

DRONE VOLT

Strong growth in high value-added activities: gross profit and gross profit margin up in H1 2018

Villepinte, July 16, 2018

DRONE VOLT, a French aeronautics manufacturer specializing in professional civilian drones, has announced commercial results for H1 2018 marked by:

- A sharp increase in DRONE VOLT FACTORY deliveries
- Record sales for high value-added activities
- A distribution business that contributed to gross profit;
- A rise in the consolidated gross profit margin
- A commercial outlook that remains very solid

Unaudited figures in €k – IFRS standards	H1 2017	H1 2018	% change 2018/2017
Sales	3,930	3,621	-8%
<i>o/w Distribution</i>	3,525	2,614	-26%
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	405	1,007	+149%
Production in progress	-	-	-
Gross profit	926	964	+4%
Gross profit margin	23.6%	26.6%	+3 points

Sharp increase in DRONE VOLT FACTORY deliveries

In H1, DRONE VOLT FACTORY produced, delivered and billed 26 HERCULES and ALTURA ZENITH drones and six PENSAR cameras equipped with artificial intelligence. Over the same period a year earlier, the group produced only 12 drones¹.

This spectacular increase reflects the ramping-up of production capacities resulting from the deployment of human and technical resources.

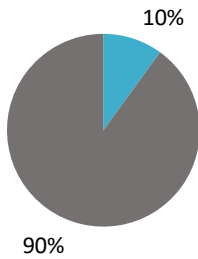
Record sales for high value-added activities

This excellent industrial momentum enabled the Group to meet the very strong demand and report record sales for the highest value-added activities of DRONE VOLT FACTORY (production in Villepinte and Amsterdam) as well as DRONE VOLT SERVICES and DRONE VOLT ACADEMY (training).

These activities generated over one million euros in sales in H1 2018 vs. €405k in H1 2017. As such, high value-added DRONE VOLT drones and technologies now represent 28% of sales vs. 10% a year earlier.

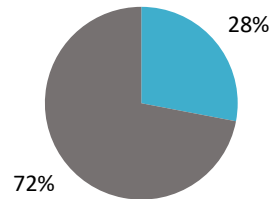
¹ Corrected figure compared that announced on July 17, 2017 (17 drones)

H1 2017 sales
unaudited



■ DRONE VOLT FACTORY, SERVICES & ACADEMY
■ Distribution

H1 2018 sales
unaudited



■ DRONE VOLT FACTORY, SERVICES & ACADEMY
■ Distribution

Contribution of Distribution to Group gross profit

Given the drastic reduction in marketing outlays in the Distribution segment and the transfer of demand from low value-added products to products developed by DRONE VOLT, sales in the Distribution segment fell to 2.6 million euros vs. 3.5 million euros in the same period a year earlier.

Consolidated DRONE VOLT sales consequently equaled 3.6 million euros, down 8%, with 61% recorded on international markets by the Group and its subsidiaries outside France².

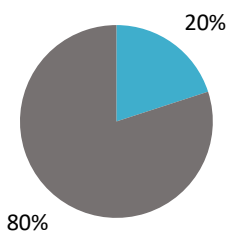
Nevertheless, this transaction was perfectly managed, as the Distribution segment generated a gross profit (€530k) that contributed to covering corporate overhead costs.

Higher consolidated gross profit and gross profit margin

In the end, consolidated Group gross profit rose in both absolute terms (+4% to €964k) and as a percentage of sales (+3 points to 26.6%).

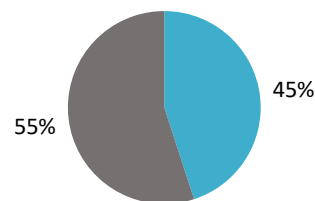
This performance was directly linked to the increasing importance of high value-added activities, which contributed 45% of gross profit in H1 2018 vs. only 20% in H1 2017.

H1 2017 gross profit breakdown
unaudited



■ DRONE VOLT FACTORY, SERVICES & ACADEMY
■ Distribution

H1 2018 gross profit breakdown
unaudited



■ DRONE VOLT FACTORY, SERVICES & ACADEMY
■ Distribution

The acceleration in sales (which is allowing substantial economies of scale) and productivity gains linked to the constant improvement in our production facilities should contribute to future growth in gross profit and the gross profit margin.

A commercial outlook that remains very solid

DRONE VOLT has multiplied its marketing efforts through its participation in numerous international trade shows (including the CES in Las Vegas and Eurosatory in Paris), where its audience rose to record levels. The emergence of its solutions based on Artificial Intelligence and the development of its proprietary software has enabled the Group to attain a new dimension and attract the interest of major clients and government agencies.

² 41% of billing recorded by subsidiaries

These expressions of interest have already led to several major contract signings, including:

- A five-year six million dollar contract with one of the distributors working with a **government agency in southeast Asia** (cf. press release dated May 7, 2018)
- A multi-year renewable framework agreement with the **French army** for the supply of drones and the training of drone pilots (cf. press release dated May 14, 2018)
- A contract with the **armed forces of a Scandinavian country** (cf. press release dated June 14, 2018).

These commercial successes recorded over recent weeks and months had no impact on the H1 sales but will support growth over the coming quarters.

Finally, the Group would again note that it is participating in around 60 bid tenders or direct negotiations with government agencies and major clients. DRONE VOLT therefore remains extremely confident regarding its ability to sign major contracts over the near future.

Next press release: H1 2018 earnings, week of September 17, 2018

All the DRONE VOLT press releases are available on www.dronevolt.com/Investors

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About DRONE VOLT

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

The DRONE VOLT Group, a member of GICAT (French land and air-land defense and security industry group), recorded sales of 7.8 million euros in 2017.

DRONE VOLT's customers notably include government administrations and industrial groups such as the French army, the French Ministry of Defense, GDF Suez, Engie, Total, Bouygues ES, ADP, the Air Transport Gendarmerie (GTA) and international government agencies.

DRONE VOLT has been designated 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 and www.abid.co/EPA.ALDRV

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