

DRONE VOLT

Overall annual profit and strengthened financial structure at the end of fiscal year 2021

Villepinte, March 16, 2022

- Record revenues and gross margin thanks to excellent sales momentum in fiscal year 2021,
- Significant improvement in EBITDA, operating income, and net income after good control of operating expenses,
- Overall annual profit of 5.4 million euro, including the capital gain from the sale of 50% of the capital of AERIALTRONICS,
- Solid financial structure with shareholders' equity at 38 million euros (at an all-time high), cash net of financial debt at 4 million euros and net assets per share at 0.10 euros,
- Favorable commercial prospects and deployment of the external growth strategy with two acquisitions already completed in early 2022,
- Issuance of warrants and BSPCE's (share warrants for entrepreneurs) to build loyalty among the Group's strategic partners, employees and managers,

DRONE VOLT, expert in embedded artificial intelligence and manufacturer of professional civil drones, presents its results for the year 2021, approved by the Board of Directors on March 15, 2022.

Audited data in keuros – IFRS standards	2020	2021	Variation
Turnover¹	5 836	8 617	+48%
Gross margin¹	1 711	2 986	+75%
Operating expenses (excluding depreciation and provisions)	(3 738)	(3 850)	+3%
Gross operating surplus	(2 027)	(864)	+57%
Depreciation, amortization, provisions and other operating income and expenses	(2 308)	(2 204)	-5%
Current operating income	(4 334)	(3 067)	+29%
Other operating income and expenses	(3 871)	362	+109%
Operating Income	(8 205)	(2 705)	+67%
Cost of financial debt	(511)	(161)	-68%
Other financial income and expenses	(162)	333	+306%
Tax expenses	(2 209)	(1 276)	-42%
Net income	(6 669)	(1 257)	+81%
Capital gain on disposal net of tax	21	6 630	+6 609
Overall result²	(6 638)	5 373	+181%

¹ Against a turnover of 8 723 keuros and a gross margin of 2 914 keuros announced on January 19, 2022.

² In accordance with the application of IFRS 10.23, the consolidated capital gain realized by DRONE VOLT following its sale of 50% of the capital of its subsidiary AERIALTRONICS to AQUILINE DRONES has been directly recognized in DRONE VOLT's equity at June 30, 2021, without being recognized in the Group's net income. The "Global Result"

"Today we are very pleased to announce the significant improvement in DRONE VOLT's results for fiscal year 2021. During this period, the Group achieved a remarkable commercial performance thanks to its relevant partnerships and the success of its technological solutions throughout the world. This excellent commercial momentum, even if it was slowed down at the end of the year by the health crisis and traffic restrictions, resulted in record drone sales and was accompanied by a rigorous control of expenses leading to a significant improvement in our results," said Marc Courcelle, CEO of DRONE VOLT. "In addition to this commercial success, DRONE VOLT has demonstrated its ability to create value from its investments, as evidenced by the partial sale of its subsidiary AERIALTRONICS in June 2021. In addition, we now have a very solid balance sheet and the capital increase carried out in December 2021 has enabled us to secure the financial resources necessary to support our future developments. In this context, we have already started to invest the funds raised with two acquisitions made in early 2022 to strengthen our know-how and increase our business volume."

Gross operating income significantly improved thanks to excellent sales momentum combined with good cost control

DRONE VOLT recorded record consolidated revenues of €8.6 million in fiscal year 2021, up +48% year-on-year. During this period, the Group delivered 271 drones and 3 smart cameras, a record level of deliveries achieved in a context of persistent health crisis. This performance was driven by the delivery of 211 HERCULES 2 drones to AQUILINE DRONES, as part of the order signed in April 2021, and by the success of DRONE VOLT's technological solutions with a growing number of customers.

DRONE VOLT has taken full advantage of this commercial momentum by posting a record consolidated gross margin of €3.0 million in fiscal year 2021, representing a gross margin rate of 35%, compared with 29% in 2020.

Thanks to the cost optimization plan deployed by the Group in 2019, operating expenses remained virtually stable in fiscal year 2021, despite the increase in activity over this period and the end of government aid measures to reduce costs granted at the start of the health crisis. Thus, EBITDA amounted to EUR -864 thousand for fiscal year 2021, a significant improvement of 57% compared to the previous fiscal year.

Significant improvement in net income and capital gains

As announced last year, DRONE VOLT has decided to accelerate the amortization of its R&D costs. As a result, the Group's depreciation and amortization expenses (2.1 million euros) increased by +9% in fiscal year 2021. Despite this increase, the current operating result (EUR -3.1 million) shows an improvement of +29% over the same period.

Other operating income and expenses amounted to 362 thousand euros in fiscal year 2021 (compared with -3.9 million euros a year earlier), including in particular a reimbursement by the insurer of a bank debt of nearly 1 million euros contracted with Bpifrance. Thus, the Group posted an operating profit of -2.7 million euro in fiscal year 2021, a strong improvement of +67% compared to the previous fiscal year.

After taking into account an increase in other financial income and expenses (+306%) related to interest on receivables held by the Group from AQUILINE DRONES, as well as a decrease in the cost of financial debt (-68%) and in the tax charge (-42%), the Group's net income was EUR -1.3 million, a strong improvement of +81% compared to the previous year.

Consequently, DRONE VOLT shows a positive overall result of 5.4 million euros for the year 2021, including the net capital gain of 6.6 million euros related to the sale of 50% of the capital of the subsidiary AERIALTRONICS to AQUILINE DRONES ([see press release](#)).

account therefore allows this capital gain to be taken into account.

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Solid financial structure with shareholders' equity and cash at historical highs

DRONE VOLT has the strongest year-end balance sheet since its creation, with shareholders' equity reaching 38 million euros at December 31, 2021, compared to 17.5 million euros a year earlier. This record level of equity includes the capital gain from the partial sale of AERIALTRONICS, as well as the capital increase of 8.8 million euros completed in December 2021. As a reminder, this capital increase enabled the Group to secure the financial resources necessary to support its commercial dynamics, external growth and R&D activities.

In addition, DRONE VOLT has reduced its gross debt by 6 million euros over the entire 2021 fiscal year. Thus, the Group's balance sheet shows a financial debt of 3 million euros, including 1.5 million euros of PGE and 1.5 million euros of convertible bonds fully converted into shares in January and February 2022. Thus, no other dilutive instrument of the same type (OCA) is attached to the capital of DRONE VOLT to date.

In addition, in order to support the strong commercial dynamics experienced by the Group, DRONE VOLT has increased the level of its inventories reaching 3.2 million euros on December 31, 2021, compared to 1.9 million euros a year earlier.

Thus, the Group closed the year 2021 with cash and cash equivalents of 6.9 million euros, its highest level ever. In addition to this cash position, other financial assets amounted to 16.3 million euros, including the receivable held in the form of convertible bonds issued by AQUILINE DRONES for the payment of its stake in AERIALTRONICS.

Encouraging outlook with continued deliveries of UAVs and strengthening of the Group's know-how

DRONE VOLT expects to continue its strong sales momentum in 2022. In this context, the easing of travel restrictions linked to the health crisis has enabled DRONE VOLT's teams of engineers and trainers to visit AQUILINE DRONES' premises, in order to accelerate the know-how transfer process. Thus, the resumption of UAV deliveries to AQUILINE DRONES will take place during fiscal year 2022, after the integration of some new technical improvements on which both partners are currently working.

In addition, DRONE VOLT announces that the drone distribution contract signed in December 2021 with its Hungarian industrial partner will result in the delivery of 6 HERCULES 20 Spray by the end of March 2022, in addition to the first two drones already delivered in late 2021.

In addition, the Group specifies that the industrialization of the first Linedrone³, a drone developed in partnership with Hydro-Quebec, the largest electricity producer in Canada, is being finalized. In this context, DRONE VOLT's engineering teams are making several visits to Canada to accelerate the commissioning of this drone, which will take place very soon.

Finally, as part of the industrial partnership signed with ROTH2 in June 2021, DRONE VOLT continues to work on the first prototypes of drones powered by hydrogen engines, which should see the light of day in fiscal 2022.

Two acquisitions already finalized at the beginning of fiscal 2022

DRONE VOLT has already begun to deploy its acquisition policy aimed at strengthening its expertise and increasing its market share. In this context, the Group acquired in January 2022 the company SKYTOOLS, a player in the distribution and services by drones in the Netherlands. Today, DRONE VOLT is working on the integration of SKYTOOLS within the Group and on the implementation of commercial synergies with the other entities of the Group. In 2021, SKYTOOLS has achieved a turnover of 1.2 million euros. On a pro forma basis over 2021, this would have represented revenues of EUR 9.8 million at Group level (compared with EUR 5.8 million in 2020 and EUR 7.1 million in 2019).

The Group also acquired the assets of VIKING DRONE in March 2022, a Danish company specializing in the manufacture of connected drones for developers and integrators. This acquisition paves the way for

³ 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.

the production of a future "HERCULES 4 connected" drone, which will be presented with the linedrone at the IEEE T&D trade show in late April in the United States. In order to accelerate the pooling of the two companies' know-how, DRONE VOLT has already integrated the engineers who created the company into its R&D teams.

Issuance of warrants and BSPCEs to managers and strategic partners

DRONE VOLT announces that the Board of Directors⁴ has decided to issue 19,500,000 BSA⁵ (warrants) to the benefit of the Company's strategic partners and creditors, in the context of an issue carried out with the cancellation of the shareholders' preferential subscription rights and reserved for a category of persons. The subscription price of one BSA was 0.00375 euro and corresponds to the value of the BSA as calculated by an independent external firm (AA FINEVAL).

The Board of Directors has also decided to grant 11,750,000 free BSPCEs⁵ (warrants to subscribe to business creator shares) to certain eligible employees, members of the Board of Directors and senior managers of the Group⁶.

The theoretical impact of the exercise of all the warrants and BSPCEs on the situation of a shareholder holding 1% of the share capital is 0.9267%.

Next press release: Revenues for the 1^{er} quarter 2022, Wednesday April 20, 2022

All DRONE VOLT press releases are available on www.dronevolt.com / 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 8.6 million euros in 2021.

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

Warrant: Mnemo: BNBS.PA - ISIN Code: FR0014007951

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⁴ Making use, at its meeting of February 24, 2022, of the delegation of authority granted to it by the Combined Shareholders' Meeting of June 18, 2021 under the terms of its 19^{ème} resolution.

⁵ The BSAs and BSPCEs are exercisable for a period of 5 years at an exercise price of 0.09 euro (i.e. a price 62% higher than the closing price on March 15, 2022). Each BSA will entitle its holder to subscribe for one new ordinary share and each BSPCE will entitle its holder to subscribe for one new ordinary share.

⁶ In accordance with applicable regulations and the delegation of authority granted by the Combined General Meeting of June 18, 2021 under its 22^{ème} resolution.

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