

This document is an unofficial English-language translation of the document other information (autres informations) which was filed with the French Autorité des marchés financiers on 20 September 2023 and which remains subject to its review. In the event of any differences between this unofficial English-language translation and the official French document, the official French document shall prevail

TENDER OFFER FOR THE SHARES AND WARRANTS OF THE COMPANY



INITIATED BY

SVF II STRATEGIC INVESTMENTS AIV LLC

INFORMATION CONCERNING THE LEGAL, FINANCIAL AND ACCOUNTING CHARACTERISTICS OF BALYO



This document relating to Balyo's other information was filed with the French *Autorité des marchés financiers* (the "**AMF**") on 19 September 2023, in accordance with the provisions of article 231-28 of the general regulation of the AMF and article 6 of its instruction no. 2006-07 of 26 July 2006 relating to tender offer. This document has been prepared under the responsibility of Balyo.

This document incorporates, by reference, Balyo's annual financial report for the year ended 31 December 2022, as made available on 27 April 2023, as well as Balyo's half-yearly financial report to 30 June 2023, as made available on 18 September 2023.

This document supplements the Response Document relating to the tender offer for the shares and warrants of Balyo initiated by SVF II STRATEGIC INVESTMENTS AIV LLC approved by the AMF on 19 September 2023 under number 23-403, pursuant to a compliance decision of the same day (the "**Response Document**").

Copies of this document and the Response Document are available on the AMF website (www.amf-france.org) and on Balyo's website (<https://balyo.fr/fr/>) and may be obtained free of charge from Balyo's head office, 74 Avenue Vladimir Illitch Lenine, 94110 Arcueil.

In accordance with the provisions of article 231-28 of the general regulation of the AMF, a financial press release will be issued no later than the day before the opening of the Offer (as defined at section **1.1 Presentation of the Offer**) to inform the public of the procedures for making this document available.

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1. KEY TERMS OF THE OFFER

1.1 Presentation of the Offer

Pursuant to Title III of Book II, and in particular articles 231-13 and 232-1 et seq. of the general regulation of the AMF (the "**General Regulation of the AMF**"), SVF II STRATEGIC INVESTMENTS AIV LLC, a Delaware corporation (United States), having its registered office at Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA, registered under number 6207806 ("**SVF AIV**" or the "**Offeror**") has irrevocably undertaken to offer to the shareholders and to warrants holder of Balyo, a société anonyme with a Board of Directors and a share capital of 2.749.258,96 euros, having its registered office at 74 Avenue Vladimir Illitch Lenine, 94110 Arcueil, France, registered under number 483 563 029 with the Créteil Trade and Companies Register ("**Balyo**" or the "**Company**" and together with its direct or indirect subsidiaries, the "**Group**"), whose shares are listed on compartment C of the Euronext Paris regulated market under ISIN code FR0013258399, mnemonic "BALYO", to acquire in cash (i) all their ordinary shares (as this term is defined below, subject to the exceptions below) at a price of 0,85 per Ordinary Share (the "**Ordinary Share Offer Price**"), (ii) all of their ADP (as defined below) at a price of 0.01 euro per ADP (the "**Offer Price per ADP**"), and (iii) all of their Warrants (as defined below) at a price of 0.07 euro per warrant (the "**Warrant Offer Price**" together with the Offer Price per Ordinary Share and the Offer Price per ADP, the "**Offer Price**"), as part of a public tender offer, the conditions of which are set out below and described in greater detail in the offer document prepared by the Offeror and in the offer document prepared by the Offeror and approved by the AMF on 19 September 2023 under number 23-403 (the "**Offer Document**") (hereinafter the "**Offer**").

The Offer relates to :

- the ordinary shares already issued, with the exception of the Excluded Shares (as defined below), i.e., as of 16 August 2023, a number of 34,141,873 ordinary shares;
- the ordinary shares likely to be issued before the close of the Offer or the Reopened Offer following the exercise of the 830,000 stock-option (*bons de souscription de parts de créateur d'entreprise*, the "**BSPCE**") which have not been renounced by their holders (it being specified that these BSPCE are out of the money as their exercise price is higher than the Offer Price of the Ordinary Shares, and that they will become null and void at the closing of the Offer (in the event of success)) and represent, to the best of the Company's knowledge, as of the date of this document, a maximum of 830,000 Ordinary Shares, i.e. around 2.42% of the share capital and voting rights (together with the ordinary shares already issued by the Company, the "**Ordinary Shares**")

- 6,270 preferred shares issued by the Company, i.e. as at 16 August 2023, 2,090 ADP T3, 2,090 ADP T4, and 2,090 ADP T5 (the "**ADP**")¹ ; and
- all the warrants issued by the Company on 22 February 2019 to Amazon, i.e. 11,753,581 warrants as at 16 August 2023 (the "**Warrants**");

(together the "**Target Securities**").

It is specified that the Offer is not aimed at :

- Ordinary Shares held in treasury by the Company, representing 34,894 Ordinary Shares as of 16 August 2023 (the "**Treasury Shares**");
- the 180,000 Ordinary Shares, resulting from the conversion of 900 ADP T1 and 900 ADP T2 the 900 ADP T3, the 900 ADP T4 and the 900 ADP T5 held by Mr. Pascal Rialland subject to the constraints provided for by article L. 225-197-1. II §4 of the French Commercial Code, pursuant to which (i) Balyo's Board of Directors imposed to Mr. Pascal Rialland, an obligation to retain a percentage of his shares and (ii) such shares which are subject to retention obligation are covered by a liquidity mechanism (the "**Unavailable Shares**" and together with the Treasury Shares, the "**Excluded Shares**"); and
- the 830,000 BSPCE issued by the Company, which are non-transferable by virtue of the provisions of article 163bis G of the French General Tax Code.

The Ordinary Shares already issued are listed on compartment C of the Euronext Paris regulated market under ISIN code FR0013258399 (mnemonic "BALYO"). The ADP and the Warrants are not listed on any market.

As of the date of this document, there are no other equity securities or other financial instruments issued by the Company or rights conferred by the Company that could give access, immediately or in the future, to the Company's capital or voting rights, subject to the issuance and, if applicable, conversion of the Bonds as described in section 7.3. "Intermediary financing" of the Response Document.

¹ It should be noted that the Ordinary Shares resulting from the conversion of the 2,090 ADP T3, 2,090 ADP T4 and 2,090 ADP T5 are not targeted by the Offer, as the 6,270 preferred shares (i) are not convertible prior to the closing of the Offer, or, as the case may be, of the Reopened Offer, and (ii) are all subject to undertakings to tender from their holders.

1.2 Main terms of the Offer

The Offer is voluntary and will be carried out in accordance with the normal procedure pursuant to articles 232-1 et seq. of the General Regulation of the AMF.

In accordance with the provisions of article 232-4 of the General Regulation of the AMF, unless the Offer is not successful, it will be automatically reopened within ten (10) trading days of the publication of the definitive result of the Offer, on terms identical to those of the Offer (the "**Reopened Offer**").

The indicative timetable for the Offer is presented in section 2.9 of the Offer Document.

Pursuant to articles L. 433-4 II of the French Monetary and Financial Code and 232-4 and 237-1 et seq. of the General Regulation of the AMF, the Offeror has indicated that it intends to ask the AMF to implement, within ten (10) trading days of the publication of the result of the Offer or, as the case may be, within three (3) months of the closing of the Reopened Offer, of a squeeze-out procedure for Balyo's Ordinary Shares, Warrants and ADP not tendered to the Offer and insofar as the thresholds provided for in article 237-1 et seq. of the AMF regulation have been reached.

The Offer is subject to the acceptance threshold referred to in Article 231-9, I of the General Regulation of the AMF, as described in section 2.3.1 "Acceptance threshold" of the Response Document and in section 2.5.1 of the Offer Document.

The Offer also includes a waiver threshold, in accordance with article 231-9, II of the General Regulation of the AMF, as specified in section 2.3.2. "Waiver threshold" of the Response Document and in section 2.5.2 of the Offer Document.

The Offer is presented by Alantra Capital Markets (the "**Presenting Bank**"), which guarantees the content and irrevocable nature of the commitments made by the Offeror in connection with the Offer in accordance with the provisions of article 231-13 of the General Regulation of the AMF, Alantra Capital Markets filed the Offer Document with the AMF on 16 August 2023.

On the same day, a notice of filing was published by the AMF on its website.

2. GENERAL INFORMATION REQUIRED UNDER ARTICLE 231-28 OF THE GENERAL REGULATION OF THE AMF

In accordance with the provisions of Article 231-28 of the General Regulation of the AMF, information on the Company's regarding legal, financial and accounting characteristics is provided in the Company's Universal Registration Document, which includes the Company's

annual financial report for the year ended 31 December 2022, the parent company and consolidated financial statements for the year ended 31 December 2022 and the related statutory auditors' reports, which this document incorporates by reference.

These documents are available electronically on the Balyo website (www.balyo.com) and may be obtained free of charge on request from Balyo (74 Avenue Vladimir Illitch Lenine, 94110 Arcueil).

These documents are supplemented by the information detailed below and in the press releases published and posted on Balyo's website (www.balyo.com) reproduced below.

Sales for the 2nd quarter and 1st half of 2023

Balyo recorded sales of 14.9 million euros in the first half of 2023, up 79% on the first half of 2022. In the second quarter of 2023, the Group recorded sales of 7.6 million euros, up 73% on the second quarter of 2022.

Evolution of order book

After integrating new orders of 3.3 million euros in the second quarter of 2023, Balyo's order book stood at 10.3 million euros at June 30, 2023, compared with 11.0 million euros for the same period last year. This represents a decline of -6% compared with the first half of 2022, due to a slowdown in business in the United States.

Over the period, Balyo generated 24% of its sales directly, compared with 36% in 2022, a lower level of performance than the Company's ambitions, due in part to client delays.

Based on its cash position at the end of June 2023, firm orders intake and the level of order backlog at the date of this press release, Balyo's Board of Directors considers that in the event of the offer not being successful, or of commercial orders falling short of expectations, and should the financing requirement identified to the beginning of 2024 not be covered over the subsequent period, Balyo might not be able to realize its assets and liabilities and settle its debts in the normal course of business. As a result, there is a significant uncertainty regarding Balyo's ability to continue as a going concern.

3. SIGNIFICANT PRESS RELEASES ISSUED BY THE COMPANY SINCE THE PUBLICATION OF THE UNIVERSAL REGISTRATION DOCUMENT

Balyo publishes its press releases online on its website (www.balyo.com).

Availability of the 2022 Universal Registration Document (including the Annual Financial Report) on 27 April 2023, Balyo has published the following press releases, which are reproduced in full in the Appendix.

Press release date	Press release title
14 June 2023	Proposed tender offer from SoftBank Group to acquire Balyo's shares
3 July 2023	Press release on the half-yearly results of the liquidity contract between BALYO and NATIXIS ODDO BHF <i>(in French only)</i>
17 July 2023	BALYO announces sales for the 1st half of 2023, up +79% to €14.9m
18 September 2023	BALYO announces its 2023 Half-Year results

4. INFORMATION ON SIGNIFICANT EVENTS SINCE THE PUBLICATION OF THE UNIVERSAL REGISTRATION DOCUMENT

4.1. Balyo Annual General Meeting

Balyo's Annual General Meeting was held on 15 June 2023 at 10 a.m. at the Company's head office, 74 avenue Vladimir Ilitch Lénine - 94110 Arcueil. Documents and information relating to this meeting are available on the Company's website (www.balyo.com).

The quorum for the Annual General Meeting was 33.55% of shares entitled to vote on the day of the meeting, i.e. 33,755,587 shares. All the resolutions put to the vote were adopted by the shareholders, with the exception of resolution number 14 "*Delegation of authority granted to the Board of Directors to increase the share capital in favor of members of a company savings plan, with cancellation of shareholders' preferential subscription rights in their favor*".

The Annual General Meeting approved the consolidated and individual financial statements for the year ended 31 December 2022.

4.2. Signature of the *Tender Offer Agreement*

On 14 June 2023, the Company and the Offeror entered into the *Tender Offer Agreement* (the "**TOA**"). The purpose of the TOA is to govern cooperation between the Company and the Offeror in connection with the Offer.

On 28 July 2023, the Tender Offer Agreement has been amended to replace the date of by 24 July 2023 by 7 August 2023 as the date by which the independent expert shall have issued its report and fairness opinion and the Board of Directors its final opinion. On 9 August 2023, the Tender Offer Agreement has been amended a second time to provide that the time-period to file the Offer shall be extended until 16 August 2023.

The main terms of the TOA are described in section 7.1 of the Response Document and in section 1.3.1 of the Offer Document.

4.3. Financial position and outlook

At June 30, 2023, prior to the first drawdown on 20 July on the interim financing provided by the Offeror, Balyo cash position stood at 2.2 million euros, compared with 8.2 million euros at the end of December 2022. In June 2023, Balyo has entered into an agreement with its senior creditors regarding the extension of its existing financing, for which the Company was not in a position to meet upcoming payment deadlines.

Indeed, Balyo's cash flow forecasts, as previously established prior to this agreement, indicated uncovered financing requirements for September 2023 due to negative operating cash flow and repayment deadlines for state-guaranteed bank loans known as "PGE". It thus appeared necessary to postpone the repayment of the "PGEs" and these discussions led to an agreement with Balyo's creditors on a deferred payment divided into 2 periods: a firm period running until 30 September 2023, and a conditional period running from 1 October to 31 December 2023, subject to a fundraising of 10 million euros (repayments will otherwise resume on the basis of the amortization schedule in January 2023).

Since then, forecasts have been adjusted downwards in June to reflect second quarter order intake. The further deterioration at the end of August as observed today can be best explained by (i) the absence of expected down payments on significant commercial contracts currently under negotiation for which the receipt of down payments was finally subject at the end of August to the obtaining of bank guarantees for equivalent amounts (these guarantees are still under discussion at the date of publication of this document) and (ii) the upward review of forecast cash outflows for the 2nd half of the year. After taking into account the remaining convertible bond issues with the Offeror and the

postponement of payment deadlines to 2024 granted to Balyo by one of its main suppliers, the cash position would be positive until early 2024.

Based on its cash position at the end of June 2023, firm orders intake and the level of order backlog at the date of this document, Balyo's Board of Directors considers that in the event of the offer not being successful, or of commercial orders falling short of expectations, and should the financing requirement identified to the beginning of 2024 not be covered over the subsequent period, Balyo might not be able to realize its assets and liabilities and settle its debts in the normal course of business. As a result, there is a significant uncertainty regarding Balyo's ability to continue as a going concern.

4.4. Capital structure and breakdown

Balyo share capital

The share capital of the Company amounts to 2,749,258.96 euros, divided into 34,356,767 Ordinary Shares with a par value of 0.08 euros each and 8,970 preference shares divided in three tranches (ADP T3 to ADP T5) with a par value of EUR 0.08 each.

Shareholder structure at 16 August 2023

To the best of the Company's knowledge, the capital and voting rights of the Company and the securities giving access to the Company's capital are, as of 16 August 2023, distributed as follows² :

Shareholders	Number of Shares and theoretical voting rights	Percentage of share capital and voting rights
Ordinary Shares		
FCPI FSN PME ³	5,053,950	14.71%
SSUG PIPE Funds SCS SICAV RAIF	2,000,000	5.82%
Linde Material Handling, GmbH	1,809,976	5.27%

² Based on a share capital of 34,365,737 shares (34,356,767 Ordinary Shares and 8,970 ADP) representing 34,356,767 theoretical voting rights at 7 August 2023, in accordance with the provisions of article 223-11 of the General Regulation of the AMF.

³ Investment fund managed by Bpifrance Investissement

Seventure Partners	1,624,791	4.73%
Invus Public Equities, L.P.	1,600,000	4.66%
Oddo BHF AIF	1,600,000	4.66%
Financière Arbevel	1,334,404	3.88%
Jean-Luc Barma	1,269,396	3.69%
Hyster-Yale UK Limited	1,216,545	3.54%
Thomas Duval	851,200	2.48%
Pascal Rialland	361,000	1.05%
Fabien Bardinet	74,392	0.22%
Other employees	241,180	0.70%
Treasury shares	34,894	0.10%
Public	15,285,039	44.48%
Total	34,356,767	/
Preferred Shares		
Individuals (including Pascal Rialland)	2,990 ADP T3 with no voting rights	0.01% of the share capital/ 0% of voting rights
	2,990 ADP T4 with no voting rights	0.01% of the share capital/ 0% of voting rights
	2,990 ADP T5 with no voting rights	0.01% of the share capital/ 0% of voting rights
Total	34,365,737	100%

4.5. Situation of beneficiaries of Performance Shares

As of 31 December 2022, the Company's share capital consisted of 16,150 ADP divided into five tranches:

- 3,230 ADP T1;
- 3,230 ADP T2;
- 3,230 ADP T3;
- 3,230 ADP T4; and
- 3,230 ADP T5.

These ADP were issued to their holders in the context of a free share plans put in place by the Company which acquisition and conservation periods expired. The ADP are subject to the following cumulative conditions, based on aggregate performance over the period from the date grant 1st January 2020 up to the 31 December 2024:

- Tranche 1: consolidated turnover exceeding 35 million euros and gross margin exceeding 14 million euros.
- Tranche 2: consolidated turnover exceeding EUR 85 million and gross margin exceeding 35 million euros.
- Tranche 3: consolidated turnover exceeding 165 euros million and gross margin exceeding 70 million euros.
- Tranche 4: consolidated turnover exceeding 295 million euros and gross margin exceeding 130 million euros.
- Tranche 5: consolidated turnover exceeding 500 million euros and gross margin exceeding 235 million euros.

Provided that the performance conditions of each Tranche are met, each ADP of the relevant Tranche will be converted into 100 Ordinary Shares of the Company.

Prior to the date of the Offer Document, the performance conditions of the ADP T1 were met, as acknowledged by a decision of the Board of Directors dated 27 March 2023.

On 22 June 2023, in accordance with the terms and conditions of the ADP, the Board of Directors, after having received the favorable opinion of the appointment and remuneration committee, acknowledged in advance the fulfilment of the performance conditions of Tranche 2 based on the high probability of reaching the conditions of consolidated turnover and gross margin by the end of the year 2023. In accordance with the terms and conditions of the ADP, the Board of Directors has all powers to determine specific conversion ratio and cases notably in the context of a tender offer. Consequently, on 22 June 2023 the

Board of Directors, decided that the conversion ratio applicable to the ADP T2 was 1 ADP T2 for 100 Ordinary Shares.

On the 6, 7, 9, 10 and 12 July 2023, the holders of the ADP entered into undertakings to tender with the Offeror pursuant to which they undertook to :

(i) convert all their 2.090 ADP T1 and 2.090 ADP T2 as soon as possible following the Board's decision on the conversion of the ADP T2 and to tender to the Offer all 598,000 Ordinary Shares resulting from the conversion of the T1 ADP and the T2 ADP; and resulting from the conversion of ADP T1 and ADP T2; and

(ii) tender all of their 2,090 ADP T3, 2,090 ADP T4 and 2,090 ADP T5 to the Offer.

In accordance with the terms and conditions of the ADP, on 17 July 2023, the Board of Directors acknowledged the automatic conversion of 1,200 ADP into 3,180 Ordinary Shares as a result of the departure of six holders from Balyo (it being specified that the departure of one of the holders occurred after 27 March 2023 and his 20 T1 ADP were converted into 2,000 Ordinary Shares, the other ADP have been converted into one (1) Ordinary Share each). After such conversions, 14,950 ADP (2,990 ADP of each Tranche) remained outstanding.

On 17 July 2023, all the 2,990 ADP T1 and 2,990 ADP T2 have been converted into 598,000 Ordinary Shares at their holders' request.

Pursuant to their terms and conditions the ADP T3, ADP T4 and ADP T5 are transferrable. Following such transfer, they will each be converted into one Ordinary Share in the hands of the Offeror.

Liquidity contract

Mr. Pascal Rialland entered into a liquidity agreement with the Offeror covering the Ordinary Shares resulting from the conversion of his unavailable ADP T1 and ADP T2 as well as part of his ADP T3, ADP T4 and ADP T5 also unavailable as described above.

On 13 July 2023, the Offeror entered into a liquidity agreement with Mr. Pascal Rialland for his Ordinary Shares resulting from the conversion of his ADP T1, ADP T2, ADP T3, ADP T4 and ADP T5 which are subject to the constraints provided for by article L. 225-197-1. II §4 of the French Commercial Code, pursuant to which Balyo's Board of Directors has imposed on corporate officers an obligation to retain a percentage of their shares (the "**Unavailable Shares**" and the "**Liquidity Agreement**").

Pursuant to the Liquidity Agreement, provided that the Offer is declared successful by the AMF, the Offeror will have against Mr. Pascal Rialland a call option (the "**Call Option**"),

whereby Mr. Pascal Rialland irrevocably undertakes to sell to the Offeror, its Unavailable Shares at the Offeror's request at any time during a two-month period starting on the first Business Day following a Triggering Event (as defined below) (the "**Call Liquidity Period**"), and a put option (the "**Put Option**", together with the Call Option the "**Options**"), whereby, absent any exercise of the Call Option during the Call Liquidity Period, the Offeror irrevocably undertakes to acquire from Mr. Pascal Rialland, the Unavailable Shares, upon request by Mr. Pascal Rialland during a period of two months starting on the first business day following the expiry of the Call Liquidity Period (the "**Put Option Period**").

"**Triggering Event**" shall mean, the date on which Pascal Rialland can freely dispose of his Unavailable Shares in accordance with the French Commercial Code (and in particular article L. 225-197-1).

In case of exercise of an Option, the exercise price per Unavailable Share will be determined in accordance with the following formula: Price Per Unavailable Share transferred = $0.85 \times (B/C)$

Where:

B = last 12 months revenues preceding the Exercise Date (based on last monthly figures as of the Exercise Date based on the latest management accounts approved by the Board of Directors)

C = EUR 27,831,504.2 (corresponding to the reference revenue for the last twelve months preceding the announcement of the Offer).

As an exception, to the foregoing, within the 9-month period following any tender offer filed by the Offeror (or any of its Affiliates) to acquire Ordinary Shares of the Company, the price per Ordinary Share should be equal to the price offered in the context of such offer.

In the event of the implementation, as the case may be, of the squeeze-out, the Unavailable Shares for which a Liquidity Agreement has been entered into, within the framework of the liquidity mechanism described above, will be assimilated to the Ordinary Shares held by the Offeror in accordance with article L. 233-9 I, 4° of the French Commercial Code, and will not be covered by the said squeeze-out.

In the event of exercise of the Call Option or the Put Option, Mr. Pascal Rialland would not benefit from any mechanism allowing him to obtain a guaranteed sale price. It is specified that no contractual mechanism is likely to (i) be analyzed as a price supplement, (ii) call into question the relevance of the Offer Price per share or the equal treatment of minority shareholders, or (iii) highlight a guaranteed sale price clause in favor of the holder of Unavailable Shares.

4.6. Situation of BSPCE holders

As of 31 December 2022, the Company issued 1,375,000 BSPCE. Prior to 16 August 2023, (i) 18,000 BSPCE lapsed as a result of the departure of their holders from the Company (the exercise of the BSPCE being subject to a presence condition), (ii) the holders of 527,000 BSPCE irrevocably waived their rights to their BSPCE, which lapsed immediately upon signing of such waiver agreements.

The 830,000 BSPCE still in circulation are held by Mr. Fabien Bardinet. These BSPCE are out of the money as their exercise price is EUR 1.60 per Ordinary Shares for 430,000 BSPCE and EUR 4.11 per Ordinary Share for 400,000 other BSPCE, such amounts being superior to the Ordinary Share Offer Price.

In addition, by a decision of the Board of Directors dated 9 May 2022, the exercise period of the BSPCE has been extended until 90 days following the date of the annual shareholders' meeting approving the financial statements for FY22 (*i.e.*, as from 15 June 2023). In addition, if the Offer is successful, the BSPCE not exercised will lapse following completion of the Offer. Indeed, the allocation letter relating to such BSPCE provides that in the event of a transfer of more than 50% of the Company's shares (an "**Operation**"), the BSPCE not exercised immediately before the completion of the Operation will lapse.

4.7. Powers of the Board of Directors, in particular to issue or buy back shares

The Board of Directors is responsible for determining the direction of the Company's business and overseeing its implementation. Within the limits of the Company's corporate purpose, it may deal with all matters concerning the smooth running of the Company and settle any business that concerns it. The Board of Directors also determines how the Company is to be managed. It decides whether the duties of Chief Executive Officer will be performed by the Chairman of the Board of Directors or by another individual.

The Board of Directors carries out the controls and verifications it deems appropriate. Each Director receives all the information required to perform his or her duties, and may request any documents he or she considers useful. Requests are addressed to the Chairman of the Board of Directors.

In addition to the powers conferred on it by law, the Company's bylaws and internal rules, the Board of Directors is granted the authorizations and delegations listed below.

Type of authorization or delegation granted	Date of Annual General Meeting (number from resolution)	Nominal amount maximum authorized	Duration (in months)	Use during the exercise
Delegation of authority granted to the Board of Directors to increase capital, with shareholders' pre-emptive subscription rights maintained	15 June 2023 (12)	2,005,277 euros 100 million euros for debt securities	26	No
Delegation of authority granted to the Board of Directors to increase the share capital for the benefit of a category of beneficiaries, with cancellation of shareholders' preferential subscription rights in their favor	15 June 2023 (13)	945,608 euros 25 million euros for debt securities ⁴	18	No
Authorization for the Board of Directors to grant options to subscribe for new shares in the Company or to purchase existing shares, with shareholders automatically waiving their pre-emptive subscription rights.	15 June 2023 (15)	6% of the Company's share capital ⁵	38	No
Delegation of authority to the Board of Directors to make bonus issues of existing shares or shares to be issued,	15 June 2023 (16)	6% of the Company's share capital ⁶	38	No

⁴ Maximum amount to be deducted from the ceiling of 2,005,277 euros (for equity securities) and 100 million euros for debt securities set by the twelfth resolution of the Annual General Meeting of 15 June 2023.

⁵ Maximum amount to be deducted from the ceiling of 2,005,277 euros set by the twelfth resolution of the Annual General Meeting of 15 June 2023.

⁶ Maximum amount to be deducted from the ceiling of 2,005,277 euros set by the twelfth resolution of the Annual General Meeting of 15 June 2023.

automatically entailing the waiver by shareholders of their pre-emptive subscription rights.				
Delegation of authority to the Board of Directors to carry out a reverse stock-split of the Company's shares by allotting 1 new ordinary share with a par value of 0.80 euro for each 10 ordinary shares with a par value of 0.08 euro held.	15 June 2023 (17)	Not applicable	18	No
Delegation of authority to the Board of Directors to reduce the share capital on the grounds of losses, by reducing the par value of the shares, subject to prior completion of the reverse stock-split covered by the seventeenth resolution submitted to this General Meeting	15 June 2023 (18)	Not applicable	18	No

4.8. Declaration of intention and crossing of thresholds

Since 1st January 2023 and as of the date this document, the Company has received the following declarations of crossing statutory thresholds:

- On 10 January 2023⁷ Financière Arbevel (20 rue de la Baume, 75008 Paris), a société par actions simplifiée, acting on behalf of funds managed by it, declared that it had fallen below the thresholds of 5% of the Company's capital and voting rights and held, on behalf of the said funds, 1,680,909 shares in the Company representing the same number of voting rights, i.e. 4.98% of the Company's capital and voting rights.

4.9. Exceptional events and significant disputes

To the best of the Company's knowledge, as of the date of this document, there are no disputes, arbitration proceedings or exceptional events, other than those mentioned in the Universal Registration Document, likely to have a material impact on the Company's business, assets, earnings or financial position.

⁷ AMF, D&I n°223C0053

Based on its cash position at the end of June 2023, firm orders intake and the level of order backlog at the date of this press release, Balyo's Board of Directors considers that in the event of the offer not being successful, or of commercial orders falling short of expectations, and should the financing requirement identified to the beginning of 2024 not be covered over the subsequent period, Balyo might not be able to realize its assets and liabilities and settle its debts in the normal course of business. As a result, there is a significant uncertainty regarding Balyo's ability to continue as a going concern.

4.10. Risk factors

Risk factors relating to the Company are described in chapter 3 of the Universal Registration Document. The Company is not aware, at the date of this document, of any significant risks other than those mentioned in the Universal Registration Document, nor of any significant risks relating to the Offer.

5. RESOLUTIONS APPROVED BY THE ANNUAL GENERAL MEETING

The Annual Shareholders' Meeting held on June 15, 2023 adopted the following resolutions:

Within the jurisdiction of the Ordinary General Meeting

1. Approval of the financial statements for the year ended 31 December 2022
2. Approval of the consolidated financial statements for the year ended 31 December 2022
3. Appropriation of net income for the year ended 31 December 2022
4. Allocation from "Retained earnings" to "Additional paid-in capital".
5. Approval of regulated agreements and commitments governed by articles L.225-38 and seq. of the French Commercial Code
6. Approval of the information specified in article L.22-10-9, I of the French Commercial Code (*say on pay ex post* 1st part)
7. Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the year ended 31 December 2022 or awarded in respect of the same year to Pascal Rialland, Chairman and Chief Executive Officer of the Company (*say on pay ex post* 2nd part)
8. Increase in the total annual remuneration paid to members of the Company's Board of Directors
9. Approval of the compensation policy for the Chairman and Chief Executive Officer in respect of the 2023 financial year (*ex ante say on pay*) a
10. Approval of the remuneration policy for members of the Board of Directors in respect of the 2023 financial year (*ex ante say on pay*)
11. Authorization for the Board of Directors to trade in the Company's shares

The competence of the Extraordinary General Meeting

12. Delegation of authority granted to the Board of Directors to increase capital, with shareholders' pre-emptive subscription rights maintained
13. Delegation of authority granted to the Board of Directors to increase the share capital for the benefit of a category of beneficiaries, with cancellation of shareholders' preferential subscription rights in their favor

15. Authorization for the Board of Directors to grant options to subscribe for new shares in the Company or to purchase existing shares, automatically entailing the waiver by shareholders of their pre-emptive rights to subscribe for new shares.

16. Delegation of authority to the Board of Directors to make bonus issues of existing shares or shares to be issued, automatically entailing the waiver by shareholders of their pre-emptive subscription rights.

17. Delegation of authority to the Board of Directors to carry out a reverse stock-split of the Company's shares by allotting 1 new ordinary share with a par value of 0.80 euro for each 10 ordinary shares with a par value of 0.08 euro held.

18. Delegation of authority to the Board of Directors to reduce the share capital on the grounds of losses, by reducing the par value of the shares, subject to prior completion of the reverse stock-split covered by the seventeenth resolution submitted to this General Meeting

19. Powers to carry out formalities

6. FINANCIAL COMMUNICATION CALENDAR

18 September 2023: Half-year results 2023.

26 October 2023: Q3 2023 sales.

7. DECLARATION BY THE PERSON RESPONSIBLE FOR INFORMATION RELATING TO BALYO

"I certify that this document, which was filed on 19 September 2023 with the Autorité des marchés financiers, and which will be distributed no later than the day before the opening of the Offer, contains all the information required by article 231-28 of the General Regulation of the AMF and by instruction no. 2006-07 of the Autorité des marchés financiers (as amended on 29 April 2021), in connection with the Offer initiated by SVF II STRATEGIC INVESTMENTS AIV LLC for the shares and warrants of Balyo.

To the best of my knowledge, this information is accurate and contains no omission likely to affect its import."

19 September 2023

Mr Pascal Rialland

Chairman of the Board of Directors, Balyo

**APPENDIX - PRESS RELEASES AND FINANCIAL DATA ISSUED BY THE COMPANY
SINCE THE PUBLICATION OF THE UNIVERSAL REGISTRATION DOCUMENT**



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 share¹ ("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.

¹ 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.²

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 drawn³.

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.

² 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.

³ 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.

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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.



BALYO announces sales for the 1st half of 2023, up +79% to €14.9m

- Order intake growth of 31% vs. H1 2022 due to favorable seasonality commitment orders with Linde Material Handling
- Delay in direct sales orders which represent 24% of orders in H1 2023 vs. 36% in H1 2022
- Q2 2023 sales at €7.6m, +73% vs. Q2 2022
- Order book¹ at €10.3m at June 30, 2023, down slightly vs. H1 2022 leading to a request for an extraordinary drawdown under the interim financing agreement with Softbank Group
- Proposed tender offer by SoftBank Group to acquire Balyo shares at €0.85 per ordinary share

Arcueil, France, July 17, 2023, 5:45 pm CEST - BALYO (FR0013258399, Mnemonic: BALYO, PEA-PME eligible), technology leader in the design and development of innovative robotic solutions for industrial trucks, announces its sales for the 1st half of 2023.

Pascal Rialland, Chairman and CEO of BALYO, comments: "The first half of 2023 was marked by strong growth in our sales, up 79% to €14.9 million. Our business is growing in all our markets. However, even if order intake for the past six months was up +31% on the previous year, direct sales did not reach the expected level in part because of client delays. As a result, Balyo will need to request an extraordinary drawdown under the interim financing agreement with Softbank in order for the Company to meet ongoing operating expenses. Finally, SoftBank Group's proposed takeover bid for Balyo shares marked the end of the first half of 2023. We believe this combination provides a secure platform to meet our short term financial obligations alongside a unique opportunity to drive long-term growth."

In thousands of euros	Q1 2022	Q2 2022	H1 2022	Q1 2023	Q2 2023	H1 2023	Change Q2 23/ Q2 22	Change H1 23/ H1 22
EMEA Region	3,380	3,863	7,243	5,736	5,064	10,800	+31%	+49%
Region Americas	382	465	847	1,388	1,871	3,259	+302%	+285%
APAC Region	111	88	199	104	707	811	+703%	+307%
Sales published*	3,873	4,416	8,289	7,228	7,642	14,870	+73%	+79%

* Unaudited data

¹ The order book refers to all project orders received but not yet delivered. The order backlog changes every quarter, taking into account new orders, sales generated by projects during the period, and any order cancellations.



Sales for the 2nd quarter and 1st half of 2023

BALYO recorded sales of €14.9 million in the first half of 2023, up 79% on the first half of 2022. In the second quarter of 2023, the Group recorded sales of €7.6 million, up 73% on the second quarter of 2022.

Evolution of order book

After integrating new orders of €3.3 million in the second quarter of 2023, BALYO's order book¹ stood at €10.3 million at June 30, 2023, compared with €11.0 million for the same period last year. This represents a decline of -6% compared with the first half of 2022, due to a slowdown in business in the United States.

Over the period, BALYO generated 24% of its sales directly, compared with 36% in 2022, a lower level of performance than the Company's ambitions, due in part to client delays.

Highlight: proposed takeover bid by SoftBank Group

At the beginning of June, SoftBank Group initiated a proposed takeover bid to acquire the shares of BALYO. This friendly offer is priced at €0.85 per ordinary share. BALYO complements SoftBank's existing investments in the transport and logistics sectors. The investment will enable SoftBank Group to expand its business in the transportation and mobility sectors, while BALYO will gain access to its partner's global network of over 470 technology-driven companies to develop new business relationships. As part of the SoftBank Group ecosystem, it is expected that BALYO will have the long term security and support to deliver on its direct sales strategy.

In connection with the Offer, SoftBank has agreed to provide interim financing of up to €5 million to BALYO to meet its working capital requirements. This financing will be paid in several drawdowns and structured in the form of convertible bonds issued by BALYO to SoftBank, maturing on October 31, 2024. As a result of softer than expected orders in H1, Balyo requested the issuance of the first tranche of financing on 19 July 2023 for an amount of €1.5 million.

The amount drawn down by BALYO under the financing is convertible at SoftBank' selection, at the following price:

- (i) at the Offer price per ordinary share, if the conversion is on or after the filing of the Offer but before the earlier of the closing of the Offer and the termination of the Offer (meaning the tender offer agreement being terminated in accordance with its terms for any reason whatsoever) ;
- (ii) at the lower of (a) the Offer price, and (b) a 20% discount to Balyo's ordinary share price at the date of the conversion notice, based on the last thirty (30) day VWAP, if the conversion is on or after the earlier of the closing of the Offer and the termination of the Offer and BALYO's shares are still listed on Euronext Paris; and
- (iii) at the lower of (a) the Offer price per ordinary share, and (b) a 20% discount to the fair market value of Balyo's shares, if the conversion is on or after the earlier of the closing of the Offer 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.



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 drawn².

BALYO's Board of Directors welcomed the Offer in principle on June 13, 2023, pending the independent expert's conclusions on its financial terms. BALYO's Economic and Social Council issued also a favorable opinion on the Offer on July 5. All the documents relating to the Offer will be filed with the AMF during the third quarter of 2023, following the Board of Directors' reasoned opinion on the Offer, with completion of the Offer scheduled for the fourth quarter of 2023.

Strategy and outlook

BALYO remains confident to recover the delay of direct sales order during H2 2023.

Next BALYO financial announcement: half-year results 2023, on September 28, 2023.

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.

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² Without any early repayment for any amount in excess of EUR 3,000,000.



BALYO announces its 2023 Half-Year results

- H1 2023 sales revenue at €14.9 million, +80% vs. H1 2022
- Backlog¹ at €10.3 million at June 30, 2023, down -6% vs. H1 2022
- Gross margin rate improved to 41% vs. 35% in H1 2022
- Cash position of €2.2 million at June 30, 2023
- Proposed tender offer by SoftBank Group to acquire BALYO shares at €0.85 per ordinary share
- Financial position and outlook

Arcueil, France, September 18, 2023, 6:00 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 2023, approved by the Board of Directors on September 18, 2023.

Pascal Riolland, Chairman and CEO of BALYO, comments: *"Our results for the first half of 2023 have significantly improved compared with 2022, marked by a significant improvement in our gross margin and overall profitability metrics. This improvement is mainly due to favorable seasonality in the execution of order commitments with Linde. Nevertheless, direct sales orders in H1 fell short of our expectations. The Company must meet financing requirements over the next 12 months, which will depend on the success of SoftBank Group's takeover bid for the Company's shares that would enable us to secure our financial position"*.

First half 2023 activity

As announced on the occasion of the release of the revenues for the first half of 2023, BALYO recorded sales of €14.9 million in the first half of 2023, up 80% over the first half of 2022. In the second quarter of 2023, the Group recorded sales of €7.6 million, up 73% over the second quarter of 2022.

After integrating new orders of €3.3 million in the second quarter of 2023, BALYO's order backlog¹ stood at €10.3 million at June 30, 2023, compared with €11.0 million for the same period last year. This represents a decline of -6% compared with the first half of 2022, due to a slowdown in business in the United States.

Over the period, BALYO generated 24% of its order intake directly, compared with 36% in 2022, a lower level of performance than the Company's ambitions, due in part to client delays.

¹ The backlog refers to all orders for projects received but not yet fulfilled. The backlog evolves every quarter following the taking into account of new orders, the revenue generated by projects during the period and the cancellation of orders.

2023 Half-Year financial results

The interim financial statements have been subject to a limited review by the Statutory Auditors

In € million	H1 2023	H1 2022	Change
Sales revenue	14.89	8.29	+80%
Cost of sales	-8.76	-5.43	+61%
Gross profit	6.13	2.86	+114%
Gross margin rate	41%	35%	+19%
Research and Development	-2.36	-2.46	-4%
Sales and Marketing	-1.78	-1.33	+34%
General and administrative expenses	-3.72	-3.83	-3%
Share-based payment expense	-0.11	-0.21	-49%
Operating loss	-1.85	-4.98	+63%
Financial expense	-0.54	-0.02	-
Net loss	-2.43	-5.00	+52%
Cash position (as of June 30)	2.16	6.68	-

In the first half of 2023, gross margin stood at €6.13 million, up +114% over the first half of 2022. This improvement is the result of favorable seasonality in the execution of 2023 order commitments with our partner Linde, and a more controlled cost structure, with raw material costs stable and under control in relation to revenues, combined with better absorption of personnel costs. As a result, the gross margin improved from 35% to 41%.

Operating expenses stand at €7.87 million, up slightly by 3% due to higher sales and marketing expenses (+34%). This increase can be best explained by higher personnel and marketing costs following participation in numerous trade fairs.

After taking these items into account, the operating loss for the period came to -€1.85 million, a clear improvement compared with the -€4.98 million recorded in the first half of 2022.

Net financial expense came to -€0.5 million, compared with -€0.02 million for the corresponding period in 2022.

Overall, net income for the first half of 2023 totaled -€2.4 million, compared with -€5.0 million for the first half of 2022.

At the end of June 2023, BALYO had 178 employees, compared with 146 at the end of December 2022.

Change in order intake

At the date of this press release, firm orders intake over the course of the 2023 3rd quarter amounted to €3.7 million, a level that remains significantly lower than anticipated. As a result, BALYO's order backlog stood at €12.5 million at September 18, 2023, compared with €11.5 million for the corresponding period in 2022.



Reminder of the proposed takeover bid by SoftBank Group

At the beginning of June, SoftBank Group (the "Offeror") initiated a proposed takeover bid to acquire the shares of BALYO. This friendly offer is priced at €0.85 per ordinary share, €0.01 per preferred share and €0.07 per share purchase warrant. BALYO is complementary to SoftBank's existing investments in the transport and logistics sectors. Should the offer be successful, this investment will enable SoftBank Group to expand its business in the transportation and mobility sectors, while BALYO will gain access to its partner's global network of over 470 technology-driven companies to develop new business relationships. Should the offer be successful, considering the SoftBank Group ecosystem, it is expected that BALYO will benefit from a support to deliver on its direct sales strategy.

In connection with the Offer, the Offeror has agreed to provide interim financing of up to €5 million to BALYO to meet its working capital requirements. This financing includes a payment in several drawdowns and is structured in the form of convertible bonds issued by BALYO to the Offeror, maturing on October 31, 2024. As a result of softer than expected orders in H1, Balyo drew down a first tranche of this financing on July 20, 2023 for an amount of €1.5 million, as well as a second tranche amounting to €0.5 million on September 6, 2023. Besides, a drawdown of €1 million in September 2023 has been requested by BALYO, which has not yet been issued at the date of publication of this press release. BALYO plans to continue drawing on this financing in October and November, up to the monthly contractual limit of €0.5 million.

The amount drawn down by BALYO under the financing is convertible at the Offeror's selection, at the following price:

- (i) if the conversion occurs as from the date of filing of the Offer but prior to the first of the following two dates: the first settlement-delivery of the Offer or the termination of the Offer², at the Offer Price per share, provided that the Offeror has announced its intention not to convert during the Offer;
- (ii) if the conversion occurs on or after the earlier of: the first settlement-delivery of the Offer and the Termination of the Offer and the Ordinary Shares are still listed on Euronext Paris, at the lower of (A) the Offer Price, and (B) the price corresponding to the VWAP of the BALYO share price calculated on the basis of the last thirty (30) trading days preceding the date of the conversion notice less a 20% discount;
- (iii) if the conversion occurs on or after the earlier of: the first settlement-delivery of the Offer and the Termination of the Offer and the shares have ceased to be listed on Euronext Paris following the completion of a 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 market value of the BALYO shares.

Upon Termination of the Offer, the Financing will remain in place but the amount available to BALYO shall be reduced to €3,000,000 less any amounts that have previously been drawn³ (in the event of drawdowns exceeding €3,000,000 prior to the Offer and in the event of Termination of the Offer, the amount of authorized financing will be reduced to the amount already drawn down).

BALYO's Board of Directors welcomed the Offer in principle on June 13, 2023, pending the independent expert's conclusions on its financial terms. BALYO's Economic and Social Council also issued a favorable opinion on the Offer on July 5. All the documents relating to the Offer

² "Termination of the Offer" as defined in the TOA signed between the Offeror and the Company.

³ Without any early repayment for any amount above €3,000,000.



has been filed with the AMF during the third quarter of 2023, following the Board of Directors' reasoned opinion on the Offer, with completion of the Offer scheduled for the fourth quarter of 2023.

Pursuant to Article 261-1 I 2°, 4° and 5° and II of the AMF's General Regulations, Eight Advisory (represented by Geoffroy Bizard) has been appointed as an independent expert to issue a report on the fairness of the Offer Price in the context of the public tender offer.

On August 4, 2023, Eight Advisory issued a report concluding that the financial terms of the Offer were fair. The addendum to this report dated September 12, 2023 does not call into question the fairness of the financial terms of the Offer. This addendum was submitted to BALYO's Board of Directors and Ad Hoc Committee on September 18, 2023, who reaffirmed their support for the Offer and its interest for the Company, its employees and its shareholders, particularly in the context of the Company's deteriorating cash position.

Financial position and outlook

At June 30, 2023, prior to the first drawdown on July 20 on the interim financing provided by the Offeror, BALYO's cash position stood at €2.2 million, compared with €8.2 million at the end of December 2022. In June 2023, BALYO has entered into an agreement with its senior creditors regarding the extension of its existing financing, for which the Company was not in a position to meet upcoming payment deadlines.

Indeed, BALYO's cash flow forecasts, as previously established prior to this agreement, indicated uncovered financing requirements for September 2023 due to negative operating cash flow and repayment deadlines for state-guaranteed bank loans known as "PGE". It thus appeared necessary to postpone the repayment of the "PGEs" and these discussions led to an agreement with Balyo's creditors on a deferred payment divided into 2 periods: a firm period running until September 30, 2023, and a conditional period running from October 1 to December 31, 2023, subject to a fundraising of €10 million (repayments will otherwise resume on the basis of the amortization schedule in January 2023).

Since then, forecasts have been adjusted downwards in June to reflect 2nd quarter order intake. The further deterioration at the end of August as observed today can be best explained by (i) the absence of expected down payments on significant commercial contracts currently under negotiation for which the receipt of down payments was finally subject at the end of August to the obtaining of bank guarantees for equivalent amounts (these guarantees are still under discussion at the date of publication of this press release) and (ii) the upward review of forecast cash outflows for the 2nd half of the year. After taking into account the remaining convertible bond issues with the Offeror and the postponement of payment deadlines to 2024 granted to BALYO by one of its main suppliers, the cash position would be positive until early 2024.

Based on its cash position at the end of June 2023, firm orders intake and the level of order backlog at the date of this press release, BALYO's Board of Directors considers that in the event of the offer not being successful, or of commercial orders falling short of expectations, and should the financing requirement identified to the beginning of 2024 not be covered over the subsequent period, BALYO might not be able to realize its assets and liabilities and settle its debts in the normal course of business. As a result, there is a significant uncertainty regarding BALYO's ability to continue as a going concern.

In addition, the Company received the repayment of the Research Tax Credit 2022 on September 18, 2023 (originally scheduled for October).

In the last quarter of 2023, BALYO will particularly pay attention to look for new partnerships after being notified by its long-standing partner, Linde, of the non-renewal of order commitments from 2024 onwards.

Next BALYO financial release: 2023 third quarter sales, on October 26, 2023.

BALYO has made available to the public and submitted to the Autorité des marchés financiers its half-year financial report as of June 30, 2023. The Statutory Auditors' interim financial report contains an observation concerning the Company's current cash position, which gives rise to significant going concern uncertainty.

The half-year financial report is available on BALYO's website at www.balyo.com, in the "Documentation" section.

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.

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