

DRONE VOLT

Capital increase of € 3.67M whilst maintaining shareholders' DPS

- Subscription price set at € 0.68, a 15% discount
- Subscription from November 13 to 23, 2017 (included)
- 7 DPS will give right to subscribe to 2 new shares
- Already received subscription commitments representing 75.2% of the issue's amount
- Issue eligible to the IFI-SME tax reduction and shares eligible for the PEA (Share savings plan) and SMB

Villepinte, November 6, 2017 – 8 :00pm CET

DRONE VOLT, French manufacturer of industrial drones for civilian use (the "Company"), announced the launch of a capital increase whilst maintaining the shareholders preferential subscription right ("DPS"), for a maximum amount of 3.67 M € (the "Issue"). With a unit price per new share of € 0.68, once the transaction is completed in full, this issue would involve a maximum of 5,389,950 new shares.

DRONE VOLT's development strategy is based on a strong R&D integration and the design and manufacturing of industrial civilian drones for professional use "in-house". One of the capital raise's objectives is to provide the Company with additional resources to accelerate technological improvement, by investing in increasing the number of technical teams and their skills. Targeted acquisitions could also be conducted according to opportunities.

In case of a full subscription, the funds raised during the issue will be affected as follows:

- Close to 20% to meet new requirements for corporate services with key accounts;
- Close to 45% to seize emerging sectorial opportunities and to finance the opening of new establishments essentially in Europe;
- About 35% to finance the development of existing establishments

Commenting on the launch of this operation, Olivier GUALDONI, Chairman and Chief Executive Officer of DRONE VOLT, declared: "This fundraising will allow us to calmly pursue our growth trajectory by continuously enriching our offer of high value-added industrial civilian drones and geographic expansion to the most promising markets. In addition, the synergies resulting from the takeover of Aerialtronics' strategic assets are spectacular and the renewed confidence from customers offers us excellent commercial prospects. Finally, we wanted to be able to involve all our shareholders in this new phase of our development project by maintaining the preferential subscription right."

To date, the Company has already received subscription commitments for the maximum amount of € 2.75M, representing 75.2% of the total issued amount.

The present offer, between € 100,000 and € 5,000,000 which represents no more than 50% of the company's capital, will not give way to an AMF (Autorités des Marchés Financiers) submitted prospectus for approval under the article 211-2 of the AMF General Regulations.

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Activity update for the end of October 2017:

During the month of October 2017, DRONE VOLT achieved a turnover of € 0.6M with a gross margin of 25%, in line with the level recorded over the year's first nine months of activity. Year-to-date figures for the end of October 2017, sales reached € 6.4M, which represents 93% of the full 2016 yearly sales. The combined gross margin at the end of October 2017 was € 1.6M, or 107% of gross margin for 2016.

In France, DRONE VOLT's transformation into a designer and manufacturer of industrial civilian drones accelerates during October, as the two products that have contributed the most to these margins are the HERCULES 10 and the HERCULES 20. These unit sales represent 34% of the total gross margin for October 2017 in France.

The commercial focus on strategic segments such as Safety and Public Building Works was also bearing its fruit. In October 2017, the 3 main contributors in terms of gross margin in France are MINISTRY OF DEFENSE, EURO PULVE and KILOUTOU.

Transaction terms:**Transaction legal framework:**

The Combined Shareholders' Meeting of May 11, 2017, in its tenth resolution, delegated to the Board of Directors, the possibility of carrying out a capital increase with DPS maintenance. At its meeting of November 6, 2017, the Board of Directors decided to make use of this delegation and decided on the terms and conditions of the Issue.

Nature of the transaction:

The capital increase will be carried out whilst maintaining the DPS for a maximum gross amount of € 3,665,166 through issuing 5,389,950 new shares to subscribe in cash and for a unit price of € 0.68.

Consequently, the owners of the 18,864,826 old shares or the DPS assignees attached to the said shares will have, of the 5,389,950 new shares to be issued, an irreducible subscription right which will be exercised at the rate of 7 DPS for 2 new shares.

Subscription price:

As an indication, based on the DRONE VOLT share closing price from November 6, 2017, of € 0.80, the issue price of new shares of € 0.68 shows a discount of 15.0%. The par value of a new share will be € 0.03, showing an issue premium per new share of € 0.65. On the basis of the closing price of the DRONE VOLT share from November 6, 2017 and the Issue terms & conditions, the theoretical value of a PSR is € 0.027.

The theoretical value of the ex-right share amounts to € 0.77 and the issue price of the new shares shows a discount of 12.1% compared to the theoretical value of the ex-right share.

DPS on an irreducible basis:

Subscription to new shares is reserved, by preference, to the holders of existing shares accountably registered on their own accounts at the end of the day preceding the opening date of the subscription period and to the DPS assignees.

The DPS holders may subscribe on a non-reducible basis, at the rate of 2 new shares for 7 existing owned shares, that is to say 7 DPS which will allow to subscribe to 2 new shares, without taking into account fractions.

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The DPS may only be exercised up to a number allowing the subscription of an entire number of new shares. In the event that a DPS holder does not have a sufficient number of DPSs to subscribe for an entire number of new company shares, the DPS shareholders or assignees will be able to buy or sell the number of DPS allowing to reach the multiple leading to an entire number of new shares.

DPS on a reducible basis:

It is instituted, for the benefit of shareholders, a reducible DPS for new shares which will be exercised in proportion to their rights and within the limits of their requests. At the same time as they will deposit their subscriptions on an irreducible basis, the shareholders or the assignees of DPS will be able to subscribe the number of new shares to their chosen reducible capacity, in addition to the number of new shares resulting from the exercise of their non-reducible DPS.

Reducible subscriptions are permitted but remain subject to reduction in the event of significant demand. New shares, which may not be absorbed by the subscriptions on an irreducible basis, will be allocated and allocated to holders who subscribed on a reducible basis. A notice published by Euronext will disclose, if applicable, the distribution scale for subscriptions on a reducible basis.

DPS execution:

To exercise their DPS, the holders must make the request to their authorized financial intermediary and pay the corresponding subscription price. The DPS must be exercised by its beneficiaries, under penalty of forfeiture, before the expiry of the subscription period. In accordance with the law, the DPS will be negotiable during the period of its listing, from November 9, 2017 to November 21, 2017 inclusive, under the same conditions as the old shares.

The DPS transferor will be divested for the benefit of the assignee who, for the exercise of the acquired DPS, will be purely and simply substituted all of the old owners' rights and obligations.

The subscription period is from November 13, 2017 to November 23, 2017 inclusive. DPS not exercised at the end of the subscription period will automatically lapse. If the irreducible and reducible subscriptions have not absorbed the entire issue, the Board of Directors has sub-delegated its powers to the Chairman and Chief Executive Officer to use, in the order it determines, the powers provided for in Article L. 225-134 of the French Commercial Code or some of them only, and excluding an offer to the public within the meaning of Articles L 411-1 and L 411-2 of the French Monetary and Financial Code. Each subscription must be accompanied by the payment of the subscription price by payment of cash or by offsetting liquid and payable claims on the Company. Subscriptions that have not been fully paid up will be automatically cancelled, without the need for a formal notice.

Preferential subscription rights listing:

Following the trading session of November 8, 2017, DRONE VOLT shareholders will receive 1 DPS for each held share (totaling 18,864,826 DPS issued). Each shareholder holding 7 DPS (and multiples of this number) may subscribe for 2 new shares (and multiples of this number) at a unit price of € 0.68.

The DPS will be listed and traded on Euronext Growth, under the code ISIN FR0013294816, of November 9, 2017 to November 21, 2017 included. In the absence of subscription or sale of these DPS they will lapse at the end of the subscription period and their value will be nil. Based on share closing price from November 6, 2017 and the issue terms, the theoretical value of a DPS is € 0.027.

Listing of new shares:

According to the issue's indicative timetable, the expected delivery date for the new shares is December 1, 2017.

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The new shares will be in use from January 1, 2017 and will be negotiable on the Euronext Growth market as of December 1, 2017. They will be admitted on the same listing line as the old shares (ISIN code FR0013088606 - memo: ALDRV) and they will be fully assimilated as soon as they are admitted to negotiations.

Main shareholders and non-shareholders subscription intentions:

The sum of subscription commitments amounts to € 2,754,998.24, or 4,051,468 new shares representing 75.2% of the Issue. These commitments are broken down into 382,350 new shares representing € 259,998.00 and € 3,669,118 reducible shares representing € 2,495,000.24. These irrevocable commitments are issued by:

- DIMITRI BATSIS INVESTISSEMENTS, a personal Dimitri BATSIS holding company, 24.08% shareholder of DRONE VOLT's capital, has declared its intention to subscribe 154,170 DPS per exercise on a non-reducible basis, giving right to the subscription of 44,117 new shares, or € 29,999.56. In addition, DIMITRI BATSIS INVESTISSEMENTS has announced its intention to subscribe on a reducible basis, 397,059 new shares or 270,000.12 €. Accordingly, the DIMITRI BATSIS INVESTISSEMENTS commitment covers a maximum of 441,176 new shares or € 299,999.68 representing 8.2% of the issued amount. DIMITRI BATSIS INVESTISSEMENTS will sell the remainder of its non-exercised DPS on the market.
- Jérôme MARSAC, 4.02% DRONE VOLT shareholder, announced his intention to subscribe for 154,110 DPS per exercise, on a non-reducible basis, giving the right to subscribe to 44,117 new shares or € 999.56. In addition, Jérôme MARSAC has announced his intention to subscribe for 1,735,294 new shares on a reducible basis, or € 1,179,999.92. Thus, Mr. Jérôme MARSAC's commitment covers a maximum of 1,779,411 new shares, or € 1,209,999.48 representing 33.0% of the issued amount. Mr. Jérôme MARSAC remainder of his unexercised DPS on the market.
- ING LUXEMBOURG, a 0.04% DRONE VOLT shareholder has announced its intention to subscribe, by exercise on a non-irreducible basis of 669,116 DPS of which 6,840 DPS of which he holds and 662,276 DPS which will be acquired on the market, allowing the subscription of 191,176 new shares which represents € 129,999.68. In addition, ING LUXEMBOURG has announced its intention to subscribe 338,235 new shares on a reducible basis, or € 229,999.80. Thus, ING LUXEMBOURG's commitment covers a maximum of 529,411 new shares, or € 359,999.48 representing 9.8% of the issued amount.
- AURORE INVEST FUND, a 0.18% shareholder of DRONE VOLT's capital, has announced its intention to subscribe, by irreducible exercise 360 290 DPS of which 34 499 DPS will be held and 325 791 DPS will be acquired on the market, giving the right to subscribe for 102,940 new shares, or € 69,999.20. In addition, AURORE INVEST FUND has announced its intention to subscribe 397,060 new shares on a reducible basis, or € 270,000.80. Thus, AURORE INVEST FUND's subscription commitment covers a maximum of 500,000 new shares, or € 340,000.00 representing 9.3% of the Issued.
- KARAKORAM, a Drone Volt non-shareholder, has announced its intention to subscribe 500,000 new shares on a reducible basis, or € 340,000.00. Thus, KARAKORAM's commitment is for a maximum of 500,000 new shares, or € 340,000.00 representing 9.3% of the issued amount.
- INTERNATIONAL MEDIA GROUP (IMG), a DRONE VOLT non-shareholder, has announced its intention to subscribe on non-reducible basis of 147,058 new shares, or €

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99,999.44. Thus, the underwriting commitment of INTERNATIONAL MEDIA GROUP (GMI) covers a maximum of 147,058 new shares or € 99,999.44 representing 2.7% of the issued amount.

- Hélène AVRIL, a Drone Volt non-shareholder, announced her intention to subscribe for 44,118 new shares on a reducible basis, of € 30,000.24. Thus, Mrs. Hélène AVRIL's commitment covers a maximum of 44,118 new shares or € 30,000.24 which represents 0.8% of the issued amount.
- ESUS INVESTMENTS & CONSULTING, a Drone Volt non-shareholder, has announced its intention to subscribe on a reducible basis, of 110,294 new shares, or € 74,999.92. Thus, ESUS INVESTMENTS & CONSULTING's commitment covers a maximum of 110,294 new shares, or € 74,999.92 which represents 2.0% of the issues amount.

To date, DRONE VOLT is not aware of any intentions from other shareholders as to the exercise or transfer of their DPS.

DPS detached from shares auto detained by the Company:

In application to Article L.225-206 of the French Commercial Code, DRONE VOLT cannot subscribe to its own shares. DPS detached from company treasury shares will be sold on the market (as of November 1, 2017, the Company held 71,942 treasury shares) before the end of their trading period under the conditions of Article L.225-210. of the Commercial Code.

Warranty:

The issue is not the subject to a guarantee contract within Article L.225-145 of the French Commercial Code.

Authorized Intermediaries - Subscription Payments:

Subscriptions for the New Shares and the payment of funds by subscribers, whose shares are registered in administered or bearer registered form, or their authorized provider acting on their behalf and for their account will be received until November 23, 2017 including their authorized intermediary acting in their name and on their behalf.

Subscriptions and payments of subscribers whose shares are registered under nominative form will be received without charge from CACEIS Corporate Trust (14 rue Rouged-de-Lisle - 92862 Issy Les Moulineaux cedex 9) (member 23).

Impact of the issue on consolidated shareholders' equity per share:

As an indication, the issuance impact of new shares on the proportionate equity per share (calculated on the basis of the shareholders' Group equity as of June 30, 2017 and the number 18,864,826 shares which makes up for the company's capital to date), would be as follows:

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	Portion of shareholders' equity per share (in euros)	
	Non-diluted basis	Diluted basis*
Before issue of the new shares resulting from the present capital increase	0,25 €	0,49 €
After the issue of 4,042,463 new shares from this transaction (75% capital increase completion)	0,32 €	0,51 €
After issue of 5,389,950 new shares from this transaction (100% capital increase completion)	0,34 €	0,52 €

* The diluted base takes into account the potential dilution resulting from the exercise of all outstanding warrants issued in July 2015 and the exercise of all outstanding OCABSAs

Issue impact on the shareholder's situation:

As an indication, the issue impact on the capital of a holding shareholder with 1% of the Company's share capital prior to and not subscribing to the issue (calculated on the basis of the number of shares making up the Company's share capital at 31 October 2017, or 18,864,826 shares) would be as follows:

	Shareholder participation (in %)	
	Non-diluted basis	Diluted basis*
Before issue of the new shares resulting from the present capital increase	1,00%	0,66%
After the issue of 4,042,463 new shares from this transaction (75% capital increase completion)	0,82%	0,58%
After issue of 5,389,950 new shares from this transaction (100% capital increase completion)	0,78%	0,56%

* The diluted base takes into account the potential dilution resulting from the exercise of all outstanding warrants issued in July 2015 and the exercise of all outstanding OCABSAs

Subscription terms:

If the subscriber is a Company shareholder:

If DPS attached to its DRONE VOLT shares, which allowed to subscribe in priority to the new shares by applying the ratio of 2 new shares for 7 DPS (1 old share giving right to 1 DPS).

- Either there is an exact and sufficient number of old shares to be able to subscribe via DPS to an entire number of new shares.
- Either there is not a sufficient number of old shares to obtain a whole number of new shares, in this case you will be able to buy or sell the number of DPS allowing to reach a whole number of shares new (2 new actions for 7 DPS).

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If the subscriber is not a Company shareholder:

It is possible to subscribe by purchasing on the stock market from November 9, 2017 to November 21, 2017 included, through the financial institution in charge of the account and by exercising, by November 21, 2017, its DPS with the latter.

Each subscription must be accompanied with payment of the subscription price.

BSA holders:

Holders of outstanding BSA DRONE VOLT are informed that the exercise of their warrants is not suspended during the subscription period.

Issue related expenses – Issue Net Products:

The amount of expenses related to the Issue is estimated at approximately € 367,000, or 10% of the funds raised in the event of completion. These expenses are related to the advisory fees and the investors return as payment for their irrevocable commitment to Issue subscription (5% of the amount of their total commitment). Thus, in case of completion, the issue's net amount would be € 3.30 million.

Indicative timetable of the operation:

6 November 2017	Board of Directors meeting and decision on the operations implementation and definitive Terms
8 November 2017	Issue notice published by Euronext in the obligatory legal announcements
9 November 2017	Beginning of the DPS negotiation period
13 November 2017	Opening of the subscription period
21 November 2017	End of the DPS negotiation period
23 November 2017	Subscription period closing
29 November 2017	Press release announcing issue's final result and the reduction scale applicable to reducible subscriptions
1 December 2017	Payment-delivery and listing of new shares

Eligibility for IFI-SME reduction:

The issue is eligible for IFI-SME tax reduction.

Warning

In application of the provisions of Article L.411-2 of the French Monetary and Financial Code and Article 211-2 of the AMF General Regulation, this issue will not allow a Prospectus from the AMF, because the total amount of the offer is between € 100,000 and € 5,000,000 and relates to financial securities that do not represent more than 50% of the Company's capital.

A Notice to Shareholders relating to this Issue will be published on November 8, 2017 in the "Bulletin des Annonces Légales Obligatoires" (BALO).

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Risk factors

Investors are invited, prior to making their investment decision, to pay attention to the risks described in section 1.2 of the Company's 2016 Annual Report, available on Drone Volt's Investor Relations website under Financial Reporting. Investors are also invited to read the 2016 earnings presentation and the press release relating to these results available on the DRONE VOLT website under the Investors tab.



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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 drone manufacturer for audiovisual applications. DRONE VOLT 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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