

BALYO announces its sales for the 1st half of 2024 at €13.8 million

- Q2 2024 sales at €8.5 million, up 12% vs. Q2 2023, and H1 2024 sales down slightly by -7% at €13.8 million
- Increase in order intake of +69% on Q2 2023 with 68% of order intake through direct sales in H1 2024 vs. 24% in H1 2023
- Strong growth in backlog¹ to €17.9 million in H1 2024, +73% vs. H1 2023
- With a cash position² of €4.6 million as of June 30, 2024 and current orders forecast for H2, the Company's financial visibility goes through November 2024

Arcueil, France, July 18, 2024, 5:45 p.m. CEST - BALYO (FR0013258399, Ticker: BALYO), technology leader in the design and development of innovative robotic solutions for industrial trucks, today announces its sales for the 1st half of 2024.

Pascal Rialland, CEO of BALYO, states: "The first half 2024 reflects a recovery in BALYO's commercial momentum, with a backlog up 73%, mainly supported by direct orders. Our sales grew in the second quarter of 2024, driven by a rebound in our US business, where we more than doubled sales over the period, partially offsetting the decrease in sales in Europe, which had benefited from the Linde Material commitment in H1 2023. Over the coming months, BALYO will focus on further implementing its commercial ambitions to get back to growth with emphasis on direct sales in order to ensure its commercial autonomy. With regards to our cash position, and despite the shareholder loan obtained from our majority shareholder earlier this year, the latest should be positive until November 2024. BALYO is working from now on on extending its financial visibility and maintaining very tight control over its costs to preserve its cash position."

In thousands of euros	Q1 2023	Q2 2023	H1 2023	Q1 2024	Q2 2024	H1 2024	Change Q2 24/Q2 23	Change H1 24/H1 23
EMEA Region	5,736	5,064	10,800	3,235	2,675	5,910	-47%	-45%
Region Americas	1,388	1,871	3,259	1,591	5,035	6,626	+169%	+103%
APAC Region	104	707	811	422	826	1,248	+17%	+54%
Sales published*	7,228	7,642	14,870	5,247	8,536	13,784	+12%	-7%

* Unaudited data

Q2 and H1 2024 sales and activity

In the second quarter of 2024, the Company recorded sales at €8.5 million, compared to €7.6 million in Q2 2023, up 12%. In total, BALYO posted sales at €13.8 million for the first half of 2024, a slight decrease of 7% compared with the first half of 2023.

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

² This cash position corresponds to the cash and cash equivalents item in the consolidated financial statements.



As a reminder, sales for the first half of 2023 had benefited from the order commitment contract from Linde Material Handling. By region, lower activity can be observed in the EMEA region in the first half of 2024, where BALYO posted sales of €5.9 million, down -45%. Sales in the United States and APAC grew by +103% and +54% in the first half of 2024 respectively.

In the second quarter of 2024, BALYO's sales momentum was driven by a 69% increase in order intake, reaching €5.5 million, compared to €3.3 million in Q2 2023. After incorporating new orders, the backlog sets at €17.9 million as of June 30, 2024, up sharply over €10.3 million as of June 30, 2023. The geographical breakdown shows a surge in the backlog, both in the United States (+215%) and the APAC region (+116%), while the business in EMEA slightly declined.

Over the period, direct order intake represented 68% of total orders received, compared with 24% at end of Q2 2023, a level of performance very close to the Company's ambitions.

Financial position and outlook

On June 30, 2024, BALYO's cash position² stood at €4.6 million, compared to €8.6 million as of December 31, 2023.

Since BALYO's Q1 press release dated April 23, 2024, BALYO's cash flow forecasts were adjusted downwards to reflect 2nd quarter order intake. This deterioration is attributed to delays in order intake during the period.

As a reminder, in March 2024, BALYO successfully secured a Shareholder Loan with SoftBank Group, its indirect majority shareholder, for a total amount of up to €12 million, which has been signed on March 21, 2024. At the date hereof and after taking into account the amounts drawn down, the amount available under the Shareholder Loan is €6 million. This loan, which may be repaid by offsetting of receivables as part of a capital increase, is subject to covenants³ on revenue and operating cash-flow calculated on a quarterly basis by the Company, the latter being under a duty to issue a compliance certificate every quarter. These covenants remain unchanged at the date hereof.

Based on its cash position at the end of June 2024, firm orders intake and the level of the backlog at the date of this press release and current orders and operational execution on projects forecasts, BALYO's cash position is expected to be positive until November 2024.

However, BALYO considers that in the event of commercial orders falling short of expectations, the Company might not be able to realize its assets and liabilities and settle its debts in the normal course of business before November 2024. As a result, there is an uncertainty regarding BALYO's ability to continue as a going concern, which will be mentioned in the auditors' report on the H1 consolidated accounts.

Given these factors, in the second half of 2024, BALYO will work on extending its financial visibility and will particularly pay attention to work in the rebound of its commercial momentum, by leveraging on its model based on direct sales, while maintaining very tight control over its costs to preserve its cash position.

Next BALYO financial announcement: half-year results 2024, on September 26, 2024 after market closing.

³ Terms and conditions of the shareholder loan are further described in appendix. This notice has also been made available on BALYO's investor website, 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 €26.7 million in 2023. For more information, visit www.balyo.com.

CONTACTS

BALYO

investors@balyo.com

NewCap

Financial Communication and Investor Relations

Thomas Grojean / Aurélie Manavarere

Phone: +33 1 44 71 94 94

balyo@newcap.eu



Appendix

PUBLICATION OF RELATED PARTY AGREEMENTS PURSUANT TO ARTICLE L. 22-10-13 OF THE FRENCH COMMERCIAL CODE

Persons concerned:

SVF II STRATEGIC INVESTMENTS AIV LLC (holding more than 10% of the share capital and voting rights)
Alexander Fortmüller (Director)
Dai Sakata (Director)

Nature and terms:

On 18 March 2024, the Board of Directors of Balyo authorized the entry into of a Shareholder Loan Agreement between Balyo (as borrower) and SoftBank Group Corp. (or one or more of its affiliates) as lender (the “Lender”), it being specified that Alexander Fortmüller and Dai Sakata did not vote on this decision (the “SHL”), with the main following financial terms:

- **Purpose:** funding of (i) working capital requirements of the Balyo group in accordance with the management business plan for the calendar year 2024 and the budget, both approved by the Board of Directors of Balyo, (ii) any other purpose approved by the Board (with the positive vote of at least one Lender’s representative) and (iii) fees, costs and expenses under the SHL;
- **Maturity:** 3 years as from the signature date;
- **Principal amount:** up to €12.0 million (subject to satisfaction of certain conditions precedents), with bullet repayment. Minimum principal amount of each drawdown of €0.5 million and maximum principal amount of each drawdown of €3.0 million per month;
- **Fees:**
 - **Upfront fees:** €360,000;
 - **Ticking fees:** 3.0% of unused and uncalled amounts of the SHL;
 - **Exit fees:** 3.0% of any amount (including capitalized interest) repaid, capped at 3.0% of the amount made available to Balyo; and
 - **Any taxes and indemnity payable by Balyo under the SHL.**
- **PIK interests:** fixed rate of 15.0% per annum, capitalized annually;
- **Default interest:** 3.0% above rate otherwise payable;
- **Financial covenants:** reported trailing 12-month revenue and operating cash-flow required to reach a minimum level, tested at the end of each quarter.
In case of failure to comply with these covenants, the Lender may require Balyo to repay the outstanding principal and all other amounts due and payable (and no right to withdraw).
Balyo is also restricted in the incurrence of any additional financial indebtedness, security and guarantees;
- **Ranking:** *pari passu* in right with the claims of all its other present and future unsecured and unsubordinated creditors;
- **Mandatory prepayment:** in particular in the event of (i) change of control or significant sale of assets of Balyo, (ii) issuance of securities by Balyo (to enable set-off – see below) and (iii) any event of default (including cross-default, insolvency proceedings, misrepresentation, significant qualification by the auditors (*réserve*) on the audited financial statements, etc.);
- **Voluntary prepayment/cancellation:** in whole or in part at the option of Balyo for a minimum amount of €0.5 million, together with accrued and unpaid interest owed on any prepaid amount;
- **Set off with shares:** In the event Balyo implements a share capital increase to be subscribed, in all or in part, by the Lender or any of its affiliates, the Lender may, at its sole discretion, declare that all or a portion of the principal amount outstanding under the SHL and any fee payable in connection with its repayment as well as any other amounts outstanding under the SHL shall become due and payable and may be set off against such subscription.

Motivations:

The entering of the SHL is necessary to meet Balyo’s cash needs and its financial terms have been considered by a financial expert as reasonable given the current market conditions and Balyo’s position.