

DRONE VOLT

Confirmed rebound in sales activity in Q3 2020

- **DRONE VOLT FACTORY** deliveries doubled compared to the first half of 2020
- Return to Q1 2020 revenue and gross margin
- Securing new financial resources to accompany the recovery
- Commercial pipeline remains above 15 million euros (17.57 Million USD) and strong outlook for licensing revenues thanks to the agreement finalized with AQUILINE DRONES.

Villepinte, 14th of October 2020

DRONE VOLT, embedded artificial intelligence expert and professional civil drone manufacturer, presents its business for the third quarter of 2020.

Unaudited data in KEUROs - IFRS standards	Q1 2020	Q2 2020	Q3 2020
Deliveries DRONE VOLT FACTORY			
<i>including HERCULES & ALTURA ZENITH drones</i>	12	1	22
<i>including PENSAR Smart Cameras</i>	1	0	5
TOTAL	13	1	27
Turnover			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	565	136	579
<i>of which Third Party Brands</i>	694	576	749
TOTAL	1 259	713	1 327
Gross margin			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	279	77	212
<i>of which Third Party Brands</i>	84	125	146
TOTAL	363	202	357
Gross margin rates			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	49%	57%	37%
<i>of which Third Party Brands</i>	12%	22%	19%
TOTAL	29%	28%	27%

The level of sales activity has returned to the pace of the first quarter, which is a source of satisfaction for the company and a further testimony to the strong market interest in DRONE VOLT solutions.

DISCLAIMER - THIS PRESS RELEASE IS TRANSLATED FROM FRENCH. IT IS SUBJECT TO INACCURACIES AND IS THEREFORE NON-BINDING

In addition, the most significant event of the quarter was the signing of a letter of intent (LOI) with the American company AQUILINE DRONES, with a view to granting a license right for the production and sale of our flagship models, the HERCULES 2 and the ALTURA ZENITH with its PENSAR smart camera in the United States. The company has just finalized this agreement, which should bring in several hundred thousand dollars this year. This is a real change of dimension for the company and a tremendous recognition of its know-how.

DRONE VOLT FACTORY deliveries doubled compared with the first half of the year.

After having been completely shut down in Q2 2020 due to the health crisis and containment measures, DRONE VOLT's industrial and commercial activity rebounded sharply in Q3, gradually returning to its level at the beginning of the year.

This rebound is particularly visible in the statistics of DRONE VOLT FACTORY, which manufactured, delivered, and invoiced 22 HERCULES and ALTURA ZENITH UAVs and 5 PENSAR smart cameras, i.e. twice as many as for the entire first half of 2020.

Return to Q1 2020 revenue and gross margin levels

The high added-value activities (DRONE VOLT FACTORY, SERVICES & ACADEMY) thus generated a quarterly turnover of 579 keuros (678 thousand USD), i.e. as much as in the first half of 2020 which benefitted from a greater volume of training. However, these activities resumed only gradually in September, notably for large companies in the energy sector.

Third Party Brands distribution, which remained strong during the crisis, brought total revenues for Q3 2020 to 1.327 million euros (1.555 million USD).

The gross margin also rebounded to 357 keuros (418 thousand USD) despite the loss of income due to the lack of training.

Finally, the Group is pursuing its cost-cutting policy, which has led to a one-third reduction in operating expenses in the first half of 2020¹.

Securing new financial resources to support the recovery

In order to acquire the financial resources necessary to manage this recovery in the best possible conditions, DRONE VOLT has secured new resources during the third quarter of 2020. The Group has thus strengthened its cash position by issuing convertible bonds (OCA) for an amount of 1.613 million euros (1.890 million USD) and secured an optional financing line of 10.2 million euros (11.95 million USD).

Commercial pipeline and strategic agreement with AQUILINE DRONES

Beyond this rebound in activity, DRONE VOLT, which did not record any order cancellations during the crisis, still has a commercial pipeline of more than 15 million euros (17.57 million USD) and a diversified customer base, avoiding any concentration risks. The Group remains resolutely optimistic about its ability to capitalize on the undeniable potential of its solutions.

Most importantly, DRONE VOLT finalized its strategic agreement with the American company AQUILINE DRONES, granting the latter a license for the production and sale of HERCULES 2 and ALTURA ZENITH drones with its PENSAR smart camera in the United States. Through this agreement, which is expected to generate a minimum revenue of \$100,000 per month for DRONE VOLT, AQUILINE DRONES estimates that it will be able to produce up to 3,000 drones per month starting in 2021 to meet the very strong demand in the U.S. market.

¹ 33% reduction in operating expenses, excluding net depreciation, amortization and provisions, compared to the first half of 2019

DRONE VOLT's Press releases can be found here: <https://www.dronevolt.com/en/investors/>

To receive all press releases for free, subscribe to [Actusnews](#)

To receive our newsletter, please write us an email to: finance@dronevolt.com

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

Contacts:

FINANCE Media Relations
ACTUS finance & communication
 Manon Clairet – T: +33 1 53 67 36 73
dronevolt@actus.fr

GENERAL PUBLIC AND PROFESSIONAL DRONE VOLT media relations
 Céline Vergely – T: +33 6 08 42 75 84
celine@dronevolt.com

U.S. & International Investor Relations
 Thomas Renaud
 Arrowhead Business and Investment Decisions
 42 Broadway, 17th Floor | New York | NY 10004
 Office: +1 212 619-6889 ext. 7010
dronevolt@arrowheadbid.com

Unaudited data in KEUROs - IFRS standards	9M 2019	9M 2020	Variation
Turnover			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	2 110	1 280	-39%
<i>of which Third Party Brands</i>	2 110	2 019	-35%
TOTAL	5 221	3 299	-37%
Gross margin			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	1 086	568	-48%
<i>of which Third Party Brands</i>	774	355	-54%
TOTAL	1 860	922	-50%
Gross margin rates			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	51%	44%	-7 points
<i>of which Third Party Brands</i>	25%	18%	-7 points
TOTAL	36%	28%	-8 points