

DRONE VOLT

High value-added activities multiplied by 4.4x in Q4 2018

Q4 consolidated sales up +10%

- Delivery of 34 drones and five intelligent cameras in Q4 2018 vs. seven drones in Q4 2017
- Gross profit up sharply to €878k vs. €482k a year earlier
- Objective for over 25% growth in consolidated sales in 2019

Villepinte, January 23, 2019

DRONE VOLT, a French aeronautics manufacturer specializing in professional civilian drones, has announced its commercial results as of end 2018.

Olivier GUALDONI, the chairman / CEO of DRONE VOLT, indicated: "As announced, gross profit from high value-added activities now exceeds that coming from distribution activities. We have in this manner successfully completed our transformation and will now be able to enter into a powerful growth cycle with a product offer that is seeing increasing commercial success and industrial capacities that are steadily coming up to steam.

At the same time, we are working on the optimization of our expenses and plan to announce an ambitious cost reduction program in connection with the presentation of our 2018 results. This plan, combined with the continued increase in our gross profit, should have a powerful leverage effect on our profitability."

Unaudited figures in €k – IFRS standards	Q4 2017	Q4 2018	% change
Consolidated sales	1,970	2,174	+10%
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	171	755	+342%
<i>o/w Distribution</i>	1,799	1,419	-21%
Gross profit	482	878	+82%
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	59	482	+717%
<i>o/w Distribution</i>	423	395	-7%
Gross margin	24.40%	40.39%	+16 points
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	34.40%	63,84%	+29 points
<i>o/w Distribution</i>	23.50%	27,84%	+4 points

Promising yearend

The 342% growth recorded in the strategic activities (DRONE VOLT FACTORY, SERVICES & ACADEMY) in Q4 2018 reflected commercial momentum that saw the signing of numerous contracts. The Group assembled and delivered 34 drones and five PENSAR cameras over the last three months of the year (vs. only seven drones in Q4 2017), thereby lifting its annual production

to 72 drones and 17 cameras.

Including the historic distribution business, consolidated sales in Q4 2018 equaled €2,174k, up +10%.

63.8% gross margin (excluding distribution) in Q4 2018

The strategic production (drones and intelligent cameras) and services (design office, maintenance under operating conditions and training) activities generated a gross profit of €482k in Q4 2018 (+717% vs. a year earlier), corresponding to a record margin of 63.8% of sales (+29 points).

Integrating the contribution from distribution activities, gross profit reached €878k in Q4 (+82% vs. a year earlier), corresponding to 40.4% of consolidated sales.

Successful transition year

Reflecting the controlled transformation of its model, DRONE VOLT ended 2018 with consolidated annual sales of €7,421k vs. €7,778k in 2017.

Nevertheless, consolidated gross profit rose 25% to €2,434k vs. €1,950k a year earlier.

Unaudited figures in €k – IFRS standards	2017	2018	% change
Consolidated sales	7,778	7,421	-5%
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	883	2404	172%
<i>o/w Distribution</i>	6,895	5,017	-27%
Gross profit	1,950	2,434	25%
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	379	1,307	245%
<i>o/w Distribution</i>	1,571	1,127	-28%
Gross margin	25.07%	32.80%	+8 points
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	42.92%	54.37%	+11 points
<i>o/w Distribution</i>	22.78%	22.46%	-

Positive outlook

The numerous contract negotiations, which have already led to initial contracts signed over recent months, could result in new orders in 2019.

Additionally, the group is benefiting from sustained demand in the professional drone and intelligent camera (where its PENSAR camera has recently recorded promising successes) sectors.

In this favorable context, DRONE VOLT's objective is to record over 25% growth in its consolidated sales in FY 2019.

Next press release: 2018 annual results, March 13, 2019

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 specialized in professional civilian drones with operations in France, Belgium, the Netherlands, 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, 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, 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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