



BALYO announces a +25% increase in sales revenue for H1 2019, and 18% after restatement¹

- Order intake for the second quarter: €3.7 million
- Total backlog²: €15.2 million as at June 30, 2019

BALYO will hold a conference call today at 6:30 pm.

To participate, dial +331 70 71 01 59 followed by the participant code 78 07 76 76 33#.

Ivry-sur-Seine, France, July 24, 2019, 6:00 PM – **BALYO** (FR0013258399, Ticker: BALYO, eligible for the PEA-PME plan), a technological leader in the design and development of innovative robotic solutions for material handling trucks, announces today its sales revenue for the first half of 2019.

Fabien Bardinet, Chairman and Chief Executive Officer, stated: “Balyo recorded a 25% increase in sales revenue for the first half of the year compared with the first half of 2018, before accounting for the IFRS2 charge. We are facing a temporary slowdown in our business momentum for the most part related to the problems encountered last year in the deployment of our early-stage products for vertical storage. We remain optimistic regarding our ability to compensate for the delay in the second half of this year. These delays do not affect the added value of BALYO’s solutions; we are confident that orders from our e-commerce customer will be quickly finalized. Additionally, the support of our industrial partners should allow us to significantly reduce our working capital requirements and provides us with medium-term financial visibility without having to rely on the financial market.”

<i>In thousands of euros</i>	Q1 2018	Q1 2019	Q2 2018	Q2 2019	H1 2018	H1 2019	H1 19/H1 18 change
EMEA region	3,750	4,573	4,380	4,157	8,131	8,731	+7%
Americas region	132	970	577	1,451	709	2,422	+242%
APAC region	656	624	212	367	868	991	+14%
Sales revenue	4,538	6,168	5,170	5,975	9,708	12,144	25%
IFRS2 BSA charge	0	420	0	272	0	692	N/A
Sales revenue reported*	4,538	5,747	5,170	5,703	9,708	11,452	18%

* Unaudited data

¹ Inclusion of the IFRS2 charge relative to the allocation of BSAs.

² The backlog refers to all orders for projects received but not yet fulfilled. The backlog changes every quarter once new orders, sales revenue generated by projects over the period and order cancellations have been taken into account.



Business activity in the first half of 2019

During the first half of 2019, BALYO recorded sales revenue of €12.1 million, a 25% increase compared with the same period of 2018.

As indicated in the financial release for the first quarter, the ability to exercise the stock warrants ("BSA") issued on February 22 of this year is subject to the payment of future orders. According to the IFRS, BALYO must therefore recognize a charge (IFRS2) at the same time as the sales revenue generated from the BSA beneficiary. The recognition of this charge does not result in any payment in cash.

Hence, for the first half of 2019, BALYO posted a charge of €692K at the same time as the sales revenue achieved with the BSA beneficiary, recording adjusted sales revenue of €11.5 million, a 18% increase compared with the prior year.

The significant rise in sales revenue in the United States offsets the moderate growth in Europe and Asia over the period, which confirms the validity of the Company's strategy of building teams capable of supporting its customers on the world's major industrial and logistics markets.

During the period, BALYO commissioned 97 robots. As at June 30, 2019, 512 robots were in service at end users.

Backlog: €15.2 million in orders

During the first six months, the Company experienced a slowdown in its business momentum caused by order postponements and difficulties encountered when the initial storage robots were deployed. For the most part, these difficulties have been resolved, allowing the Company to look forward with confidence to a strong upswing in order intake in upcoming quarters.

After including the new orders received in Q2 2019 totaling €3.7 million, the backlog as at June 30, 2019 totals €15.2 million, compared with €20.2 million last year.

Strategy and outlook

BALYO is working actively with its industrial partners to restore momentum in sales and accelerate project execution. BALYO's objective is to rapidly reach breakeven by improving its margin significantly and adjusting its capacity costs. In particular, the plan covers accelerated training of the installation teams specific to our partners, as well as the production of a greater number of robot models within their respective production units. Additionally, plans are in place to launch new-generation installation tools in early 2020 to significantly improve productivity when installing the robots.

Due to the temporary slowdown in our business momentum, the Company must postpone the fulfillment of its loss reduction goal for a few months. However, the company remains confident that it will reach its medium-term objective of €200 million in sales revenue in the medium term, but does not provide a specific date.

Next financial release: Half Year Financial Statements on September 25, 2019 after close of trading.



ABOUT BALYO

Balyo transforms standard forklift trucks into standalone intelligent robots thanks to its breakthrough proprietary Driven by Balyo™ technology. The geoguidance navigation system developed by Balyo allows vehicles equipped with the system to locate their position and navigate autonomously inside buildings. Within the automated handling vehicle market, Balyo has entered into two strategic agreements with Kion Group AG (Linde Material Handling's parent company) and Hyster-Yale Group, two major operators in the material handling sector. Balyo is present in three major geographic regions (Americas, Europe and Asia-Pacific). Its sales revenue reached €23.3 million in 2018. For more information, please visit our website at www.balyo.com.



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