

DRONE VOLT

Record 2022 revenues, up 53%, well above latest targets

Villepinte, January 18, 2023

- Annual Turnover of 13.4 million euros, exceeding the target of more than 10 million euros;
- Successful diversification of the customer portfolio in Europe after the successful integration of Skytools;
- Gross margin impacted in the short term by the evolution of the product mix before the ramp-up of DRONE VOLT's product and service sales to new customers;
- Ambition to improve the product mix in 2023 with the commercial launch of the LINEDRONE² below and the development of the "Drone as a Service" offer.

DRONE VOLT, expert in embedded artificial intelligence and manufacturer of professional civil drones presents its annual turnover for 2022.

Unaudited data in euros - IFRS	2021	2022 ²	Variation
Turnover			
<i>Including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	3 650	1 701	-53%
<i>Including third-party brands</i>	5 073	11 672	130%
TOTAL	8 723	13 373	53%
Gross margin			
<i>Including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	2 057	1 060	-48%
<i>Including third-party brands</i>	857	1 698	98%
TOTAL	2 914	2 758	-5%
Gross margin rate			
<i>Including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	57%	62%	+ 5 points
<i>Including third-party brands</i>	17%	15 %	- 2 points
TOTAL	35%	21%	- 14 points

"We had an exceptional end of the year in terms of sales and I would like to congratulate the teams who worked tirelessly until the last day. We have reached a milestone in our development with a turnover well above 10 million euros, which was an ambitious objective. This performance is all the more remarkable since we have stopped billing our partner in North America for licensing services.

¹ Drone designed for complex inspection of high voltage power lines. It allows to detect energy losses in an electrical network in order to determine with precision the maintenance needs.

² Figures including the contribution of the Dutch company SKYTOOLS since January 18, 2022.

Thanks to an enriched customer base, a strengthened geographical network and a product and service offering that will be considerably expanded in 2023 with the commercial launches of the LINEDRONE and our rise to prominence in the Drone as a Service offering," says Marc Courcelle, CEO of DRONE VOLT.

Record revenues, up +53%.

Annual revenues for 2022 reached a record level of 13.4 million euros, up +53% year-on-year. This volume of business is well above the double-digit growth target set during the year and the €10 million threshold targeted since last November.

This performance is due to a very good end of the year, illustrated by a fourth quarter up +126%, to 5.4 million euros.

DRONE VOLT is thus demonstrating its ability to expand its customer base in Europe, notably through the successful integration of the Dutch company SKYTOOLS, which contributed €1,084,000 in 2022. This success has boosted the performance of the Third-Party Brands division, which has seen its billings multiply by 2.3, to reach 11.7 million euros. This commercial conquest has made it possible to address new customers who, in the future, will be natural candidates for the Group's value-added product and service offerings.

At the same time, as announced at the time of the publication of the half-year results, DRONE VOLT has suspended the invoicing of production licenses to its American partner and concentrated the agreement on the distribution of the HERCULES 20 in the United States. This strategic decision has cost 8 points of revenue growth for the year 2022. The evolution of this partnership has directly impacted the volume of activity of DRONE VOLT FACTORY, SERVICES & ACADEMY, down by 53% for the year.

In this context, DRONE VOLT confirms its intention, already announced, to depreciate the assets held in its accounts relating to this partnership (12 million euros at June 30, 2022). This accounting operation will have no impact on the Group's cash flow, which will continue to rely on equity capital of well over 20 million euros.

Stable gross margin, impacted by short-term changes in product mix

Given the change in the product mix in the short term, marked by a greater share of Third-Party Brand sales, the consolidated gross margin is stable overall, at 2.8 million euro, but reveals a margin rate that has deteriorated by 14 points, to 21% of revenues.

An analysis of gross margin by activity gives grounds for satisfaction and potential for the future. The margin on Third-Party Brand sales remains relatively stable (16%) and in line with the industry standard, while the margin on DRONE VOLT FACTORY, SERVICES & ACADEMY activities is up 4 points, at 61% of sales.

The challenge for the year 2023 will be to gradually switch new customers, won by the Third-Party Brand activity, to the products and services developed by DRONE VOLT.

Favourable winds for 2023

In this respect, several studies and demonstrations of the flagship products in the catalog, such as the HERCULES 20 range and the HELIPLANE, are underway with recently acquired customers and prospects in Europe and North America.

Beyond that, 2023 will be a special year for DRONE VOLT, which will commercially launch two new disruptive offerings on the professional civil drone market:

- The LINEDRONE, developed in collaboration with HYDRO-QUEBEC and designed for complex inspection of high-voltage power lines. After the success of the last validation tests in real conditions, DRONE VOLT has just produced the first 4 examples and plans to start the demonstration campaigns from this 1st quarter;

- The "Drone as a Service" offer based on invoicing per use and not per possession of its unique products. This strategy will facilitate commercial deployment by replacing the significant investment for the customer with a charge that is largely covered by the resulting benefits.

These new offers have also marked an important step for DRONE VOLT in the field of extra-financial commitments (ESG) with a strengthening of the safety of customers' missions (LINEDRONE) and the shared use of drones for several customers (Drone as a Service).

In this context, DRONE VOLT aims to significantly improve its product mix.

Next release: Fiscal 2022 results, Wednesday, March 15, 2023

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About DRONE VOLT

Founded in 2011, DRONE VOLT is an aeronautical manufacturer specialized in professional civil drones and artificial intelligence.

DRONE VOLT has operations 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 drone pilot training.

The DRONE VOLT Group, a member of GICAT, had a turnover of 13.4 million euros in 2022.

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), international governmental agencies...
DRONE VOLT is qualified as an "Innovative Company" by Bpifrance

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

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