



## BALYO announces 2024 Half Year Results

- 2024 half-year sales at €13.8 million, down -7%
- Backlog<sup>1</sup> at €17.9 million in H1 2024, +73% vs. H1 2023
- Gross margin drop to 21% from 41% in H1 2023
- With a cash position<sup>2</sup> of €4.7 million as of June 30, 2024 and current orders forecast for H2, the Company's financial visibility goes until end of November 2024
- Ordinary and Extraordinary General Meeting to be held on October 23, 2024, in view of a contemplated capital increase with preferential subscription rights<sup>3</sup>

Arcueil, France, September 26, 2024, 5:45 p.m. CEST - BALYO (FR0013258399, Ticker: BALYO), technology leader in the design and development of innovative robotic solutions for industrial trucks, today announces its results for the first half of 2024, approved by the Board of Directors on September 26, 2024.

**Pascal Rialland, CEO of BALYO**, states: *"The 2024 first half results were marked by a slower than expected dynamic in Direct Sales which was needed to compensate for the end of order commitments from Linde Material Handling. Still, order intake was in majority generated in direct, representing 68% of total orders received, and our sales were mostly driven by the US market. However, the deployment of service force combined with depreciation of stock and unfavorable product mix over H1 have generated higher costs compared with last year first semester, thus impacting our operating profit for the period. Concurrently, with regards to our current cash position, we recently announced our intention to launch a capital increase with preferential subscription rights of €36 million, which is subject to the Shareholders' Meeting to be held on October 23. The goal of this transaction is two-fold: reinforce our balance sheet and extend BALYO's cash requirements for the 12-month period following the implementation of the transaction to further support our sales momentum. All our teams remains highly dedicated to keep the sales momentum and maintain control over the costs to preserve our cash position."*

### 2024 First Half Activity

As already announced, in the second quarter of 2024, BALYO recorded sales at €8.5 million, compared to €7.6 million in Q2 2023, up 12%. In total, sales for the first half of 2024 stood at €13.8 million, a slight decrease of 7% compared with the first half of 2023.

As a reminder, sales for the first half of 2023 had benefited from the order commitment contract from Linde Material Handling. By region, lower activity can be observed in the EMEA region in the first half of 2024, where BALYO posted sales of €5.9 million, down -45%. Sales in the United States and APAC grew respectively by +103%, to €6.6 million, and +54%, to €1.2 million, in the first half of 2024.

After incorporating new orders, the backlog sets at €17.9 million as of June 30, 2024, up sharply over €10.3 million as of June 30, 2023. BALYO's sales momentum was mainly driven by a 69%

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<sup>1</sup> The backlog refers to all project orders received but not yet delivered. The backlog of BALYO refers to all orders for projects received but not yet delivered and evolves every quarter following the taking into account of new orders, the revenue generated by projects during the period and any orders modification or cancellation.

<sup>2</sup> This cash position corresponds to the cash and cash equivalents item in the consolidated financial statements.

<sup>3</sup> ["Announcement of an Ordinary and Extraordinary General Meeting on October 23, 2024, in View of a Contemplated Capital Increase with Preferential Subscription Right"](#), on September 9, 2024



increase in order intake over the second quarter of 2024, reaching €5.5 million at end of June 2024. The geographical breakdown shows a surge in the backlog, both in the United States (+215%) and the APAC region (+116%), while the business in EMEA slightly declined.

Over the period, direct order intake represented 68% of total orders received, compared with 24% at end of Q2 2023, a level of performance very close to the Company's ambitions.

### 2024 Half-Year Financial Results\*

In € million	H1 2024	H1 2023	Change
<b>Sales revenue</b>	<b>13.79</b>	<b>14.89</b>	<b>-7%</b>
Cost of sales	-10.84	-8.76	+24%
<b>Gross profit</b>	<b>2.94</b>	<b>6.13</b>	<b>-52%</b>
<b>Gross margin rate</b>	<b>21%</b>	<b>41%</b>	<b>-20pts</b>
Research and Development	-2.77	-2.36	+17%
Sales and Marketing	-1.90	-1.78	+7%
General and administrative expenses	-4.11	-3.72	+11%
Share-based payment expense	-	-0.11	
Other operating profit and expenses	-1.16	-	
<b>Operating loss</b>	<b>-7.01</b>	<b>-1.85</b>	<b>-279%</b>
<b>Financial expense</b>	<b>-0.39</b>	<b>-0.54</b>	<b>-28%</b>
<b>Net loss</b>	<b>-7.40</b>	<b>-2.43</b>	<b>-205%</b>
<b>Cash position (as of June 30)</b>	<b>4.73</b>	<b>2.16</b>	

\*The limited review by the Statutory Auditors and the related report are currently being finalized.

In the first half of 2024, the gross profit amounted to €2.9 million, down -52% vs. the first half of 2023. BALYO recorded higher costs of sales relating to a defavorable product mix and an exceptional depreciation on components and batteries inventories amounting to €0.6 million due to obsolescence. As a result, the gross margin decreased to 21% as of June 30, 2024 from 41% as of June 30, 2023.

Operating expenses stood at €9.95 million, up 25% due to higher expenses in R&D (+17%), sales and marketing (+7%) and general and administrative (+11%). This increase is related to higher personnel costs and BALYO's participation to major trade fairs to extend the Company's footprint in the United States.

After taking these items into account, the operating loss for the period came to -€7 million, compared with -€1.9 million in the first half of 2023.

Net financial expense came to -€0.4 million, compared with -€0.5 million as of June 30, 2023, impacted mainly by the fair value of convertible bonds.

Overall, net income for the first half of 2024 totaled -€7.4 million, compared with -€2.4 million for the first half of 2023.

As of June 30, 2024, BALYO had 169 employees, compared with 155 at the end of December 2023.



## Financial Position and Outlook

On June 30, 2024, BALYO's cash position<sup>2</sup> stood at €4.7 million, compared to €8.6 million as of December 31, 2023. Based on the Company's cash position on June 30, 2024, firm order intake, the level of the backlog<sup>1</sup> and current forecasts and postponement of payment deadlines granted to BALYO by one of its main suppliers initially scheduled in 2024 to 2025, BALYO has the necessary financial resources to fund its operations until end of November 2024.

On September 24, 2024, BALYO's cash position<sup>2</sup> stood at €2.4 million. The Company currently anticipates that it will continue to generate losses in the short and mid-terms, and that its cash position as of September 24, 2024 will therefore not be sufficient to cover operating requirements for the next 12 months after that date. As a result, there is uncertainty about BALYO's ability to continue as a going concern over the next 12 months.

Given the above-mentioned items, on September 9, 2024, BALYO announced its intention to launch a capital increase with preferential subscription rights of €36 million (the "Rights Issue"). An Ordinary and Extraordinary General Meeting will be held on October 23, 2024, to give a delegation to the Board of Directors to allow the Company to complete the contemplated Rights Issue. The purpose of this capital increase is both to reinforce BALYO's balance sheet as well as to satisfy its cash requirements over the 12-month period following the transaction.

The contemplated Rights Issue is subject to (i) the approval by the Shareholders' Meeting of a financial delegation to the Board of Directors, and (ii) the *French Autorité des marchés financiers*' (the "AMF") approval on the prospectus relating to the Rights Issue.

Upon satisfaction of the above-mentioned conditions, the SoftBank Group ("SoftBank" through SVF II Strategic Investments AIV LLC ("SSI AIV"), the main Company shareholder), is planning to (x) subscribe to the Rights Issue prorata its shareholding of circa 80% following partial conversion of the convertible bonds in the Company issued to SSI AIV and (y) in the event of any shares remaining unsubscribed at the completion of the rights issue period, SSI AIV is willing to subscribe for such shares, up to 100% of the offering. SSI AIV's subscriptions would be partially effected through set-off against the then outstanding amounts owed to SoftBank under (i) the shareholder loan executed on March 21, 2024<sup>4</sup> (approx. €13.2 million), and (ii) part of the convertible bonds issued by the Company and subscribed by SSI AIV on June 14, 2023<sup>5</sup> (approx. €2.7 million). SoftBank has indicated that it contemplates, following the completion of the Rights Issue, to keep the Company listed for a period of at least 12 months.

The financial terms of the Rights Issue would be determined on the basis of the then-applicable market conditions.

Over the next weeks, BALYO will therefore keep on working in the rebound of its commercial momentum, by leveraging on its model based on Direct Sales and maintaining tight control over its costs to preserve its cash position.

## 2024 Half-Year Financial Report

BALYO will make available to the public and submit to the *Autorité des marchés financiers* its half-year financial report as of June 30, 2024, within the legal timeframe. The 2024 half-year financial report will be made available by September 30, 2024, on BALYO's website at [www.balyo.com](http://www.balyo.com), in the "[Documentation](#)" section.

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<sup>4</sup> Find the terms and conditions on BALYO's investor website in the "[Documentation](#)" section

<sup>5</sup> "[Proposed tender offer from SoftBank Group to acquire Balyo's shares](#)", June 14, 2023



**Next BALYO financial announcement:** third quarter 2024 revenue, on October 24, 2024 after market closing.

### About BALYO

Humans around the World deserve enriching and creative jobs. At BALYO, we believe that pallet movements in DC and manufacturing sites should be left to fully autonomous robots. To execute this ambition, BALYO transforms standard forklifts into intelligent robots thanks to its breakthrough Driven by Balyo™ technology. Our leading geo guidance navigation system enables robots to locate their position and navigate autonomously inside buildings - without the need for any additional infrastructure. To accelerate the material handling market conversion to autonomy, BALYO has entered into two global partnerships with KION (Fenwick-Linde's parent company) and Hyster-Yale Group. A full range of globally available robots has been developed for virtually all traditional warehousing applications; Tractor, Pallet, Stackers, Reach and VNA-robots. BALYO and its subsidiaries in Boston and Singapore serve clients in the Americas, Europe and Asia-Pacific. The company has been listed on Euronext since 2017 and its sales revenue reached €26.7 million in 2023. For more information, visit [www.balyo.com](http://www.balyo.com).

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