

## DRONE VOLT

### 2018 annual results: improved operating performances and confirmation of ambitious objectives

- Deliveries of 72 drones and 17 PENSAR intelligent cameras (3x compared to 2017)
- Steady improvement in gross profit and cost control
- Pipeline bolstered by negotiations involving increasingly large contracts thanks to onboard artificial intelligence solutions
- Objective for over 25% growth in consolidated sales in 2019
- Continued growth in gross profit expected

Villepinte, March 13, 2019

**DRONE VOLT, an expert in onboard intelligence and manufacturer of professional civilian drones, has announced its 2018 annual results and its 2019 outlook.**

Unaudited figures in €K – IFRS standards	2017	2018
<b>Sales</b>	<b>7,778</b>	<b>7,421</b>
<b>Gross profit</b>	<b>1,981</b>	<b>2,482</b>
<i>Gross profit margin</i>	25%	33%
Recurring operating expenses	(5,502)	(5 580)
<b>Recurring operating profit (loss)</b>	<b>(3,520)</b>	<b>(3,098)</b>
Other operating income and charges	(15)	(34)
<b>Operating profit</b>	<b>(3,536)</b>	<b>(3,132)</b>
Net cost of financial debt	(24)	(133)
Other financial income and charges	(16)	(9)
Taxes	865	567
<b>Net profit (loss)</b>	<b>(2,711)</b>	<b>(2,707)</b>

#### Successful transition year

As a consequence of a managed transformation of its business model from distributor to manufacturer, DRONE VOLT ended FY 2018 with consolidated annual sales of 7.4 million euros versus 7.8 million euros in 2017.

The 172% growth posted by the strategic businesses (DRONE VOLT FACTORY, SERVICES & ACADEMY) in 2018 was driven by the success of the Group's offers on a dynamic market, resulting in the signing of numerous contracts. The Group assembled and delivered 34 drones and five PENSAR cameras over the last three months of the year (versus only seven drones in Q4 2017), lifting its annual production to 72 drones and 17 intelligent cameras.

This momentum had a very favorable impact on consolidated gross profit, which rose 25% to 2.5 million euros versus 2 million euros a year earlier. The gross profit margin reached 33% of sales in 2018 versus 25% a year earlier.

### **Cost control and successful relaunch of AERIALTRONICS**

FY 2018 was also the first year of the integration of the AERIALTRONICS teams against the backdrop of an overall shift in the workforce undertaken over the last two years in favor of more qualified personnel to supervise the key steps in the value creation chain (R&D engineers, AI experts, production technicians etc.). The total workforce consequently rose 49 persons in 2017 to 57 in 2018.

Thanks to organizational optimization, DRONE VOLT succeeded in lowering its overhead costs, consequently reducing its recurring operating loss from -3.5 million euros to -3.1 million euros. On a constant scope of consolidation basis (excluding AERIALTRONICS), the recurring operating loss would have equaled -2.6 million euros.

The annual net loss equaled -2.7 million euros (after taking into account a tax credit totaling 567 thousand euros), stable compared to 2017.

### **Balance sheet update**

The Group's strategy was supported by investors, thereby enabling the raising of a total of 5 million euros in new financing (equity and financial debt) in 2018 in order to support development.

DRONE VOLT in this manner reinforced its equity funds, which reached 7.9 million euros as of December 31, 2018 versus 6.9 million euros at the end of 2017. Available cash at yearend equaled 0.7 million euros. Financial debt equaled 3.2 million euros, including only 0.9 million euros in short-term debt to be repaid in cash.

Thanks to cash flow generated by operations (notably through rising sales of new solutions offering very high margins) and its available financial resources, DRONE VOLT estimates that its financing needs are covered for 2019.

### **Favorable outlook**

Following initial contract signings over recent months, the numerous contract negotiations underway could result in new orders in 2019. Additionally, the Group is benefiting from rising order sizes, proof of the successful shift from a market evangelization phase to accelerating market penetration.

The current pipeline consists of over 50 contract negotiations in progress. By way of example, DRONE VOLT is in advanced discussions for an order for approximately 60 HERCULES 10 drones.

In this favorable context, DRONE VOLT is seeking to attain over 25% growth in consolidated sales in FY 2019. This growth should be driven by the solutions developed by DRONE VOLT around its onboard artificial intelligence offers. Gross profit should also continue to rise in 2019, enabling the Group to approach operating breakeven.

In order to amplify the impact of this virtuous circle of growth and move toward its objective for profitability, DRONE VOLT will also implement an operating cost optimization plan in 2019. This plan, which should generate nearly 800 thousand euros in full year savings, will principally involve a reduction in representation expenses in France and elsewhere.

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***Next press release: Q1 2019 sales, April 17, 2019***

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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 expert in onboard artificial intelligence and manufacturer of 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 7.42 million euros in 2018 (non-audited figures).

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](http://www.dronevolt.com)

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