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DRONE VOLT

announces the success of a capital increase of 8.8 million euros

Villepinte, December 10, 2021

DRONE VOLT, an expert in embedded artificial intelligence and manufacturer of professional civil drones, announces the success of a capital increase with cancellation of preferential subscription rights for a total amount of 8.8 million euros, in the form of both a capital increase reserved for a category of investors (the "Reserved Offering") and a private placement carried out with a limited circle of investors (the "Private Placement") defined below.

The capital increase was carried out through the issuance of shares with redeemable stock warrants ("SRSW"), raising a total amount of 8.8 million euros, excluding the proceeds from the exercise of the attached redeemable stock warrants ("RSW"). The order book was covered by orders from French and foreign investors. The issue price of the SRSWs has been set at €0.075, i.e. a discount of 12.5% on the closing price on December 9, 2021 or a discount of 20.2% on the average volume-weighted price of DRONE VOLT shares over the last 10 trading sessions prior to the setting of the price, within the limits of the authorization granted by the Company's Combined General Shareholders' Meeting of June 18, 2021, under the terms of its 14th and 19th resolutions.

As a reminder, the funds raised will enable DRONE VOLT to acquire the necessary financial resources to support its external growth through acquisitions targeting players with strong development potential. In this context, the Group announced, on December 8, 2021, the signature of a non-binding letter of intent (LOI) for the acquisition of a specialist in drone distribution and service located in the Netherlands. In addition, the funds raised will enable the Group to support its international commercial activity and to finance its research and development activity. Thus, by securing the necessary financial means to accelerate its development, DRONE VOLT decides to suspend its recourse to the convertible bond financing contract signed with ATLAS SPECIAL OPPORTUNITIES in September 2020 and will not set up new financing lines of the same type, for a minimum period of 12 months.

"We are very pleased with the success of this capital increase and would like to thank our historical shareholders and the new investors for their confidence in our project" said Marc Courcelle, CEO of DRONE VOLT. "This fundraising will allow us to successfully implement our external growth strategy, which has been successful in the past, and will allow us to further expand our technological know-how while increasing our business volume. The transaction will also support the excellent momentum of our international sales activity, which is the result of the success of our cutting-edge technology solutions, the relevance of the partnerships we have forged and the contracts we have won in recent months."

Main characteristics 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 have been carried out through a capital increase through the issuance of shares with redeemable stock warrants ("SRSW"), composed of ordinary shares each accompanied by 1 redeemable stock warrant ("RSW"), with cancellation of the preferential subscription rights of the existing shareholders of the Company in favor of a category of investors and a restricted circle of investors

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- **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 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, decided to launch the SRSW issue, the terms of which are detailed in this press release. The Reserved Offering was 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 private placement was open to a limited circle of investors, it being specified that the issue was limited to 20% of the share capital.
- **Capital increase pursuant to the 14th resolution of the Combined General Meeting of June 18, 2021:** 19,722,841 SRSWs issued for an amount of 1,479,213.08 euros, of which 5,356,176 SRSWs for an amount of 401,713.2 euros by way of offsetting receivables.
- **Capital increase pursuant to the 19th resolution of the Combined General Meeting of June 18, 2021:** 97,475,726 SRSW issued for an amount of 7,310,679.45 euros, of which 17,942,624 SRSW for an amount of 1,345,697 euros by way of offsetting receivables.
- **Characteristics of the redeemable share warrants:** Each new share issued is accompanied by 1 redeemable share warrant (RSW). These warrants give the right to subscribe to one new DRONE VOLT share, at the rate of 1 warrant for 1 share, at a unit exercise price of €0.11. The RSW have a maturity of 5 years, i.e. until December 14, 2026, and will be listed.
The RSWs are subject to an early redemption clause at a unit price of €0.0001, at the Group's discretion, if the volume-weighted average trading price of DRONE VOLT shares reaches or exceeds €0.20 for five trading days within a period of ten consecutive trading days.
The new shares likely to be issued upon exercise of the RSWs will be ordinary shares subject to all the provisions of the Articles of Association and will be assimilated to the old shares from their date of issue. They will carry current dividend rights and will be admitted for 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 exercise of all the RSWs would result in the creation of 117,198,567 additional new shares (i.e. a maximum dilution of approximately 24.2%), representing potential total issue proceeds of €12.9 million.
- **Theoretical value of the RSW:** The theoretical value of a RSW comes out at €0.009, with the hypothesis of a volatility of 30% and on the basis of the closing price on December 9, 2021 which is equal to €0.0858. The subscription price of the SRSW of €0.075 represents a discount of 20.2% compared to the average of the volume-weighted average prices of the DRONE VOLT share over the last 10 trading sessions. The theoretical value of the RSW is equivalent to an additional discount of 9.6%.
- **Impact of the issue on the distribution of capital:** For information purposes and on a non-diluted basis, the holding of a shareholder holding 1% of the Company's share capital prior to the capital increase will be increased to approximately 0.68% if he/she does not take part in the operation
- **Settlement-delivery and listing of the SRSWs:** The settlement-delivery of the SRSWs is scheduled for December 14, 2021. The new shares and the RSW will be detached immediately upon issuance. The listing of the new shares on the Euronext Growth market in Paris is scheduled for 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 RSWs to trading on the Euronext Growth market in Paris is scheduled for December 15, 2021.

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- **Guarantee of the Reserved Offer:** Invest Securities acted as Global Coordinator and Bookrunner. The Reserved Offer and the Private Placement have not been 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.

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).

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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