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DRONE VOLT

announces the launch of a capital increase of at least 6 million euros

Villepinte, December 9, 2021

DRONE VOLT, an expert in embedded artificial intelligence and manufacturer of professional civil drones, announces the launch of a capital increase with cancellation of preferential subscription rights for an initial total amount of 6 million euros, which will take the form of both a capital increase reserved for the category of investors (the "Reserved Offer") and a private placement made to a limited circle of investors (the "Private Placement") defined below. In the event of the success of this operation, which will enable the Group to acquire the necessary financial resources to accelerate its development, DRONE VOLT intends to put an end to the drawings within the framework of the financing contract by convertible bonds for a minimum period of twelve months.

The transaction will be carried out through the issuance of shares with redeemable stock warrants ("SRSW"), allowing to raise an initial amount of at least 6 million euros through the issuance of new shares, excluding the proceeds from the exercise of attached redeemable stock warrants ("RSW").

The proceeds of the SRSW issuance will be used, up to 50%, to finance the Group's external growth through acquisitions targeting players with strong development potential. In this way, DRONE VOLT intends to both strengthen and expand its know-how while creating value for its shareholders, following the example of the 2017 acquisition of AERIALTRONICS. In June 2021, DRONE VOLT had sold 50% of the shares of its subsidiary to its American partner AQUILINE DRONES, on the basis of a valuation of 15 million euros, allowing the Group to obtain a net capital gain of nearly 6 million euros.

As part of this external growth strategy, the Group announced on December 8, 2021, the signing of a non-binding letter of intent (LOI) to acquire a drone distribution and service specialist located in the Netherlands.

In addition, 25% of the proceeds of the issue will be devoted to supporting the excellent commercial momentum that DRONE VOLT is currently experiencing on an international scale. Indeed, the proceeds of the transaction will be used in part to finance the working capital requirements related to the ramp-up of drone orders signed in 2021, and to finance the first series of Linedrone. As a reminder, the Group recorded a record drone delivery at the end of September 2021, thanks to the acceleration of the execution of the distribution contract for 600 HERCULES 2 drones signed in April 2021 with AQUILINE DRONES. This commercial momentum also extends to the Central European region, where DRONE VOLT secured, on December 2, 2021, the marketing of 275 HERCULES 20 SPRAY drones ordered by a leading industrialist located in the region. As a reminder, this new contract could generate up to 5 million euros in revenues over the next 3 years, with already 50 UAVs expected to be delivered in the first 12 months of the contract.

Finally, DRONE VOLT intends to allocate 25% of the proceeds of the issue to the financing of its research and development activity, an undeniable key success factor for the Group, enabling it to constantly anticipate market needs and to leverage its technological expertise on an international scale by partnering with leading players.

If the transaction is successful, the Group intends to suspend its recourse to the financing contract in the form of bonds convertible into shares signed with ATLAS SPECIAL OPPORTUNITIES in September 2020 for a minimum period of twelve months.

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Terms and conditions of the Reserved Offer and the Private Placement:

- **Nature and type of the Reserved Offering and the Private Placement:** The Reserved Offering and the Private Placement will be carried out through a capital increase through the issuance of shares with redeemable stock warrants ("SRSW"), consisting of ordinary shares each with a redeemable stock warrant ("RSW"), with cancellation of the preferential subscription rights of the Company's existing shareholders in favor of a category of investors and a restricted circle of investors.
- **Legal framework of the issue:** Using the delegations granted by the Combined General Meeting of June 18, 2021 under the 14th and 19th resolutions, the Board of Directors, meeting on December 8, 2021, decided on the principle of a global capital increase with cancellation of preferential subscription rights.
On December 9, 2021, the Chief Executive Officer, acting under a sub-delegation granted by the Board of Directors, has decided to proceed with the issue of SRSW, the terms of which are detailed in this press release.
The Reserved Offer will be open to a maximum number of 50 investors belonging to the following category of beneficiaries: Industrial or commercial companies, investment funds, organizations, institutions or entities of any kind, French or foreign, investing on a regular basis in the sectors of transportation (including aerospace and/or aeronautics) and/or defense and security and/or artificial intelligence and/or software and/or imaging, and/or robotics, and/or telecommunications and/or energy and/or surveillance, research and inspection
The Reserved Offer does not give rise to the preparation of a prospectus subject to the approval of the Autorité des Marchés Financiers (AMF – French SEC equivalent).
The private placement will be open to a limited circle of investors, it being specified that the issue will be limited to 20% of the share capital.
- **Proceeds of the issue and characteristics of the SRSW:** The gross proceeds of the issue of the SRSWs are expected to amount to at least €6 million, based on an issue price of €0.075 per SRSW and a minimum number of 80,000,000 SRSW.
The Reserved Offer will be opened immediately after the publication of this press release and will close on December 10, 2021 before the opening of the market of Euronext Growth in Paris, subject to any early closing or extension, in compliance with the 14th and 19th resolutions of the General Meeting.
The Company will announce the final terms and results of the Reserved Offer as soon as possible after the closing of the Reserved Offer by way of a press release.
- **Characteristics of the redeemable share subscription warrants:** Each new share issued will be accompanied by 1 (one) redeemable stock warrant (RSW). The RSW will be subject to an early redemption clause, at the Company's discretion.
- **Settlement-delivery and listing of the SRSW:** The settlement-delivery of the SRSWs is scheduled for December 14, 2021. The new shares and the RSWs will be detached immediately upon issuance.
The new shares are expected to be admitted to trading on the Euronext Growth market in Paris on December 15, 2021. The new shares will be subject to all the provisions of the bylaws and will be assimilated to the existing shares as soon as the issue is completed. They will carry current dividend rights and will be admitted to trading on the Euronext Growth Paris market on the same quotation line as the Company's shares already listed under the same ISIN code: FR0013088606 - ALDRV. The admission of the RSW to trading on the Euronext Growth market in Paris is scheduled for December 15, 2021.
- **Guarantee of the Reserved Offer:** Invest Securities acts as Global Coordinator and Bookrunner. The Reserved Offer and the Private Placement are not subject to a guarantee agreement.
- **Risk factors:** The public's attention is drawn to the risk factors relating to the Company and its business presented in the 2020 annual financial report published by the Company on April 30, 2021 and available free of charge on its website (<https://www.dronevolt.com/en/investors/>). The occurrence of some or all of these risks could have an adverse effect on the Company's business, financial condition, results, development or prospects.

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

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About DRONE VOLT

Created in 2011, DRONE VOLT is an aeronautical manufacturer specialized in professional civil drones 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 solutions including various services and drone flight training.

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

DRONE VOLT supplies administrations and industrialists such as the French Army, the Ministry of the Armed Forces, Engie, Total, Bouygues ES, ADP, the Gendarmerie des Transports Aériens (GTA), and international government agencies.

DRONE VOLT is qualified "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

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

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