

Drone Volt

Drone Volt flies high in 2017, completing its transformation into a manufacturer of civilian professional drones

- 2 exclusive base models (*Hercules and Altura Zenith*) and a smart camera (*Pensar*)
- 2 strategic acquisitions (*DanDrone and Aerialtronics*)
- 2 production facilities (*Villepinte, France and Katwijk, the Netherlands*)
- 11 trade shows attended worldwide (*mainly in the security, defense and construction sectors*)
- 49 employees in Europe and the United States at end-2017 (*13 new hires across the year, chiefly in R&D and production*)

Villepinte, March 12, 2018

Drone Volt, the French manufacturer of professional drones, presents its financial results for fiscal year 2017 as approved by the Board of Directors at its meeting of March 9, 2018.¹

Commenting on the results, Olivier Gualdoni, Executive Chairman & CEO of Drone Volt, said: “2017 will live long in the memory as stand-out year for Drone Volt. Our technology advanced by leaps and bounds, putting us firmly on the map as one of the world’s top manufacturers of civilian professional drones. This successful transition has been a real team effort. And it stands testament to our strategy of investing in new technologies.

We have secured backing from top-tier investors, who share our ambition to conquer the drone market—a segment that looks set to grow exponentially. With a rock-solid financial structure behind us, we are well-positioned to continue deploying our flight plan.

We are currently in talks with 14 military and civilian authorities across Europe, the United States and Asia, and we are working on projects with 13 international groups serving the civilian and military sectors. Although decisions tend to take time in our industry, we firmly believe that we are on the right path. We expect to see our hard work begin to pay off in 2018.”

Figures in €K (IFRS)	2016	2017
Revenue	6,820	7,778
Gross margin	1,501	1,981
<i>Gross margin ratio</i>	22%	25%
Current operating income	(2,088)	(3,576)
Operating income	(2,290)	(3,591)
Net income	(1,666)	(2,766)

¹ The consolidated financial statements have been audited. The auditor’s report will be published once the annual financial report is ready for release.

Revenue up 14%

In 2017, the group posted revenue of €7.8m—up 14% year-on-year and more than a 4.5-fold increase in just three years—while gradually cutting its exposure to low-margin third-party product sales.

Drone Volt features in the 2018 Growth Champions index—the second year running that the group has made it onto the list of the 500 fastest-growing French businesses, compiled by leading French financial newspaper *Les Échos* and market research firm Statista. Drone Volt is ranked 89th overall and 2nd in the “aeronautics, automotive and shipbuilding” category.

Gross margin 30% higher

Gross margin stood at €2.0m, up 30% year-on-year, while the group’s gross margin ratio was 25% (up 3 percentage points). These figures reflect Drone Volt’s decision to target the professional segment (B2B sales accounted for 75% of revenue) and its focus on key markets—construction and security—where its products and services bring substantial added value.

Current operating income affected by investment in growth

In 2017, Drone Volt invested heavily in technology, facilities and marketing, recognizing the lion’s share of its costs as current operating expenses. The group acquired leading Scandinavian firm DanDrone, bought up the strategic assets of Netherlands-based Aerialtronics, and attended major international trade shows such as CES (Las Vegas), Milipol (Paris), Expodefensa (Bogotá) and the Paris Air Show. These expenditures alone amounted to almost €1m. R&D expenditure more than doubled against 2016, standing at €1.4m in 2017 (€1m in capital expenditure and €0.4m in revenue expenditure).

The group hired more highly skilled employees last year, bringing group-wide headcount to 49 at end-2017 (as against 36 at end-2016). Consequently, personnel expenses were up €0.6m year-on-year.

The group posted a current operating loss of €3.6m (€2.1m loss in 2016).

After factoring in tax credits, the group recorded a net loss of €2.7 million (€1.7 loss in 2016).

€7.8m in capital raised in 2017

Last year, Drone Volt raised €7.8m from investors to fund its aggressive growth strategy.

At December 31, 2017, group equity stood at €6.8m, cash at €2.9m, and financial debts (mostly medium-term liabilities) at €2.6m.

Positive outlook and external growth opportunities

Drone Volt has cemented its position as one of the world’s leading professional drone manufacturers—a reputation built on professionalism, reliable products, and cutting-edge hardware and software, especially for artificial intelligence applications.

With two production facilities—one in Villepinte, France and the other in Katwijk, the Netherlands—and its own in-house design offices, the group is now well-positioned to cope with a likely surge in demand in the coming years.

In 2018, Drone Volt will continue adding to its already extensive catalog, launching the new Heliplane (a hybrid professional drone that combines the vertical takeoff capability of a multicopter drone and the load-bearing capacity of a fixed-wing model) as well as a brand-new version of its Hercules base model with a 2kg payload.

The group’s newly expanded range of products and services will cater precisely to the needs of construction and security industry professionals.

Drone Volt is currently in talks with 65 customers in Europe, the United States and Asia (37 in

Europe, 24 in the Americas and 4 elsewhere in the world), including 14 government agencies—mostly military, police and civil defense authorities. The group is also working with 13 international groups, with proof-of-concept test flights scheduled in the near future.

These ongoing talks prove that Drone Volt is pursuing a winning strategy.

Next press release: Q1 2018 revenue, Monday, April 9, 2018

All Drone Volt press releases are available at <http://www.dronevolt.com/en/investors/>

To receive all press releases free of charge, please register with [Actusnews](#)

To receive the company newsletter, write to: finance@dronevolt.com

About Drone Volt

Drone Volt, a company founded in 2011, is an aeronautical manufacturer specialized in civilian professional drones and artificial intelligence. Drone Volt is present in France, Benelux, Canada, Denmark, the United States, Switzerland and Indonesia. As an end-to-end partner, Drone Volt provides its customers with turnkey solutions including a range of drone services and operator training courses.

Drone Volt recorded revenue of €7.8m in 2017. The group supplies drones to governments and major firms for aerial photography and video applications. Its customers include France Télévisions, TF1, the Air Transport Gendarmerie (GTA), Point.P, and more.

Drone Volt is recognized as an Innovative Enterprise by Bpifrance, the French public investment bank.

Drone Volt is listed on the Euronext Growth market (Paris):

Share: Symbol: ALDRV.PA - ISIN: FR0013088606 - Eligible: PEA, PEA-PME

Stock warrant: Symbol: DRVBS - ISIN: FR001286054

For more information go to www.dronevolt.com

Contacts:

Finance Media Relations

ACTUS – finance & communication

Jean-Michel Marmillon – T: +33 1 53 67 36 73

dronevolt@actus.fr

General Public and Professional Media Relations

Drone Volt

Céline Vergely – T: +33 6 08 42 75 84

celine@dronevolt.com

U.S. & International Investor Relations

Thomas Renaud

Arrowhead Business and Investment Decisions

48 Wall Street, 11th Floor | New York | NY 10005

Office: +1 212 619-6889 ext. 7010

dronevolt@arrowheadbid.com