

The dividends paid by these entities are taxable under common law conditions, i.e., in principle, at the normal corporate tax rate, which is currently equal to 28% or 33.1/3%, increased, if applicable, by the social contribution of 3.3%, which applies to the amount of corporate tax that exceeds €763K per 12-month period (Article 235 *ter* ZC of the GTC).

In accordance with the terms of Articles 219-I.b and 235 *ter* ZC of the GTC, SMEs may benefit from a reduced corporate tax rate of 15% and an exemption from the 3.3% social contribution.

In accordance with Articles 145 and 216 of the GTC, entities subject to corporate tax and that have holdings representing at least 5% of the Company's capital may benefit, subject to certain conditions and optionally, of the parent company regime (*régime des societies mères*) according to which the dividends received by the parent company are not subject to corporate tax, with the exception of a fixed portion that represents the expenses and charges incurred by this company and which equal 5% of the amount of said dividends. To benefit from this exemption, the securities eligible for the parent company regime must, in particular, have been retained for two years.

In principle, the income distributed relative to the shares held by entities established in France are not subject to any withholding tax.

However, if the dividends paid by the Company are paid outside of France and in an NCST, the dividends distributed by the Company will be the subject of a 75% withholding tax, unless the Company provides proof that the distribution of these dividends in this State or territory are not intended to constitute or cause tax fraud by being located in said State or territory (Article 119 *bis*, 2 of the GTC).

Shareholders that are entities are invited to consult their usual tax advisor to determine the tax regime that applies to their situation.

4.11.1.4. Other shareholders

The Company's shareholders who are subject to a tax regime other than those referred to above, in particular taxpayers whose securities transactions are not simply considered portfolio management or who have recorded their shares as assets on their balance sheet, must consult their usual tax advisor for information on the tax regime that applies to their specific situation.

4.11.2. Shareholders whose tax residence is located outside of France

In the current state of French law and subject to the potential application of international tax treaties, the present paragraph summarizes the French tax consequences regarding withholding tax on the income from Company shares that may apply to investors (i) who are not residents of France within the meaning of Article 4 B of the GTC or whose registered office is located outside of France, and (ii) who will receive dividends associated with the Company shares they hold otherwise than through the intermediary of a "fixed place" or "permanent establishment" subject to tax in France.

These investors should nevertheless consult their usual tax advisor as to the tax regime that applies to their individual situation. "Non-French tax residents" must also comply with the tax laws in effect in their country of residence, as potentially amended by the international tax treaty signed by this country and France.

The dividends distributed by the Company are, in principle, subject to a withholding tax, levied by the institution that pays the dividends when the tax domicile or registered office of the actual beneficiary is located outside of France. Subject to the following, the rate of this withholding tax is (i) 21% when the beneficiary is an individual domiciled in a Member State of the European Union or a State that is party to the Agreement on the European Economic Area and has entered into an agreement with France for mutual administrative assistance in the fight against fraud and tax evasion, and (ii) 15% when the beneficiary is an organization whose registered office is located in a Member State of the European Union or a State that is a party to the Agreement on the European Economic Area and has entered into an agreement with France for mutual administrative assistance in the fight against fraud and tax evasion, and, if it has its registered office in France, will be taxed in accordance with the special regime provided in Article 206.5 of the GTC (which targets organizations generically described as "not for profit"), as interpreted by "administrative doctrine" (BOI-IS-CHAMP-10-50-10-40-20130325, No. 580 *et seq.*) and applicable case law, and (iii) 30% in all other cases (subject to the information set out below).

However, the dividends distributed by the Company will be the subject of a withholding tax at the rate of 75% regardless of the shareholder's tax residence (subject, if applicable, to the terms of the international treaties) if they are paid outside of France in an NCST, unless the Company provides proof that the distribution of these dividends in this State or territory are not intended to constitute or cause tax fraud by being located in said State or territory. The list of NCSTs is published in an Inter-Ministry Decree and updated every year.

This withholding tax may be reduced or even eliminated, in particular by virtue of (i) Article 119 *ter* of the GTC, which applies, under certain conditions, to shareholders that are entities and have their actual headquarters in a Member State of the European Union or a State that is a party to the Agreement on the European Economic Area and has entered into an agreement with France on double taxation which includes a clause on mutual administrative assistance in the fight against fraud and tax evasion, and that hold at least 10% of the capital of the distributing French company for two years and that fulfill all of the other terms and conditions of this article, as interpreted by "administrative doctrine" (BOI-RPPM-RCM-30-30-20-10-20160607), it being noted, however, that this ownership percentage is reduced to 5% of the capital of the distributing French company when the entity that is the actual beneficiary of the dividends holds a stake that satisfies the terms of Article 145 and is deprived of the ability to charge the withholding tax, and that the percentage of ownership is assessed by taking into account holdings for which it has full ownership (*pleine propriété*) or bare ownership (*nue propriété*), (ii) Article 119 *quinquies* of the GTC applicable to shareholders that are entities located in a Member State of the European Union or a State that has entered into an agreement with France which includes a clause on mutual administrative assistance in the fight against fraud and tax evasion that is the subject of a procedure comparable to that indicated in Article L. 640-1 of the Commercial Code (or that has ceased payments and is in a situation in which its redress is obviously impossible) and that fulfill the other conditions set out in Article 119 *quinquies* of the GTC, or (iii) international tax treaties that may apply (CE November 9, 2016, No. 370054 and 371132). Relevant shareholders are invited to consult their tax advisor to determine how they may benefit from this exemption and the terms thereof.

Furthermore, income distributed to mutual investment funds incorporated under foreign laws that are (i) located in a Member State of the European Union or a State or territory that has entered into an agreement with France which includes a clause on mutual administrative assistance in the fight against fraud and tax evasion and fulfill the conditions set out in Article 119 *bis* 2 of the GTC, (ii) raise capital from a certain number of investors in order to invest said capital, in accordance with a defined investment policy and in the interests of these investors, and (iii) present characteristics similar to those of mutual investments funds created in accordance with French laws and that fulfill the conditions set out in Article 119 *bis* 2 of the GTC and the *Bulletin officiel des Finances Publiques-Impôts* (BOI-RPPM-RCM-30-30-20-70- 20170301), are exempted from this withholding tax.

It is incumbent on the relevant shareholders to consult their usual tax advisor in order to determine, in particular, whether they may be subject to the new law on non-cooperative States and territories and/or benefit from a withholding tax reduction or exemption. Shareholders are also invited to seek information on the practical terms of application of international tax treaties, as provided, in particular, in "administrative doctrine" (BOI-INT-DG-20-20-20-20-20120912) related to procedures known as “normal” or “simplified” for the reduction or exemption of the withholding tax.

4.11.3. Registration fees

In accordance with the terms of Article 726, I of the GTC, the sales of Company shares - if they are not subject to the tax on financial transactions described in Article 235 *ter* ZD of the GTC - may be subject to registration fees if said sales are recorded in deeds (in France or abroad) at the single proportional rate of 0.1%

5. TERMS AND CONDITIONS OF THE OFFERING

5.1. Conditions, offering statistics, indicative timetable and terms of the subscription application

5.1.1. Conditions of the Offering

The distribution of the Shares Offered is planned to be part of a global offer (the "**Offering**"), which includes:

- a public offering in France in the form of an Open Price Offer, mainly intended for individuals (and not entities) (the "**Open Price Offer**"); and
- a global placement mainly intended for institutional investors (the "**Global Placement**"), which includes:
  - a placement in France; and
  - a private international placement in certain countries, excluding, in particular, the United States.

The distribution of shares to the public in France will take place in accordance with the terms of Articles P 1.2.1 *et seq.* of Rule Book II of Euronext's market rules related to specific rules that apply to French regulated markets.

The breakdown in distribution of the Shares Offered between the Global Placement, on the one hand, and the Open Price Offer, on the other, will be decided in light of the type and scope of demand and in accordance with the principles set out in Article 315-35 of AMF's General Regulation.

If the demand expressed under the Open Price Offer allows, the number of shares allocated to fill the orders issued under the Open Price Offer will equal at least 10% of the number of New Shares. If the demand expressed under the Open Price Offer falls under 10% of the number of New Shares in the framework of the Offering, the balance of the remaining New Shares not allocated in the calculation of the Open Price Offer will be offered as part of the Global Placement.

Indicative timetable

May 22, 2017	AMF approval of the Prospectus
May 23, 2017	Press release issued, announcing the Offering and the availability of the Prospectus. Publication by Euronext of the issue notice for the Open Price Offer Launch of the Offering
June 7, 2017	The Open Price Offer closes at 5:00 pm (Paris time) for subscriptions over the counter and at 8:00 pm (Paris time) for internet subscriptions
June 8, 2017	Closing of the Global Placement at noon (Paris time) Determination of the Offer Price and potential exercise of the Extension Clause Signing of the Underwriting Agreement Press release issued indicating the Offer Price and the results of the Offering Publication by Euronext of the Offering results notice

	Initial listing of the Company's shares on Euronext Paris
	Start of the potential stabilization period
June 9, 2017	Trading starts for the Company's New Shares on Euronext Paris in the form of when-issued shares (on a listing line entitled "BALYO - Promesses").
June 12, 2017	Settlement-delivery of the Offering
June 13, 2017	Trading starts for the Company's Shares on Euronext Paris (on a single listing line entitled "BALYO").
July 7, 2017	Deadline for the exercise of the Over-Allotment Option
	End of the stabilization period

5.1.2. Amount of the Offering

See Section 8 "Issue-Related Expenses" of the Securities Note

5.1.3. Offering period and procedure

5.1.3.1. Principal features of the Open Price Offer

Open Price Offer period

The Open Price Offer will start on May 23, 2017 and end on June 7, 2017 at 5:00 pm (Paris time) for subscriptions over the counter and at 8:00 pm (Paris time) for internet subscriptions, if the financial intermediary authorizes internet subscriptions. The closing date for the Open Price Offer may change (see paragraph 5.3.2 of the Securities Note).

Number of new shares under the Open Price Offer

A minimum of 10% of the number of Shares Offered under the Offering, before the potential exercise of the Extension Clause and the Over-Allotment Option, will be offered under the Open Price Offer in France. Therefore, if the demand expressed under the Open Price Offer in France allows, the number of shares allocated to fill the orders issued under the Open Price Offer will equal at least 10% of the number of New Shares. If the demand expressed under the Open Price Offer falls under 10% of the number of New Shares in the framework of the Offering, the balance of the remaining New Shares not allocated in the calculation of the Open Price Offer will be offered as part of the Global Placement.

The number of Shares Offered in the framework of the Open Price Offer may be increased or decreased in accordance with the terms set out in paragraph 5.1.1 of the Securities Note.

Authorized persons, receipt and transmission of orders

Persons authorized to issue orders in the framework of the Open Price Offer are individuals who are French citizens or reside in France or are citizens of one of the States that are parties to the Agreement on the European Economic Area (Member States of the European Union, Iceland, Norway and Liechtenstein, hereafter referred to as the "States that belong to the EEA"), mutual funds and French entities or entities incorporated in States that belong to the EEA and that are not under the control of entities or persons of States other than the States that belong to the EEA, within the meaning of Article L. 233-3 of the Commercial Code, as well as investment associations and clubs domiciled in France or in States that belong to the EEA and whose members are citizens of France or of one of the States that belong to the EEA, subject to the terms of paragraph 5.2.1 of the Securities Note. Other persons must seek information on local restrictions applicable to investments, as indicated in paragraph 5.2.1 of the Securities Note.

Individuals, entities and mutual funds that do not have accounts in France that allow for the subscription for shares under the Open Price Offer must open this type of account at an accredited intermediary for this purpose when they place their orders.

The subscription order must be signed by the orderer or its representative, or, in the case of an investment management agreement, by its agent. In this case, the investment manager must:

- either have an authorization that provides specific stipulations indicating that its client has undertaken - in the framework of operations in which each investor can only place one order - not to place orders without having requested and received written communication from the manager that it has not placed an order for the same securities under the investment management authorization;
- or take any other reasonable measure to prevent multiple orders from being placed (for example, by the manager informing the client that it has placed an order for the client and therefore that the client may not directly place an order of the same nature without informing the manager of its decision in writing before the operation closes so that said manager can cancel the related order).

Categories of orders that may be issued in connection with the Open Price Offer

Persons who wish to participate in the Open Price Offer must place their orders with an authorized financial intermediary in France. Euronext will centralize the Open Price Offer in France.

Orders must be submitted at the latest on June 7, 2017 at 5:00 pm (Paris time) for subscriptions over the counter and at 8:00 pm (Paris time) for internet subscriptions, if the financial intermediary authorizes internet subscriptions, unless the offering closes early or is extended.

Requests do not bind the Company or the Joint Global Coordinators, Lead Managers and Bookrunners as long as they have not been accepted in accordance with the allotment rules described in Section 5.2 of the Securities Note.

In accordance with Article P. 1.2.16 of Rule Book II of Euronext's harmonized market rules related to specific rules that apply to French regulated markets, orders will be broken down in line with the number of securities requested:

- A1 order portion: from 5 to 250 shares; and
- A2 order portion: over 250 shares.

A1 orders will benefit from preferential treatment, as compared to A2 orders if all of the orders cannot be satisfied in their entirety.

It is also to be noted that:

- Each order must cover a minimum number of five shares;
- A principal may only issue one order; this order may not be divided among multiple financial intermediaries and must be entrusted to a single financial intermediary;
- The grouping of shares acquired in the name of members of the same taxable household (family-based orders) is allowed;
- Each member of a taxable household may issue an order; an order for an individual under legal age will be placed by his legal representative; each of these orders will benefit from the rights normally associated therewith; in the event of a reduction, said reduction will apply separately to the orders of each of the members of the taxable household;
- No order may be placed for a number of shares that represents more than 20% of the Shares Offered under the Open Price Offer;
- If the application of the reduction rate(s) does not result in the allotment of a whole number of shares, this number will be rounded down to the nearest whole number;
- Orders will be set out as a number of shares, with no indication of the price, and will be considered to be placed at the Offer Price; and
- Even in the case of a reduction, the orders will be irrevocable, subject to the terms of paragraph 5.3.2 of the Securities Note.

The authorized financial intermediaries in France will send the orders to Euronext according to the timetable and terms of the notice announcing the launch of the Open Price Offer, which Euronext will issue.

Note that the orders will be considered null and void if the Company's press release that indicates the final terms and conditions of the Global Placement and the Open Offer Price is not issued.

Reduction of orders

A1 orders take priority over A2 orders. A reduction rate that may total up to 100% may be applied to the A2 orders for the purpose of satisfying A1 orders.

Reductions will be applied proportionally within each order category. If the application of the reduction methods results in the allotment of a fractional number of shares, this number will be rounded down to the closest whole number.

Order revocation

Subscription orders over the internet for the Open Price Offer may be revoked over the internet up until the closing of the Open Price Offer on June 7, 2017 at 8 p.m. (Paris time). It is up to individuals to consult their financial intermediary to verify whether the orders sent by other means are revocable and the terms thereof, or whether the orders sent over the internet may be revoked by means other than over the internet.

Furthermore, situations in which orders may be revoked due to changes in the terms of the Offering are described in paragraph 5.3.2 of the Securities Note.

Results of the Open Price Offer

The results of the Open Price Offer will be indicated in a press release issued by the Company and a notice issued by Euronext, which are planned to be released on June 8, 2017 unless an early closing occurs, in which case the publication of the release and notice will occur the day after the Offering is closed.

This notice will indicate the reduction rate that may potentially apply to the orders.

5.1.3.2. Principal features of the Global Placement

Global Placement period

The Global Placement will start on May 23, 2017 and will end on June 8, 2017 at noon (Paris time). If the closing date for the Open Price Offer is postponed (see paragraph 5.3.2 of the Securities Note), the date of closing of the Global Placement will be postponed for the same period.

The Global Placement may close early without notice (see paragraph 5.3.2 of the Securities Note).

Persons eligible to issue orders under the Global Placement

Orders for the Global Placement will be placed mainly by institutional investors in France and abroad (in particular outside of the United States).

Orders that may be issued under the Global Placement

The orders will set out a number of shares or monetary amounts requested. They may include conditions relative to pricing.

Receipt and transmission of orders that may be issued under the Global Placement

To be taken into consideration, the orders issued under the Global Placement must be received by one or more of the Joint Global Coordinators, Lead Managers and Bookrunners at the latest by noon (Paris time) on June 8, 2017, unless the Global Placement closes early.

Only orders indicating a price in euros that is higher than or equal to the Offer Price, which will be set in the framework of the Global Placement under the conditions indicated in paragraph 5.3.1 of the Securities Note, will be taken into consideration for the allotment procedure.

Reduction of orders

The orders issued under the Global Placement may be fully or partially reduced.

Order revocation

Any order issued under the Global Placement may be revoked by the Lead Managers and Bookrunners who receive said order up until June 8, 2017 at noon (Paris time), unless the Global Placement closes early or is extended.

Results of the Global Placement

The results of the Global Placement will be indicated in a press release issued by the Company and a notice issued by Euronext, which are planned to be released on June 8, 2017 unless an early closing occurs, in which case the publication of the release and notice should take place the day after the Offering is closed.

5.1.4. Offering withdrawal/suspension

The Offering will take place if the Underwriting Agreement referred to in paragraph 5.4.3 of the Securities Note is signed and is not terminated at the latest on the date of settlement-delivery of the New Shares and if the depositary certificate indicating the subscription for New Shares is issued.

Therefore, if the Underwriting Agreement is not signed or is terminated, or if the depositary certificate is not issued, the subscription orders and the Offering will be canceled retroactively. All of the trading of shares that took place up to (and on) the date of settlement-delivery will be canceled retroactively and will have to be settled. More specifically:

- The Open Price Offer, Global Placement and all of the orders places therein, will be canceled retroactively:
- If the Underwriting Agreement is terminated, all trading of when-issued shares that took place up to (and on) the date of settlement-delivery will be canceled retroactively and will have to be settled, with each investor bearing and being responsible for its own losses or costs resulting from such cancellation, if applicable; and
- If the Underwriting Agreement is not signed or is terminated, or if the depositary certificate is not issued, neither the Existing Shares nor the Shares Offered will be admitted to trading on Euronext Paris.

If the Underwriting Agreement is not signed or is terminated or if the depositary's certificate is not issued, this information will be the subject of a press release issued by the Company and a notice issued by Euronext.

If demand is insufficient or if a decision is taken to reduce the size of the Offering, the issue initially planned for the Offering may be limited to the subscriptions received as long as they total at least 75% of the amount of the issue initially planned.

If the total number of orders received does not total 75% of the amount of the issue initially planned, i.e., a subscription for a minimum number of 6,314,545 New Shares, the Offering will be canceled and the subscription and purchase orders will become null and void.

5.1.5. Reduction of orders

See paragraphs 5.1.3.1 and 5.1.3.2, respectively, of the Securities Note for a description of the reduction of orders issued in the framework of the Open Price Offer and Global Placement.

5.1.6. Minimum and/or maximum number of shares that an order may cover

See paragraph 5.1.3 of the Securities Note for details on the minimum and/or maximum number of shares the orders issued in the framework of the Open Price Offer may cover.

There is no minimum or maximum amount for orders issued under the Global Placement.

5.1.7. Order revocation

See paragraphs 5.1.3.1 and 5.1.3.2, respectively, of the Securities Note for a description of the revocation of orders issued in the framework of the Open Price Offer and Global Placement.

5.1.8. Payment of the funds and share delivery procedure

The price of the New Shares subscribed (see paragraph 5.3.1.1 of the Securities Note) in the framework of the Offering must be paid in cash by the party who placed the order at the latest on the date of settlement-delivery of the Offering, i.e., according to the indicative timetable, June 12, 2017.

The shares will be registered in the account of the ordering parties as soon as possible after the publication of Euronext's notice indicating the results of the Offering, i.e., according to the indicative timetable, between June 8, 2017 and the date of settlement-delivery at the latest, i.e., according to the indicative timetable, June 12, 2017.

The payment to the Company of the funds that correspond to the issue of the Additional New Shares in the framework of the Over-Allotment Option is planned for the second business day that follows the exercise of the Over-Allotment Option at the latest.

5.1.9. Publication of the Offering results

The results of the Offering will be indicated in a press release issued by the Company and a notice issued by Euronext, which are planned to be released on June 8, 2017, unless it closes early (it being noted, however, that the Open Price Offer period may not be inferior to three trading days - see paragraph 5.3.2 of the Securities Note), in which case the publication of the release and notice should take place the day after the Offering ends.

5.1.10. Procedure related to the exercise and trading of preferential subscription rights

The capital increase achieved in the framework of the Offering will entail the suppression of the preferential subscription right.

5.2. Share distribution and allotment plan

5.2.1. Categories of potential investors - Countries in which the Offering will be available - Restrictions applicable to the Offering

5.2.1.1. Categories of potential investors and countries in which the Offering will be available

The Offering includes:

- a public offering in France in the form of an Open Price Offer, mainly intended for individuals (and not entities); and
- a Global Placement mainly intended for institutional investors, which includes:
  - a private placement in France; and
  - a private international placement in certain countries, excluding, in particular, the United States..

5.2.1.2. Restrictions applicable to the Offering

The distribution of the Registration Document, the Securities Note, the Prospectus summary or any other document or information related to the operations described in the Securities Note, or the offering or sale or subscription for the Company's shares may be governed by specific regulations in certain countries, including the United States. Any person in possession of the documents referred to above should seek information on and comply with any restrictions set out in local regulations. No orders may be accepted by authorized intermediaries from clients with an address in a country where such restrictions exist, and the corresponding orders will be considered null and void. Any person (including any trustee or nominee) who receives the Registration Document, the Securities Note, the Prospectus, its summary or any other document or information related to the Offering, may distribute said document(s) or cause it(them) to be distributed in these countries only in accordance with the laws and regulations applicable in each jurisdiction. Any person who, for whatever reason, distributes the abovementioned documents or causes said documents to be distributed in such a country must draw the recipient's attention to the restrictions set forth in this section.

The Securities Note, the Registration Document, the Prospectus, its summary and the other documents related to the capital increase that is the subject of the Securities Note do not constitute an offer for sale or solicitation related to an offer to subscribe for securities in any country in which such an offer or solicitation is illegal. The Securities Note, the Registration Document and the Prospectus have not been registered or approved outside of France.

The Joint Global Coordinators, Lead Managers and Bookrunners will offer the shares for sale exclusively in compliance with the laws and regulations in effect in the countries in which this sale offer is presented.

a) Restrictions concerning Member States of the European Union (other than France) in which the Prospectus Directive has been transposed

With regard to each Member State of the European Economic Area other than France (the "**Member States**") that has transposed the Prospectus Directive, no action has been taken or will be taken that would have the effect of allowing the New Shares or preferential subscription rights to be offered to the public such that the publication of a prospectus would be required in one of the Member States. Therefore, the New Shares or the preferential subscription rights may be offered in these Member States only:

- to qualified investors, as defined in the Prospectus Directive;
- to fewer than 100, or, if the Member State has transposed the relevant term of the Amending Prospectus Directive, 150 individuals or entities (other than qualified investors, as defined in the Prospectus Directive) per Member State; or
- in the situations that fall within the scope of Article 3(2) of the Prospectus Directive.

For the purposes of the present paragraph, (i) the expression "allowing the New Shares or preferential subscription rights to be offered to the public" in a Member State means any communication to persons in any form and by any means whatsoever that presents sufficient information on the conditions of the offering and the securities being offered so as to enable an investor to decide whether or not to purchase or subscribe these securities, as this definition has potentially been amended by the Member State; (ii) the term "Prospectus Directive" means Directive 2003/71/EC dated November 4, 2003 as transposed by the Member State (as amended, including by the terms of the Amending Prospectus Directive if it has been transposed by the Member State); and (iii) the term "Amending Prospectus Directive" means Directive 2010/73/EU of the European Parliament and Council dated November 24, 2010.

These restrictions on sales concerning Member States supplement any other sales restriction applicable in Member States that have transposed the Prospectus Directive.

b) Additional restrictions in other countries

United States of America

The Company's shares have not been and will not be registered pursuant to the U.S. Securities Act of 1933 (the "Securities Act") nor with any stock market regulating authority dependent on an American state. Therefore, the Company's shares may not be offered, sold or otherwise sold or transferred in any manner whatsoever in the United States, or on behalf or in favor of U.S. persons, except in the case of registration or operations that are exempted from the registration provided in the Securities Act.

The Registration Document, the Securities Note, the Prospectus, its summary and any other document prepared for the Offering may not be distributed in the United States.

United Kingdom

The Prospectus is distributed to and intended only for persons who (i) are located outside of the United Kingdom, (ii) are investment professionals (individuals with professional experience in investing) as defined by Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the "FSMA") Order 2005 (the "Order"), (iii) are high net worth entities, or any other person who falls within the scope of application of Article 49(2) (a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) or (iv) are persons to whom an invitation or incentive to undertake an investment activity (within the meaning of Article 21 of the FSMA) may be legally communicated and transmitted (hereafter collectively referred to as the "Relevant Persons"). Any invitation, offer or agreement related to the subscription of Company shares may only be proposed or entered into with Relevant Persons. The Company's shares that are the subject of the Prospectus may not be offered to persons located in the United Kingdom who are not Relevant Persons. Any person other than a Relevant Person may not use or rely on the Prospectus or any information therein. The individuals responsible for the distribution of the Prospectus must comply with the legal terms applicable to the distribution of the Prospectus.

Canada, Australia and Japan

The New Shares may not be offered or sold in Australia, Canada or Japan.

5.2.2. Subscription intentions of the Company's principal shareholders or members of its administrative, executive and oversight bodies

Seventure Partners, Bpifrance Investissement and 360 Capital Partners, the Company's historic shareholders, as well as Hyster-Yale and Financière Arbevel (together with the historic shareholders referred to above, the "**Investors**") have irrevocably committed to subscribe for the capital increase at a share price equal to the Offer Price, as determined by the Company's Board of Directors on June 8, 2017 in the total amount of €11,894,538, representing 39,5% of the gross amount of the Offering, on the basis of the midpoint of the indicative range for the Offer Price (if the Extension Clause and the Over-Allotment Option are not exercised) total amount likely to be increased to €12,363,271 according to the final conditions of the Offer. These subscription commitments are broken down as follows:

- Seventure Partners[1]: €1,000,000 (i.e., 3.3% of the gross amount of the Offering*);
- Bpifrance Investissement[2]: €1,000,000 (i.e., 3.3% of the gross amount of the Offering*)**.**This subscription commitment must be within the indicative price range, failing which it may be revoked or modified by Bpifrance Investissement;
- 360 Capital Partners[3]: €363,271 (i.e., 1.2% of the gross amount of the Offering*);
- Hyster-Yale: the lesser of (i) €5,000,000 and (ii) the amount allowing for subscription to a proportion equal to 5% of the Company's post-Offering capital (i.e., 15% of the gross amount of the Offering*);
- Financière Arbevel[4]: €5,000,000 (i.e., 16.6% of the gross amount of the Offering*) fully subscribed in cash, it being noted that this Investor has indicated that it reserves the right to issue an additional offer under the Offering.

All of the orders mentioned above, i.e. €11,894,538 million, representing 39.5% of the gross amount of the Offering on the basis of the midpoint of the indicative price range, are to be fulfilled as a priority, subject, however, to a potential reduction in accordance with the usual allocation principles if the subscriptions received under the Offering exceed the number of New Shares.

These commitments represent 66.6% of the amount of the capital increase if the capital increase is limited to 75% of the initial Offering (on the basis of the low end of the indicative price range for the Offer Price).

It is specified that on May 19, 2017, Mr. Thomas Duval resigned as Director of the Company, subject to the condition precedent to the completion of the above-mentioned investment by Hyster-Yale. In this context, the Board of Directors has decided to co-opt Hyster-Yale as Director in place of Mr Thomas Duval for the remainder of the latter's term of office. This cooptation will be effective at the moment of the fulfillment of the condition attached to the resignation of Mr. Thomas Duval.

** Gross amount of the Offering defined on the basis of the midpoint of the indicative range for the Offer Price, excluding the Extension Clause and Over-Allotment Option*

5.2.3. Pre-allotment information

This information is set out in paragraphs 5.1.1 and 5.1.3 of the Securities Note.

5.2.4. Notice to subscribers

In the framework of the Open Price Offer, investors who place subscription orders will be informed of their allotments by their financial intermediary.

In the framework of the Global Placement, investors who place subscription orders will be informed of their allotments by the Joint Global Coordinators, Lead Managers and Bookrunners.

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[1] FCPI Masseran Innovation I; FCPI Masseran Innovation II; FCPI Masseran Innovation III; FCPI Masseran Innovation IV; FCPI Masseran; Patrimoine Innovation 2009; FCPI Masseran Patrimoine Innovation 2010; FCPI Masseran Patrimoine Innovation 2011; FCPI Masseran Patrimoine Innovation 2012; FCPI Masseran Innovation V; FCPI Seventure Innovation 2012; FCPI Seventure Premium 2013; FCPI Masseran Patrimoine Innovation 2013; FCPI Seventure Préférence Innovation 2013; FCPI Masseran Innovation VI; FCPI Seventure Premium 2014; FCPI Masseran Patrimoine Innovation 2014, managed by the management firm Seventure Partners.

[2] FPCI FSN PME Ambition Numérique, managed by the management firm Bpifrance Investissement.

[3] FCPI Robolution Capital 1, managed by the management firm 360 Capital Partners

[4] OPCVM and mandates managed by the management firm Financière Arbevel

5.2.5. Extension Clause

Depending on the scale of the orders placed for the Offering, the number of New Shares may be increased by 15%, i.e., a maximum of 9,682,301 New Shares (the "**Extension Clause**").

The decision to exercise the Extension Clause will be taken when the price is set by the Board of Directors, which should take place on June 8, 2017, and will be indicated in the Company's press release and the notice from Euronext announcing the results of the Offering.

5.2.6. Over-Allotment Option

Furthermore, the Company will grant the stabilization agent (the "**Stabilization Agent**"), acting in the name and on behalf of Natixis and Gilbert Dupont, hereafter referred to as the "**Joint Global Coordinators, Lead Managers and Bookrunners**", an over-allotment option (the "**Over-Allotment Option**") for a maximum of 15% of the number of New Shares once the Extension Clause has been potentially exercised, i.e., a maximum of 1,452,345 New Additional Shares, at the Offer Price.

This Over-Allotment Option may be exercised by the Stabilization Agent, acting in the name and on behalf of the Joint Global Coordinators, Lead Managers and Bookrunners, on a single occasion, at any time, in whole or in part, at the Offer Price at the latest on July 7, 2017, solely to cover potential over-allotments and facilitate stabilization operations, if applicable.

If the Over-Allotment Option is exercised, this information will be brought to the public's attention by way of a press release issued by the Company.

5.3. Pricing of the Offering

5.3.1. Price setting method

Price of the Shares Offered

The price of the Shares offered under the Open Price Offer will be equal to the price of the Shares Offered in the framework of the Global Placement (the "**Offer Price**").

The Board of Directors plans to set the Offer Price on June 8, 2017, it being noted that this date may be postponed or brought forward, as indicated in paragraph 5.3.2 of the Securities Note.

The Offer Price will take into account the share offering in the framework of the Global Placement and the requests sent by investors, according to the technique referred to as "bookbuilding", as practiced in the trade.

This calculation will be performed in particular on the basis of the following market criteria:

- the ability of the selected investors to ensure an orderly development of the secondary market;
- the order of arrival of requests from investors;
- the quantity requested; and
- the price sensitivity of the requests from investors.

The Offer Price may range from €3.05 to €4.11 per share. This range may be modified at any time up until (and on) the date planned for the closing of the Offering under the conditions set out in paragraph 5.3.2 of the Securities Note.

THE RANGE IS PROVIDED FOR INFORMATION ONLY AND MUST NOT BE CONSIDERED AN INDICATION OF THE OFFER PRICE, WHICH MAY BE SET OUTSIDE OF THIS RANGE UNDER THE CONDITIONS SET OUT IN PARAGRAPH 5.3.2 OF THE SECURITIES NOTE.

5.3.2. Publication procedure for the Offer Price and changes to the terms and conditions of the Offering

5.3.2.1. Date of determination of the Offer Price

It is expected that the Offer Price will be set on June 8, 2017, it being noted that this date may be postponed if market conditions and the results of the bookbuilding process do not allow for the Offer Price to be set under satisfactory conditions. In this case, the new closing date for the Global Placement and the Open Price Offer and the new date planned for the determination of the Offer Price will be the subject of a notice issued by Euronext and a press release issued by the Company at the latest on the day before the initial closing date for the Open Price Offer (without prejudice to the stipulations related to a change in the closing date for the Global Placement and the Open Price Offer if there is a change in the price range, the Offer Price is set outside of the range or there is a change in the number of New Shares issued under the Offering indicated in paragraph 5.3.2.3).

The orders issued under the Open Price Offer before Euronext's notice and the Company's press release referred to above are issued will be maintained, unless they are expressly revoked before or on the new date of closing of the Open Price Offer.

5.3.2.2. Publication of the Offer Price and the number of New Shares

The Offer Price and the final number of New Shares will be brought to the public's attention by way of a press release issued by the Company and a notice issued by Euronext on June 8, 2017, according to the indicative timetable, unless the Offer Price is set early, in which case the press release and notice should be issued on the day the Offer Price is set.

5.3.2.3. Modifications to the price range, determination of the Offer Price outside of the range and modifications to the number of New Shares

Modifications that give rise to a right of revocation of orders issued under the Open Price Offer

In the event that the high end of the indicative price range is increased or if the Offer Price is set above the higher end of the price range (the initial or, if applicable, amended price range), the following procedure will apply:

- New terms: the new terms of the Offering will be brought to the public's attention via a press release issued by the Company and a notice issued by Euronext. The Company's press release and Euronext's notice referred to above will indicate the new price range and, if applicable, the new timetable, along with the new closing date for the Open Price Offer, the new date planned for the determination of the Offer Price, and the new settlement-delivery date.
- Date of closing of the Open Price Offer: the date of closing of the Open Price Offer will be postponed or a new subscription period for the Open Price Offer will re-open, as applicable, so that at least two trading days occur between the date the abovementioned press release is issued and the new date of closing of the Open Price Offer.
- Revocability of the orders issued under the Open Price Offer: the orders issued under the Open Price Offer before the press release referred to above is issued will be maintained, unless they are expressly revoked

before or on the new date of closing of the Open Price Offer. New irrevocable orders may be issued up until and on the new date of closing of the Open Price Offer (however, these orders may be expressly revoked before or on the new date of closing of the Open Price Offer if the date to determine the Offer Price is once again postponed and/or the terms and conditions of the Offering are once again modified).

Changes that do not give rise to a right to revoke the orders issued under the Open Price Offer

The Offer Price may be set below the low end of the indicative price range or the range may be lowered. In this event, the Offer Price or the new indicative price range will be notified to the public in accordance with the terms of paragraph 5.3.2.2 of the Securities Note as long as the modification has no material effect on the other characteristics of the Offer.

Therefore, if the Offer Price is set below the low end of the indicative price range or if the lowering of the price range has no material effect on the other characteristics of the Offer, the Offer Price will be brought to the public's attention via the Company's press release and Euronext's notice described in paragraph 5.3.2.2 of the Securities Note, the publication of which should occur on June 8, 2017, according to the indicative timetable, unless the Offer Price is set early, in which case the press release and the notice should be published on the day the Offer Price is set.

However, if the Offer Price is set below the low end of the indicative price range or if the lowering of the price range has a material effect on the other characteristics of the Offering, the terms of paragraph 5.3.2.5 below will apply.

- The number of New Shares may also be modified if said modification does not have a material effect on the other characteristics of the Offering. Otherwise, the terms of paragraph 5.3.2.5 below will apply.

5.3.2.4. Early closing or extension of the Offering

The closing dates for the Global Placement and the Open Price Offer may be brought forward (however, the Open Price Offer period may not cover less than three trading days) or extended under the following conditions:

- If the date of closing is brought forward, the new date of closing will be the subject of a press release issued by the Company and a notice issued by Euronext announcing this change at the latest on the day before the new closing date.
- If the date of closing is postponed, the new date of closing will be the subject of a press release issued by the Company and a notice issued by Euronext announcing this change at the latest on the day before the initial closing date. In this case, the orders issued under the Open Price Offer before the Company's press release and Euronext's notice referred to above are issued will be maintained unless they are expressly revoked before or on the new date of closing of the Open Price Offer.

5.3.2.5. Material modifications to the Offering terms

If material modifications are made to the terms and conditions initially defined for the Offering and are not provided for in the Securities Note, a supplement to the Prospectus will be submitted for the AMF's approval. The orders issued under the Open Price Offer and the Global Placement will become null and void if the AMF does not approve this supplement to the Prospectus. The orders issued under the Open Price Offer and the Global Placement before the supplement to the Prospectus, approved by the AMF, is made available could be revoked during a period of at least two trading days after said supplement is made available (see paragraph 5.3.2.3 of the Securities Note for a description of the circumstances in which the present paragraph could apply).

5.3.3. Restrictions or suppression of the preferential subscription right

The New Shares and Additional New Shares are issued by virtue of the second resolution and the third resolution of the Company's extraordinary general meeting held on April 24, 2017, authorizing a capital increase with suppression of the preferential subscription right by way of a public offering (see Section 4.6 of the Securities Note).

5.3.4. Price disparity

In November 2016, the Company issued ORAs (see Section 21.1.4.3 “Bonds convertible into shares” of the Registration Document) in a total amount of €2.8 million in favor of certain historic shareholders, intended to be redeemed in the form of ordinary shares. At the time of the initial public offering, ORA holders will receive, as redemption for their ORAs,a number of shares based on a unit reference price equal to the Offer Price, less a 20% discount.

Fabien Bardinet (Chairman and Chief Executive Officer) and Thomas Duval (Director) respectively hold 730,000 and 245,000 BSPCEs that may still be exercised with no restriction on the date of the Offering:

- Of Fabien Bardinet’s 730,000 BSPCEs, 300,000 may be exercised at the price of €1.06 per warrant, and the balance (430,000 BSPCEs) may be exercised at the price of €1.60 per warrant;
- Thomas Duval’s 245,000 BSPCEs may be exercised at the price of €1.60 per warrant.

5.4. Placement and underwriting

5.4.1. Contact information for the Joint Coordinators, Lead Managers and Bookrunners

Natixis
30 avenue Pierre Mendès-France
75013 Paris

Gilbert Dupont
50 rue d’Anjou
75008 Paris

5.4.2. Contact information for the authorized intermediaries responsible for the deposit of funds from the subscriptions and financial services related to the shares

The funds paid for the subscriptions will be centralized at Société Générale Securities Services (32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03), who will establish the depositary certificate, which constitutes the record of the capital increase.

Securities services (registration of registered shares, conversion of shares into bearer shares) and financial services for the Company’s shares are provided by Société Générale Securities Services (32, rue du Champ-de-tir, BP 81236, 44312 Nantes Cedex 03).

5.4.3. Underwriting

The Offer will be the subject of a collateral agreement entered into between Natixis and Gilbert Dupont, hereafter referred to as the "**Joint Global Coordinators, Lead Managers and Bookrunners**", and the Company related to the New Shares (the "**Underwriting Agreement**").

The Joint Global Coordinators, Lead Managers and Bookrunners, acting jointly but with separate liability, undertake to separately procure purchasers or, if applicable, purchase themselves the New Shares at the Offer Price on the date of settlement-delivery.

This guarantee does not constitute a performance guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the Commercial Code.

The Underwriting Agreement should be signed on the date the Offer Price is set, i.e., June 8, 2017, according to the indicative timetable.

The Underwriting Agreement may be terminated at any time by the Joint Global Coordinators, Lead Managers and Bookrunners in certain circumstances up until and on the date of settlement-delivery of the Offering planned to take place on June 12, 2017 according to the indicative timetable. The circumstances that may cause the termination of the Underwriting Agreement include, but are not limited to, inaccuracies or non-conformity of the declarations and guarantees or any of the Company's undertakings, if one of the usual conditions precedent has not been fulfilled and/or if certain specific events occur that make the investment, settlement or delivery of the New Shares impossible or seriously compromised in the opinion of the Joint Global Coordinators, Lead Managers and Bookrunners.

If the Underwriting Agreement is not signed or is terminated in accordance with its terms, the IPO and Offering will be canceled retroactively. More specifically:

- The Open Price Offer and the Global Placement, as well all of the related orders placed thereunder, will be canceled retroactively:

- If the Underwriting Agreement is terminated, all trading of when-issued Balyo Shares that took place up to and on the date of settlement-delivery will be canceled retroactively, with each investor bearing and being responsible for its own losses or costs resulting from such cancellations, if applicable;

- Neither the Existing Shares nor the New Shares will be admitted to trading on Euronext Paris.

If the Underwriting Agreement is not signed or is terminated, this information will be the subject of a press release issued by the Company and a notice issued by Euronext. In accordance with Section 6801/2 of Euronext's Rules, Euronext may not be held liable for any loss suffered by any person as a result of the Company's withdrawal of the Offering or the subsequent cancellation of the transactions.

5.4.4. Lock-up commitments

This information is set out in Section 7.3 of the Securities Note.

6. ADMISSION TO TRADING AND TRADING ARRANGEMENTS

6.1. Admission to trading

Application has been made for admission to trading of the Existing Shares, the New Shares (if the Extension Clause is exercised) and the Additional New Shares (if the Over-Allotment Option is exercised) in Compartment C of Euronext Paris.

The terms and conditions of trading of all Balyo Shares will be set out in a Euronext notice to be published at the latest on the first day of trading of these shares, i.e., June 8, 2017, according to the indicative timetable.

From June 9, 2017 up until (and on) the date of settlement-delivery expected to occur on June 12, 2017, the trading of these shares will comply with the terms of Article L. 228-10 of the Commercial Code, i.e., in the form of when-issued shares, on a single listing line called "Balyo-Promesses", and will be subject to the condition precedent of the delivery of the depositary certificate related to the issue of the New Shares. As of June 13, 2017, the Balyo Shares will be traded on a single listing line entitled "BALYO".

If the Over-Allotment Option is exercised, the admission to trading of the Additional New Shares will take place within a period of two trading days after the Over-Allotment Option is exercised, i.e., at the latest on July 12, 2017.

No other application for admission to trading on a regulated market has been filed by the Company.

6.2. Place of listing

On the date of the Prospectus, the Existing Shares have not been admitted to trading on any regulated or unregulated market.

6.3. Concomitant offerings of the Company's shares

None.

6.4. Liquidity agreement

No liquidity agreement related to the Existing Shares has been entered into as of the date of the Prospectus. A liquidity agreement related to the Balyo Shares may be entered into after the admission of the Balyo Shares to trading on Euronext Paris. The market will be informed of this agreement at the appropriate time, in accordance with applicable laws and regulations.

6.5. Stabilization - Interventions on the market

In accordance with the Placement and Underwriting Agreement referred to in paragraph 5.4.3 of the Securities Note, Natixis (or any entity acting on its behalf), acting as the stabilization agent (the "**Stabilization Agent**"), may (but is in no case bound to) carry out stabilization actions in accordance with applicable laws and regulations, in particular EU Regulation No. 596/2014 of April 16, 2014 on market abuse, and Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016 (the "**Delegated Regulation**"). It is to be noted that there is no assurance that such operations will be launched and, in any event, an end may be brought to these operations at any time, without notice.

The goal of stabilization operations is to support the market price of shares. They may affect the market price of the shares and may lead to the determination of a higher market price than the price that would have applied should they have not been carried out. If such interventions take place, they may be implemented at any time for a period of 30 calendar days from the date the Offer Price is set, i.e., according to the indicative timetable, up until and on July 7, 2017.

The Stabilization Agent will inform the competent market authorities and the public in accordance with Article 6 of the Delegated Regulation. During the stabilization period, the Stabilization Agent will ensure appropriate publication of the details on all stabilization operations at the latest at the end of the seventh day of trading that follows the execution of said operations.

In the framework of the Offering, the Lead Managers and Bookrunners may over-allot up to the number of shares covered by the Over-Allotment Option, increased, if applicable, by a number of shares that represents at most 5% of the size of the Offering (if the Over-Allotment Option is not exercised), in accordance with Article 8 (b) of the Delegated Regulation. In accordance with Article 7.1 of the Delegated Regulation, stabilization operations may not take place at a price that is higher than the Offer Price.

7. HOLDERS OF SECURITIES WHO WISH TO SELL THEIR SECURITIES

7.1. Individuals or entities who wish to sell their capital securities or securities that give access to the Company's capital

None.

7.2. Number and category of securities offered by holders of securities who wish to sell their securities

None.

7.3. Lock-up commitments

7.3.1. The Company's lock-up commitment (*engagement d'abstention*)

In accordance with the terms of the Underwriting Agreement, the Company has undertaken vis-à-vis the Joint Global Coordinators, Lead Managers and Bookrunners not to proceed with the issue, offering or sale, nor to agree to direct or indirect promises to sell (in particular in the form of operations related to derivatives with underlying shares) shares or securities that, through conversion, exchange, redemption, presentation of a warrant or in any other manner, give a right to the allocation of shares issued or to be issued that represent a portion of the Company's capital, nor to publicly indicate an intention to proceed with any of the operations listed above in the present paragraph, for a period that expires in 180 days after the date of settlement-delivery of the shares issued in the framework of the Offering, in the absence of the prior written agreement of the Joint Global Coordinators, Lead Managers and Bookrunners, as notified to the Company, it being noted that (i) the shares issued in the framework of the Offering, (ii) any operation conducted in the framework of a share buyback operation that complies with the applicable laws and regulations, as well as market rules, (iii) the securities that may be issued, offered or sold to employees or corporate officers of the Company in the framework of future plans, authorized on the present date or that the Company's general meeting will authorize, and (iv) the Company's securities issued in the framework of a merger or an acquisition of securities or assets of another entity, subject to the beneficiary of these securities agreeing to this commitment for the remaining period thereof and to the total number of Company securities issued in this framework not exceeding 5% of the capital, are excluded from the scope of this lock-up commitment.

7.3.2. Lock-up commitment (*engagement de conservation*)

The New Shares subscribed by the Company's historic shareholders are not subject to a lock-up commitment.

However, all of the Company's shareholders on the date of the Prospectus, the recipients of new shares to be received at the redemption of the ORAs and all of the holders of BSAs and BSPCEs in circulation on the date of the Prospectus, as well as Hyster-Yale which has committed to subscribe for the increase of capital as described in Section 5.2.2 of the Securities Note, have irrevocably committed not to directly or indirectly offer, pledge, loan, transfer, sell or promise to sell the Company's shares or securities that give immediate or future right to the Company's shares they hold or will hold through the exercise of securities that give access to capital, nor enter into any other agreement or operation that leads to an equivalent financial result, nor publicly indicate an intent to proceed with one or more of the operations listed above in the present paragraph, until the expiry of a maximum period of 360 calendar days that follow he date of settlement-delivery of the shares issued under the Offering.

These lock-up commitments are as follows:

- Seventure Partners, Bpifrance Investissment and 360 Capital Partners, acting in the name and on behalf of the funds they manage, which respectively hold 44.53%, 26.70% and 5.04% of the current capital and 2,300 ORAs, benefit from the following terms regarding the lock-up:

  - 100% for a period that expires 180 days after the date of settlement-delivery of the shares issued under the Offering;

  - 80% for a period that expires 270 days after the date of settlement-delivery of the shares issued under the Offering;

  - 65% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering.

  The lock-up commitments of Seventure Partners, Bpifrance Investissement and 360 Capital Partners apply to the Existing Shares and to the shares that may be issued relative to the redemption of the ORAs. However, they do not apply to the New Shares they may subscribe under the Offering.

  In light of the subscription commitments from Investors received on the date of the Prospectus, the New Shares thereby subscribed by said Investors, which could be transferred without constraints from the first trading date, would represent 2.6% of the shares after the date of settlement-delivery of the shares issued under the Offering, (including the shares resulting from the redemption of the ORAs, on the basis of the midpoint of the indicative range for the Offer Price if the Extension Clause and the Over-Allotment Option are not exercised) in the event their subscription commitments are fully fulfilled.

- Linde Material Handling, which holds 10.41% of the current capital and 500 ORAs, benefits from the following terms regarding the lock-up:

  - 100% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering.

  Linde Material Handling’s lock-up commitment does apply to the Existing Shares and to the shares resulting from the redemption of the ORAs.

- Raul Bravo Orellana and Thomas Duval, who hold 5.97% each of the current capital and respectively 60,000 BSAs and 245,000 BSPCEs, benefit from the following terms regarding the lock-up:

  - 100% for a period that expires 180 days after the date of settlement-delivery of the shares issued under the Offering;

  - 80% for a period that expires 270 days after the date of settlement-delivery of the shares issued under the Offering;

  - 65% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering.

  The lock-up commitments of Raul Bravo Orellana and Thomas Duval commitment do apply to the Existing Shares but do not apply to the New Shares they may subscribe under the Offering.

- Jean-Marie Bergeal, Michel Leonard and Rémi Bader, who respectively hold 0.62%, 0.37% and 0.19% of the current capital, benefit from the following terms regarding the lock-up:

  - 100% for a period that expires 180 days after the date of settlement-delivery of the shares issued under the Offering.

  The lock-up commitments of Jean-Marie Bergeal, Michel Leonard and Rémi Bader do apply to the Existing Shares but do not apply to the New Shares they may subscribe under the Offering.

- Fabien Bardinet, who holds 0.20% of the current capital and 730,000 BSPCEs benefits from the following terms regarding the lock-up:

  - 100% for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering.

  Fabien Bardinet's lock-up commitment does apply to the Existing Shares but does not apply to the New Shares he may subscribe under the Offering.

All other parties who have signed lock-up commitments (holders of BSAs and BSPCEs) have committed to retaining 100% of their potential holdings for a period that expires 360 days after the date of settlement-delivery of the shares issued under the Offering.

Furthermore, Hyster-Yale, which is not a Company shareholder on the date of the Prospectus but which has committed to invest, in the framework of the Offering, an amount equal to the lesser of (i) €5,000,000 and (ii) the amount allowing for subscription to a proportion equal to 5% of the Company's post-Offering capital as described in Section 5.2.2 of the Securities Note, benefits from the following terms of the lock-up regarding the New Shares thereby subscribed:

8. 100% FOR A PERIOD THAT EXPIRES 360 DAYS AFTER THE DATE OF SETTLEMENT-DELIVERY OF THE SHARES ISSUED UNDER THE OFFERING.ISSUE-RELATED EXPENSES

On the basis of an Offer Price of €3.58 on the basis of the midpoint of the indicative price range, the gross proceeds and net proceeds from the Offering would be as follows:

In millions of euros	Gross proceeds	Net proceeds
Initial offering	30,141,427	27,814,957
Initial offering and the full exercise of the Extension Clause	34,662,638	32,106,942
Initial offering, and the full exercise of the Extension Clause and Over-Allotment Option	39,862,033	37,042,728
If the capital increase is limited to 75% of the Initial Offering, on the basis of the low end of the indicative range for the Offer Price	19,259,362	17,484,613

The expenses related to the Offering that the Company must pay are estimated at close to €2,326,470 if the Extension Clause and the Over-Allotment Option are not exercised, and at close to €2,819,305 if the Extension Clause and the Over-Allotment Option are fully exercised.

9. DILUTION

9.1. Impact of the issue on the distribution of shareholders' equity

For information, the impact of the issue on the distribution of the Company's consolidated equity per share (calculation based on the Company's consolidated equity, as indicated in the consolidated financial statements as at March 31, 2017, and a total of 15,906,637 shares that comprise the Company's share capital on said date and after the redemption of the ORAs at the time of the initial public offering, on the basis of the midpoint of the indicative price range) would be as follows:

	Share of equity as at March 31, 2017			
(in euros per share)	Non-diluted basis	Diluted basis*	Diluted basis** after the redemption of the ORAs	Status on a fully diluted*** basis, including the shares to be issued in respect of the potential capital and whose allocation is planned upon completion of the Offering
Before the issue of 8,419,393 New Shares	(0.23)	(0.04)	0.11	0.36
After the issue of 8,419,393 New Shares (if the Extension Clause is not exercised)	0.99	1.03	1.10	1.22
After the issue of 9,682,301 New Shares (if the Extension Clause is fully exercised and the Over-Allotment Option is not exercised)	1.11	1.14	1.20	1.31
After the issue of 11,134,646 Shares Offered (if the Extension Clause and the Over-Allotment Option are fully exercised)	1.24	1.25	1.31	1.41
If the capital increase is limited to 75% of the initial Offering	0.62	0.69	0.78	0.93

* *If all of the stock warrants and founders' share warrants in circulation on the date of the Prospectus are exercised.*

** *On the basis of the midpoint of the indicative range for the Offer Price.*

*** *On May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to use authorizations 14 to 17 of the general meeting held on April 24, 2017, after completion of the Offering, for the purposes of (i) proceeding with a free allocation of shares to all of the Company employees up to a limit of 100,000 shares, with each Company employee receiving an identical number of shares, and (ii) granting warrants/options or issuing BSPCEs to certain employees and corporate officers (to be determined) and issuing BSAs to independent directors (subject to payment by them of a subscription price determined by an independent expert), which could together give rise to the issue of a maximum number of 1,490,663 shares, in each case at an exercise price determined in accordance with the relevant authorization. The final acquisition of the shares allocated for free, and the exercise of the warrants/options, BSPCEs and BSAs, will be subject exclusively to the fulfillment of one condition, that the recipient be present within the Company on the date of the final acquisition or exercise.*

9.2. Impact of the issue on the shareholder's situation

For information, the impact of the issue on the stake of a shareholder who owns 1% of the Company's share capital prior to the issue and who does not subscribe for the issue (calculation based on the Company's consolidated equity, as indicated in the consolidated financial statements as at March 31, 2017, and a total of 15,906,637 shares that comprise the Company's share capital on said date and after the redemption of the ORAs at the time of the initial public offering, on the basis of the midpoint of the indicative price range) would be as follows:

	Shareholder's stake (%)			
(in euros per share)	Non-diluted basis	Diluted basis*	Diluted basis** after the redemption of the ORAs	Status on a fully diluted*** basis, including the shares to be issued in respect of the potential capital and whose allocation is planned upon completion of the Offering
Before the issue of 8,419,393 New Shares	1.00%	0.89%	0.85%	0.78%
After the issue of 8,419,393 New Shares (if the Extension Clause is not exercised)	0.65%	0.61%	0.58%	0.55%
After the issue of 9,682,301 New Shares (if the Extension Clause is fully exercised and the Over-Allotment Option is not exercised)	0.62%	0.58%	0.56%	0.53%
After the issue of 11,134,646 Shares Offered (if the Extension Clause and the Over-Allotment Option are fully exercised)	0.59%	0.55%	0.53%	0.50%
If the capital increase is limited to 75% of the initial Offering	0,72%	0,66%	0,63%	0,60%

** If all of the stock warrants and founders' share warrants in circulation on the date of the Prospectus are exercised.*

*** On the basis of the midpoint of the indicative range for the Offer Price.*

**** On May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to use authorizations 14 to 17 of the general meeting held on April 24, 2017, after completion of the Offering, for the purposes of (i) proceeding with a free allocation of shares to all of the Company employees up to a limit of 100,000 shares, with each Company employee receiving an identical number of shares, and (ii) granting warrants/options or issuing BSPCEs to certain employees and corporate officers (to be determined) and issuing BSAs to independent directors (subject to payment by them of a subscription price determined by an independent expert), which could together give rise to the issue of a maximum number of 1,490,663 shares, in each case at an exercise price determined in accordance with the relevant authorization. The final acquisition of the shares allocated for free, and the exercise of the warrants/options, BSPCEs and BSAs, will be subject exclusively to the fulfillment of one condition, that the recipient be present within the Company on the date of the final acquisition or exercise.*

9.3. Breakdown of the share capital and voting rights

The tables below present the breakdown of the Company's share capital based on the principal assumptions related to the Offering at the midpoint of the indicative price range:

Impact of the Offering on a non-diluted basis[1]

	If the capital increase is limited to 75% of the initial Offering		After the issue of de 8,419,393 New Shares (if the Extension Clause is not exercised)		After the issue of 9,682,301 New Shares (if the Extension Clause is fully exercised and the Over-Allotment Option is not exercised)		After the issue of 11,134,646 New Shares (if the Extension Clause and the Over-Allotment Option are fully exercised)	
Shareholders	**Number of shares**	**% of capital and voting rights**	**Number of shares**	**% of capital and voting rights**	**Number of shares**	**% of capital and voting rights**	**Number of shares**	**% of capital and voting rights**
Seventure Partners [1]	7,826,076	33.5%	7,716,202	30.5%	7,716,202	29.0%	7,716,202	27.5%
Bpifrance Investissement [2]	4,988,671	21.3%	4,878,797	19.3%	4,878,797	18.4%	4,878,797	17.4%
Linde Material Handling [3]	1,863,402	8.0%	1,832,734	7.2%	1,832,734	6.9%	1,832,734	6.5%
Monsieur Thomas Duval	950,000	4.1%	950,000	3.8%	950,000	3.6%	950,000	3.4%
Monsieur Raul Bravo Orellana	950,000	4.1%	950,000	3.8%	950,000	3.6%	950,000	3.4%
360 Capital Partners [4]	1,044,646	4.5%	1,008,612	4.0%	1,008,612	3.8%	1,008,612	3.6%
Monsieur Jean-Marie Bergeal	98,205	0.4%	98,205	0.4%	98,205	0.4%	98,205	0.4%
Monsieur Michel Leonard	59,281	0.3%	59,281	0.2%	59,281	0.2%	59,281	0.2%
Monsieur Fabien Bardinet	31,250	0.1%	31,250	0.1%	31,250	0.1%	31 250	0.1%
Monsieur Rémi Bader	30,000	0.1%	30,000	0.1%	30,000	0.1%	30,000	0.1%
Hyster-Yale	1,169,061	5.0%	1,265,717	5.0%	1,328,862	5.0%	1,396,648	5.0%
Arbevel	1,639,344	7.0%	1,396,648	5.5%	1,396,648	5.3%	1,396,648	5.0%
Public	2,731,297	11.7%	5,096,896	20.1%	6,296,659	23.7%	7,681,218	27.4%
Total	**23,381 233**	**100.0%**	**25,314,342**	**100.0%**	**26,577,250**	**100.0%**	**28,029,595**	**100,0%**

[1] *FCPI Masseran Innovation I; FCPI Masseran Innovation II; FCPI Masseran Innovation III; FCPI Masseran Innovation IV; FCPI Masseran; Patrimoine Innovation 2009; FCPI Masseran Patrimoine Innovation 2010; FCPI Masseran Patrimoine Innovation 2011; FCPI Masseran Patrimoine Innovation 2012; FCPI Masseran Innovation V; FCPI Seventure Innovation 2012; FCPI Seventure Premium 2013; FCPI Masseran Patrimoine Innovation 2013; FCPI Seventure Préférence Innovation 2013; FCPI Masseran Innovation VI; FCPI Seventure Premium 2014; FCPI Masseran Patrimoine Innovation 2014, managed by the management firm Seventure Partners.*

[2] *FPCI FSN PME Ambition Numérique, managed by the management firm Bpifrance Investissement.*

[3] *A limited liability company incorporated under the laws of Germany, controlled by Kion Group AG, a company listed on the Frankfurt stock market.*

[4] *FCPI Robolution Capital 1, managed by the management firm 360 Capital Partners.*

Impact of the Offering on a fully diluted basis [1]

	If the capital increase is limited to 75% of the initial Offering		After the issue of de 8,419,393 New Shares (if the Extension Clause is not exercised)		After the issue of 9,682,301 New Shares (if the Extension Clause is fully exercised and the Over-Allotment Option is not exercised)		After the issue of 11,134,646 New Shares (if the Extension Clause and the Over-Allotment Option are fully exercised)	
Shareholders	**Number of shares**	**% of capital and voting rights**	**Number of shares**	**% of capital and voting rights**	**Number of shares**	**% of capital and voting rights**	**Number of shares**	**% of capital and voting rights**
Seventure Partners [2]	7,826,076	29.1%	7,716,202	26.8%	7,716,202	25.7%	7,716,202	24.5%
Bpifrance Investissement [3]	4,988,671	18.6%	4,878,797	16.9%	4 878,797	16.2%	4,878,797	15.5%
Linde Material Handling [4]	1,863,402	6.9%	1,832,734	6.4%	1,832,734	6.1%	1,832,734	5.8%
Monsieur Thomas Duval	950,000	4.4%	1,195,000	4.2%	1,195,000	4.0%	1,195,000	3.8%
Monsieur Raul Bravo Orellana	950,000	3.8%	1,010,000	3.5%	1,010,000	3.4%	1,010,000	3.2%
360 Capital Partners [5]	1,044,646	3.9%	1,008,612	3.5%	1 008,612	3.4%	1,008,612	3.2%
Monsieur Jean-Marie Bergeal	98,205	0.4%	98,205	0.3%	98,205	0.3%	98,205	0.3%
Monsieur Michel Leonard	59,281	0.2%	59,281	02%	59,281	0.2%	59,281	0.2%
Monsieur Fabien Bardinet	31,250	2.8%	761,250	2.6%	761,250	2.5%	761,250	2.4%
Monsieur Rémi Bader	30,000	0.1%	30,000	0.1%	30,000	0.1%	30,000	0.1%
Porteurs de BSA	100,000	0.4%	100,000	0.3%	100,000	0.3%	100,000	0.3%
Porteurs de BSPCE	2,239,263	8.3%	2,239,263	7.8%	2 239,263	7.5%	2,239,263	7.1%
Porteurs d'AGA	100,000	0.4%	100,000	0.3%	100,000	0.3%	100,000	0.3%
Hyster-Yale	1,169,061	4.4%	1,265,717	4.4%	1,328,862	4.4%	1,396,648	4.4%
Arbevel	1,639,344	6.1%	1,396,648	4.9%	1,396,648	4.6%	1,396,648	4.4%
Public	2,731,297	10.2%	5 ,096,896	17.7%	6,296,659	21.0%	7,681,218	24.4%
Total	**26,855,496**	**100.0%**	**28,788,605**	**100.0%**	**30,051,513**	**100.0%**	**31,503,858**	**100.0%**

[1] After accounting for:
- the Subscription Commitments of the historic shareholders as described in Section 5.2.2 of the Securities Note;
- the redemption of the ORAs at the time of the initial public
- the issue of a maximum number of 1,590,663 Company shares further to the final acquisition or the exercise of the potential capital whose allocation is planned at the end of the Offering. On May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to use authorizations 14 to 17 of the general meeting held on April 24, 2017, after completion of the Offering, for the purposes of (i) proceeding with a free allocation of shares to all of the Company employees up to a limit of 100,000 shares, with each Company employee receiving an identical number of shares, and (ii) granting warrants/options or issuing BSPCEs to certain employees and corporate officers (to be determined) and issuing BSAs to independent directors (subject to payment by them of a subscription price determined by an independent expert), which could together give rise to

the issue of a maximum number of 1,490,663 shares, in each case at an exercise price determined in accordance with the relevant authorization. The final acquisition of the shares allocated for free, and the exercise of the warrants/options, BSPCEs and BSAs, will be subject exclusively to the fulfillment of one condition, that the recipient be present within the Company on the date of the final acquisition or exercise.

[2] *FCPI Masseran Innovation I; FCPI Masseran Innovation II; FCPI Masseran Innovation III; FCPI Masseran Innovation IV; FCPI Masseran; Patrimoine Innovation 2009; FCPI Masseran Patrimoine Innovation 2010; FCPI Masseran Patrimoine Innovation 2011; FCPI Masseran Patrimoine Innovation 2012; FCPI Masseran Innovation V; FCPI Seventure Innovation 2012; FCPI Seventure Premium 2013; FCPI Masseran Patrimoine Innovation 2013; FCPI Seventure Préférence Innovation 2013; FCPI Masseran Innovation VI; FCPI Seventure Premium 2014; FCPI Masseran Patrimoine Innovation 2014, managed by the management firm Seventure Partners.*

[3] *FPCI FSN PME Ambition Numérique, managed by the management firm Bpifrance Investissement.*

[4] *A limited liability company incorporated under the laws of Germany, controlled by Kion Group AG, a company listed on the Frankfurt stock market.*

[5] *FCPI Robolution Capital 1, managed by the management firm 360 Capital Partners.*

10. ADDITIONAL INFORMATION

10.1. Advisors having an interest in the offering

Not applicable.

10.2. Statutory auditors

10.2.1. Acting statutory auditors

SIRIS
Represented by Emmanuel Magnier
23 rue d'Anjou, 75008 Paris
Member of the *Compagnie Régionale des Commissaires aux Comptes de Paris*.

SIRIS, a member of ECOVIS International, was initially appointed acting statutory auditor at the general meeting of the Company's shareholders held on July 1, 2010 for a period of six fiscal years and its term was renewed at the general meeting held on June 21, 2016 for an identical period of six fiscal years.

Its term will therefore end at the end of the general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021.

DELOITTE & ASSOCIES
Represented by Stéphane Menard
185 C Avenue Charles De Gaulle, 92200 Neuilly-sur-Seine
Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

DELOITTE & ASSOCIES was appointed co-acting statutory auditor at the general meeting of the Company's shareholders held on November 25, 2016 for a period of six fiscal years.

Its term will therefore end at the end of the general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021.

10.2.2. Alternate statutory auditors

Gérard Benazra
19 boulevard de Courcelles, 75008 Paris
Member of the *Compagnie Régionale des Commissaires aux Comptes de Paris*.

Gérard Benazra was initially appointed alternate statutory auditor at the general meeting of the Company's shareholders held on July 1, 2010 for a period of six fiscal years and his term was renewed at the general meeting held on June 21, 2016 for an identical period of six fiscal years.

His term will therefore end at the end of the general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021.

BEAS
Represented by Joël Assayah
195 Avenue Charles De Gaulle, 92200 Neuilly-sur-Seine.
Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

BEAS was appointed co-alternate statutory auditor at the general meeting of the Company's shareholders held on November 25, 2016 for a period of six fiscal years.

Its term will therefore end at the end of the general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021.

10.3. Expert's report

Not applicable.

10.4. Information in the Prospectus sourced from third parties

Not applicable.

11. UPDATED INFORMATION ON THE COMPANY

11.1. Plan to grant dilutive instruments

On May 19, 2017, the Board of Directors decided in principle, subject to the condition precedent of the Company's shares being admitted to trading on the Euronext regulated market in Paris, to use authorizations 14 to 17 of the general meeting held on April 24, 2017, after completion of the Offering, for the purposes of (i) proceeding with a free allocation of shares to all of the Company employees up to a limit of 100,000 shares, with each Company employee receiving an identical number of shares, and (ii) granting warrants/options or issuing BSPCEs to certain employees and corporate officers (to be determined) and issuing BSAs to independent directors (subject to payment by them of a subscription price determined by an independent expert), which could together give rise to the issue of a maximum number of 1,490,663 shares, in each case at an exercise price determined in accordance with the relevant authorization. The final acquisition of the shares allocated for free, and the exercise of the warrants/options, BSPCEs and BSAs, will be subject exclusively to the fulfillment of one condition, that the recipient be present within the Company on the date of the final acquisition or exercise.

11.2. Cooptation of a new Director

On May 19, 2017, Mr. Thomas Duval resigned as a Director of the Company under the condition precedent of the completion of the Hyster-Yale investment referred to in section 5.2.2 of the Securities Note. In this context, the board of Directors on the same day decided to co-opt Hyster-Yale as Director to replace Mr Thomas Duval for the remainder of the latter's term of office. This cooptation will be effective at the moment of the fulfillment of the condition attached to the resignation of Mr. Thomas Duval.

11.3. Registration Document Erratum

On page 130 of the Registration Document (section 14.1.1.1 "Composition of the Board of Directors", the expiry date of the term of office of Mrs Corinne Jouanny, Benedicte Huot de Luze and Mr Thomas Duval is at the end of ordinary general meeting called to approve the financial statements for the year ended December 31, 2020 (and not 2022, as indicated in error).

On page 130 of the Registration Document (section 21.1.4.1 "Founders' share warrants"), the exercise price of the 870,000 BSPCE issued on February 27, 2015 and still outstanding on the date of the Prospectus is 1.60 euro (and not "1.60 euro, then beyond, the market value of one common share", as stated in error).

ANNEX B

ENGLISH TRANSLATION OF
BALYO'S REGISTRATION DOCUMENT (*DOCUMENT DE BASE*)
dated May 10, 2017, excluding the Excluded Registration Document Sections
as described under "Important Information about this International Offering Memorandum"

BALYO

A French public limited company (*société anonyme*) with share capital of €1,272,530.96

Registered office: 240 rue de la Motte, 77550 Moissy-Cramayel, France

483 563 029 RCS Melun

REGISTRATION DOCUMENT

[INTENTIONALLY OMITTED]

Translation disclaimer: This document is a non-certified translation of the French language registration document (*document de base*) dated May 10, 2017. The English version of this document has not been, and will not be, submitted to the registration (*enregistrement*) of the AMF. This document should consequently be read in conjunction with, and construed in accordance with French law. While all possible care has been taken to ensure that the translation is an accurate representation of the original, only the French text has legal value and the original language version of the document in French takes precedence over the translation. As such, the translation may not be relied upon to sustain any legal claim, nor should it be used as the basis of any legal opinion and Balyo expressly disclaims all liability with respect to this non-binding translation.

Copies of this Registration Document (the "**Registration Document**") are available at no charge at the registered office of Balyo, 240 rue de la Motte, 77550 Moissy-Cramayel, France, and an electronic version is available on the websites of Balyo (**www.balyo.com**) and [INTENTIONALLY OMITTED].

GENERAL COMMENTS

In this Registration Document, the terms "**Company**" and "**Balyo**" refer to Balyo S.A. and the term "**Group**" refers to the Company and its consolidated subsidiaries grouped together.

The audited consolidated financial statements presented in the Registration Document reflect the historical financial statements of the Company for the fiscal years ending on December 31, 2016 and 2015, prepared according to the IFRS.

Forward-looking information

The Registration Document includes information on the Group's future prospects and development objectives, in particular in Section 12 ("Trends"). This information is indicated at times by using the future or conditional tense or by forward-looking terms such as "estimate", "consider", "target", "expect", "intend", "should", "wish" and "could" (or the negative form of these terms), as well as similar variants or expressions. This information is based on data, assumptions and estimates that the Group considers to be reasonable. It may change or be modified due to uncertainties related, in particular, to the economic, financial, competitive and regulatory environment. This information is set out in the different sections and subsections of the Registration Document, and includes indications relative to the intent, estimates and objectives of the Group related in particular to the Group's market, strategy, growth, performance, financial situation and cash flow. The forward-looking information set out in the Registration Document is based only on the information available on the date of registration of the Registration Document. Unless required otherwise by applicable laws or regulations, the Group makes no undertaking to publish updates of the forward-looking information in this Registration Document to reflect any change that may affect its objectives or of events, conditions or circumstances on which the forward-looking information set out in this Registration Document is based. The Group operates in a competitive and rapidly evolving environment; it is therefore unable
to anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the materialization of a risk or combination of risks could lead to results that significantly differ from those set out in any forward-looking statements, it being noted that such forward-looking statements do not constitute a guarantee of actual results.

Information on the market and competitive environment

The Group operates in a sector - the automated material handling robot sector - in which external sources of information are particularly limited as this market is highly specific. In particular in Section 6 "Business Overview", the Registration Document provides information on the Group's market and its competitive position, including information on the volumes of products sold by market operators in the geographic regions in which the Group operates. In light of the specific nature of the Group's market, it can rely on publications, expert studies and analyst reports only to a limited extent. A study conducted in 2016 by the Roland Berger consulting firm (see Section 23 "Information from Third Parties, Expert Statements and Declarations of Interest" in the Registration Document) is relevant in this regard, and the information in Section 6 is principally drawn from this study.

Certain information is based on Balyo's estimates and is provided for information only, or results from studies conducted by outside sources. Balyo's estimates cannot be considered official data. The information that is available to the public and that the Company considers to be reliable has not been verified by an independent expert; the Company cannot guarantee that a third party who uses different methods to collect, analyze or calculate market data would reach the same conclusions. Neither the Company nor its direct or indirect shareholders provide any undertaking or guarantee as to the accuracy of said information.

Risk factors

Investors are invited to carefully read the risk factors described in Section 4 "Risk Factors" of the Registration Document before making any decision to invest. The materialization of all or some of these risks could have an adverse effect on the Group's business, performance, financial situation or prospects. Furthermore, other risks that the Group has not yet identified or that it does not consider significant on the date of registration of the Registration Document could also have an adverse effect.

Glossary

A glossary that defines certain technical terms used in the Registration Document, as well as a list of the abbreviations used, is set out in Appendix 1 to the Registration Document.

CONTENTS

1. PERSONS RESPONSIBLE

1.1 Person responsible for the Registration Document

Fabien Bardinet
Chairman and Chief Executive Officer of Balyo S.A.
240 rue de la Motte
77550 Moissy-Cramayel
France
Tel: +33 1 55 26 43 10

1.2 Certification of the person responsible for the Registration Document

[INTENTIONALLY OMITTED]

In Moissy-Cramayel,
On May 10, 2017

Fabien Bardinet

1.3 Person responsible for the financial information

Stanislas Piot
Financial Director of Balyo S.A.
240 rue de la Motte
77550 Moissy-Cramayel
France
Tel: +33 1 55 26 43 10

2. STATUTORY AUDITORS

2.1 Acting statutory auditors

SIRIS
Represented by Emmanuel Magnier
23 rue d'Anjou, 75008 Paris
Member of the "*Compagnie Régionale des Commissaires aux Comptes de Paris*".

SIRIS, a member of ECOVIS International, was initially appointed acting statutory auditor at the general meeting of the Company's shareholders held on July 1, 2010 for a period of six fiscal years and its term was renewed at the general meeting held on June 21, 2016 for an identical period of six fiscal years.

Its term will therefore end at the end of the general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021.

DELOITTE & ASSOCIES
Represented by Stéphane Menard
185 C Avenue Charles De Gaulle, 92200 Neuilly-sur-Seine
Member of the "*Compagnie Régionale des Commissaires aux Comptes de Versailles*".

DELOITTE & ASSOCIES was appointed co-acting statutory auditor at the general meeting of the Company's shareholders held on November 25, 2016 for a period of six fiscal years.

Its term will therefore end at the end of the general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021.

2.2 Alternate statutory auditors

Gérard Benazra
19 boulevard de Courcelles, 75008 Paris
Member of the "*Compagnie Régionale des Commissaires aux Comptes de Paris*".

Gérard Benazra was initially appointed alternate statutory auditor at the general meeting of the Company's shareholders held on July 1, 2010 for a period of six fiscal years and his term was renewed at the general meeting held on June 21, 2016 for an identical period of six fiscal years.

His term will therefore end at the end of the general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021.

BEAS
Represented by Joël Assayah
195 Avenue Charles De Gaulle, 92200 Neuilly-sur-Seine.
Member of the "*Compagnie Régionale des Commissaires aux Comptes de Versailles*".

BEAS was appointed co-alternate statutory auditor at the general meeting of the Company's shareholders held on November 25, 2016 for a period of six fiscal years.

Its term will therefore end at the end of the general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021.

2.3 Statutory auditors who resigned

None.

3. SELECTED FINANCIAL INFORMATION

The selected accounting and operating information below should be read together with the information set out in Sections 9 "Analysis of the Group's Performance" and 10 " Cash and Capital" of the Registration Document.

The consolidated financial statements prepared according to the IFRS were drafted voluntarily. The selected financial information presented was taken from the financial statements set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document. The differences between the financial statements presented according to French standards and those presented according to the IFRS are set out in Note 7.4 to the consolidated financial statements prepared according to the IFRS.

Simplified balance sheet in €K IFRS	12/31/2016	12/31/2015
TOTAL ASSETS	**10 649**	**7 872**
Non-current assets	**1 016**	**751**
Intangible assets	190	85
Tangible assets	674	588
Other non-current financial assets	152	77
Current assets	**9 633**	**7 121**
Inventories	1 027	792
Customer receivables and related accounts	3 374	2 227
Other receivables	1 596	1 080
Cash and cash equivalents	3 637	3 022
TOTAL LIABILITIES	**10 649**	**7 872**
Equity	**(3 613)**	**469**
Non-current liabilities	**3 307**	**2 356**
Commitments to employees	115	68
Non-current financial debts	3 189	2 286
Other non-current debts	2	2
Current liabilities	**10 956**	**5 047**
Current financial debts	3 284	1 361
Current provisions	54	54
Supplier payables and related accounts	3 709	1 584
Tax and social security liabilities	1 524	1 100
Other current liabilities	2 384	947

Simplified income statement in €K IFRS	12/31/2016	12/31/2015
Operating revenue	**5 153**	**2 863**
Production costs	*(3 642)*	*(2 033)*
Gross margin	**1 511**	**830**
Research and development expenses	*(2 413)*	*(1 860)*
Marketing and sales expenses	*(3 122)*	*(1 913)*
General and administrative expenses	*(2 437)*	*(2 351)*
Payments in shares	*(162)*	*(331)*
Operating loss/gain	**(6 624)**	**(5 625)**
Loss/gain of the year	**(6 830)**	**(5 804)**
Basic losses per share	*- 0.440*	*- 0.436*

Simplified cash flow statement in €K	12/31/2016	12/31/2015
Net cash used in operating activities	**(3 985)**	**(5 701)**
Self-financing capacity before net financial debt and taxes	*(6 072)*	*(5 265)*
Change in working capital requirements	*2 088*	*(435)*
Net cash used in investment activities	**(536)**	**(379)**
Net cash used in financing activities	**5 104**	**8 320**
Increase (Decrease) in cash and cash equivalents	**615**	**2 236**
Cash and cash equivalents at the beginning of the year	3 019	783
Cash and cash equivalents at end of the year	3 634	3 019

Net debt level in €K IFRS	12/31/2016	12/31/2015
+ Non-current financial debts	3 189	2 286
+ Current financial debts*	3 282	1 358

- Cash and cash equivalents	3 634	3 019
Total net debt	**2 837**	**625**

** Excluding current bank loans*

4. RISK FACTORS

Investors are invited to take all of the information in the Registration Document into consideration, including the risk factors described in this section, before deciding to acquire Company shares. The Company performed a review of the risks that could have a material adverse effect on its business, financial situation, earnings and prospects, and believes there are no material risks other than those presented in this section on the date of registration of the Registration Document. Nevertheless, the attention of investors is drawn to the fact that the list of risks presented in Section 4 of the Registration Document is not exhaustive and that other risks, not identified on the date of registration of the Registration Document or whose materialization is not considered on the same date to likely have a material adverse effect on the Company, its business, financial situation, earnings, development or prospects, may exist or occur or exist or occur in the future.

4.1 Risks related to the Company's business sector

4.1.1 Risks related to the Company's ability to maintain its technological lead

Technological advances offered by the competition

The Company markets autonomous material handling robots that allow industry to improve productivity and reduce their pallet-handling costs (see Section 6.4 "The Company's principal markets" of the Registration Document). In this context, the Company operates in a market marked by continuous, rapid technological innovations.

Technological innovations that the Company's competition could offer the market (see Section 6.5 "Competition" of the Registration Document) could affect the competitiveness of its products and services (see Section 6.8 "The Company's products and maintenance services" of the Registration Document), and have a material adverse effect on the Company, its financial situation, earnings, development and prospects.

Sector consolidation

Furthermore, consolidation of operations in the Company's business sector could favor the arrival of new competitors whose financial, industrial or commercial capacity could be greater than the Company's, allowing these competitors to technologically outdistance the Company. The arrival of one or more competitors who could establish strong competitive positions could affect the Company's market share in all areas of the services it offers, which could have a material adverse effect on the Company, its financial situation, earnings, development and prospects.

Research and development activities

The Company's success and the retention of its competitive advantage (see Section 6.2 "Competitive advantages" and Section 11 "Research & Development, Patents, Licenses, Trademarks and Domain Names" of the Registration Document) over time on its markets depends to a large degree on its ability to protect its technological lead and develop new technologies (or improve existing ones) to meet the needs of its customers. The Company's success therefore depends to a significant extent on its ability to improve and diversify its services, and to offer these services in new countries on a maximum number of platforms.

The Company therefore dedicates significant resources to the development of new offerings and the improvement of its current technologies (see Section 6.3.1 "Retaining the Company's leadership position and enhancing its offering" of the Registration Document); its research and development expenses, not including the Research Tax Credit and subsidies, totaled €2,413K for the fiscal year ending on December 31, 2016.

Nevertheless, the following possibilities exist:

- The Company could fail to invest in the most promising technologies or the appropriate instruments or software;
- The launch of new products may require greater investments than those initially anticipated by the Company;
- It may become too costly or difficult to manufacture certain new products on an industrial scale or to find the components required to manufacture these products and place them on the market;
- Technical, industrial, regulatory or intellectual property issues may delay the commercial launch of the Company's products;
- The new products may not adequately meet market requirements;
- The products developed by the Company may present defects that delay the commercialization of the products, affect their commercial success or cause the Company to incur additional costs to remedy these defects and/or compensate customers.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.1.2 Risk related to the market launch of alternative solutions

The solutions the Company develops are positioned on highly competitive markets (see Sections 6.4 "The Company's principal markets" and 6.5 "Competition" of the Registration Document). In the near or distant future, competing technologies - whether they exist, are under development or are even unknown today - could gain significant market share and limit the Company's capacity to successfully market its products. The development of products, processes or technologies that are new or perfected by other companies could make the Company's products obsolete or less competitive, which would have an adverse effect on its sales and/or ability to maintain its profit margin.

To retain its technological leadership, the Company constantly monitors technological developments on innovations in the sector, its competition's inventions, as well as new technologies and their availability on the market. Nevertheless, the Company cannot guarantee that other rival technologies will not be developed or launched, or that the Company's technology will become the leading reference for the automated handling of pallets.

That said, the barrier to market entry in the autonomous handling robot segment is significant. If another company partnered with an OEM, competition with the Company's products would only materialize if it was able to offer a solution that is identical to the Company's. In this regard, the Company dedicates significant resources to the development of new offerings and the improvement of its current technologies (see Section 6.3.1 "Retaining the Company's leadership position and enhancing its offering" of the Registration Document); its research and development expenses, not including the Research Tax Credit and subsidies, totaled €2,413K for the fiscal year ending on December 31, 2016.

New market players or companies that already exist could also develop new, more efficient solutions, easier to implement or less expensive than those developed by the Company, which could have a material adverse effect on the Company, its financial situation, earnings, development and prospects.

4.1.3 Risks related to the Company's image

The continued success of the Company relies on its ability to maintain its reputation based on rigor, professionalism and integrity. The Company is committed to maintaining the quality of its services. However, it cannot guarantee that it will be able to protect itself from the prejudicial impact on its reputation of potential events, such as a technological incident, an accident that involves an autonomous material handling robot, a conflict of interest or litigation.

Media coverage of potential difficulties could impact the credibility and image of the Company among its existing and target customers, and therefore its ability to keep or grow certain activities, which could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.1.4 Risks related to changes in the market during the development and organizational phases

The market for autonomous material handling robots is still relatively recent. Although it has grown significantly in recent years, it may be that its growth will not continue at the planned rate (for more information, see Section 6.4 "The Company's principal markets" of the Registration Document) or that its main structuring constituents - whether the strategy of manufacturers/OEM and distributors, or the expectations of potential customers of the Company, or again the regulatory environment – will change.

Over recent years, the Company has seen significant growth in its business and sales revenue (see Section 9.2.1.1 "Sales revenue and gross margin" of the Registration Document). In light of rapid changes in its sector, it may be difficult to evaluate the Company's prospects and requirements. It cannot be ruled out that changes in its business sector (which is still in a development phase) will cause major variations in the Company's requirements, whether in terms of models; industrial, logistics and distribution capabilities, or financial and human resources, and therefore that it may be difficult to forecast its performance and earnings. Due to this variability and lack of visibility, the Company could also find itself unable to meet its objectives (see Section 12.2 "Future prospects and objectives" of the Registration Document), which could have a material adverse effect on the Company, its financial situation, earnings, development and prospects.

4.1.5 Risks related to the macroeconomic environment

The Company sells innovative material handling solutions (see Section 6.6 "Technology" of the Registration Document). Changes in demand for the Company's products are indirectly tied to changes in overall macroeconomic conditions in the countries in which the Company operates. Demand for the Company's products could therefore be affected by an unfavorable economic environment and its impact on its customers' spending, which could lead the Company's customers to postpone or reduce expenditures for products and services offered by the Company.

A deterioration or changes in the current economic environment of the principal markets in which the Company operates - in particular, in France - or markets in which it intends to launch operations could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.1.6 Risks related to the notion that robots destroy jobs

Robotization is a technology that is still recent and could be the subject of biased perceptions among the general public, in particular based on the assumption that robots destroy jobs (see Section 6.15 "Social challenges" of the Registration Document).

Although an analysis of economic history demonstrates that a correlation exists between mechanization/robotization, economic development and the creation of jobs, the Company could face psychological obstacles that could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.1.7 Risks related to a tax on robots

Some States may decide to impose specific taxes on robots over the short or medium term, which would make the Company's solution more expensive and therefore less attractive.

Today, the Company is of the opinion that the expected gains in productivity are such that a specific tax on robots would not significantly change the economic benefits for its customers.

That said, the Company cannot rule out the fact that these types of policies could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2 Risks related to the Company's business

4.2.1 Risks related to the partnership agreements signed with the German group Kion and the US group Hyster-Yale

In recent years, the Company signed partnership agreements with two of the leading manufacturers of material handling equipment, Linde Material Handling (a subsidiary of the Kion Group) and the US group Hyster-Yale (hereafter jointly referred to as the "**Strategic Partners**"). In the framework of these partnerships, the Company designed and developed robotic solutions for standard trucks/forklifts manufactured by these two groups. In return, these two manufacturers, along with their distribution networks, undertook to offer trucks equipped with the Company's solution as soon as a robotic solution was made available for sale (see Sections 6.7.1 "Linde Material Handling (a subsidiary of the Kion Group)" and 6.7.2 "Hyster-Yale" of the Registration Document). The Company has committed to the following: (i) in the EMEA zone and within the intralogisitcs material handling sector only, it will only enter into an agreement - other than with the Kion Group and its subsidiaries - with one of the companies set out in a limited list, which includes the principal global operators in this sector (the Company may enter into discussions with any company that is not on this list), and (ii) not to offer robotic forklift solutions to Hyster-Yale's competition in the Americas and the European Economic Area, with some exceptions (in particular, current customers of Linde Material Handling).

These two operators in the material handling sector, both of which have global coverage, represent a very large market segment (Linde Material Handling ranks second worldwide and first in Europe; Hyster-Yale ranks fifth worldwide and second in the United States), and make very extensive distribution and maintenance networks available to the Company. In this framework, they provide the Company with sales and distribution support (sources: Annual Reports of the Strategic Partners).

On the date of registration of the Registration Document, the major portion of the Company's sales revenue results from these partnerships. For example, for the fiscal year ending on December 31, 2016, sales revenue achieved with Linde Material Handling and Hyster-Yale respectively totaled 81% and 4% of the Group's consolidated sales revenue.

As a result of these partnership agreements, signed on November 4, 2014 with Linde Material Handling and on October 29, 2015 with Hyster-Yale, both covering a three-year period, the Strategic Partners have placed products under their brands but with the Company's technology on the market (see Section 6.8.1 "Product presentation" of the Registration Document). The development of this range of products required major investments over the long term in research and development, as well as on training the sales and maintenance networks. The Company is of the opinion that the development of an alternative range by its partners would require multi-year investments, which investments are all the more critical as the products that embed the Company's technology are already in place at some of the Strategic Partners' key accounts, and cohabitation between different technologies is often difficult.

The Strategic Partners have committed to continue investing over the long term, first, by offering the range developed with the Company, and also by training their sales teams on the sale of the Company's solutions and their maintenance teams on the maintenance and repair of these solutions.

In this regard, based on the commercial success and caliber of the partnership, the Company and Linde Material Handling have extended their agreement (signed in 2014). The new agreement provides for an initial period of six years, automatically renewable for a period of four additional years if neither party has notified the other of its intent to terminate the agreement within the 12 months that precede the expiry of the initial period. This agreement has been signed not just with Linde Material Handling, but also with its parent company, Kion Group AG. The new agreement now covers the entire world and provides that the robots will be sold by Balyo on the basis of a transfer price (that takes into account all of the components, development amortization, the embedded software and the assembly costs). This transfer price equitably allocates the margin achieved through the sale of robots. This new agreement also provides for the progressive transfer of the onsite assembly and installation work to the Strategic Partner.

The terms and conditions of this new agreement have been agreed by the parties and were approved by the Boards of the Company and Linde Material Handling on April 24 and 27, 2017. The new agreement was formally approved by the Kion Group AG's (the parent company of Linde Material Handling) Management Board on May 8, 2017 and entered into force on the same day, causing the immediate termination of the initial agreement dated November 4, 2014.

On the date of registration of the Registration Document, the Company had also launched discussions with Hyster-Yale to extend the contract initially signed at the end of 2015 for three years for an 10 additional years. This extension does not intend to change the contractual terms in place other than the agreement period. However, the agreement that will ultimately be entered into may include financial conditions that are less favorable than those in place today.

These partnerships are decisive advantages for the Company's development, but expose the Company to heavy reliance on Linde Material Handling and Hyster-Yale, which creates additional risks, such as:

- a change in their commercial or pricing policy;
- any event that affects their organization (in particular a merger, acquisition, insolvency or bankruptcy);
- a breach of their agreements with the Company;
- a termination or non-renewal of these agreements for reasons outside of the Company's control;

- responsiveness that is more difficult to ensure in light of unforeseen events affecting manufacturing and procurement.

Balyo's solution integrated into the Strategic Partners' trucks belongs to the Company, as do the related intellectual property rights. Therefore, if one or more of the risks referred to above materialize, the Company would always be in a position - in addition to strengthening its ties with its other Strategic Partner and to enter into new partnerships - to acquire standard material handling trucks in order to embed its solution and sell them directly. The investments, in particular in sales personnel, could be significant for the Company, however, and therefore the materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.2 Risks related to dependence on end-customers

The Company distributes its products to a large number of industrial customers either through its Strategic Partners or, to a lesser extent, directly (see Section 6.12 "Customers" of the Registration Document).

In the future, if the Company enters into major contracts, it could find itself in a situation of dependency. The future loss of one of these key customers or a change in payment terms could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.3 Risks related to dependence on suppliers

To develop its products (see Section 6.8 "The Company's products and maintenance services" of the Registration Document), the Company requires a significant number of components, which have become standards and are delivered by different, often interchangeable, suppliers.

The Company cannot guarantee, however, that the price of electronic parts, which are key elements in the Company's products, will not rise significantly (for example due to an increase in the price of raw materials) or that they will always be available on the market or that these parts will always be delivered according to schedule.

Equally, the Company cannot guarantee that the electronic parts in its products will not rapidly become obsolete. This obsolescence may also affect all of the Company's products, for example due to market changes.

If one of the principal suppliers changes its quantities or payment terms (some impose advance payments) and/or delivery terms it has established with the Company, this could affect the Company's ability to deliver its products to customers in sufficient quantities and on schedule, impact its sales and compromise its commercial relations. However, it should be noted that the Company has not lost a contract with any of its suppliers over the past five years.

Although the Company is highly committed to the quality of its suppliers, reliance on suppliers involves a certain number of risks, in particular a supply shortage, the unsatisfactory quality of parts, a risk related to the origin of the products, or a failure to comply with applicable regulations or third party intellectual property rights. Reliance on suppliers may therefore create financial risks and risks to the Company's reputation, in particular should these suppliers fail to comply with applicable regulations, especially those governing product safety.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.4 Risks related to dependence on subcontractors

The production of autonomous material handling trucks essentially consists in assembling components, for the most part manufactured in France, on the trucks produced massively by the Strategic Partners. The Company subcontracts the assembly of its devices for the range of autonomous material handling robots marketed in the US and Asia (see Section 6.9 "Production" of the Registration Document). This assembly, which requires approximately 20 hours of work, is performed on three sites for the time being:

in Europe, at its head office located close to Paris in Moissy-Cramayel;

in Asia, at Linde Material Handling's production unit located in Xiamen, China; and

in the United States, by Electrowire, a subcontractor of Hyster-Yale located in Leominster, Massachusetts.

On the date of registration of the Registration Document, the Company has production capacity of 1,000 machines per year, 50% of which are assembled by the subcontractors in China and the United States.

The risks related to a failure on the part of its subcontractors or the termination of contractual relations could delay the delivery of the Company's products and thereby have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects..

4.2.5 Risks related to the organic and external growth of the Company

The Company has recorded rapid growth in its workforce and activities (see Section 17.1.1 "Number of employees within the Group" of the Registration Document). As it grows, the Company must efficiently integrate, train and motivate a large number of new employees while upholding its corporate culture. In particular, the Company intends to continue to invest large sums to expand its research and development activities, administrative organization and international business (see Sections 6.3.1 "Stepped up commercial development" and 6.3.2 "Retaining the Company's leadership position and enhancing its offering" of the Registration Document). To this end, the Company will need to hire additional personnel and develop their operational skills, which could place a considerable strain on its internal resources. To attract the best talent, the Company has been forced to offer competitive remuneration, and this should continue. Furthermore, the Company could find itself unable to hire new employees rapidly enough to satisfy its requirements.

If the Company is not able to efficiently manage its hiring needs and the integration of new employees, its efficiency, ability to forecast, the morale and productivity of its employees, and its ability to retain these employees could be affected, which would have a material adverse effect on the Company's business, prospects, financial situation, earnings and development.

In the future, the Company's strategy could be partially based on external growth, in particular through the acquisition of business entities or assets, or the acquisition of shareholdings, or by entering into alliances in the Company's business sector and the geographic zones in which the Company wishes to grow or launch operations (see Section 6.3.2 "External growth"). However, the Company may not be able to identify attractive targets or complete transactions at the right time and/or under satisfactory conditions. Furthermore, in light of the competitive environment, the Company may not be able to pursue planned development or external growth operations in light of its investment criteria, which could have a material adverse effect on the implementation of its strategy.

External growth creates risks, including the following: (i) the business plan assumptions that underlie valuations may not materialize, in particular in relation to synergies, expected savings and the evolution of the relevant markets; (ii) the Company could fail to successfully integrate the companies acquired, their technologies, product ranges and employees; (iii) the Company could be unable to retain certain of the acquired companies' key employees or customers; (iv) the Company's debt could grow in order to finance its acquisitions, and (v) the Company's acquisitions on the market in question may be poorly timed. The expected benefits of future or past acquisitions could fail to materialize within the time frames and at the levels expected, and therefore have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.6 Risks related to software security

The Company operates in a market known for very rapid technological changes, thereby continuously exposing it to the risks of computer hacking and industrial piracy, as well as attacks by viruses or bugs that can disrupt the orderly operations of its systems and software packages, as well as those installed at its customers.

Despite the precautions put in place, the Company cannot guarantee that it will not be the victim of computer viruses, bugs, hacking and piracy, in particular from an autonomous material handling robot, which may cause the Company to be held liable and have a material adverse effect on its business and earnings.

Furthermore, although the Company has implemented suitable means to guarantee the security and integrity of its information systems, it cannot guarantee absolute protection from viruses, Trojan horses, computer worms, vulnerability exploiters and other system intrusion techniques.

An intrusion into the systems, whether by physical access to the network or by an individual's malicious use thereof, could compromise the confidentiality and integrity of the data saved by the Company, which would cause a major prejudice to the Company's reputation and may engage its liability.

The security system that protects individuals from a defect in the autonomous material handling robots is based on an electronic circuit that is independent from the software. The entire control chain in fact complies with the requirements of current standards and relies in particular on certified security components. CE certification is validated by an external organization that is independent from the Company.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.7 Risks related to product liability and the implementation of contractual guarantees in favor of customers

The Company may be held liable if one of its autonomous material handling robots causes an accident, either on the basis of its tortious, quasi-tortious or criminal liability, or on the basis of the contractual guarantees granted to the Company's customers.

If a defect in design or manufacturing is identified during the Company's quality controls, the Company may not be able to replace the rejected product in a timely fashion, which could cause stock shortages and a drop in sales.

The Company's quality control processes could fail to identify certain defects, and the Company's reputation could therefore be affected due to the commercialization of defective products, in particular if the products marketed caused an accident resulting in a personal injury to customers or personnel.

Furthermore, as a manufacturer, vendor and distributor, the Company could be held liable under certain conditions for damaging consequences related to the products it manufactures, sells or distributes. This liability can be held to be criminal or tortious and relate to a number of areas of liability, including liability for defective products, the guarantee of conformity of the goods with the contract which a vendor must provide the consumer, the legal guarantee of conformity or the legal guarantee covering hidden defects (see Section 4.5.1 "Risks related to regulations and their evolution" of the Registration Document).

Such defects could lead to a large volume of warranty claims or recalls and a significant drop in the Company's sales. It could also be held liable, which would mobilize resources to defend its interests. These defects could also lead to significant constraints, operating costs and, more generally, expenses, and cause a prejudice to the Company's brand and reputation.

The materialization of one or more of these risks could have a material adverse effect on the Company's business, financial situation, earnings, development and prospects.

More generally, the risk of the Company's products malfunctioning could force the Company to recall certain products or modify them, leading to a risk of additional costs and delays. Furthermore, the Company cannot guarantee that its customers will not face quality problems relative to its products. These problems could cause the Company to incur new research and development expenses, and monopolize additional technical and financial resources.

In addition to the negative, direct financial impact on the Company, if the Company is found to be liable, its business, financial situation, earnings, development and prospects could be materially and adversely affected.

4.2.8 Industrial and environmental risks

The Company's activities do not require the use or handling of dangerous substances and do not emit toxic and dangerous products into the air or water.

The principal industrial and environmental risks - other than those described below - are essentially limited to those that may result from a fire or explosion on a specific site.

The Company is subject to environmental, health and safety laws and regulations (see Section 6.14 "Legal and regulatory environment" of the Registration Document). The level of regulatory and legal constraints will increase as the Company grows. This situation may slow down and even limit the Company's development. If the Company does not comply with these laws and regulations, it could be ordered to pay fines or suspend all or part of its activities. The Company allocates investments and incurs costs to ensure it complies with environmental and safety laws and regulations. The Company could be obliged to incur additional expenses to comply with new environmental and safety laws or regulations. In particular, the Company could be obliged to purchase new equipment, modify its premises or installations and, more generally, incur other significant expenses. If injuries or damage of any nature occur, the Company could be held liable for the damage, which would have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.9 Risks related to seasonality

The Company's business is marked by a form of seasonality, as the concentration of orders placed is highest in the fourth quarter of the calendar year (representing between 30% and 50% of annual orders). This seasonality is explained, in particular, by customers using up their budgets before the end of the fiscal year and by a desire to group orders to negotiate more attractive prices. However, a significant portion of the Company's overhead cannot be adjusted for these seasonal variations.

Therefore, a drop in sales over this quarter could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.10 Risks related to an inability to extrapolate the future evolution of the Company's business and earnings based on past performance

The Company launched its commercial development in 2010 (see Section 5.15 "Significant events in the Company's history" of the Registration Document" and operates in a rapidly changing market. It can therefore only present a limited history (less than three years) as a basis for a valuation of its business and future prospects. Although the Company has achieved major commercial successes and has grown significantly in what is considered a high-growth sector (see Sections 6.4 "The Company's principal markets" and 6.5 "Competition" of the Registration Document), it does not have enough historical information to anticipate trends in a market that is still likely to change. Due to its positioning in the autonomous material handling robots sector, its relatively short history and potential changes in the sector, the Company cannot extrapolate future earnings based on prior data with any degree of certainty.

The Company could be unable to sustain its growth or achieve its objectives. These circumstances could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.11 Risks related to dependence on key persons

The Company’s success depends heavily on the expertise and dedication of the management team (see Section 17.1.3 "Key persons" of the Registration Document).

The loss of their skills could cause:

- the loss of know-how and the undermining of certain activities; and
- shortcomings in terms of technical skills that could slow the business and temporarily affect the Company’s ability to achieve its objectives.

The Company competes with other companies, and research and educational institutions to hire and retain highly qualified scientific, technical and management personnel.

The future success of the Company is therefore partially based on retaining its senior executives and other key employees, in particular by implementing motivation and retention systems in the form of variable remuneration based on performance and the granting of BSPCEs (founders' share warrants), stock options or free options, and the Company's ability to continue to attract, motivate and retain highly qualified personnel (see Section 21.1.4 "Potential capital" of the Registration Document).

The Company's inability to attract and retain these key persons could prevent it from reaching its objectives and therefore have a material adverse effect on its business, earnings, financial situation, development and prospects.

4.2.12 Risks related to operations and international development

The Company has adopted international development as a key factor in its growth strategy (see, in particular, Section 6.3 "Strategy" of the Registration Document). The international scope of the Company's business adds complexity, which increases the risks inherent in its business. The Company's international activities require the close attention of its senior executives, as well as significant financial resources. Various risks are associated with this international development, including:

- compliance with different legal and regulatory requirements, as well as taxation and trade laws;
- potential unexpected changes in the legal, political or economic environment of the countries in which the Company procures supplies or sells its products;
- difficulties in identifying, hiring and retaining talented, skilled employees in foreign countries;
- the need to adapt product offerings to the local market and to adjust to local practices and different cultural standards, and the need to remain competitive in relation to the competition, which may have a better knowledge of the local market;
- differences in labor regulations in the various countries;
- limits to the Company's ability to reinvest the profits from its operations in one country to finance the capital requirements of its operations in other countries;
- fluctuations in the exchange rate of currencies against the euro affecting the Company's business outside of the Eurozone;
- an increase in costs related to the Company's international presence;
- regulations that change from one country or region to another related to the security of data, and the unauthorized access and use of commercial and personal data;
- limited or unfavorable protection of intellectual property rights in certain countries.

If the Company does not succeed in profitably implementing its international growth strategy and efficiently managing the risks related to its international activities, the materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.2.13 Risks related to labor relations

The Company believes that labor relations and well-being in the workplace are of utmost importance. However, in the future, it could face formal consultations or negotiations with employee representatives, strikes, work stoppages or other labor movements, as well as negotiations for new collective or wage agreements, which could disrupt the Company's business or increase its costs. Strikes by the personnel of the Company's key suppliers or service providers could also disrupt the Company's business.

Although, on the date of registration of the Registration Document, the Company has not experienced any difficulties, the materialization of any of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.3 Risks related to the Company's assets

4.3.1 Risks related to intellectual property rights

Risks related to "free" software

In the framework of the development of certain IT systems and solutions, the Company uses "free" systems and software. The creators make these systems and software freely available to the general public under a license that allows the user to have access to the source code and to use, copy, modify and integrate the source code into programs the user creates, and then to redistribute it. "Free" software is made available to the public with no guarantee and is used at the user's risk.

Therefore, the Company cannot guarantee the origin of the "free" software it uses nor that it does not infringe the intellectual property rights of third parties. A third party could initiate a legal action to have its rights to the "free" software upheld. This could affect the Company's use of this software either by generating an additional cost or by forcing the Company to cease its use of the software in dispute and recreate software.

To date, no infringement by or against the Company has been proven. Nevertheless, the Company cannot guarantee that no infringement by or against the Company will occur in the future. The resulting costs could have a material adverse effect on the Company's development, financial situation, earnings and prospects.

Risks related to the protection of the Company's intellectual property rights

To date, the Company has not been involved in any significant dispute or litigation relative to the protection of its intellectual property rights.

The Company has full ownership of a patent and does not share any intellectual property right related to its business (with the exception of rights that may result from a joint development with its Strategic Partners) (see Section 6.6.4 "Intellectual property" of the Registration Document). The Company's financial plan depends, among other things, on its ability to obtain, maintain and ensure the protection of its patents, software, trademarks and related rights, as well as its other intellectual or similar property rights (such as, in particular, its trade and business secrets or its know-how) or those for which it has a user's license. For this reason, the Company has taken various measures, such as the registration of patents and the implementation of technical protection measures (anti-reproduction) on certain physical media for its software (see Section 11 "Research & Development, Patents, Licenses, Trademarks and Domain Names" of the Registration Document). Similarly, there are terms in certain agreements stating that, at the request of customers, the Company's software may be the subject of registration with a third party custodian, such as the *Agence pour la Protection des Programmes* or any other similar agency, in order to ensure the security of digital creations (proof of the date of creation, extent of the creation and ownership of rights).

Two of the Company's inventions are currently under examination at competent national, regional or international patent offices (see Section 11.2 "Balyo patents" of the Registration Document). It takes a few years for patents to be issued. Examinations may also result in the issuance of a patent with claims that are more limited than those stated in the initial application; a patent may also be refused.

Furthermore, there is no certainty that the Company's current and future applications for patents, trademarks and other intellectual property rights will result in industrial property authorities issuing registrations. The Company could in fact face difficulties in the framework of registration applications and examinations for certain patents, trademarks or other intellectual property rights currently under examination or whose registration is in progress. For example, when a patent registration is filed, other patent applications may have enforceable prior rights but have not yet been published. Despite prior right searches and the intelligence the Company conducts, it may not be certain that it is the first to have designed an invention and to have submitted the related patent application. In particular, it should be noted that, in most countries, patent applications are published 18 months after the applications have been filed and that inventions may not be published or a patent application may only be filed months or even years after the fact.

Therefore, the Company may be unable to guarantee that the systems in place to protect its intellectual property rights will prevent the misappropriation or illegal use of its know-how by third parties or that its competition will not develop technologies that are similar to the Company's, therefore causing it to lose its technological and competitive advantage.

Therefore, the Company's rights to its patents, software, trademarks and related rights, and its other intellectual property rights, may not confer the protection it expects against the competition.

If these situations materialized, they could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

Risks related to infringements of the intellectual property rights of third parties and of the Company

The Company's commercial success will also depend on its ability to develop products and technologies that do not infringe the patents or other rights of third parties. To ensure the success of its business, it is in fact important that the Company be able to freely use its products while ensuring that they do not infringe the patents or other intellectual property rights of third parties, and without third parties infringing the Company's rights (in particular its intellectual property rights).

As it has done to date, the Company continues to expedite the preliminary studies it considers necessary to examine the risks referred to above before investing in the development of its various products/technologies.

In particular, the Company monitors its competition (in particular their patent registrations). A firm specialized in industrial property rights has in fact been hired by the Company to monitor its trademarks.

If intellectual property disputes arise, the Company could:

- be exposed to the payment of damages, the amounts of which could be significant;
- be prevented from developing, marketing or continuing to provide some or all of its services;
- be obliged to compensate or reimburse current or future customers; and
- be delayed in providing its services.

Third parties (or even Company employees) could use or attempt to use elements of the Company's technology that are protected by intellectual property laws, which would cause the Company to suffer a prejudice. The Company could therefore be obliged to initiate legal or administrative actions against these third parties in order to enforce its intellectual property rights (patents, trademarks or domain names) in court.

Any dispute or litigation, regardless of the outcome thereof, could generate substantial costs, prejudice the Company's reputation, have a negative impact on the Company's earnings and financial situation, and potentially fail to provide the protection or outcome sought. Certain competitors who have greater resources than the Company could be in a better position to incur the costs of litigation.

The Company could be unable to prevent the disclosure of information to third parties, which may have an impact on its future intellectual property rights.

4.3.2 Risks related to fraud and scams - cybercrime

In light of the ascension of the internet and information systems, the Company faces risks of fraud and scams, in particular based on identity theft. With regard to this risk, the Company regularly takes awareness-raising measures to inform employees of potential risks inherent in their trade and has, in particular, implemented a procedure to secure, verify and control orders and payments. The identity management processes in the Company's information system have been reinforced, as has the level of traceability of the transactions recorded therein.

Nevertheless, if one of these fraudulent attempts succeeds, as the Company's financial resources are still limited, it could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.4 Financial and market risks

4.4.1 Risks related to financing needs

As at December 31, 2016, the Company's current cash and cash equivalents totaled €3,634K.

To date, the Company's annual cash requirements have been met by tools such as increases in capital, public subsidies and bond issues (see Section 10.1 "Information on the Company's capital, liquid assets and sources of financing" of the Registration Document).

In the future, the Company will continue to have major financing needs to develop and market its technologies (see Section 10.5 "Future financing sources for future investments" of the Registration Document). On the date of registration of the Registration Document, and assuming the Company's IPO does not come to fruition, the Company would be unable to finance its growth solely on the basis of revenue from its business (see Note 2.1 to the financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document), and the Company would have to seek other sources of financing, in particular in the form of bank financing to create a lever effect via the issuance of financial instruments recognized as financial liabilities or through the issuance of new shares.

The Company's ability to raise additional funds will depend on financial, economic and cyclical conditions, as well as other factors over which it has no, or very limited, control. Furthermore, the Company cannot guarantee that additional funds will be made available to it when it needs said funds and that the funds will be made available to it under suitable conditions.

If the funds required are not available, the Company could be forced to limit the development of new products, or delay or abandon commercialization on new markets (see Section 6.3. "Strategy" of the Registration Document), which would have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

Furthermore, if the Company raises capital by issuing new shares or other financial instruments that give future access to the Company's capital, its shareholders could be diluted.

4.4.2 Risks related to past losses

Since it was founded, the Company has recorded net losses every year. As at December 31, 2016 and 2015, in its consolidated financial statements prepared according to the IFRS, net losses respectively totaled -€6,830K and -€5,804K. The losses recognized result from internal and external research and development expenses, sales and marketing expenses, and expenses incurred to structure the group, mainly in the framework of the development of its integrated solution.

The Company will continue to invest significantly over future years in its research and development activities, the development of its sales network, and its production tool. The Company could incur new losses for these same reasons.

An increase in these expenses could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.4.3 Liquidity risk

As at December 31, 2016, the Company's cash and cash equivalents totaled €3,634K (see Section 10.1 "Information on the Company's capital, liquid assets and sources of financing" and Note 7.2.1 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document).

The Company's available cash is invested for the most part in (i) term deposits with maturity ranging from one month to five years, and (ii) money market UCITS with guaranteed capital, which can be redeemed early at any time.

The Company has used the different financing mechanisms presented below:

CURRENT AND NON-CURRENT FINANCIAL DEBT - REPAYMENT VALUE (amounts in €K)	**12/31/2016**			
	Gross amount	**Due in less than one year**	**1 to 5 years**	**Over five years**
Bonds redeemable in shares	2 898.0	2 898.0		
Repayable advances	2 879.1	340.0	2 319.1	220.0
Bank loans	1 066.1	43.6	772.5	250.0
Bank overdrafts	2.8	2.8		
Total financial debts	**6 846.0**	**3 284.4**	**3 091.6**	**470.0**
Current financial debts	*3 284.4*			
Non-current financial debts	*3 561.6*			

This information is taken from Note 4.10 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document. The financial liabilities are not the subject of stipulations that may significantly change the terms thereof.

The Company has specifically reviewed its liquidity risk and is of the opinion that it is able to meet its payment obligations over the upcoming 12-month period as of the date of registration of the Registration Document as long as the IPO is successful or, if it is not, if it is able to raise funds through private investment.

As described in the notes to the consolidated financial statements prepared according to the IFRS (see Note 2.1 to the consolidated financial statements prepared according to the IFRS presented in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document), the Company's Board of

Directors adopted the “going concern” principle on the basis of the cash available as at December 31, 2016, which should cover its projected cash flow needs for the upcoming 12 months. The Company had available cash in the amount of €3,638K as at December 31, 2016 and expects the payment of the Research Tax Credit ("*Crédit d'Impôt Recherche*") during the second quarter of the year. These funds are considered sufficient to cover projected needs.

However, the Company expects it will need cash in early 2018. The Company's history of operating losses is explained by the innovative nature of the products and services it has developed and marketed, requiring a research and development phase that covers a number of years.

To cover its expected cash flow requirements in early 2018 related to its rapid growth, the Board of Directors is examining the following measures:

- an IPO on the Euronext market in Paris in the first half of 2017;
- the continued search for investors in the framework of private investment should market conditions be such that the planned IPO on the regulated market is not possible.

The development of the Company's technology and the pursuit of its development program will continue to generate major financing needs in the future. The Company could be unable to finance its growth through business revenue alone, which could lead it to seek other sources of financing, in particular through new increases in capital.

In the future, the Company could seek additional capital, in particular to finance its growth strategy, which could result in dilution for the Company’s shareholders or significantly increase the level of its indebtedness, causing a change to its financial structure.

Access to capital may not be available under conditions that are acceptable to the Company, and may even be totally unavailable.

Certain factors could aggravate the Company's difficulty in raising capital: the economic environment, interest or exchange rate fluctuations, the closing of bank or capital markets, or a deterioration in the Company's financial situation or operating income.

A future increase in the Company's indebtedness or, inversely, its inability to raise capital to meet its financing requirements could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.4.4 Credit risk

Regarding customer receivables, the Company regularly conducts an international evaluation of its customer credit risk and the financial situation of its customers. This information is described in Note 7.2.1 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document. There are no financial assets past due but not impaired.

4.4.5 Risk related to the repayment of public advances

The Company receives public advances; if these advances cease, the Company may need to find other sources of financing (see Section 10.1.3 "Repayable advances and subsidy financing" and Note 4.10.3 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document).

Over recent fiscal years, the Company has received the following repayable grants:

EVOLUTION OF REPAYABLE ADVANCES AND SUBSIDIES (amounts in €K)	**Zero-interest loan €1,100K**	**Zero-interest loan €750K**	**Zero-interest loan €600L**	**BPI France €950K**	**BPI France €200K**	**COFACE EUROPE**	**COFACE USA**	**Total**
At January1, 2015	**0**	**466**	**516**	**414**	**103**	**168**	**141**	**1 808**
(+) Receipt	1 100	0	0	450	0	0	132	1 682
(-) Repayment	0	(250)	(38)	0	(55)	0	0	(343)
Subsidies	(245)	0	0	(119)	0	0	(12)	(376)
Financial charges	3	24	28	28	5	5	8	101
At December 31, 2015	**858**	**240**	**507**	**773**	**53**	**173**	**269**	**2 874**
(+) Receipt	0	0	0	0	0	0	127	127
(-) Repayment	0	(250)	(150)	0	(55)	(178)	(8)	(641)
Financial charges	48	10	24	46	2	5	13	147
At December 31, 2016	**906**	**0**	**381**	**819**	**0**	**0**	**401**	**2 507**

The information related to the various advance contracts (payments, repayment schedule and specific clauses) is presented in Note 4.10.2 to the consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and 2015, set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document.

Regarding the different repayable advances, if the Company does not comply with the contractual terms set out in the financial aid agreements signed, it could be forced to make the repayments ahead of schedule.

This situation could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects. Indeed, the Company cannot guarantee that, at the relevant time, it will have the additional financial resources required, or the time or the ability to replace these financial resources with others.

4.4.6 Risks related to the future use of deferrable tax losses

For the 2016 fiscal year, the Company recorded a tax loss of €6,624K and had deferrable tax losses in the amount of €16,804K (for total deferrable tax losses of €23,427K as at December 31, 2016) (see Section 9.2.1.4 "Corporate tax" of the Registration Document).

In France, for fiscal years subsequent to December 31, 2012, the charge for these losses is capped at one million euros, increased by 50% of the portion of the profits that exceed this ceiling. The unused balance of the loss can be carried forward to future fiscal years and may be charged under the same conditions with no time limit.

In the United States, the amount of the deferrable tax losses totaled €1,775K as at December 31, 2016.

The Company cannot rule out that changes in taxation rules could call the above into question by limiting or eliminating the right to carry tax losses forward.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.4.7 Risks related to access to the Research Tax Credit

To finance its business, the Company also benefits from the Research Tax Credit ("*Crédit d'Impôt Recherche*"), provided in Article 244 *quater B* of the General Tax Code, which offers tax incentives for the development of scientific and technical research in French companies by granting a research tax credit. Research expenses eligible for the Research Tax Credit include, in particular, salaries and wages for researchers and research technicians, amortization of capital assets allocated to research activities, provision of subcontracted services to approved research organizations (public or private), and the costs to register and maintain the validity of patents.

The research tax credits granted to the Company as at December 31, 2015 totaled €586K and were repaid in 2016 (see Section 10.1.4 "Research Tax Credit financing" of the Registration Document).

The amount requested for the 2016 Research Tax Credit, to be received in 2017, is €647K.

At the request of the French tax authority, the Company must justify the amount of the Research Tax Credit receivable and the eligibility of the research work involved to benefit from this tax credit. The tax authority recommends companies provide a guide that includes the supporting documents required to audit this tax credit. The Company cannot rule out the possibility that the tax authorities may challenge the methods adopted by the Company to calculate the research and development expenses to determine the amounts of the Research Tax Credit. The risk of this Research Tax Credit being challenged can therefore not be dismissed (it being noted that the claw-back right may be exercised up until the third year that follows the submission of the special declaration provided to calculate the Research Tax Credit).

The Research Tax Credit may be called into question due to a change in regulations or interpretation, or by the tax authorities even if the Company conforms to the documentation and eligibility requirements regarding expenses. If such a situation were to occur, it could have an adverse effect on the Company's earnings, cash flow, financial situation and prospects.

As regards 2017 and future years, the tax authorities could challenge the methods used to calculate the Company's research and development expenses, and the Company could lose the benefit of the Research Tax Credit due to a change in regulations or a challenge by the tax authorities, even though the Company is of the opinion that it conforms to the documentation and eligibility requirements regarding expenses. If such a situation were to occur, it could have an adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.4.8 Interest rate risk

The Company is not exposed to interest rate risks related to the assets in its balance sheet as the liquid assets are composed exclusively of bank accounts and term deposits. In light of the low rate of return of the Company's investments today, it is of the opinion that any variation in the range of -/+ 1% would have a limited impact on its net earnings relative to the amount of losses incurred by its operational activity.

The structure of the rate of financial debt is presented below:

Debt structure	12/31/2016	12/31/2015
Total variable-rate debts	1 053	83
Total fixed-rate debts	2 523	2 876
Total financial debts*	**3 576**	**2 959**

** Excluding bonds redeemable in shares*

The table above does not take the bonds convertible into shares ("ORA") into account (see Section 21.1.4.3 "Bonds convertible into shares" of the Registration Document).

The Company's variable-rate borrowings are for the most part based on the three-month Euribor plus a margin. If the interest rate varies by one point, the financial expenses over one year for all variable-rate borrowings would vary by approximately €10K. The Company does not purchase financial instruments for the purposes of speculation. The Company therefore is of the opinion that it is not exposed to a significant interest rate risk.

4.4.9 Foreign exchange risk

As at December 31, 2016, the Company's bank accounts and investments were denominated in euros, with the exception of Balyo Inc.'s bank account, which is a US dollar account.

Although the Company's strategy is to favor the euro as the currency of its contractual agreements, all of the transactions conducted in the United States are performed in US dollars. The principal risks related to the impact of foreign exchange variations on sales and purchases are not considered significant. This information is described in Note 7.2.3 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document. At this stage, the Company has not entered into any hedge agreement to protect its business from exchange rate fluctuations.

However, the Company cannot rule out that growth on other markets or an increase in its business will not generate greater exposure to a foreign exchange risk. If this situation occurs, the Company will then adopt an appropriate policy to hedge its risks and could increase its sourcing outside of the Eurozone in order to implement a natural hedge against currency fluctuations.

4.4.10 Equity risks

The Company holds no equity stakes or marketable securities. It is therefore of the opinion that it is not exposed to any equity risk.

4.4.11 Risk of dilution

Since it was founded, the Company has issued or allocated stock warrants ("**BSA**"), founders' share warrants ("**BSPCE**") and bonds convertible into shares ("**ORA**") (see Section 21.1.4 "Potential capital" of the Registration Document). On the date of registration of the Registration Document, with the exclusion of the impact of the ORAs, whose redemption conditions are based on the price of the share adopted when the Company's shares are admitted to trading, and the Ratchet BSAs in circulation on the date of registration of the Registration Document, all of which will become null and void when the Company's shares are admitted to trading for the first time, the full exercise of all the instruments that give access to the capital that are currently allocated and in circulation would allow for a subscription for 1,883,600 new shares, i.e., a maximum dilution of 11.84% on the basis of existing capital and 10.59% on the basis of the diluted capital (see Sections 21.1.4.1, 21.1.4.2 and 21.1.4.3 of the Registration Document, which provide details respectively on the BSPCEs, BSAs and ORAs allocated to date).

The impact in terms of the dilution of the ORA conversion will be described in the short-form prospectus ("*note d'opération*") prepared for the Company's IPO on the Euronext regulated market in Paris.

As part of its policy to motivate its senior managers and employees, and to attract additional talent, in the future, the Company may issue or allocate shares or new financial instruments that give access to the Company's capital and that may lead to an additional dilution - potentially significant - for the Company's current and future shareholders.

4.4.12 Risks related to off-balance sheet commitments

The Company has made no financial commitments to finance its business. The Company received guarantees related to two sources of financing (see Note 7.2.1 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document).

- The loan from Bpifrance (a "seed money" contract) of August 18, 2010, for which the capital that remained due as at December 31, 2016 totaled €52.5K: the Company received guarantees from Bpifrance covering an amount equal to 60% of the original amount and 40% from the Ile de France region. The Bpifrance loan in the amount of €150K was signed on September 7, 2010; and

- The zero-interest loan granted by Bpifrance, signed in 2016 in the amount of €1,000K, includes a *Fonds National de garantie pour l'innovation* guarantee equal to 30% and a European Investment Fund guarantee equal to 50%. The capital remaining due as at December 31, 2016 is €1,000K.

If the Company does not comply with the contractual terms provided in the financial aid and loan agreements signed, the beneficiaries of the guarantees may call said guarantees.

This situation could deprive the Company of the financial resources required for its development projects and create major financial risks for the Company. The Company cannot guarantee that it would find the additional funds required, or have the time or the ability to replace these funds.

4.5 Legal risks

4.5.1 Risks related to regulations and their evolution

The regulatory framework for material handling robots is extremely well defined in current standards both nationally and internationally (see Section 6.14 "Legal and regulatory environment" of the Registration Document).

On the date of registration of the Registration Document, autonomous material handling robots are considered machines, and the manufacturing thereof must meet the requirements of European Directive 2006/42/CE on Machinery published on June 9, 2006 in the Official Journal of the European Union.

The Company's design of autonomous material handling robots also takes the international NF EN 1525 technical standard of December 1997 into account, which relates to the safety of driverless handling trucks and related systems.

The Company's business is also subject to regulations regarding flows of goods in effect in the countries in which it operates. In this regard, the Company must comply with all of the laws and regulations that apply to exporting and re-exporting.

On the date of registration of the Registration Document, the Company has no information indicating that the manufacturing, commercialization or use of its products and services could be prohibited in a State in which these products and services are offered for sale today.

It should be noted that, on the date of registration of the Registration Document, the Company has not been the subject of any administrative or court action and has not been involved in a dispute related to compliance with its obligations under the regulations relative to the manufacturing, commercialization or use of its products and services.

However, the Company's business is subject to restrictive, complex regulations, and amendments to these regulations (or the interpretation thereof) or deficiencies in these regulations could cause a material adverse effect on the Company.

In any event, all of the changes in the regulations or the interpretation thereof could expose the Company to costs to achieve conformity, which may, in particular, result from an adjustment of its products and services or a more general change of its sales policy. The adjustments could cause the Company to incur major expenses and deploy various types of measures over time.

In the event - which cannot be ruled out - that the Company is found liable due to a breach of a national regulation, the Company would be exposed to costs related to the defense of its interests in administrative or court actions initiated against it. In this case, the Company could be forced to incur costs - damages, in particular - as determined in the final ruling that brings these proceedings to any end issued by the administrative or judicial authorities.

Furthermore, judgments rendered against the Company could cause it to change its sales policy in accordance with the specific obligations imposed by the national regulations and the interpretation thereof. These measures could notably involve the mobilization of significant resources and therefore cause a prejudice to the Company's business, earnings, financial situation and prospects.

Similarly, the Company cannot rule out the possibility that a State may adopt a regulation whose objective or consequence limits the Company's business in the relevant country.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.5.2 Risks related to litigation

The Company may be involved in legal, administrative or regulatory actions or procedures in the normal course of its business, some of which could give rise to significant damages, penalties, fines, prohibitive or prescriptive orders, or any other sentence or penalty.

The Company posts a provision as soon as it is reasonably probable that these actions or procedures will generate costs to be incurred by the Company or its subsidiaries and that the amount thereof may be reasonably estimated. The costs of these actions and proceedings could be significant and, even if the outcome is in favor of the Company, it could incur all or part of the legal fees and other expenses if they are not reimbursed by the other parties or under its insurance policies. For more information related to the

Company's disputes and litigation, see Section 20.5 "Legal and arbitration proceedings" of the Registration Document.

By nature, these actions and procedures are uncertain and may lead to the payment of damages and/or cause a prejudice to the Company's brand and reputation, which could have a material adverse effect on the Company's business, operating income, financial situation and prospects.

4.5.3 Risks related to confidentiality

It is key for the Company to protect itself from the unauthorized use and disclosure of its confidential information, know-how and trade secrets. The non-patented and/or non-patentable proprietary technologies, processes, methods, know-how and data are considered trade secrets that the Company endeavors to partially protect by way of non-disclosure agreements.

Therefore, the Company's rights regarding its confidential information, trade secrets and know-how could fail to provide the protection from the competition it expects, and the Company cannot guarantee with any degree of certainty that:

- its know-how and trade secrets will not be obtained, infringed, misappropriated or transmitted without its authorization, or used;
- the Company's competition has not already developed a technology, products or systems that are similar in nature or in their intended use to those of the Company;
- no co-contracting party will claim the benefit of all or part of the intellectual property rights attached to the inventions, know-how or results that the Company possesses as an owner or co-owner, or for which it may benefit from under a license; and
- the Company's employees will not claim rights or the payment of additional remuneration or a fair price in return for the inventions which they helped create.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.5.4 Insurance risk

The Company has adopted a policy to hedge against the principal risks related to its business and that may be insured, subject to the usual deductibles and exclusions (see Section 4.6 "Insurance and risk management policy" of the Registration Document).

The Company may be unable to foresee with any degree of precision all of the situations that require insurance coverage and therefore could find itself in a position where it is not covered in certain specific cases or where its coverage is insufficient. The Company's insurance policies include exclusions, ceilings and deductibles that could expose it to costs if a significant event occurs or a legal action is initiated against it. Furthermore, the Company could be obliged to compensate third parties for damage or incur significant expenses not covered or insufficiently covered by its insurance policies Also, the effectiveness of the Company's insurance coverage depends on the long-term solvency of its insurers.

Although the Company intends to have adequate coverage at all times, certain claims do not necessarily fall within the scope of application of an insurance policy. Also, if multiple events occur that lead to significant claims for damages during the same calendar year, the cost of the Company's insurance premiums could rise. Furthermore, the Company's insurance premiums may increase due to a rise in claims or due to an increase in prices in the overall insurance market. The Company could be unable to keep its current insurance coverage or to keep it at a reasonable price.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

4.6 Insurance and risk management policy

On the date of registration of the Registration Document, the Company had adopted a coverage policy for its principal insurable risks, with coverage amounts that it believes are compatible with the nature of its business. The Company does not anticipate specific difficulties in the future in obtaining adequate levels of insurance within the limits of market availability and conditions.

The amount of the expenses incurred by the Company for all of its insurance policies respectively totaled €81K and €84K for the fiscal years ending on December 31, 2016 and 2015.

The acquisition of insurance policies is based on the determination of the level of coverage required to face the materialization - as reasonably estimated - of risks related to liability and damages, as well as other risks. This assessment takes into account evaluations by insurers in their role as risk underwriters. Uninsured risks are risks for which the insurance market offers no coverage or for which the cost of insurance is disproportionate relative to the potential benefits of the insurance or those for which the Company takes the position that insurance coverage is not required.

The Company's principal policies, purchased from internationally renowned insurance companies, are as follows:

Company-wide insurance policy	Risks covered	Amount of coverage	Deductible	Annual amount of the insurance premiums, including taxes
Key Person insurance	- Death and total permanent disability - accident/illness - Total permanent disability	€1,000K per claim	None	€5K
Comprehensive	**Fires, explosions, acts of terrorism for damage to assets:**			
	- Real property	€2,315K per claim	10% of the compensation	€7K
	- Movable goods	€2,800K per claim		
	- Merchandise in any location	€20K per claim		
	- Loss of rent	€320K per claim		
	- Operating loss	€1,500K per claim	Three business days	
Civil liability of corporate officers	Monetary consequences of claims resulting from an individual or joint liability claim lodged against executives and that can be attributed to any professional misconduct, whether real or alleged, committed while exercising their role and responsibilities.	€400K per insurance year	In accordance with consolidated sales revenue, up to a maximum of €250K	€1.3K
Corporate liability	**All types of damage covered by all guarantees except those set out below, before delivery of the product/services, without exceeding:**	€10,000K per claim	NONE	Annual provisional payment: €10K
	- All consequential material and immaterial damage combined that does not result from environmental damage	€2,500K per claim	Between €750 and €1,500	
	- Bodily injury to your employees, equipment and accessories	€1,000K per insurance year		
	- Damage to goods delivered (material and immaterial)	€100K per claim		

Company-wide insurance policy	Risks covered	Amount of coverage	Deductible	Annual amount of the insurance premiums, including taxes
	Accidental damage to the environment	€600K per insurance year		
	Bodily injury, all consequential material and immaterial damage			
	Costs to prevent and repair environmental damage	€150K per insurance year		
	All damage covered post-delivery/completion of work without exceeding:	€2,500K per insurance year		
	- All consequential material and immaterial damage	€2,500K per insurance year	€1.5K	
	- Non-consequential immaterial damage	€300K per insurance year	€3K	
	- All bodily injury, material and immaterial damage that results from direct exports to the United States and/or Canada	€750K per insurance year		
	- Legal defense	Included in the guarantee exercised		
	- Appeals	€50K per insurance year	€300	

5. INFORMATION ON THE COMPANY

5.1 History and growth of the Company

5.1.1 Corporate name

The corporate name of the Company is Balyo.

5.1.2 Registration place and number

The Company is registered in the Trade and Company Register of Melun under number 483 563 029.

5.1.3 Date and term of incorporation

The Company was incorporated at the Commercial Court of Nanterre for a term of 99 years on July 29, 2005 in the form of a limited liability company (“*société à responsabilité limitée*”). Its term ends on July 29, 2104. Its start date was August 1, 2005.

The Company's registered office was transferred for the first time within the jurisdiction of the Commercial Court of Paris, which led to a new registration at the Clerk of the Commercial Court of Paris' office on March 16, 2007. The Company's registered office was transferred for the second time within the jurisdiction of the Commercial Court of Melun, which led to a new registration at the Clerk of the Commercial Court of Melun's office on August 16, 2011.

The Company was transformed into a public limited company with a board of directors ("*société anonyme à conseil d'administration*") further to a resolution of the general meeting of shareholders held on July 23, 2010.

5.1.4 Registered office, legal form, legislation governing business activities

The Company's registered office is located at 240 rue de la Motte, 77550 Moissy-Cramayel, France. The telephone number for the registered office is +33 1 55 26 43 10.

On the date of registration of the Registration Document, the Company is a public limited company governed by the laws and regulations in force in France (in particular Book II of the Commercial Code), as well as by its bylaws.

The general meeting of the Company's shareholders to be held on April 24, 2017 has been called to approve the principle of an initial public offering on the Euronext regulated market in Paris.

Under this plan to have the Company's shares admitted to trading on the Euronext market in Paris, the bylaws and the composition of the Board of Directors will be modified, effective when the shares are listed for the first time. The description of the Company's bylaws and its administrative bodies set out in the Registration Document will also apply to those that will exist as of the initial listing of the Company's shares.

The fiscal year starts on January 1 and ends on December 31 of each year.

5.1.5 Significant events in the Company's history

Based on standard material handling trucks, the Company designs, develops, markets and installs autonomous material handling robots that allow businesses and logistics specialists to significantly reduce their pallet handling costs by robotizing their equipment and to improve the safety of the space in which they operate. Today, its solution is available in EMEA, the Americas and APAC.

Significant events in the Company's history:

2005 Raul Bravo Orellana and Thomas Duval found Balyo. Their objective is to broaden the use of autonomous material handling robots thanks to the development of the "géoguidage" navigation technology, whose installation does not require any base infrastructure, unlike traditional technologies.
The Company's autonomous material handling robots are capable of perceiving their environment, interacting with its components and making autonomous decisions. Thanks to their intelligent safety system, they work hand in hand with humans in a shared space, while traditional automatic trucks operate in reserved areas.

2010 September: For the first time, Balyo raises €2 million from the Masseran Gestion investment fund (now part of Seventure Partners).

October: Balyo launches an automatic handling tractor to transport heavy loads of up to a maximum mass of five tons.

2011 July: Balyo launches an autonomous reach truck that provides greater versatility in small spaces in which 2.5 ton pallets of up to 12 meters are stacked.

October: Balyo moves to new premises in Moissy Cramayel in the Seine-et-Marne region. This new location combines three facilities: a research and development center, a production site for Balyo products and a showroom.

2012 March: Balyo launches MOVEBOX, a solution to transform a standard or automatic handling truck into an autonomous material handling truck.

November: Balyo raises €2.7 million in a new seed-funding round from the Seventure Partners investment fund and individual investors.

2013 March: Balyo, with 40% of its production already exported in Europe, opens a subsidiary, Balyo Inc., in the United States, a very high potential market.

July: Bpifrance Investissement acquires a stake in Balyo.

August: Fabien Bardinet is appointed Chief Executive Officer of the Company.

2014 November: Balyo integrates a 3D LFM electronic camera into the MOVEBOX. The camera conducts an overall analysis of the environment to allow the robot to detect all types of obstacles.

Balyo signs a strategic partnership agreement with the European leader in materials handling, Linde Material Handling, to jointly create and market a unique range of intelligent robots.

2015 March: Balyo raises €14 million in a seed-funding round from the Robolution Capital investment fund (now part of the 360 Capital Partners investment fund), Linde Material Handling and its historic shareholders (Bpifrance Investissement and the Seventure Partners fund).

The total funds raised by the Company since it was founded approximates €19 million (gross), including the founders' contributions.

October: Balyo signs a second strategic partnership agreement with the US material handling specialist Hyster-Yale to grow its business in the Americas.

2016 January: Balyo opens in Singapore in the Linde Material Handling premises to grow its presence in Asia.

June: The first order of 16 autonomous material handling robots is placed by a customer in the APAC zone (Singapore).

November: The first major order by a customer in the Americas.

2017 April: Balyo starts discussions with Hyster-Yale to extend its partnership agreement, initially entered into in 2015 for a three-year period, for an additional ten years.

May: Balyo signs a new strategic partnership agreement with the European material handling leader, Linde Material Handling, and its parent company, Kion Group AG, for an initial period of six years, automatically renewable for an additional four years.

5.2 Investments

5.2.1 Investments made over the past two fiscal years

Over the last two fiscal years, the Company has mainly invested in the creation of prototypes and the acquisition of software used to develop its solution (see Notes 4.1 and 4.2 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document).

5.2.2 Principal investments currently in progress

Since the start of the current fiscal year, the Company has continued to invest in its prototypes in amounts similar to the past.

5.2.3 Principal investments projected

For the time being, the Group does not plan on making significant investments in future years for which the Company's management bodies have made firm commitments.

Principal investments over the past three fiscal years		
Amounts in €K	**12/31/2016**	**12/31/2015**
Intangible assets	**133**	**39**
Concessions, patents and similar rights	133	39
Tangible assets	**369**	**339**
Prototypes	316	233
Other tangible assets	10	44
Office equipment	27	62
Advance payments on tangible assets	15	0

6. BUSINESS OVERVIEW

6.1 General presentation

Founded in France in 2005, Balyo is a leader in technology for autonomous material handling robots.

Based on standard material handling trucks, the Company designs, develops, markets and installs autonomous material handling robots that allow businesses and logistics specialists to significantly reduce their pallet handling costs by robotizing their equipment and by improving the safety of the space in which they operate.

After an initial phase in which stationary robots were massively deployed on most production lines, the primary issue facing the material handling industry is to support the transformation of production entities into modules and organize the individual and overall flows of merchandise. The main challenge is to manage this transformation, while protecting and adding value to the decades of investments in the building of production and storage units.

The Company estimates that expenses relative to pallet handling exceed €200 billion per annum worldwide today. Most of this expenditure covers the wages of operators of each of the 5.1 million standard electric handling trucks in circulation (see Section 6.4 "The Company's principal markets" of the Registration Document). This represents a considerable value potential if a simpler, less expensive solution, integrated into the existing environment and as reliable as man-driven material handling trucks, can be offered.

According to the FEM (European Materials Handling Federation), the global market for material handling equipment totals more than €33 billion, which corresponds to more than 1.2 million material handling trucks sold in 2016. This global market is composed of two major categories of vehicles: electric vehicles, 740,000 units of which were sold in 2016 (two-thirds of the total), and internal combustion vehicles, 400,000 units of which were sold in 2016 (one third of the total). The Company is of the opinion that only a portion of the electric vehicles can be robotized, representing between approximately €2 billion and €12.6 billion by 2022 based on a rate of robotization of the electric vehicle market of either 3% or 20%.

To date, the market targeted by Company is not very large. It represents a very low percentage of the electric truck market as the rate of robotization of these trucks is residual. The Company assumes that this rate will rapidly increase to exceed 3% in 2022, resulting in a market worth close to €2 billion (see Section 12 "Trends" of the Registration Document), which is a particularly cautious estimate in light of market studies and the objectives of its customers and Strategic Partners.

The Company's approach is highly innovative, revolutionizing this historic market by making automated flows of merchandise available to the entire market at a reasonable cost. The Company's research and development has progressively eliminated the barriers to easier accessibility of this solution, in particular via:

- Navigation: Balyo's technology, the system's cornerstone, allows material handling trucks to circulate autonomously inside buildings. The infrastructure-free localization that is crucial to navigate simply and naturally indoors where, by definition, GPS does not work, is a major breakthrough compared to traditional electromechanical technologies such as wire guidance, laser guidance and optical guidance (see Section 6.4.3 "The Automated Guided Vehicles (AGV) market" of the Registration Document). This technology relies on software created by the

Company that allows the truck to integrate the physiognomy of spaces. It thereby drastically reduces the cost of installation, compared to navigation systems with traditional infrastructures;

- The design of a unique calculator that embeds all of the trucks' control, safety and communication features, which facilitates and reduces handling costs, in particular by capitalizing on the know-how of existing maintenance teams;
- The integration of Balyo's technology via standard and industrial-scale interfaces on the trucks, produced in large series on industrial OEM production lines.

The Company's global offering of autonomous material handling robots (see Section 6.8 "The Company's products and maintenance services" of the Registration Document) meets the requirements of industry and logistics specialists for automated merchandise flows by providing a solution that is:

- simple and adapted to the industrial and logistical environment of the Company's customers, without changing their existing infrastructures;
- reliable and robust;
- standardized and industrial-scale; and
- cost-effective.

Furthermore, the Company is the only operator on the market who has signed long-term strategic partnerships with global material handling operators: Linde Material Handling and Hyster-Yale (see Section 6.7 "Strategic Partners" of the Registration Document). In the framework of these agreements, the Company has developed a range of autonomous material handling robots for its Strategic Partners based on their standard trucks (see Section 6.8.1 "Product presentation" of the Registration Document). This range integrates the "Driven by Balyo" solution, which can be easily installed on any material handling truck. Although these Strategic Partnerships expose the Company to significant dependence on its partners (see Section 4.2.1 "Risks related to the partnership agreements signed with the German group Kion and the US group Hyster-Yale" of the Registration Document), they constitute major advantages for the Company's development.

On May 8, 2017, the Company, Linde Material Handling and Kion Group AG signed a new partnership agreement. Unlike the prior agreement signed in November 2014 for a three-year term, this new agreement provides for an initial six-year term, automatically renewable for four additional years. Also, this new agreement now covers the entire world and states that the robots will be sold by Balyo on the basis of a transfer price (which takes all of the components, the amortization of the development and the embedded software into account, along with assembly costs). This transfer price allows for an equitable distribution of the margin achieved from the sale of the robots. This partnership agreement also provides for the progressive transfer of the assembly and onsite installation work to the Strategic Partner. The Company is of the opinion that this new partnership agreement should improve the financial performance of the Company and its Strategic Partner over time as compared to the prior agreement.

On the date of registration of the Registration Document, the Company employs 91 individuals in five countries, and has already sold its solution - essentially via its Strategic Partners - to close to 30 major customers who are leaders in their field, such as Procter & Gamble, FM Logistic, Renault, BMW and Valéo. In the fiscal year ending on December 31, 2016, the Company achieved consolidated sales revenue of €5,153K compared to €2,863K for the fiscal year ending on December 31, 2015.

The Company had outstanding orders[1] in the amount of €14.5 million as at March 31, 2017 (including €5.4 million new orders received in the first quarter of the fiscal year), an increase of close to 30% compared to the €11.2 million recorded as at December 31, 2016.

For fiscal 2017, the Company has adopted an objective of over €15 million in sales revenue. Based on the assumption of a rate of robotization of the global fleet of electric material handling trucks of approximately 3% by 2022, the Company has set an objective of over €200 million in sales revenue and a market share in excess of 20% of the global market for autonomous material handling robots (see Section 12.2.2 “2022 Objectives”).

The Company's goal is to acquire the commercial and financial tools required to capitalize on its technological leadership position in order to step up the globalization and commercialization of its autonomous material handling robots, and to thereby become a global leader in automation solutions for logistics flows (see Section 6.3 "Strategy" of the Registration Document).

6.2 Competitive advantages

Founded 12 years ago, the Company has gained significant competitive advantages. The strength of the Company resides in particular in the simplicity of its navigation software, as well as its integration into a comprehensive solution - both hardware and software - that covers the entire functional scope required.

The Company is one of the only operators in the world to have developed a reliable indoor localization system to localize and guide a mobile robot in its existing environment without adding any external references. This is a major breakthrough compared to traditional electromechanical technologies such as wire guidance, laser guidance and optical guidance used by AGV suppliers (see Section 6.4.3 "The Automated Guided Vehicles (AGV) market" of the Registration Document). Furthermore, over the past three years, the Company has developed a unique, standardized calculator for the entire range of autonomous material handling robots, as well as "Robot Manager" software, capable of supervising and connecting its autonomous material handing robots to the customer's environment (see Section 6.6. "Technology" of the Registration Document).

The Company therefore has all of the elements necessary to ensure its autonomous material handling robots operate and efficiently integrate into an industrial environment. Furthermore, the method adopted to design the robotic components uses the logic and principles defined by the truck manufacturers. It can therefore rely on skills that already exist within the Strategic Partners' networks.

This development, due to the complex yet necessary integration into handling trucks, constitutes a major barrier to entry into the robotic material handling market and a distinctive feature of the Company in relation to its competition (see Section 6.5 "Competition" of the Registration Document).

[1] I.e., receipt by one of the Strategic Partners or by the Company itself of a firm order for a product equipped with the Balyo solution.

6.2.1 "Driven by Balyo" breakthrough technology

The Company's technological core is, on the one hand, navigation technology integrated into a user-friendly software suite and, on the other, a unique calculator that embeds all of the robots' control, safety and communication features.

6.2.1.1 A unique navigation technology

The structure of the core of Balyo's solution is structured around a navigation and localization system, with no infrastructure required. It is based on "SLAM" (Simultaneous Localization and Mapping) principles, and consists in dynamically mapping the environment in which the autonomous material handling robot operates by using data provided by "LIDAR" (Light Detection and Ranging) and by comparing the data to a source map created during the installation phase.

This navigation system constitutes a major technological breakthrough. Today, Balyo is one of the few operators who use a SLAM-based navigation algorithm on an industrial scale for mobile autonomous handling robots in an industrial environment.

6.2.1.2 A suite of user-friendly software, connected to the customer's environment

The Company has developed "Robot Manager" - management software that can supervise and connect its autonomous material handling robots to the customer's environment. Transport orders are issued by the customers' existing systems (Enterprise Resource Planning or "ERP", Warehouse Management System or "WMS", production machinery, etc.), connected via the Robot Manager software.

The Robot Manager sequences the transport orders and optimizes movements by issuing the task to the robot that is in the best position to execute the task. This is a critical building block in optimizing traffic.

6.2.1.3 A standardized, industrial-scale calculator

To provide end customers with a solution that can be maintained anywhere in the world at any time - a key requirement – the offering must rely on existing maintenance networks. The Company has taken existing methods and know-how within the after-sales networks of its Strategic Partners into account in designing a unique calculator that integrates all of the robots' control, safety and communication features.

This calculator was designed in close collaboration with the Strategic Partners' Research and Development teams so that it can be easily installed on the material handling trucks by adopting their design principles.

This approach, which is unique in this market, relies heavily on existing know-how in the maintenance networks, thereby facilitating the deployment of the solution wherever the Strategic Partners are present, along with incremental training. This is a decisive competitive advantage for the Company as it offers a very high level of service at a very competitive price.

6.2.2 Key industry partners

Thanks to the solution described above, the Company has entered into strategic agreements with the Linde Material Handling and Hyster-Yale groups, leaders in the material handling sector (see Sections 4.2.1 "Risks related to the partnership agreements signed with the German group Kion and the US group Hyster-Yale" and 6.7 "Strategic Partners" of the Registration Document).

These partnerships provide the Company with major business advantages, such as:

- access to a wide range of material handling trucks that meet all of the needs of industry and logistics specialists;
- a very extensive sales network, providing access to most European, Asian and American industrial sites, composed of more than 2,500 sales and technical specialists in three continents, representing a global market share of close to 20% and access to 70% of the Company's potential market (source: Strategic Partners' publication);
- a maintenance network that is just as extensive for the maintenance and repair of the robots sold.

These strategic partnerships are a key asset for the Company. Thanks to these partnerships, despite its small size, the Company is considered a reliable partner over the long term by major global operators. Furthermore, the strength of the networks is a lever to boost sales and marketing endeavors.

The production of autonomous material handling trucks essentially consists in assembling components, for the most part manufactured in France, on the trucks produced massively by the Strategic Partners. The Company subcontracts the assembly of its devices for the range of autonomous material handling robots marketed in the US and Asia (see Section 6.9 "Production" of the Registration Document). This assembly, which requires approximately 20 hours of work, is performed on three sites for the time being:

- in Europe, at its head office located close to Paris in Moissy-Cramayel;
- in Asia, at Linde Material Handling's production unit located in Xiamen, China; and
- in the United States, by Electrowire, a subcontractor of Hyster-Yale located in Leominster, Massachusetts.

On the date of registration of the Registration Document, the Company has production capacity of 1,000 machines per year, 50% of which is assembled by the subcontractors in China and the United States.

The partnership agreements entered into provide for the transfer of the assembly of these autonomous material handling robots to the Strategic Partners' production sites (with regard to Linde Material Handling, mainly in Europe, and with regard to Hyster-Yale, in North America) as soon as volumes reach a certain level (i.e., when current sites can no longer absorb the demand), which should provide the Company with significant production capacity and a high level of competitiveness, and will also improve its gross margin due to a reduction in production costs. The Company anticipates a progressive transfer as of 2019 (see Section 6.9 "Production" of the Registration Document).

6.2.3 Users who are leaders in their field

For the past two years, while continuing to develop a range of autonomous handling robots with its Strategic Partners, the Company has allowed its industrial partners to achieve major commercial successes.

In 2016, thanks to the "Driven by Balyo" solution, the Company's Strategic Partners signed three contracts with leading, global customers: Procter & Gamble, Valéo and FM Logistic. It also provided its solution to around 30 customers present in sectors as varied as automobiles, plastics processing, mass retailing and logistics, including BMW, Renault, Jacobs, BASF, Schaeffler and Continental.

In total, the Company has sold or installed autonomous material handling robots in three major geographic zones: EMEA, the Americas and APAC.

The interest demonstrated by these industry operators and logistics specialists validates the Company's choice of strategy: to seek alliances with traditional material handling operators to offer a range of standardized products and thereby benefit from major distribution and maintenance networks.

Today, the Company is the only operator in this industry to have adopted this strategy, which it considers is the only one that allows for rapid duplication and globalization of its business.

6.2.4 A controlled industrial process

The Company has adopted the standardization of products as a key component of its growth strategy. In this framework, the ability to automate Linde Material Handling and Hyster-Yale trucks on an industrial scale represents a major investment for the Company. Since 2014, Balyo has been hiring specialists to create an industrial team, for the most part from the automotive sector, whose objective is to implement industrial processes that are similar to those of the automobile industry.

Today, the autonomous material handling robots the Company produces have reached a high level of industrial development, which is not the case of its competition. This development is based on three factors:

i. The Company exclusively uses as its base trucks mass-produced by Hyster-Yale or Linde Material Handling (approximately 10,000 units per annum);

ii. For robotics components, in 2013, the Company launched intensive work on the integration of its standardized calculator, which is used for the entire range of autonomous material handling robots;

iii. In 2014, in collaboration with its Strategic Partners' engineering teams, the Company defined the specifications for a standard electric interface.

Thanks to this work, assembly cycles have already been reduced by a factor of two (from a number of days in 2014 to around 20 hours in 2016). This work will continue, and the increase in volumes should have a major impact on productivity in future years.

In light of the industrialization of autonomous material handling robots, medium to large serial assembly on the production sites of the Strategic Partners or subcontractors could be contemplated, thereby boosting exponential growth in the volumes of robots sold.

The production of autonomous material handling trucks essentially consists in assembling components, for the most part manufactured in France, on the trucks produced massively by the Strategic Partners. The

Company subcontracts the assembly of its devices for the range of autonomous material handling robots marketed in the US and Asia (see Section 6.9 "Production" of the Registration Document). This assembly, which requires approximately 20 hours of work, is performed on three sites for the time being:

- in Europe, at the Company's head office located close to Paris in Moissy-Cramayel;
- in Asia, at Linde Material Handling's production unit located in Xiamen, China; and
- in the United States, by Electrowire, a subcontractor of Hyster-Yale located in Leominster, Massachusetts.

On the date of registration of the Registration Document, the Company has production capacity of 1,000 machines per year, 50% of which is assembled by the subcontractors in China and the United States.

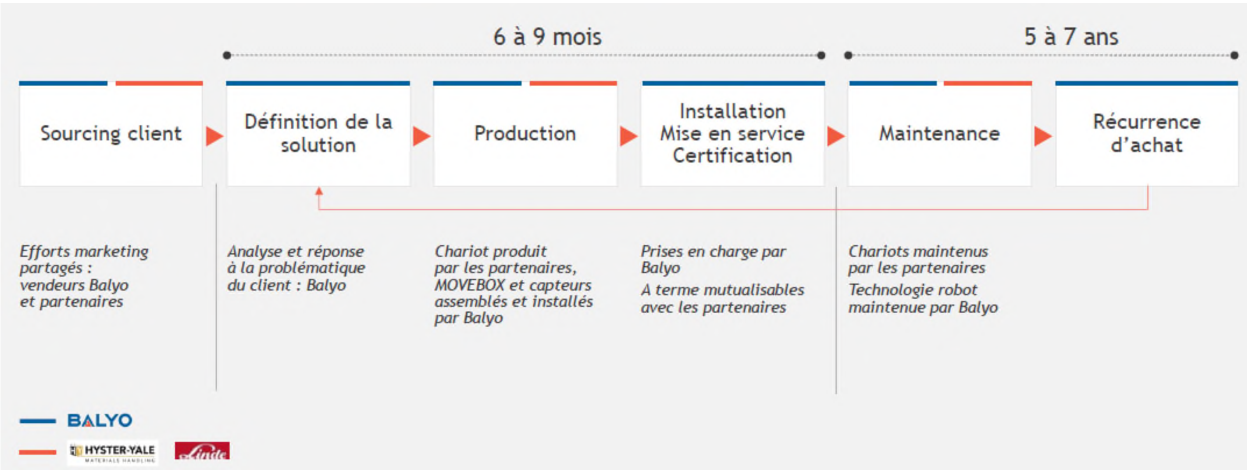
The partnership agreements entered into provide for the transfer of the assembly of these autonomous material handling robots to the Strategic Partners' sites (with regard to Linde Material Handling, mainly in Europe, and with regard to Hyster-Yale, in North America) as soon as volumes reach a certain level (i.e., when current sites can no longer absorb the demand), which should provide the Company with significant production capacity at a high level of competitiveness, and will also improve its gross margin due to a reduction in production costs. The Company anticipates a progressive transfer as of 2019 (see Section 6.9 "Production" of the Registration Document).

The Company is of the opinion that industrial production in volumes similar to those of medium-series production is a market catalyst and does not require the Company to heavily invest in creating its own assembly lines.

6.2.4.1 A replicable model

The Company's development model is based on a "product" strategy, i.e., that is intended to respond to analysis of the relevant market's requirements, associated with a range of standard services, which ensures it can be replicated. The Company designs, develops, installs and provides maintenance services for products intended for a mass market to be used in major manual material handling operations. This strategy is different from a "project" strategy, which meets a specific requirement set out in specifications, adopted by traditional AGV (Automated Guided Vehicle) manufacturers and which consists in the installation of special, customized products.

The chart below presents the Company's replicable business model:



6.2.4.2 Products and related professional services

The Company markets its autonomous material handling robots in partnership with Linde Material Handling and Hyster-Yale's networks (see Section 6.8.1. "Product presentation" of the Registration Document). Revenue is generated by the sale of autonomous material handling robots, accessories for these robots, and accessories to integrate these robots and connect them to the environment in which they will operate.

In partnership with Linde Material Handling and Hyster-Yale's networks, the Company also markets installation and integration services - which are inseparable from the sale of its autonomous material handling robots - for the robots on the sites in which they will operate (see Section 6.8.1.4. "Professional services" of the Registration Document).

The Company's sales model is based on six to nine month cycles between the time the order is placed and the time the vehicles are installed on site, which facilitates forecasts and activity planning. This allows the Company to gain visibility over sales revenue at the end of a fiscal year for the next fiscal year.

The business is also seasonal due to year-end expenditure to close budgets. The Company often receives a large number of orders in the fourth quarter.

6.2.4.3 Maintenance services

Since 2014, the Company has offered maintenance services (see Section 6.8.2 "Maintenance services: presentation" of the Registration Document).

The maintenance of the autonomous material handling robots is invoiced by the Linde Material Handling and Hyster-Yale networks, who purchase the spare parts required from the Company. The development strategy for specific components guarantees recurring revenue for the Company over the long term.

Software maintenance is invoiced according to a simplified hourly model based on the use of the autonomous material handling robots. The Company has also created a 24/7 hotline, which is invoiced as an additional cost. The contribution of maintenance to sales revenue should increase significantly in future years, in line with the size of the fleet installed.

6.3 Strategy

The Company's objective is to rapidly become a global leader capable of offering a comprehensive solution to allow its international customers to automate all of their intralogistic flows. The Company intends to create the technological, commercial and operational foundation which it can rely on to provide robotic products and services to its customers over the long term.

The key factors underlying the achievement of this objective are globalization (geographic and technological) and the “democratization” of the offer (technological, financial and commercial). This move from a niche market to a global market will allow this new business model to emerge.

To achieve these objectives, the Company intends to base its growth strategy on:

- most importantly, ramping up its commercial development;
- then on retaining its technological leadership and enhancing its offer;
- and finally on an opportunity-based acquisition policy.

The funds raised from the IPO on the Euronext regulated market in Paris will allow for the implementation of this growth strategy.

6.3.1 Stepped-up commercial development

In addition to substantial investments in research and development, as part of its strategy, the Company intends to boost its strategic marketing activities as a priority. The objective is to raise interest among major operators in the automotive, distribution, logistics and consumer goods sector in its technology and to provide its Strategic Partners' networks with tools to make offers and win projects.

The following diagram presents a non-exhaustive list of the Company's customers and prospects by business sector:

The Company will focus in particular on:

- supporting its Strategic Partners' commercial networks by providing them with simplified marketing tools to convert these networks to the Company's technologies, but also to provide unequaled responsiveness to customers on the market by being able to immediately issue an offer by simply answering a few questions on a dedicated application;

- the simplification and automation of customer relations based on the "Client Journey Automation" initiative, which covers pre-sales (the e-learning app and website, regionalized and in six languages), sales (e-budget), and after-sales (e-project, hotline and e-ticketing).

- intensifying efforts to win major accounts by hiring a dedicated international team (three individuals in 2017, five in 2018).

To support the deployment of its growth strategy, the Company will continue to open simple, local bases in its three target regions (EMEA, Americas and APAC). In addition to those that already exist (US, China, Singapore and Australia), the priority markets are Germany and Italy in EMEA; Japan and South Korea in APAC, and South America in the Americas.

6.3.2 Retaining the Company's leadership position and enhancing its offering

The Company intends to continue to invest in the development of its software offering and also to expand its range of autonomous material handling robots that embed its core technology. The objective is to progressively increase the intelligence embedded in the robots and supervisory tools while continuing the simplification process to allow for massive appropriation of the technology.

To retain its leadership position and continue to simplify its offer, the Company:

- will launch a new software suite in 2017, which will allow the Strategic Partners' networks to perform part of the installation of the autonomous material handling robots independently on their customers' sites. Thanks to this new software suite, users will be able to very simply modify the robots' behavior themselves, under the Company's supervision.

These new tools are a fundamental feature of the Company's strategy to "democratize" its offering, as it massively relies on the expertise of existing teams for the most time-consuming part of the integration work while preserving tight control over the core know-how. For example, the Company will retain all of the activities regarding the monitoring of these operations as well as those related to the creation of the source map and the generation of routes - these two elements are key to an effective, reliable system;

- is planning the market launch of major upgrades to its supervision software to optimize cooperation between all parties involved - whether robotic or human. The new software versions will rapidly allow for the allocation and follow-up of tasks, both to the autonomous material handling robots and human operators, thereby providing the Company's customers with a single interface to manage all of their logistical flows;

- will progressively deploy upgrades of its navigation software to integrate new LIDAR generations. In particular, these upgrades will allow for navigation in very crowded zones, outdoor navigation and the avoidance of obstacles;

- will offer accessories to add to its robots' capabilities, such as the FLYBOX, which, using a drone connected to the autonomous material handling robot, will conduct an inventory of a warehouse with no human involvement.

To provide a comprehensive offer and thereby become its customers' leading provider in this area, the Company:

- will extend the scope of application of the autonomous material handling robots to allow them to operate with cold room and also mass storage zone applications, as well as applications covering the outdoors;

- will move progressively towards this type of product and will rapidly offer a broader range of robots, not limited to the standard handling trucks which are its core business, and will therefore offer robots specifically customized within a range of coherent products (using the same software, navigation system and controllers);

- with regard to components, at the end of 2018, will offer a major upgrade in the safety design. The objective is to move the safety system's self-control loop currently at the level of the sensor to the autonomous material handling robot. By creating a virtual bubble around the robot, this new concept will improve the robots' capacity to detect and perceive (their intelligence), and drastically reduce the cost of safety components (by far the most expensive for the Company's type of autonomous material handling robots).

6.3.3 External growth

In line with its growth strategy based on the globalization of its offering (technical and commercial), the Company will pursue targeted external growth operations to:

- ramp up the creation of a team and/or acquire new skill sets to meet the specific requirements of major accounts, as well as rapidly extend the Company's international presence in key markets (such as Germany, the US and China);

- broaden its range of products, in particular in the field of the design of robots that are customized at the customer's request;

- hire teams who have had lengthy relationships with the principal operators in the automotive, distribution, logistics and consumer goods sectors.

6.4 The Company's principal markets

The Company operates on the global market for pallet handling in closed quarters (warehouses, plants, logistics platforms, etc.). To move a pallet in a warehouse, an operator uses an electric material handling truck to avoid exhaust gas emissions.

Assuming a truck requires 1.5 forklift operators to operate, expenses related to material handling can be estimated at more than €200 billion per year worldwide.

Today, two main categories of operators meet the requirements of industry and logistics specialists to transport their pallets. A third is emerging.

- The first category is composed of traditional manufacturers of manual material handling trucks;
- The second category is composed of engineering firms capable of designing and implementing solutions based on Automated Guided Vehicles ("**AGV**");
- The third category is composed of companies that design and develop autonomous material handling robots.

The third category, which is the Company's category, is in full development as a simpler, less expensive robotized solution that is at least as reliable as manual material handling trucks can be offered and is highly attractive to industry and logistics specialists.

6.4.1 The global material handling market

The Company estimates that global expenditure related to the annual movements of billions of pallets exceeds €200 billion. This amount is broken down as follows:

	Annual cost of purchase of the trucks (millions of euros per year)	Annual service cost (millions of euros per year)	Annual cost of salaries (millions of euros per year)*	Total
APAC	2,802	1,569	29,422	**33,793**
EMEA	7,411	6,225	97,267	**110,903**
Americas	3,650	3,066	51,738	**58,453**
TOTAL	**13,863**	**10,860**	**178,426**	**203,149**

**The annual cost of salaries is based on the assumption of an average 1.5 operators per truck.*

The percentage calculations set out below exclude the cost of energy required to operate standard material handling trucks. These percentages would total approximately 80% to include this cost of energy.

	Cost to purchase a truck (%)	Annual service cost (%)	Annual cost of salaries (%)	TOTAL
APAC	8.3%	4.7%	87%	**100%**
EMEA	6.7%	5.6%	87.7%	**100%**
Americas	6.3%	5.2%	88.5%	**100%**

For example, the Company estimates that the worldwide annual material handling expenses of one of its largest customers totals over $380 million for a fleet composed of more than 7,500 material handling trucks. Close to 80% of this expenditure results from the cost of the drivers' wages.

6.4.2 The manual material handling equipment market

According to the FEM (European Materials Handling Federation), the global market for manual material handling equipment totals more than €33 billion, which corresponds to 1.2 million material handling trucks sold in 2016 and a fleet estimated at more than seven million units (assuming the average useful life of a material handling truck is approximately seven years).

This market is divided into two major categories of trucks:

- Electric trucks, usually used for intralogistics: 739,841 units ordered in 2016; and
- Internal combustion trucks usually used for outdoor applications: approximately 400,000 units ordered in 2016.

The following table presents the volume of orders for material handling trucks worldwide in 2016 (source: European Materials Handling Federation).

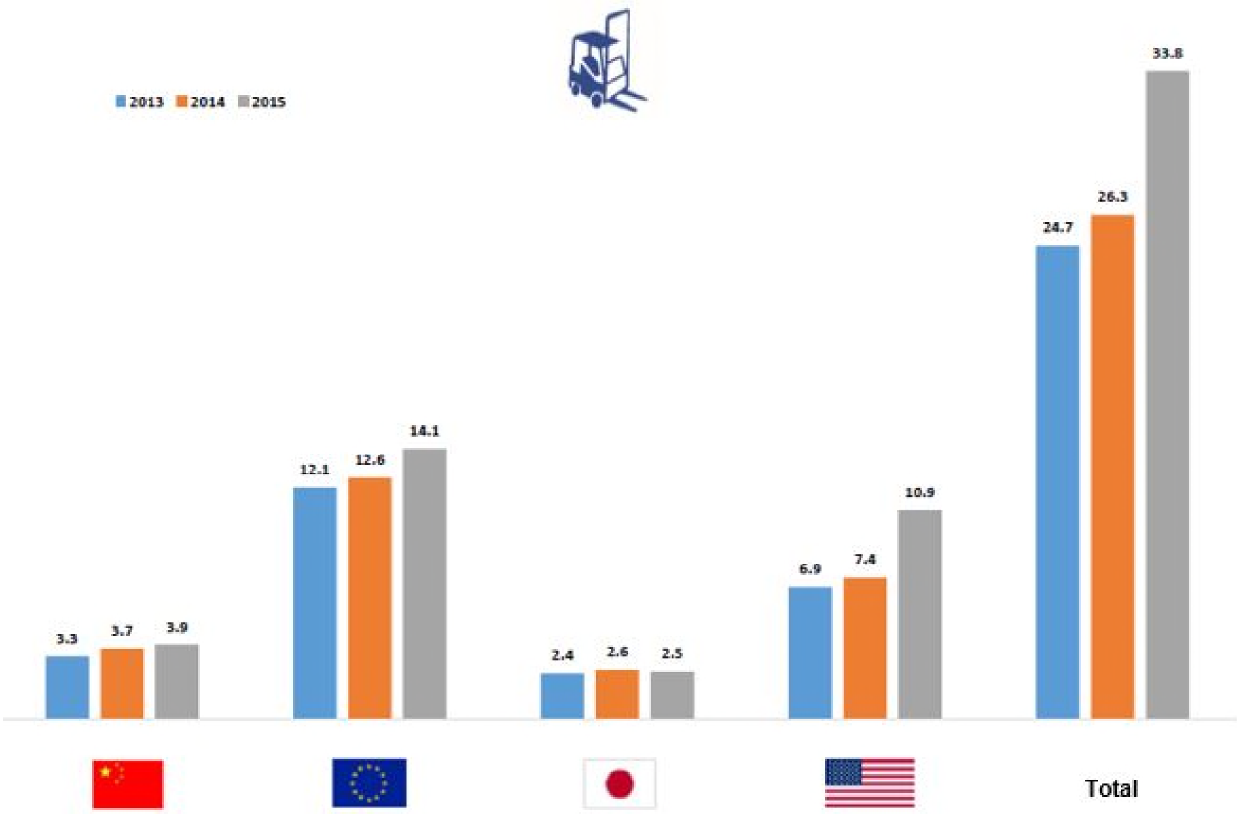
	Class 1	Class 2	Class 3	Intralogistics subtotal	Classes 4&5	Market total
EMEA	85 946	45 979	238 617	370 542	88 859	459 401
APAC	73 026	41 201	72 576	186 803	258 045	444 848
Americas	47 723	39 317	95 456	182 496	98 451	280 947
Total	**206 695**	**126 497**	**406 649**	**739 841**	**445 355**	**1 185 196**

- Class 1: Counterbalanced/ride-on/electric trucks;
- Class 2: Warehouse/ride-on/electric trucks;
- Class 3: Warehouse/pedestrian-propelled/electric trucks;
- Classes 4 & 5: Internal combustion pneumatic trucks (not the focus of the Company)

Based on the Company's estimates, the global fleet of electric material handling trucks totals more than 5.1 million units, broken down as follows:

- 25% in APAC;
- 50% in EMEA; and
- 25% in the Americas (20% of which in North America).

The following graph presents the global market for manual material handling vehicles in billions of euros (source: European Materials Handling Federation, 2015):



The manual material handling market (internal combustion and electric) represents over €33 billion, more than 70% of which results from sales of trucks, maintenance and financial services (leasing). The evolution of this market is substantially in line with the evolution of global GDP.

To date, the market targeted by Company is not very large. It represents a very low percentage of the electric truck market as the rate of robotization of these trucks is residual.

6.4.3 The Automated Guided Vehicles (AGV) market

The AGV market emerged at the end of the 1960s and has grown steadily, in particular through the 1980s and 1990s in the automotive and paper industries. AGVs are automated guided material handling vehicles that use electromechanical technologies such as wire guidance, laser guidance or optical guidance.

This is a niche market today, highly fragmented and composed of historical operators of a relatively similar size (+/- €30 million in sales) on the one hand, and new operators that are often smaller in size.

The traditional AGV market may be broken down into four types of automated vehicles:

- vehicles that transport loads by the unit;
- tow vehicles;
- forklifts;
- vehicles to replace assembly lines.

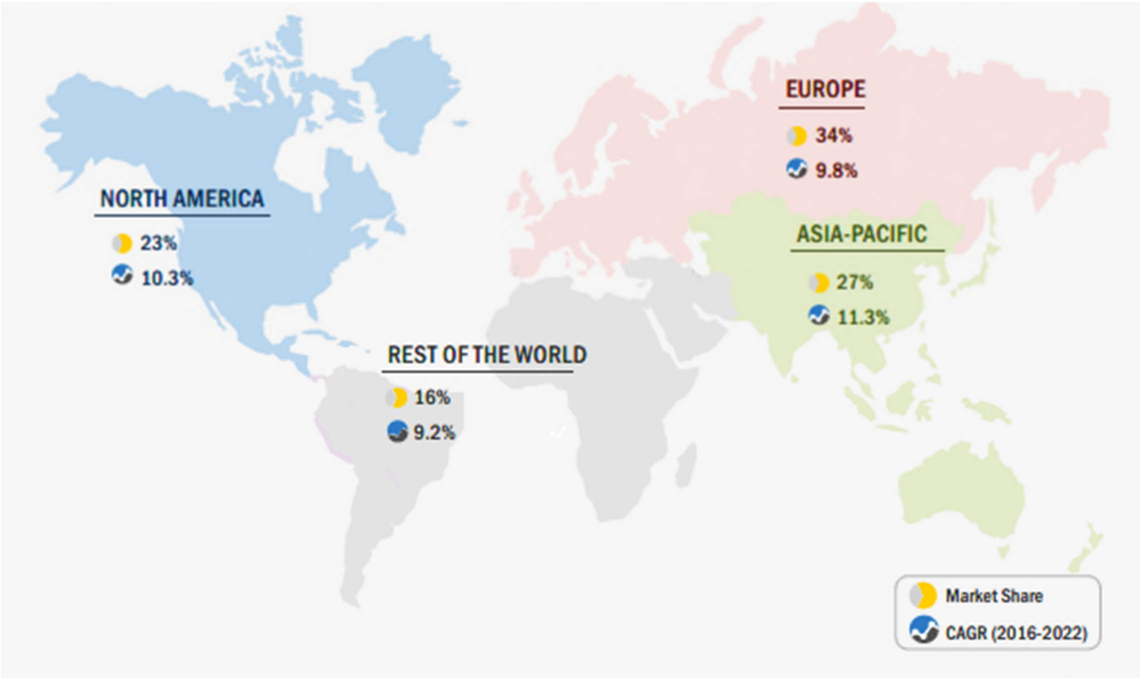
According to the report entitled "Markets and Markets, Automated Guided Vehicle Market – Global Forecast to 2022", in 2016, the AGV market totaled more than $1.5 billion.

The following table presents the potential evolution of the AGV market by type of automated vehicle in millions of dollars (source: Markets and Markets, Automated Guided Vehicle Market – Global Forecast to 2022):

Type	2014	2015	2016	2018	2020	2022	Compound annual growth rate
Vehicles that transport loads by the unit	338.1	372.4	409.9	495.6	595.0	708.9	9.6%
Tow vehicles	373.6	410.4	450.8	542.3	648.1	770.9	9.4%
Forklifts	293.5	325.8	361.5	443.9	541.4	655.8	10.4%
Vehicles to replace assembly lines	157.0	177.7	201.0	256.4	325.0	405.1	12.4%
Other	115.3	129.3	144.8	180.7	223.0	271.6	11.0%
Total	**1,277.5**	**1,415.6**	**1,568.0**	**1,918.9**	**2,332.5**	**2,812.3**	**10.2%**

The traditional AGV market is broken down into three major geographic zones (source: Markets and Markets, Automated Guided Vehicle Market – Global Forecast to 2022):

- North America (23%)
- Europe (34%)
- Asia-Pacific (27%)



The following table presents the potential evolution of the AGV market by geographic zone in millions of dollars (source: Markets and Markets, Automated Guided Vehicle Market – Global Forecast to 2022):

Type	2014	2015	2016	2018	2020	2022	Compound annual growth rate
North America	289.2	320.8	355.5	435.4	529.9	640.1	10.3%
Europe	442.5	488.4	538.8	654.2	788.6	942.1	9.8%
Asia-Pacific	336.9	376.7	421.2	524.8	649.8	802.1	11.3%
Rest of the world	208.9	229.7	252.6	304.5	364.1	428.0	9.2%
Total	**1,277.5**	**1,415.6**	**1,568.0**	**1,918.9**	**2,332.5**	**2,812.3**	**10.2%**

The business development strategy adopted by AGV market operators is based on a "project" strategy: these vehicles are most often designed on request and require significant engineering work to deliver customized vehicles that are perfectly adapted to the maximum loads they will transport. The AGV offering is therefore highly fragmented and structured around the load weight, type of movement and pick and place height.

Certain manufacturers have standardized some of their products and/or limited their ranges, but the largest series rarely exceed 15 to 50 units per year. The Company estimates that close to 60% of the AGVs sold today are not standardized.

In these circumstances, the deployment of AGVs has been held back by the following principal factors:

- the complexity of the systems, caused by a high degree of customization;
- the lack of standardization, which requires an engineering firm, and a long and costly phase to define the solution;
- a need for skilled human resources (mainly engineers);
- the difficulty in offering a global range of products (absence of global operators on this market);
- complicated and expensive system maintenance (complex machines not suitable for traditional maintenance operators or teams); and
- a historically high cost.

6.4.4 Autonomous material handling robots

Autonomous material handling robots, which do not require a specific infrastructure to travel, like AGVs, meet a need for automation, but by offering the market standard, simple products that can be rolled out on an industrial scale, and are therefore affordable and suitable for a mass material handling market. This is the approach the Company has adopted (see Section 6.3 "Strategy" of the Registration Document).

Thus, autonomous material handling robots compete not only with the AGV market, but, mostly, with the manual material handling market. Autonomous material handling robots will take market share away from the manual equipment market. In 2016, as in 2015, most of the Company's sales revenue was achieved in Europe.

Robotization - even at a low rate - of this global fleet of material handling trucks represents a major market opportunity. It is in fact estimated that, by 2025, the rate of robotization in worldwide industry will equal 25% (source: *Robotics Revolution: The Next Great Leap in Manufacturing*, The Boston Consulting Group, September 2015). To date, the market targeted by Company is not very large. It represents a very low percentage of the electric truck market as the rate of robotization of these trucks is residual. The Company is of the opinion that this rate will rapidly increase to exceed 3% in 2022, resulting in a market worth close to €2 billion (see Section 12 "Trends" of the Registration Document), which is a particularly cautious estimate in light of market studies and the objectives of its customers and Strategic Partners.

On the basis of an intralogistics electric material handling truck market of 739,841 units, the Company estimates that the portion of electric vehicles that may be robotized represents between approximately €2 billion and €12.6 billion based on a rate of robotization of the electric vehicle market of either 3% or 20%. This portion is the market of interest to the Company.

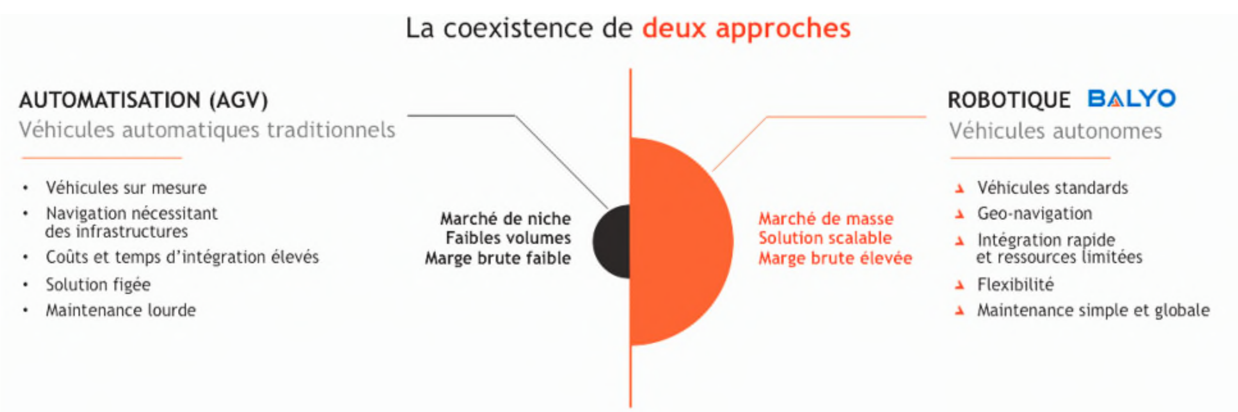
Market conversion assumption	3%	10%	15%	20%
Robotization rate*	1.5	1.5	1.5	1.5
Number of robotic trucks sold/year	33 293	110 976	166 464	221 952
Global robotic material handling vehicle market**	€1.897 billion	€6.326 billion	€9.488 billion	€12.651 billion

**Robotization increases the number of trucks sold, as 1.5 autonomous material handling robots replace one manual material handling truck (improved safety, reduced speed).*

***On the basis of an average sales price of €57K*

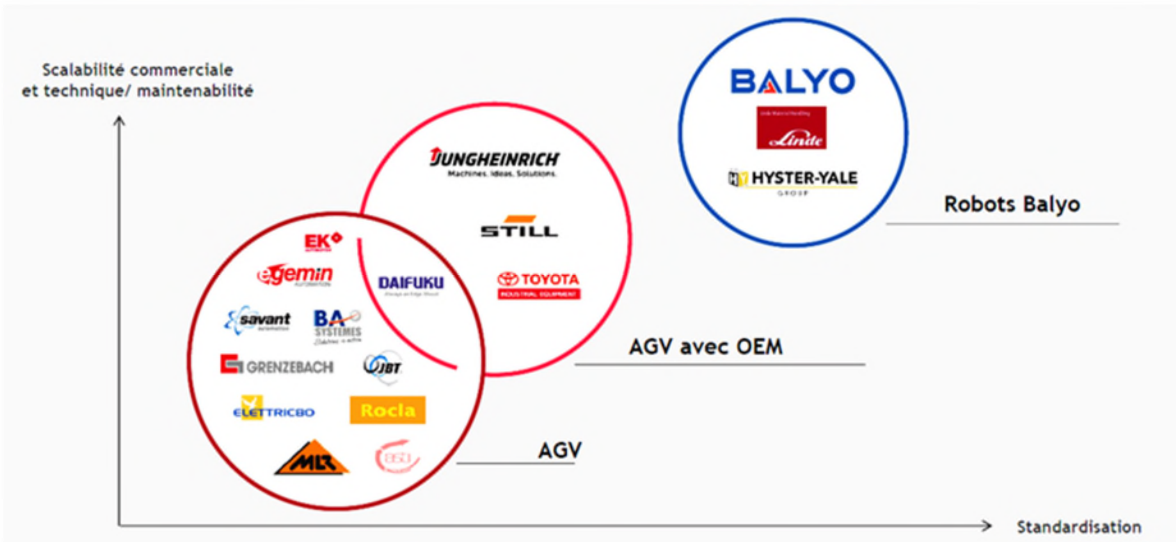
6.5 Competition

The Company's competition has historically been positioned on the "special" and "customized" industrial machinery market. This positioning limits this competition to a market composed of application niches that require an organization based on projects and engineering-type skills. It is clear that this positioning does not allow for a strong marketing, product and industrial organization. This "project-based" positioning has also forced this industry to find solutions that are available immediately to be used for the projects, which makes it difficult to invest in research and development, although this investment is crucial to fashion breakthrough solutions. This has led to a slow growth in volumes, as prices are high and are therefore also growth-limiting factors.



The Company has disrupted this paradigm by heavily investing in technology to accelerate the transformation of this market into a mass market and by adopting a "product" approach (i.e., that is intended to respond to an analysis of the relevant market's requirements, along with a range of standard services), as opposed to the "project-based" approach (i.e., which responds to a precise request based on specifications) chosen by operators in the AGV segment. To achieve this goal, the Company has developed simple, standardized technology (see Section 6.2.4.1 "A replicable model" of the Registration Document).

The following graph presents the Company's principal competitors on the material handling market according to their commercial and technical scalability[2] (see the glossary in the Registration Document for the definition of "scalability"), as well as their degree of standardization:



Specialized AGV manufacturers

A large number of highly segmented operators are present on the AGV market.

These historic operators rarely achieve more than €30 million in sales revenue from their AGV business. (Some offer other services and products.) This figure is also to be broken down into revenue from sales related to new customers/systems, an extended system offering, and services.

In France, BA Systèmes (180 employees) is the leading operator in AGVs, and achieves approximately €25 million in sales revenue. This company is owned by its managing director (source: public data).

In Germany, the leading operator for AGVs is EK Automation. This entity is very similar to BA Systèmes in terms of sales revenue and also the size of its teams. The capital is held by a family (source: public data).

Technology suppliers

A certain number of companies supply components (hardware and software) that compete with those offered by the Company. However, to date, none has an offer as integrated as the Company's.

Koll Morgen is the historic supplier of the AGV market. This company's systems equip the vast majority of the worldwide fleet of AGVs. Navigation is based on the use of a laser and targets to be installed in the environment. Koll Morgen has announced it now has a reflector-free navigation system but has not issued any information as to whether any customers use this technology today. Unlike the Company, Koll Morgen

[2] English translation of "duplicabilité".

sells its technology to its customers but does not manage the integration and commissioning of this technology.

A number of startups have started to develop a core technology based on principles similar to those of the Company's system. For example, this is the case of Blue-Botics, whose head office is located in Switzerland. However, it only distributes its core technology and is positioned more as a rival of Koll Morgen. The Russian company RoboCV has also launched development on a model similar to that of the Company. However, to the Company's knowledge, this is just in the early stages, with less than 10 units in service and no strategic partnership.

In the United States, Seegrid offers a system which, although based on cameras and not on LIDAR, is similar in its principle to the Company's navigation system. However, to date, Seegrid will need to demonstrate the robustness and sufficient functional offering of its technology before it can launch a major deployment of its system.

Aside from real technological performance, the difference between Balyo and competing technology suppliers resides in its integration expertise and the agreements it has signed with its Strategic Partners, which the Company considers to be a major factor of differentiation.

OEMs that offer AGVs

The principal historic operators that offer a range that is usually diversified include Toyota and Jungheinrich, in particular.

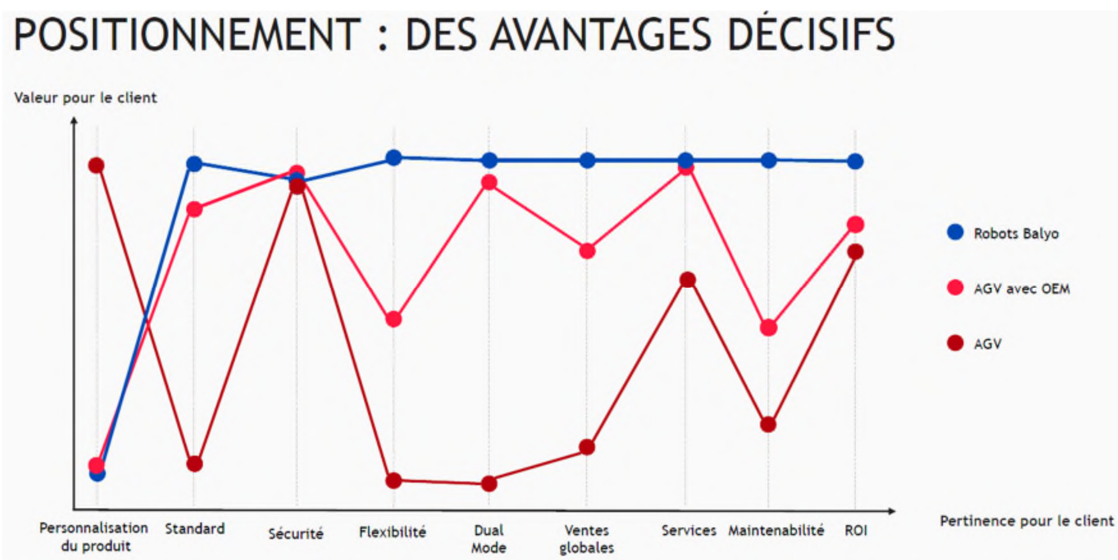
The Company notes that, today, there are not many OEM operators involved in the manual material handling sector. It is of the opinion that the reason for this absence relates, first, to their late arrival in this segment and, second, an investment that has been inadequate until recently (not many teams have been trained, certain countries have not been targeted, etc.). Furthermore, the Company is of the opinion that the market strategy of these OEMs - in particular in light of their technological choices - does not allow their sales forces, for example, to easily sell or provide maintenance services for these products. (Sales and maintenance are usually assigned to a central organization that does not use existing networks.)

This comparison confirms the fact that the Company's strategy allows for large orders to be placed and therefore a significant gain in market share, bolstering the conclusion that the Company's potential lies well beyond the traditional AGV market.

For information, the table below presents a non-exhaustive list of competitors by major geographic region:

	EMEA		AMERICAS		APAC	
Part de marché	**OEM (<5%)**	**AGV (95%)**	**OEM**	**AGV (>95%)**	**OEM**	**AGV (>95%)**
Robot palette	Jungheinrich TOYOTA STILL OEM Yale	EK Auto° (DE) BA Syst. (FR) SNOX (BE) MLR (DE) EGEMIN (BE) ROCLA (FI)	Yale KION	JBT AIM (America In Mot°) Savant KION/Egemin (BE) ELETTRIC80 (IT)	Jungheinrich Yale KION TOYOTA	Chinese (80%): SIASUN (20%), KSEC (10%) MTD, Guozi, Dongfang Precision, Noblelift US, EU & Japanese (20%) ATAB, Rocla Egemin, Swisslog, JBT, Daifuku, Meidensha, Achikikai
Robot tracteur		DS Auto° (AU) ASTI (ES) CREFORM (DE) MLR (DE) EGEMIN (BE) ROCLA (FI)		JBT AIM (America In Mot°) Egemin (BE)		

A final analysis of the positioning of robots sheds light on the highly differentiating nature of the Company's offering in comparison to that of the competition:



6.6 Technology

Between 2005 and 2012, the Company developed its core technology, which represents more than 20,000 man-days invested.

6.6.1 Unique no-infrastructure navigation technology: the *Geoguidage* navigation technology

The Company is one of the only operators in the world to have developed a reliable indoor localization system to locate and guide a mobile robot in its existing environment without adding any external references (see the paragraph on "Technology suppliers" in Section 6.5 "Competition" of the Registration Document). This is a major breakthrough compared to traditional electromechanical technologies such as wire guidance, laser guidance and optical guidance used by AGV suppliers (see Section 6.4.3 "The Automated Guided Vehicles (AGV) market" of the Registration Document).

6.6.1.1 Localization: determining the current position of a robot

The objective of localization is to precisely determine the position of the Company's autonomous material handling robots according to a two-dimensional map: X and Y, and according to a position angle in this map: CAP. These three indicators must be replicable for the same robot over time and between trucks on the same site.

Sensors to calculate the robot's position: on the one hand, the navigation laser, and, on the other, the odometry sensors mounted on the robots' turret. These sensors measure the speed and angle of the turret. X, Y and CAP information is provided by the navigation laser. Odometry is used to validate the consistency of the information provided by the laser.

In order to calculate X, Y and CAP, the robot uses a source map created during manual operations of the robot on the relevant site (see Section 6.6.1.2 "Source map: creating a map for robots" of the Registration Document). The algorithm uses the laser data and the source map to calculate the X, Y and CAP data. X, Y and CAP are also validated by using the odometry information. All of these calculations take place in real time.

Each time the laser rotates, the data (a photograph at time "t" in the form of a point cloud) is compared to the source map by using a correlation algorithm developed by the Company. To optimize the calculation time, this correlation only covers one portion of the source map.

This calculation is performed on a local movement in comparison to the last known position.

Then, this photograph, taken at time "t", is incorporated into the source map each time the laser rotates. The source map is therefore updated from the start of the initialization point for each rotation. These repetitive stages correspond to what is commonly known as "SLAM".

One of the key advantages of this navigation method (based on constant updates to the source map) is that, using maps that continuously receive data, it allows for navigation in unmapped zones or zones temporarily concealed by objects that obscure the source map. This feature also allows the system to be quite insensitive to changes in the mapped zones.

The quality (precision, repeatability and therefore reliability) of navigation is completely reliant on the performance of this correlation algorithm. It is "easy" to navigate a robot reliably with a SLAM algorithm in environment "A". The same robot, having moved to environment "B" and using the same algorithm, could experience major difficulties in making precise, repeated movements.

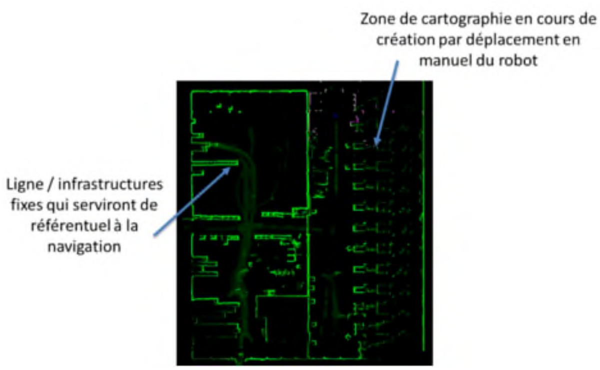
One of the Company's strengths, and a major barrier to market entry, is the work performed over the past ten years, which resides in the experience acquired through the installation of more than 50 systems throughout the world in highly diverse industrial environments.

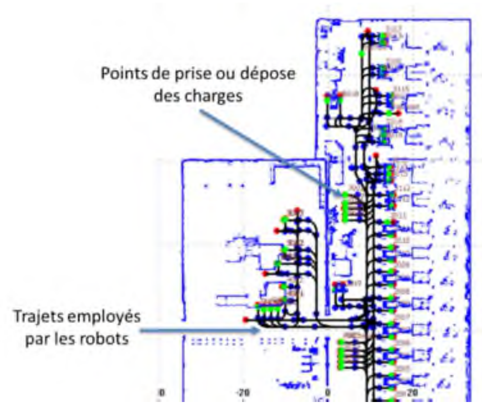
The Company's navigation algorithm has reached a level of reliability that is unique in today's world. The Company is now working on upgrades to its navigation system by integrating new generations of sensors, in particular 3D sensors.

6.6.1.2 Source map: creating a map for robots

The source map is obtained through experience by moving a robot manually through the environment in which it will operate. The installer retrieves the map created, then checks and corrects deviations or deformations of this map relative to reality and/or the actual layout of the buildings with tools designed by the Company.

One major advantage of the Company's technology is that it works without the customer's CAD ("computer-aided design") plan (which rarely reflects the true layout of the building).





6.6.2 An integrated calculator: The MOVEBOX

Today, most operators on the automated materials handling market use components and connectors from the world of IT and networks that are not very (or not at all) suitable for the conditions in which they will be used (vibrations, dust, etc.) in a mobile environment. These components have usually been created for use on static automation lines.

Over the past three years, the Company has developed a unique, standardized calculator for the entire range of autonomous material handling robots. This IP54 calculator is CE-certified for industrial use (-40 °C + 85°C) and embeds all the elements required to robotize a material handling truck (communication, calculations, I/O, security, etc.). Plans are already in place to integrate it into the range of robots designed to operate in a negative cold environment.

In addition to simplified production, this component reduces maintenance to a simple change of parts. Today, and for the first time, maintenance of robotic trucks can be provided by technicians employed in the existing networks of material handling equipment manufacturers.

This level of integration also allows for potential future integration directly on the production lines of OEMs or subcontractors, thereby reducing costs and production time.

This calculator was designed with connectors and technology from the automotive sector. For the first time in the robotic material handling industry, a robust component, suited to the extreme conditions of industrial use, is available.

6.6.3 Software, and integration into the customer's environment

The Company has developed "Robot Manager" management software that can supervise and connect its autonomous material handling robots to the customer's environment. Transport orders are issued by the customers' existing systems (Enterprise Resource Planning or "ERP", Warehouse Management System or "WMS", production machinery, etc.) to robots via the "Robot Manager" software. These systems issue work orders in real time that will be divided among the most appropriate robots according to a configurable level of priority.

To allow the robots to move along programmed routes (i.e., the circuit), the "Robot Manager" software also interfaces via COMBOXes with the doors, production machines and conveyors that constitute the logistics flow.

The management system takes the dimensions of the robots, creates the route by using the information provided by the Balyo installer (i.e., prohibited parking zones, pedestrian crossings, fire doors, etc.) and optimizes vehicle traffic in real time thanks to an algorithm developed by the Company in order to avoid bottlenecks and collisions between robots.

Routes

A given robot's route is broken down into segments that are 20 cm to 50 cm long on which the truck is dynamically authorized (or unauthorized) to travel. Authorizations are generated by the traffic manager incorporated into the "Robot Manager" software and correspond to the reservations of these segments. If the reservation is too short, the vehicle cannot accelerate sufficiently to provide the system with a satisfactory operating dynamic. If this reservation is too long, it can lead to an overly frequent stoppage of other robots.

In terms of this management, the Company's innovation resides in the fact that modifications to the route do not require modifications to the management of traffic rules. The management software automatically manages narrow zones (that do not allow for a number of vehicles to travel in them at the same time) and handling zones (pick or place), which usually require more space.

Finally, these interfaces ensure not only full traceability of the flows of materials for the Company's customers, but also reliability (or "lean manufacturing") of logistics flows.

6.6.4 Intellectual property

To protect its technological advance, the Company has registered its inventions with the *Institut National de la Propriété Industrielle* and the European Patent Office. Under these registrations, the Company owns a patent, i.e., a right to prohibit any third party from using the invention for a certain period of time (see Section 11.2 "Balyo patents" of the Registration Document). The Company has full ownership of a patent and does not share any intellectual property right related to its business (with the exception of rights that may result from a joint development with its Strategic Partners). It makes every effort to obtain, maintain and protect its patents, software, trademarks and other intellectual property or similar rights (see Section 4.3.1 "Risks related to intellectual property rights" of the Registration Document).

Also, the Company has many years of experience and a knowledge base that constitute a barrier for any new market entrant on the robotic material handling market. For example, today, the Company is one of the only operators to have successfully implemented "SLAM" algorithms into an industrial environment.

Finally, the Company is continuing its research and development in order to design next-generation navigation systems and thereby protect its technological advance from its competition.

6.7 Strategic Partners

The strategic partnership agreements signed with the Kion and Hyster-Yale groups, and the resulting product ranges provide the Company with a number of major competitive advantages: material handling trucks produced on a mass scale, a worldwide sales force and technical staff, local maintenance networks available around the world, and strong recognition by industry and logistics specialists (see Section 6.2 "Competitive advantages" of the Registration Document).

These partnerships allow the Company to truly be present worldwide and benefit from major commercial advantages (see Section 6.2.2 "Key industry partners" of the Registration Document), in particular:

- access to a wide range of material handling trucks that meet all of the needs of industry and logistics specialists;
- a very extensive sales network, providing access to most European, Asian and American industrial sites, composed of more than 2,500 sales and technical specialists in three continents, representing a global market share of close to 20% and access to 70% of the Company's potential market (source: Strategic Partners' publication);
- a maintenance network that is just as extensive for the maintenance and repair of the robots sold. The first tangible results can be measured in the United States, China and Singapore (see Notes 3.2, 6.4.1 and 6.4.2 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document).

On the date of registration of the Registration Document, the major portion of the Company's sales revenue results from these partnerships. For example, for the fiscal year ending on December 31, 2016, sales revenue achieved with Linde Material Handling (a subsidiary of the Kion Group) and Hyster-Yale respectively totaled 81% and 4% of the Group's consolidated sales revenue. These Strategic Partners are therefore the principal (if not the only) customers of the Company. Industry and logistics specialists contact these partners directly, in fact, to order Balyo's solutions.

As soon as a Strategic Partner receives a purchase order, it sends a purchase order in turn to the Company. The Company receives a deposit of 30% of the amount of the order within a month of receipt of said order. This deposit (like the other payments) is paid by the Strategic Partner. Upon delivery of the autonomous material handling robots, the Company receives a second payment, which represents 40% of the amount of the order. When the solution is installed and tested, the Company is paid the balance.

Although these Strategic Partnerships expose the Company to major dependence on its partners (see Section 4.2.1 "Risks related to the partnership agreements signed with the German group Kion and the US group Hyster-Yale" of the Registration Document), they constitute major advantages for the Company's development.

6.7.1 Linde Material Handling (a subsidiary of the Kion Group)

On November 4, 2014, the Company signed a global (excluding Japan) three-year industrial and commercial partnership agreement with Linde Material Handling.

Linde Material Handling is one of the world's leading manufacturers of forklift and warehouse equipment. In Europe, the group is a leader thanks to the Linde and Fenwick (France) brands. Since 2006, Linde Material Handling has been part of the Kion group, one of the principal suppliers of automation solutions for intralogistics.

The Kion Group is a global operator in the logistics and material handling sectors, and is present in more than 100 countries. In 2016, it produced 178,300 material handling trucks, thanks to which it ranks first on the European market and second worldwide. In 2016, it recorded growth of 7.5% in its sales of material handling trucks over 2015.

In 2016, Linde Material Handling delivered more than 109,000 units, representing 61.3% of the 178,300 forklifts produced by the Kion group (source: Kion's Annual Report, 2016), which positions Linde Material Handling as the world's second-ranking manufacturer, just behind Toyota, but ahead of Jungheinrich.

The global material handling market saw sales of 1,185,000 units in 2016. Linde's share of this market was 9.2%, and that of the Kion group as a whole was 15% (source: Kion's Annual Report, 2016).

Linde Material Handling is present in more than 100 countries thanks to its subsidiaries. This group's international organization includes production and assembly plants in Germany, France, the Czech Republic, the United States and China, as well as more than 700 points of sale and service outlets. More Over 13,000 individuals work for Linde Material Handling across the world (source: Linde Material Handling's website). A network of over 8,500 maintenance technicians provides rapid maintenance for Linde Material Handling trucks and solutions, including those produced in partnership with the Company.

Based on the initial commercial successes and the caliber of the partnership, the Company and Linde Material Handling have extended their agreement initiated in 2014. The new agreement provides for an initial period of six years, automatically renewable for four additional years if neither party has notified the other of its intent to terminate the agreement within the 12 months that precede the expiry of the initial period. The new agreement has been signed not just with Linde Material Handling, but also with its parent company, Kion Group AG. The new agreement now covers the entire world and provides that the robots will be sold by Balyo on the basis of a transfer price (that takes into account all of the components, development amortization, the embedded software and the assembly costs). This transfer price equitably allocates the margin achieved through the sale of robots. This new agreement also provides for the progressive transfer of the onsite assembly and installation work to the Strategic Partner.

The terms and conditions of this new agreement have been agreed by the parties and were approved by the Boards of Linde Material Handling and the Company on April 24 and 27, 2017. The new agreement was formally approved by the Kion Group AG's (the parent company of Linde Material Handling) Management Board on May 8, 2017 and came into force on the same day, causing the immediate termination of the initial agreement dated November 4, 2014. The Company is of the opinion that the new partnership agreement should improve the financial performance of the Company and its Strategic Partner over time as compared to the prior agreement.

According to the terms of this agreement, the Company is developing a range of autonomous material handling robots on the basis of Linde Material Handling's material handling trucks and provides it with its technologies throughout the contract period. Linde Material Handling undertakes to market these technologies on an exclusive basis throughout its network, subject to the Company remaining competitive in terms of pricing and technology. For its part, the Company has committed – in the EMEA zone and within the intralogisitcs material handling sector only - to only enter into an agreement - other than with the Kion Group and its subsidiaries - with one of the companies set out in a limited list, which includes the principal global operators in this sector. The Company may enter into discussions with any company that is not on said list. Sales of the Company's solution to other Kion group brands may be contemplated in the future.

As of this date, the Company and Linde Material Handling have agreed that Linde Material Handling will put a sales force in place to effectively promote and market the autonomous material handling robots. Ultimately, all of the Kion group's sales forces may market the Company's solutions. The Company trains Linde Material Handling's employees responsible for distribution and the maintenance of the robots in the range. In this framework, the Company must focus its commercialization efforts on supporting these networks and marketing the technology.

The Company has also undertaken to offer its innovations both to the Kion Group and Hyster-Yale before making them available to the market. In turn, the Kion Group has undertaken to recruit the sales teams required and to set sales objectives for its network. However, the Company does not share any intellectual property right related to its business (with the exception of rights that may result from a joint development with its Strategic Partners) (see Section 6.6.4 "Intellectual property" of the Registration Document).

Finally, should a significant portion (10% or more) of the Company's shares be acquired by a competitor of the other party (excluding Hyster-Yale), this other party may terminate the agreement at its discretion as long as said portion gives the competitor a right to representation on the Company's Board of Directors, thereby enabling it to exercise influence over the agreement. The agreement may also be terminated prior to its expiry if one of the parties continuously fails to comply with any of its obligations, becomes insolvent or ceases, or threatens to cease, its business. Furthermore, it is agreed that the agreement may be terminated before its expiry date in the event of a change of control (as defined by Article L. 233-3 of the Commercial Code) or a merger of one of the parties.

6.7.2 Hyster-Yale

On October 29, 2015, through its US subsidiary Balyo Inc., the Company signed a three-year global industrial and commercial partnership agreement with the Hyster-Yale Group. On the date of registration of the Registration Document, the Company had launched discussions with the group to extend this contract for 10 additional years.

The Hyster-Yale Group is the number five operator in material handling worldwide and number two on the North American market. In 2015, Hyster-Yale's global sales totaled €2.6 billion. It employs close to 5,500 individuals and is present in more than 13 countries (source: Hyster-Yale Materials Handling, Inc., Annual Report on Form 10-K, 2015).

In 2015, sales of Hyster-Yale material handling trucks represented 82% of the company's annual revenue (52% for electric internal combustion trucks and 30% for electric trucks) (source: Hyster-Yale Materials Handling, Inc., Annual Report on Form 10-K, 2015).

Today, the group has implemented a sales strategy based on independent dealers.

Hyster-Yale's major advantage is that it is a preferred provider of major US groups present worldwide, such as Procter & Gamble, one of the principal users of the Balyo solution.

The global partnership agreement signed by the Company and Hyster-Yale aims at extending the presence of the Company's solutions in North America, Central America, South America and Europe, and at offering Hyster-Yale's customers a complete range of autonomous material handling robots that meets all of their needs. In this regard, the Company has undertaken not to offer robotic forklift solutions to Hyster-Yale's competition in these regions (the Americas and the European Economic Area), with some exceptions (in particular, current customers of Linde Material Handling).

The Company is designing a range of robots based on Hyster-Yale's trucks, and provides it with its technologies throughout the contractual period. For its part, Hyster-Yale sells these technologies through its network. The Company has also agreed to progressively transfer the onsite assembly and installation work to the partner (which provides the Company with significant production capacity at a high level of competitiveness and an increase in its gross margin, in particular due to the reduction in production costs).

The Company has undertaken to offer its innovations both to Linde Material Handling and Hyster-Yale before making them available to the market. However, the Company does not share any intellectual property right related to its business (with the exception of rights that may result from a joint development with its Strategic Partners (see Section 6.6.4 "Intellectual property" of the Registration Document).

The Company and Hyster-Yale have agreed to create a joint sales force to effectively promote and market the autonomous material handling robots. The Company has appointed a manager responsible for this team.

In accordance with the terms of this agreement, the Company trains Hyster-Yale's employees responsible for distribution and the maintenance of the range's autonomous material handling robots.

This agreement does not have a clause related to a change in ownership. The agreement may only be terminated prior to its expiry if one of the parties continuously fails to comply with any of its obligations.

6.7.3 Stepped-up international growth

These partnerships have allowed the Company to step up its international development by facilitating access to the global material handling market.

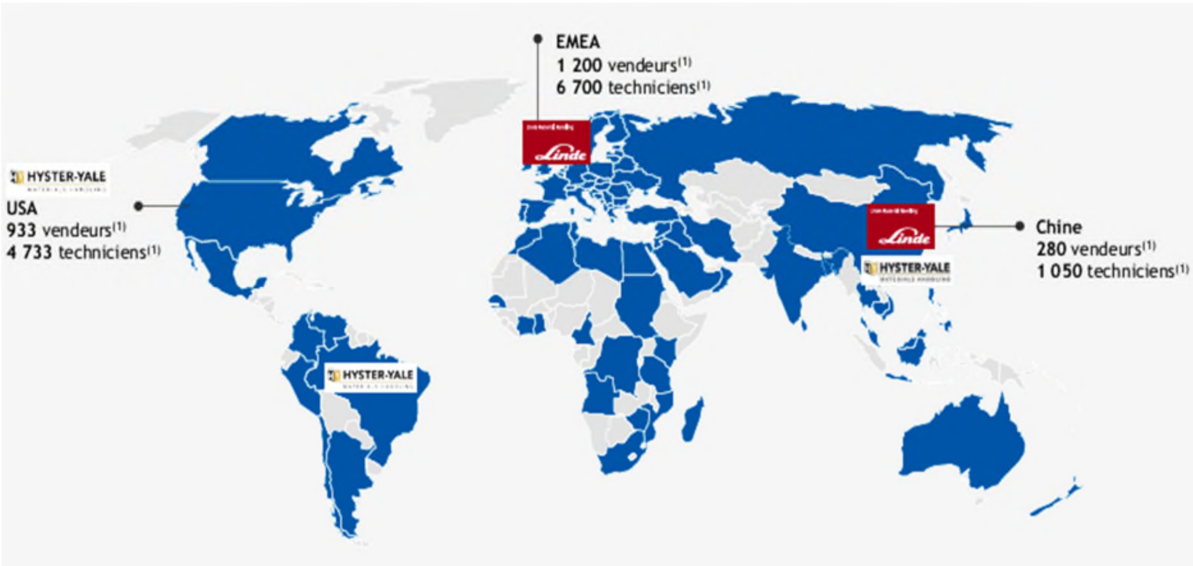
Thanks to its agreement with Hyster-Yale, the Company can now distribute its solutions on the US market via two major brands: Hyster (mainly positioned in the heavy industrial truck segment) and Yale (mainly positioned in the electric truck segment). For its part, the agreement signed with Linde Material Handling allows for the distribution of the Company's solutions in Europe and Asia where its partner has a very extensive sales structure.

This access to the global material handling market is possible thanks to the Company's access to the worldwide sales and maintenance networks of each of its Strategic Partners, i.e., approximately 250 authorized Hyster-Yale dealers and more than 700 authorized Linde Material Handling dealers (including 71 in France through its subsidiary Fenwick). The Company can rely on the sales forces and maintenance teams of these dealers. In this framework, it created new teams in Singapore in 2015 and in Xiamen in 2016, and is planning to extend its presence to Sydney in 2017. Furthermore, the Company uses the regional entities of its Strategic Partners as a commercial showcase, with vehicles on display in these networks' dealerships.

Finally, thanks to its Strategic Partners, the Company is better able to identify local constraints, as well as the models and applications sought, which differ from one region to another. Each Strategic Partner provides the Company with its knowledge of the markets, but also with basic trucks that meet the requirements of local demand.

These agreements therefore allow the Company - with just a moderate investment - to benefit from exceptional expertise in the material handling sector and also to roll out its solution in ranges of standard products that are distributed worldwide.

The map below presents the global material handling market accessible to the Company via Linde Material Handling (a subsidiary of the Kion Group) and Hyster-Yale:



For their part, thanks to these agreements, the Company's Strategic Partners can now offer their customers a tailored, fully integrated range. The deployment of Balyo's solution in standard material handling trucks provides many advantages, such as the standardization of internal logistics flows, flexibility of use relative to time and regulatory constraints, risk and accident prevention and reduction, and greater productivity. These advantages generate major cost reductions and provide access to new growth potential.

Finally, the installation process for this technology is both rapid and simple; its first-level maintenance, as compared to standard material handling trucks, remains unchanged. The Strategic Partners can therefore offer a complete range of autonomous material handling robots (tractors, forklifts, stackers) that meet the increasingly specific requirements of customers thanks to Balyo's solution.

6.8 The Company's products and maintenance services

To best meet the requests of its customers, the Company has designed a series of options and professional services that are inseparable from the sale of its products. The Company also offers its customers maintenance services (see Section 9.2.1.1 "Sales revenue and gross margin" of the Registration Document).

6.8.1 Product presentation

6.8.1.1 Range of robots - partnership with Linde Material Handling

As of the date of registration of the Registration Document, the Company had designed and offered six models of autonomous handling robots for sale in partnership with Linde Material Handling (see Section 9.1.3 "Production costs" of the Registration Document):

	P-MATIC TRACTOR	T-MATIC PALLET TRUCK	L-MATIC STACKER
Description	Tractor robot with a platform	Double-fork pallet truck robot	Guided stacker robot
Load capacity	5,000 kg (traction)	3,000 kg	1,200 kg
Lift height	-	Ground level	2 m
Base	P30-50 C - LMH range, 1190 series	T30 - LMH range, 131 series	L12L HP - LMH range, 133 series
Launch year	2015	2016	2015

Applications	Pick and place for production lines Long-distance transport	Platform loading and unloading	Low-lift stacking Pick and place on machines Transport of open pallets (EURO)
	L-MATIC STACKER	R-MATIC	K-MATIC
			
Description	Counterbalanced stacker robot	Reach robot	Robot for narrow aisles, high stacking, ("VNA: Very Narrow Aisle")
Lift capacity	1,600 kg	1,600 kg	1,500 kg
Lift height	5 m	10 m	12 m
Base	L12-16 AC - LMH range, 1170 series	R16HD - LMH range, 1120 series	Linde K 3D - LMH range, 011 series
Launch year	2015	2017	2016
Applications	Low and medium height stacking Pick and place on machines Transport of closed pallets (CHEP)	High-lift stacking Transport of open and closed pallets	High-lift stacking in narrow aisles only High-output stacking Transport of open and closed pallets

6.8.1.2 Range of robots - partnership with Hyster-Yale

As of the date of registration of the Registration Document, the Company had designed and offered five models of autonomous handling robots for sale in partnership with Hyster-Yale (see Section 9.1.3 "Production costs" of the Registration Document):

	TRACTOR	PALLET TRUCK		STACKER	
					
Description	Tractor robot with a platform	Double-fork pallet truck robot	Tractor robot with a platform	Guided stacker robot	Counterbalanced stacker robot
Lift capacity	15 000 lbs (traction)	8,000 lbs	2,500 lbs	4,000 lbs	3,500 lbs
Lift height	-	Ground level	Ground level	7 ft	12 ft
Base	MO50-70T - Yale range LO 2.5A - Hyster range	MPE080 - Yale range B80 ZHD - Hyster range	MO 25 - Yale range LO 2.5 - Hyster range	MP20XD - Yale range	MC10-15 - Yale range SI.5C - Hyster range
Launch year	2016	2015	2017	2015	2017
Applications	Pick and place for production lines Long-distance transport	Platform loading and unloading	Platform loading and unloading Long-distance transport	Low-lift stacking Pick and place on machines Transport of open pallets (EURO)	Low and medium-life stacking Pick and place on machines Transport of closed pallets (CHEP)

6.8.1.3 Options

For the past three years, the Company has worked on a portfolio of options dedicated to customers in order to extend the field of application of the autonomous material handling robots. These options significantly increase the robots' productivity.

- **LTO (Lithium Titanate Oxide) batteries with an automatic charging station:**

  The intelligent LTO charging system developed by the Company in partnership with battery manufacturers is based on a high-performance lithium titanate battery technology. This solution allows the robot to recharge automatically without any human intervention. The robot - more intelligent and productive - automatically returns to its charging station as soon as it can: it only needs 15 minutes to recover five hours of potential operation.

- **360° safety system**

  The "*Sécurité 360°*" system developed by the Company protects humans who are working in proximity to the robot. The PLD safety level required to guarantee their safety is provided by laser scanners in the front and back, as well as on the sides of the robot.

- **Intelligent 3D safety system (or curtain laser scanner)**

  The 3D intelligent safety system identifies obstacles off and on the ground. The productivity of the robots increases thanks to the use of a 3D camera, which allows the robots to autonomously decide whether or not to resume operations once they have detected an obstacle on or off the ground. This re-start feature is not available on standard trucks except for obstacles in contact with the ground.

- **3D camera detection of pallets on racks**

  This is the Company's latest safety innovation. Two 3D cameras affixed to the robot's structure allow for an analysis of the type of pallet detected (open, closed, etc.) and for adjustments to be made to the robot's position for optimal picking and placing on racks. This technology is used on robotic trucks dedicated to very high stacking.

- **1D/2D bar code reader**

  Robots equipped with this reader can read bar codes on pallets. In particular, this option is useful to trace products and record movement information in real time in the customer's WMS via the "Robot Manager".

- **COMBOX**

  A COMBOX is the physical interface between the elements inherent in the customer's environment and the "Robot Manager" to connect the machines, doors and other systems to the robots.

6.8.1.4 Professional services

In addition to the autonomous material handling robots themselves, the Company offers a complete range of services entirely dedicated to the success of its customers' projects. This offering is composed of the following services:

- **Project management**

  A team of Company engineers defines the specifications for the robotic system within the customer's environment. The project manager coordinates the entire team and ensures the project is optimally deployed according to the criteria defined in the BPMS process (Balyo Project Management Standard).

- **Mapping (creation of cards and routes)**

  A crucial stage in the installation of a robot is the phase during which it "learns" the customer's environment. The Company's installation team creates a map of the building. This process is divided into three stages:
  - mapping of the building;
  - creation of the routes and pick/place stations;
  - integration of the source map into the robot calculator, which compares what it sees to what it knows in real time.

- **Installation (calibration and configuration of the vehicles, integration of the "Robot Manager" into the customer's environment (infrastructures, machines and IT systems)):**

  The Company's installers work directly on the customer's site in collaboration with the project managers. Their tasks consist in calibrating and configuring the vehicles, and interfacing the "Robot Manager" with the customer's environment, which is composed of:
  - infrastructures: automatic doors, alarm systems, IT system, etc.
  - machines: conveyors, automatic wrapping machines, etc.

  This assignment ends when the project is delivered.

- **Risk analysis and conformity certification:**

  The Company conducts a risk analysis for each customer and issues a conformity certificate for the installation. The Company certifies its customers' robotic systems in accordance with the safety standards in effect: EN 1525 in Europe and B56-5 in the United States. After its safety experts have performed an audit, the Company delivers:
  - a risk analysis;
  - safety recommendations;
  - exhaustive safety tests in real-life situations;
  - the conformity certificate.

- **Training**

  The Company provides training to employees who may use or interact with its robots. Supporting customers and their employees is key to the success of a project.

- **"Robot Manager"**

The Company has developed a fully integrated solution in order to adapt its technology to meet its customers' requirements.

The heart of its solution, the "Robot Manager", is supervision software that coordinates the fleets of robots. A true "control tower" for its solution, it also allows machines, IT systems and infrastructures to communicate in real time with the autonomous material handling vehicles.

The major features of the "Robot Manager" are as follows:

- Real-time management of the fleet of robots:

  - localization of the robots;
  - programming and assigning tasks to the robots;
  - traffic management;
  - energy management and optimization of charging times.

- Communication with the customer's environment:

  - IT system (ERP/WMS);
  - infrastructure: doors, alarms;
  - machines: production machinery, automated wrapping machines, conveyors, etc.

- Graphic interface:

  The "Robot Manager" allows the customer to visualize the entire route, and the status and reports on tasks, the robots and communication modules in real time.

- Diagnostic tool:

The "Robot Manager" provides the customer with a complete statistical analysis of its installation, based on the collection of data related to the robots' performance.

6.8.2 Maintenance services: presentation

- **24/7 hotline**

The Company provides its customers with a 24/7 telephone assistance service, which provides technical support to operators. The hotline significantly reduces downtime if a problem arises, as well as the customers' loss of productivity.

- **Sale of spare parts to the Linde Material Handling and Hyster-Yale networks**

  The Strategic Partners provide first-level maintenance. The Company therefore provides their networks with a catalog of spare parts that are required for the robots' operations.

- **System maintenance**

  The Company provides software maintenance for the systems it has integrated.

6.8.3 Products with a strong value proposition

Estimated total cost of a manual operation (equipment, installation and wages)(1)	**For three teams**
Assumptions :	
Number of operators required	4
Number of trucks required	3
Average value of a material handling truck	€15,000
Amortization period	5 years
Cost of maintenance starting in Year 2	€13,734
= Total cost of operations for three teams in euros per year	**€362,775**

(1) Teams working 3 x 8 hours, five days per week.

Estimated total cost of a robotic truck (equipment and installation)	**For three teams**
Assumptions :	
Unit cost of a robotic truck (truck + robot)	€62,500
Number of robots (1.5 robot vs. manual truck)	5
Amortization period	5 years
Cost of maintenance starting in Year 2	€42,120
Cost of installation of the robotic solution	€100,000
= Initial investment in the robotic solution	**€412,500**

Estimated return on investment period	**For three teams**
Payback for the user (number of months)	**13**

The return on investment period mainly depends on the number of teams (one, two or three teams) and the resulting number of operators. Depending on the number of teams and the organization of operations, up to five operators may be required to operate a machine.

As the operators' wages represent the largest cost (over 80%) in material handling operations, it is therefore the main area of potential savings. As an autonomous robot operates according to safety and standard operating procedures and speeds, each manual truck will be replaced, on average, by 1.5 robots.

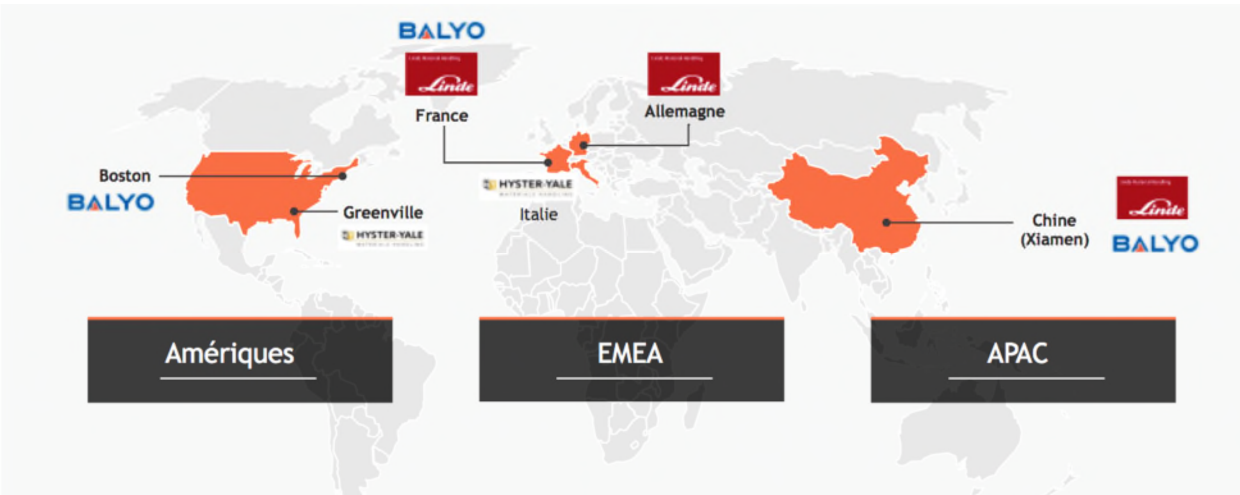
The return on investment ("payback") is rapid (approximately one year for three teams, regardless of the region).

In addition to the immediate financial benefit resulting from wage savings, the Company's solution creates many other benefits for users, including the following:

- less personal injury accidents;
- less arduous work;
- less losses of merchandise;
- improved performance based on a "leaner" process.

6.9 Production

The map below presents the industrial organization implemented by Linde Material Handling and Hyster-Yale:



The production of autonomous material handling trucks essentially consists in assembling components, for the most part manufactured in France, on the trucks produced massively by the Strategic Partners. The Company subcontracts the assembly of its devices for the range of autonomous material handling robots marketed in the US and Asia. This assembly, which requires approximately 20 hours of work, is performed on three sites for the time being:

- in Europe, at the Company's head office located close to Paris in Moissy-Cramayel;
- in Asia, at Linde Material Handling's production unit located in Xiamen, China; and
- in the United States, by Electrowire, a subcontractor of Hyster-Yale located in Leominster, Massachusetts.

On the date of registration of the Registration Document, the Company has production capacity of 1,000 machines per year, 50% of which is assembled by the subcontractors in China and the United States.

On the date of registration of the Registration Document, the Company has production capacity of 1,000 machines per year. The agreements entered into with the Strategic Partners provide for the transfer of the assembly of these autonomous material handling robots to the Strategic Partners' sites (with regard to Linde Material Handling, mainly in Europe, and with regard to Hyster-Yale, in North America) as soon as volumes reach a certain level (i.e., when current sites can no longer absorb the demand), which should provide the Company with significant production capacity at a high level of competitiveness, and will also improve its gross margin due to a reduction in production costs. The Company anticipates the progressive transfer will start in 2019.

The production costs for the autonomous material handling robots differ in nature (see Section 9.2.1.1 "Sales revenue and gross margin" of the Registration Document):

- mechanical parts;
- wiring harnesses;
- sensors;
- calculation modules;
- assembly time.

6.10 Sales and marketing

The Company's product distribution approach is twofold:

- first, by focusing on the marketing of the technology via a direct approach based on creating a relationship of trust with the decision-making centers of major accounts;
- second, by relying on its Strategic Partners' sales forces for orders from each site.

To this end, the Company has put together an international team of major account managers, as well as a team of business developers, who are responsible for leading the Strategic Partners' networks. The number of people dedicated to sales and marketing increased from seven in 2015 to 16 in 2016.

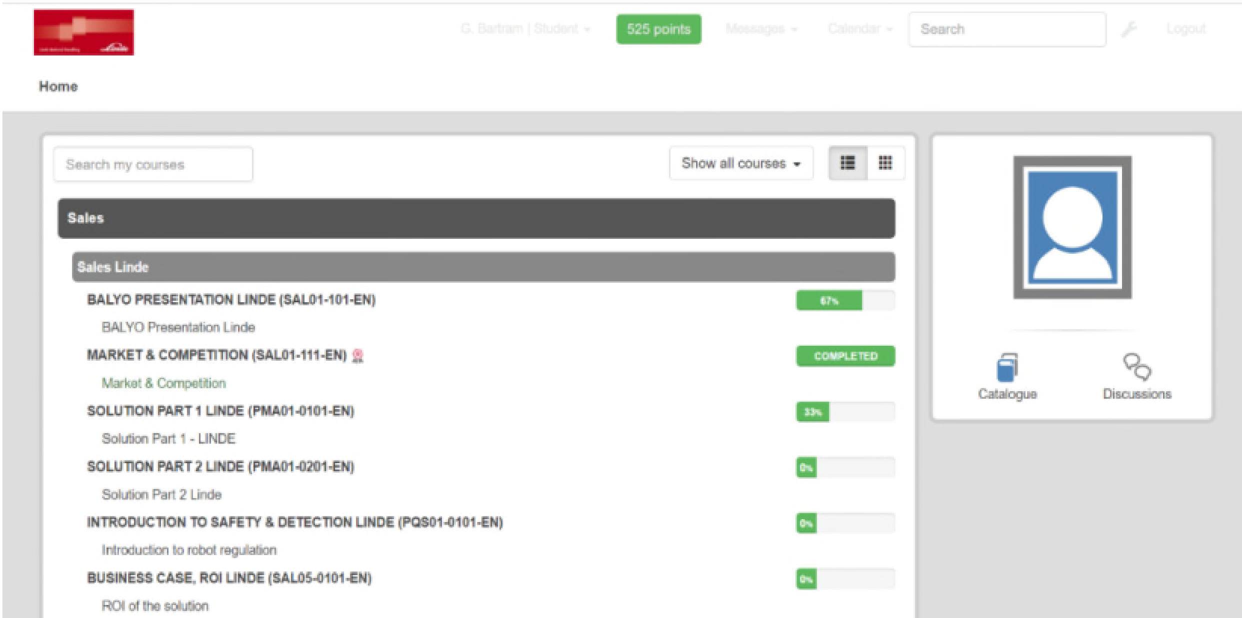
The Company has dedicated a significant portion of its investments to the development of tools to simplify training, sales and maintenance processes so that they suit the existing skill sets of its Strategic Partners' sales and service networks.

Between 2015 and 2016, the amounts allocated to sales and marketing respectively totaled €1,913K and €3,122K. The increase in sales and marketing expenses results from the Company's decision to grow its commercial network around the world by creating a dedicated team.

E-learning

In 2016, the Company launched a simple, configurable training tool. This e-learning tool delivers specific training to each of the dealers in the Linde Material Handling and Hyster-Yale networks after a test on their current knowledge.

The image below is a screenshot from the e-learning tool implemented by Balyo:



In addition to this tool, an application has been made available to the networks. A white-label product, it has been customized for each partner and includes a number of animations and descriptions of the Company's products. This teaching approach reduces the complexity of the solutions perceived by the networks who are used to selling ultra-standardized products.

The image below is a screenshot from the application designed by Balyo:

E-budget

The following is required to prepare an offer for a customer:

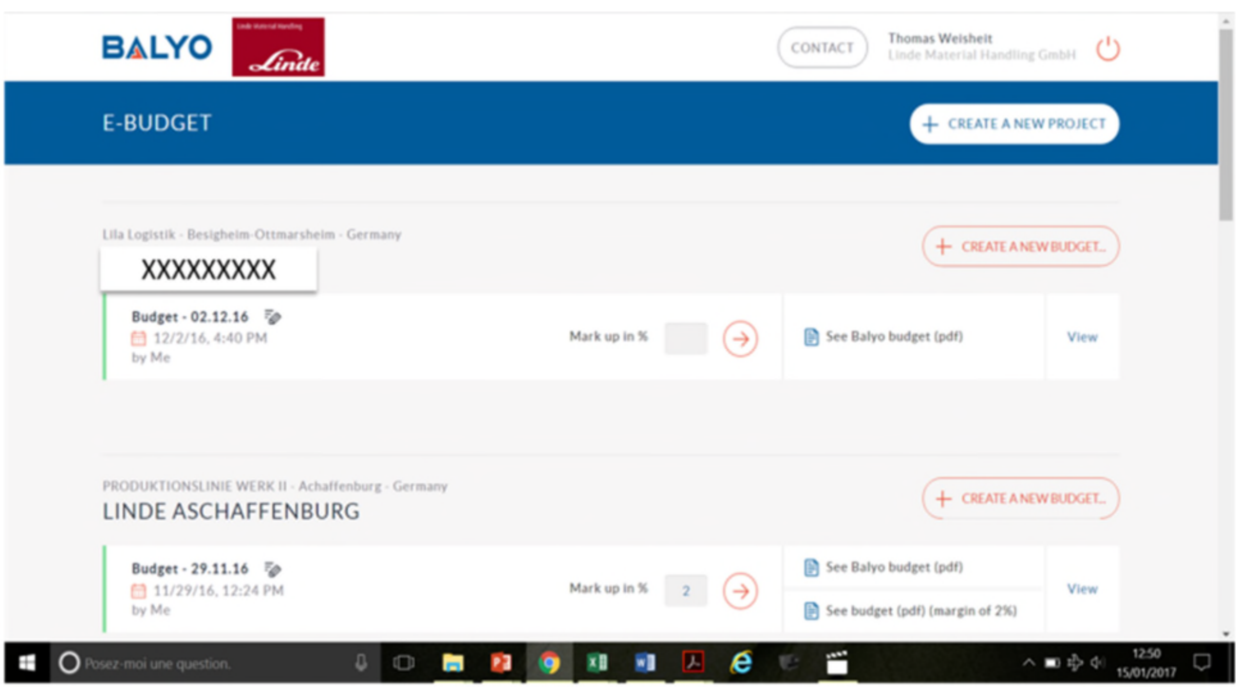
- defining a solution that resolves the problem encountered;
- choosing the appropriate machine in the range;
- calculating the exact number of robots required in accordance with the volume of pallets to be transported and the relevant route; and
- estimating the integration and installation budget.

This solid expertise, not only in terms of the products but also their integration into the customer's environment, is key to the growth of the business. It is rarely available within the Strategic Partners' networks.

In 2016, the Company launched a major innovation with its e-budgeting application to allow the networks to independently draft project budgets. This highly intuitive and extremely simple-to-use platform (only a few hours of training are required) is currently available to close to 60 users at Linde Material Handling in EMEA and APAC.

In upcoming months, the Company will deploy this platform to the Hyster-Yale dealers in North America. Since its launch (just a few months ago), a volume of projects totaling over €150 million has already been budgeted.

The image below is a screenshot from the e-budgeting tool designed by Balyo:



The international scope of the Company's business was taken into account when all of these tools were developed. They are therefore available in six languages (FR, EN, DE, IT, ES and CH), and can manage multiple currencies. The offers, issued in the form of a PDF file, are tailored to each of the Strategic Partners and include, in particular, their dealers' logos (most of which are independent businesses).

Once the projects have been defined and budgeted, and the customer has accepted the proposal, the Company receives an order from the Linde Material Handling or Hyster-Yale network. The objective is to continue to delegate and use the distribution networks, which is essential to achieve the objective of expanding this business and a true cornerstone for the scalability of the distribution model.

An order received by the Company from Linde Material Handling or Hyster-Yale is currently processed by the local project team (Paris, Boston, Singapore) for execution that generally takes six to nine months. During this phase, the Company is responsible for "customer management".

Over the next 18 months, for greater extensibility of this phase, a transfer of part of this project engineering task to the distribution network is planned. The Company's software suite is currently being upgraded to better distribute the integration process between the Company and its Strategic Partners. The Kion Group has hired a large number of engineers and project managers, in particular in Germany, who will be trained on the Company's tools. This hiring will ramp up over the next 18 months for this purpose. This phase reinforces and balances the strong ties between the Company and its Strategic Partners' networks.

Looking at the long term, the Company intends to retain management over the stage that consists in creating the source map for a site, as well as the design of the routes within which the trucks will travel. This is the most sensitive part of the Company's installation expertise and is a major factor in the system's performance.

Finally, to accelerate the completion of this stage, a plan is in place to deliver a mapping system that will become independent from the robots in the second quarter of fiscal 2017. The Company will be able to install a module on any manual material handling truck, and the data collected will then be transferred by cloud and made available to a central mapping team within the Company. This approach will allow the Company to preserve the scalability required for its growth model.

6.11 Geographic organization

Today, the Company's teams are located on two main office sites.

The first, located in the region of Paris in Moissy-Cramayel (77150), currently hosts 70 employees. In line with the growth of personnel expected in 2017, a move of these offices is planned for mid-2017. This move will also allow the Company to be closer to qualified engineers for potential hirings (and who, for the most part, are located very close to Paris).

The second site is based in the region of Boston, Massachusetts in the United States. This office will also see a major wave of hirings in 2017 and the team should grow to close to 20 employees by the end of 2017.

			Σ	North America			APAC		EMEA								
				USA	CHL	CA	CHN	SGP	FR	DE	IT	SP	UK	CH	AU	LU	BE
Linde Material Handling	Robots	In service	63						26	30	1	4	1	1			
		Sold	82				4	16	15	37	2	2			6		
	Systems	In service	25						14	6	1	2	1	1			
		Sold	21				1	1	4	11	2	1			1		
Hyster-Yale	Robots	In service	28	9		5			6							8	
		Sold	132	130	2												
	Systems	In service	7	1		1			4							1	
		Sold	5	4	1												
Other robots in service			46						18								28
Other systems in service			7						6								1
∑ Robots			351	139	2	5	4	16	65	67	3	6	1	1	6	8	28
∑ Systems			65	5	1	1	1	1	28	17	3	3	1	1	1	1	1

Finally, the Company is currently putting a team in place in the APAC zone. This team, for the most part based in Singapore, is present throughout the region. For example, technical teams are based in Xiamen, China. These technical teams currently use Linde Material Handling's offices.

An office with one installer is also planned for Australia in the second half of 2017.

Thanks to the simplicity of installation of the Company's systems, only a small team is required to manage all of the tasks related to the implementation of a system. The Company can easily ensure local presence by having one or two individuals in place to support the local networks of the Company's Strategic Partners.

6.12 Customers

Today, the Company manages the allocation of its systems as follows. A system is usually associated with a customer. Certain sites may have a number of systems (different buildings, for example). The table below presents the Company's current situation:

As at December 31, 2016, the Company had 137 robots in service in 39 systems, i.e., close to 30 customers with installed systems. Today, the Company has 214 robots on order (in the project phase) for 26 systems ordered. Thanks to its Strategic Partners, the Company has many prestigious customers, such as Procter & Gamble, FM Logistic, Renault, Valéo and BMW.

The Company's products have been chosen as a solution by global leaders.

6.13 Dependency factors

The information on the Company's dependency factors is set out in Sections 4.2.2 "Risks related to dependence on end customers", 4.2.3 "Risks related to dependence on suppliers", 4.2.4 "Risks related to dependence on subcontractors", and 4.2.11 "Risks related to dependence on key persons" of the Registration Document.

6.14 Legal and regulatory environment

The regulatory framework for material handling robots is extremely well defined in current standards, both nationally and internationally.

The Company participates in the ISO/TC 110 standardization committee meetings. This committee works on the next-generation standards for material handling trucks and is attentive to all potential legal and regulatory changes.

French regulations

The law on data protection and freedom ("*Loi Informatique et Libertés*") of January 6, 1978 requires a declaration relative to any and all processing of personal data and potentially a prior authorization for the processing of data considered to be sensitive (i.e., regarding health, religion, violations, exclusion of rights, etc.). This formality is, however, incumbent on the party responsible for data processing, i.e., the party who has the authority to determine the objectives and tools used for the processing - in this case, the Company's customer.

Non-compliance by the Company's customers with this obligation would expose the Company to a fine ordered by the CNIL further to the service of notice (Articles 45 *et seq.* of the Law of January 6, 1978) and potentially criminal penalties (Articles 226-16 *et seq.* of the Criminal Code). In accordance with the data protection and freedom law referred to above, the Company must comply with the instructions received from the party responsible for data processing, i.e., the customer, and take the precautions required to protect the safety and confidentiality of personal data it may come into possession of to prevent the deformation of or damage to this processed data or the communication thereof to unauthorized persons (Articles 34 and 35 of the Law of January 6, 1978).

If the Company fails to comply with these obligations, it could be found liable if it is proven that it failed to advise or was guilty of complicity with the party responsible for the processing of the data.

Furthermore, as the Company's products are, for the most part, based on the use of open frequencies, if these frequencies are regulated in the future in any way, this may affect the development of the Company's products and cause the Company's customers to incur a significant additional cost in order to comply with these standards.

European regulations

On the date of registration of the Registration Document, autonomous material handling robots are considered machines, and the manufacturing thereof must meet the requirements of European Directive 2006/42/CE on Machinery published on June 9, 2006 in the Official Journal of the European Union.

The international technical standard NF EN 1525 December 1997 was established in the framework of a mandate conferred on the European Committee for Standardization by the European Commission and the European Free Trade Association, and supports the terms of the Machinery Directive. This European standard on the safety of driverless handling trucks and related systems provides the means to comply with the essential requirements specific to the Machinery Directive. The Company is a member of the drafting committee for this standard and is a constant participant in the improvement thereof.

According to this European standard:

- is considered a driverless handling truck any motorized vehicle, including a tow truck, designed so as to move automatically within spaces where operational safety does not depend on a driver;
- the system concept includes the control system, which may be a full part of the truck and/or separate therefrom, the guidance tools and the battery charging system.

NF EN 1525 covers specific dangerous phenomena related to automatic features and systems that may occur when the vehicle is turned on, and during operations and maintenance of a driverless truck. It also includes technical rules to limit the materialization of risks or reduce these dangerous phenomena in each situation.

NF EN 1525's safety rules are as follows:

(a) Protection against unauthorized use

For manually-controlled trucks, only for maintenance and emergencies, means must be put in place to prevent any unauthorized use.

(b) Brake system

The truck must be equipped with a mechanical brake system, which:

- operates if power is cut off;
- stops the truck within the limits of the operational reach of the device to detect humans, taking into account the load, speed, friction, slope and reach;
- maintains the stability of the truck and the maximum load allowed on the maximum operational slope specified by the manufacturer;
- operates if the speed or driving controls fail.

In addition, the brakes must comply with the terms of ISO 6292 when the truck operates in manual mode.

(c) Speed control

The parts related to the safety of the speed control system must comply with European standard EN 954-1, category 1. When stability may be impacted, category 2 applies. When a reduction in speed is required to safely stop a truck in the main directions using the human detection features, the control system must comply with category 3.

(d) Controls for maintenance and emergencies

Control features must be designed to be used in emergencies, for maintenance and for any other temporary task specified by the manufacturer. Furthermore, the controls must be connected to the truck when it is used and be sustained action controls. They must be designed to prevent unintentional manual operations.

(e) Battery charging

Individuals must be protected from risks related to accidental contact with the truck's connections powered by battery and the charging system.

Automatic charging systems - with the exception of contact rails, which are insulated - must be designed so that the charging connections are activated only when they are connected to the truck. When the truck moves away from the charging stations, the connections must be deactivated.

(f) Load handling

Systems to handle loads must be designed so that the load cannot move from the positions that the manufacturer has defined, regardless of the mode of operation, including for emergency stops and load transfers.

(g) Steering

The parts related to the safety of the steering system must comply with European standard EN 954-1, category 1. When stability may be impacted, category 2 applies.

(h) Stability

The truck's stability must be ensured for all operating positions and throughout driving operations and load handling, as well as for emergency stops when the truck is used for the purposes for which it was intended. Stability must be verified if the lift height exceeds 1.8 meters. For lift heights equal to or greater than 1.8 meters, verification may be calculation-based. If the speed control system fails, load handling and steering may cause a loss of stability at a lift height in excess of 1.8 meters in unmarked or dangerous zones.

(i) Protection systems

The European standard refers to a number of protection systems that must be installed on the truck. These systems relate to:

- steering;
- the tiller for use with a second driver;
- warning systems;
- emergency stops; and
- detection of humans along the route.

(j) Tow operations

Before starting, an acoustic signal must ring automatically for at least two seconds. The starting speed must be limited to 0.3 meters per second for at least five seconds. The drawbar for the trailers must include warning marks in black/yellow or red/white.

Export regulations

The Company's business is also subject to regulations regarding flows of goods in effect in the countries in which it operates. In this regard, the Company must comply with all of the laws and regulations that apply to exporting and re-exporting.

In the United States, among other laws and regulations, the Company must meet the requirements of the Export Administration Regulations, the International Traffic in Arms Regulations and all of the rules governing the economic and commercial sanctions of the OFAC (Office of Foreign Assets Control).

Within the European Union, the Company must comply with all of the rules related to export control and related economic and commercial sanctions imposed by the institutions of the European Union or any other Member State.

On the date of registration of the Registration Document, the Company has no information indicating that the manufacturing, commercialization or use of its products and services could be prohibited in a State in which these products and services are offered for sale today.

It should be noted that, on the date of registration of the Registration Document, the Company has not been the subject of any administrative or court action and has not been involved in a dispute related to compliance with its obligations under the regulations relative to the manufacturing, commercialization or use of its products and services.

6.15 Social challenges

The transformation of material handling trucks into intelligent, autonomous robots that are able to work with humans leads to a change in the forklift operator trade. This is a perfect illustration of the "creative destruction" phenomenon described by Joseph Schumpeter and Alfred Sauvy's "spillage" theory according to which, while technical progress destroys certain trades, this destruction is offset by other jobs created by the same technical progress.

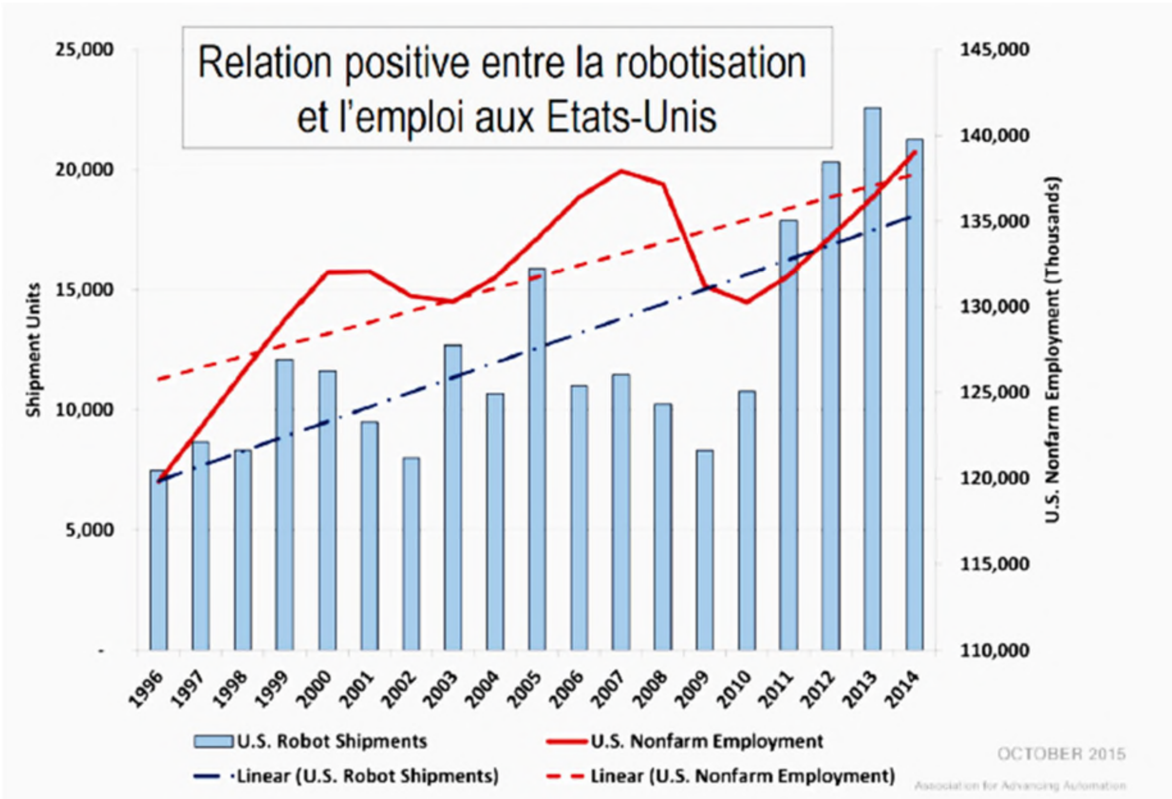
Popular belief that robots could destroy jobs over the long term is not consistent with a factual analysis of the historical data available. The opposite phenomenon can in fact be observed in countries with a high rate of robotization but whose unemployment rate is lower. The gains in productivity provided by robots create growth and competitiveness, and therefore more qualified labor is required.

The Company believes that this deep shift in the value chain that creates wealth will require a progressive adjustment of the systems to share wealth to allow everyone to equitably benefit from the new wealth created.

6.15.1 Transitioning trades towards higher added value tasks

Robotization impacts the typology of jobs. By replacing humans for certain tasks and redesigning production processes, it leads to a transformation of trades and the long-term creation of additional higher-value added jobs. The Company notes that a reduction in the number of jobs is rare, but employees are redeployed to higher-added value tasks due to the development of an efficient pairing between humans and the robots that provide services to humans. The majority of the Company's customers use robotics as a growth lever to allow them to produce more with the same number of employees.

The following graph presents the positive relationship between robotization and employment in the United States between 1996 and 2014:



The "Positive Impact of Industrial Robots on Employment" study conducted by Metra Martech, International Federation of Robotics (IFR) in 2013 defends the notion that, between 2017 and 2020, 450,000 to 800,000 new jobs should be created directly throughout the world thanks to robotics. When indirect jobs are added to the equation, up to two million jobs could be created, mostly in industry, renewable energy, and the automotive and electronic sectors. In the end, human intelligence will transition to new trades, new usages and new ways of using technology, and therefore new resources. With robotics, we are experiencing a similar mutation to that of the major waves of industrial mechanization.

6.15.2 Increased productivity at the service of society

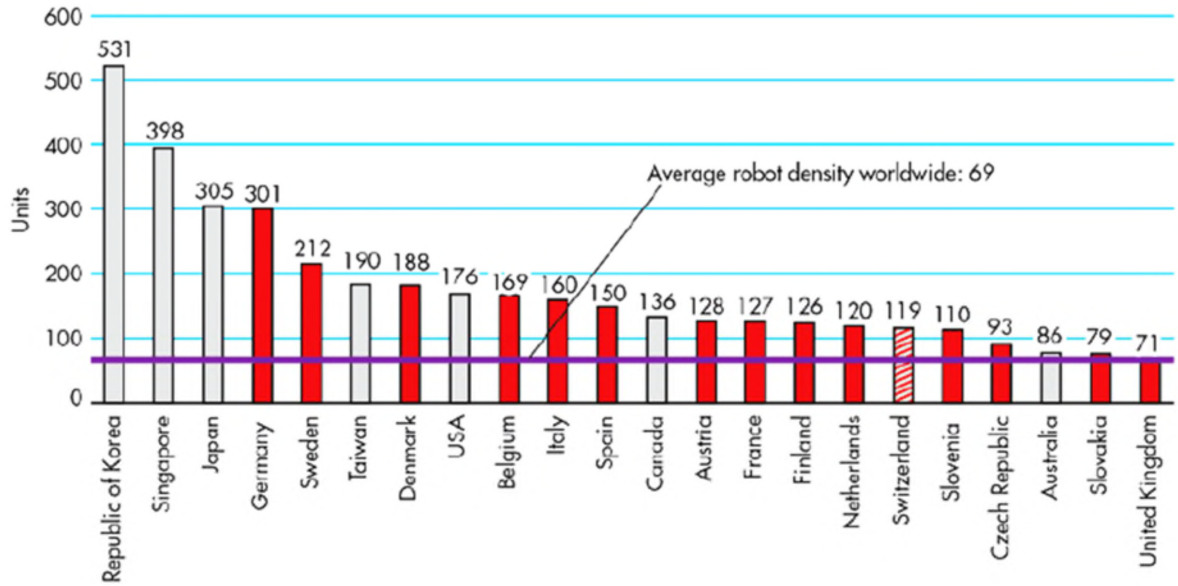
Autonomous material handing robots improve productivity and the competitiveness of businesses. Robotization unquestionably improves the safety, flexibility, regularity and quality of a work station, thereby optimizing the management of production and reducing manufacturing and delivery time lines.

This rise in productivity logically leads to a continuous reduction in the costs of industrial products, which increases purchasing power and therefore favors improved living standards.

From a geographical perspective, the "Positive Impact of Industrial Robots on Employment" study conducted by Metra Martech, International Federation of Robotics (IFR) demonstrates that the most robotized countries are those who are experiencing the greatest growth in industrial added value and the lowest or most stable unemployment rate.

The following graph presents the relationship between the industrialization and robotization of countries:

Number of multi-feature robots (all types) for 10,000 employees in the manufacturing industry.

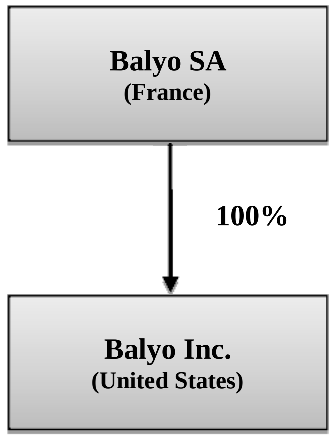


The more robotized the country, the stronger its industry in terms of GDP share and jobs.

7. ORGANIZATION CHART

7.1 Group organization chart

The organization chart below presents the Group as at the date of registration of the Registration Document.



7.2 List of subsidiaries, branches and secondary establishments ("*établissements secondaires*")

Balyo Inc. is a company incorporated in the State of Delaware and has capital of $1,000. Its administrative office is located at 185 Alewife Brook Parkway, Suite 410, Cambridge, MA 02138, United States. Its registered office is located at 2915 Ogletown Road, Newark, DE 19713, United States, and its registration number is 001191617. Balyo Inc.'s headquarters are located at 78-B Olympia Avenue, Woburn, MA 01801, United States. On the date of registration of the Registration Document, all of Balyo Inc.'s capital is held by the Company. Balyo Inc.'s principal business is the design, manufacturing and commercialization in the United States of automated devices and systems for the industry and logistics sectors.

With the exception of a cash agreement between the Company and Balyo Inc. signed on February 12, 2015, the objective of which is to permanently and systematically place Balyo Inc.'s financial transactions under the Company's treasury department, there are no other intra-group flows on the date of registration of the Registration Document.

8. REAL PROPERTIES, FACTORIES AND EQUIPMENT

8.1 Major existing or planned tangible assets

As at December 31, 2016, the Company held tangible assets worth a gross value of approximately €1,051.50K.

The tangible assets held by the Company are described in Note 4.2 to the consolidated financial statements for the fiscal years ending on December 31, 2016 and 2015, set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document. The Company leases a certain number of its tangible assets, in particular real properties and some technical equipment.

The Company is of the opinion that the rate of use of its assets is in line with its business and planned growth, as well as its current and planned investments.

On the date of registration of the Registration Document, the Company's planned assets relate to investments currently in progress or planned for the future, presented in Sections 5.2.2. "Principal investments currently in progress" and 5.2.3 "Principal investments projected" of the Registration Document.

8.2 Description of the real properties

On the date of Registration of the Registration Document, the Company did not own any real property.

8.2.1 Lease agreements

No.	Address	Lessor	Tenant	Description of the premises	Term	Annual base rent, including taxes	Reference index	Frequency of rent reviews
1.	240 rue de la Motte 77550 Moissy-Cramayel France	SCI ETCHE-BMF SENART	Balyo SA	Offices	Nine-year lease, including six years firm Initial end date: February 14, 2023	€238K	INSEE cost of construction index known on the date of effect of the lease	Annually
2.	185 Alewife Brook Parkway Suite 410 Cambridge, MA 02138 United States	-	Balyo Inc.	Offices	-	Free of charge	-	-
3.	78-B Olympia Avenue Woburn, MA 01801 United States	CUMMINGS PROPERTIES LLC	Balyo Inc.	Offices and warehouse	Five year lease Initial end date: April 14, 2022	$214K	-	-

8.3 Environmental issues

The nature of the Company's business does not pose any significant risk to the environment.

However, sustainable development is a priority for the Company.

Furthermore, in accordance with Article L. 225-102-1 of the Commercial Code, for the 2017 fiscal year, the Company will prepare a report that includes social and environmental information if its shares are admitted to trading on the Euronext regulated market in Paris before December 31, 2017. On the date of registration of the Registration Document, the Company does not monitor any specific indicators in this field, although the implementation of this type of indicator is an objective that has been adopted by the Group's Financial Director.

9. ANALYSIS OF THE GROUP'S PERFORMANCE

The reader is invited to read the following information on the Group’s financial position and earnings along with the entire Registration Document and, in particular, the Group’s consolidated financial statements prepared according to the IFRS on a voluntary basis, set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document.

The financial statements prepared in accordance with French accounting standards for the fiscal year ending on December 31, 2016 are set out in Section 20 "Financial Information" of the Registration Document. The differences between the financial statements presented according to French standards and those presented according to the IFRS are presented in Note 7.4 to the consolidated financial statements presented in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document. The consolidated financial statements prepared according to the IFRS on a voluntary basis present a statement of income by type.

Comments on the financial statements presented in Sections 9 and 10 of the Registration Document have been prepared exclusively on the basis of the consolidated financial statements prepared according to the IFRS on a voluntary basis set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document.

9.1 General presentation

9.1.1 Presentation of the Company

Based on standard material handling trucks, the Company designs, develops, markets and installs autonomous material handling robots that allow businesses and logistics specialists to significantly reduce their pallet handling costs by robotizing their equipment and by improving the safety of the space in which they operate. Today, its solution is available worldwide: Europe, US, Asia, Australia, etc.

As part of its international development, the Company has opened a subsidiary in the United States: Balyo Inc.

Since it was founded, the Company has been financed through:

- increases in capital;
- Research Tax Credit repayments;
- aid for innovation and Bpifrance subsidies;
- Coface prospecting insurance; and
- loans from credit institutions and financial investors.

9.1.2 Sales revenue

The Company's operating income is composed of revenue resulting from the sale of its products and maintenance services.

Over the medium term, products should represent close to 70% of the Company's revenue, and maintenance services, approximately 30%.

The Company distributes its products and services to a large number of customers in industry and the logistics sector, essentially through its Strategic Partners, Linde Material Handling (a subsidiary of the Kion Group) and Hyster-Yale.

In 2014, the Company signed a partnership agreement with Linde Material Handling for the commercialization of autonomous material handling robots. Linde Material Handling distributes these products to dealers or end customers (see Section 6.7.1 "Linde Material Handling (a subsidiary of the Kion Group)" of the Registration Document). Under this agreement, the Company sells a product to Linde Material Handling, which includes the material handling truck (that it acquires beforehand from Linde Material Handling) in which Balyo's technology has been integrated.

In 2015, the Company signed a partnership agreement with Hyster-Yale through its US subsidiary to grow its presence in North America (see Section 6.7.2 "Hyster-Yale " of the Registration Document. Under this agreement, the Company sells a robotic solution to Hyster-Yale, which it installs on Hyster-Yale's material handling trucks (without acquiring the trucks beforehand).

9.1.3 Production costs

Production costs are mainly composed of:

- the purchase of the material handling truck under the agreement signed with the Kion Group;
- the purchase of components;
- personnel expenses for the production, installation and maintenance teams;
- and expenses related to the installation of solutions at the customers' sites.

9.1.4 Research and development

The Company conducts research and development to continuously improve its automated system and thereby protect its competitive advantage. Research and development expenses are recorded when they are incurred.

The principal research and development expenses are:

- personnel expenses for the research and development team;
- the purchase of materials and supplies not kept in stock;
- the costs of subcontracting and studies; and
- fees related to intellectual property.

In 2016, the Company spent:

- €316.2K on the creation of prototypes, recorded as tangible assets in the Company's balance sheet, as compared to €233K in 2015 (see Section 6 "Business Overview" of the Registration Document);

- €3,068K on research, as compared to €2,511K in 2015 (see Section 6 "Business Overview" of the Registration Document). These are recorded as expenses under research and development expenses as soon as they are incurred.

No research and development expense has been capitalized to date.

The Company benefited from the Research Tax Credit for fiscal 2015 and 2016 (see Section 10.1.4 "Research Tax Credit financing" of the Registration Document). The Research Tax Credit is a tax credit offered to businesses that invest heavily in research and development (expenses eligible for the Research Tax Credit include, in particular, wages and salaries, consumables, expenses related to subcontracting to accredited organizations, and intellectual property costs). The Research Tax Credit is posted as revenue for the relevant fiscal year.

In accordance with IAS 20, subsidies may be recognized as operating income. They may be deducted from research expenses in accordance with the expenses recorded. They represent the benefit granted to the Company that results from savings of interest expenses in the form of repayable zero-interest advances granted by Bpifrance and Coface (see Note 4.10.2. to the financial statements prepared according to the IFRS presented in Section 20.1.1 “Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document).

9.1.5 Sales and marketing

The Company has adopted an ambitious commercial strategy:

- in close collaboration with the Strategic Partners' commercial networks;
- by developing simplified marketing tools to convert these networks to the Company's technologies;
- by targeting major accounts through the hiring of a comprehensive, international team; and
- attending specialized fairs in order to raise end customers’ awareness of the Company.

Sales and marketing expenses are essentially composed of:

- sales and marketing team wages;
- travel expenses;
- fees; and
- communication expenses.

9.1.6 General and administrative costs

General and administrative costs are mainly composed of:

- administrative team wages;
- rental/lease expenses;
- fees (lawyers, external consultants); and
- travel expenses.

9.1.7 Financial expenses and revenue

Financial revenue is mainly composed of exchange rate gains, interest collected and the reverse discounting of financial debt.

Financial expenses are mainly composed of:

- loan interest; and
- interest related to the repayable advances.

9.1.8 Principal factors impacting the business

The Company's past performance mainly reflects the launch of marketing for its solution, its investments in research and development, and its marketing expenses.

At this stage of its development, the principal factors that impact the Company's business, its financial situation, earnings, development and prospects are:

- its capacity to continue and accelerate the sale of its solutions;
- its commercial and marketing deployment, in particular thanks to stronger relations resulting from the partnership agreements signed with major material handling operators;
- its capacity to continue to invest in research and development;
- obtaining subsidies and repayable advances; and
- the existence of incentive taxation schemes for businesses that promote technical and scientific research.

9.2 Comparison of the last two fiscal years

Simplified Income statement in €K IFRS	12/31/2016	12/31/2015
Operating income	**5 153**	**2 863**
Production costs	*(3 642)*	*(2 033)*
Gross margin	**1 511**	**830**
Operating expenses	**(8 134)**	**(6 455)**
Operating loss/gain	**(6 624)**	**(5 625)**
Net loss/gain	**(6 830)**	**(5 804)**
Basic losses per share	*- 0.440*	*- 0.436*

9.2.1 Composition of operating income and net income

9.2.1.1 Sales revenue and gross margin

The analysis of the sales revenue and gross margin for the fiscal years ending on December 31, 2015 and December 31, 2016 is as follows:

SALES REVENUE AND GROSS MARGIN (amounts in €K)	12/31/2016	12/31/2015
Sales revenue	5 153	2 863
Production cost	(3 642)	(2 033)
Gross margin	**1 511**	**830**

Sales revenue corresponds to:

- the sale of solutions (products, installation of the solution); and
- maintenance agreements.

Sales revenue for 2016, like 2015, was for the most part achieved in Europe.

Growth in sales revenue results from the delivery and installation of the first solutions in partnership with Linde Material Handling. In 2016, Balyo delivered 72 robots, compared to 30 in fiscal 2015.

Production costs for the most part cover parts required to assemble the autonomous material handling robots, as well as labor.

The gross margin totaled 29.3% in 2016, as compared to 29% in 2015. This relative stability is due to improved productivity, offset by the higher cost of parts in 2016 compared to 2015.

In 2016, the time to assemble a robot is estimated to have dropped by 30% compared to 2015. In parallel, the installation time required declined by 25%. However, the addition of parts to improve the safety and performance of the robots offset these gains in productivity.

The information on outstanding contracts related to the sales of solutions is as follows:

As at 12/31/2016	Current contracts
Sales revenue	1,797.3
Advances and deposits received for orders	1,720.4
Income to be received	699.3
Deferred income	-
Loss on completion	-

9.2.1.2 Operating expenses by department

Research and development expenses

Since it was founded, the Company has focused its research and development on its automated solution (see Section 6 "Business Overview" of the Registration Document).

Research and development expenses for the fiscal years presented are broken down as follows:

RESEARCH AND DEVELOPMENT EXPENSES (amounts in €K)	**12/31/2016**	**12/31/2015**
Personnel expenses	2 375	1 942
Purchases of parts for research	365	388
Other	328	182
Research and development	**3 068**	**2 511**
Research Tax Credit	(647)	(586)
Subsidies	(8)	(65)
Subsidies	**(655)**	**(651)**
NET TOTAL	**2 413**	**1 860**

The increase in research and development expenses results from an increase in the number of solutions developed by the Company. The partnership agreements signed with Linde Material Handling first, then with Hyster-Yale required the integration of the Company's solution before it could be installed on each truck in the range designed with these manufacturers.

This work started in 2015 with the products in the Linde Material Handling range, then continued in 2016 (six Linde Material Handling products and five Hyster-Yale products), and will continue and increase in 2017.

Also, the Company wishes to maintain its technological advance and continues to invest heavily in improving its solutions.

In 2015, the Company created a new electronic platform that covers all of its products. In 2016, work was performed to develop the 3D viewing and image processing technology, as well as to implement new installation tools to improve the efficiency and rapidity of installation.

The Research Tax Credit, which increased between 2015 and 2016, is deducted from the research and development expenses. This also applies to subsidies.

The number of people dedicated to research and development increased from 31 in 2015 to 38 in 2016.

Sales and marketing

Sales and marketing expenses for the fiscal years presented are broken down as follows:

SALES and MARKETING (amounts in €K)	**12/31/2016**	**12/31/2015**
Personnel expenses	1 605	753
Communication expenses	429	254
Other	1 088	906
Sales and marketing	**3 122**	**1 913**

The increase in sales and marketing expenses results from the Company's decision to grow its commercial network around the world by creating a dedicated team.

In 2016, Balyo invested in robotics and material handling events in Europe and the United States. It also re-engineered its website and created a portal, which includes a simulation tool for the solution targeting potential customers (e-budget), an online training tool (e-learning) and a management tool for customer installations (e-ticketing).

Balyo also added to its structure by creating dedicated marketing and sales teams, including in the United States where it hired a sales manager.

The number of people dedicated to sales and marketing increased from seven in 2015 to 16 in 2016.

General and administrative expenses

General and administrative expenses for the fiscal years presented are broken down as follows:

GENERAL and ADMINISTRATIVE EXPENSES (amounts in €K)	**12/31/2016**	**12/31/2015**
Personnel expenses	979	1 229
Miscellaneous consulting fees	453	323
Other	1 005	800
General and administrative expenses	**2 437**	**2 351**

General and administrative expenses remained quite stable between 2015 and 2016. The slight increase results principally from an increase in fees, rent/lease and travel expenses, although personnel expenses declined.

The number of people dedicated to administration decreased from nine in 2015 to six in 2016.

9.2.1.3 Financial income

PRODUITS ET CHARGES FINANCIERS (Montants en K€)	31/12/2016	31/12/2015
Coût de l'endettement financier net	(143)	(149)
Autres charges financières	(147)	(102)
Produits financiers	1	0
(Pertes) et gains de change	82	71
Total produits et charges financiers	**(206)**	**(179)**

The increase in financial expenses mainly results from debt financing of €1 million raised at the end of 2015.

9.2.1.4 Corporate tax

The Company did not record a corporate tax expense.

As at December 31, 2016, the Company recorded tax losses that can be carried over indefinitely in France in the amount of €23,427K (as compared to €16,804K as at December 31, 2015). In France, for fiscal years subsequent to December 31, 2012, the charge for these losses is capped at one million euros, increased by 50% of the portion of the profits that exceed this ceiling. The unused balance of the loss can be carried forward to future fiscal years and may be charged under the same conditions with no time limit.

The tax rate applicable to the Company is the rate applicable in France: 33.33%. The rate applicable to its subsidiary in the US is 34%.

Deferred tax assets are recorded under tax losses carried forward when it seems probable that the Company will have future taxable income to which these unused tax losses can be charged. Based on this principle, no deferred tax asset has been recorded in the Company's financial statements in addition to the deferred tax liabilities.

9.2.1.5 Basic losses per share

Earnings per share are calculated by dividing the net earnings attributable to the Company's shareholders by the average weighted number of shares in circulation during the fiscal year.

BASIC LOSSES PER SHARE (amounts in €K)	12/31/2016	12/31/2015
Net loss fpr the period	(6 830)	(5 804)
Weighted average number of shares in circulation	15 523 971	13 317 177
Basic losses per share (€/share)	**(0.440)**	**(0.436)**

9.2.2 Balance sheet analysis

9.2.2.1 Non-current assets

NON-CURRENT ASSETS (amounts in €K)	12/31/2016	12/31/2015
Intangible assets	190	85
Tangible assets	674	588
Financial assets	152	77
Total non-current assets	**1 016**	**751**

Investments in tangible assets mainly relate to the production of prototypes. The increase in investments in tangible assets relates to the development of training, sales and maintenance software in 2016: e-budgeting and e-learning (see Section 6.10 "Sales and marketing" of the Registration Document).

Financial assets are mainly composed of additional security deposits for the Company's commercial lease (expansion of the head office) and sureties for certain bank financing instruments.

9.2.2.2 Current assets

CURRENT ASSETS (amounts in €K)	12/31/2016	12/31/2015
Inventories	1 027	792
Customer receivables and related accounts	3 374	2 227
Other receivables	1 596	1 080
Cash and cash equivalents	3 637	3 022
Total current assets	**9 633**	**7 121**

Cash and cash equivalents are composed of short-term bank deposits and term deposits with maturity of less than three months or that are available immediately.

Raw material inventories are essentially composed of truck automation parts.

INVENTORIES (amounts in €K)	12/31/2016	12/31/2015
Raw materials	1118.2	1326.1
Work in process	0	0
Merchandise	40.2	0
Total gross inventories	1158.4	1326.1
Depreciation of raw materials	-131.3	-533.7
Total depreciation of inventories	-131.3	-533.7
Total net inventories	1027.1	792.5

The other receivables mainly include:

- the Research Tax Credits recorded for fiscal 2015 and 2016 (€647K in 2016 and €586K in 2015), the repayment of which has occurred or should occur in the next fiscal year;
- deductible VAT or VAT credits; and
- prepaid expenses related to yearly contracts.

9.2.2.3 Equity

EQUITY (amounts in €K)	**12/31/2016**	**12/31/2015**
Share capital	1 273	1 138
Share premiums	17 589	15 044
Translation reserve	(171)	(88)
Other comprehensive income	(0)	9
Reserves - Group share	(15 473)	(9 830)
Income - Group share	(6 830)	(5 804)
Total equity - Group share	**(3 613)**	**469**
Non-controlling interest		
Total equity	**(3 613)**	**469**

The amount of share capital has been set at €1,272,531.96 and is divided into 15,906,637 ordinary shares, fully subscribed and paid up, with a par value of €0.08.

The net changes in the Company's equity for fiscal 2015 and 2016 result for the most part from the combination of:

- the loss of €6,380K recorded in fiscal 2016;
- increases in capital in fiscal 2016 in the amount of €2,688K (€688K of which to redeem bonds).

9.2.2.4 Non-current liabilities

NON-CURRENT LIABILITIES (amounts in €K)	**12/31/2016**	**12/31/2015**
Commitments to employees	115	68
Non-current financial debts	3 189	2 286
Other non-current debts	2	2
Non-current liabilities	**3 307**	**2 356**

Non-current financial debt covers:

- the non-current portion of the bank loans;
- the non-current portion of the repayable advances granted by public institutions (see Note 4.10.2. to the financial statements prepared according to the IFRS presented in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document).

Since 2010, the Company has been the beneficiary of seven repayable advance programs (see Section 10.1.3 "Repayable advances and subsidy financing" of the Registration Document).

The increase in financial debt between 2015 and 2016 mainly results from a new Bpifrance loan in the amount of €1,100K granted in 2015, the goal of which is to finance immaterial expenses related to the industrial and commercial launch of an innovation.

Personnel-related commitments cover the provision for retirement benefits.

9.2.2.5 Current liabilities

CURRENT LIABILITIES (amounts in €K)	**12/31/2016**	**12/31/2015**
Current financial debts	3 284	1 361
Provisions	54	54
Supplier payables and related accounts	3 709	1 584
Tax and social security liabilities	1 524	1 100
Other current liabilities	2 384	947
Current liabilities	**10 956**	**5 047**

Current financial debt includes:

- the current portion of the bank loans;
- the €2,800K bond issue paid in fiscal 2016; and
- the current portion of the repayable advances granted by public institutions (see Section 10.1.3 "Repayable advances and subsidy financing" of the Registration Document).

Accounts payable and related accounts were fairly up to date at the end of each period. The increase in accounts payable mainly results from the increase in business as of the end of 2016.

Other payables and miscellaneous debts mainly relate to advances and deposits for customer orders, which totaled €1,947K in 2016, as compared to €468K in 2015.

9.3 Post-closing events

To cover post-closing requirements and in order to complete its different projects (development of its industrial capacity and its markets), the Company decided to initiate a process to introduce its shares to trading on the Euronext regulated market in Paris (the IPO).

10. CASH AND CAPITAL

The reader is invited to also read Notes 4.7 and 4.8 to the consolidated financial statements prepared according to the IFRS presented in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document.

10.1 Information on the Company's capital, liquid assets and sources of financing.

As at December 31, 2016, the net amount of the Company's cash and cash equivalents (the sum of the cash and cash equivalents recorded as assets and bank account overdrafts recorded as liabilities) totaled €3,634K, as compared to €3,019.80K as at 31 December 2015.

Since it was founded, the Company has been financed through:

- increases in capital;
- Research Tax Credit repayments;
- aid for innovation, Bpifrance subsidies and Coface prospecting insurance; and
- loans from credit institutions and financial investors.

10.1.1 Capital financing

The Company received a total of €19,012K (prior to the deduction of expenses related to capital increases) from founders' contributions and capital increases that took place between 2007 and 2016.

The table below summarizes the principal capital increases in value to date:

Periods	Gross amounts raised, in €K	Operation
March 2007	6	Incorporation, contributions of the founders
May 2007	42	Increase in capital through the incorporation of reserves
June 2008	104	Increase in capital through the incorporation of reserves
July 2010	2 011	Increase in capital through the issue of 1,897,000 shares with a subscription price of €1.06 per share
July 2010	18	BSA subscriptions
October 2012	2 715	Increase in capital through the issue of 1, 274,647 shares with a subscription price of €2.13 per share
July 2013	2 000	Increase in capital through the issue of 1,886,792 shares with a subscription price of €1.06 per share
August 2013	111	Exercise of Ratchet BSA 2012: issue of 1,391,654 shares with a subscription price of €0.08
February 2015	32	Exercise of BCE
	9 285	Increase in capital through the issue of 4,744,448 shares with a subscription price of €1.60 per share and redemption of 1,688 bonds
March 2016	2 688	Increase in capital through the issue of 1,250,000 shares with a subscription price of €1.60 per share and redemption of 572 bonds
Total	**19 012**	

10.1.2 Loan financing

The increase in financial debt in the form of bank loans can be analyzed as follows:

EVOLUTION OF LOANS FROM CREDIT INSTITUTIONS	Loans from credit institutions
At January 1, 2015	**133**
(+) Receipt	0
(-) Repayment	(51)
At December 31, 2015	**83**
(+) Receipt	1 000
(-) Repayment	(30)
At December 31, 2016	**1 053**

The Company took out a number of loans. The terms of these loans are as follows:

				At December 31, 2016 (€K)		
Banking institution	Initial amount (€K)	Loan date	End date	Portion <1 year	Portion 1 to 5 years	Portion > 5 years
BPI France	150	09/07/2010	09/30/2018	30	23	0
BPI France	1 000	01/01/2016	03/31/2023	0	750	250

In 2014, the Company launched three bond issues redeemable in shares bearing the same characteristics:

1. The extraordinary general meeting of the Company held on April 3, 2014 approved an "ORA 2014" bond issue in a maximum amount of €500K, redeemable in ordinary shares or in ABSA 2013, through the issue of a maximum of 500 bonds worth €1K each.

   The issue resolution was adopted on April 3, 2014.

   The preferential subscription right was reserved for the Company's current financial investors.

2. The Company's extraordinary general meeting held on July 23, 2014 approved an "ORA 2014-2" bond issue in a maximum amount of €500K redeemable in ordinary shares or in ABSA 2013 through the issue of a maximum number of 500 bonds worth €1K each.

   The issue resolution was adopted on July 23, 2014.

   The preferential subscription right was reserved for the Company's current financial investors.

3. The Company's extraordinary general meeting held on December 19, 2014 approved an "ORA 2014-3" bond issue in a maximum amount of €1,240K redeemable in ordinary shares or in ABSA 2013 through the issue of a maximum number of 1,240 bonds worth €1K each. The issue resolution was adopted on December 19, 2014.

   The preferential subscription right was reserved for the Company's current financial investors.

On November 25, 2016, the Company issued a new bond issue redeemable in shares in the amount of €2,800K through the issue of 2,800 bonds redeemable in ordinary shares with a par value of €1K each,

each one attached to a "ratchet" stock warrant, which will automatically become obsolete when the Company's shares are admitted to trading for the first time on the Euronext regulated market in Paris.

The bonds redeemable in shares were settled as follows (see Section 21.1.4.3 "Bonds convertible into shares" of the Registration Document).

EVOLUTION OF BOND ISSUES (amounts in €K)	**2014 bond issue**	**2016 bond issue**
At January 1, 2015	**2 253**	**0**
(-) Share redemption	(1 688)	
(+) Capitalized interest	11	
(+/-) Impact of the amortized cost	112	
At December 31, 2015	**688**	**0**
(+) Receipt		2 800
(-) Share redemption	(688)	
(+) Capitalized interest		98
At December 31, 2016	**0**	**2 898**

10.1.3 Repayable advances and subsidy financing

Since 2010, the Company has benefited from seven repayable advance programs. The table below presents the movements related to these five advances and indicates how each advance is allocated:

EVOLUTION OF REPAYABLE ADVANCES (amounts in €K)	**Zero-interest loan €1,100K**	**Zero-interest loan €750K**	**Zero-interest loan €600L**	**BPI France €950K**	**BPI France €200K**	**COFACE EUROPE**	**COFACE USA**	**Total**
At January1, 2015	**0**	**466**	**516**	**414**	**103**	**168**	**141**	**1 808**
(+) Receipt	1 100	0	0	450	0	0	132	1 682
(-) Repayment	0	(250)	(38)	0	(55)	0	0	(343)
Subsidies	(245)	0	0	(119)	0	0	(12)	(376)
Financial charges	3	24	28	28	5	5	8	101
At December 31, 2015	**858**	**240**	**507**	**773**	**53**	**173**	**269**	**2 874**
(+) Receipt	0	0	0	0	0	0	127	127
(-) Repayment	0	(250)	(150)	0	(55)	(178)	(8)	(641)
Financial charges	48	10	24	46	2	5	13	147
At December 31, 2016	**906**	**0**	**381**	**819**	**0**	**0**	**401**	**2 507**

Details on the repayable advances are presented in Section 9.2.2.4 "Non-current liabilities" of the Registration Document and in Note 4.10.2 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document.

The repayment schedule for these advances is described in Note 4.10.2 to the consolidated financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document. It is summarized in the following table:

Amounts in €K (IFRS)	Zero-interest loan €1,100K	Zero-interest loan €750K	Zero-interest loan €600K	BPI France €950K	BPI France €200K	COFACE EUROPE	COFACE USA	TOTAL
At December 31, 2015	**858**	**240**	**507**	**773**	**53**	**173**	**269**	**2 874**
Portion at less than one year	0	240	126	0	53	173	0	593
Portion at one to five years	444	0	381	589	0	0	269	1 683
Portion at more than five years	414	0	0	183	0	0	0	597
At December 31, 2016	**906**	**0**	**381**	**819**	**0**	**0**	**401**	**2 507**
Portion at less than one year	0	0	132	145	0	0	0	277
Portion at one to five years	693	0	249	673	0	0	401	2 017
Portion at more than five years	213	0	0	0	0	0	0	213

Over the 2015-2016 period, the Company was granted a number of subsidies. In accordance with IAS 20, they reflect the benefit granted to the Company that results from savings of interest expenses in the form of repayable zero-interest advances granted by Bpifrance and Coface (see Note 4.10.2 to the financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document.

10.1.4 Research Tax Credit financing

The Company was granted the Research Tax Credit in fiscal 2015 and 2016.

TAX CREDITS (Amounts in €K)	12/31/2016	12/31/2015
Research Tax Credit	(647)	(586)

These amounts represent a Research Tax Credit debt obligation at the closing of each fiscal year. The 2014 and 2015 Research Tax Credits were repaid the following year. The repayment of the Research Tax Credit recorded for 2016 is expected in 2017 (see Note 4.6 to the financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document.

10.1.5 Off-balance sheet commitments

10.1.5.1 Property leases/rentals

As At December 31, 2016, the amount of rent and future expenses related to the lease for the head office until the next potential termination period totals €1,150.50K (see Note 6.1 to the financial statements prepared according to the IFRS set out in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document).

10.2 Cash flows

The annual cash flow variations for the fiscal years in question result mainly from:

- operating losses, and
- financing operations (increases in capital and in financial debt).

10.2.1 Cash flows relating to operating activities

Changes in cash flow relating to operating activities for the fiscal years ending on December 31, 2015 and 2016 respectively total -€5,701K and -€3,984.5K, and relate for the most part to operating losses recorded in 2015 and 2016.

	12/31/2016	12/31/2016
Cash flow after cost of financial debt and taxes	**(6 216)**	**(5 313)**
(+) Elimination of the net cost of financial debt	144	48
Cash flow before cost of financial debt and taxes	**(6 072)**	**(5 265)**
(-) Change in working capital requirements (net of depreciation for customer receivables and inventory)	2 088	(435)
Cash flow from operating activities	**(3 985)**	**(5 701)**

Working capital requirements increased in 2015 due to:

- an increase in inventory (€354K);
- an increase in customer receivables and related accounts in the amount of €809K; and
- a reduction in advances and customer deposits received in the amount of €156K.

Working capital requirements decreased in 2016 due to:

- an increase in accounts payable and related accounts in the amount of €2,159K; and
- an increase in advances and deposits received in the amount of €1,361K.
- despite an increase in customer receivables (€1,137K).

In the future, the Company's working capital requirements should change only slightly. The Company receives deposits every time it sells one of its solutions. This deposit represents 30% of the price and is paid within 30 days of receipt of the purchase order. Also, the Company receives regular payments for deliveries, and for the installation and commissioning of autonomous material handling robots at end customers, while suppliers are paid in 45 days. Finally, payment risks are limited as the payments related to the stages referred to above are made by the Company's Strategic Partners.

10.2.2 Cash flows relating to investment activities

	12/31/2016	12/31/2015
Acquisition of intangible assets	(133)	(39)
Disposal of tangible assets	40	0
Acquisition of tangible assets	(369)	(339)
Change in other non-current financial asse	(74)	(1)
Cash flow from investment activities	**(536)**	**(379)**

Cash burn related to tangible and intangible investment activities for the fiscal years ending on December 31, 2015 and December 31, 2016 respectively totaled €379K and €536K, mainly related to the production of prototypes in the respective amounts of €233K and €316K.

The other investments mainly relate to office equipment and refurbishing.

10.2.3 Cash flows relating to financing activities

The Company has carried out a number of capital increases since it was founded (see Section 10.1.1 of the Registration Document), took out bank loans (see Section 10.1.2 "Loan financing" of the Registration Document) and received advances and subsidies between 2010 and 2016 (see Section 10.1.3 "Repayable advances and subsidy financing" of the Registration Document).

Details on cash flows related to financing operations are provided below.

	12/31/2016	12/31/2015
Capital increase net of increase costs	1 991	7 450
BSA issue	0	6
Receipt of conditional advances and subsidies	1 127	1 306
Receipt of new loans or convertible bonds	2 800	0
Net financial interest paid	(144)	(48)
Repayment of loans and conditional advances	(671)	(393)
Cash flow from financing activities	**5 104**	**8 320**

10.3 Loan conditions and financing structure

The information on financing related to the Company's activities is set out in Section 10.1 "Information on the Company's capital, liquid assets and sources of financing" of the Registration Document.

10.4 Potential restrictions on the use of capital

None.

10.5 Future financing sources for future investments

To cover future requirements (stepping up commercial development, maintaining its technological leadership and enhancing its offering) and bring its projects to fruition (development of its industrial capacity and of its markets), the Board of Directors has already taken the following measures to ensure the Company has the financing required to pursue its development:

- a plan to introduce the Company's shares to trading on the Euronext regulated market in Paris; and
- the continued search for investors interested in private investment should market conditions not allow for the planned IPO.

11. RESEARCH AND DEVELOPMENT, PATENTS, LICENSES, TRADEMARKS AND DOMAIN NAMES

Balyo is a high tech company and the owner of three patents. Its goal is to innovate and provide high-end services that showcase French excellence and expertise. The Company has full ownership of a patent and does not share any intellectual property right related to its business (with the exception of rights that may result from a joint development with its Strategic Partners) (see Section 6.6.4 "Intellectual property" of the Registration Document).

11.1 Innovation policy

Thanks to its innovations in the field of mobile robotics, the Company is growing. The performance of its research and development is therefore determining. A significant portion of the Company's expenditure is allocated to research and development. This department employs 39 individuals out of a total payroll of 91 as at the date of registration of the Registration Document.

The amount of research and development expenses, excluding the Research Tax Credit, recorded over the past two fiscal years is set out in the table below:

Years	Amount of research and development expenses
2016	€2,413K
2015	€1,859K

The patents, trademarks, domain names, software, databases and other intellectual property rights the Company owns represent a portion of its assets and property rights. The Company's intellectual property policy focuses on the protection of its patents, trademarks, domain names, software and databases.

The Company examines whether patent applications are required to protect certain technical processes on a case by case basis.

With regard to trademarks and domain names, the Company usually files applications in the country in which the domain name or trademark will be used.

Also, the Company attaches great importance to ensuring the contractual terms required are in place to protect its business secrets and know-how vis-à-vis its employees and any providers it may call upon. For this purpose, in the employment agreements signed by employees, the Company has included a clause stipulating that all software (and related documentation) and inventions created by an employee as part of his job, studies, or research or further to instructions provided by the Company, will become the exclusive property of the Company.

11.2 Balyo patents

11.2.1 Apparatus and method for determining reference elements of an environment

Functionality: Identification of structural elements

Application publication number and date: WO2013153415 – 10/17/2013

Filing number and date: PCT/IB2012001454 – 04/11/2012

Priority number and date: PCT/IB2012001454 – 04/11/2012

Also published as: FR2936325 (A1) / FR2936325 (B1) / EP2335124 (A1) / EP2836853 (A1) / US2015062595 (A1) / US9448062 (B2) / CA2870275 (A1)

This patent protects a process to determine the reference elements of an environment. The process includes the following steps as a minimum: (a) providing a ceiling value and a floor value; (b) measuring, using a distance-measuring sensor, a set of environment point positions, each position comprising at least a first coordinate along a first direction and a second coordinate along a second direction non collinear with the first direction; (c) determining reference elements of the environment comprising the position of the set of environment point positions whose second coordinate is strictly smaller than the ceiling value and strictly higher than the floor value, and whose distance to the distance-measuring sensor, taken along the first direction, is the highest distance in a set of distances of environment points to the distance-measuring sensor, said distances being taken along the first direction.

11.2.2 Automated Guided Vehicles

Functionality: Certified truck

Filing number and date: EP16161061 – 3/18/2016

Status: Under examination

Next steps: The research report has been received and is very positive about patentability. Rapid issuance is expected.

This patent protects an automated guided vehicle that includes a load carrier structure with a fork, a propulsion system, a sensor to collect data on the position of objects located in a detection field and a computer.

The vehicle includes a reference element located in the sensor's field of detection, rigidly attached to a rigid chassis to which the sensor is also attached.

The sensor periodically acquires information on the control position indicating the position of the reference element. The computer periodically compares the control position information with the reference value saved in a memory.

11.2.3 Inspection process and system to implement this process on a storage site

Functionality: Drone positioning

<u>Filing number and date</u>: EP16161062 – 3/18/2016

<u>Status</u>: Under examination

<u>Next steps</u>: The research report has been received and is very positive about patentability. Rapid issuance is expected.

This patent protects an inspection system for a storage warehouse, which includes an automated guided vehicle with a bi-dimensional positioning system and a drone equipped with a measurement sensor to collect measurement data.

The inspection system also includes a position control system to keep the drone above the automated guided vehicle in the vertical direction, an altitude sensor to reach a relative vertical distance between the drone and the automated guided vehicle, and a communication system to transmit the measurement data to a remote server.

The inspection system sends the remote server a series of tri-dimensional coordinates associated with the measurement data, which includes the horizontal coordinates as a function of the bi-dimensional position of the automated guided vehicle on the floor of the storage warehouse and a vertical coordinate as a function of the relative vertical distance of the drone in relation to the automated guided vehicle.

11.3 Balyo's domain names

balyo	open-agv	openagv
balyo.be	open-agv.be	openagv.be
balyo.cat	open-agv.cc	openagv.cc
balyo.cc	open-agv.com	openagv.com
balyo.com	open-agv.es	openagv.net
balyo.de	open-agv.eu	openagv.org
balyo.eu	open-agv.fr	openagv.es
balyo.fr	open-agv.info	openagv.eu
balyo.cat	open-agv.net	openagv.fr
balyo.info	open-agv.org	openagv.info
balyo.me		
balyo.net		
balyo.org		
balyo.pro		

11.4 The Company's trademarks

The Company uses many trademarks in its activities, as described in the table below (source: INPI):

No.	Registrant	Trademark	Comment	Country	Classes	Number	Filing date	Registration date	Status	Expiry
1.	**Company**	DRIVEN BY BALYO	Words	European Union	7, 12, 37, 39, 42	14648381	10/6/2015	10/6/2015	Opposition to the application	10/6/2025
2.	**Company**	BALYO	Words	European Union	7, 12, 37, 39, 42	14648307	10/6/2015	10/6/2015	Registered trademark	10/6/2025
3.	**Company**	BALYO	Semi-figurative	European Union	7, 12, 39	016440901	3/7/2017	3/7/2017	Registered trademark	3/7/2027
4.	**Company**	BaLyo	Semi-figurative	France	7, 12, 37, 39, 42	3560895	3/6/2008	3/6/2008	Registered trademark	3/6/2018
5.	**Company**	Pmatic	Semi-figurative	France	7, 12, 37, 39, 42	4058103	01/02/2014	01/02/2014	Registered trademark	01/02/2024
6.	**Company**	Lmatic	Semi-figurative	France	7, 12, 39	4021630	07/23/2013	07/23/2013	Registered trademark	07/23/2023
7.	**Company**	Rmatic	Semi-figurative	France	7, 9, 12, 37, 39, 42	3937303	07/27/2012	07/27/2012	Registered trademark	07/27/2022

No.	Registrant	Trademark	Comment	Country	Classes	Number	Filing date	Registration date	Status	Expiry
8.	**Company**	BaLyo moveBOX	Semi-figurative	France	7, 12, 37, 39, 42	3931174	7/2/2012	7/2/2012	Registered trademark	7/2/2022
9.	**Company**	XLAM	Semi-figurative	France	7, 12, 37, 39, 42	3924301	6/4/2012	6/4/2012	Registered trademark	6/4/2022
10.	**Company**	openAGV	Semi-figurative	France	7, 12, 37, 39, 42	3924310	6/4/2012	6/4/2012	Registered trademark	6/4/2022
11.	**Company**	BaLyo pullBOX	Semi-figurative	France	7, 12, 37, 39, 42	3924317	6/4/2012	6/4/2012	Registered trademark	6/4/2022
12.	**Company**	BaLyo moveBOX	Semi-figurative	France	7, 12, 37, 39, 42	3913393	4/16/2012	4/16/2012	Registered trademark	4/16/2022

No.	Registrant	Trademark	Comment	Country	Classes	Number	Filing date	Registration date	Status	Expiry
13.	**Company**	BaLyo SIMPLEMENT AUTOMATIQUE.	Semi-figurative	France	7, 12, 37, 39, 42	3913338	4/16/2012	4/16/2012	Registered trademark	4/16/2022
14.	**Company**	FLYBOX	Words	European Union	7, 12, 39	016440919	3/7/2017	3/7/2017	Registered trademark	3/7/2027

11.5 Disputes

Without prejudice to the information provided in the table presented in Section 11.4 "The Company's trademarks" of the Registration Document, on the date of registration of the Registration Document, the Company is not a party to any intellectual property dispute or litigation. With regard to the "Driven by Balyo" trademark, the Company is of the opinion that this dispute is not significant as it has taken all possible measures to satisfy the claims of the company that has filed the opposition. On July 20, 2016, the Company took the initiative of immediately limiting the "Driven by Balyo" trademark to Class 12 products in order to exclude those that relate to passenger transport. On the date of registration of the Registration Document, the Company is awaiting the decision of the European Union Intellectual Property Office (EUIPO).

12. TRENDS

12.1 Recent trends since December 31, 2016

The Company had outstanding orders[3] in the amount of €14.5 million as at March 31, 2016 (including €5.4 million new orders received in the first quarter of the fiscal year), an increase of close to 30% compared to the €11.2 million recorded as at December 31, 2016.

On May 8, 2017, the Company, Linde Material Handling and Kion Group AG signed a new agreement for an initial six-year term, automatically renewable for four additional years. The new agreement entered into force on the same day (see Section 6.7 "Strategic Partners" of the Registration Document). The Company is of the opinion that the new partnership agreement should improve the financial performance of the Company and its Strategic Partner over time as compared to the prior agreement.

12.2 Future prospects and objectives

The Company's objectives, as presented below, do not constitute forward-looking information resulting from a budget process, but are simple objectives based on the strategic choices described in Section 6.3 "Strategy", the Company's development plan and sector-based studies related to the industry in which the Company operates.

These objectives are based on data and assumptions the Company considers reasonable on the date of registration of the Registration Document. These data and assumptions may evolve or change in light of uncertainties related, in particular, to the regulatory, economic, financial, competitive, accounting and tax environment or to other factors of which the Company has no knowledge on the date of registration of the Registration Document. Furthermore, the materialization of certain risks described in Section 4 "Risk Factors" of the Registration Document could impact the Company's business, financial situation, earnings and prospects and its capacity to achieve its objectives. The achievement of these objectives also presupposes that the Company's strategy, presented in Section 6.3. "Strategy" of the Registration Document, succeeds, as it can also be affected by the materialization of these same risks. The Company therefore cannot provide an undertaking or guarantee on the achievement of the objectives described in the Registration Document and does not undertake to publish or issue potential corrections or updates of this information.

The Company is of the opinion that the autonomous material handling robot market in which it is present offers major growth potential. The Company intends to rely on its competitive advantages (see Section 6.2 "Competitive advantages" of the Registration Document), and, by implementing the strategy presented in Section 6.3 "Strategy" of the Registration Document, aims at becoming a global leader by being capable of offering a comprehensive solution to allow its worldwide customers to automate all of their intralogistics flows. To achieve this objective, the Company intends to globalize and generalize its offer by (i) maintaining its technological leadership and adding to its offering, (ii) stepping up its commercial development, in particular by creating a strategic marketing unit, and (iii) adopting a targeted opportunity-based acquisition policy to accelerate the creation of teams, extend the range and expand the portfolio of customers.

[3] I.e., receipt by one of the Strategic Partners or by the Company itself of a firm order for a product equipped with the Balyo solution.

To this end, the Company has set operational and financial objectives for the current fiscal year (2017) and the medium term (2022) (see Section 6.1 “General presentation” of the Registration Document).

12.2.1 The Company's medium-term objectives

The objectives were set based on the accounting principles adopted by the Company to prepare its consolidated financial statements for the fiscal years ending on December 31, 2015 and 2016.

Note that in fiscal 2016, the Company recorded sales revenue of €5.2 million.

For fiscal 2017, the Company has notably adopted a sales objective in excess of €15 million, with average revenue per autonomous material handling robot (including the sale of equipment and the embedded software) of €47.5K. This objective was determined based on the orders placed as at March 31, 2017 and the execution stage, which generally ranges from six to nine months.

The Company expects a significant increase in its gross margin over the next three years generated by an increase in volumes, which will allow for the optimization of the cost of components and a progressive decrease in the labor required for assembly and installation.

Furthermore, the Company aims at reaching a quasi-balance in terms of operating income in fiscal 2018 based on the assumption of an increase in sales in line with the potential market growth identified (see Section 6.4 "The Company's principal markets" of the Registration Document), and by exercising control over its operating expenses (changes in research and development, sales and marketing, and administrative expenses in line with historical expenses and inferior to growth in sales revenue).

12.2.2 2022 objectives

To determine its medium-term objectives, the Company has relied on sector-based studies to establish its operational and financial objectives. On the basis of these studies, the Company has adopted the following objectives to be achieved by 2022:

- over 20% market share of the global autonomous material handling robot market, based on an assumed rate of robotization of the worldwide fleet of electric material handling trucks in the range of 3%;
- sales in excess of €200 million, with an average sales price for autonomous material handling robots (including the sale of equipment and the embedded software) of €41K, a decrease in the range of 5% per year, partially offset by changes in the product mix. The Company is of the opinion that the price erosion will also be offset by the optimization of production costs and that its positioning as a technological leader will guarantee it has the ability to influence the price of autonomous material handling robots.

12.2.3 Long-term objectives

Furthermore, the Company is of the opinion that its business model should allow for the achievement over time of the following allocation of its sales revenue and profitability:

- 70% of revenue from the sale of autonomous material handling robots (sale of equipment and the embedded technology) and 30% from revenue resulting from the sale and provision of services and maintenance;
- an operating margin (operating income, excluding non-recurring expenses, to sales ratio) in the range of 20%.

Note that in fiscal 2016, the Company's operating margin was negative, in the range of -129% (in the amount of -€6.6 million).

These objectives, however, in no way constitute an undertaking by the Company, nor forward-looking data or earnings forecasts within the meaning of the terms of Regulation (EC) 809/2004, as amended, and ESMA recommendations related to forecasts in light of the uncertainties and risks factors that may materialize over the period, as described in the preamble to the present paragraph.

13. PROFIT PROJECTIONS OR ESTIMATES

None.

14. ADMINISTRATIVE, EXECUTIVE AND OVERSIGHT BODIES, AND SENIOR MANAGEMENT

On the date of registration of the Registration Document, the Company is a French public limited company (*société anonyme*).

The Company's *modus operandi* is described in the bylaws and in Section 16 "Functioning of the Administrative and Executive Bodies" of the Registration Document.

Fabien Bardinet is the Chairman of the Company's Board of Directors, as well as the Company's Chief Executive Officer.

14.1 Composition of the administrative and executive bodies

In the framework of the planned IPO on the Euronext regulated market in Paris, the Company intends to appoint two independent members, within the meaning of the Governance Code issued by Middlenext and to which the Company has chosen to refer, effective as of the initial listing of the Company's shares on the Euronext regulated market in Paris.

14.1.1 Board of Directors

14.1.1.1 Composition of the Board of Directors

The table below presents the composition of the Board of Directors that would be put in place as of the initial listing of the Company's shares on the Euronext regulated market in Paris. This table also presents the main terms of office and positions held by the directors outside of the Company over the past five years.

Name	Principal position and mandate in the Company	Nationality	Date of the initial appointment or latest renewal of the term of office	End of the term of office
Fabien Bardinet	Director Chairman of the Board of Directors and Chief Executive Officer	French	Combined general meeting of July 22, 2013	Ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2018
Seventure Partners, represented by Sébastien Groyer	Director	French	Ordinary general meeting of June 21, 2016	Ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2021
Bpifrance Investissement, represented by Xavier Deleplace	Director	French	Combined general meeting of Friday, February 27, 2015	Ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2020
Linde Material Handling, represented by Christophe Lautray	Director	French	Combined general meeting of Friday, February 27, 2015	Ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2020
Thomas Duval	Director	French	Combined general meeting of April 24, 2017 called to approve the Operation	Ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2022
Corinne Jouanny	Independent director	French	Combined general meeting of April 24, 2017 called to approve the Operation	Ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2022
Bénédicte Huot de Luze	Independent director	French	Combined general meeting of April 24, 2017 called to approve the Operation	Ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2022

All of the directors have chosen the Company's head office as their address for service: 240 rue de la Motte, 77550 Moissy-Cramayel.

14.1.1.2 Other terms of corporate office

The table below presents the terms of corporate office of the members of the Board of Directors outside of the Company over the past five years:

Name	Principal positions held outside of the Company over the past five years *(*current terms of office)*	Company	Listed
Fabien Bardinet	Chairman*	ASTROLABE CONSULTING	-
	Chairman*	LABRETE ACCUEIL	-
Seventure Partners	**With Sébastien Groyer as the permanent representative of Masseran Gestion** Member of the Board of Directors	NANOBIOTIX	Listed
	With Sébastien Groyer as the permanent representative of Seventure Partners Member of the Board of Directors* Member of the Board of Directors* Member of the Board of Directors* Member of the Board of Directors* Member of the Board of Directors* Member of the Board of Directors*	SKINJAY DOMAIN THERAPEUTICS ELIGO BIOSCIENCE GLOBAL BIOENERGIES LUCANE PHARMA PROVICIEL (MLSTATE)	- Listed - - Listed -
	Sébastien Groyer on his own behalf Chairman of the Board of Directors*	PROVICIEL (MLSTATE)	-
Bpifrance Investissement	**With Xavier Deleplace as the permanent representative of Bpifrance Investissement** Member of the Strategic Committee* Strategic Committee observer* Board of Directors observer* Strategic Committee observer* Board of Directors observer* Oversight Committee observer * Supervisory Board observer*	AVENCALL COLIBRI SAS COMPARIO GEOLID LINK CARE SERVICES NEOTYS RECOMMERCE SOLUTIONS	- - - - - - -
	Xavier Deleplace on his own behalf Board of Directors observer*	FJORD TECHNOLOGIES	-
Linde Material Handling	**With Christophe Lautray as the permanent representative of Linde Material Handling** Member of the Board of Directors* Member of the Board of Directors*	BARTHELEMY MANUTENTION SAS BASTIDE MANUTENTION SAS	- -

	Member of the Board of Directors*	BRETAGNE MANUTENTION S.A.	-
	Member of the Board of Directors*	EGEMIN GROUP NV	-
	Chairman of the Advisory Committee*	FENWICK-LINDE S.A.R.L.	-
	Member of the Board of Directors	KION NORTH AMERICA CORP.	-
	Member of the Board of Directors*	KION WAREHOUSE SYSTEMS GMBH	-
	Member of the Board of Directors	LINDE HEAVY TRUCK DIVISION LTD.	-
	Member of the Board of Directors	LINDE HIGH LIFT CHILE S.A.	-
	Member of the Supervisory Board*	LINDE MAGYARORSZÁG ANYAGMOZGATÁSI KFT.	-
	Member of the Board of Directors	LINDE MATERIAL HANDLING (PTY) LTD.	-
	Member of the Board of Directors	LINDE MATERIAL HANDLING (UK) LTD.	-
	Member of the Board of Directors	LINDE MATERIAL HANDLING ASIA PACIFIC PTE. LTD.	-
	Member of the Supervisory Board*	LINDE MATERIAL HANDLING CESKÁ REPUBLIKA S R.O.	-
	Director*	LINDE MATERIAL HANDLING GMBH	-
	Chairman of the Board of Directors*	LINDE MATERIAL HANDLING IBÉRICA, S.A.U.	-
	Chairman of the Board of Directors*	LINDE MATERIAL HANDLING ITALIA S.P.A.	-
	Member of the Supervisory Board*	LINDE MATERIAL HANDLING POLSKA SP. Z O.O.	-
	Chairman of the Board of Directors*	LINDE MATERIAL HANDLING SCHWEIZ AG	-
	Member of the Board of Directors*	LOIRE OCEAN MANUTENTION SAS	-
	Member of the Board of Directors*	MANUCHAR S.A.	-
	Chairman*	SM RENTAL SAS	-
	Member of the Advisory Committee*	SUPRALIFT BETEILIGUNGS- UND KOMMUNIKATIONSGESELLSCHAFT MBH	- -
	Chairman of the Advisory Committee*	SUPRALIFT GMBH & CO. KG	-
Thomas Duval	-	-	-
Corinne Jouanny	Innovation Director*	ALTRAN	Listed
	Managing Director*	ALTRAN LAB	-
	Member of the Board of Directors*	FONDATION ALTRAN POUR L'INNOVATION	-
Bénédicte Huot de Luze	Delegate general*	ASSOCIATION POUR LE MANAGEMENT DES RISQUES ET DES ASSURANCES DE L'ENTREPRISE (AMRAE)	-

14.1.1.3 Director biographies

Fabien Bardinet (45 years old) – **Director, Chairman of the Board of Directors and Chief Executive Officer and Company shareholder**. Fabien Bardinet graduated from *Escem* in Tours (1995) and started his career in audits at the S&W Associés firm as a Junior Auditor. In 1996, he joined the Cora Group in Hungary as Deputy Administrative and Financial Director, before moving to international management in the Sofinco Group, where he focused on business development in Hungary, Greece, Morocco and the Netherlands from 1997 to 2006. During the ensuing seven years, he was the Deputy Chief Executive Officer for Aldebaran Robotics. In 2013, Fabien Bardinet was appointed Chief Executive Officer of Balyo. In 2017, he was appointed Chairman of the Company's Board of Directors after Raul Barvo Orellana resigned as director.

Sébastien Groyer (37 years old) – **Representative** of Seventure Partners, a **director** and Company shareholder. He graduated from the *Université de Technologie de Compiègne* with a degree in biotech engineering and has a PhD in philosophy from *Universite Paris 1 Panthéon-Sorbonne*. From 2002 to 2008, Sébastien Groyer worked at CDC Entreprises (now Bpifrance). In 2008, he joined Masseran Gestion (Caisses d'Epargne Group) as Investment Director. He has been a partner at Seventure Partners since 2012.

Xavier Deleplace (40 years old) – **Representative** of Bpifrance Investissement, a **director** and Company shareholder. He is a graduate from the Production-Materials Development section of ENSEEG and holds a higher degree in corporate management (DESS CAAE) from the *Ecole Supérieure des Affaires* of Grenoble. In 2000, he started his career at Odyssée Venture as an Investment Manager. From 2006 to 2011, Xavier Deleplace was Investment Manager at Bouygues Telecom Initiatives. Since 2011, he has been the Senior Investment Manager at Bpifrance Investissement - Fonds Ambition Numérique.

Christophe Lautray (55 years old) **– Representative** of Linde Material Handling, a **director and** Company shareholder. He has degrees from ESSEC Business School (1984), the Executive Education Program (1997) and the Global Leadership Development Circle (2004) (INSEAD). Christophe Lautray joined Fenwick-Linde in 1991 where he was a Network Director from 1994 to 1998, then Branch Director from 1998 to 1999. He was then appointed Commercial Director and, finally, Chief Executive Officer. Christophe Lautray is currently the Chairman of the European Materials Handling Federation and CSO of Linde Material Handling.

Thomas Duval (41 years old) – **Director** – is a co-founder of Balyo. A graduate of *École Centrale Paris* (option: systems in extreme milieus-oceans) in 2000, he started his career at Oger International as a Design and Study Engineer (2001-2002). Thomas Duval then started working on a publication regarding mobile robotics, which was published in February 2003 by Dunod. In 2007, he was hired by the Company as a Research and Development Engineer. He is currently the Company's Innovation Director.

Corinne Jouanny (51 years old) – **Independent Director** – is the Innovation Director at Altran. Corinne Jouanny has a PhD in Material Sciences, graduated from the *Ecole des Mines* of Paris, and started her career at Altran in 1993. After having led R&D management projects for many years for a broad range of Altran customers, in 2004, she co-founded the Altran Pr[i]me brand, specialized in innovation management, which she still heads today. In November 2014, Corinne Jouanny was appointed Managing

Director of Altran Lab, Altran's entity fully dedicated to innovation in France. She is also a member of the Board of Directors of the *Fondation Altran pour l'innovation*.

Bénédicte Huot de Luze (46 years old) – **Independent Director** – is the Delegate General of the *Association pour le management des risques et des assurances de l'entreprise* (Amrae). A chartered accountant and graduate of the Associate in Risk Management program, she created the internal audit and risk management department at KPMG Advisory. Responsible for the Amrae's training division, she participates in the IFA-Sciences Po directors' certification program. She is responsible for the content and conferences of the association, and continues to manage these conferences in collaboration with Amrae's renewed Scientific Committee. Since 2009, she has been the Scientific Director of Amrae.

14.1.1.4 Gender balance in the composition of the Board of Directors

On the date of the initial listing of the Company's shares on the Euronext regulated market in Paris, the Board of Directors will be composed of five men and two women. The Company's objective is to ensure that the choice of Board members guarantees diversity in terms of the skills of its members as well as a balance between men and women in line with applicable legal obligations.

14.1.2 Senior management

The Company's Board of Directors meeting held on April 24, 2017 decided to combine the roles of Chairman of the Board and Chief Executive Officer.

On the date of registration of the Registration Document, Fabien Bardinet is the Chairman and Chief Executive Officer of the Company. In accordance with his management agreement, Fabien Bardinet was appointed Chief Executive Officer by a resolution of the Board of Directors on August 28, 2013 for a period of 36 months. His term of office was renewed for the same period by a new resolution of the Board of Directors dated June 21, 2016. It will expire at the ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2018. He was appointed Chairman of the Company's Board of Directors at the Board of Directors meeting held on April 24, 2017 further to the resignation of Raul Bravo Orellana as Director.

14.1.3 Deputy Chief Executive Officers

Further to a proposal by the Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officers who may or may not be members of the Board. No more than five Deputy Chief Executive Officers may be appointed.

Deputy Chief Executive Officers must be individuals (and not legal entities) and may not be older than 65. When they turn 65, they are deemed to have automatically resigned.

Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors, acting on the proposal of the Chief Executive Officer.

On the date of registration of the Registration Document, no Deputy Chief Executive Officer has been appointed within the Company.

14.2 Declarations related to the members of the Board of Directors.

To the Company's knowledge, on the date of registration of the Registration Document, there were no family ties between the members of the Board of Directors, the Chairman and the Chief Executive Officer of the Company.

Over the past five years, to the Company's knowledge: (i) none of the persons referred to above was convicted of fraud, (ii) none of the persons referred to above was associated with a bankruptcy, sequestration or liquidation, (iii) no incrimination and/or official public sanction had been made against any of the persons referred to above by the legal or regulatory authorities (including designated professional bodies), and (iv) none of the persons referred to above was prohibited by a court from acting as a member of an administrative, executive or supervisory body of an issuer, or from being involved in the management or business affairs of an issuer.

14.3 Conflicts of interest in administrative, executive and oversight bodies, and senior management

Certain members of the Board of Directors are direct or indirect shareholders of the Company and/or hold securities that give access to the Company's capital (see Section 17.2 "Shareholdings and stock options of key persons and other executives and employees" of the Registration Document) or are partners of the Company. In order to resolve potential conflicts of interest within the Board of Directors, rules of procedure will take effect on the date the Company's shares are admitted to trading for the first time on the Euronext regulated market in Paris and will remind the directors of their duties if a conflict of interest arises (declaration to the Board of Directors and, in particular, abstention). Additionally, these rules of procedure will state that, first, directors must inform the Board of Directors of any conflict of interest – even a potential conflict of interest – with the Company and, second, in the event of a conflict of interest, the director in question will be excluded from deliberations and must abstain from voting on resolutions related to said director.

To the Company's knowledge, with the exception of the information described in Section 16.2 "Information on service agreements binding members of the administrative or executive bodies of (i) the Company, (ii) any of its subsidiaries, or (iii) one of its shareholders" of the Registration Document, and on the date the Company's shares are listed for the first time on the Euronext regulated market, no potential conflict of interest will exist between the duties of the members of the Company's Board of Directors and their private interests.

On the date the Company's shares are listed for the first time on the Euronext regulated market, to the Company's knowledge, no agreement of any kind will exist with shareholders, customers, suppliers or other parties by virtue of which a member of the Board of Directors was appointed a Director.

On the date the Company's shares are admitted to trading for the first time on the Euronext regulated market in Paris, to the Company's knowledge, no restriction accepted by the members of the Company's Board of Directors will exist related to the sale of their holdings in the Company's share capital, with the exception of the rules related to the prevention of insider trading and the retention commitments made by the executives to the investment consortium in the framework of the Operation, as said commitments are described in the Operation prospectus.

14.4 Company shares held by members of the administrative or executive bodies

On the date of registration of the Registration Document, holdings of Company shares by members of the Company's administrative or executive bodies are described in Section 18 "Principal Shareholders" of the Registration Document.

15. COMPENSATION AND BENEFITS

15.1 Compensation of corporate officers for the fiscal years ending on December 31, 2016 and December 31, 2015

The tables set out below present the compensation and benefits of any kind due and/or paid to corporate officers for the fiscal years ending on December 31, 2016 and December 31, 2015 by (i) the Company, (ii) the companies controlled, within the meaning of Article L. 233-16 of the Commercial Code, by the company in which their mandate is exercised, (iii) the companies controlled, within the meaning of Article L. 233-16 of the Commercial Code, by the company or companies that control the company in which the mandate is exercised, and (iv) the company or companies that control, within the meaning of the same article, the company in which the mandate is exercised. As the Company belongs to a Group on the date of registration of the Registration Document, the information relates to sums paid by all of the companies in the chain of control, whether or not this compensation relates to the mandate exercised in the Company.

Raul Bravo Orellana resigned as a director, and therefore as the Chairman of the Company's Board of Directors, on April 24, 2017. Thomas Duval resigned as Deputy Chief Executive Officer of the Company on April 24, 2017, the date on which he was appointed to the Company's Board of Directors.

Tables 1, 2, 8 and 11 of AMF Recommendation No. 2014-14 related to information to disclose in registration documents on the compensation of corporate officers are presented below.

Tables 3, 4, 5, 6, 7, 9 and 10 of AMF Recommendation No. 2014-14 are not applicable and are therefore not included in the Registration Document.

The information below has been prepared by referring to the Corporate Governance Code for Midcaps, as published in September 2016 by Middlenext, and approved by the AMF as the code of reference.

15.1.1 Summary of compensation paid to executive directors

Table 1 below presents the summary of compensation and stock options and shares granted to executive directors for the fiscal years ending on December 31, 2016 and December 31, 2015.

Table 1 – Summary table of compensation and stock options and shares granted to executive directors

(in euros)	Fiscal 2016	Fiscal 2015
Raul Bravo Orellana, Chairman of the Board of Directors		
Compensation due for the fiscal year (details provided in Table 2)	-	38,229
Valuation of the options granted during the fiscal year	-	-
Valuation of the performance shares granted during the fiscal year	-	-
Total	-	38,229

(in euros)	**Fiscal 2016**	**Fiscal 2015**
Fabien Bardinet, Chairman and Chief Executive Officer*		
Compensation due for the fiscal year (details provided in Table 2)	189,997	177,833
Valuation of the options granted during the fiscal year	-	193,500
Valuation of the performance shares granted during the fiscal year	-	-
Total	189,997	371,333
Thomas Duval, Deputy Chief Executive Officer		
Compensation due for the fiscal year (details provided in Table 2)	93,555	91,961
Valuation of the options granted during the fiscal year	-	110,250
Valuation of the performance shares granted during the fiscal year	-	-
Total	93,555	202,211

** Fabien Bardinet is also chairman of Astrolabe Consulting, which received the sum of €23,563 (excluding tax) from Balyo during the fiscal year ending on December 31, 2015 under a service agreement (see Section 19 "Transactions with Related Companies" of the Registration Document).*

15.1.2 Compensation paid to executive directors

Table 2 below presents the breakdown of fixed compensation, variable compensation and other benefits granted to executive directors for the fiscal years ending on December 31, 2016 and December 31, 2015.

Table 2 - Summary of the compensation of executive directors

(in euros)	Fiscal 2016		Fiscal 2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Raul Bravo Orellana, Chairman of the Board of Directors				
Fixed compensation	-	-	22,565	22,565
Variable compensation	-	-	-	-
Exceptional compensation	-	-	11,920	11,920
Directors' fees	-	-	-	-
Benefits in kind*	-	-	3,744	3,744
Total	-	-	38,229	38,229
Fabien Bardinet **Chairman and Chief Executive Officer**				
Fixed compensation	125,160	125,160	123,790	123,790
Variable compensation	45,000	40,500	44,000	40,500
Exceptional compensation	2,000	2,000	-	-
Directors' fees	-	-	-	-
Benefits in kind**	17,837	17,837	13,543	13,543
Total	189,997	185,497	181,333	177,833
Thomas Duval, Deputy Chief Executive Officer				
Fixed compensation	90,215	90,215	89,668	89,668
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind***	3,340	3,340	2,293	2,293
Total	93,555	93,555	91,961	91,961

** These benefits in kind relate to the use of a vehicle and payment by the Company of unemployment insurance for executives ("GSC") as well as life insurance.*

** *These benefits in kind relate to the use of a vehicle and payment by the Company of unemployment insurance for executives ("GSC").*

*** *These benefits in kind relate to the use of a vehicle.*

The Board of Directors granted Fabien Bardinet variable compensation in the amount of €40,500 for the fiscal year ending on December 31, 2015. This amount was determined based on the achievement of quantitative objectives (in particular related to changes in sales revenue and operating income) and qualitative objectives. These criteria, the confidentiality of which the Company wants to protect, are defined in advance and in detail by the Company's Board of Directors.

15.1.3 Directors' fees and other compensation received by non-executive directors

Table 3 related to Directors' fees and other compensation received by non-executive directors is not applicable and is therefore not included in the Registration Document.

15.1.4 Stock warrants or stock options granted by the Company or any other company in the Group to executive directors during the fiscal year ending on December 31, 2016

Table 4 related to stock warrants or stock options granted by the Company or any other company in the Group is not applicable and is therefore not included in the Registration Document.

15.1.5 Stock warrants or stock options exercised during the fiscal years ending on December 31, 2016 and December 31, 2015 by the Company's executive directors

Table 5 related to stock warrants or stock options exercised during the fiscal years ending on December 31, 2016 and December 31, 2015 by the Company's executive directors is not applicable and is therefore not included in the Registration Document.

15.1.6 Free shares granted to each corporate officer

Table 6 related to free shares granted to each corporate officer is not applicable and is therefore not included in the Registration Document.

15.1.7 Free shares now vested for each corporate officer

Table 7 related to free shares now vested for each corporate officer is not applicable is therefore is not included in the Registration Document.

15.1.8 History of stock options granted

Table 8 below presents the history of the stock options granted for the fiscal years ending on December 31, 2016 and December 31, 2015.

Table 8 - History of stock options granted

Information on the allocations of stock warrants and founders' share warrants during the fiscal years ending on December 31, 2015 and December 31, 2016.			
Beneficiary	Raul Bravo Orellana Chairman of the Board of Directors	Fabien Bardinet Chairman and Chief Executive Officer	Thomas Duval Deputy Chief Executive Officer
Plan name	BSA 2015	BSPCE février 2015	BSPCE février 2015
Date of the general meeting	2/27/2015	2/27/2015	2/27/2015
Date of the Board of Directors meeting	2/27/2015	2/27/2015	2/27/2015
Total number of shares that may be subscribed	60,000	430,000	245,000
Start date for the exercise of the warrants	Exercise timetable: - up to 25% of the stock warrants when they are issued, - the balance in successive annual tranches of 25% over three years, at the end of each year, - and at the latest 10 years after the issue date.	Exercise timetable: - up to 25% of the BSPCEs when they are issued, - the balance in successive annual tranches of 25% over three years, at the end of each year, - and at the latest 10 years after the issue date.	Exercise timetable: - up to 25% of the BSPCEs when they are issued, - the balance in successive annual tranches of 25% over three years, at the end of each year, - and at the latest 10 years after the issue date.
Expiry date	2/27/2025	2/27/2025	2/27/2025

Information on the allocations of stock warrants and founders' share warrants during the fiscal years ending on December 31, 2015 and December 31, 2016.			
Exercise price	€1.60	€1.60	€1.60
Exercise terms and conditions	In the event of a merger of the Company with another company, or the sale by one or more Company shareholders acting alone or together to one or more third parties of a number of shares that causes a transfer of more than 50% of the Company's share to this or these third party(ies), the exercise of the stock warrants may be accelerated, subject to a resolution of the Board of Directors, so that any shareholder may exercise all of his warrants not yet exercisable on the date the operation takes place.	In the event of a merger of the Company with another company, or the sale by one or more Company shareholders acting alone or together to one or more third parties of a number of shares that causes a transfer of more than 50% of the Company's share to this or these third party(ies), the exercise of the founders' share warrants may be accelerated, subject to a resolution of the Board of Directors, so that any shareholder may exercise all of his founders' share warrants not yet exercisable on the date the operation takes place.	In the event of a merger of the Company with another company, or the sale by one or more Company shareholders acting alone or together to one or more third parties of a number of shares that causes a transfer of more than 50% of the Company's share to this or these third party(ies), the exercise of the founders' share warrants may be accelerated, subject to a resolution of the Board of Directors, so that any shareholder may exercise all of his founders' share warrants not yet exercisable on the date the operation takes place.
Number of shares subscribed as at 12/31/2016	0	0	0
Total number of canceled or obsolete warrants	0	0	0
Warrants remaining at the end of the fiscal year	60,000	430,000	245,000

15.1.9 Stock options granted to the ten highest-ranking non-corporate officer employees and options and warrants they have exercised, including the other financial instruments that give access to capital ("BSA" stock warrants, "BSAR" redeemable share subscription warrants, "BSPCE" founders' share warrants, etc.)

Stock options granted to the ten highest-ranking non-corporate officer employees and options and warrants they have exercised, including the other financial instruments that give access to capital ("BSA" stock warrants, "BSAR" redeemable share subscription warrants, "BSPCE" founders' share warrants, etc.)	
Plan	BSPCE/BSA
Number of warrants granted by the Company and any other Company in the Group to the ten highest-ranking non-corporate officer employees of the Company and of any Company in the Group, that are valid on the date of the present Registration Document	660,000
Total number of shares that may be subscribed by exercising the warrants on the date of registration of the Registration Document	660,000
Subscription price for one share	€1.60
Number of warrants exercised in the last fiscal year	0

15.1.10 History of the allocations of free shares

Table 10 related to the allocation of free shares is not applicable and is therefore not included in the Registration Document.

15.1.11 Employment agreements, retirement benefits and compensation in the event of retirement/termination

Table 11 below presents a summary of the potential agreements, supplementary retirement scheme, indemnities or benefits due or that may become due in light of a resignation/termination or change in position, and indemnities related to a non-compete clause applicable to executive directors for the fiscal years ending on December 31, 2016 and December 31, 2015.

Executive directors	Employment agreement		Supplementary retirement scheme		Indemnities or benefits due or that may become due in light of a resignation/termination or change in position		Indemnities related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Raul Bravo Orellana **Chairman of the Board of Directors** - Start date of the term of office: 2010, renewed on June 21, 2016 - End date of the term of office: April 24, 2017		X		X		X		X
Fabien Bardinet **Chairman and Chief Executive Officer** - Start date of the term of office: August 28, 2013 - End date of the term of office: at the ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2018.		X		X		X	X	
Thomas Duval **Deputy Chief Executive Officer** - Start date of the term of office: 2010, extended on June 21, 2016 - End date of the term of office: April 24 2017	X			X		X	X	

On the date of registration of the Registration Document, no compensation or benefits received or to be received in the future exists in favor of Raul Bravo Orellana, Fabien Bardinet and Thomas Duval directly or indirectly through the companies they control due to the planned IPO.

On the recommendation of the Nomination and Compensation Committee, the Board of Directors reserves the right to decide at a future time to grant potential compensation or benefits to Fabien Bardinet in relation to the Company’s planned IPO.

On the date the Company's shares are listed for the first time on the Euronext regulated market, no employment agreement will exist nor will retirement benefits, indemnities for resignation/termination or indemnities relative to a non-compete clause be granted in favor of Raul Bravo Orellana, Fabien Bardinet and Thomas Duval, it being noted that (i) Raul Bravo Orellana resigned as director and therefore as Chairman of the Company's Board of Directors on April 24, 2017, and (ii) Thomas Duval resigned as Deputy Chief Executive Officer of the Company on April 24, 2017, the date on which he was appointed to the Company's Board of Directors.

16. FUNCTIONING OF THE ADMINISTRATIVE AND EXECUTIVE BODIES

Unless indicated otherwise, the bylaw stipulations described in this section will be those of the Company, as amended by the extraordinary general meeting held on April 24, 2017, and as they will take effect as of the date the Company's shares are listed for the first time on the Euronext regulated market in Paris.

16.1 Terms of office of the members of the administrative and executive bodies

See Section 14.1.1 "Board of Directors" of the Registration Document.

On the date of registration of the Registration Document, Fabien Bardinet is the Chairman and Chief Executive Officer of the Company.

His term of office as director took effect on July 22, 2013 and will expire at the end of the ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2018. His term of office as chairman took effect on April 24, 2017 and will expire at the same time as his term of office as a director.

His term of office as chief executive officer took effect on August 28, 2013 and will expire at the end of the ordinary general meeting called to approve the financial statements for the fiscal year ending on December 31, 2018.

16.2 Information on service agreements that bind the members of the administrative or executive bodies to (i) the Company, (ii) any of its subsidiaries, or (iii) one of its shareholders

On the date of registration of the Registration Document, the service agreements that bind the members of the administrative or executive bodies and that have been put in place within the Company are described in Section 19 "Transactions with Related Companies" of the Registration Document.

16.3 Board of Directors' committees

This section describes the rules that apply to the committees that will exist once the Company's shares have been admitted to trading on the Euronext regulated market in Paris.

In accordance with Article 15 of the Company's bylaws, the Company's Board of Directors may decide to create committees responsible for examining issues that the Board of Directors or its Chairman may submit to the committees.

As of the date the Company's shares are admitted to trading on the Euronext regulated market in Paris, two committees will be created: an Audit Committee, and a Nomination and Compensation Committee.

16.3.1 Audit Committee

The principal terms of the Board of Directors' rules of procedure related to the Audit Committee are described below.

16.3.1.1 Composition

The Audit Committee is composed of at least two members of the Board of Directors said Board appoints.

On the date of registration of the Registration Document, it is envisaged that the following directors will sit on the Audit Committee as of the date the Company's shares are admitted to trading for the first time on the Euronext regulated market in Paris:

- Bénédicte Huot de Luze, Chair of the Committee; and
- Seventure Partners, represented by Sébastien Groyer.

The management expertise and experience of these individuals result from the different positions and management roles they have filled in the past (see Section 14.1.1.2 "Director biographies" of the Registration Document).

16.3.1.2 Remit

The role of the Audit Committee is to monitor issues related to the preparation and auditing of accounting and financial information, and to ensure the system to monitor risks and conduct internal audits of operations is effective in order to facilitate the Board of Directors' fulfillment of its audit and verification duties in this field.

In particular, the Audit Committee is responsible for:

- monitoring the process to prepare financial information (including the annual and consolidated financial annual and six-month statements);
- monitoring the effectiveness of the internal control, internal audit and risk management systems related to financial and accounting information;
- monitoring the statutory audit of the annual and consolidated financial statements by the Company's statutory auditors;
- ensuring the statutory auditors are independent.

The committee regularly reports to the Board of Directors on its missions and informs it immediately of any difficulty encountered.

16.3.1.3 Mode of operation

The Audit Committee meets as often as necessary and at least twice per year when the annual and six-month financial statements are prepared, with the Company's statutory auditors if the committee's Chairman considers it necessary, according to a schedule established by its Chairman. The meetings are held before the meeting of the Board of Directors and, if possible, at least two days before said meeting when the Audit Committee's agenda includes an examination of the six-month and annual financial statements, before they are reviewed by the Board of Directors.

The Audit Committee may validly deliberate either at a meeting or by telephone or videoconference, under the same conditions as the Board of Directors, once it has been convened by its Chairman or Secretary, subject to at least half of its members participating in the work.

The Audit Committee makes recommendations by informing the Board of Directors of the number of favorable opinions expressed in relation to the resolutions that the Board of Directors must pass.

The Audit Committee may ask the Chairman of the Board of Directors for the assistance of any senior manager of the Company whose expertise could facilitate the examination of an agenda item. The Chairman of the Nomination and Compensation Committee or the meeting chairman draws the attention of any individual who participates in the deliberations to the confidentiality obligations incumbent on said individual.

16.3.1.4 Reports

The Chairman of the Audit Committee provides the Board of Directors with a report on the activities of the Audit Committee at least twice per year to facilitate the deliberations of the Board of Directors.

If, during its work, the Audit Committee identifies a significant risk that it believes is not being managed appropriately, the Chairman immediately informs the Chairman of the Board of Directors thereof.

16.3.2 Nomination and Compensation Committee

The principal terms of the Board of Directors' rules of procedure related to the Nomination and Compensation Committee are described below.

16.3.2.1 Composition

The Nomination and Compensation Committee is composed of at least two members of the Board of Directors said Board appoints.

On the date of registration of the Registration Document, it is envisaged that the following directors will sit on the Nomination and Compensation Committee as of the date the Company's shares are admitted to trading for the first time on the Euronext regulated market in Paris:

- Corinne Jouanny, Chair of the Committee; and
- Bpifrance, represented by Xavier Deleplace; and
- Linde Material Handling, represented by Christophe Lautray.

16.3.2.2 Remit

In particular, the Nomination and Compensation Committee is in responsible for the following:

Nominations:

- presenting the Board of Directors with recommendations on the composition of the Board of Directors and Audit Committee;

- proposing the list of Board of Directors members who can be considered "independent members" in light of the criteria defined by the Governance Code issued by Middlenext, approved as the code of reference by the AMF, to the Board of Directors every year;

- preparing a succession plan for the Company's executives and assisting the Board of Directors in selecting and evaluating executives;

- preparing the list of individuals whose appointment as a director is recommended; and

- preparing the list of members of the Board of Directors whose appointment as a member of a committee may be recommended.

Compensation:

- examining the principal objectives proposed by the Chief Executive Officer in relation to the remuneration of the Company's non-executive directors, including the free share and stock option plans;

- examining the compensation of non-executive directors, including the free share and stock option plans, retirement and benefits schemes, and benefits in kind;

- discussions on the compensation of executive directors in accordance with the principles of exhaustiveness, balance, transparency and measurement, as well as in consideration of the business, market and company's environment;

- providing the Board of Directors with recommendations and proposals regarding:

    - compensation, the retirement and benefits scheme, benefits in kind, other financial entitlements for executive directors, including in the event of termination; and
    - free share and stock option plans or any other similar profit-sharing plan, in particular the personal grants to corporate officers eligible for this type of plan,

- examining the total amount and allocation of the directors' fees, as well as the conditions under which expenses potentially incurred by members of the Board of Directors are reimbursed;

- preparing and presenting the reports, if applicable, described in the Board of Directors' rules of procedure; and

- preparing any other recommendation that may be requested of it by the Board of Directors related to compensation.

In general, the Nomination and Compensation Committee provides appropriate advice and recommendations in the fields referred to above.

16.3.2.3 Mode of operation

The Nomination and Compensation Committee meets at least twice per year according to a schedule established by its Chairman to discuss an agenda prepared by its Chairman and sent to the members of the Nomination and Compensation Committee. It also meets at the request of its Chairman, the Board of Directors or two of its members.

If the Chairman of the Company's Board of Directors is not a member of the committee, he may be invited to attend the committee meetings. In this case, the committee invites him to present his proposals. He does not have a vote and does not attend deliberations related to his own situation.

The Nomination and Compensation Committee may ask the Chairman of the Board of Directors for the assistance of any senior manager of the Company whose expertise could facilitate the examination of an agenda item. The Chairman of the Nomination and Compensation Committee or the meeting chairman draws the attention of any individual who participates in the deliberations to the confidentiality obligations incumbent on said individual.

16.3.2.4 Reports

The Chairman of the Nomination and Compensation Committee ensures that the activity reports provided to the Board of Directors fully inform the Board of Directors and thereby facilitate its deliberations.

An annual report includes a presentation of the activities of the Nomination and Compensation Committee for the prior fiscal year.

In particular, the Nomination and Compensation Committee examines the draft report of the Company on the compensation of executives.

16.4 Corporate governance and statement of compliance with the Middlenext Code

Out of concern for transparency and informing the public, and in view of the admission of its shares to trading on the Euronext regulated market in Paris, the Company is examining its corporate governance practices.

To comply with the requirements of Article L. 225-37 of the Commercial Code, the Company has selected the Middlenext Code as its code of reference, with which it intends to comply once its shares have been admitted to trading on the Euronext regulated market in Paris.

The table below provides an initial overview of the Middlenext recommendations[4] with which the Company will comply as of the date its shares are admitted to trading on the Euronext regulated market in Paris, and those with which it intends to comply in the future:

[4] The Middlenext recommendations set out in the "Corporate Governance Code for Small and Midcaps" is available on the Middlenext website: http://middlenext.com

Middlenext Code recommendations	Compliant	Plans to comply	Not considered appropriate
R1: Director ethics	X		
R2: Conflicts of interest	X		
R3: Composition of the Board - Independent directors	X		
R4: Board member information	X		
R5: Board and committee meetings	X		
R6: Creation of committees	X		
R7: Introduction of Board Rules of Procedure	X		
R8: Choice of directors	X		
R9: Directors' term of office	X		
R10: Directors' compensation	X		

Middlenext Code recommendations	Compliant	Plans to comply	Not considered appropriate
R11: Introduction of Board evaluation		X	
R12: Relations with "shareholders"		X	
R13: Definition and transparency of the compensation of corporate officers	X		
R14: Succession planning for "executives"		X	
R15: Corporate officers and employment contracts	X		
R16: Golden handshakes	X		
R17: Supplementary retirement schemes	X		
R18: Stock options and bonus shares		X	
R19: Review of points to be watched		X	

16.5 Internal control

On the date of registration of the Registration Document, as the Company has no financial securities admitted to trading on a regulated market, the Chairman of the Company's Board of Directors is not required to prepare a report on the composition of the Board of Directors and the principle of equal representation of men and women therein, the conditions under which the Board of Directors' work is prepared and organized, as well as the internal control and risk management procedures put in place by the Company.

As of the fiscal year ending on December 31, 2017 and if the Company shares are admitted to trading on the Euronext regulated market in Paris, (i) the Chairman of the Company's Board of Directors will be required to prepare this report in accordance with the terms of Article L. 225-37 of the Commercial Code, and (ii) the management report of the Company's Board of Directors for the general meeting will also present information on the way in which the Company manages the social and environmental impact of its business and its commitments related to sustainable development, the fight against discrimination and the promotion of diversity, in accordance with Article L. 225-102-1 of the Commercial Code.

On the date of registration of the Registration Document, the Company has nevertheless defined an internal control system which is currently being implemented, as described below.

16.5.1 Definition and objectives of internal control

Internal control covers a series of tools, conduct, procedures and actions adapted to the specificities of each company, which:

- contributes to the control of its business, the effectiveness of its operations and the efficient use of its resources; and
- must allow it to appropriately manage significant risks, whether these risks are operational, financial or related to conformity.

The system more particularly aims at ensuring:

a) compliance with the laws and regulations;
b) the application of instructions and orientations defined by senior management or the Board of Directors;
c) the proper functioning of the Company's internal processes, in particular those that target the protection of its assets;
d) the reliability of financial information.

Internal control is therefore not limited to a set of procedures or the accounting and financial processes alone.

The definition of internal control does not cover all of the initiatives taken by the Board of Directors or senior management, such as the determination of the Company's strategy and objectives, management decisions, risk management and monitoring of performance.

Furthermore, internal control cannot provide an absolute guarantee that the Company's objectives will be achieved.

16.5.2 Scope of internal control system

The internal control system currently being implemented by the Company aims at covering all operations.

16.5.3 Principal elements of the internal control system

The organization of internal control and risk management procedures within the Company is based on the following principles and tools:

- organization charts and job descriptions regularly updated under the responsibility of each business manager, centralized by the Human Resources Department;
- a series of procedures and memoranda that define responsibilities and duties.

16.6 Organization of the accounting and financial reporting function

The accounting and financial reporting function is managed internally by a team of four individuals, including one Group Financial Director, Stanislas Piot, and a Deputy Administrative and Financial Director, Delphine Peudennier. General accounting is performed internally and reviewed by a chartered accountant. Payroll is outsourced.

Consolidation of the financial statements

The Company presents consolidated financial statements. The scope of consolidation covers the Company and its US subsidiary, Balyo Inc. A chartered accountant consolidates the financial statements in accordance with the IFRS.

Budget monitoring

The Company prepares an annual budget, broken down by month, as well as a three-year plan, both of which are approved by the Board of Directors. Every month, the Company prepares financial statements in which variances with the annual budget are analyzed and explained. Senior management reviews the Company's accounts every month and adopts the action plans required to correct any major discrepancy relative to the budget.

Expenditure commitments: levels of responsibility are integrated into the Company's information system to control expenses *a priori*. Tasks are broken down between the individual who performs accounting entry and the individuals who sign off disbursements.

Closing of the accounts, and annual and consolidated financial statements prepared according to the IFRS

The chartered accounting firm provides payroll services, prepares the year-end tax statements, and also prepares interim and annual closing statements.

17. WORKFORCE

17.1 Human resources

17.1.1 Number of employees within the Group

At the close of the periods under consideration, the Group workforce grew as follows:

The Group has four departments, as set out below:

Departments	Number of employees as at 12/31/2016	Number of employees as at 12/31/2015
Production & Installation	12	10
Corporate and Administrative	6	9
Research & Development	38	31
Sales & Marketing	16	7
TOTAL	**72**	**57**

Total workforce and breakdown of employees by gender and age:

Geographic zone	EMEA		NA		APAC	
	12/31/2016	**12/31/2015**	**12/31/2016**	**12/31/2015**	**12/31/2016**	**12/31/2015**
Workforce: full-time equivalent	63	54	6	3	3	0
Percentage of personnel having signed permanent employment agreements ("CDI")	98%	94%	100%	100%	67%	-
Breakdown of personnel (Men) (%)	85%	89%	83%	100%	67%	-
Breakdown of personnel (Women) (%)	15%	11%	17%	0%	33%	-
Average age (in years)	33.2	33.5	38.8	41.9	29.8	-
Employees 45 years of age and older (%)	13%	9%	17%	38%	0%	-

Hires and departures:

Geographic zone	EMEA		NA		APAC	
	12/31/2016	**12/31/2015**	**12/31/2016**	**12/31/2015**	**12/31/2016**	**12/31/2015**
Net job creation (number of jobs)	9	8	3	1	3	0
Number of young graduates hired	4	4	0	0	1	0
Departure rate (%)	5%	4%	0%	0%	0%	0%

Breakdown of employees by nationality and geographic zone:

Geographic zone	France		Germany		United States		China		Singapore	
Fiscal year	**12/31/2016**	**12/31/2015**	**12/31/2016**	**12/31/2015**	**12/31/2016**	**12/31/2015**	**12/31/2016**	**12/31/2015**	**12/31/2016**	**12/31/2015**
Nationality										
French	57	48	-	-	2	2	1	-	2	-
Italian	1	1	-	-	-	-	-	-	-	-
Spanish	1	1	-	-	-	-	-	-	-	-
German	-	-	1	-	-	-	-	-	-	-
Irish	1	1	-	-	-	-	-	-	-	-
American	-	-	-	-	4	1	-	-	-	-
Moroccan	-	1	-	-	-	-	-	-	-	-
Beninese	1	1	-	-	-	-	-	-	-	-
Mexican	1	1	-	-	-	-	-	-	-	-

17.1.2 Information on employees

Subject	Balyo
Collective agreement	"Syntec bureau d'études"
Employee representative committee	Yes, since July 2016
Unions	No
Compensation policy	Fixed and variable compensation for all employees
Key persons	BSPCE/BSA
Average seniority	2 years
Employee profiles	Mainly engineers
Training policy	Not extensive, except for mandatory training

17.1.3 Key persons

The Company is of the opinion that the motivation of its employees, provided by experienced management, is a major asset.

Fabien Bardinet (45 years old) – **Chairman and Chief Executive Officer** (see Section 14.1.1.3 of the Registration Document).

Thomas Duval (41 years old) – **Innovation Director and Director** (see Section 14.1.1.3 of the Registration Document).

Pascal Rialland (41 years old) – **EMEA Director** – has a Master's in Industrial and Food Engineering from ENSAT, Toulouse (1998), and an MBA from INSEAD and Tsinghua University in Beijing (2009). He started his career in 1998 as a Production Engineer at SODIAAL in the United States before joining Capgemini as a Consultant. In 1999, he moved to Altran, where he held a number of positions, in particular as a Manager, then as a Regional Director in Ireland, Germany and China. From 2009 to 2015, Pascal Rialland was a freelance consultant. From 2011 to 2012, based in London, he managed operations and the reengineering of a solar services business. In 2013, he joined EK Automation to develop their business in France, Spain and Benelux. In 2015, Pascal Rialland was appointed Balyo's Marketing Director, then EMEA Director in 2016.

Denis Lussault (39 years old) – **Americas Director** – is a graduate of the *Ecole Nationale Supérieure d'Arts et Métiers*, specialized in Mechanics and the "simulation of flows". From 2001 to 2010, at the Renault-Nissan Group, he was successively appointed Team Manager, then System Project Manager and finally Deputy System Project Manager in the Diesel Projects Department. Denis Lussault was then appointed Director of the "Turnkey Project Engineering" business unit at Alma (2010-2012) and founded Atlantic Technologies. He joined Balyo in 2013.

Francesco Pandolfi (39 years old) – **Engineering and Development Director** – is a mechanical engineering graduate of *Politecnico di Milano*, specialized in modeling and simulating mechanical systems (2001), and of the Institute of Applied Mechanics of the University of Stuttgart (2002). Francesco Pandolfi started his career at Mantovani SpA in Italy, before joining B2i Ingéniérie Informatique in 2003. From 2005 to 2013, he was a Project Manager, then Development Team Manager in the Mechanical Engineering Department of the Renault Group. In 2013, Francesco Pandolfi joined Balyo, initially as the Customer Project Manager. He was then appointed Manager of New Product Development and, in 2016, Engineering and Development Director.

Jean-Luc Lacote (39 years old) – **Production and Quality Director** – is a graduate of *Institut universitaire de technologie de Saint Etienne* in physical measurements, specialized in instrument techniques (1999), and has a professional accreditation as a Quality Technician from ASFO GRIVO (2000). After starting his career at Federal-Mogul as Quality Manager, Jean-Luc Lacote joined Ressorts Huon Dubois (2006 to 2007), then Johnson Controls Automotive Electronics (2008 to 2011). Before moving to Balyo in 2014, he was Quality Manager for Customer Projects at Sumitomo Electric Wiring System. Since 2015, Jean-Luc Lacote has been the Production and Quality Director at Balyo.

Marc Duruy (34 years old) – **Major Account Director** – graduated from EDHEC Business School in 2004. He started his career at Oracle in 2005 as a Commercial Engineer, then joined Jouve in 2007 as a Major Account Commercial Engineer. As of 2009, Marc Duruy held a number of positions at Aldebaran Softbankgroup, including Commercial Director for EMEA, Worldwide Marketing Director and, finally, EMEA Major Accounts Director. He then joined Balyo as the Major Accounts Director.

Stanislas Piot (47 years old) – **Group Financial Director** – is a graduate of *Université de Paris II* in Econometrics and Finance. He started his career at Banque Worms in Hong Kong and then joined the capital market teams of Crédit Lyonnais in Paris before joining Oddo in 2000, where he specialized in IPOs in growth stocks. In 2005, he moved to Natixis, where he spent three years before joining Ipsogen in October 2007 where he managed the IPO on the Alternext market in June 2008. Stanislas Piot then worked at Stentys from May 2010 until March 2017, when he was appointed Balyo's Group Financial Director.

17.2 Shareholdings and stock options of key persons and other executives and employees

Refer to Sections 15 "Compensation and Benefits" and 18 "Principal Shareholders" of the Registration Document.

17.3 Profit-sharing agreements and stock options held by Company employees

17.3.1 Stock options, free shares allocated, stock warrants and founders' share warrants

On the date of registration of the Registration Document, one Company employee is a Company shareholder. A number of employees hold founders' share warrants and stock warrants that give right to 4.77% of the capital if they are fully exercised on the basis of the Company's capital being fully diluted (see Section 21.1.4.1 "Founders' share warrants" of the Registration Document).

17.3.2 Employee shareholding and profit-sharing

On the date of registration of the Registration Document, no employee shareholding or corporate savings plan is in place, nor is there a plan in place for profit-sharing within the Company that allows the employees to directly or indirectly acquire Company shares or shares in affiliated companies.

18. PRINCIPAL SHAREHOLDERS

18.1 Breakdown of the share capital and voting rights

The table below presents the structure of the Company's share capital on a non-diluted basis, as of the date of registration of the Registration Document.

The table does not take the repayment of the bonds convertible into shares ("ORA") into account (see Section 21.1.4.3 "Bonds convertible into shares" of the Registration Document), as the conversion ratio for these ORA has not been determined to date and will only be determined on the date on which the unit price for subscription to an increase in the Company's capital is determined when the Company's shares are admitted to trading on the Euronext regulated market in Paris.

Shareholders	Fiscal year ending on December 31, 2016				Fiscal year ending on Thursday, December 31, 2015				Fiscal year ending on Wednesday, December 31, 2014			
	Total number of shares	Total number of voting rights	% of share capital	% of voting rights	Total number of shares	Total number of voting rights	% of share capital	% of voting rights	Total number of shares	Total number of voting rights	% of share capital	% of voting rights
Seventure Partners*	7,083,903	7,083,903	44.53%	44.53%	5,923,906	5,923,906	41.64%	41.64%	4,415,815	4,415,815	52.69%	52.69%
Bpifrance Investissement**	4,246,498	4,246,498	26.70%	26.70%	3,808,998	3,808,998	26.77%	26.77%	1,886,792	1,886,792	23%	23%
Linde Material Handling***	1,656,250	1,656,250	10.41%	10.41%	1,656,250	1,656,250	11.64%	11.64%	-	-	-	-
Thomas Duval	950,000	950,000	5.97%	5.97%	950,000	950,000	6.68%	6.68%	950,000	950,000	11.34%	11.34%
Raul Bravo Orellana	950,000	950,000	5.97%	5.97%	950,000	950,000	6.68%	6.68%	950,000	950,000	11.34%	11.34%
360 Capital Partners****	801,250	801,250	5.04%	5.04%	718,750	718,750	5.05%	5.05%	-	-	-	-
Jean-Marie Bergeal	98,205	98,205	0.62%	0.62%	98,205	98,205	0.69%	0.69%	98,205	98,205	1.17%	1.17%
Michel Leonard	59,281	59,281	0.37%	0.37%	59,281	59,281	0.42%	0.42%	49,281	49,281	0.59%	0.59%
Fabien Bardinet	31,250	31,250	0.20%	0.20%	31,250	31,250	0.22%	0.22%	-	-	-	-
Rémi Bader	30,000	30,000	0.19%	0.19%	30,000	30,000	0.21%	0.21%	30,000	30,000	0.36%	0.36%
Total	**15,906,637**	**15,906,637**	**100%**	**100%**	**14,226,640**	**14,226,640**	**100%**	**100%**	**8,380,093**	**8,380,093**	**100%**	**100%**

* *FCPI Masseran Innovation I; FCPI Masseran Innovation II; FCPI Masseran Innovation III; FCPI Masseran Innovation IV; FCPI Masseran; Patrimoine Innovation 2009; FCPI Masseran Patrimoine Innovation 2010; FCPI Masseran Patrimoine Innovation 2011; FCPI Masseran Patrimoine Innovation 2012; FCPI Masseran Innovation V; FCPI Seventure Innovation 2012; FCPI Seventure Premium 2013; FCPI Masseran Patrimoine Innovation 2013; FCPI Seventure Préférence Innovation 2013; FCPI Masseran Innovation VI; FCPI Seventure Premium 2014; FCPI Masseran Patrimoine Innovation 2014, managed by the management firm Seventure Partners.*

** *FCPI FSN PME Ambition Numérique, managed by the management firm Bpifrance Investissement.*

*** *A limited liability company incorporated under the laws of Germany, controlled by Kion Group AG, a company listed on the Frankfurt stock market.*

**** *FCPI Robolution Capital 1, managed by the management firm 360 Capital Partners.*

18.2 Presentation of major shareholders

On the date of registration of the Registration Document, the shareholders who directly or indirectly own more than 2% of the Company's share capital are as follows:

- **Raul Bravo Orellana,** a Spanish citizen born on October 22, 1979 in Barcelona, Spain, residing at 7, rue Fermat, 75014 Paris, France, a co-founder of Balyo, owns 5.97% of the Company's share capital;

- **Thomas Duval,** a French citizen born on March 29, 1976 in Strasbourg, France, residing at 68, rue de Gergovie, 75014 Paris, France, a co-founder of Balyo and the current Innovation Director, owns 5.97% of the Company's share capital;

- **Seventure Partners**, a French *société anonyme* with capital of €362,624, whose registered office is located at 5-7, rue de Monttessuy, 75007 Paris, France, registered with the Commercial Register of Paris under number 327 205 258, a Company Director, manages innovation-related mutual funds and owns 44.53% of the Company's share capital as follows:

    - **FCPI Masseran Innovation I**, a mutual fund investing in innovation, owns 5.37% of the shares comprising the share capital of the Company;

    - **FCPI Masseran Innovation II**, a mutual fund investing in innovation, owns 5.64% of the shares comprising the share capital of the Company;

    - **FCPI Masseran Innovation III**, a mutual fund investing in innovation, owns 3.88% of the shares comprising the share capital of the Company;

    - **FCPI Masseran Innovation IV**, a mutual fund investing in innovation, owns 4.45% of the shares comprising the share capital of the Company;

    - **FCPI Masseran Patrimoine Innovation 2009**, a mutual fund investing in innovation, owns 1.45% of the shares comprising the share capital of the Company;

    - **FCPI Masseran Patrimoine Innovation 2010**, a mutual fund investing in innovation, owns 4.18 % of the shares comprising the share capital of the Company;

    - **FCPI Masseran Patrimoine Innovation 2011**, a mutual fund investing in innovation, owns 1.74 % of the shares comprising the share capital of the Company;

    - **FCPI Masseran Patrimoine Innovation 2012**, a mutual fund investing in innovation, owns 1.04 % of the shares comprising the share capital of the Company;

    - **FCPI Masseran Patrimoine Innovation 2013**, a mutual fund investing in innovation, owns 1.00% of the shares comprising the share capital of the Company;

    - **FCPI Masseran Innovation V**, a mutual fund investing in innovation, owns 2.31% of the shares comprising the share capital of the Company;

    - **FCPI Seventure Innovation 2012**, a mutual fund investing in innovation, owns 2.31% of the shares comprising the share capital of the Company;

- **FCPI Seventure Premium 2013**, a mutual fund investing in innovation, owns 4.04% of the shares comprising the share capital of the Company;

- **FCPI Masseran Patrimoine Innovation 2013**, a mutual fund investing in innovation, owns 1.00% of the shares comprising the share capital of the Company;

- **FCPI Seventure Préférence Innovation 2013**, a mutual fund investing in innovation, owns 2.28% of the shares comprising the share capital of the Company;

- **FCPI Masseran Innovation IV**, a mutual fund investing in innovation, owns 2.28% of the shares comprising the share capital of the Company;

- **FCPI Seventure Premium 2014**, a mutual fund investing in innovation, owns 1.68 % of the shares comprising the share capital of the Company;

- **FCPI Masseran Patrimoine Innovation 2014**, a mutual fund investing in innovation, owns 0.86 % of the shares comprising the share capital of the Company;

- **Bpifrance Investissement**, a French *société par actions simplifiée* with capital of €20,000, whose registered office is located at 27-31, avenue du Général Leclerc, 94710 Maisons Alfort, France, registered with the Commercial Register of Créteil under number 433 975 224, a Company Director, manages FPCI FSN PME Ambition Numérique, a private equity fund that holds 26.70% of the Company's share capital;

- **Linde Material Handling**, a limited liability company incorporated under the laws of Germany with capital of €25K, whose registered office is located at Carl-von-Linde-Platz, 63743 Aschaffenburg, registered with the Register of the Court of Aschaffenburg under number HRB 9963, a Company director, owns 10.41% of the Company's share capital. Linde Material Handling and the Company also signed a cooperation agreement on November 4, 2014, currently being extended, as described in Section 6.7.1 "Linde Material Handling (a subsidiary of the Kion Group)" of the Registration Document

- **360 Capital Partners**, a French *société par actions simplifiée* with capital of €429,900, whose registered office is located at 20 T, rue Schnapper, 78100 Saint-Germain-en-Laye, France, registered with the Commercial Register of Versailles under number 498 943 471, a Company Director, manages FPCI Robolution Capital, a private equity fund that holds 5.04% of the Company's share capital.

18.3 Voting rights

Each Company share confers one voting right on the owner of the share.

18.4 Shareholders agreement

Holders of securities that grant access to the Company's capital have entered into an agreement dated February 27, 2015 regarding the governance and transfers of the Company's securities. This agreement will end and lose its effect and legal force on the date the Company's shares are admitted to trading.

18.5 Control of the Company

On the date of registration of the Registration Document, the Company is controlled - within the meaning of Article L. 233-3 of the Commercial Code - by Seventure Partners, which indirectly holds (through the funds it manages) 44.53% of the shares that comprise its capital. Seventure Partners does not have authority to appoint or dismiss the majority of the members of the Company's Board of Directors.

Seventure Partners, as well as all of the Company's current shareholders, will see their shareholdings diluted, however, due to the increase in the Company's capital when its shares are admitted to trading on the Euronext regulated market in Paris, as well as by the potential exercise on the same date of securities that give access to capital in circulation on the date of registration of the Registration Document, and which are described in Section 21.1.4 "Potential capital" of the Registration Document.

The partnership agreement signed on May 8, 2017 by the Company, Linde Material Handing and Kion Group AG provides that, should a significant portion (10% or more) of the Company's shares be acquired by a competitor of the other party (excluding Hyster-Yale), this other party may terminate the agreement at its discretion as long as said portion gives the competitor a right to representation on the Company's Board of Directors, thereby enabling it to exercise influence over the agreement. The agreement may also be terminated before its expiry date in the event of a change of control (as defined by Article L. 233-3 of the Commercial Code) or a merger of one of the parties.

There is no clause governing a change of control in the partnership agreement signed on October 29, 2015 by the Company and Hyster-Yale.

After the increase in the Company's capital further to the admission of its shares to trading on the Euronext regulated market in Paris, the Company is of the opinion that the Company's capital will no longer be controlled by Seventure Partners (within the meaning of Article L. 233-3 of the Commercial Code). However, this loss of control should not be interpreted as a change in control within the meaning of the partnership agreement entered into by the Company, Linde Material Handling and Kion Group AG, which provides the partner with a right to terminate the agreement only if a third party gains control over the Company.

18.6 Agreements that may cause a change of control

To the Company's knowledge, on the date of registration of the Registration Document, no agreement exists that could, at a future date, result in a change of control of the Company.

18.7 Status of pledges

To the Company's knowledge, on the date of registration of the Registration Document, none of the shares that comprise the Company's capital is the subject of a pledge.

18.8 Description of restructuring operations

None.

19. TRANSACTIONS WITH RELATED COMPANIES

Under a management agreement entered into with Astrolabe Consulting, Balyo paid the sum of €23,563, excluding tax, to Astrolabe Consulting for the fiscal year ending on December 31, 2015.

Fabien Bardinet is the Chairman and Chief Executive Officer of the Company, and Chairman of Astrolabe Consulting.

This management agreement related to an assignment involving the identification of potential subcontractors in the United States. This agreement was no longer in effect as at the end of 2015.

19.1 Reports of the statutory auditors on the regulated agreements

The regulated agreements are referred to in the special report of the statutory auditors presented below for fiscal 2016.

Since the special report of the statutory auditors for fiscal 2016 was issued, no new regulated agreement has been submitted to the Board of Directors for its approval.

19.2 Reports of the statutory auditors on the regulated agreements

Report of the statutory auditors on the regulated agreements for the fiscal year ending on December 31, 2016

"To the Shareholders,

In our capacity as statutory auditors of your company, we hereby present our report on regulated agreements.

We are responsible for informing you, based on information provided to us, of the characteristics and essential terms of the agreements we have been advised of or that we may have identified on the occasion of our mission, without being required to issue an opinion as to their usefulness or merit nor seek to identify the existence of other agreements. Pursuant to the terms of Article R. 225-31 of the Commercial Code, it is up to you to analyze the benefits associated with these agreements before you approve them.

Furthermore, where applicable, we are responsible for providing you with the information described in Article R. 225-31 of the Commercial Code related to the execution during the past fiscal year of the agreements already approved by the general meeting;

We have conducted the analyses we deemed necessary in accordance with the professional standards of the Compagnie nationale des commissaires aux comptes related to this mission. These analyses consisted in verifying the consistency of the information provided to us with the underlying source documents.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING

Agreements authorized during the past fiscal year

We hereby inform you that we were not notified of any agreement authorized during the past fiscal year that is subject to the approval of the general meeting in accordance with the terms of L. 225-38 of the Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements approved in prior fiscal years, the execution of which continued during the past fiscal year

We hereby inform you that we were not notified of any agreement already approved by the general meeting, which continued to be in effect in the past fiscal year."

Neuilly-sur-Seine and Paris, April 5, 2017.

Acting Statutory Auditors

DELOITTE & ASSOCIES Represented by Stéphane Menard	**SIRIS** Represented by Emmanuel Magnier

19.2.2 Report of the statutory auditors on the regulated agreements for the fiscal year ending on December 31, 2015

"To the Shareholders,

In our capacity as statutory auditors of your company, we hereby present our report on regulated agreements.

We are responsible for informing you, based on information provided to us, of the characteristics and essential terms of the agreements and undertakings we have been advised of or that we may have identified on the occasion of our mission, without being required to issue an opinion as to their usefulness or merit nor seek to identify the existence of other agreements. Pursuant to the terms of Article R. 225-31 of the Commercial Code, it is up to you to analyze the benefits associated with these agreements before you approve them.

Furthermore, where applicable, we are responsible for providing you with the information described in Article R. 22531 of the Commercial Code related to the execution during the past fiscal year of the agreements already approved by the general meeting;

We have conducted the analyses we deemed necessary in accordance with the professional standards of the Compagnie nationale des commissaires aux comptes related to this mission.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING

Agreements authorized during the past fiscal year

We hereby inform you that we were not notified of any agreement authorized during the past fiscal year that is subject to the approval of the general meeting in accordance with the terms of L. 225-38 of the Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements approved in prior fiscal years, the execution of which continued during the past fiscal year

In accordance with Article R. 225-30 of the Commercial Code, we were informed that the execution of the following agreement, already approved by the general meeting in prior years, continued during the past fiscal year.

- Management agreement between BALYO and ASTROLABE CONSULTING

BALYO contracted with ASTROLABE CONSULTING regarding an assignment involving the identification of potential subcontractors in the United States, in the amount of €23,563, excluding tax, for the 2015 fiscal year.

Person involved: Fabien Bardinet, Chief Executive Officer of BALYO and Chairman of ASTROLABE CONSULTING"

June 3, 2016

SIRIS
Represented by Emmanuel Magnier

20. FINANCIAL INFORMATION

20.1 Historical financial information

20.1.1 Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015

Financial position

Balance sheet	Notes	12/31/2016 €K	12/31/2015 €K	01/01/2015 €K
ASSETS				
Goodwill				
Intangible assets	4.1	189.6	85.3	64.4
Tangible assets	4.2	674.4	588.1	460.0
Financial assets	4.3	151.9	77.5	75.9
Total non-current assets		**1 016.0**	**750.8**	**600.2**
Inventories & work in progress	4.4	1 027.1	792.5	437.4
Customer receivables and related accounts	4.5	3 373.7	2 226.8	1 389.7
Other receivables	4.6	1 595.8	1 079.8	847.5
Cash and cash equivalents	4.7	3 636.7	3 021.8	786.2
Total current assets		**9 633.3**	**7 121.0**	**3 460.8**
Total Assets		**10 649.29**	**7 871.8**	**4 061.0**
LIABILITIES				
Equity				
Share capital	4.8	1 272.5	1 138.1	670.4
Share premium	4.8	17 588.6	15 043.9	6 368.0
Translation reserve	4.8	(171.0)	(87.9)	(35.1)
Other comprehensive income	4.8	(0.5)	9.3	0.0
Reserves - Group share	4.8	(15 472.7)	(9 830.5)	(6 259.4)
Net income for the year - Group share	4.8	(6 829.9)	(5 804.0)	(3 902.0)
Total equity - Group share		**(3 613.1)**	**469.0**	**(3 158.0)**
Total equity		**(3 613.1)**	**469.0**	**(3 158.00)**
Non-current liabilities				
Commitments to employees	4.11	115.2	67.8	52.8
Non-current financial debts	4.10	3 189.2	2 285.5	2 134.5
Non-current provisions and other liabilities	4.12.1	2.2	2.4	2.6
Total non-current liabilities		**3 306.6**	**2 355.7**	**2 189.9**
Current liabilities				
Current financial debts	4.10	3 284.4	1 361.0	2 063.5
Current provisions	4.9	54.0	54.0	355.5
Accounts payable and related accounts	4.12.2	3 708.7	1 584.5	672.6
Tax and social security liabilities	4.12.3	1 524.3	1 100.3	1 074.4
Other current liabilities	4.12.3	2 384.4	947.3	863.1
Total current liabilities		**10 955.7**	**5 047.1**	**5 029.1**
Total liabilities		**10 649.3**	**7 871.8**	**4 061.0**

Income statement

Income Statement	Notes	12/31/2016 €K	12/31/2015 €K
Sales	5.1	5 152.8	2 863.3
Cost of sales	5.1	(3 642.3)	(2 033.1)
Gross margin		**1 510.5**	**830.2**
Research and development expenses	5.2.1	(2 413.0)	(1 859.8)
Sales and marketing expenses	5.2.2	(3 122.5)	(1 913.4)
General and administrative expenses	5.2.3	(2 436.9)	(2 351.4)
Payments in shares		(161.7)	(330.9)
Operating loss/gain		**(6 623.6)**	**(5 625.2)**
Cost of net financial debt	5.4	(143.4)	(148.6)
Other financial income and expense	5.4	(63.0)	(30.1)
Financial loss/gain		**(206.3)**	**(178.8)**
Loss/gain before income tax		**(6 829.9)**	**(5 804.0)**
Loss/gain of the year		**(6 829.9)**	**(5 804.0)**
Group share		*(6 829.9)*	*(5 804.0)*
Non-controlling interests			

Earnings per share	Notes	12/31/2016	12/31/2015
Weighted average number of shares in circulation		15 523 971	13 317 177
Basic losses per share (€/share)		*(0.44)*	*(0.44)*

Statement of comprehensive income

BALYO - IFRS Statement of comprehensive income	Notes	12/31/2016 €K	12/31/2015 €K
Loss for the year		**(6 829.9)**	**(5 804.0)**
Actuarial losses (non-recyclable)		(9.8)	9.3
Consolidation changeover differences		(83.2)	(52.8)
Comprehensive loss		**(6 922.9)**	**(5 847.4)**

Changes in equity

Statement of change in equity	Number of shares in capital	Share capital €K	Share premium €K	Reserves and result €K	Exchange differences €K	Actuarial losses €K	Total equity - Group share €K
At 31 Decembre 2014	*8 380 093*	**670.4**	**6 368.0**	**(10 161.4)**	**(35.1)**	**0.0**	**(3 158.0)**
Net loss 2015				(5 804.0)			(5 804.0)
Other comprehensive loss					(52.8)	9.3	(43.5)
Comprehensive loss		670.4	6 368.0	(15 965.3)	(87.9)	9.3	(9 005.4)
Capital increase in cash	*4 744 448*	379.6	7 211.6				7 591.1
Redemption of convertible bonds (1,668)	*1 102 099*	88.2	1 599.7				1 687.8
Capital increase costs			(141.4)				(141.4)
BSA subscription			6.0				6.0
Payments in shares				330.9			330.9
At 31 December 2015	*14 226 640*	**1 138.1**	**15 043.87**	**(15 634.5)**	**(87.9)**	**9.3**	**469.0**
Net loss 2016				(6 829.9)			(6 829.9)
Other comprehensive loss					(83.2)	(9.8)	(93.0)
Comprehensive loss		1 138.1	15 043.9	(22 464.4)	(171.0)	(0.5)	(6 453.9)
Capital increase in cash	*1 250 000*	100.0	1 900.0				2 000.0
Redemption of convertible bonds (572)	*429 997*	34.4	653.6				688.0
Capital increase costs			(8.9)				(8.9)
Payments in shares				161.7			161.7
At 31 December 2016	*15 906 637*	**1 272.5**	**17 588.6**	**(22 302.6)**	**(171.0)**	**(0.5)**	**(3 613.1)**

Cash flow table

BALYO - IFRS Cash flow statement	Notes	12/31/2016	12/31/2015
Net cash used in operating activities			
Net income (loss)		**(6 829.9)**	**(5 804.0)**
- Amortization of intangible assets	4.1	28.5	18.1
- Depreciation of property, plant and equipment	4.2	174.0	188.3
- Provisions	4.11	32.8	28.9
- Provision reversals	4.9	0.0	(301.5)
- Cost of share-based payments	4.8	161.7	330.9
- Financial interest at amortized cost		146.5	202.8
- Gains or losses on disposals of fixed assets		70.8	23.1
- Deferred taxes			
Self-financing capacity after net financial debt and taxes		**(6 215.6)**	**(5 313.4)**
Amortization of net borrowing costs		143.5	47.9
Self-financing capacity before net financial debt and taxes		**(6 072.1)**	**(5 265.5)**
Change in working capital requirements (less depreciation of customer receivables and inventory)		2 087.6	(435.3)
Net cash used in operating activities		**(3 984.5)**	**(5 700.7)**
Net cash used in investing activities			
Purchases of intangible assets	4.1	(132.9)	(39.0)
Disposal of tangible assets	4.2	40.0	0.0
Purchases of tangible assets	4.2	(368.8)	(339.0)
Change in other non-current financial assets	4.3	(74.2)	(1.1)
Net cash used in investing activities		**(535.9)**	**(379.0)**
Net cash used in financing activities			
Capital increase net of share capital increase costs	4.8	1 991.1	7 449.7
BSA issue	4.8	0.0	6.0
Payment of conditional advances and subsidies	4.10	1 127.1	1 306.1
Payment of new loans or bond issues redeemable in shares	4.10	2 800.0	0.0
Net financial interest paid	4.10	(143.5)	(47.9)
Repayment of loans, conditional advances	4.10	(670.5)	(393.4)
Net cash used in financing activities		**5 104.2**	**8 320.5**
Impact of currency exchange variations		30.8	(4.9)
Increase (Decrease) in cash		**614.6**	**2 235.8**
Cash and cash equivalents at beginning of the year (including current bank overdrafts)		3 019.3	783.5
Cash and cash equivalents at end of the year (including current bank overdrafts)		3 633.9	3 019.3
Increase (Decrease) in cash		**614.6**	**2 235.8**

		12/31/2016	12/31/2015
Cash and cash equivalents	4.7	3 636.7	3 021.8
Bank overdrafts	4.10	(2.8)	(2.5)
Cash and cash equivalents at period-end (including bank overdrafts)		**3 633.9**	**3 019.3**

Information on changes in working capital requirements (€K)	12/31/2016	12/31/2015
Inventory (less depreciation)	(233.0)	(354.3)
Customer receivables and related accounts (less depreciation of customer receivables)	(1 137.0)	(809.4)
Other non-current assets	(476.9)	28.8
Accounts payable and related accounts	2 158.7	832.6
Tax and social security debts	415.1	22.9
Other current liabilities	1 360.7	(155.8)
Total change	2 087.6	(435.3)

Note 1: Presentation of the business and major events

1.1 Information on the Company and its business

BALYO (the "Company" or "BALYO") was incorporated in the form of a French *société anonyme* (a public limited company). The consolidated Group (the "Group") includes the parent company, BALYO, and the subsidiary.

The fiscal year covers a 12-month period from January 1 to December 31.

Address of the registered office: 240 rue de la Motte, 77550 Moissy Cramayel.

Commercial Register number: 483 563 029 (Commercial Register of Melun)

BALYO's business is the design of automation systems for all sectors, and the manufacturing and commercialization of automation systems for all sectors.

Balyo and its subsidiary are referred to hereafter as the "Company" or the "Group".

1.2 Publication context

The present consolidated financial statements for the Balyo Group prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015 were prepared in the framework of a planned IPO on the regulated Euronext market in Paris. They were specifically prepared for the purposes of drafting the registration document for this IPO, which requires the presentation of financial statements prepared according to the IFRS for the past two years. These consolidated financial statements are the first consolidated financial statements prepared according to the IFRS, as, in the past, the Group did not prepare consolidated financial statements according to French standards as it did not exceed the thresholds requiring the preparation of consolidated financial statements. These consolidated financial statements were therefore prepared in accordance with the terms of IFRS 1, First-time Adoption of International Financial Reporting Standards, with the date of transition being January 1, 2015, and in accordance with the first-time adoption methods described in Note 7.5.

1.3 Significant events in the fiscal year ending on December 31, 2016

Increase in capital

The extraordinary general meeting held on April 26, 2016 approved an increase in capital in a total amount of €2,000K, with an issue premium included, by issuing 1,250,000 stock warrants (ABSA 2015) for a unit price of €1.60 (see Note 4.8). The costs of the capital increase totaled €9K and were fully charged against the issue premium. This increase in capital was subscribed by the Company's existing shareholders.

Redemption of the bond issue redeemable in shares ("ORA 2014")

The balance of the "ORA 2014" bond issue was fully repaid in shares in accordance with a resolution of the extraordinary general meeting of March 23, 2016. For this purpose, the share capital was increased by €34,400, including an issue premium of €653,600 for 429,997 shares with warrants attached (ABSA 2015).

Bond issue redeemable in shares ("ORA 2016")

On November 25, 2016, a bond issue redeemable in shares was issued in the amount of €2,800K, at an interest rate of 2%, including a discount of 20%, redeemable in shares or in cash in the event the Company's shares are admitted to trading on a stock market.

"Innovation" loan from Bpifrance

On January 14, 2016, the Company obtained a seven-year loan of €1,000K from Bpifrance, including a grace period of eight quarters. The interest rate is the average monthly rate of return of long-term government loans, increased by 4.18% and including a floor of 0%. This loan was guaranteed by the *Fonds National de Garantie Prêt pour l'Innovation* (30% of the loan) and the European Investment Fund (50%).

1.4 Significant events in the fiscal year ending on December 31, 2015

Increase in capital

The extraordinary general meeting held on February 27, 2015 approved an increase in capital in the total amount of €7,591,117, with an issue premium included, by issuing 4,744,448 shares for a unit price of €1.60 (see Note 4.8 for more information), including 3,056,948 ABSA 2015 for €4,891,117, 968,750 ABSA 2015-1 for €1,500K, and 718,750 ABSA 2015-2 for €1,150K. The costs of the increase in capital totaled €141K and were fully charged against the issue premium. This increase in capital was subscribed by existing shareholders, and two new shareholders acquired capital (Linde Material Handling and 360 Partners).

Redemption of the bond issue redeemable in shares

In fiscal 2014, the Company issued bonds convertible into shares in the amount of €2,240K bearing interest at 3.5%. On February 27, 2015, a portion of the bonds convertible into shares was automatically redeemed in shares by issuing 1,102,099 shares coupled with warrants (ABSA 2015) resulting in an increase in capital in the amount of €88,167, along with an issue premium of €1,599,659. Upon completion of this redemption in shares, the amount of remaining bonds redeemable in shares totals €586,802.

Zero-interest loan for innovation ("emprunt à taux zéro pour l'innovation")

In fiscal 2015, a zero-interest loan for innovation was granted to the Group in the amount of €1,100K (see Note 4.10.2 for more information).

Partnership agreement

In 2015, the Company signed a partnership agreement with Linde Material Handling for the commercialization of its automated trucks. This partner, Linde Material Handling, manufactures bare trucks, which the Company automates. Linde Material Handling distributes the products through dealers or directly to end customers. (See Note 6.4 for more information.)

1.5 Events after the 2016 closing

Planned IPO on the Euronext market in Paris

To finance its different research and development projects, the Company decided to initiate a process to introduce its shares to trading on the Euronext regulated market in Paris.

Note 2: Accounting principles, rules and methods

The financial statements are presented in thousands of euros, unless indicated otherwise. Figures have been rounded in the calculation of certain financial information and other information included in these statements. Therefore, the figures presented as totals in certain tables may not correspond to the exact sum of the preceding figures.

2.1 Basis of preparation for the Group's first consolidated financial statements according to the IFRS

Statement of compliance

The present consolidated financial statements were prepared according to the IFRS (International Financial Reporting Standards) accounting reference as adopted by the European Union on December 31, 2016.

This reference is available on the European Commission's website (http://ec.europa.eu/finance/company-reporting/index_en.htm) and includes the international accounting standards (IAS and IFRS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Interpretations Committee (IFRIC).

The guiding principles, accounting methods and options adopted by the Group are described below.

Principle guiding the preparation of the financial statements

The Group's consolidated financial statements were prepared according to the historical cost principle, with the exception of certain categories of assets and liabilities which are stated in accordance with the terms of the IFRS: employee benefits evaluated according to the projected unit credit method, financial loans and debts evaluated according to the amortized cost method, and derivative financial instruments measured at fair value.

Going concern principle

The Board of Directors adopted the going concern principle based on the cash available as at December 31, 2016, which must cover its projected cash flow needs for the upcoming 12 months. The Company has available cash in the amount of €3,638K as at December 31, 2016 and expects the payment of the Research Tax Credit ("*Crédit d'Impôt Recherche*") during the second quarter of the year. These funds are considered sufficient to cover projected needs.

However, the Company expects it will need cash in early 2018. The Company's history of operating losses is explained by the innovative nature of the products and services it has developed and marketed, requiring a research and development phase that covers a number of years.

To cover its expected cash flow requirements in early 2018 related to its rapid growth, the Board of Directors is examining the following measures:

- an IPO on the Euronext market in Paris in the first half of 2017;
- the continued search for investors in the framework of private investment should market conditions be such that the planned IPO on the regulated market is not possible.

Accounting methods

In accordance with the terms of IFRS 1, the Group applied all of the standards in effect as at December 31, 2016 to all of the periods presented in the financial statements.

In particular, as of the date of transition - January 1, 2015 - the Group applied the new standards, amendments to the standards and the following interpretations applicable in the European Union as of January 1, 2016:

- Amendment to IAS 1 – Disclosure Initiative
- Amendment to IAS 19 - Defined Benefit Plans: Employee Contributions
- Annual improvements of IFRS – 2010-2012 Cycle
- Annual improvements of IFRS – 2012-2014 Cycle
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization
- Amendments to IAS 16 and IAS 41 - Bearer Plants
- Amendments to IAS 27 - Equity Method in Separate Financial Statements
- Amendments to IFRS 11 - Acquisition of an Interest in a Joint Operation
- Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception

These new texts had no significant impact on the Company's financial statements.

<u>Principal standards, amendments and interpretations adopted by the European Union but not mandatory yet for the fiscal years beginning on or after January 1, 2016</u>:

- IFRS 9 - Financial Instruments
- IFRS 15 - Revenue from Contracts with Customers

The Group is currently evaluating the impact resulting from the initial application of these new texts. At this stage, it does not anticipate any significant impact on its financial statements.

With regard to IFRS 15, the objective is to analyze a list of contracts in 2017 that represents a significant portion of sales revenue so that the impact of the change in standards can be indicated in the notes to the 2017 annual financial statements. The Group does not plan to apply IFRS 15 in advance.

The Group does not use the technical milestone method but the percentage of completion method to measure the percentage of completion of contracts that fall within the scope of application of IAS 11.

<u>Principal standards, amendments and interpretations not adopted by the European Union and not mandatory yet for the fiscal years beginning on or after January 1, 2016</u>:

- Amendments to IFRS 15 - Clarifications to IFRS 15
- IFRS 16 - Leases
- Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses
- Amendments to IAS 7 – Disclosure Initiative
- Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions

- Annual improvements process (2014-2016 Cycle)
- Amendments to IAS 40 - Transfer of Investment Properties

These new texts published by the IASB should not have a significant impact on the Group's financial statements, with the exception of IFRS 16 for which a study on its expected impact is currently in progress.

Consolidation methods

The Group applies IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements" and IFRS 12, "Disclosure of Interests in Other Entities".

IFRS 10, which covers accounting methods for consolidated financial statements, introduces a single consolidation model, which identifies control as a criterion to be met to consolidate an entity. An investor exercises control over an entity if he has power over said entity, is exposed to the variable returns of the entity or has rights to these variable returns in light of his involvement in this entity, and if he is capable of using his control over the entity to influence the amount of these returns.

The subsidiaries are entities over which the Group exercises control.

The sole subsidiary is consolidated through complete integration as of the date on which the Group gains control over said subsidiary and is de-consolidated on the date on which it is no longer controlled by the Group.

Intragroup balances and transactions are eliminated.

The parent company, Balyo, exercises control over BALYO Inc., which is fully consolidated.

Principal Group companies as at December 31, 2016

As at December 31, 2016, the Group is composed of two entities (including the Company), which are fully consolidated.

Companies	Country	Group control (%)	Ownership (%)
BALYO SA	France	Parent company	
BALYO Inc	US	100%	100%

2.2 Estimates and judgments

To prepare the financial statements according to the IFRS, the Company's management used estimates and judgments in applying the IFRS accounting methods. . These judgments and/or estimates have an impact on the amounts of assets and liabilities, the amounts of potential liabilities on the date the financial statements were prepared, and the amounts presented as revenue and expenses for the fiscal year.

These estimates are based on the going concern assumption and are established based on the information available at the time. They are continuously evaluated on the basis of past experience, as well as various other factors that are considered reasonable and are used to estimate the book value of assets and liabilities. The estimates may be reviewed if the circumstances on which they are based change or if new information becomes available. Actual results could differ significantly from these estimates if different assumptions are used or different circumstances arise.

The judgments, estimates and assumptions based on the information available on the closing dates relate in particular to:

- Recognition of revenue (Note 5.1);
- Accounting treatment of development expenses (Note 4.1);
- Provisions for retirement commitments and other provisions (Note 4.11);
- Allocation of stock warrants or founders' share warrants to employees, executives and external providers (Note 4.8.3).
- Recognition of deferred tax assets (Note 5.5);
- Repayable advances (Note 4.10.2).

These assumptions, which underlie the principal estimates and judgments, are described in the Notes to these financial statements.

2.3 Transactions and financial statements in foreign currencies

2.3.1 Translation of the financial statements

The information provided in the financial statements for each Group entity is evaluated by using the currency in the principal economic environment in which the entity operates ("functional currency").

The Group's financial statements are set out in euros, the currency in which the Group's consolidated financial statements are presented and the Company's functional currency.

The subsidiary's financial statements, which were prepared in a functional currency other than the euro (USD for Balyo Inc.) are translated into euros:

- with regard to assets and liabilities, at the exchange rate in effect at the end of the period;
- with regard to revenue and expenses, at the exchange rate in effect on the date of the transaction or at the average exchange rate for the period if this exchange rate is close to the exchange rates in effect on the date of the transaction.

Translation differences that result from the application of this method are recorded under consolidated equity as "Other comprehensive income".

The rates used to convert the foreign currencies are presented below:

		12/31/2016		12/31/2015		12/31/2014	
	€1 equal to	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
Dollar US	USD	1.1066	1.0541	1.1013	1.0887	1.3288	1.2141

Source: Banque de France

2.3.2 Conversion of foreign currency transactions

Transactions carried out by the consolidated companies in a currency other than their functional currency are converted at the exchange rate in effect on the date of the different transactions.

Customer receivables, accounts payable and debts in a currency other than the entities' functional currency are converted at the exchange rate in effect on the date of closing. Unrealized gains and losses that result from this conversion are recorded under the net financial result.

Exchange rate gains and losses that result from the conversion of intragroup transactions or receivables or debts in a currency other than the entities' functional currency are recorded under profits and losses.

2.4 Distinction between current and non-current on the balance sheet

The Company distinguishes the current and non-current parts of its assets and liabilities on the balance sheet.

This distinction between current and non-current elements was applied as follows:

- The assets and liabilities set out under working capital requirements for the normal business cycle are classified as "current";
- The assets and liabilities that fall outside of the normal business cycle are presented as "current", on the one hand, and "non-current", on the other, depending on whether the settlement date falls within 12 months or after 12 months, by applying the specific cases described in IAS 1.

Note 3: Information on the sector

3.1 The Group's business sector

In light of IFRS 8, the Company only presents one business sector: "the sale of automation solutions for logistics flows". The assets present abroad are not significant.

3.2 Information by key customer

The weight of the Company's principal customers is described in Note 7.2 "Financial risk management and valuation". Customers that represent more than 10% of sales are those that result from the partnership agreements with Linde.

SALES REVENUE - By customer (amounts in €K)	12/31/2016		12/31/2015	
Linde Group (Fenwick)	4 190.0	*81%*	606.3	*21%*
Others	962.8	*19%*	2 257.0	*79%*
Total sales	**5 152.8**	*100%*	**2 863.3**	*100%*

Note 4: Information on the financial statements

4.1 Intangible assets

In accordance with IAS 38, the development expenses incurred by the Group must be capitalized when the following criteria have been fulfilled:

- The Group has the intent and technical capacity to bring the development project to completion;
- It is highly probable that the Company will benefit from the future economic impact of the development expenses, which is usually substantiated by the existence of orders or contracts;
- The costs may be measured reliably;
- The Group is able to use or sell the intangible asset;
- The Group has the resources required to complete the project.

The research and development expenses that do not meet the criteria set out above are recorded in the income statement on the "Research and development expenses" line as an expense for the year in which they were incurred.

The other intangible assets mainly relate to software. The cost of acquisition of the software licenses is capitalized at the cost of acquisition and installation cost. These costs are amortized over the estimated useful life of the software.

The intangible assets are amortized according to the straight-line method based on their estimated useful life and are presented below:

Type of asset	Period (in years)
Concessions, software and patents	1, 3, 5 and 20 years

The tables below illustrate the movements that took place over the two fiscal years:

GROSS VALUE OF INTANGIBLE ASSETS (Amounts in €K)	**Concessions, patents and similar rights**
Statement of financial position at 1 January 2015	**90.6**
Additions	39.0
Statement of financial position at 31 December 2015	**129.6**
Additions	132.9
Statement of financial position at 31 December 2016	**262.4**
AMORTIZATION	
Statement of financial position at 1 January 2015	**26.2**
Amortization charge	18.1
Statement of financial position at 31 December 2015	**44.3**
Amortization charge	28.5
Statement of financial position at 31 December 2016	**72.8**
NET BOOK VALUE	
At 1 January 2015	**64.4**
At 31 December 2015	**85.3**
At 31 December 2016	**189.6**

The intangible assets do not include any assets whose useful life is indefinite. The depreciation of these intangible assets is fully recorded as a research and development expense.

4.2 Tangible assets

Tangible assets are valued at their cost of acquisition less total depreciation and potential impairment loss. Subsequent expenses are included in the book value of the asset or, if applicable, recorded as a separate asset if it seems likely that the future economic benefits associated with the asset will benefit the Group and that the cost of the asset can be measured reliably. The book value of parts replaced is de-recognized. All of the expenses for repairs and maintenance are recorded as expenses.

Depreciation is calculated according to the straight-line method for the following estimated periods of use:

Items	Depreciation periods
Installations, improvements and fittings	10 years
Technical installations	5 to 10 years
Industrial equipment and tools	5 to 10 years
Prototypes	5 years

Transport materials	4 to 5 years
Office equipment	5 to 10 years
Computer hardware	3 years
Furniture	10 years

Residual values, useful lives and the methods to depreciate assets are reviewed at each annual closing and amended, if necessary, on a prospective basis.

The cost of acquisition of assets is incorporated on a gross basis before tax into the cost of acquisition of these assets.

The lease-purchase or lease-financing contracts (movable and immovable property) are recorded in the balance sheet for the fair value of the leased asset or, if the fair value is inferior, the present value of the minimum lease payments when almost all of the risks and benefits inherent in the property are transferred to the lessee. Lease payments are broken down into financial expenses and asset depreciations. The depreciation methods for the assets are identical to those of similar assets acquired by the Group.

Rent payments under contracts considered to be simple leases are recorded as expenses for the fiscal year.

Rent-free provisions at the beginning of the lease and special benefits granted by the lessor are recorded on a straight-line basis over the lease period, thereby reducing the contractual lease expenses.

The table below represents movements over the three relevant periods:

GROSS VALUE OF TANGIBLE ASSETS (amounts in €K)	Prototypes	Other tangible assets	Office equipment	Transport equipment	Advances and deposits for tangible assets	Total
Statement of financial position at 1 January 2015	**271.5**	**179.3**	**109.3**	**69.7**		**629.7**
Additions	233.0	44.3	61.7			339.0
Disposals	(64.7)			(29.3)		(94.0)
Impact of exchange rate		0.8				0.8
Statement of financial position at 31 December 2015	**439.7**	**224.5**	**171.0**	**40.4**	**0.0**	**875.5**
Additions	316.2	10.4	27.4		14.8	368.8
Disposals	(159.3)		(22.1)	(14.0)		(195.4)
Transfer						0.0
Impact of exchange rate	2.5	0.2				2.7
Statement of financial position at 31 December 2016	**606.9**	**227.3**	**176.2**	**26.4**	**14.8**	**1 051.5**
AMORTIZATION						
Statement of financial position at 1 January 2015	**17.0**	**42.9**	**70.0**	**39.8**		**169.7**
Amortization charge	127.0	24.9	29.7	6.7		188.3
Disposals	(64.7)			(6.2)		(70.9)
Impact of exchange rate		0.3				0.3
Statement of financial position at 31 December 2015	**79.3**	**68.0**	**99.8**	**40.4**	**0.0**	**287.4**
Amortization charge	109.1	27.9	37.0			174.0
Disposals	(48.5)		(22.1)	(14.0)		(84.7)
Impact of exchange rate	0.3	(0.1)				0.3
Statement of financial position at 31 December 2016	**144.1**	**92.0**	**114.7**	**26.4**	**0.0**	**377.1**
NET BOOK VALUE						
At 1 January 2015	**254.4**	**136.5**	**39.3**	**29.8**	**0.0**	**460.0**
At 31 December 2015	**360.4**	**156.5**	**71.2**	**0.0**	**0.0**	**588.1**
At 31 December 2016	**462.8**	**135.3**	**61.6**	**0.0**	**14.8**	**674.5**

The Group produced new prototypes during the two periods presented. Retirements mainly relate to obsolete prototypes.

The other tangible assets mainly related to fitting out the Balyo SA premises.

At the end of each period presented in the financial information, the Group reviews the book values of its tangible and intangible assets to determine whether there is any indication that these assets have lost value. If this type of indication exists, the recoverable value of the assets is estimated to determine the impairment loss (if applicable).

If the estimated recoverable value of an asset is less than its book value, the book value of the asset is written down to its recoverable value. An impairment loss is recognized immediately in net income.

If an impairment loss is reversed at a future date, the book value of the asset is increased in line with the revised estimate of its recoverable value if this increased book value is not greater than the book value that would have been determined if no impairment loss had been recorded for this asset in prior fiscal years. The reversal of an impairment loss is recognized immediately under net income.

The depreciation charge for tangible assets totaled €174K on December 31, 2016, compared to €188K on December 31, 2015. The breakdown by type is as follows:

Depreciation of tangible assets (amounts in €K)	**12/31/2016**	**12/31/2015**
Cost of sales	(11.5)	(7.6)
Marketing and sales expenses	(13.2)	(8.5)
Research and development expenses	(92.2)	(131.4)
General and administrative costs	(57.2)	(58.9)
TOTAL	**(174.0)**	**(206.4)**

4.3 Financial assets

The Group's financial assets consist exclusively of loans and receivables.

The financial assets are initially recorded at the cost that corresponds to the fair value of the price paid, increased by the costs of acquisition.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. The following are not included in this category:

- Assets that the entity intends to sell immediately or in the near future and that are classified as held for the purposes of transactions or that were initially accounted for under the fair value option;
- Assets available for sale.

The assets for which for which the holder may not recover substantially all of its initial investment, for reasons other than because of credit deterioration, must be classified as available for sale. Non-current financial assets consist of loans, deposits, sureties and liquid assets subject to restrictions. Current financial assets consist for the most part of receivables that are initially recognized at fair value.

IAS 39 "Financial Instruments: Recognition and Measurement" (see IAS 39-58 *et seq.* "Impairment and Uncollectibility of Financial Assets") requires an examination at the end of each reporting period to ascertain whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such indication exists, the entity must apply the terms of the standard related to each category of financial assets in order to determine the amount of the impairment loss to be recorded.

The financial assets are as follows:

FINANCIAL ASSETS (Amounts in €K)	Loans, sureties and other receivables
Statement of financial position at 1 January 2015	**75.9**
Additions	10.0
Disposals	(8.9)
Impact of exchange rate	0.5
Statement of financial position at 31 December 2015	**77.5**
Additions	83.5
Disposals	(9.3)
Impact of exchange rate	0.2
Statement of financial position at 31 December 2016	**151.9**

The financial assets mainly consist of security deposits for the French company's commercial lease. In 2016, as part of its financing, €75K were capitalized as a security deposit.

4.4 Inventory

Inventory of raw materials and consumables is stated at acquisition cost. A provision for depreciation is created for obsolete or excess items.

Finished products are valued at their production cost, with the exception of those for which, during the production launch stage, the cost price is higher than the sales price, as well as obsolete or excess products. A provision for depreciation is recorded to reduce the inventory of finished products to its realizable value, after deducting the proportional sales costs.

Work-in-process is valued according to the same principles and on the basis of their stage in the production process.

With regard to parts that are no longer used to produce Moveboxes, a depreciation is recorded on a case by case basis.

Inventory is valued according to the FIFO (first in, first-out) method. For practical reasons, and unless a significant variance exists, the last known cost of acquisition has been used.

The table below illustrates the movements that took place over the past two fiscal years:

INVENTORIES (amounts in €K)	12/31/2016	12/31/2015	01/01/2015
Raw materials	975.3	1 283.5	415.2
Work in process	0.0	0.0	21.0
Finished products	142.9	42.6	111.0
Merchandise	40.2	0.0	0.0
Total gross inventories	**1 158.4**	**1 326.1**	**547.2**
Depreciation of raw materials	(121.7)	(528.7)	(105.0)
Depreciation of finished products	(9.7)	(5.0)	(4.8)
Total depreciation of inventories	**(131.3)**	**(533.7)**	**(109.8)**
Total net inventories	**1 027.1**	**792.5**	**437.4**

Stocks of raw materials are essentially composed of parts (mechanical or electronic) incorporated into the AGVs' automated system.

The variation in the provision for depreciation as at December 31, 2016 relates to retirements in the amount of €400K further to a product return in 2015 (former technology).

4.5 Customer receivables and other receivables

Customer receivables, the due dates of which vary in accordance with the markets and contracts, are usually payable between 30 and 90 days. Customer receivables and other receivables are initially recorded at fair value. Future valuations consider the probability of collection of the receivables, which may lead to a specific impairment being recognized for a doubtful receivable, determined as follows:

• Receivables that are disputed or the subject of litigation are fully impaired when precise evidence demonstrates that collection is impossible;

• With regard to other doubtful receivables, impairments are recorded to adjust the estimated recoverable amounts on the basis of the information available when the financial statements are prepared.

Uncollectable receivables (bad debts) are recognized in the income statement, and existing provisions are reversed.

Uncollectable receivables (bad debts) are recognized in the income statement, and existing provisions are reversed.

CUSTOMER RECEIVABLES AND RELATED ACCOUNTS (amounts in €K)	12/31/2016	12/31/2015	01/01/2015
Customer receivables and related accounts	1 892.9	449.7	462.0
Customers - invoices to be issued	1 480.8	1 777.1	951.0
Depreciation of customer receivables and related accounts	0.0	0.0	-23.3
Total net customer receivables and related accounts	**3 373.7**	**2 226.8**	**1 389.7**

The provision for depreciation of customer receivables is established mainly on a case by case basis in accordance with the estimated risk of non-collection.

Overdue customer receivables mainly relate to the Linde partner, who makes payment once the end customer has paid.

Customer receivables by maturity	12/31/2016	12/31/2015
Not mature	1 203.5	43.0
Less than 90 days	542.4	406.7
Between 90 days and 6 months	17.7	0.0
Between 6 and 12 months	129.3	0.0
More than 12 months		
Total customer receivables and related accounts	**1 892.9**	**449.7**

4.6 Other receivables

OTHER RECEIVABLES (Amounts in €K)	12/31/2016	12/31/2015	01/01/2015
Research tax credit	647.1	586.2	470.7
Value added tax	364.0	281.8	120.4
Movebox return (spread out over three years)	240.9	0.0	0.0
Prepaid expenses	189.8	131.8	74.9
State, other receivables	59.7	53.1	41.2
Personnel and related accounts	0.0	16.9	4.3
State, other income	16.8	8.7	3.8
Others	7.6	1.4	92.5
Debtor suppliers	70.0	0.0	39.7
Total other receivables	**1 595.9**	**1 079.8**	**847.5**

VAT receivables mainly relate to deductible VAT and the VAT refund requested.

Prepayments relate to current expenses and for the most part to lease, insurance premium and software maintenance expenses.

Research Tax Credit

Balyo SA benefits from the terms of Articles 244 *quater* B and 49 *septies* F of the General Tax Code related to the Research Tax Credit. The Research Tax Credit is recorded as a deduction from research expenses over the year in which the eligible research expenses are incurred. It is presented as a subsidy in the "Research and development expenses" category.

The receivable recognized as at January 1, 2015 was fully repaid in fiscal 2015.

The other current assets reach maturity within less than one year.

4.7 Cash and cash equivalents

Cash and cash equivalents mainly consist of term deposits with original maturity of at most three months, that do not present a significant interest rate risk or impairment risk and that are readily convertible into cash.

The positive cash flow is as follows:

CASH AND CASH EQUIVALENTS (Amounts in €K)	12/31/2016	12/31/2015	01/01/2015
Bank accounts	1 586.3	1 216.5	786.2
Term deposits	2 050.4	1 805.3	0.0
Total cash and cash equivalents	**3 636.7**	**3 021.8**	**786.2**

Current bank overdrafts are not significant and the term deposits are readily available.

4.8 Equity

Equity instruments

The classification of a financial instrument or one of its components as equity depends on the analysis of its contractual financial characteristics. When the entity that has issued the financial instrument is not contractually obliged to provide the holder with cash or another financial asset, the financial instrument is an equity instrument.

Equity transaction expenses

External expenses directly attributable to equity transactions or instruments are recorded as a deduction from equity, net of tax. The other expenses are recognized as expenses for the fiscal year.

4.8.1 Capital issued

COMPOSITION OF SHARE CAPITAL	12/31/2016	12/31/2015	01/01/2015
Capital (in €K)	1 272.5	1 138.1	670.4
Number of shares	15 906 637	14 226 640	8 380 093
Share value (in €)	0.08 €	0.08 €	0.08 €

The legal history of the changes in capital (excluding the recognition of expenses for increases in capital) is as follows:

Date	Type of operation	Movement (capital) in €K	Issue premium (€K)	Number of shares that comprise the capital	Par value (€)
March 16, 2007	Incorporation	6.0	0.0	75	80.00
May 22, 2007	Increase in capital through the incorporation of reserves	42.0	0.0	525	80.00
June 18, 2008	Increase in capital through the incorporation of reserves	104.0	0.0	1 300	80.00
July 23, 2010	Division of the par value by 1,000	0.0	0.0	1 900 000	-
July 23, 2010	Increase in capital	151.0	1 849.3	1 887 000	0.08
July 23, 2010	Increase in capital	0.8	9.8	10 000	0.08
July 23, 2010	BSA subscription	0.0	17.5	-	-
October 11, 2012	Increase in capital	102.0	2 613.0	1 274 647	0.08
July 22, 2013	Increase in capital	150.9	1 849.1	1 886 792	0.08
August 28, 2013	Ratchet 2012 BSA exercise	111.3	0.0	1 391 654	0.08
December 4, 2014	BCE 2010 exercse	2.4	29.4	30 000	0.08
	At December 31, 2014	**670.4**	**6 368.0**	**8 380 093**	
February 27, 2015	Capital increase in cash	379.6	7 211.6	4 744 448	0.08
	Bond redemption (1,668 bonds)	88.2	1 599.7	1 102 099	0.08
June 5, 2015	BSA subscription	0.0	6.0	-	-
	At December 31, 2015	**1 138.1**	**15 185.3**	**14 226 640**	
March 23, 2016	Capital increase in cash	100.0	1 900.0	1 250 000	0.08
March 23, 2016	Bond redemption (572 bonds)	34.4	653.6	429 997	0.08
	At December 31, 2016	**1 272.5**	**17 738.9**	**15 906 637**	

The amounts presented above do not take issue expenses into account.

All of the changes in capital as at December 31, 2014 are described in Notes 1.3 and 1.4.

4.8.2 Capital management and distribution of dividends

No dividend was distributed in fiscal 2015 and 2016.

4.8.3 Stock warrants (BSA) and founders' share warrants (BSPCE)

Ratchet BSA

In fiscal 2012, 2013 and 2015, the Company issued new shares to which stock warrants were attached as anti-dilution protection ("Ratchet" BSA).

Each "Ratchet" BSA gives the holder a right to subscribe a variable number of shares at par value. They may only be exercised in the event of a reserved increase in capital during which shares are offered at a price that is lower than the share to which they are attached.

The analysis of these stock warrants pursuant to IAS 32 concluded that it was impossible to categorize these stock warrants as equity instruments, given the variability of the number of shares that could be exercised and the amount of cash provided in exchange.

These BSA will become obsolete automatically and as of right on the day the Company's shares are admitted to trading on a regulated market and will no longer be exercisable after this date.

The valuation of these stock warrants must take a possible admission of the Company's shares to trading into account. In light of the valuation criteria, the Company took the position that the value of these warrants was nearly zero. No amount was therefore recorded as a financial liability for these derivative instruments.

The remaining "Ratchet" BSAs as at December 31, 2016 total 4,744,448.

4.8.4 IFRS 2

IFRS 2 "Share-based Payment" requires the recognition of an expense for all share-based payments as benefits granted to employees, Company directors and third parties in the framework of stock option and free share distribution plans, offset by the reserve account under equity for transactions settled through the delivery of shares.
The Group granted BSAs and BSPCEs to certain employees.

Valuation method for BSAs and BSPCEs

The fair value of the warrants was determined using the Black & Scholes valuation model. The valuation method used to estimate the fair value of the warrants is described below:
•The share price used is equal to the investors' subscription price or based on internal valuations;
•The zero-risk rate is determined based on the average life of the instruments;
•Volatility was determined on the basis of a sampling of comparable companies listed on the market on the date of subscription of the instruments and for a period that is equivalent to the warrants' life.

Stock warrants ("BSA")

The table below summarizes the information related to the stock option plans in place, as well as the assumptions adopted for the IFRS 2 valuation:

Stock warrants (BSA)						Assumptions adopted - fair value calculated according to IFRS 2				
Date	Type	Number of warrants issued	Number of obsolete warrants/options	Number of warrants/options in circulation	Maximum number of shares to be issued	Subscription price per share (€)	Exercise period	Volatility	No-risk rate	Total valuation under IFRS2 (Black&Scholes) on the grant date
07/29/2010	BSA #1	1 750 000	1 750 000	0	0	€ 1.06	6 years	43.37%	2.28%	107 804 €
02/27/2015	BSA #2	60 000	0	60 000	60 000	€ 1.60	10 years	31.94%	-0.36%	19 209 €
2/12/2016	BSA #3	100 000	0	100 000	100 000	€ 1.60	10 years	27.69%	-0.34%	34 877 €
At December 31, 2016		**1 910 000**	**1 750 000**	**160 000**	**160 000**					

The exercise rights for the "BSA #1" lapsed prior to the date of the Group's transition to the IFRS. They were subscribed by beneficiaries at the price of €1.06 per BSA.

One quarter of the exercise rights for the "BSA #2 and #3" are acquired every year on each anniversary date of the grant. They were subscribed by beneficiaries at the price of €1.60 per BSA. The exercise of the warrants is not conditional on performance. However, it is contingent on the holders' presence in the Company.

These plans are called "equity settled" plans. The Company has made no commitment to buy back these instruments from the employees.

Founders' share warrants ("BSPCE")

The table below summarizes the information related to the stock option plans in place, as well as the assumptions adopted for the IFRS 2 valuation:

						Assumptions adopted - fair value calculated according to IFRS 2				
Date	Type	Number of warrants issued	Number of obsolete warrants/options	Number of warrants/options in circulation	Maximum number of shares to be issued	Subscription price per share (€)	Exercise period	Volatility	No-risk rate	Total valuation under IFRS2 (Black&Scholes) on the grant date
12/17/2010	BSPCE #1	150 942	150 942	0	0	€ 1.06	7 years	43.37%	2.28%	€ 65 322
3/14/2012	BSPCE #2	29 461	20 161	9 300	9 300	€ 1.06	7 years	43.64%	1.40%	€ 12 378
10/5/2012	BSPCE #3	40 000	40 000	0	0	€ 1.06	7 years	45.91%	0.81%	€ 17 151
8/28/2013	BSPCE #4	360 000	60 000	300 000	300 000	€ 1.06	7 years	45.63%	1.06%	€ 155 041
11/13/2013	BSPCE #5	30 000	0	30 000	30 000	€ 1.06	7 years	46.62%	0.82%	€ 13 044
4/3/2014	BSPCE #6	90 000	70 000	20 000	20 000	€ 1.06	7 years	43.18%	0.78%	€ 36 546
10/3/2014	BSPCE #7	39 300	30 000	9 300	9 300	€ 1.06	7 years	36.17%	0.26%	€ 13 268
2/27/2015	BSPCE #8	985 000	115 000	870 000	870 000	€ 1.60	10 years	32.74%	-0.08%	€ 447 898
12/16/2015	BSPCE #9	105 000	0	105 000	105 000	€ 1.60	10 years	31.94%	0.02%	€ 46 920
5/12/2016	BSPCE #10	85 000	0	85 000	85 000	€ 1.60	10 years	30.66%	-0.36%	€ 35 591
12/2/2016	BSPCE #11	125 000	0	125 000	125 000	€ 1.60	10 years	27.69%	-0.34%	€ 47 338
At December 31, 2016		**2 039 703**	**486 103**	**1 553 600**	**1 553 600**					

The exercise rights for the "BSPCE #1, #2 and #3" are acquired subject to compliance with the conditions related to performance and presence within the Company (four years of seniority). In 2012, 2014 and 2015, part of the warrants became obsolete as the performance conditions were not fulfilled.

One quarter of the exercise rights for the "BSPCE #4 and BSPCE #5" is acquired ever year on the anniversary date of the grant for a period of four years. They were subscribed by beneficiaries at the price of €1.06 per warrant. The exercise of the warrants is subject to a condition related to presence within the Company.

One quarter of the exercise rights for the "BSPCE #6 and BSPCE #7" is acquired immediately on the date of the grant, then by 6.25% per quarter over a period of three years. They were subscribed by beneficiaries at the price of €1.06 per warrant. The exercise of the warrants is subject to a condition related to presence within the Company.

One quarter of the exercise rights for the "BSPCE #8, #9, #10 and #11" is acquired every year as of the date of the grant for a period of four years. They were subscribed by beneficiaries at the price of €1.60 per warrant. The exercise of the warrants is subject to a condition related to presence within the Company.

These plans are called "equity settled" plans. The Company has made no commitment to buy back these instruments from the employees.

Valuation method for BSAs and BSPCEs

The fair value of the warrants was determined using the Black & Scholes valuation model. The valuation method used to estimate the fair value of the warrants is described below:

- The share price used is equal to the investors' subscription price or based on internal valuations;
- The zero-risk rate is determined based on the average life of the instruments;
- Volatility was determined on the basis of a sampling of companies in Balyo's business sector listed on the market on the date of subscription of the instruments and for a period that is equivalent to the warrants' life.

Details on the expenses recorded in accordance with IFRS 2 for the two reference periods

Type	Grant date	Fiscal 2015					Fiscal 2016				
		Number of warrant/options in circulation	Probable cost of the plan (€K)	Total charge on issue date (€K)	2015 charge (€K)	Cumulative charge at 12/31/2015 (€K)	Number of warrant/options in circulation	Probable cost of the plan (€K)	Total charge on issue date (€K)	2016 charge (€K)	Cumulative charge at 12/31/2016 (€K)
BSA #1	7/29/2010										
BSA #2	2/27/2015	60 000	19.2	**0.0**	12.1	12.1	60 000	19.2	12.1	4.6	16.7
BSA #3	12/2/2016						100 000	34.9	0.0	10.0	10.0
Total - BSA		**60 000**	**19.2**	**0.0**	**12.1**	**12.1**	**160 000**	**54.1**	**12.1**	**14.6**	**26.7**

Type	Grant date	Fiscal 2015					Fiscal 2016				
		Number of warrant/options in circulation	Probable cost of the plan (€K)	Total charge on issue date (€K)	2015 charge (€K)	Cumulative charge at 12/31/2015 (€K)	Number of warrant/options in circulation	Probable cost of the plan (€K)	Total charge on issue date (€K)	2016 charge (€K)	Cumulative charge at 12/31/2016 (€K)
BSPCE #1	12/17/2010										
BSPCE #2	3/14/2012	9 300	65.3	65.3	0.0	65.3	9 300	65.3	65.3	0.0	65.3
BSPCE #3	10/5/2012										
BSPCE #4	8/28/2013	360 000	155.0	115.6	26.3	142.0	300 000	155.0	142.0	6.6	148.6
BSPCE #5	11/13/2013	30 000	13.0	9.2	2.5	11.8	30 000	13.0	11.8	1.3	13.0
BSPCE #6	4/3/2014	40 000	36.5	14.1	5.5	19.6	20 000	36.5	19.6	(0.5)	19.1
BSPCE #7	10/3/2014	39 300	13.3	1.7	6.3	8.0	9 300	13.3	8.0	(1.6)	6.3
BSPCE #8	2/27/2015	955 000	447.9	0.0	265.6	265.6	870 000	447.9	265.6	88.5	354.1
BSPCE #9	12/16/2015	105 000	46.9	0.0	12.6	12.6	105 000	46.9	12.6	20.6	33.1
BSPCE #10	5/12/2016	N/A	N/A	N/A	N/A	N/A	85 000	35.6	0.0	18.8	18.8
BSPCE #11	12/2/2016	N/A	N/A	N/A	N/A	N/A	125 000	47.3	0.0	13.5	13.5
Total - BSPCE		**1 538 600**	**778.0**	**206.0**	**318.8**	**524.8**	**1 553 600**	**861.0**	**524.8**	**147.1**	**671.9**

As at December 31, 2016, all of the authorizations granted to the Board of Directors by the General Meeting between 2008 and December 31, 2016 were used.

4.9 Provisions

A provision is recorded when the Group has an obligation to a third party that results from a prior event and when it is probable that it will cause an outflow of resources in favor of this third party, with no compensation expected that is at least equivalent, and that the future outflow of liquidities may be reliably estimated. The amount recorded as a provision is an estimate of the expense required to settle the obligation, discounted, if necessary, on the date of closing. The provisions for risks include provisions related to current disputes and litigation. The amounts of the provisions correspond to the most probable estimate of the risk.

PROVISIONS (amounts in €K)	12/31/2016			
	Amount - start of the period	Provisions	Reversals	Amount - end of the period
Provision for labor tribunal litigation	**54.0**			**54.0**

PROVISIONS (amounts in €K)	12/31/2015			
	Amount - start of the period	Provisions	Reversals	Amount - end of the period
Provision for customer disputes/litigation	301.5		(301.5)	0.0
Provision for labor tribunal litigation	54.0			54.0
Total provisions for risks and charges	**355.5**	**0.0**	**(301.5)**	**54.0**

Litigation and claims

The group may be involved in legal, administrative or regulatory proceedings in the normal course of its business. The principal disputes are as follows:

A provision in the amount of €302K for a dispute with a customer had been put in place in the fiscal year ending on December 31, 2014 as a provision for risks. This dispute was settled during the fiscal year ending on December 31, 2015 and the provision for this risk was fully reversed.

Litigation at labor tribunals

The amounts of the provisions are valued case by case in accordance with the Company's appraisal of the risks to date on the basis of the claims, legal obligations and opinions of the group's attorneys.

4.10 Current and non-current financial debt

CURRENT AND NON-CURRENT FINANCIAL DEBT (amounts in €K)	12/31/2016	12/31/2015	01/01/2015
Bond issue redeemable in shares	0.0	0.0	586.0
Repayable advances	2 166.7	2 233.0	1 466.0
Bank debts	1 022.5	52.5	82.5
Non-current financial debt	**3 189.2**	**2 285.5**	**2 134.5**
Bond issue redeemable in shares	2 898.0	688.0	1 667.4
Repayable advances	340.0	640.5	342.5
Bank debts	43.6	30.0	50.9
Bank overdrafts	2.8	2.5	2.7
Current financial debt	**3 284.4**	**1 361.0**	**2 063.5**
Total financial debt	**6 473.5**	**3 646.5**	**4 198.0**

Breakdown of financial debts by maturity

The maturity of these financial debts can be analyzed as follows for the years under consideration:

CURRENT AND NON-CURRENT FINANCIAL DEBT - REPAYMENT VALUE (amounts in €K)	12/31/2016			
	Gross amount	Due in less than one year	1 to 5 years	Over five years
Convertible bonds	2 898.0	2 898.0		
Repayable advances	2 879.1	340.0	2 319.1	220.0
Bank debts	1 066.1	43.6	772.5	250.0
Bank overdrafts	2.8	2.8		
Total financial debts	**6 846.0**	**3 284.4**	**3 091.6**	**470.0**
Current financial debts	*3 284.4*			
Non-current financial debts	*3 561.6*			

CURRENT AND NON-CURRENT FINANCIAL DEBT - REPAYMENT VALUE (amounts in €K)	12/31/2015			
	Gross amount	Due in less than one year	1 to 5 years	Over five years
Repayable advances	3 384.7	632.7	2 122.0	630.0
Bank debts	82.5	30.0	52.5	
Convertible bond	688.0	688.0	0.0	
Bank overdrafts	2.5	2.5		
Total financial debts	**4 157.7**	**1 353.2**	**2 174.5**	**630.0**
Current financial debts	*1 353.2*			
Non-current financial debts	*2 804.5*			

CURRENT AND NON-CURRENT FINANCIAL DEBT - REPAYMENT VALUE (amounts in €K)	01/01/2015			
	Gross amount	Due in less than one year	1 to 5 years	Over five years
Repayable advances	2 045.0	342.5	1 702.5	
Bank debts	133.4	50.9	82.5	
Convertible bond	2 253.4	1 687.8	565.5	
Bank overdrafts	2.7	2.7	0.0	
Total financial debts	**4 434.5**	**2 084.0**	**2 350.6**	**0.0**
Current financial debts	*2 084.0*			
Non-current financial debts	*2 350.6*			

Reconciliation of the value in the balance sheet and the repayment value

RECONCILIATION BALANCE SHEET VALUE / REPAYMENT VALUE (amounts in €K)	Repayment value 12/31/2016	Amortized cost	Fair value	Balance sheet value 12/31/2016
Bank overdrafts	2.8			2.8
Repayable advances	2 879.1	(372.5)		2 506.7
Bond issue redeemable in shares	2 898.0			2 898.0
Bank debts	1 066.1			1 066.1
Total financial debts	**6 846.0**	**(372.5)**	**0.0**	**6 473.5**

RECONCILIATION BALANCE SHEET VALUE / REPAYMENT VALUE (amounts in €K)	Repayment value 12/31/2015	Amortized cost	Fair value	Balance sheet value 12/31/2015
Repayable advances	3 384.7	(511.2)		2 873.5
Bank overdrafts	2.5			2.5
Bond issue	688.0			688.0
Bank debts	82.5			82.5
Total financial debts	**4 157.7**	**(511.2)**	**0.0**	**3 646.5**

RECONCILIATION BALANCE SHEET VALUE / REPAYMENT VALUE (Amounts in K€)	Repayment value 01/01/2015	Amortized cost	Fair value	Balance sheet value 01/012015
Repayable advances	2 045.0	(236.5)		1 808.5
Bank overdrafts	2.7			2.7
Bond issue	2 253.4			2 253.4
Bank debts	133.4			133.4
Total financial debts	**4 434.5**	**(236.5)**	**0.0**	**4 198.0**

The impact of the amortized cost on the repayable advances corresponds to the restatement of the government loans at a rate that is lower than the market rate (Note 4.10.2).

4.10.1 Borrowings from financial institutions

EVOLUTION OF LOANS FROM CREDIT INSTITUTIONS (amounts in €K)	Loans from credit institutions
At January 1, 2015	**133.4**
(+) Receipt	0.0
(-) Repayment	(50.9)
At December 31, 2015	**82.5**
(+) Receipt	1 000.0
(-) Repayment	(30.0)
At December 31, 2016	**1 052.5**

Accrued interest totaled €13.6K as at December 31, 2016 and is excluded from the table above.

- Seed loan ("*Prêt Participatif d'Amorçage*")

On September 7, 2010, BALYO SA obtained a seed loan ("PPA") of €150K for an eight-year period, including a grace period of 12 quarters. The rate applied is EURIBOR 3 Months, increased by 5.20% (3.40% for the grace period). As at December 31, 2016, the balance of the debt totaled €52.5K, compared to €83K as at December 31, 2015.

- Bpifrance loan to finance commercial development

In December 2008, BALYO SA obtained a loan from Bpifrance in the amount of €100K for a six-year period at a fixed annual rate of 5.88% to finance its business development. As at December 31, 2015, the loan was fully repaid.

- Bank loan from HSBC

In January 2013, BALYO SA obtained a loan from HSBC France in the amount of €40K for a 36-month period at a fixed annual rate of 2.70 % to finance a vehicle. As at December 31, 2015, the loan was fully repaid.

- Bpifrance loan to finance expenditure related to the industrial and commercial launch of an innovation

On January 14, 2016, BALYO SA obtained a loan of €1,000K from Bpifrance for seven years, including a grace period of eight quarters. The interest rate applied is the average monthly rate of return of long-term government loans, increased by 4.18% and including a floor of 0% in the event of a negative Euribor. As at December 31, 2016, the balance of the debt totaled €1,000K.

The Group mainly borrows in euros and is not subject to an exchange rate risk relative to these loans.

The structure of these loans by interest rate is described in Note 7.2.2 "Interest rate risk".

4.10.2 Repayable advances

In accordance with IAS 20, the benefit of a government loan at a below-market rate of interest is recognized as a government subsidy.

Conditional advances at low interest rates are restated according to the following rules:

- The "loan" granted by the government has been recorded and valued according to IAS 39. Therefore, the Group records the corresponding debt at fair value, i.e., with a discount (that corresponds to the rate differential, discounted at the market rate) so that its effective interest rate is that of a normal debt.

- The benefit of the below-market interest rate (which corresponds to the "discount") was valued as the difference between the initial book value of the loan, determined according to IAS 39, and the income received. The identified benefit is stated as a public subsidy. This subsidy is recorded in the income statement as and when the expenses for which this subsidy is intended are incurred by the Group. These subsidies are recorded under the "Research and development expenses" heading.

EVOLUTION OF REPAYABLE ADVANCES AND SUBSIDIES (amounts in €K)	Zero-interest loan €1,100K	Zero-interest loan €750K	Zero-interest loan €600K	BPI France €950K	BPI France €200K	COFACE EUROPE	COFACE USA	TOTAL
At January 1, 2015	**0.0**	**465.8**	**516.0**	**413.7**	**103.2**	**168.4**	**141.4**	**1 808.5**
(+) Received	1 100.0			450.0			132.1	1 682.1
(-) Repaid		(250.0)	(37.5)		(55.0)			(342.5)
Subsidies	(244.6)			(119.1)			(12.3)	(376.0)
Finance charges	2.8	24.5	28.3	28.0	4.9	4.8	8.1	101.4
(+/-) Other movements								0.0
At December 31, 2015	**858.2**	**240.3**	**506.9**	**772.6**	**53.1**	**173.2**	**269.4**	**2 873.5**
(+) Received							127.1	127.1
(-) Repaid		(250.0)	(150.0)		(55.0)	(177.7)	(7.8)	(640.5)
Subsidies								0.0
Finance charges	47.9	9.7	23.7	46.1	1.9	4.5	12.6	146.5
(+/-) Other movements								0.0
At December 31, 2016	**906.1**	**0.0**	**380.5**	**818.7**	**0.0**	**0.0**	**401.3**	**2 506.7**

- **Bpifrance zero-interest loan**

On December 7, 2015, BALYO SA received a zero-interest loan for innovation ("PTZI") from Bpifrance in the amount of €1,100K, which does not bear interest. Repayments of €220K per year will start on March 31, 2018 for a five-year period. The fair value of this advance was determined on the basis of an estimated interest rate of 5.58% per year. The €244.6K impact was recorded as a subsidy. As the Group did not incur any expenses under this program, no subsidy was recorded in the income statement.

The balance of the debt in terms of its repayment value totaled €1,100K as at December 31, 2015 and December 31, 2016.

- **Bpifrance loan**

On March 18, 2010, BALYO SA obtained from Bpifrance a repayable "innovation aid" loan in the amount of €200K, which does not bear interest, for the development of an automatic transport solution for the distribution and logistics sector.

Bpifrance's payments are staggered between the date of signature of the contract and the end of the project. The principal stages are:

- First payment of €80K after the contract was signed (cashed in June 2010);
- Second payment of €80K when funds were requested (cashed in April 2011);
- The balance upon completion of the work, i.e., December 2011.

Once the solution had been successfully launched on the market, repayments were staggered on a quarterly basis as follows:

- €10K at the latest at the end of each quarter in 2013
- €12.5K at the latest at the end of each quarter in 2014
- €13.75K at the latest at the end of each quarter in 2015 and 2016

The fair value of this advance was determined on the basis of an estimated interest rate of 5.90% per year. The €41.9K impact was recorded as a subsidy. The full subsidy was recorded in the income statement before January 1, 2015.

As at December 31, 2016, the debt was fully repaid.

- **Bpifrance zero-interest loan**

On December 20, 2011, BALYO SA obtained a zero-interest loan for innovation ("PTZI") from Bpifrance in the amount of €750K, which does not bear interest, for the development of a new 3D navigation technology. Repayments started on March 31, 2014 for a three-year period, with annual payments of €250K. The fair value of this advance was determined on the basis of an estimated interest rate of 6.56% per year. The €153.3K impact was recorded as a subsidy. The full subsidy was recorded in the income statement before January 1, 2015.

As at December 31, 2016, the debt was fully repaid.

- **Bpifrance zero-interest loan**

On May 24, 2013, BALYO SA obtained a zero-interest loan for innovation ("PTZI") from Bpifrance in the amount of €600K, which does not bear interest, for the creation of an electronic device to robotize standard industrial cleaning machines. Repayments started on December 31, 2015 for a four-year period, with annual payments of €150K. The fair value of this advance was determined on the basis of an estimated interest rate of 5.58% per year. The €134.3K impact was recorded as a subsidy. The full subsidy was recorded in the income statement before January 1, 2015.

As at December 31, 2016, the balance of the debt totaled €380.5K, compared to €506.9K as at December 31, 2015.

- **Repayable aid for innovation**

On March 23, 2014, BALYO SA obtained a repayable "innovation aid" loan in the amount of €950K from Bpifrance, which does not bear interest, for the development of an automatic very high lift storage solution with its mobile robots and with no need for an infrastructure.

Bpifrance's payments are staggered between the date of signature of the contract and the end of the project. The principal stages are:

- First payment of €500K after the contract was signed (received in May 2014);
- The balance upon completion of the work, i.e., August 2015.

Once the solution had been successfully launched on the market, repayments were staggered on a quarterly basis as of March 31, 2017, with a quarterly payment of €47.5K.

The fair value of this advance was determined on the basis of an estimated interest rate of 5.97% per year. The €219.2K impact was recorded as a subsidy. This subsidy was recorded in the income statement before January 1, 2015 in the amount of €166.6K and in the amount of €52.6K in 2015.

The balance of the debt in terms of its repayment value totaled €650K as at December 31, 2015 and December 31, 2016.

- **Coface advances**

BALYO SA obtained repayable advances from Coface under a "prospecting insurance" ("*assurance prospection*") contract that covers the geographic zones of Europe and the US. BALYO benefits from a three to four-year coverage period, during which its prospecting expenses are guaranteed within a defined budget. After this phase, an amortization phase covering four to five years is triggered during which BALYO SA repays the advance on the basis of a percentage of the sales it achieves in the relevant zones (7% of sales of goods and 14% of sales of services).

The terms are as follows:

	COFACE Europe	COFACE USA
Prospecting expenses	€450K	€1,000K
Coverage period	August 1, 2011 to July 31, 2014	January 1, 2013 to December 31, 2016
Premium amount	2%	2%
Amortization period	August 1, 2014 to July 31 2018	January 1, 2017 to December 31, 2021
Interest rate used to calculate fair value	3.39%	3.51%
Balance at December 31, 2015*	€178K	€289K
Balance at December 31, 2016*	0	€417K

*This value is equal to the repayment value.

4.10.3 Bonds convertible into shares

Further to the analysis of the convertible bonds in accordance with IAS 32, no "equity" component was recorded as the ORA 2014 are redeemable in ABSAs, which, by the nature, do not constitute equity instruments; the conversion option does not comply with the criteria of IAS 32 for recognition as equity. As the ORA 2016 provide for potential redemption in cash, they are also considered financial liabilities.

The bonds convertible into shares are valued at amortized cost.
As at December 31, 2015, the bond issue redeemable in shares was recognized as "current" in light of its maturity.

As at December 31, 2016, the ORA 2016 loan was recorded under current financial debts in light of its estimated maturity (related to the planned admission of the Company's shares to trading).

In 2014, the Company launched three bond issues redeemable in shares bearing the same characteristics:

1. The extraordinary general meeting of the Company held on April 3, 2014 approved an "ORA 2014" bond issue in a maximum amount of €500K, redeemable in ordinary shares or in ABSA 2013, through the issue of a maximum of 500 bonds worth €1K each. The issue resolution was adopted on April 3, 2014.

   The preferential subscription right was reserved for the Company's current financial investors.

2. The Company's extraordinary general meeting held on July 23, 2014 approved an "ORA 2014-2" bond issue in a maximum amount of €500K, redeemable in ordinary shares or in ABSA 2013 through the issue of a maximum number of 500 bonds worth €1K each. The issue resolution was adopted on July 23, 2014.

   The preferential subscription right was reserved for the Company's current financial investors.

3. The Company's extraordinary general meeting held on December 19, 2014 approved an "ORA 2014-3" bond issue in a maximum amount of €1,240K, redeemable in ordinary shares or in ABSA 2013 through the issue of a maximum number of 1,240 bonds worth €1K each. The issue resolution was adopted on December 19, 2014.

   The preferential subscription right was reserved for the Company's current financial investors.

On November 25, 2016, the Company issued a new bond issue redeemable in shares in the amount of €2,800K through the issue of 2,800 bonds redeemable in ordinary shares with a par value of €1K each, each one attached to a "ratchet" stock warrant.

EVOLUTION OF BOND ISSUES (amounts in €K)	**2014 bond issue**	**2016 bond issue**
At January 1, 2015	**2 253**	**0**
(-) Share redemption	(1 688)	
(+) Capitalized interest	11	
(+/-) Impact of the amortized cost	112	
At December 31, 2015	**688**	**0**
(+) Receipt		2 800
(-) Share redemption	(688)	
(+) Capitalized interest		98
At December 31, 2016	**0**	**2 898**

4.10.3.1 "2014" bond issues redeemable in shares

The share redemption assumptions are as follows:

		Redemption assumption	
2014 contract	Ass. 1	Redemption at the latest on June 30, 2014	(par value + interest due)/PPAT
	Ass. 2	Redemption at the latest on 9/30/2014	(par value + interest due)/PPAT 95%
	Ass. 3	Redemption at the latest on 12/31/2014	(par value + interest due)/PPAT 90 %
	Ass. 4	Redemption after 12/31/2014 but before 12/31/2015	(par value + interest due)/PPAT 85 %
	Ass. 5	Automatic redemption after December 31, 2015	1ABSA = 1.06

		Redemption assumption	
2014-2 contract	Ass. 1	Redemption at the latest on 9/30/2014	(par value + interest due)/PPAT 95%
	Ass. 2	Redemption at the latest on 12/31/2014	(par value + interest due)/PPAT 90 %
	Ass. 3	Redemption after December 31, 2014 but before December 31, 2015	(par value + interest due)/PPAT 85 %
	Ass. 4	Automatic redemption after December 31, 2015	1ABSA = 1.06

		Redemption assumption	
2014-3 contract	Ass. 1	Redemption at the latest on 3/31/2015	(par value + interest due)/PPAT 95%
	Ass. 2	Redemption at the latest on 6/30/2015	(par value + interest due)/PPAT 90 %
	Ass. 3	Redemption after 6/30/2015 but before 6/30/2016	(par value + interest due)/PPAT 85 %
	Ass. 4	Automatic redemption after 6/30/2016	1ABSA = 1.06

The "PPAT" above refers to the price adopted (par value and issue premium) for one share in the round.

A "BSA Ratchet 2013" will be attached to each share issued after conversion and will be inseparable from the share. These BSAs may only be exercised if shares are issued at a price that is lower than €1.06. The interest rate is set at 3.5%.

On February 27, 2015, a partial conversion was performed at a share price of €1.53. The increase in capital was therefore 1,102,009 ABSA 2015, for a total subscription amount of 1,687,826.64, including the issue premium.

On March 23, 2016, the balance of the bond issues was fully redeemed in shares for a total of €688K, representing an issue of 429,997 ABSA 2015.

4.10.3.2 "2016" bond issues redeemable in shares

A "BSA Ratchet 2015" will be attached to each share issued after conversion and will be inseparable from the share. These BSAs may only be exercised if shares are issued at a price that is lower than €1.60. The interest rate is set at 2%, paid annually.

The redemption assumptions are as follows:

		Redemption assumption	
2016 contract	Ass. 1	Redemption on the date of another round before the deadline	(par value + interest due)/share price
	Ass. 2	Redemption in the event of a sale before the deadline	(par value + interest due)/80% of the share price

	Ass. 3	Redemption in the event of an IPO	At the Company's discretion: - (par value + interest due)/share price - in cash, as the ORA are redeemed for an amount equal to the par value, increased by the interest due on said date as well as by a premium equal to 20% of the par value of the redeemed ORAs
	Ass. 4	Redemption on the December 31, 2018 deadline in the event no round takes place before this date	(par value + interest due)/PPAT 1ABSA = 1.60

For assumptions 1 and 3, a 20% discount applies and may, at the bondholders' discretion:

- either be paid in cash at the holder's request;
- or the holder may benefit from a 20% discount on the price of the share.

If the bonds are redeemed by the deadline, the bond issue may either be redeemed in cash, at the holder's discretion, or in shares at the defined price (see Assumption 4).

4.11 Employee commitments

Short-term benefits and post-employment benefit schemes with defined contributions

The Group records the amount of short-term benefits, as well as the contributions to be paid for general and mandatory retirement schemes, as "personnel expenses". As it has made no commitments above and beyond these contributions, no provision has been recognized for these schemes.

Post-employment benefit schemes with defined services

Retirement and related compensation schemes and other employee benefits that are considered defined service schemes (schemes in which the Company undertakes to guarantee a defined amount or service level) are recorded in the balance sheet on the basis of an actuarial valuation of the obligations on the date of closing.

This valuation is based on the projected unit credit method and takes personnel turnover and the probability of mortality into account. Potential actuarial variances are recorded under equity as "Other comprehensive income".

Commitments to personnel include the provision for end-of-career compensation, and are valued on the basis of the terms provided in the applicable collective agreement (SYNTEC).

This commitment only relates to employees governed by French law. The principal actuarial assumptions used for the valuation of retirement payments are as follows:

ACTUARIAL ASSUMPTIONS	12/31/2016	12/31/2015	01/01/2015
Retirement age	Voluntary retirement at 65/67	Voluntary retirement at 65/67	Voluntary retirement at 65/67
Collective agreement	SYNTEC	SYNTEC	SYNTEC
Discount rate	1.74%	2.34%	2.34%
Mortality table	INSEE 2015	INSEE 2015	INSEE 2014
Salary revaluation rate	1.5%	1.5%	1.5%
Turnover rate	Low turnover	Low turnover	Low turnover
Payroll taxes rate	45.26% Non-executive 45.52% Executive	45.26% Non-executive 45.52% Executive	45.26% Non-executive 45.52% Executive

Changes in the provision for the retirement commitment were as follows:

PERSONNEL COMMITMENTS (amounts in €K)	Retirement benefits
At January 1, 2015	**52.8**
Past service costs	27.7
Financial costs	1.2
Actuarial gains/losses	(14.0)
At December 31, 2015	**67.8**
Past service costs	31.2
Financial costs	1.6
Actuarial gains/losses	14.7
At December 31 2016	**115.2**

4.12 Other debts

4.12.1 Other non-current liabilities

The non-current liabilities are principally composed of provisions related to disputes/litigation (see Note 4.9).

4.12.2 Accounts payable and related accounts

ACCOUNTS PAYABLE AND RELATED ACCOUNTS (amounts in €K)	12/31/2016	12/31/2015	01/01/2015
Accounts payable	3 566.7	1 412.5	554.1
Payables not received	142.0	172.0	118.5
Total accounts payable and related accounts	**3 708.7**	**1 584.5**	**672.6**

No discount was applied to accounts payable and related accounts since the amounts do not represent a priority of more than one year as at December 31, 2016.

4.12.3 Other current liabilities, and tax and social debts

TAX AND SOCIAL DEBTS (amounts in €K)	12/31/2016	12/31/2015	01/01/2015
Personnel and related accounts	621.1	443.9	403.0
Social security and other social bodies	803.9	473.5	455.4
Others taxes and similar payments	99.3	182.9	216.0
Total tax and social liabilities	**1 524.3**	**1 100.3**	**1 074.4**

OTHER CURRENT LIABILITIES (amounts in €K)	12/31/2016	12/31/2015	01/01/2015
Advances and deposits for customer orders	1 947.2	471.6	666.8
Deferred income	61.0	0.0	10.0
Other debts - repayable advances	244.0	244.0	0.0
Other debts	132.1	231.7	186.3
Total other current liabilities	**2 384.4**	**947.3**	**863.1**

Debts related to the repayable advances mainly result from the subsidy recognized in the framework of the repayable below-market advances for which the Company has not yet incurred an expense. This amount totaled €244K as at December 31, 2015.

4.13 Fair value of financial instruments

The fair value of customer receivables and accounts payable is equal to their value in the balance sheet in light of the very short payment schedule for these debts. The same applies to the other receivables and current debts.

Financial liabilities are broken down into two categories and include:

- Borrowings at amortized cost;
- Financial liabilities recorded at fair value in the income statement.

Financial liabilities recorded at amortized cost

Loans and other financial liabilities are recorded at amortized cost, calculated using the effective interest rate. The portion of the financial debts payable due in less than one year is presented as "current financial debts".

The Group's assets and liabilities are valued as follows for each year in accordance with the measurement categories defined by IAS 39:

(amounts in €K)	12/31/2016		Value in the statement of financial position according to IAS 39			Non-financial instruments
Balance sheet item	Value in the statement of financial position	Fair value	Fair value through profit and loss	Loans and debts	Debts at amortized cost	
Non-current financial assets	151.9	151.9		151.9		
Customer receivables and related accounts	3 373.7	3 373.7		3 373.7		
Other receivables	318.5	318.5		318.5		
Cash and cash equivalents	3 636.7	3 636.7	3 636.7	0.0		
Total assets	**7 480.7**	**7 480.7**	**3 636.7**	**3 844.1**	**0.0**	**0.0**
Current financial debt	3 284.4	3 284.4			3 284.4	
Non-current financial debt	3 189.2	3 189.2			3 189.2	
Accounts payable and related accounts	3 708.7	3 708.7			3 708.7	
Derivative liabilities	0.0	0.0			0.0	
Other current liabilities	2 323.4	2 323.4			2 323.4	
Total liabilities	**12 505.6**	**12 505.6**	**0.0**	**0.0**	**12 505.6**	**0.0**

(amounts in €K)	12/31/2015		Value in the statement of financial position according to IAS 39			Non-financial instruments
Balance sheet item	Value in the statement of financial position	Fair value	Fair value through profit and loss	Loans and debts	Debts at amortized cost	
Non-current financial assets	77.5	77.5		77.5		
Customer receivables and related accounts	2 226.8	2 226.8		2 226.8		
Cash and cash equivalents	3 021.8	3 021.8	3 021.8	0.0		
Total assets	**5 326.1**	**5 326.1**	**3 021.8**	**2 304.3**	**0.0**	**0.0**
Current financial debt	1 361.0	1 361.0			1 361.0	
Non-current financial debt	2 285.5	2 285.5			2 285.5	
Accounts payable and related accounts	1 584.5	1 584.5			1 584.5	
Other current liabilities	944.9	944.9			944.9	
Total liabilities	**6 175.9**	**6 175.9**	**0.0**	**0.0**	**6 175.9**	**0.0**

(amounts in €K)	01/01/2015		Value in the statement of financial position according to IAS 39			Non-financial instruments
Balance sheet item	Value in the statement of financial position	Fair value	Fair value through profit and loss	Loans and debts	Debts at amortized cost	
Non-current financial assets	75.9	75.9		75.9		
Customer receivables and related accounts	1 389.7	1 389.7		1 389.7		
Other receivables	132.2	132.2		132.2		
Cash and cash equivalents	786.2	786.2	786.2	786.2		
Total assets	**2 383.9**	**2 383.9**	**786.2**	**2 383.9**	**0.0**	**0.0**
Current financial debt	2 063.5	2 063.5			2 063.5	
Non-current financial debt	2 134.5	2 134.5			2 134.5	
Accounts payable and related accounts	672.6	672.6			672.6	
Other current liabilities	853.1	853.1			853.1	
Total liabilities	**5 723.6**	**5 723.6**	**0.0**	**0.0**	**5 723.6**	**0.0**

(amounts in €K)	Impact on the income statement at December 31, 2016		Impact on the impact statement at December 31, 2015	
	Interest	Variation in fair value	Interest	Variation in fair value
Assets				
Cash and cash equivalents	10.3		18.4	
Liabilities				
Liabilities at amortized cost: bank loans	(55.7)		(25.5)	
Liabilities at amortized cost: bond issues	(98.0)		(111.6)	
Liabilities at amortized cost: repayable advances	(146.5)		(107.8)	

Note 5: Information on the income statement

5.1 Sales revenue and gross margin

Revenue from contracts corresponds to the fair value of the compensation received or to be received for the goods sold in the framework of the Group's usual business. Revenue from contracts is set out net of value added tax, product returns, discounts and rebates.

Balyo's solutions are sold according to contracts of the construction type (IAS 11) and the revenue is recorded according to the percentage of completion method. According to this method, sales revenue is posted as the work progresses on each contract. Progress is measured by using the costs-incurred method when the Group is able to reliably measure the price of the transaction and total contract costs.

The Group records revenue when the amount can be measured reliably and it is probable that the Group will benefit from the related future economic advantages.

Sales of goods are recorded on the date of transfer of the risks and benefits of ownership, which usually corresponds to the date the products are shipped to the customers.
Revenue related to services (installation and maintenance) is recorded in the period during which the services are rendered.

The Group's standard contracts generally include terms related to a customer acceptance process. However, if no clause on customer acceptance exists in the contract, the revenues are carried forward until the acceptance conditions have been met.

Sales revenue for the past two fiscal years is as follows:

SALES REVENUE AND GROSS MARGIN (amounts in €K)	12/31/2016	12/31/2015
Sales revenue	5 153	2 863
Production cost	(3 642)	(2 033)
Gross margin	**1 511**	**830**

5.2 Details on expenses and revenue by department

5.2.1 Research and development expenses

RESEARCH AND DEVELOPMENT EXPENSES (amounts in €K)	12/31/2016	12/31/2015
Personnel expenses	2 374.9	1 941.8
Purchases of parts for research	365.1	387.5
Other	327.6	181.5
Research and development	**3 067.5**	**2 510.9**
Research Tax Credit	(646.7)	(586.2)
Subsidies	(7.8)	(64.9)
Subsidies	**(654.5)**	**(651.1)**
NET TOTAL	**2 413.0**	**1 859.8**

The expenses recorded under "Other" mainly cover travel expenses, fees, maintenance and repairs, lease expenses, and taxes.

5.2.2 Marketing and sales expenses

SALES AND MARKETING (amounts in €K)	12/31/2016	12/31/2015
Personnel expenses	1 604.8	753.1
Communication	429.5	253.9
Other	1 088.2	906.4
NET TOTAL	**3 122.5**	**1 913.4**

The expenses recorded under "Other" cover travel expenses and department-related expenses. It should be noted that, in 2015, "Other" included product returns, fully written down further to settlement negotiations.

5.2.3 General and administrative expenses

GENERAL AND ADMINISTRATIVE EXPENSES (amounts in €K)	12/31/2016	12/31/2015
Personnel expenses	979.2	1 228.7
Misc. consulting fees	453.1	322.7
Other	1 004.6	800.0
General and administrative expense:	**2 436.9**	**2 351.4**

The expenses recorded under "Other" mainly cover insurance costs, leases for property and immovable assets, taxes, as well as maintenance and repair expenses.

5.3 Workforce and payroll

The workforce on the date of closing of the Group's two past fiscal years was as follows:

AVERAGE NUMBER OF EMPLOYEES at December 31	Fiscal 2016	Fiscal 2015
Managers	**64**	**50**
Non-managers	**7**	**7**
Total average number of employees at December 31*	**71**	**57**

*Excluding corporate officers

PAYROLL (amounts in €K)	Fiscal 2016	Fiscal 2015
Gross remuneration	4 051	3 351
Social charges	1 599	1 262
Payroll	**5 650**	**4 613**

5.4 Financial income

Financial income includes:
- the cost of debt
- income related to financial investments

Foreign exchange gains or losses, whether or not they were realized, are also recorded under financial income.

FINANCIAL INCOME AND EXPENSES (amounts in €K)	12/31/2016	12/31/2015
Cost of net financial debt	**(143.4)**	**(148.6)**
Income from cash and cash equivalents	10.3	18.4
Interest expenses	(153.7)	(167.1)
Other financial income and expenses	**(63.0)**	**(30.1)**
Exchange gains or losses	82.3	71.5
Impact of the accretion of repayable advances	(146.5)	(101.4)
Other financial expenses	0.0	(0.2)
Other financial revenue	1.3	0.0
Net financial income	**(206.3)**	**(178.8)**

5.5 Income tax

Income tax covers all taxes due by the Group's different companies, adjusted for deferred taxes. Tax is recognized in the income statement unless it relates to elements recognized under "Other comprehensive income" or directly under "Equity". It is then recorded under "Other comprehensive income" or "Equity".

Deferred taxes are valued according to the balance sheet approach in the amount that the entity expects to pay to or recover from the tax authorities. These deferred taxes are, when applicable, affected by a potential change in the tax rate adopted or quasi-adopted on the date of closing of the financial statements.

A deferred tax asset is recorded if the following conditions are met:

- The entity has sufficient taxable temporary differences with the same tax authority and the same taxable entity or "tax group" ("*groupe fiscal*"), which will result in taxable amounts to which the unused tax losses and tax credits may be charged before they expire;
- It is probable that the entity will generate taxable profits before the expiry of the unused tax losses or tax credits;
- The unused tax losses result from identifiable causes that are unlikely to recur;
- The opportunities related to the management of the entity's taxes will generate a taxable profit during the fiscal year to which the unused tax losses or tax credits may be charged.

As it is unlikely that the entity will make a taxable profit to which it may charge the unused tax losses or tax credits, the deferred tax asset has not been recorded.

The research tax credit for French entities has been entered on the "Research and development expenses" line under operating income.

5.5.1 Deferred tax assets and liabilities

The tax rate applicable to the Company is the rate applicable in France: 33.33%. The rate applicable to its subsidiary, Balyo Inc., is 25% (federal rate). At this time, as the US subsidiary faces a deficit, the federal rate is indicated only.

In accordance with the principles described above, no deferred tax asset is recorded in the Group's financial statements, with the exception of the deferred tax liabilities for the years under consideration.

5.5.2 Reconciliation between the theoretical and effective tax charge

Tax reconciliation (amounts in euros)	12/31/2016	12/31/2015
Net income	(6 922.9)	(5 847.4)
Consolidated tax	0.0	0.0
Pre-tax income	**(6 922.9)**	**(5 847.4)**
Current tax rate in France	33.33%	33.33%
Theoretical tax at the current rate in France	**(2 307.6)**	**(1 949.1)**
Permanent differences	(3.6)	(40.5)
Payment in shares	53.9	110.3
CIR/CICE tax credits	(235.5)	(213.1)
Tax losses not recognized/Recognition of prior tax losses	2 492.8	2 092.4
Group tax income/expense	**(0.0)**	**0.0**
Effective tax rate	*0.0%*	*0.0%*

5.5.3 Deferred tax types

DEFERRED TAX TYPES (amounts in €K)	12/31/2016	12/31/2015
Temporary timing differences	127.9	185.8
Losses carried forward	0.0	80.8
Total items of a deferred tax asset type	**127.9**	**266.6**
Temporary timing differences related to repayable advances	127.9	266.6
Total items of a deferred tax liability type	**127.9**	**266.6**
Net total of items of a deferred tax type	**0.0**	**0.0**
In taxes	0.0	0.0

The Group's tax losses that can be carried over indefinitely totaled €23,428K on December 31, 2016, €16,804K on December 31, 2015, and €11,308K on January 1, 2015.

5.6 Earnings per share

Earnings per share are calculated by dividing the net earnings attributable to the Group's shareholders by the weighted average number of ordinary shares in circulation during the period.

Diluted earnings per share are calculated by adjusting the net profit attributable to the holders of ordinary shares and the weighted average number of ordinary shares in circulation for the effects of all potentially dilutive ordinary shares.

As the inclusion of the instruments granting access to capital in a deferred manner (BSA) to calculate the diluted earnings per share is antidilutive, these instruments are not taken into account.

The table below presents the calculation of earnings per share:

BASIC LOSSES PER SHARE (amounts in €K)	12/31/2016	12/31/2015
Net loss for the period	(6 829.9)	(5 804.0)
Weighted average number of shares in circulation	15 523 971	13 317 177
Basic losses per share (€/share)	**(0.44)**	**(0.44)**

As the Group recorded losses in 2015 and 2016, the diluted earnings per share are identical to the net earnings per share.

Note 6: Off-balance sheet commitments

6.1 Property leases

Contractual periods

The real estate leases signed by the Group cover different contractual periods, which depend on the market and the country. The lease for the Moissy premises was signed for a firm six-year period starting on February 15, 2014.

The Company was granted a rent-free 12-month period in 2014. This benefit was staggered over the firm lease period, i.e., six years.

Expenses and commitments

The amount of rent recorded at the end of December 2016 and commitments for the next potential exit period can be analyzed as follows:

				Commitment until the next termination period		
Property leases	Lease start date	Lease end date	Contractual expenses as at 31/12/2016	At most one year	From 1 to 5 years	More than 5 years
Lease for MOISSY	02/15/2014	02/15/2020	198.1	237.7	912.8	0.0
		TOTAL	**198.1**	**237.7**	**912.8**	**0.0**

6.2 Commitments under operating leases

The Company has signed lease agreements. Further to an analysis, they have been treated as operating leases in accordance with the terms of IAS 17.

The assets involved are long-term rental agreements for vehicles. The remaining fees to be paid are spread out as follows:

Remaining fees to be paid		
At one year	Between 1 and 5 years	More than 5 years
21.9	15.4	0.0

6.3 Other financial commitments

Guarantees received

The loan granted by Bpifrance (a "seed money" contract) on August 18, 2010, for which the capital that remains due as at December 31, 2016 totals €52.5K, included guarantees from Bpifrance covering an amount equal to 60% of the original amount and 40% of the portion from the Ile de France region. The Bpifrance loan amount is €150K, signed on September 7, 2010.

The zero-interest financing loan granted by Bpifrance, signed in 2016 in the amount of €1,000K, includes a *Fonds National de garantie pour l'innovation* guarantee equal to 30% and a European Investment Fund guarantee equal to 50%. The capital remaining due as at December 31, 2016 is €1,000K.

6.4 Principal partnership agreements

6.4.1 Partnership agreement with Linde Material Handling

On November 4, 2014, the Company signed a three-year global industrial and commercial partnership agreement with Linde Material Handling.

Linde Material Handling, a European leader in material handling, is the parent company of Fenwick, the Group's French brand.

Under this partnership agreement, the Company and Linde Material Handling develop and market a range of autonomous material handling robots under the "Fenwick Robotics" brand in France and "Linde Robots" in the rest of Europe.

The Company and Linde Material Handling have agreed to create a joint sales force to effectively promote and market the autonomous material handling robots. The Company has appointed a manager responsible for this team.

The agreement also provides that the Company will train Linde Material Handling's employees responsible for distribution and the maintenance of the autonomous material handling robots in the range.

According to the terms of this agreement, either party may terminate the agreement as of right, subject to providing notice by postal mail, and with no compensation being due to the other party:

- in the event of a change in the direct ownership of the other party, a merger or a spin-off;
- in the event one of the parties acquires 10% or more of the capital of a competitor of the other party.

Furthermore, should Linde sell its stake in the Company, the Company may terminate the partnership agreement at its discretion.

In light of the commercial success achieved and the caliber of the partnership, the agreement signed at the end of 2016 has been extended for ten years. The final agreement should be signed in May, 2017.

6.4.2 Partnership agreement with Hyster-Yale

On October 29, 2015, through its US subsidiary Balyo Inc., the Company signed a global industrial and commercial partnership agreement with the Hyster-Yale Group.

Under this agreement, Hyster-Yale provides the Company with preferential access to the material handling market in North America via its two historic brands: Hyster (mainly positioned in the heavy industrial truck segment) and Yale (mainly positioned in the electric truck segment).

This three-year agreement aims at extending the presence of the Company's solutions in North America to offer Hyster-Yale's customers a complete range of autonomous material handling robots that covers all of their requirements. The Company and Hyster-Yale have agreed to create a joint sales force to effectively promote and market the autonomous material handling robots. The Company has appointed a manager responsible for this team.

The agreement also provides that the Company will train Hyster-Yale's employees responsible for distribution and the maintenance of the autonomous material handling robots in the range. This agreement does not have a clause related to a change in ownership.

Note 7: Other information

7.1 Related parties

7.1.1 Transactions with related parties

According to IAS 24 "Related Party Disclosures", a related party is an individual or entity that is related to the entity that is presenting its financial statements.

Related parties may include any of the following:

- an individual or company that has control over the Group;
- a company affiliated with the Group;
- an important member of the Company's management team (or a member of his family).

A transaction with a related party means a transfer of merchandise, the provision of services, or obligations that bind the Group and the related party.

The related parties identified as at December 31, 2015 and December 31, 2016 are as follows:

- ASTROLABE CONSULTING, whose most senior executive is Fabien Bardinet (Chairman and Chief Executive Officer of Balyo SA). ASTROLABE Consulting invoiced research and development expenses as a subcontractor in the amount of €23K in fiscal 2015.

- Linde Material Handling Group, a member of the Board of Directors. The flows are as follows:

In €K	December 31, 2016	December 31, 2015
Sales revenue	4,190.0	1,999.7
Purchases with the Linde Group	(1,095.0)	(501.3)
Customer receivables	1,787.0	51.7
Accounts payable	2,532.8	605.9

7.1.2 Compensation of executives and directors

No post-employment benefit is granted to members of the Board of Directors. The Group has defined and limited the definition of senior executives to mean executive directors only. The compensation paid to members of the Board of Directors can be analyzed as follows (in €K):

Compensation of corporate officers	12/31/2016	12/31/2015
Fixed compensation	123.8	125.2
Variable compensation	44.0	42.5
Benefits in kind	18.8	2.5
Private unemployment insurance	13.7	10.1
Attendance fees	0.0	0.0
Share-based payments	140.0	56.6
TOTAL	**340.3**	**236.8**

7.2 Financial risk management and valuation

BALYO may be exposed to various types of financial risks: market risks, credit risks and liquidity risks. For each type of risk, BALYO implements simple tools that are appropriate for the size of the Company to minimize the potentially adverse effects of these risks on its financial performance. BALYO's policy is to refrain from purchasing financial instruments for speculative purposes.

7.2.1 Credit risk

The credit risk is the risk of financial loss the Group may run if a customer or counterparty to a financial instrument fails to comply with its contractual obligations.

The Group examines its customers' solvency risk. This solvency assessment takes into account information that relates solely to the Group's internal operations, as well as environmental elements, such as its geographical location, overall financial position and prospects within its sector.

The Group is not exposed to a significant credit risk, which mainly relates to customer receivables. The net book value of the receivables recognized shows the fair value of the net flows receivable as estimated by senior management based on information available on the date of closing. The Group has not taken guarantees or potential netting arrangements for its liabilities with the same maturity into account to perform impairment tests on the financial assets.

There are no significant financial assets past due but not impaired.

All of the Group's banks have successfully passed the solvency tests required by EU regulations.

- Customer receivables

A credit risk exists when a potential loss may occur if a customer cannot comply with its undertakings by the defined deadline. The Group requires the payment of deposits from its customers when they place an order. Customer receivables held with the Linde Group correspond to the percentage of sales revenue achieved with the Group. The Group is of the opinion that there is little risk of non-payment under this partnership.

7.2.2 Interest rate risk

The interest rate risk is managed by the Group's senior management along with its principal partner banking institutions. In recent fiscal years, the Group's policy has been to contract loans at a variable rate, but has no hedge in place as protection from an increase in rates. The Company's variable-rate borrowings for the most part use the three-month Euribor rate plus a margin.

The structure of the rate of financial debt is presented below:

Debt structure	12/21/2016	12/31/2015	01/01/2015
Total variable-rate debts	1 052.5	825.0	112.5
Total fixed-rate debts	2 523.1	2 876.0	1 832.1
Total financial debts*	**3 575.6**	**2 958.5**	**1 944.6**

*Excluding bonds convertible into shares

If the interest rate varies by one point, the financial expenses over one year for all variable-rate borrowings would vary by approximately €10K. The Company does not purchase financial instruments for the purposes of speculation. The Company therefore is of the opinion that it is not exposed to a significant interest rate risk.

7.2.3 Exchange rate risk

The Group is exposed to the risk of exchange rate fluctuations impacting commercial and financial transactions in a currency other than the functional currency of the Group entity that records the transaction.

- Breakdown of sales revenue in foreign currencies

Consolidated sales as at December 31, 2016 were invoiced for the most part in EUR (96%) and in USD (4%).

Consolidated sales as at December 31, 2015 were invoiced for the most part in EUR (98.5%) and in USD (1.5%).

Intra-group transactions are for the most part conducted in the currency of the company that issues the invoice, which hedges the risk.

- Breakdown of expenses in foreign currencies

Expenses are for the most part incurred in euros, with the exception of the subsidiaries' local expenses incurred in the local currency.

Local expenses incurred by the company in the United States in USD represented 10% of total current expenses as at December 31, 2016, compared to 5% on December 31, 2015.

7.2.4 Liquidity risk

Cash available as at December 31, 2016 totaled €3,634 million (see Note 4.7). A going concern analysis has been performed (see Note 2.1).

The Company performed a specific review of its liquidity risk and is of the opinion that, as at December 31, 2016, it is able to meet its future commitments over the next 12 months.

The Company's history of operating losses is explained by the innovative nature of the solution it has developed, which requires research and development over multiple years.

The development of the Company's technology and the pursuit of its development program will continue to generate major financing needs in the future. The Company could be unable to finance its growth through business revenue alone, which could lead it to seek other sources of financing, in particular through new increases in capital.

In the future, the Company could seek additional capital, in particular to finance its growth strategy, which could result in dilution for the Company's shareholders or significantly increase the level of its indebtedness, causing a change to its financial structure.

Access to capital may not be available under conditions that are acceptable to the Company, and may even be totally unavailable.

Certain factors could aggravate the Company's difficulty in raising capital: the economic environment, interest or exchange rate fluctuations, the closing of bank or capital markets, or a deterioration in the Company's financial situation or operating income.

A future increase in the Company's indebtedness or, inversely, its inability to raise capital to meet its financing requirements could have a material adverse effect on the Company, its business, financial situation, earnings, development and prospects.

None of the Group's financial debts is subject to a covenant.

7.3 Statutory auditor fees

STATUTORY AUDITOR FEES (amounts in €K)	Fiscal 2016				Fiscal 2015	
	Auditing		Services directly related to the audit		Auditing	
	Amount (ex. tax)	%	Amount (ex. tax)	%	Amount (ex. tax)	%
ECOVIS	22.0	*34%*	13.8	*27%*	16.8	*100%*
DELOITTE	43.1	*66%*	36.4	*73%*	0.0	*0%*
Total fees	**65.1**	**100%**	**50.2**	**100%**	**16.8**	**100%**
Annual total	**115.3**				**16.8**	

7.4 Reconciliation of the financial statements prepared according to the IFRS and the financial statements prepared according to the French standards

Pursuant to paragraph 28 of Commission Regulation (EC) No. 1136/2009 of November 25, 2009, it should be noted that the Company has not published consolidated financial statements since it was founded.

Exclusively for the purpose of the financial information, the Group has adopted January 1, 2015 as the transition date. It drew up its first consolidated financial statements according to the IFRS on December 31, 2016.

In accordance with IAS 1 "Presentation of Financial Statements", in its balance sheet, the Group differentiates the current and non-current portions of the assets and liabilities. With regard to the income statement, the Group has chosen to present revenue and operating expenses by type.

Certain points in the Group's consolidated financial statements prepared according to the IFRS differ from those in the financial statements prepared according to French accounting principles, which apply in light of the Group's domiciliation and the nature of the Group's statutory accounts.

The first financial statements prepared according to the IFRS were established as of the date of transition as if the IAS/IFRS had always been applied, with the exception of certain optional exemptions provided in IFRS 1 "First-time Adoption of International Financial Reporting Standards".

Table illustrating the transition from Balyo SA's net income to consolidated net income according to the IFRS:

Restatements	Note	12/31/2015
Net profit/loss		**(4 711.5)**
Payment in shares		
Recognized expense	a)	(330.9)
Retirement commitment		
Recognized expense	b)	(28.9)
Bond issue redeemable in shares		
Recognized income/(expense)	c)	(109.8)
Repayable advances		
Recognized income/(expense)	d)	(36.6)
Lease/rent restatement		
Recognized income/(expense)	e)	7.5
Currency transactions		
Recognized income/(expense)	f)	(23.0)
Deferred taxes		
Recognized income/(expense)	h)	4.8
US subsidiary - consolidation Subsidiary profit/loss	h)	(514.5)
Movebox returns	i)	(61.1)
Net profit/loss according to the IFRS		**(5 804.0)**
Other comprehensive income items		(43.5)
Total profit/loss according to the IFRS		**(5 847.4)**

Table illustrating the transition from Balyo SA's equity to consolidated equity according to the IFRS:

Restatements	Note	12/31/2015	01/01/2015
Equity		**1 733.2**	**(2 698.7)**
Payment in shares			
Impact on equity	a)	0.0	0.0
Retirement commitment			
Recognized expense	b)	(67.8)	(52.8)
Bond issue redeemable in shares			
Recognized income/(expense)	c)	(101.2)	8.6
Repayable advances			
Recognized income/(expense)	d)	266.6	303.0
Lease/rent restatement			
Recognized income/(expense)	e)	(121.5)	(129.0)
Exchange differences			
Recognized income/(expense)	f)	1.3	24.3
Restatement of subsidies/investments			
Recognized income	g)	(2.4)	(2.6)
US subsidiary - consolidation			
Subsidiary profit/loss	h)	(1 130.1)	(562.8)
Movebox returns	i)	(109.1)	(48.0)
Equity according to the IFRS		**469.0**	**(3 158.0)**

(a) The Group applied IFRS 2 "Share-based Payment' to all of the equity instruments granted to employees since it was founded. An expense is recorded against an increase in reserves.

(b) In accordance with IAS 19, the Group records provisions for the retirement commitment as a personnel expense, which are recognized as off-balance sheet commitments in the financial statements. In this regard, and in light of the accounting methods used by the Group as described in Note 4.11, any change in the commitment between the opening and closing of a fiscal year is recorded as an expense for the cost of past services and the financial cost, and as "Other comprehensive income" for actuarial variances.

(c) Bond issues redeemable in shares: In accordance with IAS 32, bond issues redeemable in shares have been presented at amortized cost, as described in Note 4.10.1.

(d) The Group received repayable advances, zero-interest loans and Coface loans. The funds received were stated according to the terms of IAS 20. In particular, the zero-interest repayable advances were recorded as financial debts and valued at amortized cost on the date these advances were granted (see Note 4.10.2).

(e) The Company was granted a grace period of 12 months' rent in light of its firm six-year undertaking. It was therefore decided to record the benefits granted by the lessor and therefore to stagger the rental expense over six years as of the effective date of the lease, i.e., February 15, 2014.

(f) Exchange rate differences impacting intragroup flows between Balyo and its subsidiary are recognized under financial profits and losses.

(g) Investment grants are recognized as deferred revenue.

(h) The US subsidiary is fully consolidated in accordance with IFRS 10, as Balyo SA exercises control over its US entity since Balyo is exposed to the variable returns of the entity or has rights to these variable returns in light of its involvement in this entity, and it is capable of using its power over the entity to influence the amount of these returns.

(i) When the partnership agreement with the Linde Group was signed, MOVEBOXes that had been previously sold were to be recovered over a three-year period. This buy-back undertaking was considered "up front" and was recorded for this purpose as a deduction from sales revenue in a linear fashion over the period of the agreement.

Opening balance sheet: transition from French standards to the IFRS

ASSETS	Statutory rules Balyo SA 01/01/2015	Balyo Inc.	Consolidation of investment securities	Intragroup	Payment in shares	Retirement commitment	Cancellation of exchange differences	Repayable advances	Exchange differences	Reclassification of current/non-current debts	Bond issue at amortized cost	Restatement of rent/leases	Various reclassifications	IFRS 01/01/2015
Intangible assets	64.4													64.4
Tangible assets	455.0	5.0												460.0
Other non-current financial assets	292.3	4.5	-156.2	-64.7										75.9
Total non-current assets	811.6	9.5	-156.2	-64.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	600.2
Inventory	433.8	3.6												437.4
Customer and related accounts	3 047.9	268.4		-630.5									-1 296.2	1 389.7
Other receivables	875.0	139.7		-225.1			-8.5	66.5						847.5
Cash and cash equivalents	763.2	23.0												786.2
Total current assets	5 120.0	434.7	0.0	-855.6	0.0	0.0	-8.5	66.5	0.0	0.0	0.0	0.0	-1 296.2	3 460.8
Total assets	**5 931.6**	**444.2**	**-156.2**	**-920.3**	**0.0**	**0.0**	**-8.5**	**66.5**	**0.0**	**0.0**	**0.0**	**0.0**	**-1 296.2**	**4 061.0**
LIABILITIES														
Equity														
Capital	670.4	164.7	-164.7											670.4
Issue and contriubtion premiums	6 368.0													6 368.0
Conversion reserve			-35.1											-35.1
Reserves - Group share	-6 116.5	-338.7	23.6		67.8	-52.8		157.4						-6 259.4
Profit/losses - Group share	-3 623.2	-232.6	20.1	18.6	-67.8		5.7	119.9			8.6	-103.2	-48 000	-3 902.0
Equity, Group share	-2 701.3	-406.6	-156.2	18.6	0.0	-52.8	5.7	277.2	0.0	0.0	8.6	-103.2	-48.0	-3 158.0
Investment grants	2.6												-2.6	0.0
Total equity	-2 698.7	-406.6	-156.2	18.6	0.0	-52.8	5.7	277.2	0.0	0.0	8.6	-103.2	-50.6	-3 158.0
Non-current liabilities														
Non-current provisions						52.8							2.6	55.5
Non-current financial debts	4 440.4	64.7		-64.7				-592.3		-1 705.1	-8.6			2 134.5
Non-current liabilities	4 440.4	64.7	0.0	-64.7	0.0	52.8	0.0	-592.3	0.0	-1 705.1	-8.6	0.0	2.6	2 189.9
Current liabilities														
Current financial debts	2.7							355.7		1 705.1				2 063.5
Provisions	364.0						-8.5							355.5
Accounts payable and related accounts	631.3	671.8		-630.5										672.6
Tax and social debts	1 005.3	26.8											42.4	1 074.4
Other current liabilities	2 186.5	87.5		-243.7			-5.7					103.2	-1 264.8	863.1
Current liabilities	4 189.8	786.0	0.0	-874.2	0.0	0.0	-14.3	355.7	0.0	1 705.1	0.0	103.2	-1 222.4	5 029.1
Total liabilities	**5 931.6**	**444.2**	**-156.2**	**-920.3**	**0.0**	**0.0**	**-8.5**	**40.7**	**0.0**	**0.0**	**0.0**	**0.0**	**-1 270.4**	**4 061.0**

20.1.2 Report of the statutory auditors on the consolidated financial statements for the fiscal years ending on December 31, 2016 and December 31, 2015

[INTENTIONALLY OMITTED]

Paris, on April 27, 2017

Acting Statutory Auditors

SIRIS
Represented by Emmanuel Magnier

DELOITTE & ASSOCIES
Represented by Stéphane Menard

20.2 Pro forma consolidated financial information

None.

20.3 Date of the last financial statements

The last financial statements of the Company audited by the statutory auditors and set out in the Registration Document relate to the consolidated financial statements as at December 31, 2016.

20.4 Dividend payment policy

20.4.1 Dividends paid over the last three fiscal years

Since it was founded, the Company has not paid any dividends.

20.4.2 Dividend payment policy

There are no plans to initiate a dividend payment policy in the short term given the stage of development of the Company.

20.5 Legal and arbitration proceedings

The Company may be involved in legal, arbitration, administrative or regulatory proceedings in the normal course of its business. The Company creates a provision as soon as a reasonable probability exists that these types of proceedings will lead to costs payable by the Company or its subsidiaries and that the amount thereof may be reasonably estimated.

The Company is not aware of any state, legal or arbitration proceeding, whether pending or threatened, that may or did have a significant impact over the past 12 months on the financial position or performance of the Company and/or on the Company on the date of registration of the Registration Document.

The total amount of the provisions is set out in Note 4.9 to the consolidated financial statements for the fiscal years respectively ending on December 31, 2016 and 2015 included in Section 20.1.1 "Consolidated financial statements prepared according to the IFRS for the fiscal years ending on December 31, 2016 and December 31, 2015" of the Registration Document.

20.6 Significant changes in the financial or commercial position

To the Company’s knowledge, there have been no significant changes in the financial or commercial position of the Company since December 31, 2016.

21. ADDITIONAL INFORMATION

In the framework of a planned IPO of the Company on the Euronext regulated market in Paris, an extraordinary general meeting of the Company held on April 24, 2017 approved an amendment to its bylaws and to the composition of the Company's Board of Directors, as they are described in Sections 21.2 "Act of incorporation and bylaws" and 14.1 "Composition of the administrative and executive bodies" of the Registration Document, on the condition that the Company's shares are admitted to trading on the Euronext regulated market in Paris.

21.1 Share capital

21.1.1 Amount of share capital

On the date of registration of the Registration Document, the Company's share capital totaled €1,272,530.96, divided into 15,906,637 shares with a par value of eight centimes of a euro (€0.08) each, all fully subscribed and paid up and all of the same category.

21.1.2 Securities not representing capital

None.

21.1.3 Acquisition of treasury shares by the Company – Share buy-back program

On the date of registration of the Registration Document, the Company did not own any of its shares.

On the date of registration of the Registration Document, the Company had issued securities and granted the following rights, which give their holders immediate or future access to the Company's share capital or voting rights.

The extraordinary general meeting of shareholders approved a resolution on April 24, 2017 authorizing the Board of Directors to implement a share buyback program for the Company's shares in accordance with the terms of Article L. 225-209 of the Commercial Code and the General Regulations of the *Autorité des marchés financiers*, for a period of 18 months starting on the date of the meeting (it being noted that the Company may not use this authorization before the Company's shares are admitted to trading on the Euronext regulated market), under the conditions described below:

- These shares may be purchased for the following purposes:
  - for retention and subsequent remittance for exchange or payment as part of any future external growth operations, up to 5% of the number of shares that constitute the Company's share capital,
  - to implement stock option plans, free allocation of shares and employee ownership operations reserved for members of employee savings plans, in accordance with Articles L. 3331-1 *et seq.* of the Labor Code, or to allocate shares to employees and/or executive directors of the Company and of the companies related to it;
  - to allocate the shares at the time the rights attached to securities granting access to the Company's capital are exercised;
  - to cancel of all or part of the shares in the framework of a decrease in capital;
  - for operations on the secondary market or to promote the liquidity of the Company's shares under the terms of a liquidity agreement entered into with an investment firm, in compliance with an ethics charter recognized by the *Autorité des marches financiers*;

- o for the use thereof in the framework of any hedging transaction for Company commitments regarding financial instruments, in particular related to changes in the price of the Company's shares; or
- o for any market practice that may be recognized by law or the *Autorité des marchés financiers*.

- The maximum amount of the funds dedicated to the share buyback program is €10 million;
- The maximum purchase price per share may not exceed 300% of the price of the share at the time the Company's shares are admitted to trading.

The Company's acquisitions under the present authorization may in no event cause the Company to directly or indirectly own more than 10% of its share capital.

21.1.4 Potential capital

21.1.4.1 Founders' share warrants ("BSPCE")

Plan name	BSPCE décembre 2010	BSPCE août 2013	BSPCE novembre 2013	BSPCE avril 2014	BSPCE octobre 2014	BSPCE février 2015	BSPCE décembre 2015	BSPCE mai 2016	BSPCE décembre 2016	BSPCE avril 2017
Allocation date	3/14/2012	8/28/2013	11/13/2013	4/3/2014	10/3/2014	2/27/2015	12/16/2015	5/12/2016	12/2/2016	4/24/2017
Decision-making body	General meeting	Board of Directors as mandated by the general meeting of 07/22/2013		Board of Directors as mandated by the general meeting of 4/3/2014		Board of Directors as mandated by the general meeting of 2/27/2015			Board of Directors as mandated by the general meeting of 11/25/2016	Board of Directors as mandated by the general meeting of 4/24/2017
Number of BSPCE	9,300	300,000	30,000	20,000	9,300	870,000	105,000	85,000	125,000	170,000
Total number of shares that may be subscribed	9,300	300,000	30,000	20,000	9,300	870,000	105,000	85,000	125,000	170,000
Number of beneficiaries who are corporate officers	0	1 (Fabien Bardinet)	0	0	0	2 (Fabien Bardinet and Thomas Duval)	0	0	0	0
Number of beneficiaries who are not corporate officers	1	0	1	1	1	7	3	4	4	1
Exercise price	€1.06	€1.06	€1.06	€1.06	€1.06	€1.06, and thereafter, the market value of an ordinary share	€1.60	€1.60	€1.60	€1.60

Plan name	BSPCE décembre 2010	BSPCE août 2013	BSPCE novembre 2013	BSPCE avril 2014	BSPCE octobre 2014	BSPCE février 2015	BSPCE décembre 2015	BSPCE mai 2016	BSPCE décembre 2016	BSPCE avril 2017
Exercise terms and conditions	From the time they are issued and up until December 12, 2017, subject to seniority: at least four years, reduced to one year if the Company is the subject of a merger, its shares are admitted to trading on a regulated market or stock exchange in France or abroad, or one or more of the Company's shareholders sells more than 50% of the Company's shares to one or more third parties under "joint control" (within the	As of August 28, 2013 and until the expiry of a seven-year period, i.e., until August 28, 2020. The BSPCEs may only be exercised by a fraction of at most one quarter during the following four periods: (i) from the date of the grant until August 28, 2014; (ii) from August 29, 2014 until August 28, 2015; (iii) from August 29, 2015 until August 28, 2016, and (iv) from August 29, 2016 until the date of expiry	As of Wednesday, November 13, 2013 and until the expiry of a seven-year period, i.e., until Thursday, November 12, 2020. The BSPCEs may only be exercised by a fraction of at most one quarter during the following four periods: (i) from the date of the grant until November 12, 2014; (ii) from November 13, 2014 until November 12, 2015; (iii) from November 13, 2015 until November 12, 2016, and (iv) from November 13, 2016 until the date of expiry	Exercise timetable: - up to 25% of the BSPCEs upon the expiry of a 12-month period from their date of issue, - then the balance by successive tranches that represent 6.25% each of the balance per quarter over three years, - and at the latest 7 years after the issue date.		Exercise timetable: - up to 25% of the BSPCEs when they are issued, - then the balance in successive annual tranches of 25% over three years, at the end of each year, - and at the latest 10 years after the issue date.				

Plan name	BSPCE décembre 2010	BSPCE août 2013	BSPCE novembre 2013	BSPCE avril 2014	BSPCE octobre 2014	BSPCE février 2015	BSPCE décembre 2015	BSPCE mai 2016	BSPCE décembre 2016	BSPCE avril 2017
	meaning of Article L. 233-3 of the Commercial Code). All of the BSPCEs may be exercised by any employee who has at least one year of seniority, it being noted that the issue of new shares resulting from the exercise of the BSPCEs must take place before the legal completion of said event, after which the unexercised BSPCEs will become obsolete.	In the event of (i) an acquisition by a third party of the Company's voting rights and capital that lead to a change in control over the Company (as defined in Article L. 233-3 of the Commercial Code) (ii) or the takeover of the Company by another Company, the merger of the Company with one or more other companies into a new company, or the spinoff (within the meaning of Article L. 236-1 of the Commercial Code) of the Company as a contribution to existing companies or new companies, if these operations cause a change in control over the Company (as defined in Article L. 233-3 of the Commercial Code), the BSPCEs may be exercised by the holders still employed at the latest on the date said event materializes.		If a company merges with the Company or if one or more of the Company's shareholders, acting alone or together, sells to one or more third parties a number of shares that results in a transfer of more than 50% of the Company to this or these third parties, or if the Company's shares are admitted to trading on a regulated or organized market, the rights to exercise the BSPCEs will be accelerated so that the relevant beneficiaries can exercise all of the BSPCEs that are not yet exercisable on the date of completion of said operation.		In the event of a merger of the Company with another company, or the sale by one or more Company shareholders acting alone or together to one or more third parties of a number of shares that causes a transfer of more than 50% of the Company's share to this or these third party(ies), the exercise of the founders' share warrants may be accelerated, subject to a resolution of the Board of Directors, so that any shareholder may exercise all of his founders' share warrants not yet exercisable on the date the operation takes place.			In the event of a merger agreement merging the Company with another company, or the sale by one or more Company shareholders acting alone or together to one or more third parties of a number of shares that causes a transfer of control (within the meaning of Article L. 233-3 of the Commercial Code) of the Company to this or these third party(ies), the exercise of the BSPCEs will be accelerated so that any holder may subscribe a number of ordinary shares that corresponds to 100% of his BSPCEs that are not yet exercisable on the date of completion of said operation in addition to the number of ordinary shares which he may subscribe by exercising the BSPCEs that are already exercisable.	
Total number of shares subscribed as at 12/31/2016	0	0	0	0	0	0	0	0	0	-

On the date of registration of the Registration Document, the full exercise of the 1,723,600 BSPCEs allocated and still in circulation would give rise to the creation of 1,723,600 new ordinary shares.

21.1.4.2 Stock warrants ("BSA")

Description	BSA 2015	BSA 2016
Allocation date	2/27/2015	12/2/2016
Decision-making body	Board of Directors as mandated by the general meeting of 2/27/2015	Board of Directors as mandated by the general meeting of 11/25/2016
Number of BSA	60,000	100,000
Total number of shares that may be subscribed	60,000	100,000
Number of beneficiaries who are corporate officers	1 (Raul Bravo Orellana)	0
Number of beneficiaries who are not corporate officers	0	1
Exercise price	€1.60	€1.60
Exercise terms and conditions	Exercise timetable: - up to 25% of the stock warrants when they are issued, - then the balance in successive annual tranches of 25% over three years, at the end of each year, - and at the latest 10 years after the issue date.	

Description	BSA 2015	BSA 2016
	In the event of a merger of the Company with another company, or the sale by one or more Company shareholders acting alone or together to one or more third parties of a number of shares that causes a transfer of more than 50% of the Company's share to this or these third party(ies), the exercise of the BSAs may be accelerated, subject to a resolution of the Board of Directors, so that any holder may exercise all of his BSAs not yet exercisable on the date the operation takes place.	In the event of a merger agreement merging the Company with another company, or the sale by one or more Company shareholders acting alone or together to one or more third parties of a number of shares that causes a transfer of control (within the meaning of Article L. 233-3 of the Commercial Code) of the Company to this or these third party(ies), the exercise of the BSAs will be accelerated so that any holder may subscribe a number of ordinary shares that corresponds to 100% of his BSAs that are not yet exercisable on the date of completion of said operation in addition to the number of ordinary shares for which he may subscribe by exercising the BSAs that may already be exercised.
Total number of shares subscribed as at 12/31/2016	0	0

On the date of registration of the Registration Document, the full exercise of the 160,000 BSAs allocated and still in circulation would lead to the creation of 160,000 new ordinary shares.

Furthermore, on the date of registration of the Registration Document, the "Ratchet" BSAs issued in favor of the Company's current shareholders are still in circulation. When exercised, these BSAs give access to a variable portion of the Company's capital in accordance with the price per share of the increase in capital completed on the date the BSAs are exercised (the "**Ratchet BSAs**"). All of the Ratchet BSAs will become obsolete as soon as the Company's shares are admitted to trading for the first time on the Euronext regulated market in Paris. Therefore, the characteristics of the Ratchet BSAs are not described in this section.

21.1.4.3 Bonds convertible into shares

In order to raise the funds required to continue its business activities and prepare for the admission of the Company's shares to trading, the general meeting held on November 25, 2016 approved the issue of 2,800 bonds convertible into ordinary shares (the "**ORAs**"), with a par value of €1K (the "**Par Value**"), for a total principal amount of €2,800K.

The ORAs bear interest at an annual rate of 2%, calculated on the basis of 365 days (the "**Interest**"). The Interest acquired is never capitalized.

The ORAS and the related Interest are payable, if the Company's shares are admitted to trading on the Euronext regulated market in Paris (the "**IPO**"), at the Company's discretion:

- in cash, with the ORAs redeemed for an amount equal to the Par Value, increased by the Interest due on said date as well as by a premium equal to 20% of the Par Value of the redeemed ORAs; or

- in "N" number of ABSAs (ordinary shares of the Company, coupled with Ratchet BSAs, which become obsolete as soon as the Company's shares are admitted to trading for the first time on the Euronext regulated market in Paris (see Section 21.1.4.2 of the Registration Document)), wherein:

  N = [(Par Value + Interest due)/PPS]

  It being noted that the "**PPS**" is equal to the final price per share indicated in the relevant market company's notice regarding the result of the public offering.

The bondholders may choose, each one on their own behalf:

(i) either to accept a discount of 20% on the final price per share indicated in the relevant market company's notice regarding the result of the public officering (the "**Discount**");

(ii) or request the payment in cash of a sum equivalent to the Discount, this sum being payable on the date the IPO is finalized.

The ORAs were issued in favor of the following parties:

Bondholders	Number of ORAs subscribed	Subscription amount (€K)
Bpifrance Investissement	**1,000**	**1,000**
360 Capital Partners	**300**	**300**
Linde Material Handling	**500**	**500**
Seventure Partners	**1,000**	**1,000**
- FCPI Masseran Innovation II	154	154
- FCPI Masseran Innovation IV	153	153
- FCPI Masseran Patrimoine Innovation 2010	71	71
- FCPI Masseran Innovation III	131	131
- FCPI Masseran Patrimoine Innovation 2011	60	60
- FCPI Seventure Innovation 2012	72	72
- FCPI Masseran Innovation V	69	69
- FCPI Seventure Préférence Innovation 2013	83	83
- FCPI Masseran Innovation VI	73	73
- FCPI Seventure Premium 2014	91	91
- FCPI Masseran Patrimoine Innovation 2014	43	43
Total	**2,800**	**2,800**

21.1.4.4 Stock option plans

None.

21.1.4.5 Free allocation of shares

None.

21.1.4.6 Summary of dilutive instruments

The total number of ordinary shares that may be created through the exercise of the securities that give access to capital on the date of registration of the Registration Document, excluding the ORAs, would result in the issue of 1,883,600 shares, i.e., maximum dilution of 11.84% on the basis of the capital existing today and 10.59% on the basis of diluted capital.

The share price that will be adopted when the Company's shares are listed to trading cannot be determined on the date of registration of the Registration Document. Therefore the summary of the dilutive instruments does not take into account the dilution that would occur in the event of an IPO and the redemption in shares of the 2,800 ORAs issued by the Company on the date of registration of the Registration Document.

21.1.5 Authorized capital

The ordinary general meeting of April 24, 2017 conferred its authority and/or powers on the Board of Directors under the following conditions:

Subject of the resolution	No.	Validity period as at April 24, 2017	Maximum nominal amount
Authorization granted to the Board of Directors to acquire Company shares, subject to the Company's shares being admitted to trading on the Euronext regulated market in Paris.	9	18 months	10% of the share capital

The extraordinary general meeting of April 24, 2107 conferred its authority and/or powers on the Board of Directors under the following conditions:

Subject of the resolution	No.	Validity period as at April 24, 2017	Maximum nominal amount	Methods to determine the minimum subscription or purchase price
Delegation of authority granted to the Board of Directors in accordance with the terms of Article L. 225-192-2 of the Commercial Code to approve the issue of ordinary shares via a public offering of securities in the framework of an IPO on the Euronext regulated market in Paris.	2	12 months	€890,771.68	(1)
Authorization granted to the Board of Directors to increase the number of ordinary shares issued in the framework of an IPO on the Euronext regulated market in Paris.	3	30 days from the closing of subscriptions for the increase in capital decided in accordance with the second resolution	15% of the amount of the increase in capital decided in accordance with the second resolution	(1)
Delegation of authority granted to the Board of Directors to increase the share capital, while maintaining the shareholders' preferential subscription right, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	4	26 months	Capital securities: €1,272,530.96 (Debt securities: €100,000,000)	(2)
Delegation of authority granted to the Board of Directors to increase the share capital, with suppression of the shareholders' preferential subscription right, and through a public offering, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	5	26 months	Capital securities: €1,272,530.96* (Debt securities: €100,000,000)*	(3)

Subject of the resolution	No.	Validity period as at April 24, 2017	Maximum nominal amount	Methods to determine the minimum subscription or purchase price
Delegation of authority granted to the Board of Directors to increase the share capital, with suppression of the shareholders' preferential subscription right, and through private investment, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	6	26 months	Capital securities: €865,321.12 ** (Debt securities: €100,000,000)*	(3)
Authorization granted to the Board of Directors to set the issue price for the securities to be issued in the framework of the fifth and sixth resolutions, up to a ceiling of 10% of the capital per year.	7	26 months	n/a	(4)
Delegation of authority granted to the Board of Directors to increase the share capital in favor of a category of beneficiaries, with suppression of the shareholders' preferential subscription right, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	8	18 months	Capital securities: €190,879** (Debt securities: €15,000,000)*	(5)
Authorization granted to the Board of Directors to increase the number of securities to be issued in the framework of the fourth, fifth, sixth and eighth resolutions.	9	26 months	15% of the amount of the increases in capital decided in accordance with the fourth, fifth, and sixth resolutions (the increased amount of an increase of capital being charged against the respective ceiling of this increase provided in the related resolution)	(6)
Delegation of authority granted to the Board of Directors to increase the share capital through the incorporation of reserves, income, premiums or other sums whose capitalization is authorized, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	10	26 months	Amount of the sums that may be incorporated*	(2)
Delegation of authority granted to the Board of Directors to increase the share capital to compensate benefits in kind granted to the Company, excluding a public exchange offer, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	11	26 months	10% of the share capital on the date of the issue	(2)

Subject of the resolution	No.	Validity period as at April 24, 2017	Maximum nominal amount	Methods to determine the minimum subscription or purchase price
Delegation of authority granted to the Board of Directors to increase the share capital in favor of members of an employee savings plan, with suppression of the shareholders' preferential subscription right in their favor.	12	26 months	€60K	(7)
Delegation of authority granted to the Board of Directors to issue and grant the Company's founders' share warrants in the 2017-1 category at no cost to employees and/or corporate officers of the Company.	13	18 months	170,000 shares*	(8)
Delegation of authority granted to the Board of Directors to issue and grant the Company's founders' share warrants in the 2017-2 category at no cost to employees and/or corporate officers of the Company, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	14	18 months	10% of the share capital on the date of the extraordinary general meeting held on April 24, 2017*	(9)
Authorization granted to the Board of Directors to proceed with free allocations of existing or future shares, entailing the shareholders' waiver of their preferential subscription right, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	15	38 months	10% of the share capital on the date of the extraordinary general meeting held on April 24, 2017***	(2)
Authorization granted to the Board of Directors to grant options that give a right to the subscription for new Company shares or the purchase of existing shares, entailing the shareholders' waiver of their preferential subscription right, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	16	38 months	10% of the share capital on the date of the extraordinary general meeting held on April 24, 2017***	(10)
Delegation of authority granted to the Board of Directors to issue Company stock warrants, with suppression of the shareholders' preferential subscription right, in favor of a category of persons (partners and corporate officers), subject	17	18 months	10% of the share capital on the date of the extraordinary general meeting held on April 24, 2017***	(11)

Subject of the resolution	No.	Validity period as at April 24, 2017	Maximum nominal amount	Methods to determine the minimum subscription or purchase price
to the Company's shares being listed for trading on the Euronext regulated market in Paris.[5]				
Authorization to be granted to the Board of Directors to reduce the share capital by canceling shares previously bought back in the framework of a share buyback program, subject to the Company's shares being listed for trading on the Euronext regulated market in Paris.	18	26 months	10% of the share capital by 24-month periods	-

[5] The Company undertakes to only use this authorization in favour of its directors and other corporate officers. For information, on the date of the Registration Document, one of the Company's Strategic Partners is also a director of the Company.

Maximum nominal amount

**for capital securities, charged against the overall ceiling of €1,272,530.96 provided in the fourth resolution or, for debt securities, against the €100,000,00 ceiling provided in the same resolution*

***charged against the ceiling of €1,272,530.96 provided in the fifth resolution, itself charged against the overall ceiling of €1,272,530.96 provided in the fourth resolution*

****charged against the ceiling of 10% of the share capital provided in the 14th resolution, itself charged against the overall ceiling of €1,272,530.96 provided in the fourth resolution*

Methods to determine the minimum subscription or purchase price per share

(1) Will result from the difference in the number of shares offered for subscription and the number of subscription requests from investors as part of the overall investment, according to the "book building" technique, as practiced by market professionals.

(2) At least equal to the par value of the share.

(3) At least equal to the minimum value defined in applicable laws and regulations at the time the present authorization is used, i.e., currently the weighted average of the price of the Company's share on the Euronext regulated market in Paris over the three trading sessions that precede the determination of the issue price, potentially decreased by a maximum discount of 5%, after this amount is corrected, if applicable, to take the effective date of entitlement into account.

(4) At least equal to the weighted average of the price of the Company's share on the Euronext regulated market in Paris over the three trading sessions that precede the determination of the issue price, potentially decreased by a maximum discount of 20%, after this amount is corrected, if applicable, to take the different effective date of entitlement into account.

(5) At least equal to the weighted average of the price of the Company's share on the Euronext regulated market in Paris over the 20 trading sessions that precede the date of determination of the issue price, potentially decreased by a maximum discount of 15%, after this amount is corrected, if applicable, to take the different effective date of entitlement into account.

(6) The same price as the price adopted for the initial issue.

(7) Equal to (i) 80% of the weighted average price of the Company's share on the Euronext regulated market over the 20 trading sessions that precede the date of the decision that sets the date subscriptions are open when the period of unavailability provided in the savings plan is less than 10 years, and (ii) 70% of this average when said period of unavailability is higher than or equal to 10 years. However, the General Meeting expressly authorizes the Board of Directors, at its discretion, to reduce or eliminate the discounts referred to above, within the limits of the laws and regulations, to, inter alia, take the legal, accounting, tax and social schemes applicable in the countries of residence of members of a savings plan who are beneficiaries of the capital increase into consideration. In accordance with Article L. 3332-21 of the Labor Code, the Board of Directors may also decide to replace all or part of the discount with a free allocation of existing or future shares or other securities that give access to the Company's capital, with the total benefit resulting from this allocation, and, if applicable, the discount referred to above not exceeding the total benefit that the members of the savings plan would have received if the differential was 20% or 30% when the period of unavailability provided in the plan is higher than or equal to 10 years. The Board of Directors

may also decide to allocate shares to be issued or already issued or other securities that give access to the Company's capital, whether existing or to be created, for free as profit-sharing, subject to the monetary countervalue thereof, valued at the subscription price, not exceeding the limits provided in Article L. 3332-11 of the Labor Code.

*(8) €1.60, it being noted that the Company's Board of Directors used this authorization on May 24, 2017, as described in Section 21.1.4.1 "**Founders' share warrants**" of the Registration Document.*

(9) Determined by referring to the weighted average price of the Company's share over the 20 trading sessions that precede the date on which the Board of Directors will use said authorization, potentially decreased by a maximum discount of 5% (subject to a new capital operation involving the issuance of shares that confer rights equivalent to those resulting from an exercise of the BSPCE 2017-2 having taken place at a different price after the extraordinary general meeting and before the allocation of the relevant BSPCE 2017-2, in which case the exercise price will be set by the Board of Directors under the conditions provided by law and the regulations, and will be equal to the share price for said operation, whether it is greater than or lower than the weighted average referred to above).

(10) The subscription price will be equal to at least 80% of the weighted average of the Company's share price on the Euronext regulated market in Paris over the 20 trading sessions that precede the Board meeting. The purchase price will be equal to the highest of the following two amounts: (a) 80% of the weighted average price of the Company's share on the Euronext regulated market in Paris over the 20 trading sessions that precede the Board meeting and (b) the average purchase price for the shares held by the Company under Articles L. 225-208 and/or L. 225-209 of the Commercial Code.

(11) The sum of the subscription price for the warrant and its exercise price will be at least equal to the weighted average price of the Company's share over the 20 trading sessions that precede the date on which the Board of Directors will use said authorization.

21.1.6 Information on the capital of any member of the Company subject to an option or a conditional or unconditional agreement to be put under option

None.

21.1.7 History of the share capital

In the previous two fiscal years, the Company's share capital changed as follows:

Transaction		Shares issued	Nominal value of the increase	Par value of a share	Issue premium	Total nominal amount of share capital	Total number of shares in circulation
Date recorded by the Board of Directors	Type	Number					
February 27, 2015	Increase in capital through the issue of shares with warrants	4,744,448	€379,555.84	€0.08	€1.52	€1,049,963.28	13,124,541
27, 2015	Increase in capital through the automatic redemption of ORAs	1,102,099	€88,167.92	€0.08	-	€1,138,131.20	14,226,640
March 23, 2016	Increase in capital through the automatic redemption of ORAs	429,997	€34,399.76	€0.08	-	€1,172,530.96	14,656,637
March 31, 2016	Increase in capital through the issue of shares	1,250,000	€100K	€0.08	€1.52	€1,272,530.96	15,906,637

21.1.8 Breakdown of the Company's capital and voting rights on the date of registration of the Registration Document

Refer to the table in Section 18.1 "Breakdown of the share capital and voting rights" of the Registration Document.

21.2 Act of incorporation and bylaws

The Company's bylaws were drawn up in accordance with the provisions applicable to a public limited company ("*société anonyme*") incorporated under French law.

The principal stipulations set out below are drawn from the Company's bylaws that will take effect on the date the Company's shares are admitted to trading for the first time on the Euronext regulated market in Paris.

21.2.1 Corporate purpose (Article 2 of the bylaws)

The purpose of the Company in France and abroad is:

- the design of automated systems in all fields;

- the manufacturing and commercialization of automated systems for all sectors;

- the creation, acquisition and operation in any form and in any manner whatsoever of all businesses that have a similar or related purpose;

- the Company's ownership by any means of any company created or to be created that may relate to its corporate purpose, in particular by way of the creation of new companies, contributions, partnerships, subscriptions or buybacks of securities or shares, a merger, alliance or joint venture, or an economic interest grouping or management consortiums;

- and, more generally, any industrial, commercial and financial property or capital transactions that may directly or indirectly relate to the corporate purpose and any other similar or related purpose that may favor the expansion or development of the Company.

21.2.2 Fiscal years (Article 6 of the bylaws)

The fiscal year starts on January 1 and ends on December 31 of each year.

21.2.3 Provisions in the bylaws and elsewhere relating to members of the administrative and executive bodies

21.2.3.1 Composition of the Board of Directors (Article 15 of the bylaws)

I. - The Company is administered by a Board of Directors consisting of at least three (3) members and no more than eighteen (18) members.

The number of directors (including the permanent representatives of directors who are legal entities) over the age of 70 may not constitute more than one third of the acting directors. When the number of directors over the age of 70 exceeds this proportion, the most senior is deemed to have resigned at the end of the general meeting called to approve the financial statements for the fiscal year in which this situation occurred.

II. - The directors are appointed for a four-year term. Their mandate ends at the end of the ordinary general meeting of shareholders called to approve the financial statements for the past year, held during the year in which the mandate of said director expires.

They may be dismissed at any time by the ordinary general meeting of shareholders.

III. - The Board of Directors elects a Chairman among its members who must be an individual (not an entity) and may not be over the age of 70, failing which the appointment will be null and void. When the Chairman reaches this age limit, he is deemed to have resigned.

The Chairman represents the Board of Directors. He organizes and directs the work of the Board and reports on this work to the general meeting. He ensures the proper functioning of the Company's bodies and guarantees that the directors are able to fulfill their mission.

The Board of Directors may also appoint a Vice-Chairman among its members, if it feels it is appropriate, responsible only for chairing the meetings of the Board of Directors and general meetings if the Chairman is unavailable. The Chairman or Vice-Chairman, as applicable, organizes and directs the work of the Board and reports on this work to the general meeting.

The Chairman and Vice-Chairman are appointed for a period that may not exceed their term as a director. They may be re-elected, subject to the terms of the first paragraph of this article. The Board of Directors may dismiss them from their position at any time.

If the Chairman and Vice-Chairman are unavailable, at each meeting, the Board appoints one of the members present to chair the meeting.

The Board also appoints the person who must act as secretary, and who is not required to be a Board member.

The Board may decide to create committees responsible for studying issues that the Board or its Chairman submits for their examination and opinion. The Board defines the composition and remit of the committees, which conduct their work under their responsibility.

The directors receive directors' fees, the amount of which is set by the general meeting and remains the same until a new resolution is passed.

The Board divides the directors' fees amongst its members as it deems appropriate. It may in particular grant the directors who are members of the committees referred to above a portion that is higher than that allocated to the other directors.

21.2.3.2 Meetings of the Board of Directors (Article 16 of the bylaws)

I. - The Board of Directors meets as often as the interests of the Company require and when convened by the Chairman or by a third of its members either at the registered office, in France or abroad. Meetings are convened by any form of written communication, including by postal or electronic mail, at least eight days before the date of the meeting, when convened for the first time, and 24 hours before the meeting, when it is convened for the second time, with the exception (in these two cases) of cases in which the members of the Board of Directors are all present or represented or have waived the notice periods referred to above (this waiver may be made by any form of written communication, including by electronic mail).

The Board of Directors will meet at least once per quarter on the initiative of its Chairman.

II. - A register of attendance is signed by the directors who attend a meeting.

The presence of half of the members of the Board of Directors is required for the Board to have a quorum to deliberate.

The resolutions of the Board of Directors require a majority of the votes of the members present or represented. In the event of a tied vote, the vote of the meeting Chairman will not break the tie.

III. - The Board of Directors will provide in its rules of procedure that, for the purposes of quorum and majority, the Directors attending the meeting by videoconference or telecommunication that enables them to be identified and ensures their effective participation will be deemed present in accordance with applicable regulations.

This provision does not apply to the adoption of the following resolutions:

- the selection between two methods of exercising executive management (single or two-person),
- the appointment, compensation and dismissal of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers,
- the preparation of the annual financial statements and consolidated financial statements, and the preparation of the management report and group management report.

21.2.3.3 Powers of the Board of Directors (Article 17 of the bylaws)

The Board of Directors determines the general direction of the Company's business and oversees its implementation in accordance with its corporate purpose. It may address all issues that related to the proper operation of the Company and settle any matters concerning it.

In addition, the Board of Directors determines the methods used to manage the Company. It decides whether the role of Chief Executive Officer will be exercised by the Chairman of the Board of Directors or by another individual.

Any limitation to the authority of the Board of Directors is unenforceable against third parties.

The Board of Directors conducts the inspections and audits that it deems appropriate. Each director must receive the information necessary to accomplish his mission and may obtain all documents he deems useful. His requests are sent to the Chairman of the Board of Directors.

21.2.3.4 Directors' compensation (Article 19 of the bylaws)

Fixed or variable compensation (or both) may be granted by the Board of Directors to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers, and, in general, to any individual in any position or who has any type of mandate. This compensation is recorded under operating expenses.

21.2.3.5 Advisors ("*censeurs*") (Article 15 of the bylaws)

The ordinary general meeting may appoint advisors on a proposal from the Board of Directors. The Board of Directors may also appoint advisors, subject to ratification at the next general meeting. No more than three advisors may be appointed, and they sit on the Advisory Board. They are freely selected in accordance with their expertise. They are appointed for a period of four years, which ends at the end of the general meeting called to approve the financial statements for the prior year.

The Advisory Board examines issues that the Board of Directors submits for its examination and opinion. The advisors attend Board of Directors meetings but only in an advisory capacity. They are invited to the Board of Directors meetings under the same conditions as directors.

21.2.3.6 Methods for exercising general management (Article 14 of the bylaws)

The Chairman of the Board of Directors or any other individual appointed by the Board of Directors as the Chief Executive Officer is responsible for the general management of the Company under his responsibility.

The Board of Directors selects one of the two management methods referred to above under the following conditions:

- A majority of all the members of the Board of Directors approves the choice;
- The option adopted may only be changed upon the expiry of one year.

The shareholders and third parties will be informed of the choice made by the Board in accordance with the laws and regulations.

When the Chairman of the Board of Directors is responsible for general management, the terms below related to the Chief Executive Officer apply to said Chairman.

21.2.3.7 Chief Executive Officer - Deputy Chief Executive Officers (Article 18 of the bylaws)

I. – The Board of Directors appoints a Chief Executive Officer who may be one of its members and who must be an individual (not a legal entity) not over the age of 65, failing which the appointment will be null and void. When the Chief Executive Officer reaches this age limit, he is deemed to have resigned.

The Chief Executive Officer has the broadest of powers to act at all times in the name of the Company, subject, in particular, to the corporate purpose and limitations expressly provided by law and applicable to shareholders' meetings. He represents the Company. Any limitation to the authority of the Chief Executive Officer is unenforceable against third parties.

The Chief Executive Officer may ask the Board of Directors to call a meeting of the Board with regard to a specific agenda item. If the Chief Executive Officer is not a director, he may attend the meetings of the Board of Directors but only in an advisory capacity.

The Board of Directors may dismiss the Chief Executive Officer at any time. However, if the decision to dismiss is taken without sufficient grounds, it may give rise to damages unless the Chairman is also the Chief Executive Officer.

II. - Further to a proposal of the Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officers who may or may not be directors. No more than five Deputy Chief Executive Officers may be appointed.

Deputy Chief Executive Officers must be individuals (not legal entities) and may not be older than 65. When they turn 65, they are deemed to have automatically resigned.

Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors, acting on the proposal of the Chief Executive Officer.

III. - Vis-à-vis third parties, the powers of the Chief Executive Officer and potentially the Deputy Chief Executive Officers are those conferred by law. In the framework of the Company's internal organization, the Board of Directors may impose limits on these powers.

21.2.4 Rights, preferences and restrictions attached to the Company's shares

21.2.4.1 Voting rights (Article 26 of the bylaws)

The principle set out in Article L. 225-123, paragraph 2, of the Commercial Code related to double voting rights for all shares fully paid up for which proof is provided of registration in the name of the same shareholder for at least two years is expressly excluded. Therefore, the voting right attached to the shares is, in any event, proportional to the capital they represent, subject to the terms of Article L. 225-10 of the Commercial Code.

21.2.4.2 Rights to dividends and profits (Articles 13 and 30 of the bylaws)

(a) Rights and obligations attached to the shares

I. - Each share gives right to ownership of corporate assets in an amount proportional to the amount of the capital they represent.

In addition, each share gives right to an equal share of the Company's profits.

II. - Shareholders are only responsible within the limits of the nominal amount of the shares they own.

III. - Ownership of a share implies acceptance of the Company's bylaws and the resolutions of the shareholder meetings.

IV. - Any time the ownership of a number of shares is required to exercise any right, in particular in the event of an exchange, consolidation or allocation resulting from an increase or decrease in capital, a merger, or any other operation affecting the Company, the owners of isolated shares or of a number of shares inferior to the number required to allocate a whole number of shares or to exercise the rights in question may only exercise the rights if they take personal responsibility for the consolidation and, potentially, the purchase or sale or the number of shares required.

(b) Determination, allotment and distribution of profits

At least one twentieth of the profits for the fiscal year, less, if applicable, prior losses, is withdrawn and allocated to a reserve fund called the "legal reserve". This withdrawal is no longer mandatory when the reserve reaches a total of one tenth of the share capital. Withdrawals resume when, for any reason, the reserve falls under this amount.

Distributable profits are composed of the profits for the fiscal year, less prior losses, as well as the sums to be allocated to reserves in accordance with the law and bylaws, increased by the retained earnings.

The general meeting may withdraw sums, in the proportion it decides, from the distributable profits that it deems appropriate to allocate them to any mandatory, ordinary or extraordinary reserves, or to carry them forward. If a balance remains, it is divided equally among all of the shares as a dividend.

Furthermore, the general meeting may resolve to distribute the sums withdrawn from the optional reserves either to provide or complete a dividend or as an exceptional distribution, in which case the resolution expressly indicates the reserve items from which the withdrawals are made.

With the exception of a reduction in capital, no distribution may take place in favor of the shareholders when the shareholders' equity is or becomes (after the distribution) inferior to the amount of the capital increased by the reserves, the distribution of which is not authorized by law or the bylaws.

A revaluation reserve may not be distributed; it may be wholly or partially incorporated into the capital.

21.2.4.3 Limitation period of dividends

Dividends not claimed within a period of five years from the date of payment shall be forfeited in favor of the Government.

21.2.4.4 Preferential subscription right

All of the Company's shares give right to a preferential subscription right to capital increases.

21.2.4.5 Limitation of voting rights

The Company's bylaws do not include any stipulation that limits a shareholder's potential voting rights.

21.2.4.6 Identifiable bearer securities (Article 12 of the bylaws)

The Company may enforce the legal provisions related to the identification of holders of securities giving immediate or future voting rights at its own shareholders' meetings.

21.2.5 Methods for modifying the rights of shareholders

The extraordinary general meeting alone is empowered to amend the bylaws. It may not, however, increase the obligations of shareholders, subject to operations resulting from an exchange or a duly approved and executed consolidation of shares.

21.2.6 General meetings of shareholders

21.2.6.1 Meetings (Article 25 of the bylaws)

The meeting is chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman or, in his absence, by a director appointed by the Board.

The duties of vote-tellers are fulfilled by two shareholders present and who accept, who hold the largest number of shares either personally or as a proxy. These two shareholders and the Chairman constitute the meeting officers.

If only one vote-teller is appointed further to the successive refusals of shareholders, the work performed by the meeting officers is nonetheless be considered valid.

The officers appoint a secretary who may or may not be a shareholder.

21.2.6.2 Meeting powers (Articles 27 and 28 of the bylaws)

(a) Ordinary general meeting

I. - Ordinary general meetings are called to make any decision that does not change the bylaws.

They are called at least once per year under the conditions set by the law and regulations in effect to approve the financial statements for the prior fiscal year.

II. - The deliberations of an ordinary general meeting, called further to an initial notice, are valid only if all the shareholders present, represented or having voted by correspondence own at least one fifth of the shares that give right to a vote.

No quorum is required if a second meeting notice is necessary.

Its resolutions require the majority of the votes of the shareholders present or represented, including those of the shareholders who voted by correspondence.

(b) Extraordinary general meeting

I. - The extraordinary general meeting alone is empowered to amend the bylaws in all of their provisions. It may not, however, increase the obligations of shareholders, subject to operations resulting from an exchange or a duly approved and executed consolidation of shares.

II. - The deliberations of an extraordinary general meeting, called further to an initial notice, are valid only if all the shareholders present, represented or having voted by correspondence own at least one fourth of the shares that give right to a vote. If a second meeting notice is required, the shareholders present, represented or having voted by correspondence must own one fifth of the shares that give right to a vote. If this quorum is not met, the second meeting may be postponed to a date no later than two months after the initial date of the second meeting.

Its resolutions require a majority of two-thirds of the votes of the shareholders present or represented, including those of the shareholders who voted by correspondence.

III. - As a legal exception to the rules set out above, a general meeting that approves an increase in capital through the incorporation of reserves, profits or issue premiums may vote under the quorum and majority conditions of an ordinary general meeting.

Furthermore, at extraordinary general meetings called to deliberate on the approval of a contribution in kind or the granting of a specific benefit, the contributing party or beneficiary cannot vote either on his own or as a proxy.

21.2.7 Mechanisms to delay, defer or prevent a change of control

The Company bylaws do not contain means for delaying, deferring or preventing a change of control.

21.2.8 Crossings of bylaw thresholds

There is no specific stipulation regarding the crossings of bylaw thresholds in the Company's bylaws.

In accordance with Article L 233-7 of the Commercial Code, any individual or entity that acts alone or jointly and comes to directly or indirectly hold a number of shares that represent more than the twentieth, tenth, three-twentieths, fifth, quarter, three-tenths, third, half, two-thirds, eighteen-twentieths or nineteen-twentieths of the capital or voting rights informs the Company by registered letter with an acknowledgment of receipt and the *Autorité des marchés financiers* of the total number of shares or voting rights it holds at the latest before the close of trading on the fourth market day that follows the day on which the threshold was crossed.

This information is also provided by the same deadline when the number of shares held or voting rights drops below the thresholds referred to above.

A shareholder who does not comply with the obligation to file the declarations incumbent on him and provided herein regularly will lose his voting rights attached to the shares that exceed the fraction that was not legally declared at any shareholder meeting that might take place up until the expiry of a period of two years following the date on which notice is served.

21.2.9 Specific stipulations governing changes of capital

There is no specific stipulation in the Company bylaws governing changes in its capital.

21.3 Pledge of Company assets or shares

On the date of registration of the Registration Document, none of the shares that comprise the Company's capital is the subject of a pledge.

22. MAJOR CONTRACTS

The Group's major contracts are described in Section 6.7 “Strategic Partners, and in particular in Sections 6.7.1 "Linde Material Handling (a subsidiary of the Kion Group)" and 6.7.2 "Hyster-Yale", of the Registration Document.

With the exception of these agreements, the Company has not entered into major agreements other than those entered into in the normal course of business.

23. INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS, AND DECLARATIONS OF INTEREST

Other that the estimates projected by the Company, the Registration Document includes information on the business and segments in which the Company operates (Chapter 6 "Business Overview" of the Registration Document) from independent studies (in particular, "Of Robots and Men – in Logistics - Towards a Confident Vision of Logistics in 2025", a study conducted in 2016 by the Roland Berger consulting firm) or information that is available to the public, in particular on the websites of the Company's partners (Linde Material Handling, Hyster-Yale and Procter & Gamble, in particular).

To the Company's knowledge, this information has been reproduced accurately and no event or fact has been omitted that would cause this information to be inaccurate or misleading. Nevertheless, the Company cannot guarantee that a third party who uses different methods to collect, analyze or calculate data on these business segments would reach the same results.

24. DOCUMENTS ACCESSIBLE TO THE PUBLIC

Copies of the Registration Document are available at no cost at the Company's registered office. The Registration Document is also available on the Company's website (www.balyo.com) and the *Autorité des marchés financiers'* website (**www.amf-france.org**).

Throughout the period of validity of the Registration Document, the following documents (or a copy thereof), may be consulted:

- the Company's bylaws;

- all reports, correspondence and other documents, historical financial information, evaluations and statements made by an expert at the request of the Company, a portion of which is included or referred to in the Registration Document; and

- historical financial information of the Company included in the Registration Document.

All of these legal and financial documents related to the Company and that must be made available to shareholders in accordance with current regulations may be consulted at the Company's registered office.

Once the Company's shares are admitted to trading on the Euronext regulated market in Paris, the regulated information (within the meaning of the General Regulations of the *Autorité des marchés financiers*) will also be available on the Company's website.

25. INFORMATION REGARDING INVESTMENTS

Information on companies in which the Company has a stake that may have a significant impact on the appraisal of its assets, financial position or earnings is set out in Section 7.1 "Group organization chart" of the Registration Document.

26. APPENDICES

26.1 Appendix 1 - Glossary

"Autorité des Marchés Financiers/AMF"	Means the French authority responsible for ensuring compliance with the rules that govern the French stock market.
"AGV/Automated Guided Vehicles"	Means an automatic truck capable of autonomously transporting loads.
"Concession"	Means the commercial contract entered into *intuitu personae* according to which a dealer purchases merchandise from a company it intends to market under said company's trademark and that grants it exclusivity for a period of time and a defined geographic area.
"Dealer"	Means the intermediary who has an exclusive right to sell the products of a manufacturer in a given region.
"Registration Document"	Means Balyo's Registration Document, registered by the *Autorité des marchés financiers* and published prior to the initial offering period for a better appreciation by the market of the issuer.
"Driven by Balyo"	Refers to the technology developed and marketed by Balyo that transforms standard material handling trucks into autonomous material handling robots capable of perceiving their environment, interacting with the components thereof (robot fleets, automatic doors, conveyors, etc.) and working with humans.
"EBITDA"	Means earnings before interest, tax, depreciation and amortization.
"Euronext Paris"	Means the regulated market on which shares, bonds, warrants and trackers are traded.
"Stacking"	In logistics, means the piling of intermodal transport units, i.e., the piling of pallets, containers, packages or other receptacles on top of each other.
"Group"	Means Balyo and its consolidated subsidiaries considered as a whole.

"IFRS"	Means the International Financial Reporting Standards intended to standardize the presentation of financial information that is shared internationally.
"MOVEBOX"	Means the solution to transform a standard or automatic handling truck into an autonomous handling truck.
"OEM"	Means an original equipment manufacturer who purchases a product to integrate it into another product, with the final product being sold on another market or to an end consumer.
"Operation"	Means the initial public offering of the Company's shares on the Euronext regulated market in Paris.
"Strategic Partners"	Means Linde Material Handling and Hyster-Yale, with whom Balyo jointly creates and markets a range of autonomous material handling robots.
"Scalability"	Means the capacity of a product to adapt to a change in scale of demand (an increase), in particular its capacity to retain its functionalities and performance in the presence of high demand.
"Company/Balyo"	Means Balyo S.A.