

DRONE VOLT

reports strong sales for the 3rd quarter and confirms its targets

Villepinte, October 16, 2024

- **Strong increase in sales to 7.3 million euros (+139% vs. Q3), in line with the year's first half (+47%).**
- **Continued strong gross margin growth in line with our stated target.**
- **Sustained sales momentum, which should continue until the end of the year for higher value-added activities.**
- **Confirmation of outlook for the end of 2024 and fiscal 2025.**

DRONE VOLT, manufacturer of professional civilian UAVs and expert in embedded solutions, presents its unaudited results for the 3rd quarter.

<i>Unaudited data in euros - IFRS standards</i>	T3 2023	T3 2024	Variation
Sales figures			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	512	1 346	+163%
<i>of which Distribution</i>	2 541	5 944	+134%
TOTAL	3 053	7 290	+139%
Gross margin			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	313	665	+112%
<i>of which Distribution</i>	393	413	+5%
TOTAL	706	1 078	+53%
Gross margin			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	61%	49%	-11 points
<i>of which Distribution</i>	15%	7%	-8 points
TOTAL	23%	15%	-8 points

"We are particularly pleased with our performance in the third quarter, where we increased our gross margin by over 50% compared to the same period last year, driven by our higher margin activities. The attractiveness and strong demand for our products and services is a testament to their quality and the confidence of our partners. Finally, this quarter confirms our declared ambition to accelerate our activities in services, where we are most profitable, which will enable us to achieve our objectives of increasing gross margin in 2024 and generating positive EBITDA in 2025," explains Marc Courcelle, CEO of DRONE VOLT.

Record third-quarter sales and gross margin

At the end of the 3rd quarter, Drone Volt reported consolidated revenues of 7.3 million euros (+139%) and a gross margin of 1.1 million euros (+53%). The gross margin decreased by 8 points to 15% due to a less favorable product mix. By doubling its sales over the year, DRONE VOLT achieved its best 3rd quarter ever and continues to enjoy a high level of activity, in line with the 1st quarter results.

In the distribution business (sales of 5.9 million euros, +134% vs. 3ème quarter), sales continued with the major European customer. However, volumes will decrease from Q4ème 2024, which aligns with DRONE VOLT's strategy to focus on its high-margin activities.

The acceleration is particularly strong for the DRONE VOLT FACTORY, SERVICES & ACADEMY division (sales of 1.3 million euros, +163%), the most significant contributor to gross margin, in line with the direction announced and implemented by the company.

In particular, the DRONE VOLT FACTORY enjoyed a very dynamic business. A total of 45 UAVs (42 HERCULES 20, 1 HERCULES 10, and 2 HELIPLANE) were sold, delivered, and invoiced during the period, including 30 from the record order of more than 40 HERCULES 20 announced at the beginning of July 2024. DRONE VOLT has thus demonstrated its excellent operational control and ability to fill orders as quickly as possible.

The services business also performed well despite the traditionally weaker month of August. For the quarter, it accounted for approximately one-third of FACTORY, SERVICES & ACADEMY revenues and more than half of gross margin.

Confirmation of 2024 outlook and target of positive EBITDA by 2025

In the first 9 months of the year, Drone Volt generated revenues of 30.7 million euros (+62%) and a gross profit of 3.3 million euros (+34%). This represents new revenues and gross margin records for the first 9 months of the year.

As announced at the time of the publication of the 2023 annual results, DRONE VOLT has made increasing its gross margin a priority for the current financial year. In line with this objective, the share of the distribution business, where margins are lower, is to be reduced to focus on the more profitable service activities.

DRONE VOLT intends to continue its strong sales momentum following its participation in the CIGRE exhibition at the end of August to present the LINEDRONE and its range of services to professionals. Following the announcement at the beginning of October of the signing of a major contract for the development of a specific version of the LINEDRONE by its R&D department and the provision of services, the company states that other similar contracts are currently being negotiated and could lead to new orders before the end of 2024.

At the same time, DRONE VOLT expects to continue selling its own drones (HERCULES 20, LINEDRONE, HELIPLANE, KOBRA). It is currently conducting negotiations, the outcome of which could be positive in the short term for some of them. Ambitions are also high for the Services division, which generates sales of more than one million euros and contributes directly to the Group's structural profitability. Negotiations are underway here to continue our growth path in 2025 with high-value-added contracts.

This strong sales momentum demonstrates the company's ability to accelerate and choose the right levers to drive growth in its most profitable activities. As a result, DRONE VOLT maintains its targets of strong gross margin growth in 2024 and positive EBITDA in 2025.

Next press release: sales 2024, Wednesday, January 15, 2025

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About DRONE VOLT

Founded in 2011, DRONE VOLT is an aircraft manufacturer specializing in professional civil drones and artificial intelligence. DRONE VOLT has offices in France, Benelux, Canada, Denmark, the United States, Switzerland, and Indonesia. As a global partner, DRONE VOLT offers customers "turnkey" business solutions, including various services and drone pilot training.

The DRONE VOLT group, a member of GICAT, achieved a turnover of 24 million euros in 2023, with an annual growth of 74%. DRONE VOLT supplies administrations and manufacturers such as the French Army, the Ministry of the Armed Forces, Engie, Total, Bouygues ES, ADP, the Gendarmerie des Transports Aériens (GTA), 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 - ISIN code: FR0013088606 - Qualifying: PEA, PEA-PME

Warrant: Mnemo: BNBS - ISIN Code: FR0014007951

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