

BALYO publishes its results for the first half of 2017

- **Sales revenue triples compared to H1 2016**
- **Gross margin increases to 31% in H1 2017**
- **Strategic divisions bolstered to maintain our leadership position and support the take-off in sales**
- **Successful IPO consolidates the financial structure with €45.8 million raised**

Moissy-Cramayel, France; Woburn, MA, United States, September 28, 2017, 6:00 pm CEST – **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, today announces its results for the first half of the 2017 fiscal year, as approved by the Board of directors on September 28, 2017.

Fabien Bardinnet, Chairman and Chief Executive Officer, stated: *"These half-year results, which show strong growth in sales revenue and significant gross margin improvement, validate BALYO's strategy based on promoting its solution in partnership with two major industry operators. We are therefore able to confirm our sales objective of €15 million for 2017. Additionally, and in order to tailor the Company's structure to meet its technological and commercial goals, in the first half year, we ramped up hiring in R&D and S&M thanks to the new capital raised from the successful IPO."*

<i>In millions of euros</i>	June 30, 2016	June 30, 2017
Sales revenue	2.07	6.23
Cost of sales	-1.74	-4.28
Gross margin	0.34	1.95
Gross margin ratio	16.2%	31.3%
Research and development	-0.93	-1.95
Sales and marketing	-1.23	-2.07
Overhead	-1.13	-1.77
Payments in shares	-0.07	-0.46
Operating loss/gain	-3.02	-4.30
Financial income	-0.10	-0.33
Net loss/gain	-3.12	-4.63
Cash position	2.47	42.3



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Financial results for the first half of 2017

As announced when the half-year sales revenue was published, revenue totaled €6.2 million, a 201% increase compared to the first half of 2016, reflecting a purely organic dynamic from which the Company benefits in its business sector. BALYO's market success is also illustrated by an increase in the order book: €16.0 million at June 30, 2017 compared to €11.2 million at December 31, 2016.

The gross margin increase to 31.3% over the period - results from the production rollout of our economic model, improving our productivity and reducing the cost of purchase of components to transform a material handling truck into an autonomous robot.

As a result of the increase in strategic investments, the operating loss grew by €1.3 million as compared to the first half of 2016. This increase, which is in line with our forecasts, mainly results from the investment in our strategic divisions with the hiring of new employees in R&D, Marketing and Sales. The Company's workforce rose from 72 at December 31, 2016 to 111 at June 30, 2017 to support the new structure implemented to boost the take-off in sales. The operating loss also reflects the costs related to the allocation of free shares to all company employees, as well as the allocation of BSPCE (founders' share warrants).

Taking into account financial income of -€0.3 million, net financial income totals -€4.6 million compared to -€3.1 million in the first half of 2016.

Cash, totaling €42.3 million at June 30, 2017, includes the gross amount of €45.8 million raised further to the Company's IPO.

Significant events in H1 2017 and post-closing

During the period, the Company successfully completed its IPO on the Euronext market in Paris and raised a gross amount of €45.8 million.

With its two industrial partners, the Kion Group (Linde Material Handling's parent company) and the Hyster-Yale Group, BALYO received its first order from China where the Company has just established a foothold. In the US, BALYO has also been chosen for its first project with a global e-commerce giant. This project will require an employee of the Company to work within the customer's teams for one year to coordinate the customization of the products.

In September, BALYO joined the CAC Small, CAD Mid & Small and All Tradable (ex-SBF 120) indices in accordance with the strong liquidity of the stock, which is now more visible among investors.

Strategy and outlook

BALYO continues to develop and integrate its breakthrough technologies, thereby offering simple, flexible and standardized solutions intended to meet the needs of major industry leaders and logistics specialists relative to the robotization of their merchandise flow processes.

BALYO will continue to invest heavily in R&D to further augment its robots' capabilities and protect its technological lead. In parallel, the group will add to its sales teams with a view to ramping up its business development with major accounts and in priority strategic geographic zones with its two



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partners. These marketing efforts will consolidate existing growth levers and allow for the conversion of many prospects into users of BALYO's solutions.

The half-year financial report is available on the Company's website under the "Investors" heading: <https://www.balyo.fr/Societe/Investisseurs>.

Next financial release: sales revenue for the third quarter on October 31, 2017, after the market closes.

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 reached €5.2 million in 2016. Its target for 2017 is to generate more than €15 million in sales. For more information, please visit our website at www.balyo.com.



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