

This press release does not constitute an offer to purchase securities.

PRESS RELEASE DATED 16 AUGUST 2023

PREPARED BY



**IN RESPONSE TO THE PROPOSED TENDER OFFER FOR BALYO SHARES AND
WARRANTS**

INITIATED BY

SVF II STRATEGIC INVESTMENTS AIV LLC



This press release (the "**Press Release**") has been prepared and is being disseminated in accordance with the provisions of Article 231-26 of the General Regulations of the Autorité des marchés financiers (the "**AMF**"). The draft tender offer, the draft offer document and the draft reply document (the "Draft Reply Document") remain subject to review by the AMF.

IMPORTANT NOTICE

Pursuant to Articles 231-19 and 261-1 et seq. of the General Regulation of the AMF, the report of EightAdvisory, acting as independent expert, is included in the Draft Offer Response.

The Press Release should be read in relation with all other documents published in connection with the Offer. The Draft Offer Document filed with the AMF on 16 August 2023 is available on Balyo's website (www.balyo.com) and on the AMF's website (www.amf-

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france.org) and may be obtained free of charge from Balyo's registered office at 74 Avenue Vladimir Illitch Lenine, 94110 Arcueil.

In accordance with article 231-28 of the general regulation of the AMF, information relating to the legal, financial and accounting characteristics of Balyo will be filed with the AMF and made available to the public, in the same way, no later than the day before the opening of the tender offer.

A press release will be issued, no later than the day before the opening of the tender offer, to inform the public of the procedures for making these documents available.

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" (the "**Shares**"), 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 this term is defined below, subject to the exceptions 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 terms of which are set out below and described in greater detail in the draft offer document prepared by the Offeror and filed with the AMF (the "**Draft 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 Press Release, 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**")

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- 6,270 preference 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, the 900 ADP T3, the 900 ADP T4 and the 900 ADP T5 held by Mr. Pascal Riolland 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 Riolland, 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, described at section 7.2.3 of the Press Release (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.

As of the date of this Draft Offer 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 of the Draft Response Document.

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

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.

2. CONTEXT AND CHARACTERISTICS OF THE OFFER

2.1 Background and reasons for the Offer

Balyo's activities consist of research and development (R&D), the design of technologies enabling standard forklifts for horizontal or vertical pallet transport to be automated, and the marketing and sale of these robots and related services. With a strong product offering of lift trucks with both vertical and horizontal transport applications long-standing relationships with its partners (warehouse operators and suppliers) and experience in this sector, the Offeror considers the Balyo Group as being one of the best in this robotics sector.

The Offeror, SVF AIV, is a wholly owned direct subsidiary of the Japanese company SoftBank Group Corp. (hereinafter "**SBG**"), which was founded in 1981 by Mr. Masayoshi Son. The SoftBank Group invests in breakthrough technology to improve the quality of life for people around the world. The SoftBank Group is comprised of SBG (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 entrepreneurs transform industries and shape new ones.

The Company's Board of Directors (the "**Board of Directors**") met on 13 June 2023 to review the proposed Offer. At this meeting, the Company's Board of Directors unanimously approved the proposed transaction and authorized the Company to enter into a *tender offer agreement* with the Offeror (the "**TOA**").

In accordance with the provisions of article 261-1, III of the General Regulation of the AMF, the Company's Board of Directors, at its meeting on 13 June 2023 decided to set up an *ad hoc* committee, composed the following Directors:

- Ms Corinne Jouanny, independent Director;
- Bénédicte Huot de Luze, independent Director ; and
- Alexandre Pelletier, Director ;

a majority of independent Directors, whose mission is to (i) make a recommendation to the Company's Board of Directors on the appointment of the independent expert, (ii) examine the conditions of the Offer and monitor the follow up of independent expert's work and (iii) prepare the draft reasoned opinion for the Company's Board of Directors on the proposed Offer in accordance with the provisions of article 261-1, III of the General Regulation of the AMF.

On 13 June 2023, the Company's Board of Directors, on the recommendation of the *ad hoc* committee, appointed Eight Advisory, represented by Geoffroy Bizard, as independent expert in connection with the proposed Offer, with the task of preparing a report including a fairness opinion on the financial terms of the Offer, including the squeeze-out, in accordance with the provisions of article 261-1, I, 2°, 4°, 5° and II of the General Regulation of the AMF.

On 13 June 2023, the Offeror entered into agreements with FPCI FSN PME - Ambition Numérique represented by Bpifrance Investissement,, Hyster-Yale UK Limited, SSUG PIPE Fund SCSp, SICAVRAIF, Linde Material Handling, GmbH, and Thomas Duval, and on 14 June 2023 with Invus Public Equities, L.P., each of which is a shareholder of the Company, pursuant to which each such shareholder undertakes to tender the Targeted Securities held by it to the Offer pursuant to the terms and conditions of such agreement. On 13 June 2023, the Offeror also entered into an agreement pursuant to which Financière Arbevel, a shareholder of the Company, undertook to tender any Targeted Securities held by it at the opening of the Offer to the Offer and pursuant to the terms and conditions of such agreement.

On 14 June 2023, the Company and the Offeror entered into the TOA, under the terms of which the Offeror undertook to tender the Offer to the Company, and the Company undertook to cooperate with the Offeror in connection with the Offer. The main terms of the TOA are described in section of the Draft Response Document.

On 14 June 2023, the Company and the Offeror announced, by way of a joint press release, (i) the execution of the TOA, (ii) SBG's intention to file a tender offer through a 100%-owned subsidiary to acquire the Target Securities, (iii) the provision of the Intermediary Financing (as such term is defined below) described in section 7.3 of the Draft Response Document, (iv) the signature of the agreement with the shareholders as described in section 7.2.1 of the Draft Response Document, and (v) the fact that the Company entered into an agreement with its senior lenders on 13 June 2023 concerning the extension of the existing senior financing agreement.

If the conditions are met, the Offeror also intends to implement a squeeze-out procedure, pursuant to articles L. 433-4, II of the French Monetary and Financial Code and 237-1 to 237-10 of the General Regulation of the AMF, with a view to obtaining the transfer of the Target Securities not tendered to the Offer in consideration for an indemnity equal to the Offer Price.

On 15 June 2023, the Company initiated the information-consultation procedure with its works council (the "*Comité Social et Economique*" (the "**CSE**")), which met for the first

time on 16 June 2023. On 21 June 2023, the CSE held its first hearing with SBG, followed by a second exchange of views on 5 July 2023, in accordance with article 2312-42, paragraph 3 of the French Labor Code. On 5 July 2023, the CSE issued a favorable opinion on the Offer.

2.2 Reminder of the terms of the Offer

2.2.1 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**").

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 , a squeeze-out procedure for Balyo's Ordinary Shares, Warrant and Preferred Shares not tendered to the Offer and insofar as the thresholds provided for in Article 237-1 et seq. of the General Regulation of the AMF 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 of the Draft Response 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. of the Draft Response Document.

The Offer is presented by Alantra Capital Markets (the "**Presenting Institution**"), 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.

2.2.2 Terms of the Offer

The Draft Offer Document and the Draft Response Document were filed with the AMF on 16 August 2023. A notice of filing was published by the AMF on its website (www.amf-

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france.org) on 16 August 2023. The Draft Offer Document and the Draft Response Document are available on Balyo's website (www.balyo.com) and of the AMF (www.amf-france.org) and are available to the public free of charge at Balyo's registered office, 74 Avenue Vladimir Illitch Lenine, 94110 Arcueil.

The Draft Offer Document filed by the Offeror contains details of the terms of the Offer, the conditions to which it is subject and the contemplated timetable for the Offer.

The Company filed the Draft Response Document with the AMF on 16 August 2023. The AMF has published a notice of filing relating to the Draft Response Document on its website (www.amf-france.org) on 16 August 2023. The Draft Response Document, as filed with the AMF, was made available to the public free of charge at the Company's registered office, and was posted on the AMF's website (www.amf-france.org) and the Company's website (www.balyo.com).

In accordance with the provisions of article 231-26 of the General Regulation of the AMF, a press release setting out the main elements of the Draft Response Document and specifying the terms and conditions for making the Draft Response Document available was published on the Company's website (www.balyo.com) on 16 August 2023.

The Draft Offer Document and the Draft Response Document remain subject to review by the AMF, which may declare the Offer compliant after ensuring that it complies with the applicable legal and regulatory provisions.

This decision of compliance will entail approval by the AMF of the Draft Response Document drawn up by the Company.

In accordance with the provisions of articles 231-27 and 231-28 of the General Regulation of the AMF, the Draft Response Document approved by the AMF and the document containing the "Other Information" ("*Autres Informations*") relating to the Company's legal, financial and accounting characteristics will be made available to the public free of charge, no later than the day before the opening of the Offer, at the Company's registered office. These documents will also be posted on the AMF website (www.amf-france.org) and on the Company's website (www.balyo.com).

A press release specifying how these documents will be made available will be issued no later than the day before the opening of the Offer, in accordance with the provisions of articles 231-27 and 231-28 of the General Regulation of the AMF.

Prior to the opening of the Offer, the AMF will publish a notice of the opening and the timetable of the Offer, and Euronext Paris will publish a notice setting out the content of the Offer and the terms and conditions of its completion.

2.3 Terms of the Offer

2.3.1. Acceptance Threshold

In accordance with the provisions of article 231-9, I of the General Regulation of the AMF, the Offer will lapse if, at its closing date, the Offeror does not hold, directly or indirectly, a number of Shares representing a fraction of the Company's share capital or voting rights in excess of 50% (this threshold is hereinafter referred to as the "**Acceptance Threshold**").

This threshold is determined in accordance with the provisions set out in article 234-1 of the General Regulation of the AMF.

It will not be known until the AMF publishes the final results of the Offer, which will take place after the close of the Offer.

If the Acceptance Threshold is not reached, the Offer will lapse and the Target Securities tendered to the Offer will be returned to their owners after publication of the notice of result informing of the lapse of the Offer, without any interest, indemnity or other payment of any nature whatsoever being due to such owners.

2.3.2. Waiver Threshold

In addition to the Acceptance Threshold, pursuant to the provisions of article 231-9, II of the General Regulation of the AMF, the Offer will lapse if, at the closing date of the Offer, the Offeror does not hold, alone or in concert, directly or indirectly, a number of shares representing a fraction of the share capital and theoretical voting rights of the Company in excess of 66.67% on a diluted basis and on a fully diluted basis (the "**Waiver Threshold**").

On a non-diluted basis, the Waiver Threshold will be calculated as follows:

- (a) in the numerator, will be included (i) all the Ordinary Shares and Preferred Shares held by the Offeror alone or in concert, directly or indirectly, on the date of the closing of the Offer, pursuant to acquisitions on the market as well as all the Ordinary Shares assimilated to those of the Offeror in accordance with Article L. 233-9 of the French Commercial Code including the 34,894 Treasury Shares and the 180,000 Ordinary Shares and the 900 ADP T3, 900 ADP T4, 900 ADP T5 held by Mr. Pascal Rialland, subject to the liquidity agreement and (ii) all the Ordinary Shares and Preferred Shares of the Company validly tendered in the Offer as at the date of the closing of the Offer; and
- (b) in the denominator, all the existing Ordinary Shares and Preferred Shares issued by the Company making up the share capital on the date of the closing of the Offer.

On a fully diluted basis, the Waiver Threshold will be calculated as follows:

- (a) in the numerator, will be included (i) the Ordinary Shares and Preferred Shares held by the Offeror alone or in concert, directly or indirectly, on the date of the closing of the Offer, pursuant to acquisitions on the market as well as all the Ordinary Shares assimilated to those of the Offeror in accordance with Article L. 233-9 of the French Commercial Code including the 34,894 Treasury Shares and the 180,000 Ordinary Shares, and the 900 ADP T3, 900 ADP T4, 900 ADP T5 held by Mr. Pascal Rialland subject to the liquidity agreement (ii) all the Ordinary Shares and Preferred Shares of the Company validly tendered in the Offer as at the date of the closing of the Offer and (iv) all the Ordinary Shares of the Company likely to be issued by exercise of the Company Warrants validly tendered in the Offer as at the date of the closing of the Offer - excluding any shares which may be subscribed or held by the Offeror pursuant to the conversion of the Bonds;
- (b) in the denominator, (i) all the existing Ordinary Shares and Preferred Shares issued by the Company making up the capital on the date of the closing of the Offer, (ii) all the Ordinary Shares of the Company likely to be issued by exercise of the Company Warrants on the date of the closing of the Offer and (iii) all the Ordinary Shares likely to be issued by the Company on the date of the closing of the Offer (excluding all Ordinary Shares likely to be subscribed or held by the Offeror pursuant to the conversion of the Bonds).

The reaching of the Waiver Threshold will not be known before the publication by the AMF of the final result of the Offer, which will take place at the end of the Offer.

In accordance with article 231-9, II of the General Regulation of the AMF, if the Waiver Threshold (calculated as indicated above) is not reached, and unless the Offeror has decided to waive the Waiver Threshold in accordance with the conditions set out in the following paragraphs, the Securities of the Company tendered in the Offer (excluding shares acquired on the market) will be returned to their owners without any interest, indemnity or other payment of any kind being due to the said owners.

However, the Offeror reserves the right to waive the Waiver Threshold until the date of publication by the AMF of the result of the Offer.

In addition, the Offeror also reserves the right to remove or lower the Waiver Threshold by filing an improved offer at the latest five (5) trading days before the closing of the Offer, in accordance with the provisions of articles 232-6 and 232-7 of the General Regulation of the AMF.

2.3.3. Regulatory authorizations

The Offer is not subject to any regulatory authorization, it being specified that prior to Press Release, the Offer gave rise to a decision by the Ministry of the Economy, Finance and Industrial and Digital Sovereignty, in accordance with Article L.151-3 of the French Monetary and Financial Code relating to foreign investments made in France, dated 1 August 2023, pursuant to which the Offer was considered outside the scope of the provisions of Article L.151-3 of the Monetary and Financial Code.

2.4 Offer restrictions abroad

The section 2.4 of the Draft Offer Document sets out the restrictions applicable to the Offer abroad.

3. REASONED OPINION OF THE BOARD OF DIRECTORS

3.1 Composition of the Board of Directors

As of the date of this Presse Release, the Company's Board of Directors is composed as follows:

- Pascal Rialland, Chairman and Chief Executive Officer;
- Ms Bénédicte Huot de Luze, Director ;
- Ms Corinne Jouanny, Director ;
- Mr Christophe Lautray, representing Linde Material Handling, Director;
- Mr Alexandre Pelletier, representing BPI France investissement, Director.

3.2. Prior decisions of the Board of Directors

The Company's Board of Directors met on 13 June 2023 to review the proposed Offer. At this meeting, the Company's Board of Directors unanimously approved the proposed transaction and authorized the signature of a *tender offer* agreement between the Company and the Offeror.

In accordance with the provisions of article 261-1 III of the General Regulation of the AMF, best governance practices and AMF recommendation no. 2006-15, the Board of Directors, at its meeting on 13 June 2023, decided to set up an *ad hoc* committee to monitor the independent expert's mission, comprising three members, including two independent members, namely:

- Ms Corinne Jouanny, independent member of the ad hoc Committee;
- Bénédicte Huot de Luze, independent member of the ad hoc Committee; and
- Alexandre Pelletier, representing BPI France Investissement.

In addition, at its meeting on 13 June 2023, on the recommendation of the *ad hoc* committee, the Company's Board of Directors appointed Eight Advisory, represented by Mr Geoffroy Bizard, as an independent expert in accordance with the provisions of articles 231-19 and 261-1 I, 2° of the General Regulation of the AMF, with the task of preparing a report including a fairness opinion on the financial terms of the Offer.

The *ad hoc* committee was tasked with supervising the work of the independent expert, making recommendations to the Company's Board of Directors concerning the Offer, and preparing the draft reasoned opinion for the Company's Board of Directors on the proposed Offer, in accordance with the provisions of article 261-1, III of the General Regulation of the AMF.

The members of the ad hoc committee met several times with the independent expert, monitored his work and prepared the draft reasoned opinion of the Board of Directors.

3.3. Reasoned opinion of the Board of Directors

In accordance with the provisions of article 231-19 of the General Regulation of the AMF, the members of the Board of Directors met on 4 August 2023, having been convened in accordance with the Company's articles of association, to examine the Draft Offer Document and to give their reasoned opinion on the interest of the Offer and its consequences for Balyo.

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All members of the Company's Board of Directors were present or represented. The discussions and vote on the Board of Directors's reasoned opinion were chaired by Pascal Rialland, in his capacity as Chairman of the Board of Directors.

The reasoned opinion of the Board of Directors was adopted unanimously by the members present or represented, including the independent members.

An extract from the proceedings of this meeting, containing the reasoned opinion of the Board of Directors, is reproduced at section 3. of the Draft Response Document.

The reasoned opinion of the Board of Directors is reproduced below:

"3. Reasoned opinion of the Board of Directors in connection with the tender offer initiated by SoftBank Group

*In accordance with the provisions of Article 231-19 of the General Regulations of the Autorité des Marchés Financiers (the "**AMF**"), the Chairman reminds shareholders that the Board of Directors is meeting today to give a reasoned opinion on the interest represented by, and the consequences for the Company, its shareholders and employees, the proposed public tender offer (the "**Offer**") for the Company's shares at a price of 0.85 euro per ordinary share, 0.01 euro per preferred share (the "**ADP**") and 0.07 euro per share purchase warrant (the "**BSA**"), initiated by SVF II STRATEGIC INVESTMENTS AIV LLC, a wholly-owned and directly held subsidiary of the Japanese company SoftBank Group Corp. ("**SVF AIV**" or the "**Offeror**").*

The Chairman notes that the terms of the Offer will be described in the draft offer document to be filed with the AMF by 16 August 2023.

*The Chairman also points out that, in accordance with the provisions of article 261-1, III of the AMF General Regulations ("**Règlement général de l'AMF**") and AMF recommendation no. 2006-15, the Board of Directors, at its meeting on 13 June 2023, set up an ad hoc committee (the "**Ad Hoc Committee**") to examine the terms and conditions of the proposed transaction, proposing to the Board of Directors the appointment of an independent appraiser under the terms of article 261-1 of the AMF General Regulations, supervising the work carried out by the appraiser until the submission of his valuation report, and preparing in good time the draft reasoned opinion of the Board of Directors.*

The Ad Hoc Committee comprises three members, the majority of whom are independent directors: Corinne Jouanny (Chairwoman of the Ad Hoc Committee and independent member of the Board of Directors), Bénédicte Huot de Luze (independent member of the

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Board of Directors) and Alexandre Pelletier (member of the Board of Directors representing BPI France Investissement).

The Chairman also points out that, at its meeting on 13 June 2023, the Board of Directors approved the principle of the proposed Offer, pending the conclusions of the work of the independent expert and the opinion of the CSE.

Prior to today's meeting, the members of the Board of Directors were provided with the following documents in order to provide them with all the information they needed to issue a reasoned opinion:

- The draft offer document drawn up by the Offeror, which will be filed with the AMF by 16 August 2023, containing in particular the background to and reasons for the Offer, the Offeror's intentions, the characteristics of the Offer and the factors for assessing the Offer price drawn up by the presenting institution, Alantra Capital Markets (this institution also being the guarantor of the Offer);*
- The report of the independent expert, Eight Advisory, which concludes that the financial terms of the Offer, namely the offered price of 0.85 euro per ordinary share, 0.01 euro per ADP and 0.07 euro per warrant of the Company, are fair to the shareholders holding ordinary shares and/or ADP and to Amazon as holder of warrants of the Company;*
- The opinion of the Comité Social et Economique on the Offer issued on 5 July 2023; and*
- The draft note in response prepared by the Company for filing with the AMF by 16 August 2023, which remains to be completed with the reasoned opinion of the Board of Directors.*

An independent appraiser has been appointed on the basis of articles (i) 261-1 I, 2° of the AMF General Regulations insofar as certain officers and directors of the Company have entered into an agreement with the Offeror likely to affect their independence, (ii) 261-1 I, 4° because of transactions related to the Offer that are likely to have an impact on the assessment of the financial terms of the Offer, (iii) 261-1 I, 5° because the Offer concerns financial instruments of different categories and (iv) 261-1 II because of the planned squeeze-out.

At its first meeting on 13 June 2023, following the ad hoc Committee's in-depth review of Eight Advisory's detailed proposal, the ad hoc Committee recommended that Eight Advisory be appointed, primarily in view of (i) the absence of any present or past link between Eight Advisory and the Company that might affect its independence, (ii) its recent

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experience in market transactions of similar or comparable size, (iii) the financial terms of its proposal, and (iv) more generally, its professional reputation and the human and material resources at its disposal to carry out its assignment.

Eight Advisory has confirmed that it has no conflicts of interest with any of the parties involved, and that it has sufficient resources and availability to carry out its assignment during the period in question.

In view of the above, the Ad Hoc Committee decided on 13 June 2023 to recommend the appointment of Eight Advisory to the Board of Directors to act as independent expert.

At its meeting on 13 June 2023, the Company's Board of Directors, on the recommendation of the ad hoc committee, unanimously appointed Eight Advisory, represented by Mr Geoffroy Bizard, as an independent expert in accordance with the provisions of article 261-1, I 2°, 4° and 5° of the AMF's General Regulations, with the task of preparing a report on the financial terms of the Offer.

In view of the information submitted, and in particular (i) the objectives and intentions expressed by the Offeror, (ii) the valuation information prepared by the presenting institution, Alantra Capital Markets, (iii) the work of the ad hoc Committee, (iv) the conclusions of the independent expert's report, (v) the opinion of the Conseil Social et Economique and (vi) more generally, of the elements set out above, and in particular of the fact that the Offer is consistent with the long-term viability of Balyo, its managerial continuity, and the preservation of employees' interests, the Board of Directors, having no observations, adopts the following resolution:

FOURTH RESOLUTION

The Board of Directors decides, after deliberation:

- to endorse in every respect the observations, conclusions and recommendations of the ad hoc Committee;*
- to issue, in the light of the observations, conclusions and recommendations of the ad hoc Committee, a favorable opinion on the draft Offer as presented to it;*
- to recommend that holders of the Company's shares tender their shares to the Offer;*
- take formal note that the Company will not tender its treasury shares to the Offer (which may be reopened);*
- approve the Company's draft response document;*

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- *authorize the Chairman, where necessary, to:*
 - *finalize the draft reply memorandum relating to the Offer, as well as any other documents required in connection with the Offer, in particular the "Other Information" document relating to the legal, financial and accounting characteristics of the Company;*
 - *prepare, sign and file with the AMF all documentation required in connection with the Offer;*
 - *sign all certificates required in connection with the Offer; and*
 - *more generally, to take all steps and measures necessary or useful for the completion of the Offer, including entering into and signing, in the name and on behalf of the Company, all transactions and documents necessary and related to the completion of the Offer, in particular any press release.*

Board members' intentions

The Board of Directors notes that three members of the Board of Directors have undertaken to tender their shares to the Offer:

- *Mr Pascal Rialland ;*
- *Linde Material Handling ; and*
- *BPI France Investissement.*

Linde Material Handling and • FCPI FSN PME - Ambition numérique represented by Bpifrance Investissement, holding a total of 6,863,926 ordinary shares, and Pascal Rialland, holding 180,000 available ordinary shares representing approximately 20.87% of the Company's share capital and voting rights, have agreed to tender their ordinary shares to the Offer.

The Company's intentions regarding treasury shares

The Company holds 34,894 of its own shares.

The Board of Directors has decided that these 34,894 treasury shares will not be tendered to the Offer and that the Company will not sell them until the close of the Offer, in accordance with the terms of the Tender Offer Agreement dated 14 June 2023.

This resolution is adopted unanimously by the directors present and represented."

4. INTENTION OF BOARD MEMBERS

The Board of Directors has noted that three members of the Board of Directors have undertaken to tender their shares to the Offer:

- Mr Pascal Rialland ;
- Linde Material Handling ; and
- BPI France Investissement.

Indeed, Linde Material Handling and FPCI FSN PME - Ambition Numérique represented by Bpifrance Investissement, holding a total of 6,863,926 shares, and Pascal Rialland, holding a total of 180.000 Ordinary Shares, representing 20.87% of the Company's capital and voting rights, have undertaken to tender their shares to the Offer, as described in section 7.2.1 of the Draft Response Document.

5. COMPANY'S INTENTION REGARDING TREASURY SHARES

At the date of the Press Release, the Company held 34,894 Treasury Shares.

As authorized by the Board of Directors, the Company has decided not to tender the 34,894 Treasury Shares.

6. OPINION OF THE WORKS COUNCIL OF THE COMPANY (THE "*COMITÉ SOCIAL ET ECONOMIQUE*", (THE "CSE"))

In accordance with the provisions of articles L. 2332-2 et seq. of the French Labor Code, the CSE was informed of the Offer and met on 16 June 2023 as part of the procedure for informing the Company's employee representative bodies.

Following this meeting, the Company's CSE requested a hearing with the Initiator in accordance with the provisions of article L. 2312-42 of the French Labor Code, which was held on 21 June 2023.

As part of the consultation procedure provided for in article 2312-46 of the French Labor Code, the Company's Works Council has issued its opinion on the proposed Offer.

Said notice, dated 5 July 2023, is reproduced in full at section 6. of the Draft Response Document.

7. AGREEMENTS LIKELY TO HAVE AN INFLUENCE ON THE ASSESSMENT OR OUTCOME OF THE OFFER

7.1 Tender Offer Agreement between the Company and the Offeror

On 14 June 2023, the Company and the Offeror entered into the *Tender Offer Agreement* (the "**TOA**"), which is described in more detail in section 7.1. of the Draft Offer Document.

7.2. Undertaking to tender

7.2.1. Undertakings to tender entered into with shareholders

On 13 June 2023, FPCI FSN PME - Ambition Numérique represented by Bpifrance Investissement, Hyster-Yale UK Limited, SSUG PIPE Fund SCSp, SICAVRAIF, Linde Material Handling GmbH, Financière Arbevel, Thomas Duval, and on June 14 June 2023 Invus Public Equities, L.P. provided the Offeror with an undertaking to tender to the Offer 13,866,075 shares, representing 41.08% of the Company's share capital at the date of signature of the said commitments to tender.

These undertakings may be revoked in the event of a competing tender offer.

- FPCI FSN PME - Ambition numérique represented by Bpifrance Investissement has committed to contribute 5,053,950 shares representing approximately 14.96% of the Company's share capital and voting rights as of the date of this undertaking to tender;
- SSUG PIPE Fund SCSp, SICAVRAIF, has undertaken to contribute 2,000,000 shares representing approximately 5.92% of the Company's capital and voting rights as of the date of this undertaking to tender;
- Linde Material Handling, GmbH has undertaken to contribute 1,809,976 shares representing approximately 5.37% of the Company's share capital and voting rights as of the date of this undertaking to tender;
- Financière ARBEVEL, which has undertaken to tender to the Offer the Target Securities it will hold at the opening of the Offer, holds 1,334,404 shares at 13 June 2023, representing approximately 3.95% of the Company's capital and voting rights as of the date of this undertaking to tender;
- Hyster-Yale UK Limited, has undertaken to tender 1,216,545 shares representing approximately 3.60% of the Company's share capital and voting rights as of the date of this undertaking to tender;

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- Mr Thomas Duval has undertaken to contribute 851,200 shares representing approximately 2.52% of the Company's share capital and voting rights as of the date of this undertaking to tender;
- Invus Public Equities, L.P. has undertaken to contribute 1,600,000 shares representing approximately 4.74% of the Company's share capital and voting rights as of the date of this undertaking to tender.

The Ordinary Shares held by the above-mentioned shareholders, together representing approximately 41.08% of the Company's share capital and voting rights at the date of signature of the said undertakings to tender (and around 40.36% of the share capital and voting rights at 17 July 2023), will be contributed to the Offer at the Offer Price of the Ordinary Shares, less any Ordinary Shares that may be sold by Financière ARBEVEL in advance of the opening of the Offer, without any additional consideration to be paid by the Offeror.

These undertakings are described in greater detail in section 7.2.1 of the Draft Response Document.

7.2.2 Undertakings to tender entered into with ADP holders

At 31 December 2022, the Company's share capital consisted of 16,150 preference shares divided into 5 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 of grant 1 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 85 million euros and gross margin exceeding 35 million euros.
- Tranche 3: consolidated turnover exceeding 165 million euros and gross margin exceeding 70 million euros.

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- 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 Press Release, 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.

As described in the section 7.2.2. of the Draft Response Document, 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.

7.2.3. Liquidity Agreement

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**"), the main terms and conditions of which are described in section 7.2.3. of the Draft Response Document.

7.2.4. Intention to tender expressed by the Company Warrant holder

On 10 July 2023, the holder of the 11,753,581 Company Warrants, Amazon.com NV Investment Holdings LLC, addressed a non-binding letter of intent to Balyo expressing its intention to tender all of the Company Warrants to the Offer and terminate the Transaction Agreement entered into between Amazon and the Company that the main terms and conditions of which are described in section 7.2.4 of the Draft Response Document.

7.3. Interim Financing

On 13 June 2023, the Board of Directors authorized the issuance by the Company of bonds convertible into fully paid-up ordinary shares to be subscribed by the Offeror for an aggregate principal amount of up to EUR 5,000,000 (the "**Bonds**") which will allow Balyo to meet its working capital requirements ("**Financing**").

On 14 June 2023, the Offeror and the Company entered into a subscription agreement providing for the terms and conditions of the issuance of the Bonds and regulate the relations of the Company and the Offeror as for the subscription of the Bonds (the "**Subscription Agreement**").

Pursuant to the Subscription Agreement, the Bonds will be governed by their terms and conditions described in the section 7.3. of the Draft Response Document.

On 20 July 2023, the Offeror subscribed to 150 Convertibles Bonds of EUR 10,000 par value each for a total amount of EUR 1,500,000 euros.

10. INDEPENDENT EXPERT'S REPORT

In accordance with the provisions of article 261-1 I, 2° of the General Regulation of the AMF, the Company's Board of Directors, at its meeting of 13 June 2023, appointed Eight Advisory, represented by Mr Geoffroy Bizard, as independent appraiser with the task of preparing a report including a fairness opinion on the financial terms of the Offer, including the squeeze-out.

Said report, dated 4 August 2023, is reproduced in full in section 10 of the Draft Response Document.

The conclusions of its report, dated August, 4 2023, are reproduced below:

"We have been appointed as Independent Expert by the Ad Hoc Committee of Balyo based on Article 261-1 I 2°, 4° and 5° and II of the general regulation of the AMF.

Our mission was to assess the fairness of the price offered by SVF II Strategic Investments AIV LLC, a direct subsidiary of SoftBank Group Corp., in connection with the Tender Offer procedure followed by a Squeeze-Out should the required conditions be met.

The price offered to Balyo shareholders is €0.85 per ordinary share.

We observe that the Offer price of €0.85 shows a premium of:

- 6.3% on the central value derived from the Discounted Cash Flows method;*
- 3.3% on the central value derived from the Market multiples method;*
- 58.9% on the last closing share price before the announcement of the Offer, 54.9% on the 30-day volume-weighted average price, and 48.3% on the 60-day volume-weighted average price; and*
- 21.4% on the central value derived from the analyst's target price.*

We also observe that the Offer price is higher than Balyo's share price post announcement of the Offer (€0.82 as of July 26, 2023).

In this context, given the elements presented above, we are of the opinion that the price of €0.85 per ordinary share offered by the Initiator in the context of the Tender Offer is fair from a financial point of view for the shareholders of Balyo SA, including in the perspective of a Squeeze-Out.

Regarding to the BSAs, we note that the price of €0.07 per BSA proposed by the Offeror is consistent with the result of applying the Black & Scholes method, based on an Offer price of of €0.85 per share. The price offered is therefore fair to the holder and is not likely to affect the equality between the holder of the BSAs and the holders of Balyo shares, including in the event of the the implementation of a mandatory squeeze-out.

Regarding the 6,270 Unconverted AGADP available, we note that the price of €0.01 per AGADP proposed by the Offeror is consistent with the near-zero probability of the performance conditions of these performance conditions and that the overall amount is not material. The price offered is therefore fair for their holders and is therefore not likely to affect the equality between the holders of the and the holders of Balyo shares, including in the event of a mandatory squeeze-out.

Lastly, the analysis of the related agreements does not call into question our assessment of the financial conditions of the Offer, including in this perspective the case of the implementation of a mandatory squeeze-out.

This press release does not constitute an offer to purchase securities.

Paris, August 4, 2023

Geoffroy Bizard

Partner

Eight Advisory S.A.S."