

## DRONE VOLT

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### Transfer to the public offer quotation group of Euronext Growth

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Villepinte, March 29, 2018

**DRONE VOLT, the French manufacturer and distributor of professional drones, has announced its transfer from quotation group E1 (private placement) to quotation group E2 (public offer) on the Euronext Growth Paris market. This transfer, in the form of direct admission, will be effective April 3, 2018.**

Olivier Gualdoni, Chariman / CEO of DRONE VOLT, indicated that *“since our stock market listing in April 2015, the share price of DRONE VOLT has risen +15% and trading volumes have soared, reaching over €150,000<sup>1</sup> since the beginning of 2018. This is proof of genuine investor interest in our company. By transferring to the public offer segment of Euronext Growth, we are offering an opportunity to invest in the strongly growing civilian drones segment to a new category of investors.”*

#### Terms of the operation

In the framework of the transfer of the DRONE VOLT shares from quotation group E1 to quotation group E2, we would note that the company is not proceeding with any listing of new shares or placement of existing shares.

The calendar of the transfer is the following:

- **March 29, 2018:** publication of the Euronext notice of the transfer of the existing shares from quotation group E1 (private placement) to quotation group E2 (public offer) on Euronext Growth Paris.
- **April 3, 2018:** transfer to the new quotation group on Euronext Growth Paris and start of continuous trading.

ATOUT CAPITAL, the consulting firm in connection with this transfer, is maintaining its role as listing sponsor of the company.

#### Availability of the Prospectus

Copies of the Prospectus approved by the Autorité des marchés financiers (AMF) on March 28, 2018 under the no. 18-096 are available on the websites of the company ([www.dronevolt.com](http://www.dronevolt.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).

A summary of this Prospectus is included as an annex to this press release.

#### Risk factors

The public is advised to take into consideration chapter 4 “Risk factors” of the Prospectus registered by the AMF, notably paragraph 4.3.6 “Dilution risk”. The company has effectively arranged several

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<sup>1</sup> Daily average seen on the Euronext between January 1, 2018 and 23 March 2018. Source: Euronext

financing packages and has made use, among others, of dilutive securities (warrants and OCABSA convertible bonds with attached warrants). The float represents 78% of the outstanding shares.

A shareholder holding 1% of the shares on the day of the transfer would see his or her stake diluted to 0.75% if all the dilutive securities (i.e. warrants and convertible bonds with attached warrants) are exercised.

Shareholders	Non-diluted basis		Diluted basis*	
	Number of shares	% holding	Number of shares	% holding
Shareholder A	254,459	1.0%	254,459	0.75%
<b>Total</b>	<b>25,445,884</b>	<b>100%</b>	<b>33,854,919</b>	<b>100%</b>

\* calculations based on a share price of €0.70 on March 21, 2018.

Note that DRONE VOLT arranged an OCABSA convertible bond with attached warrants line with Yorkville Advisors in December 2015 allowing the potential raising of a maximum of €5m in funds divided into 20 OCABSA tranches of €250,000 each. As of now, 18 out of 20 tranches have been subscribed to and 13.8 have been converted.

Summary - Yorkville Advisors			
(€)	Quantity	Unit price	Gross amount
Total contract	20	250,000	5,000,000
Tranches not subscribed	2	250,000	500,000
Tranches subscribed	18	250,000	4,500,000
<i>o/w tranches converted</i>	<i>13.8</i>	<i>250,000</i>	<i>3,450,000</i>
<i>o/w tranches not converted</i>	<i>4.2</i>	<i>250,000</i>	<i>1,050,000</i>

### Selected financial data

€k	12/31/2017* (12 months)	12/31/2016 (12 months)	12/31/2015 (12 months)
Net sales	7,778	6,820	3,586
<i>% change</i>	<i>14.0%</i>	<i>90.2%</i>	<i>109.4%</i>
Operating profit (loss)	(3,536)	(2,290)	(984)
<i>Operating margin</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Net profit (loss)	(2,711)	(1,666)	(668)
<i>Net margin</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>

\* 2017 figures unaudited

**Next press release: Q1 2018 sales, Monday, April 9, 2018**

All the DRONE VOLT press releases are available on [www.dronevolt.com/Investors](http://www.dronevolt.com/Investors)

To receive all the press releases free of charge, register on [Actusnews](http://Actusnews)

To receive the company newsletter, contact us at [finance@dronevolt.com](mailto:finance@dronevolt.com)

**About DRONE VOLT**

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Founded in 2011, DRONE VOLT is an aeronautics manufacturer specializing in professional civilian drones and artificial intelligence. DRONE VOLT operates in France, the Benelux region, Canada, Denmark, the United States, Switzerland, and Indonesia. A global partner, DRONE VOLT offers its clients turnkey business solutions including different services and the training of drone pilots.

The DRONE VOLT group recorded sales of 7.8 million euros in 2017. DRONE VOLT notably produces aerial views for government agencies and industrial companies. The company's clients include FRANCE TELEVISIONS, TF1, the French Air Transport Gendarmerie (GTA), and POINT.P etc. DRONE VOLT has been designated as an Innovative Enterprise by Bpifrance.

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

*Shares: symbol: ALDRV.PA - ISIN code: FR0013088606 - Eligible: French share savings plans, small / medium sized business share savings plans*

*Warrant: symbol: DRVBS - ISIN code: FR001286054*

More information on [www.dronevolt.com](http://www.dronevolt.com)

**Contacts:**

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## PROSPECTUS SUMMARY

AMF approval no. 18-096 dated March 28, 2018

This summary is made of up of a series of key points of information, referred to as “Elements”, presented in five sections A to E and numbered A.1 to E.7.

This summary contains all the Elements required to be included in the summary of a prospectus relating to this category of securities and this type of issuer. As not all the Elements are required to be provided, the numbering of the Elements in the present summary is not continuous.

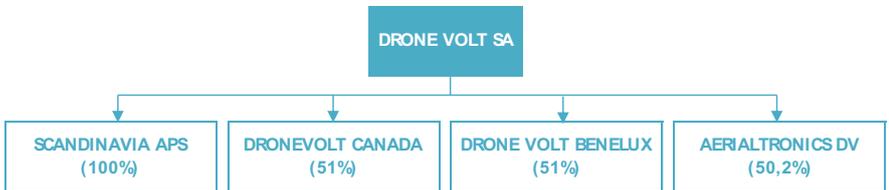
It is possible that no pertinent information can be supplied concerning a given Element required to be included in the present summary due to the category of the securities and the type of issuer in question. In this case, a short description of the Element in question is included in the summary with the indication “Not applicable”.

Section A – Introduction and warnings		
A1	Introduction and warnings	<p>The present summary should be read as an introduction to the Prospectus. Any decision to invest in the securities in question should be based on an exhaustive review of the Prospectus by the investor. When litigation concerning the information contained in the Prospectus is filed with a court, the investor plaintiff may, depending on the national legislation of the Member States, be obliged to pay the cost of the translation of the Prospectus prior to the start of the legal proceedings.</p> <p>Only those persons who have presented the summary (including its translation) may face civil liability, and then only if the content of the summary is misleading, inaccurate or in contradiction with the sections of the Prospectus or if it does not supply, when read in combination with the other sections of the Prospectus, the key information serving to assist investors when they consider investing in these securities.</p>
A2	Resale or final placement of securities	Not applicable

Section B - Issuer		
B1	Legal name and trade name of the issuer	<p>The legal name remains: <b>DRONE VOLT</b></p> <p>The trade name is: <b>FPV4EVER</b></p>

B2	Corporate headquarters / Legal format / Legislation / Country of origin	<p>The corporate headquarters remains <b>14, rue de la Perdrix 93420 Villepinte.</b></p> <p>The Company is a public limited liability company with a board of directors following the decision of the partners at the extraordinary general meeting dated March 25, 2015.</p> <p>Legislation : French / Country of origin: France</p>
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<p>B3</p>	<p>Nature of business and principal activities</p>	<p>Founded in 2011 DRONE VOLT is a worldwide player in professional drones. As an aircraft distributor and manufacturer, the company is therefore obliged to register with the French civil aviation authority DGAC.</p> <p>The Group operates in 13 countries:</p> <ul style="list-style-type: none"> <li>• Parent company in France</li> <li>• Subsidiaries in Belgium, Canada and Denmark</li> <li>• Sales offices in Switzerland and the United States (the Group relies on partners familiar with the local business environment in order to develop these offices. These partners are paid through commissions.)</li> <li>• International reach of subsidiaries in Luxemburg, the Netherlands, Sweden, Norway, Finland, Italy and Slovenia.</li> </ul> <p>DRONE VOLT benefits from a major clients in its BtoB activity, the Group's strategic activity and core business. DRONE VOLT also has a non-strategic BtoC activity whose contribution to sales will be reduced.</p> <p>DRONE VOLT offers its clients:</p> <ul style="list-style-type: none"> <li>• The drones of DRONE VOLT, i.e. designed and manufactured by the Group (4% of sales as of December 31, 2016)</li> <li>• Drones designed by other companies, modified with new software, the installation of specific cameras and the addition of different equipment (60% of sales as of December 31, 2016)</li> <li>• Other brands of drones without Group intervention (this activity represented a third of sales as of December 31, 2016)</li> <li>• A range of complementary services described below (4% of sales as of December 31, 2016).</li> </ul> <p>DRONE VOLT is present along the entire value chain. The Group has a global offer running from drone design to the training of professional pilots:</p> <ul style="list-style-type: none"> <li>• DRONE VOLT FACTORY: design office with activities ranging from the conception of projects to the design of customized professional drones.</li> <li>• DRONE VOLT SOFTWARE: development of applications adapted to client needs</li> <li>• DRONE VOLT ACADEMY: professional drone pilot training school. The training programs offered range from initiation to qualification for the piloting of professional drones.</li> <li>• DRONE VOLT SERVICES: drone operators in France and Europe</li> <li>• Consulting: a team specialized in professional drones and onboard systems.</li> </ul> <p>The applications of DRONE VOLT drones are principally found in four sectors: Security, Construction, Agriculture and Audiovisual. Previously major development areas, the agriculture and audiovisual markets are no longer at the heart of the Group's strategy and have been replaced by the construction and security / surveillance markets. These latter markets have been identified as the most promising professional markets.</p>
<p>B4</p>	<p>Recent trends</p>	<p>DRONE VOLT's gross profit margin rose 9 points between 2015 and</p>

	<p>impacting the Company and its business sector</p>	<p>2017.</p> <table border="1"> <thead> <tr> <th>€k</th> <th>12/31/2017*</th> <th>12/31/2016</th> <th>12/31/2015</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>7,778</td> <td>6,820</td> <td>3,586</td> </tr> <tr> <td>- Purchases consumed</td> <td>5,797</td> <td>5,319</td> <td>3,008</td> </tr> <tr> <td>= Gross profit</td> <td>1,981</td> <td>1,501</td> <td>578</td> </tr> <tr> <td><i>Gross profit margin</i></td> <td>25%</td> <td>22%</td> <td>16%</td> </tr> </tbody> </table> <p><i>*unaudited figures</i></p> <p>This improvement was notably linked to international expansion and the strategy involving a move upscale with major clients that is enabling the group to show continued profitable growth momentum.</p> <p>This trend was already seen in H1 2017, when the gross profit margin reached 24.4% compared to 11.9% in H1 2016.</p> <table border="1"> <thead> <tr> <th>€k – <i>unaudited figures</i></th> <th>6/30/2017</th> <th>6/30/2016</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>3,931</td> <td>3,137</td> </tr> <tr> <td>- Purchases consumed</td> <td>2,972</td> <td>2,763</td> </tr> <tr> <td>= Gross profit</td> <td>959</td> <td>374</td> </tr> <tr> <td><i>Gross profit margin</i></td> <td>24.4%</td> <td>11.9%</td> </tr> </tbody> </table> <p>This performance was the result of the very good contribution of the DRONE VOLT offer concerning paid studies and production (DRONE VOLT FACTORY), training (DRONE VOLT ACADEMY) and maintenance. DRONE VOLT is seeking to continue to increase the weighting of these activities in its sales in order to continue to lift its margin.</p> <p>In keeping with this strategy, DRONE VOLT acquired the assets of the Dutch manufacturer AERIAL GROUP B.V. (AERIALTRONICS) on September 18, 2017. This acquisition has given DRONE VOLT a new industrial and commercial base in Europe.</p>	€k	12/31/2017*	12/31/2016	12/31/2015	Sales	7,778	6,820	3,586	- Purchases consumed	5,797	5,319	3,008	= Gross profit	1,981	1,501	578	<i>Gross profit margin</i>	25%	22%	16%	€k – <i>unaudited figures</i>	6/30/2017	6/30/2016	Sales	3,931	3,137	- Purchases consumed	2,972	2,763	= Gross profit	959	374	<i>Gross profit margin</i>	24.4%	11.9%
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<p>B5</p>	<p>Description of the Group</p>	<p>As of the date of the present Prospectus, the legal organizational chart of the Group is the following (the indicated percentages represent the share stakes and voting rights).</p>  <pre> graph TD     DV[DRONE VOLT SA] --&gt; SA[SCANDINAVIA APS (100%)]     DV --&gt; CA[DRONEVOLT CANADA (51%)]     DV --&gt; CB[DRONE VOLT BENELUX (51%)]     DV --&gt; CD[AERIALTRONICS DV (50,2%)]     </pre> <p>DRONE VOLT SA is the parent company. It holds:</p> <ul style="list-style-type: none"> <li>• 100% of SCANDINAVIA APS, the Group subsidiary based in Denmark</li> <li>• 51% of DRONEVOLT CANADA, the Group's Canadian subsidiary founded in partnership with Freeway Prod (specialist in aerial views for the audiovisual sector).</li> <li>• 51% of DRONE VOLT BENELUX, the Group subsidiary located in Belgium founded in partnership with Mr. Benoît de Bruyn (consultant specializing in the new technologies).</li> <li>• 50.2% of AERIALTRONICS DV, the Group subsidiary located in the Netherlands. The remaining shares are directly and indirectly owned by business angels, with certain also being long-time shareholders of DRONE VOLT. DRONE VOLT SA's</li> </ul>																																			

		<p>stake in this subsidiary could fall to 25.1% if the other shareholders exercise their warrants</p> <p>These subsidiaries are fully consolidated.</p>																																
B6	Shareholders	<p>Non-diluted basis</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>Number of shares</th> <th>% stake</th> <th>Number of voting rights</th> <th>% voting rights</th> </tr> </thead> <tbody> <tr> <td>Dimitri BATSIS</td> <td>4,607,490</td> <td>18%</td> <td>8,016,364</td> <td>26%</td> </tr> <tr> <td>Jérôme MARSAC</td> <td>942,162</td> <td>4%</td> <td>942,162</td> <td>3%</td> </tr> <tr> <td>Float</td> <td>19,896,232</td> <td>78%</td> <td>21,606,271</td> <td>71%</td> </tr> <tr> <td><b>Total</b></td> <td><b>25,445,884</b></td> <td><b>100%</b></td> <td><b>30,564,797</b></td> <td><b>100%</b></td> </tr> </tbody> </table> <p>The exercise of the 1,117,000 outstanding warrants as well as the conversion of the remaining convertible bonds and the exercise of the associated warrants would reduce the percentage holding of a shareholder with 1% of non-diluted shares to 0.75% of fully diluted shares.</p>	Shareholders	Number of shares	% stake	Number of voting rights	% voting rights	Dimitri BATSIS	4,607,490	18%	8,016,364	26%	Jérôme MARSAC	942,162	4%	942,162	3%	Float	19,896,232	78%	21,606,271	71%	<b>Total</b>	<b>25,445,884</b>	<b>100%</b>	<b>30,564,797</b>	<b>100%</b>							
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B7	Selected financial data	<p>The financial data presented below is issued from the Group's consolidated financial statements for the fiscal years ending December 31, 2016 and December 31, 2015, established in conformity with the IFRS standards as adopted by the European Union.</p> <p>The half-year figures are not audited and have not been reviewed by the company's auditor.</p> <p><b>Simplified consolidated income statement</b></p> <table border="1"> <thead> <tr> <th>€k</th> <th>6/30/2017* (6 months)</th> <th>6/30/2016* (6 months)</th> <th>12/31/2016 (12 months)</th> </tr> </thead> <tbody> <tr> <td>Net sales</td> <td>3,931</td> <td>3,137</td> <td>6,820</td> </tr> <tr> <td><i>% change</i></td> <td>25.3%</td> <td></td> <td>90.2%</td> </tr> <tr> <td>Operating profit (loss)</td> <td>(966)</td> <td>(1,432)</td> <td>(2,290)</td> </tr> <tr> <td><i>Operating margin</i></td> <td>n.s.</td> <td>n.s.</td> <td>n.s.</td> </tr> <tr> <td>Cost of net financial debt</td> <td>(24)</td> <td>(12)</td> <td>(20)</td> </tr> <tr> <td>Net profit (loss)</td> <td>(639)</td> <td>(922)</td> <td>(1,666)</td> </tr> <tr> <td><i>Net margin</i></td> <td>n.s.</td> <td>n.s.</td> <td>n.s.</td> </tr> </tbody> </table> <p>* Unaudited figures</p>	€k	6/30/2017* (6 months)	6/30/2016* (6 months)	12/31/2016 (12 months)	Net sales	3,931	3,137	6,820	<i>% change</i>	25.3%		90.2%	Operating profit (loss)	(966)	(1,432)	(2,290)	<i>Operating margin</i>	n.s.	n.s.	n.s.	Cost of net financial debt	(24)	(12)	(20)	Net profit (loss)	(639)	(922)	(1,666)	<i>Net margin</i>	n.s.	n.s.	n.s.
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**Simplified consolidated balance sheet**

€k	6/30/2017* (6 mos)	12/31/2016 (12 mos)	12/31/2015 (12 mos)
Intangible LT assets	545	636	137
Tangible LT assets	847	318	95
Financial LT assets	1,710	1,358	543
<b>LT assets</b>	<b>3,102</b>	<b>2,312</b>	<b>775</b>
Inventories	1,292	978	484
Advances and prepayments			
Receivables	1,395	943	659
Cash and equivalents	1,553	1,360	1,646
Prepaid expenses			
<b>Current assets</b>	<b>4,240</b>	<b>3,281</b>	<b>2,789</b>
<b>Balance Sheet Total</b>	<b>7,342</b>	<b>5,593</b>	<b>3,564</b>
<b>Equity funds</b>	<b>4,658</b>	<b>2,490</b>	<b>1,480</b>
Provisions	132	132	2
<b>Debt</b>	<b>2,552</b>	<b>2,971</b>	<b>2,082</b>
- o/w non-current financial debt	1,550	1,777	969
- o/w current financial debt	327	305	223
- o/w suppliers	191	309	391
- o/w tax and social debt	483	492	460
- o/w other current liabilities	1	88	39
<b>Balance Sheet Total</b>	<b>7,342</b>	<b>5,593</b>	<b>3,564</b>

\* Unaudited figures

**Key indicators concerning the debt and cash**

€k	6/30/2017* (6 mos)	12/31/2016 (12 mos)	12/31/2015 (12 mos)
Equity funds	4,658	2,490	1,480
Cash and equivalents	1,553	1,360	1,646
Gross financial debt	1,877	2,082	1,192
- o/w non-current financial debt	1,550	1,777	969
- o/w current financial debt	327	305	223
Net financial debt	324	722	(454)
Gearing	7%	29%	n.s.

\* Unaudited figures

**Simplified consolidated sources and uses of funds**

€k	6/30/2017* (6 mos)	12/31/2016 (12 mos)	12/31/2015 (12 mos)
Consolidated net profit (loss)	(638)	(1 666)	(668)
<b>Cash flow from operations</b>	<b>(2,091)</b>	<b>(3,254)</b>	<b>(1,474)</b>
<b>Cash flow from investments</b>	<b>(607)</b>	<b>(866)</b>	<b>(312)</b>
<b>Cash flows from financing</b>	<b>2,898</b>	<b>3,815</b>	<b>3,373</b>
<b>Change in the cash position</b>	<b>200</b>	<b>(305)</b>	<b>1 587</b>
Opening cash position	1,331	1,637	50
Closing cash position	1,531	1,332	1,637

\* Unaudited figures

B8	Pro forma data	Not applicable
B9	Earnings forecasts	Not applicable
B10	Potential reservations concerning the historical financial data contained in the auditor reports	Not applicable: absence of reservations concerning the consolidated financial statements as of December 31, 2014, December 31, 2015 and December 31, 2016.
B11	Working capital statement	Not applicable

**Section C – Securities**

C1	Number, category and identification number of securities	The 25,445,884 existing shares making up the capital issued by the Company as of the date of the present Prospectus are ordinary shares of the Company, all in the same category. The Company's shares are traded under the ISIN code: FR0013088606. The symbol of the Company's shares is: ALDRV.
C2	Issue currency	Not applicable
C3	Number of issued shares / par value of shares	Number of issued shares: Not applicable Par value: €0.03
C4	Rights attached to securities	Under current French legislation and the Company bylaws, the principal rights attached to the shares of the Company are the following: <ul style="list-style-type: none"> <li>- voting rights, being noted that double voting rights compared to other shares (based on the percentage of the equity capital that the shares represent) are attributed to all fully paid up shares for which registration for at least two years in the name of the same shareholder can be proven</li> <li>- preferential subscription rights for shares of the same category</li> <li>- right of participation</li> <li>- right to dividends</li> </ul>

C5	Restrictions on the free negotiability of the securities	No corporate bylaws restrict the free negotiability of shares making up the capital of the Company.
C6	Existence of request for listing on a regulated market	Not applicable
C7	Dividend payment policy	The Company has not paid any dividend in the last three fiscal years.

**Section D – Risks**

D1	Principal risks specifically concerning the issuer or its business sector	<p><b>Public opinion</b> Even if DRONE VOLT has chosen to work in the professional segment of the civilian drone market, public opinion also remains influential here. Negative public opinions concerning the use of drones could have a negative impact on DRONE VOLT’s business.</p> <p><b>Regulatory changes</b> A significant change in regulations in a country could slow the business or expansion of DRONE VOLT in this country. The Group is attentive and pays close attention to regulatory changes in the different European countries through its subsidiaries or local offices.</p> <p><b>An early stage market</b> The civilian drone market is still in its early stages. There is no guarantee that the professional drone market will develop as expected or that the Group will succeed in seizing the opportunities on this market.</p> <p><b>Emergence of new technologies</b> The emergence of new technologies and/or applications could slow the development of the Group’s business. DRONE VOLT cannot anticipate a technological revolution potentially coming from a competitor that could have a negative impact on its business.</p> <p><b>Competition with very large players</b> The Group competes with players benefiting from very substantial financial resources and the ability to:</p> <ul style="list-style-type: none"> <li>• invest significant amounts in the development of professional drone manufacturing activities</li> <li>• engage in major projects where the initial investment is too large for a player the size of DRONE VOLT</li> <li>• be better positioned to make strategic acquisitions of small competitors and thereby pursue their expansion and win market shares</li> </ul>
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**Risks linked to the commercial expansion**

Through the opening of subsidiaries and sales offices, the Group is attempting to develop close relationships with its clients in France and elsewhere in order to facilitate exchanges and boost commercial relationships.

The Group is beginning its foreign development. Its still low name recognition in certain regions of the world could be a handicap compared to local competitors or groups with worldwide reputations. In order to overcome this handicap, the Group is opening offices or subsidiaries in those regions where it wishes to develop its business, convinced that proximity is a real advantage in commercial relationships.

The commercial expansion could also be slowed in cases where the client is unsatisfied with the services rendered by the Group and expresses its dissatisfaction to its network. Such an occurrence could have negative consequences for the Group's growth.

**Risk linked to the manufacturing process**

A defect in a drone linked to the manufacturing process could have a negative impact on the brand image of DRONE VOLT.

It is effectively possible that a manufacturing defect could occur in the production of a drone. In the case where this defect causes an accident, the client could seek damages from the Group. This could result in extraordinary charges and could even negatively affect the image of the Group.

**The Group's business depends on the electronic components market**

Components represent the bulk of the costs of finished products. The Group cannot guarantee that the price of certain basis electronic components will not rise significantly. Similarly, the Group cannot guarantee that all the components will always be available under conditions in terms of delays and volumes similar to those seen at present.

**Dependence on clients / suppliers**

As of June 30, 2017, the Group was not substantially dependent on any one client. Its leading client generated €167k in sales out of a total of €3.9m.

In contrast, the Group is dependent on one of its suppliers, with this supplier representing 86% of the Group's total purchases. This supplier supplies the finished DRONE VOLT products for its distribution business as well as the drones subsequently modified by DRONE VOLT. The Group is gradually exiting this business and will therefore necessarily reduce its exposure to this supplier.

**Management of growth**

The Group must continue to invest in order to prepare its structure to receive increasingly numerous and large specialized orders.

Difficulties experienced by the Group in managing its growth could have a significantly unfavorable impact on its business, earnings, financial situation, development and outlook.

**Risks linked to the acquisition of the AERIALTRONICS assets**

On September 18, 2017, DRONE VOLT acquired the assets of the Dutch company AERIAL GROUP B.V. (AERIALTRONICS) following this company's being declared bankrupt.

This transaction has principally enabled DRONE VOLT to acquire the technologies developed by the company and to expand its client base.

The integration of the AERIALTRONICS assets could take longer than expected and fail to have the expected impacts.

**Risks linked to a change in control**

If a change in control were to take place, the Group's strategy and reputation could be affected, along with its development and financial situation.

The Company is nevertheless protected by the mandatory reporting threshold declarations set out in articles L233-7 and R233-1 of the French Commercial Code.

On February 23, 2016, the Company was informed of the signing by DIMITRI BATSIS INVESTISSEMENTS (the Promisor) and Mr. Jérôme MARSAC (the Beneficiary) of a unilateral promise of sale of shares under which the Promisor has committed itself to selling 5,100,000 shares of the Company (divided into 17 tranches). This option can be exercised by the Beneficiary at any time up to January 31, 2025. This promise does not constitute concerted action between the parties.

**Risk of dilution**

The Company has arranged an OCABSA convertible bond line that would allow potential fund raising of a maximum of €5m divided into 20 tranches of OCABSA convertible bonds at €250,000 each.

As of the writing of the Prospectus, 18 OCABSA tranches out of the 20 available have been subscribed to:

Summary - Yorkville			
(€)	Quantity	Unit price	Gross amount
Contract total	20	250,000	5,000,000
Tranches not subscribed	2	250,000	500,000
Tranches subscribed	18	250,000	4,500,000
<i>o/w tranches converted</i>	13,8	250,000	3,450,000
<i>o/w tranches not converted</i>	4,2	250,000	1,050,000

This OCABSA convertible bond issue program set up in December 2015 has led to dilution of the shareholders, with 3,951,428 shares having been issued on conversion, representing 15.5% of total outstanding shares as of the date of this present Prospectus.

Warrants were distributed with each convertible bond conversion, for a total of 3,996,072 warrants. None have been exercised.

6.2 tranches of OCABSA convertible bond (€250,000 each) can still be converted by Yorkville Advisors Global LP1. The resulting dilution cannot be precisely determined in advance as it will be linked to the

market price on the date of exercise.

In the framework of its financing strategy for future projects, the Company distributed 1,117,000 warrants to all its shareholders on July 22, 2015

If the company is unable to generate sufficient financing from operations, it could seek additional funds from investors through the issue of new shares in order to finance all or part of its corresponding needs. This would result in additional dilution for existing shareholders.

The following tables analyze the impact of these dilutive instruments on a shareholder holding 1% of the shares of the Company as of the date of the writing of this present Prospectus.

Non-diluted basis		
Shareholders	Number of shares	% stake
Shareholder A	254,459	1.0%
<b>Total</b>	<b>25,445,884</b>	<b>100%</b>

Diluted basis after exercise of the warrants *		
Shareholders	Number of shares	% stake
Shareholder A	254,459	0.96%
<b>Total</b>	<b>26,562,884</b>	<b>100%</b>

\*Assuming the exercise of all the remaining warrants: 1,117,000 warrants.

Diluted basis after exercise of the warrants and conversion of the remaining convertible bonds**		
Shareholders	Number of shares	% stake
Shareholder A	254,459	0.87%
<b>Total</b>	<b>29,237,729</b>	<b>100%</b>

\*\*In the calculation of the number of share created through the conversion of the remaining 6.2 tranches, we have assumed a DRONE VOLT share price of €0.70 (ALDRV price on 12/11/2017).

Diluted basis after exercise of the warrants, conversion of the remaining convertible bonds conversion and exercise of all the warrants associated with the convertible bonds ***		
Shareholders	Number of shares	% stake
Shareholder A	254,459	0.75%
<b>Total</b>	<b>33,854,919</b>	<b>100%</b>

\*\*\*exercise of the 3,996,072 existing warrants linked to the CB tranches already converted and exercise of the warrants to be distributed following the subscription to the remaining CB tranches. The assumed theoretical share price remains €0.70.

**Risk linked to the fragmented shareholder structure**

The shareholder structure of the Company is fragmented, with the float equaling 78%. The two leading shareholders are Dimitri BATSIS with 18% of the shares and 26% of the voting rights and Jérôme MARSAC, the Company's long-time business angel, with 4% of the shares and 3% of the voting rights.

With such a fragmented shareholder structure, the Company can run into difficulties reaching a quorum at general meetings. As such, the Company could find it impossible to change its bylaws in the future and, in particular, consequently no longer be able to proceed with capital increases in order to reinforce its equity funds.

In order to deal with this risk, the Company is relying on its relations with its shareholders, notably through its communications efforts (press releases to keep its shareholders informed, organization of analyst meetings to enable the exchange of views etc.) in order to create shareholder loyalty and gain shareholder support for the Company's strategic vision.

**Risks linked to the illegal use of drones**

The illegal use of DRONE VOLT drones could have a negative impact on the Group's brand image. Even if manufacturers and distributors are not responsible for the violations of the law that their clients could commit, the illegal use of a DRONE VOLT brand drone could have a negative impact on the Group's image and therefore lead to a decline in sales.

In order to avoid these problems, DRONE VOLT (through its DRONE VOLT ACADEMY) offers training programs for future drone users that it develops in-house.

**Risk linked to data confidentiality**

The securing of access, confidentiality and protection of personal data could be affected by malicious acts (piracy, intrusion, sabotage) or defects (material, human errors, supplier) involving the related operating systems and software. The Group could in this case face damage claims from users or clients and injunctions or fines coming from authorities responsible for the protection of personal data. This could have a negative effect on the Group's business, situation, and earnings and on its ability to attain its objectives.

**Exchange rate risk**

DRONE VOLT is exposed to exchange rate risk through its foreign subsidiaries. Even if 37% of 2016 sales were recorded outside of France, the business volume at foreign subsidiaries is still small. Only €658k in sales were recorded on international markets outside of Europe in 2016.

As of now, no hedge has been set up to deal with the exchange rate risk.

**Liquidity risk**

DRONE VOLT has substantial cash needs in order to support its development and maintain sufficient investments in order to offer state of the art technology.

The Company has reported operating losses since the fiscal year ending December 31, 2015. However, the Company has conducted several fundraising rounds in order to meet its cash needs. The Group's cash position equals €2.9m. The Company has a financial cushion that enables it to meet its different deadlines.

Nevertheless, the cash shortage that could result from the series of operating losses could have a very negative impact on the Group.

<p>D2</p>	<p>Principal risks specifically involving the securities</p>	<p><b>Volatility of the market price of the Company's shares</b>  The market price of Company securities could be significantly affected by numerous factors impacting the Company and its competitors or by overall economic conditions and conditions in the professional civilian drone sector. The market price of Company securities could notably fluctuate significantly in reaction to factors such as:</p> <ul style="list-style-type: none"> <li>• variations in financial results, forecasts or the outlook of the Group or its competitors from one period to another</li> <li>• announcements from competitors or other companies with similar activities, including announcements concerning the financial and operating performances of these companies</li> <li>• unfavorable trends in the regulatory environment applicable to the countries or specific markets related to the Group's business sector or to the Group itself</li> <li>• changes in the shareholder structure of the Company or in its management team</li> <li>• announcements concerning changes in the Company's scope of business (acquisitions, sales etc.).</li> </ul> <p>Additionally, the stock markets see major swings that are not always connected to the results and outlooks of the companies whose shares are traded on these markets. These market swings along with the economic climate could therefore also significantly affect the market price of Company securities.</p> <p><b>Risk linked to future financial operations involving the capital of DRONE VOLT</b>  DRONE VOLT could raise funds over the near future in order to proceed with its development projects. Any fundraising operation involving the issue of new shares would result in additional dilution for the Company's shareholders.  As of now, the OCABSA convertible bond issue program detailed in section 21.1.4 has led to dilution of the shareholders. It is nevertheless difficult to estimate the dilution that this instrument could cause as we are unable to predict the dates when this line will be drawn down.  The float current accounts for 78% of the shares of the Company.</p> <p><b>Substantial risk of dilution</b>  The Company has established an OCABSA convertible bond line that would potentially allow the raising of a maximum of €5m in funds. This line is divided into 20 tranches of OCABSA convertible bonds totaling €250,000 each. It is difficult to estimate the potential dilution coming from this instrument as we are unable to predict the dates when this line will be drawn down. As of the date of the writing of this Prospectus, 13.8 tranches out of the 20 available have been drawn down, corresponding to over €3m in funds raised over more than two years.  In the framework of its financing strategy for future projects, the Company distributed warrants to all its shareholders on July 22, 2015. As of the date of the present Prospectus, the exercise of these warrants would permit the subscription to 1,117,000 new shares representing around 4.2% of fully diluted shares (number of shares outstanding as of the date of the writing of the Prospectus supplemented by the new shares linked to the 1,117,000 warrants exercised).  A shareholder currently holding 1% of the shares would see his or her stake diluted to 0.75% if case of the exercise of all the dilutive</p>
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		<p>instruments, i.e.:</p> <ul style="list-style-type: none"> <li>- 1,117,000 remaining warrants</li> <li>- Conversion of the remaining convertible bonds (6.2 tranches)</li> <li>- Exercise of the warrants linked to the convertible bonds.</li> </ul> <p>These calculations have been made assuming a share price of €0.70.</p>
D3	Principal risks linked to the operation	<p><b>Risk linked to the possibility of significant sales of DRONE VOLT shares</b>  DRONE VOLT shares are admitted for trading on quotation group E1 of the Euronext Growth market (previously Alternext Paris). This quotation group is reserved for qualified investors. As soon as approval for the present Prospectus is received from the Autorité des marchés financiers, the shares of the Company will be transferred to quotation group E2, i.e. the quotation group for companies having proceeded with a public offer and offering continuous trading. This change in the quotation group could lead to an increase in the share's liquidity. Shareholders of the Company could take advantage of this increase in volumes in order to make significant sales on the market. This could have a negative impact on the Company's share price.</p> <p><b>Absence of guarantees associated with regulated markets</b>  The Euronext Growth market is not a regulated market. Holders of the Company's securities will therefore not be able to benefit from the guarantees offered by regulated markets. They will nevertheless benefit from the guarantees established by regulations in France concerning the financial transparency of companies and the protection of minority shareholders.  Additionally, the nature of the operation implies the respect of the rules concerning public offers of financial securities.</p> <p><b>Risks concerning an absence of liquidity for the share</b>  The Company cannot guarantee that the securities admitted for trading on the Euronext Growth market will benefit from trading through a central order book or that the market conditions for its securities will offer sufficient liquidity on satisfactory terms.</p>

Section E – Offer		
E1	Issue amount	Not applicable
E2	Reasons for the transfer process	<p>The transfer of the 25,445,884 shares of the Company from quotation group E1 (private placement) to quotation group E2 (companies having conducted a public offer) of the Euronext Growth market (formerly Alternext Paris) is designed to:</p> <ul style="list-style-type: none"> <li>- increase the public's awareness of the Company</li> <li>- support its financing strategy in order to assure the development of the Group</li> </ul>
E3	Terms and conditions of the offer	<p>Indicative calendar for the transfer:</p> <p>3/28/2018: AMF approval of the Prospectus</p> <p>3/29/2018: Publication of a press release by the Company</p> <p>3/29/2018: Euronext Growth approval for the change in the share quotation group</p> <p>4/3/2018: Transfer from quotation group E1 (private placement) to quotation group E2 (public offer)</p>
E4	Interests, including conflictual, that could have a significant influence on the issue / offer	Not applicable
E5	Name of the issuing company and lock-up agreements	<p>Name of the issuing company: DRONE VOLT</p> <p>Lock-up agreements: Not applicable</p>
E6	Amount and percentage of dilution immediately resulting from the offer	Not applicable
E7	Expenses billed to the investor by the issuer	Not applicable