



## Proposed tender offer from SoftBank Group to acquire Balyo's shares

Arcueil, France, June 14, 2023, 5:15 p.m. CEST - BALYO ("Balyo" or the "Company") and a wholly owned subsidiary of SoftBank Group Corp. (together with its affiliates, "SoftBank"), entered into an agreement ("Tender Offer Agreement") which sets out the terms and conditions of the proposed acquisition of Balyo's shares by SoftBank, by means of an all-cash public tender offer at €0.85 per share<sup>1</sup> ("Offer").

- A friendly Offer at a price of €0.85 per share, representing a premium of approximately 54.3% over the 30-day volume-weighted average stock market price.
- Balyo's Board of Directors welcomes the offer in principle.
- Tender Offer Agreement containing the key terms of the Offer was entered into between Balyo and SoftBank.

### A strategic investment

Through its portfolio of automated robotic forklift technologies, Balyo is complementary to SoftBank's existing investments in the Transportation and Logistics industries. This acquisition will also provide access to SoftBank's global network of 470+ technology-led companies with scope to develop new commercial relationships for mutual benefit. Balyo's Board of Directors believe that through this partnership, the Company will benefit substantially from SoftBank's technological and commercial expertise while also securing the necessary financial resources to reach its full potential.

The price of the Offer represents a premium of approximately:

- 57.4% compared to the last closing price before the announcement of the Offer (as at 12 June 2023);
- 54.3% compared to the weighted average price of the last 30 trading days before the announcement of the Offer; and
- 48.0% compared to the weighted average price of the last 60 trading days before the announcement of the Offer.

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<sup>1</sup> The ordinary shares resulting from the conversion of tranches 1 and 2 of the free performance-based preferred shares or of the exercise of the business creator warrants (*bons de souscription de parts de créateur d'entreprise*), as well as the unvested tranches 3 to 5 of the free performance-based preferred shares and the Company warrants (*bons de souscription d'actions*), will be targeted by the Offer under terms consistent with the Offer price, being €0.01 per preferred share and €0.07 per Company warrant.



## **1. Offer supported in principle by Balyo's Board of Directors pending the opinion of the CSE and the conclusions of the independent expert**

Balyo's Board of Directors welcomes and supports the Offer in principle, pending the opinion of Balyo's Social and Economic Committee (CSE) and the report of Eight Advisory, who was appointed by the Board of Directors on 13 June 2023 as an independent expert tasked with issuing an opinion on the financial terms of the Offer, pursuant to the provisions of Articles 261-1, I, 2°, 4° and 5° and 261-1, II of the AMF General Regulation. Balyo will launch shortly an information-consultation procedure with its CSE. Balyo's Board of Directors has also set up an ad hoc committee comprised of three members, a majority of which are independent directors. In accordance with applicable regulations, this ad hoc committee will be responsible for:

- Supervising the work of the independent expert, and
- issuing recommendations to the Board of Directors on the proposed Offer.

## **2. Undertakings to tender**

Concurrently with the signing of the Tender Offer Agreement, certain shareholders of Balyo, including notably Bpifrance Investissement, SSUG, Financière Arbevel, Linde Material Handling, Hyster-Yale, Invus Public Equities, L.P. and Thomas Duval as well as certain employees and legal representatives of Balyo, undertook to tender their shares into the Offer.

In accordance with applicable securities laws, such undertakings to tender remain revocable in the event of a superior offer.

Pursuant to the undertakings to tender, SoftBank entered into agreements over circa 41.08% of the outstanding share capital of the Company.

## **3. Main terms and timetable envisaged for the Offer**

It is contemplated that the Offer documents will be filed with the AMF after the issuance by Balyo's Board of Directors of its reasoned opinion on the Offer, and in parallel with the filing to obtain foreign investment control clearance in France. The opening of the Offer will be subject to the AMF's and such French foreign investment control clearances.

It is planned that the Offer documents will be filed with the AMF during the third quarter of 2023 and that the Offer will be completed in the last quarter of 2023. In addition to the mandatory expiry threshold provided for in Article 231-9, I, 1° of the AMF General Regulation, the Offer will be subject to a minimum acceptance threshold pursuant to Article 231-9, II of the AMF General Regulation, allowing SoftBank to withdraw the Offer if it does not obtain at least 66.67% of the capital and voting rights in Balyo.

If the regulatory conditions are met upon completion of the Offer, SoftBank intends to implement a mandatory squeeze-out on the remaining outstanding shares of Balyo (on the same financial terms as those of the Offer) and a delisting of the Company.



#### 4. Main terms of the contemplated transaction

The Company's Board of Directors approved the Tender Offer Agreement governing the respective commitments of the Company and SoftBank in connection with this transaction and authorized its signature by the Company. The main terms of the Tender Offer Agreement are as follows:

- The terms of the proposed Offer;
- A commitment to cooperate in good faith towards the filing and completion of the Offer and not solicit, initiate or encourage an offer from any person other than SoftBank relating to the sale or issue of the Company's securities, provided that the members of the Company's Board of Directors will not be prevented from fulfilling their fiduciary obligations to the Company and its shareholders in the event of a competing offer;
- Cooperation commitments aimed in particular at:
  - o enabling SoftBank to appoint new representatives to the Board of Directors of the Company, representing at least a majority; and
  - o facilitating the refinancing of the Company and its subsidiaries, it being specified that SoftBank intends to finance the transaction with existing cash on hand,
- Customary commitments by Balyo to operate its business in the ordinary course of business;
- Customary representations and warranties by the Company and SoftBank;
- A commitment from the beneficiaries of outstanding free performance-based preferred shares to tender to the Offer either those ordinary shares to be issued upon conversion of vested free performance-based preferred shares, or those unvested free performance-based preferred shares;
- Customary termination rights; and
- The payment by Balyo of a €595,794 fee to SoftBank if (i) a competing offer is submitted and is successful and/or accepted by the Company or supported by the Company's Board of Directors, (ii) the Company's Board of Directors does not reiterate, withdraws, materially changes or modifies its initial opinion supporting the Offer, or (iii) an alternative transaction (as such term is defined in the Tender Offer Agreement) approved by the Company's Board of Directors which would negatively affect the implementation of the Offer is completed by Balyo.

#### 5. Agreement with senior lenders

The Company signed an agreement with its senior lenders on 13 June 2023 regarding the extension of its existing senior financing arrangements. This agreement was made necessary due to the Company's anticipated inability to make the forthcoming scheduled payments to its senior lenders and will give the Company visibility on its short-term financial position.

#### 6. Interim Financing

SoftBank is providing Balyo with interim financing up to the sum of EUR 5,000,000 to allow Balyo to meet its on-going working capital requirements ("**Financing**"). The Financing will be provided in a number of installments and by way of convertible bonds issued by Balyo to SoftBank, due on



31 October 2024, which will accrue interest at a rate per annum equal to the higher of (i) 10%, or (ii) the sum of 10% and the Euro secured overnight financing rate.

The amount drawn down by Balyo under the Financing is convertible at SoftBank's election, at the following price: (i) if the conversion is on or after the filing of the Offer but before the earlier of the Offer closing and the termination of the Offer (meaning the Tender Offer Agreement being terminated in accordance with its terms for any reason whatsoever), at the Offer price per share; (ii) if the conversion is on or after the earlier of the Offer closing and the termination of the Offer and Balyo's shares are still listed on Euronext Paris, at the lower of (A) the Offer price, and (B) a 20% discount to Balyo's share price at the date of the conversion notice, based on the last thirty (30) day VWAP; and (iii) if the conversion is on or after the earlier of the Offer closing and the termination of the Offer and Balyo's shares have ceased to listed on Euronext Paris following successful completion of a mandatory squeeze-out on the remaining outstanding shares of Balyo, at the lower of (A) the Offer price per share, and (B) a 20% discount to the fair market value of Balyo's shares.

Depending on whether the bonds are converted (as the case may be) with or without such 20% discount, the new shares resulting from a full conversion of the bonds into equity will represent from 14.7% to 17.7% of Balyo's share capital.<sup>2</sup>

Upon termination of the Offer (as the case may be), the Financing will remain in place but the amount available to Balyo shall be reduced to EUR 3,000,000 less any amounts that have previously been drawn<sup>3</sup>.

## Advisors

Raine Group and Alantra are acting as financial advisor and Morrison Foerster and Bredin Prat as legal advisor to SoftBank.

TAP Securities Ltd is acting as financial advisor of Balyo and Ashurst is acting as legal advisor of Balyo.

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<sup>2</sup> For illustrative purposes, this means that a shareholder who owned 1% of Balyo's share capital before the capital increase would own from 0.85% to 0.82% of Balyo's share capital following completion of such capital increase. This calculation is based on conversion either: (i) at the offer price; or (ii) at a 20% discount to fair market value (assumed to be €0.85), and assumes that the maximum amount of principal (€5,000,000) is drawn under the financing at the point of conversion. In the event that, in accordance with the provisions set out above, the bonds convert at a lower price per share (and/or discount thereto), the dilutive effect of the conversion may be outside this range.

<sup>3</sup> Without any early repayment for any amount in excess of EUR 3,000,000.



## 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 €24.1 million in 2022. For more information, visit [www.balyo.com](http://www.balyo.com).

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## About SoftBank Group

The SoftBank Group invests in breakthrough technology to improve the quality of life for people around the world. The SoftBank Group is comprised of SoftBank Group Corp. (TOKYO: 9984), an investment holding company that includes stakes in AI, smart robotics, IoT, telecommunications, internet services, and clean energy technology providers; the SoftBank Vision Funds and SoftBank Latin America Funds, which are investing more than US\$160 billion to help extraordinary entrepreneurs transform industries and shape new ones. To learn more, please visit <https://group.softbank/en>.

## Important Information

This press release has been prepared for information purposes only.

It does not constitute an offer to purchase or a solicitation to sell Balyo securities in any country, including France. It is not intended for distribution in any country other than France, except where such distribution is permitted by applicable laws and regulations.

In the event that the Offer is filed, the documentation relating to the Offer, including the terms and conditions of the Offer, will be submitted to the AMF, which will assess its compliance with the applicable legal and regulatory provisions. The Offer may only be opened once it has been declared compliant by the AMF. The dissemination, publication or distribution of this press release, as well as the Offer and its acceptance, may be subject to specific regulations or restrictions in certain countries. The Offer will not be directed to persons subject to such restrictions, either directly or indirectly, and may not be accepted from any country where the Offer would be subject to such restrictions. Accordingly, persons in possession of this press release are required to inform themselves about and to observe any local restrictions that may apply.

Balyo and SoftBank do not accept any liability for any breach of these restrictions by any person.