

DRONE VOLT

Records a new surge in gross profit as of end of September 2017

Villepinte, October 17, 2017

DRONE VOLT, French manufacturer of industrial drones for civilian use, confirms their momentum towards improving profitability as of the end of September 2017. International deployment and the upscaling strategy with major accounts are still the driving forces for sales growth and for the sharp rise in volume and percentage of gross margin.

Unaudited Data in k euros –IFRS standards	9M 2016 reported	9M 2016 Restated ¹	9M 2017	Reported Variation	Restated Variation
Turnover	4 958	4 631	5 808	+17%	+25%
<i>of which is international</i>	1 983	1 983	2 921	+47%	+47%
Gross Margin	988	874	1 470	+47%	+68%
<i>Gross Margin rate</i>	20%	19%	25%	+5 points	+6 points

50% of sales are now made internationally

Sales at the end of September 2017 amounted to 5.8 million euros, compared with a reported 5.0 million euros and 4.6 million euros on a comparable basis for the same period in 2016. In restated data, growth is 25% higher compared to same period in 2016.

Since the beginning of the year, expected growth has been strengthened by DRONE VOLT's international development. For the first time, the revenue generated by subsidiaries outside of France has reached 50% of sales (40% at the end of September 2016). This also confirms the company's development beyond its domestic market.

An increase in the volume of gross margin and percentage of turnover

At the end of September 2017, the gross margin rose by + 68% from a comparable basis of 1.5 million euros, and the gross margin rate rose by 6 points on a comparable basis reaching 25% of turnover.

Gross margin has progressed even faster than actual turnover, thanks to production (**DRONE VOLT FACTORY**), the training courses (**DRONE VOLT ACADEMY**) but also to the powerful upswing in maintenance revenues in line with strategy. Thus, the trend towards serving professional clients strengthens with now nearly $\frac{3}{4}$ of sales from B2B activities against 61% last year. DRONE VOLT confirms the relevance of its transformation into an integrated industrial drone manufacturer for civilian uses.

In the year's first 9 months, DRONE VOLT sold 32 drones from the DRONE VOLT FACTORY based in France with an average sales price of around 15,000 euros. The gross margin generated by this high added value activity, as well as services and training, now represents 35% of the gross margin generated in France.

This policy has also helped to significantly reduce the internet advertising budget (about 10 k euros per quarter against 40 k euros per quarter in last year) to in turn decrease the Group's exposure to small professional drones with very low margin and focus on DRONE VOLT products and services at 15 k euros and more.

¹ Restated revenues recorded in the 3rd quarter of 2016 and resumed in the 4th quarter of 2016 as deferred income

A clear horizon ahead

Boosted by this commercial and financial dynamic, DRONE VOLT is approaching the end of the accounting year with confidence. The company is remaining focused on major French accounts (CAC 40) and international accounts (Fortune 500) and on priority sectors, including **construction** and **security / defense**.

The company is currently registering great interest towards the HERCULES range and is expected to announce important agreements within the security sector on new territories in the upcoming days.

Most importantly, DRONE VOLT will fully exploit the synergies from the acquired AERIALTRONICS² 'strategic assets, announced on September 19th 2017.

The first weeks of integration confirm the tremendous industrial and commercial potential of this merger. AERIALTRONICS has developed recognized expertise in the design and manufacturing of industrial civil drones using the significant potential of artificial intelligence and big data analytics. Its PENSAR offering includes data capture modules (audio, video, physical parameters, etc.) and data processing, as well as data analysis in real-time using a 1teraFLOPS on-board processor.

All DRONE VOLT press releases are available at www.dronevolt.com / Investisseurs

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About DRONE VOLT

Founded in 2011, and with offices in France, Benelux, Canada, Denmark, the United States and Switzerland DRONE VOLT is specialized in the design and commercialization of civilian drones for professional use. As a global partner, it offers its customers turn-key professional solutions, including a variety of services and pilot training.

This young innovative company had a turnover of 6.8 million Euros in 2016 (+90%) and is the leading audiovisual drone manufacturer. It also provides administration and industrial services for aerial photography. Its customers include FRANCE TELEVISIONS, TF1, Gendarmerie des Transports Aériens (GTA), POINT.P, etc. DRONE VOLT has been qualified as an "Innovative Enterprise" by Bpifrance.

DRONE VOLT is listed on the Euronext Growth market in Paris:

Action: Mnemonic: ALDRV.PA - ISIN code: FR0013088606 - Eligible: PEA, PEA-SME

BSA: Mnemonic: DRVBS - ISIN code: FR001286054

For more information go to www.dronevolt.com

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² See press release ([DRONE VOLT enriches its technological and industrial expertise with the takeover of manufacturer AERIALTRONICS assets](#)) and website (www.aerialtronics.com)