

DRONE VOLT

Revenue growth of +92% and a 2.4-fold increase in gross margin at the end of September 2021

Villepinte, October 13, 2021

- **Record drone deliveries: 244 drones and 2 smart cameras delivered in the first nine months of fiscal 2021,**
- **Excellent sales momentum with a +92% increase in revenues at the end of September 2021,**
- **Strong increase in gross margin (+139%) and margin rate still resilient at 35%, driven by the Group's high value-added activities,**
- **Favourable outlook with a growth dynamic that should continue for the rest of the year in all geographical areas and with key accounts.**

DRONE VOLT, an expert in embedded artificial intelligence and manufacturer of professional civilian drones, announces its unaudited revenue to the end of September 2021.

<i>Unaudited data in euros – IFRS Standards</i>	9 months 2020	9 months 2021	Variation
Sales figures			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	1 280	2 850	123%
<i>of which Third Party Brands</i>	2 019	3 484	73%
TOTAL	3 299	6 334	92%
Gross margin			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	568	1 629	187%
<i>of which Third Party Brands</i>	355	579	63%
TOTAL	923	2 208	139%
Gross margin rate			
<i>including DRONE VOLT FACTORY, SERVICES & ACADEMY</i>	44%	57%	+ 13 points
<i>of which Third Party Brands</i>	18%	17%	- 1 point
TOTAL	28%	35%	+ 7 points

"We are pleased to note that the agreements concluded by DRONE VOLT in recent months are bearing fruit, and are contributing to the excellent commercial momentum experienced by the Group

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over the first nine months of the year," said Marc Courcelle, CEO of DRONE VOLT. "On the strength of this excellent commercial performance, we are confidently approaching the rest of this fiscal year and are now actively seeking strategic acquisitions to further strengthen our position both technologically and financially.

Record number of UAV deliveries, reflecting the excellent sales momentum achieved in the first nine months of the year

Over the first nine months of the 2021 financial year, the Group has posted an excellent commercial performance with revenues from high value-added activities (DRONE VOLT FACTORY, SERVICES & ACADEMY) amounting to 2.85 million euros at the end of September 2021, thus showing a strong increase of +123% over one year.

DRONE VOLT was able to deliver 244 drones and 2 smart cameras over this period, which is a record for the Group. This commercial performance was made possible thanks to the ramp-up of the order signed with AQUILINE DRONES in April 2021 for the delivery of 600 HERCULES 2 drones. Under this order, DRONE VOLT has already delivered 204 HERCULES 2 UAVs during the first nine months of the 2021 fiscal year.

In addition, the portion of revenues generated since the beginning of the year thanks to the licensing agreement concluded in the United States in October 2020 amounts to approximately 1.1 million euros¹ at the end of September 2021. This part of the turnover is composed of the licence income for 776 keuros and the financial counterpart of the transfer of know-how from DRONE VOLT to its American partner, representing 291 keuros. As a reminder, over the whole year 2021, these licenses should bring in an amount exceeding 1.5 million dollars.

In the Third Party Brands activity, DRONE VOLT recorded 3.5 million euros in revenues at the end of September 2021, compared to 2 million euros a year earlier, a very good increase of +73% over a year, driven in particular by a special order.

After a very good ^{1st} half of 2021, DRONE VOLT recorded a +102% growth in the ^{3rd} quarter of the fiscal year, bringing the consolidated revenue to 6.3 million at the end of September 2021, a strong increase of +92% compared to the same period of the previous fiscal year. During the first nine months of the year, DRONE VOLT generated one third of its business in the United States, and more than 50% in Europe. As a reminder, the Group's consolidated revenues amounted to €5.2 million at the end of September 2019.

Gross margin resilient at 35% driven by high value-added activities

In the first nine months of fiscal year 2021, the gross margin of high value-added activities reached 1.6 million euro (compared with only 568 thousand euro a year earlier), representing a high gross margin rate (57%), a strong increase of +13 points compared with the same period of the previous year.

Gross margin for Third-Party Brands amounted to 579 thousand euro at the end of September 2021 (compared to 355 thousand euro at the end of September 2020), representing a gross margin rate of 17%, down one point year-on-year.

DRONE VOLT has thus multiplied its gross margin by 2.2 in the ^{3rd} quarter of fiscal year 2021, bringing the Group's total gross margin to €2.2 million at the end of September 2021, up sharply by +139%, i.e., a margin rate of 35% showing a very good increase of +7 points over one year. For comparison, DRONE VOLT's gross margin was €1.9 million at the end of September 2019.

Favorable outlook for the remainder of the year despite the continuing impact of the health crisis

¹ Based on a EUR/USD rate of 1.16.

On the strength of this very good performance, DRONE VOLT is looking forward to the rest of the 2021 fiscal year with confidence and anticipates the continuation of this trend with a growth in revenues that should continue throughout the 2021 fiscal year.

The sales pipeline with major accounts, most of which are already customers, remains solid. Thus, the Linedrone² should quickly demonstrate its interest to customers who manage electricity networks. The first series are planned for the end of the year.

In addition, AERIALTRONICS, DRONE VOLT's Dutch subsidiary, has recently commercialized a new crowd counting software in the Asian market, the result of its technological know-how in artificial intelligence. Thus, the revenues related to this sale will be recognized in the consolidated revenues of DRONE VOLT in the 4th quarter of 2021. The Group could thus develop a significant business stream in the short and medium term in the sale of software resulting from its know-how in artificial intelligence.

However, DRONE VOLT has recorded new delays in deliveries of HERCULES 20 Spray UAVs linked to the contract signed in February 2021³ with a customer located in Central Europe. This customer did not order any UAVs during the 3rd quarter.

In addition, DRONE VOLT has decided not to select SKYCORP's offer, following the discussions initiated with this company in August 2021, and continues to make progress with other manufacturers in order to equip its UAVs with hydrogen engines in the coming months.

Finally, DRONE VOLT continues to study acquisition opportunities and could finalize at least one transaction by the end of the year. The objective is to strengthen DRONE VOLT's know-how and create value for its shareholders, similar to the acquisition four years ago of the assets of AERIALTRONICS, of which 49.8% of the remaining capital was acquired by the Group in September 2020 on the basis of a total valuation of 5 million euros before the sale of 50% of the shares of the subsidiary to AQUILINE DRONES in the summer of 2021 on the basis of a valuation of 15 million euros.

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 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-PM

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

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² TheLinedrone is a drone developed in partnership with Hydro-Quebec, Canada's largest electricity producer. This drone lands and rolls on power lines to analyze the quality of the networks.

³ On February 8, 2021, DRONE VOLT announced the signing of a contract for the delivery of a minimum of 275 HERCULES 20 Spray over 3 years, including 50 in the first 12 months of the contract.

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