

DRONE VOLT

+40% growth in high value-added activities and continued improvement in gross profit and the gross margin in H1 2019

- Doubling in DRONE VOLT FACTORY deliveries
- Sharp increase in the Group's gross margin and gross profit margin
- Positive contributions from all activities
- Continuous growth in the commercial pipeline
- Full year objectives confirmed

Villepinte, July 24, 2019

DRONE VOLT, an embedded artificial intelligence expert and manufacturer of professional civil drones, has announced its commercial results for H1 2019.

Unaudited figures in €k – IFRS standards	H1 2017	H1 2018	H1 2019	% change H1 2019 / H1 2018
Sales	3,930	3,621	3,524	-3%
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	406	1,007	1,410	+40%
<i>o/w Distribution Third Party Brands</i>	3,524	2,614	2,114	-19%
Gross profit	927	964	1,230	+28%
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	184	459	713	+55%
<i>o/w Distribution Third Party Brands</i>	743	504	517	+3%
Gross profit margin	24%	27%	35%	+8 points
<i>o/w DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	45%	46%	51%	+5 points
<i>o/w Distribution Third Party Brands</i>	21%	19%	24%	+5 points

Further increase in DRONE VOLT FACTORY deliveries

In H1 2019, DRONE VOLT FACTORY manufactured, delivered and billed 56 HERCULES and ALTURA ZENITH drones and 15 PENSAR intelligent cameras compared to 26 drones and six cameras in the same period a year earlier.

This renewed impressive growth was enabled by previous investments that enabled an increase in the group's production capacities at its two sites in France and the Netherlands. This growth was also made possible by increased use of subcontracting, which is providing greater flexibility in response to variations in production (38 drones and two cameras delivered in Q2 2019 vs. 18 drones and 13 cameras in Q1 2019).

Increased sales from high value-added activities

Sales generated by the high value-added activities (DRONE VOLT FACTORY, SERVICES & ACADEMY) totaled 1.4 million euros, up +40% compared to a year earlier. Gross profit totaled over 700k euros (+55%), corresponding to a gross profit margin of 51%. Strategic activities consequently represented 40% of Group sales and 60% of gross profit in H1 2019.

These figures not only demonstrate the strong growth at these activities but also the sequential improvement in the gross profit margin linked to the deployment of increasingly sophisticated technologies.

Contribution of Distribution to gross profit

The Distribution activities generated 2.1 million euros in sales in H1 2019 vs. 2.6 million euros in H1 2018 in a context of a steady reduction in marketing expenses and transfer of demand over to Group solutions.

This strategy is enabling the concentration of distribution activities on complementary offers and the optimization of gross profit. As such, gross profit rose 3% to 517k euros in H1 2019, with the gross profit margin reaching 24%, up 5 points compared to a year earlier.

These activities contribute to covering a portion of corporate overhead costs and offer strategic access to professional clients in order to encourage them to switch over to products and services developed by DRONE VOLT.

Increase in consolidated gross profit and gross profit margin

At 1.2 million euros, the Group's consolidated gross profit rose nearly 30%. The gross profit margin rose from 27% in H1 2018 to 35% in H1 2019.

This growth was the direct result of the strategy adopted by the Group nearly two years ago and should continue given the strong growth in high value-added products.

Steadily improving commercial outlook

DRONE VOLT can now rely on a commercial pipeline that is growing each quarter. The Group is currently in negotiations that could lead to nearly 20 million euros in orders.

The most recent commercial successes are just beginning to be seen in reported results and should contribute to the very strong growth in the Group's gross profit and gross profit margin anticipated over the coming quarters.

We would note that, for the month of July alone, DRONE VOLT has already announced three new contracts (in Scandinavia, Belgium and Vietnam) representing cumulative billing above 700k euros.

The Group consequently continues to expect to reach its ambitious objectives announced at the beginning of the year, i.e. 25% sales growth driven by "in-house" products, thereby enabling it to reach operating breakeven.

Next press release: H1 2019 results on September 18, 2019

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About DRONE VOLT

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. DRONE VOLT also owns 51% of AERIALTRONICS (www.aerialtronics.com), a specialist in Artificial Intelligence serving government agencies."

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 and www.abid.co/EPA.ALDRV

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