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BALYO announces the success of its capital increase of €36.6 million with preferential subscription rights

Arcueil, France, November 20, 2024, 5:45 pm CET - BALYO (FR0013258399, Ticker: BALYO), technology leader in the design and development of innovative robotic solutions for industrial trucks (the "**Company**" or the "**Issuer**"), today announces the success of its capital increase, with preferential subscription rights ("**PSR**"), for a total amount of €36.6 million. The operation resulted in the issue of 126,051,546 new ordinary shares (the "**New Shares**"), at a unit price of €0.29, representing a discount of 39.7% to the closing price on October 24, 2024, with a parity of 46 New Shares for 15 existing shares (the "**Capital Increase**").

Results of the Capital Increase

At the end of the subscription period, the total demand amounted to 139,347,221 New Shares, representing a subscription rate of 110.55%, distributed as follows:

- 111,230,714 New Shares were subscribed on an irreducible basis, representing approximately 88.24% of the total number of New Shares to be issued;
- The demand on a reducible basis covered 28,116,507 new shares, representing approximately 22.31% of the total number of New Shares to be issued, and will be consequently only partially allocated, amounting to 14,820,832 New Shares, distributed based on a coefficient of 0.4628 calculated on the number of rights presented in support of subscriptions on an irreducible basis without resulting allocation of fractional new shares and without the allocation exceeding the quantity of new shares requested on a reducible basis.

As a reminder, prior to the launch of the Capital Increase, BALYO received a subscription commitment from the SoftBank Group ("**SoftBank**"), the Company's principal shareholder, through its subsidiary SVF II Strategic Investments AIV LLC ("**SSI AIV**"):

- (i) on an irreducible basis in proportion to its interest in the Company's capital (corresponding to 31,978,785 shares in the Company at the date of the Prospectus, i.e. 77.8% of the capital, following the conversion of the Convertible Bonds¹ on October 24, 2024) by exercising all its preferential subscription rights, and
- (ii) on a reducible basis for the remaining shares, to ensure that the Capital Increase is fully subscribed.

SSI AIV has also committed, as part of this subscription agreement, not to exercise the warrants it holds until the admission of the New Shares to trading on Euronext Paris, scheduled for

¹ Subscribed on June 14, 2023: "[Proposed tender offer from SoftBank Group to acquire Balyo's shares](#)".



November 22, 2024, and to keep the Company's stock market listing for at least a 12-month period following the completion of the Capital Increase.

The subscription amount of SSI AIV is contemplated to be settled as follows:

- (i) on an irreducible basis, in the amount of €16.6 million, through off-set outstanding amounts owed to SSI AIV (the "**Receivables**") on the subscription date under (x) the shareholder loan granted on March 21, 2024 (the "**Loan**")² (approximately €13.4 million) and (y) receivables, certain of which are liquid and due, related to Convertible Bonds³ that could not be redeemed in shares on October 24, 2024 (approximately €3.1 million after the aforementioned conversion);
- (ii) on an irreducible and reducible basis, for approximately €18.4 million in cash.

SSI AIV additionally acquired on the market, during the PSR trading period, 2,523,675 PSR, granting the right to subscribe for 7,739,270 New Shares.

Shareholders other than SSI AIV participated in the Capital Increase by subscribing to 5,443,041 New Shares.

Proceeds from the Capital Increase

The total gross proceeds from the Capital Increase, including the issue premium, amount to €36,554,948.34 (of which €10,084,123.68 par value and €26,470,824.66 issue premium), corresponding to the number of New Shares, i.e. 126,051,546 New Shares, multiplied by the subscription price of one New Share, i.e. €0.29 (consisting of €0.08 par value and €0.21 issue premium).

The net proceeds from the Capital Increase are estimated at approximately €19.5 million, corresponding to the gross proceeds after deduction of the fees relating to the Capital Increase. The remaining balance of the Capital Increase corresponds to the part of the subscription of SoftBank which shall be settled through off-set of the Receivables.

Use of the Net Proceeds from the Capital Increase

In addition to strengthening its balance sheet by repaying the entirety of the Receivables through the Capital Increase, the net proceeds from the issue of New Shares aim to enable the Company to extend and meet its cash flow requirements over the next 12 months.

² As a reminder, on March 21, 2024, the Company entered into a shareholder loan with the SoftBank Group, for a total principal amount of up to €12 million. Under the terms of a perfect payment delegation agreement entered into between the Company, SoftBank Group, SSI AIV, and SoftBank Overseas GK on November 13, 2024, the Loan was fully transferred from SoftBank Group to SSI AIV. As of the date of this press release, all of the €12 million has been made available to the Company; consequently, no further amounts are available under the Loan. The terms and conditions of the Loan are described in Section 3.2 of the Amendment to the 2023 Universal Registration Document. It may be repaid by offsetting receivables against a capital increase and is subject to sales and operating cash flow covenants calculated quarterly by the Company, which is required to issue a compliance certificate every quarter. These covenants remain unchanged at the date of this press release.

³ As a reminder, on June 14, 2023, the Company entered into a bond loan agreement with SSI AIV for a total principal amount of €5,000,000 through the issue of 500 Convertible Bonds. The Company has drawn down of all the Convertible Bonds in four tranches. At its meeting on October 24, 2024, the Board of Directors decided to issue 6,738,037 new ordinary shares in respect of the conversion request sent by SSI AIV on October 24, 2024 for the conversion of 221 Convertible Bonds, representing an amount in principal and interest of €2,627,834.43, based on a conversion price of €0.39 per new share (calculated as the volume-weighted average price of the last thirty trading sessions (€0.4858) less a discount of 20%, as defined in the Convertible Bond issuance agreement). Following this conversion, 279 Convertible Bonds remain outstanding, for a total amount of €3,133,282.18 (principal and interest to date).



The net proceeds from the Capital Increase will be allocated as follows:

- i. €12.5 million (i.e. 64% of the net proceeds) to support revenue growth, particularly through the direct sales model BL2, which has experienced significant acceleration since the start of 2024. This direct sales strategy is particularly focused on the U.S. and EMEA (Europe, Middle East, and Africa) markets, thereby reinforcing BALYO's commercial presence in these key regions, and
- ii. €7 million (i.e. 36% of the net proceeds) to R&D, in order to maintain a high level of innovation, address the technological needs of customers, and cover the Company's general expenses.

Settlement-Delivery

The New Shares will carry current dividend rights and will be admitted to trading on Euronext Paris under the same ISIN code FR0013258399 – BALYO. They will be subject to all statutory provisions and will be fungible with existing BALYO shares upon the definitive completion of the Capital Increase. Settlement-delivery and admission to trading on Euronext Paris are scheduled for November 22, 2024.

Breakdown of capital and voting rights

Prior to the Capital Increase, the Company's share capital was distributed as follows:

Shareholders	Non-diluted basis		Diluted basis ⁽¹⁾	
	Number of shares	% of capital and voting rights ⁽²⁾	Number of shares	% of capital and voting rights ⁽²⁾
SVF II Strategic Investments AIV LLC	31,978,785	77.8%	51,766,422	84.6%
Mr Pascal Rialland	182,700	0.4%	450,000	0.7%
Treasury shares	61,717	0.2%	61,717	0.1%
Public	8,880,572	21.6%	8,880,572	14.5%
TOTAL	41,103,774	100%	61,158,711	100%

⁽¹⁾ Taking into account (i) the 11,753,581 warrants issued and allotted by the Company at the date of the Prospectus, whether exercisable or not, giving entitlement to subscribe for 11,753,581 new shares of the Company, (ii) preferred shares convertible into ordinary shares according to a conversion ratio established on the basis of performance ratios as described in the Company's bylaws; in principle and subject to the achievement of the performance ratios described, the conversion ratio could be 100 ordinary shares for 1 preferred share (the maximum number of ordinary shares to be issued on conversion of the preferred shares would then be 270,000) and (iii) the new shares issued on conversion of the 279 convertible bonds, for a total principal amount of approximately €3.1 million.

⁽²⁾ Theoretical voting rights. All shares have the same voting rights, with the exception of 2,700 preferred shares which are deprived of voting right.



Following the Capital Increase, the Company's share capital shall be as follows:

Shareholders	Non-diluted basis		Diluted basis ⁽¹⁾	
	Number of shares	% of capital and voting rights ⁽²⁾	Number of shares	% of capital and voting rights ⁽²⁾
SVF II Strategic Investments AIV LLC	152,587,290	91.28%	164,340,871	91.7%
Mr Pascal Rialland	182,700	0.1%	450,000	0.3%
Treasury shares	61,717	0.0%	61,717	0.0%
Public	14,323,613	8.57%	14,323,613	8.0%
TOTAL	167,155,320	100%	179,176,201	100%

⁽¹⁾ Taking into account (i) the 11,753,581 warrants issued and allotted by the Company at the date of the Prospectus, whether exercisable or not, giving entitlement to subscribe for 11,753,581 new shares of the Company, and (ii) preferred shares convertible into ordinary shares according to a conversion ratio established on the basis of performance ratios as described in the Company's bylaws; in principle and subject to the achievement of the performance ratios described, the conversion ratio could be 100 ordinary shares for 1 preferred share (the maximum number of ordinary shares to be issued on conversion of preferred shares would then be 270,000).

⁽²⁾ Based on a share capital composed of 167,155,320 shares and 167,152,620 theoretical voting rights. All shares have the same voting rights, with the exception of 2,700 preferred shares, which are deprived of voting right.

Availability of the Prospectus

The Prospectus consisting of (i) BALYO's 2023 Universal Registration Document filed with the AMF on April 26, 2024 under number D.24-0334 and (ii) the Amendment to such 2023 Universal Registration Document filed with the AMF on 25 October 2024 under number D.24-0334-A01 and (iii) a Securities Note (including a summary of the Prospectus) which received AMF approval number 24-447 on October 25, 2024 is available on the AMF website (www.amf-france.org) and on the Company's website (<https://www.balyo.com/en-us/investors>). Copies of the Prospectus are available free of charge from BALYO's headquarters (74, Avenue Vladimir Ilitch Lénine - 94110 Arcueil).

Risk factors

Risks relating to the Company

The public's attention is drawn to the risk factors relating to the Company and its business, which are described in Chapter 3 of the 2023 Universal Registration Document, Chapter 4 of the Amendment to the 2023 Universal Registration Document and Chapter 2 of the Securities Note.

The occurrence of any or all of these risks could have an adverse effect on the Company's business, financial position, results, development, or outlook. The risk factors outlined in the aforementioned documents remain unchanged as of the date of this press release.



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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



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In France, the offer of BALYO shares described in this document will be made in the context of a share capital increase with preferential subscription rights through a public offering in France, on an irreducible and reducible basis, to the benefit of shareholders, and a global placement for institutional investors in France and outside of France, but excluding, in particular, the United States of America, Canada, Japan and South Africa.

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