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BALYO announces the launch of of a capital increase by private placement

- **Launch of a capital increase through a private placement via the accelerated construction of an order book for an amount of approximately 7 million euros**
- **Proceeds of the issue mainly intended to accelerate the commercial ramp-up of the latest generation of robots**
- **Concomitant sale of a maximum of 1,358,911 existing shares held by Seventure Partners, representing approximately 4.72% of the share capital for a maximum amount of approximately €1.7 million**

Ivry-sur-Seine, France, October 14, 2021, 5:40 pm CEST – BALYO (FR0013258399, Mnémonique : BALYO, éligible PEA-PME), (the "**Company**"), announces today the launch of a capital increase with cancellation of the preferential subscription right by placement to qualified French and international investors, in accordance with the 15th resolution of the Combined General Meeting of Shareholders dated May 20, 2021, and the decisions of the Board of Directors of the Company dated October 14, 2021 (the "**Primary Offering**").

The Primary Offer of a target amount of €7 million will in any event be limited to 20% of the number of shares of the Company currently listed on the regulated market of Euronext Paris. Concurrently with the Primary Offer, funds managed by Seventure Partners, historical shareholder of the Company since 2010, (together, the "**Selling Shareholder**") have agreed to sell a maximum of 1,358,911 shares, representing a maximum amount of approximately €1.7 million (the "**Secondary Offer**" and together with the Primary Offer, the "**Offer**"). The funds managed by Seventure Partners will continue to support the development and growth of the Company. In this respect, they have committed to holding their residual stake for a minimum period of 15 months from the date of completion of the transaction.

The final number of shares issued and sold, the amounts raised and sold and the exact dilution will be disclosed in the press release announcing the result of the Offer.

Bryan, Garnier & Co Limited¹ is acting as Sole Global Coordinator, Lead Manager and Bookrunner of the transaction.

Reasons for the Primary Offer

"The latest structuring operational and commercial advances, in particular the signing of the partnership with Körber, support the interest of leading logistics players in our high value-added robotic solutions benefiting from extended technological functionalities. In order to accelerate our commercial deployment in 2022, we are aiming to strengthen our financial resources to capitalize on this momentum," said **Pascal Rialland, Chairman and CEO of BALYO**.

The proceeds of the Primary Offering are primarily intended to provide the Company with additional resources to finance sales and marketing expenses to accelerate the commercial ramp-up of the latest generation of robots in 2022 as well as additional R&D expenses related to the implementation of the the roadmap of new solutions. The funds raised will also be used for working

¹ Acting through Bryan Garnier Securities SAS.



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capital related to the expected growth as well as the general financing needs of the Company, for a smaller portion, less than 20%, within the framework of the latter allocation. The Company also specifies that its available cash position prior to the launch of the transaction is sufficient to cover its financing needs for the year 2021. If the transaction is not successful or leads to a lower than expected amount, the commercial development would be done with more limited means and will consequently be slower.

Terms of the Offer

The Primary Offering will be carried out with cancellation of the preferential subscription rights of the existing shareholders of the Company, on the basis of Articles L. 225-129- and L. 225-138 of the French Commercial Code), with qualified investors within the meaning of Article 2(e) of Regulation (EU) n°2017/1129 of June 14, 2017, as referred to in 1° of Article L.411-2-1 of the Monetary and Financial Code, and in accordance with the 15th resolution of the Company's Combined General Meeting of May 20, 2021, with the decisions taken by the Board of Directors at its meeting of October 14, 2021.

The final number of new shares issued will be decided by the Chief Executive Officer of the Company using the sub-delegation granted to him by the Board of Directors meeting today, pursuant to and within the limits of the 15th resolution of the Combined General Meeting of the Company dated May 20, 2021.

The maximum number of shares sold by funds managed by Seventure Partners under the Secondary Offering will be 1,358,911 existing shares.

The Offer will be carried out by accelerated bookbuilding, at the end of which the number of new shares to be issued and the number of shares to be sold will be determined. The price applicable under the Offer will be 1.25 euro per new share or existing share sold, representing a discount of less than 10% compared to the weighted average of the prices of the Company's shares on the regulated market of Euronext in Paris during the three trading days preceding the date of the determination of the Offer price.

The accelerated book building procedure will be initiated immediately and is expected to close before the opening of the markets on October 15, 2021, subject to any extension. The Company will announce the results of the Offer, the dilution and the new capital allocation as soon as possible after the closing of the order book, by way of a press release.

The Offer is open to qualified investors within the meaning of Article 2(e) of Regulation (EU) n°2017/1129 of June 14, 2017, as referred to in Article L.411-2 of the French Monetary and Financial Code, in France and outside France, with the exception of the United States of America under Regulation S and the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

The new shares will rank for dividend immediately and will be admitted to trading on the regulated market of Euronext Paris under the same ISIN code FR0013258399 - BALYO.

The settlement-delivery of the new shares issued and of the existing shares sold and the admission to trading on the regulated market of Euronext Paris of the new shares are expected to take place within 3 business days from the closing of the private placement.

Pursuant to the provisions of 1° of Article L.411-2 of the French Monetary and Financial Code and Article 1.4 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the Offer will not give rise to the preparation of a prospectus subject to the approval of the Autorité des marchés financiers (the "AMF").



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Subscription commitments

The Company has already received commitments from new and existing qualified investors to subscribe to the Offer for a total amount of 5.2 million euros.

Lock-up and abstention commitments

The Company has signed an abstention agreement for a period of 180 days from the settlement-delivery date of the Offer, subject to customary exceptions, thus limiting the Company's ability to issue new shares during this period.

Seventure Partners has signed a lock-up agreement for all the shares held by the funds it manages and not sold during the Offer, for a period of 15 months from the date of settlement-delivery of the Offer, subject to certain customary exceptions.

Risk factors

The public's attention is drawn to the risk factors relating to the Company and its business, presented in section 3 of the Universal Registration Document approved on April 27, 2021 by the AMF, available free of charge on the Company's website (balyo.fr/investors). The occurrence of some or all of these risks could have an adverse effect on the Company's business, financial condition, results, development or prospects. The risk factors presented in the said Universal Registration Document are identical as of the date of this press release. In particular, the Company states that orders placed and payments made by LINDE Material Holding (LHM) are 100% in line with order commitment targets for 2021 previously communicated.

In addition, investors are invited to take into account the following risks specific to the issue: (i) the market price of the Company's shares may fluctuate and may fall below the subscription price of the shares issued, (ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) disposals of the Company's shares may take place in the market and may have an adverse impact on the Company's share price, and (iv) the Company's shareholders may see potentially significant dilution as a result of any future capital increases that may become necessary to finance the Company.

About BALYO

Humans around the World deserve enriching, 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 (Linde Material Handling'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 €21.7 million in 2020. For more information, visit <https://www.balyo.com/>

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Disclaimer

This press release contains forward-looking statements that relate to the Company's objectives. While the Company considers such forward-looking statements to be reasonable, such forward-looking statements are based solely on the current expectations and assumptions of the Company's management and involve risk and uncertainties, which may result in different outcomes than those contained in the forward-looking statements.

This press release and the information contained herein are only for information purposes and do not constitute an offer to sell or subscribe to, or a solicitation of an offer to buy or subscribe to, shares in the Company in any country, including France.

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This announcement is an advertisement and not a prospectus within the meaning of regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation").

In France, the offering of the Company's securities as described above will be carried exclusively through an offer to the benefit of qualified investors, as defined in Article 2(1)(e) of the Prospectus Regulation and in accordance with article L. 411-2(1) of the French Monetary and Financial code (code monétaire et financier) and applicable regulatory provisions. No prospectus will require to be approved or subject to approval from the AMF (Autorité des Marchés Financiers).

With respect to Member States of the European Economic Area other than France (the "Member States"), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release requiring the publication of a prospectus in any Member State. Therefore, such securities may not be and shall not be offered in any Member State (other than France) other than in accordance with the exemptions of Article 1(4) of the Prospectus Regulation or, otherwise, in cases not requiring the publication by BALYO of a prospectus under Article 3 of the Prospectus Regulation and/or the applicable regulations in such Member State.

In the United Kingdom, this press release has been prepared on the basis that any offering of the Company's securities in the United Kingdom will benefit from an exemption under Regulation (EU) 2017/1129, which is part of UK law under the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"), regarding the obligation to publish a prospectus for offerings of the Company's securities. This press release is not a prospectus within the meaning of the UK Prospectus Regulation.

This press release and the information it contains are being distributed to and are only intended for persons who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) high net worth entities and other such persons falling within Article 49(2)(a) to (d) of the Order ("high net worth companies", "unincorporated associations", etc.) or (iii) other persons to whom an invitation or inducement to participate in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000) may otherwise lawfully be communicated or caused to be communicated (all such persons in (i), (ii) and (iii) together being referred to as "Relevant Persons").

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registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), it being specified that the securities of BALYO have not been and will not be registered within the U.S. Securities Act. BALYO does not intend to register securities or conduct a public offering in the United States of America.

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