

DRONE VOLT

Q1 2020 business affected by the health crisis but commercial potential confirmed

- Business disrupted by supply problems and then lockdown measures
- No order cancellations and new orders on the horizon
- Financial resources secured
- Commercial pipeline still over €15m

Villepinte, April 15, 2020

DRONE VOLT, an embedded artificial intelligence expert and manufacturer of professional civil drones, has announced its Q1 2020 commercial results. While the health crisis had a heavy impact on business in Q1, it is not putting into question the Group's commercial potential.

In the words of Olivier Gualdoni, chairman / CEO of DRONE VOLT: *"The unprecedented crisis that we are currently living through has revealed our resiliency. We have succeeded in taking the measures needed to preserve our financial visibility and best prepare ourselves for when the resumption of operations becomes possible. We also confirmed the attractiveness of our offer with new commercial opportunities, notably involving our HERCULES Spray drone, which is useful for missions of cleaning of surfaces infected by the Covid-19 coronavirus. These opportunities are serving to consolidate our formidable pipeline."*

Unaudited figures in €K – IFRS standards	Q1 2019	Q1 2020	% change
Sales			
o/w DRONE VOLT FACTORY, SERVICES & ACADEMY	896	565	-37%
o/w Third Party Brands	864	694	-20%
TOTAL	1,760	1,259	-28%
Gross profit			
o/w DRONE VOLT FACTORY, SERVICES & ACADEMY	449	279	-38%
o/w Third Party Brands	209	84	-60%
TOTAL	658	363	-45%
Gross profit margin			
o/w DRONE VOLT FACTORY, SERVICES & ACADEMY	50%	49%	-1 point
o/w Third Party Brands	24%	12%	-12 points
TOTAL	37%	29%	-8 points

Only 12 drones and one intelligent camera delivered by DRONE VOLT FACTORY

DRONE VOLT's industrial and commercial activity in Q1 2020 was hit hard by the health crisis. The shortage of components coming from Asia was followed by the halt of production, delivery and training activities due to the lockdowns imposed by government authorities in France as well as in a large number of countries throughout the world to which the Group exports.

As such, DRONE VOLT FACTORY manufactured, delivered and billed 12 HERCULES and ALTURA ZENITH drones in Q1 2020 (vs. 18 in Q1 2019) as well as one PENSAR intelligent camera (vs. 12 in Q1 2019).

The high valued added activities (DRONE VOLT FACTORY, SERVICES & ACADEMY) consequently generated €565k in sales in Q1 2020 versus €896k in Q1 2019.

Third Party Brands distribution, which was also hit by supply and then delivery problems, generated €694k in revenues in Q1 2020 versus €864k in Q1 2019.

Q1 2020 consolidated sales therefore equaled €1.259m vs. €1.76m in Q1 2019.

The DRONE VOLT FACTORY gross profit margin showed good resistance

With a Q1 2020 gross profit margin of 49% versus 50% in Q1 2019, DRONE VOLT FACTORY demonstrated the very high value added generated by its manufacturing and services activities.

For its part, the profitability of Third Party Brands was hit hard by the setting up of alternative supply channels. This segment's Q1 2020 gross profit margin equaled 12% of sales versus 24% in Q1 2019.

Q1 2020 gross profit ultimately equaled €363k versus €658k in Q1 2019.

Implementation of a plan to secure the financial visibility

In order to deal with this unprecedented situation, DRONE VOLT has taken several measures in order to secure its financial outlook and assure access to the resources needed to fully benefit from the resumption of operations.

The Group has taken advantage of the exceptional support measures adopted by the government authorities, notably through the partial reduction in activity mechanism and extensions in payment deadlines.

Most importantly, the long-term shareholders of DRONE VOLT confirmed their support through a capital increase totaling €411k. The Group's financial partners also confirmed their support through the securing of the equity financing line, which now enables to Group to raise €200k every ten days depending on its needs.

Post-crisis commercial outlook intact

Still benefiting from a commercial pipeline totaling over €15m, DRONE VOLT remains optimistic concerning its ability to profit from the exit from this crisis, even if business in Q2 2020 will continue to be affected by the current travel restrictions.

The Group has notably boosted its attractiveness in the United States through its strategic partnership with ROBOTIC SKIES, which will produce DRONE VOLT drones "made in USA". DRONE VOLT also confirmed its position as an expert in the energy services area through the signing of a memorandum of understanding with Hydro-Québec (the largest producer of electricity in Canada and one of largest producers in hydroelectric power in the world) for the industrialization and exclusive commercialization of a drone dedicated to the inspection of high voltage power transmission lines.

Next press release: Q2 2020 sales, July 22, 2020

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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.

The DRONE VOLT Group, a member of GICAT (French land and air-land defense and security industry group), recorded sales of 7.1 million euros in 2019 (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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