



BALYO publishes its results for the first half of 2019

- 25% increase in sales revenue; +18% after restatement¹
- Amendment to the May 2017 agreement signed with Linde Material Handling and the Kion group regarding financing of working capital
- 2019 operating loss similar to that of 2018

Ivry-sur-Seine, France, September 25, 2019, 6:30 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 its results today for the first half of the 2019 fiscal year, as approved by the Board of Directors on September 24, 2019.

Fabien Bardinnet, Chairman and Chief Executive Officer, stated: *“The difficulties encountered in deploying our vertical storage robots are now close to resolved, and we are confident in the Company’s ability to recover momentum in line with the potential and added value of BALYO’s solutions. BALYO has entered into discussions with its partners to accelerate contract completion and, in particular, to allow them to rapidly achieve independence relative to the production, sale and deployment of the robots. Additionally, changes made with Linde Material Handling to our contractual terms regarding payments illustrate our industrial partner’s confidence in the potential of our solutions and improve BALYO’s cash position significantly, along with medium-term financial visibility.”*

<i>In millions of euros</i>	June 30, 2019 (before restatement)	June 30, 2019 (after restatement)	June 30, 2018
Sales revenue	12.14	12.14	9.71
IFRS 2 charge related to the Amazon BSAs		-0.69	
Sales revenue reported	12.14	11.45	9.71
Cost of sales	-9.71	-9.71	-7.56
Gross margin	2.43	1.74	2.15
Gross margin ratio	20%	15%	22%
Research and development	-2.70	-2.70	-3.17
Sales and marketing	-3.27	-3.27	-2.71
Overhead	-3.55	-3.55	-3.37
Payments in shares	-0.16	-0.16	-0.76
Operating loss/gain	-7.25	-7.94	-7.86
Financial income	-0.13	-0.13	0.16

¹ Inclusion of the IFRS 2 charge relative to the allocation of BSAs.



Net income	-7.39	-8.08	-7.70
Cash position	8.0	8.0	19.2

Business activity in the first half of 2019

BALYO recorded revenue of €12.1 million, a 25% increase compared with the same period of 2018. Taking into account the IFRS 2 charge of €692K, which was recorded at the same time as the recognition of sales revenue generated with the beneficiary of the stock warrants (BSA), sales revenue totaled €11.45 million, an 18% increase compared with the previous year. The recognition of this charge does not result in any payment in cash.

After including the orders received in Q2 2019 in the amount of €3.7 million, the backlog as at June 30, 2019 totaled €15.2 million, compared with €20.2 million the previous year.

This slowdown in business momentum results from the postponement of orders and certain difficulties encountered with the deployment of the initial storage robots. These difficulties are now being resolved and the Company is absolutely confident in its ability to recover and even improve its momentum in upcoming quarters.

Financial results for the first half of 2019

The decline in gross margin from 22% in HY1 2018 to 15% is mainly due to the IFRS 2 charge as, without the adjustment, the gross margin would equal 20%.

Furthermore, the Company has launched more sales and marketing initiatives this year than in 2018, and resulting sales and marketing expenses, as well as overhead costs, rose respectively by 21% and 5%, in particular due to the increase in headcount. The Company's workforce in fact grew from 181 employees on June 30, 2018 to 210 as at June 30, 2019.

The net result for HY1 2019 is -€8.1 million, compared with -€7.7 million for the first half of 2018. Deducting the IFRS 2 charge relative to the allocation of the BSAs, the Company's loss would total €7.4 million.

Cash available as at June 30, 2019 totaled €8.0 million.

Significant events in H1 2019 and post-closing

On January 9, 2019, BALYO signed a seven-year commercial agreement with Amazon, granting the e-commerce giant the right to subscribe up to 29% of BALYO's capital based on its future orders of up to €300 million.

In HY1 2019, BALYO commissioned 97 robots, resulting in significant growth in the number of installed units to a total of 512 in service as at June 30, 2019.

Linde Material Handling, the Kion group and the Company signed an amendment to the May 2017 agreement to adjust the terms of payment between the parties. Thanks to these changes to the terms of payment, the Company will benefit from significant advances for current and future projects, allowing it to meet its commitments over the next 12 months (June 20, 2020).



Strategy and outlook

BALYO is working closely with its industrial partners to restore momentum in sales and accelerate project execution. In particular, the plan provides for the training of our partners' installation teams to be extended rapidly, as well as for the production of a greater number of robots within their respective production units. In addition, the implementation of new-generation installation tools in 2020 will improve the margin achieved by the projects by reducing the time required to install the robots.

Also, the Company is committed to rapidly reaching a financial balance by adjusting its capacity costs. However, due to the slowdown in our business momentum in the first half-year, the Company must postpone the fulfillment of its loss reduction goal for a few months.

The company remains confident that it will reach its medium-term objective of €200 million in sales revenue.

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 23, 2019, 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 revenue reached €23.3 million in 2018. For more information, please visit our website at www.balyo.com.



CONTACTS

BALYO

Stanislas Piot
Chief Financial Officer
investors@balyo.com

NewCap

Financial Communication and Investor Relations
Thomas Grojean/Louis-Victor Delouvrier
Tel: +33 1 44 71 98 53
balyo@newcap.eu