

DRONE VOLT

43% revenue growth and near doubling of gross margin in Q1 2021

Villepinte, April 14, 2021

- Confirmed rebound in activity with a +43% increase in revenues, despite the impact of new restrictions linked to the health crisis;
- Gross margin up 92% and margin rate at 39%, very close to its record level;
- Increase in royalties paid by AQUILINE DRONES and positive impact on profitability;
- Favorable outlook thanks to partnerships already established and continued discussions with AQUILINE DRONES on strengthening R&D synergies;
- Caution in a context of persistent health crisis.

DRONE VOLT, embedded artificial intelligence expert and professional civil drones manufacturer, announces its unaudited revenue for the 1st quarter of 2021 fiscal year.

"After a rebound in activity at the end of 2020, we are starting 2021 with by continuing that growth in this first quarter, even if the health crisis continues to weigh on our business, especially internationally," said Marc Courcelle, CEO of DRONE VOLT. "This commercial momentum is reinforced by our licensing agreement with AQUILINE DRONES, which has significantly improved our profitability. We are approaching the rest of this year with serenity although remaining cautious, due to the uncertainties related to the pandemic. »

Unaudited data in euros - IFRS	Q1 2020	Q1 2021	Variation
Turnover			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	565	790	+40%
<i>of which Third Party Brands</i>	694	1 014	+46%
TOTAL	1 259	1 803	+43%
Gross margin			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	279	504	+81%
<i>of which Third Party Brands</i>	84	192	+129%
TOTAL	363	696	+92%
Gross margin rate	29%	39%	+10 points
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	49%	64%	+15 points
<i>of which Third Party Brands</i>	12%	19%	+7 points

Continued rebound in business activity despite the impact of the health crisis

Revenues from high value-added activities (DRONE VOLT FACTORY, SERVICES & ACADEMY) amounted to 790 keuros (950 kUSD) in this first quarter, up 40% compared to the first quarter of last year.

This increase was driven by the receipt of 340 keuros (409 kUSD) of royalties over the quarter, under the license agreement with AQUILINE DRONES in October 2020. These royalties are composed of the license income for 250 keuros (300 kUSD) and the financial consideration of the transfer of know-how of DRONE VOLT to its American partner, representing 90 keuros (108 kUSD). As a reminder, over the whole year 2021, the licenses should bring in an amount exceeding 1.5 million dollars. Thus, DRONE VOLT demonstrates today its ability to diversify its sources of income thanks to the relevance of the structuring of the partnerships that the company has been able to establish, outcoming from its technological know-how and its positioning as a reference player in its sector.

In addition, DRONE VOLT was able to deliver 17 drones and 1 smart camera in the context of a health crisis that led to the postponement of some drone deliveries, notably because of border closures. As a reminder, 55% of the group's business is conducted internationally.

On the Third-Party Brands activity, DRONE VOLT generated a little more than 1 million euros (1.2 million USD) in revenues over the first quarter of 2021 against 694 keuros (835 kUSD) a year earlier, showing an increase of +46% over the same period.

Thus, DRONE VOLT begins the year with a turnover amounting to 1.8 million euros (2.2 million USD) in the 1st quarter of 2021, up +43% compared to the 1st quarter of last year (1.3 million euros) [1.6 million USD].

Gross margin at 39%, very close to its record level

In the first quarter of 2021, the gross margin of high value-added activities amounted to 504 keuros (606 kUSD) (compared with 279 keuros (335 kUSD) in the 1st quarter of 2020), representing a high gross margin rate (64%) with a very strong increase of +15 points compared with the 1st quarter of last year.

This strong improvement in profitability was driven by the company's new strategy in the United States, where DRONE VOLT has succeeded in leveraging its technological expertise by setting up a profit center in the American market, without direct investment or operating costs.

Gross margin for Third Party Brands more than doubled to 192 keuros (231 kUSD) in Q1 2021 (compared to 84 keuros (101 kUSD) in Q1 2020), representing a gross margin rate of 19%, up +7 points year-on-year.

Thus, the total gross margin recorded in the 1st quarter of 2021 amounted to 696 keuros, up +92%, i.e. a margin rate of 39%, up +10 points over one year and very close to its record level.

Favorable outlook for the remainder of 2021 fiscal year

This quarter was also characterized by the continuation of the negotiations announced on January 20, 2021 concerning the acquisition by AQUILINE DRONES of a 50% stake in AERIALTRONICS, a subsidiary of DRONE VOLT, on the basis of a global valuation of €15 million (18 million USD). DRONE VOLT hopes to finalize an agreement before the end of the second quarter. As a reminder, this partnership aims to pool the R&D expertise of DRONE VOLT and its American partner, further strengthening the synergies between the two companies.

In addition, deliveries of Hercules 20 Spray to a customer located in Central Europe under the contract signed in February 2021¹ only involved 3 drones due to local health restrictions, which led to a sharp reduction in the company's international activity during this quarter. On the other hand, the gradual reopening of borders should allow an acceleration of delivery rates with a more significant contribution to DRONE VOLT's revenues in the quarters to come.

¹ On February 8, 2021, DRONE VOLT announced the signing of a contract for the delivery of a minimum of 275 HERCULES 20 Spray over 3 years, including 50 in the first 12 months of the contract.

Thus, the indicators are in the green and the good trend of the first quarter should continue in the second, driven by the significant contracts won in recent months.

Next press release: First-half 2021 revenues, Tuesday, July 13, 2021

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About DRONE VOLT

Created in 2011, DRONE VOLT is an aircraft manufacturer specializing in professional civil UAVs and artificial intelligence. DRONE VOLT is established in France, Benelux, Canada, Denmark, the United States, Switzerland and Indonesia. As a global partner, DRONE VOLT offers its customers "turnkey" business solutions including various services and training in UAV piloting.

The DRONE VOLT Group, a member of the GICAT, achieved a turnover of 5.8 million euros in 2020.

DRONE VOLT is notably a supplier to administrations and industrial companies such as the French Army, the French Ministry of the Armed Forces, ENGIE, Total, Bouygues Energies & Services, the ADP Group, the Gendarmerie des Transports Aériennes (GTA) and international government agencies.

DRONE VOLT is qualified as an "innovative company" by Bpifrance.

DRONE VOLT is listed on the Euronext Growth market in Paris:

Share: Mnemo: ALDRV.PA - ISIN Code: FR0013088606 - Eligible: PEA, PEA-PME

BSA : Mnemo : DRVBS - code ISIN : FR001286054

For more information go to www.dronevolt.com and www.abid.co/EPA.ALDRV

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