

2019 revenue: €20M

**The Group's activities are now organized in two divisions:
"solutions" and "services"**

Dardilly, 16 January 2020

Pursuing strong growth in activity

2019 invoiced revenue amounted to €19 877K, up 81% compared with 2018. Due to the inclusion of the ATM Group in the scope of consolidation as from 1 June, the 2019 consolidated revenue should amount to €16M.

The portion of revenue generated outside France – essentially in Africa – represents 11.3% of total revenue. It came almost exclusively from the activity of the South African company Rocketmine and its subsidiary Rocketmine Ghana, which posted 2019 revenue of €2.2M (+24.2% at current exchange rates).

Following the business plan and new organization of activities

In 3 years, the Group's revenue was multiplied by 15. (It was of €1 375K for the 2016 financial year.) This increase is perfectly in line with the 2018 – 2019 plan announced in a press release dated 23 November 2017, as one of its three guiding objectives was pursuing sustained revenue growth.

Simultaneous efforts to organize and streamline made it possible to progressively and significantly lower operating expenses, decrease the number of sites in France, create cohesion and synergy between the French and foreign teams, and define individual roles more clearly in order to establish a strong foundation of common goals.

Delta Drone's strategy is now based on the commercial distribution of professional solutions that are in the early stages of being industrialized.

Therefore, and in order to clarify the portfolio of activities, the Group is now organizing its offerings into two divisions: "solutions" and "services."

Changes in the market for civilian drones for professional use

For Delta Drone, the purpose of this breakdown into two divisions is to better meet the changes that are likely to take place in the market for civilian drones for professional use.

After the first years of this market's emergence, drone manufacturers, at a worldwide level, were mostly wiped out by the supremacy, which became a hegemony, of the Chinese manufacturers. In parallel, this domination by the Chinese equipment, due to its primary use as recreational drones, caused confusion for many and created an illusion of a low-cost market and ease of use, sometimes with no regard for regulations and rules of safety and security.

Moreover, drones were often used for simple aerial-photography applications, without real added value, further increasing the difficulty of finding a viable business model.

The time has now come, thanks, in particular, to technological developments and the growing importance of artificial intelligence (IA), to take a decisive step in the evolution of this sector. Working very closely, even collaboratively, with future users, it became necessary to come up with complex professional solutions, in which a drone is only one component, addressing a sector-specific problem, clearly distinguishing these drones from recreational drones and representing a real asset for clients with respect to ROI.

These solutions are to be sold or leased to end clients. Regardless of how they are marketed, they nevertheless require on offer of related services covering all aspects of the value chain: managing applicable regulations, customer service & maintenance, training and, as the case may be, solution operators if the process is outsourced.

For several years now, Delta Drone has been heading in this direction, structuring its organization around a complete value chain and collecting the technological components needed to put together solutions for the future.

The Group's two divisions

The "solutions" division

The "solutions" division currently includes five offerings:

- ISS SPOTTER: drone solutions in the field of safety & security;
- COUNTBOT: a drone inventory solution;
- ROCKETMINE: solutions for the mining sector;
- NEOPTER: a choreographed event solution using autonomous drones;
- AERO41: a drone spraying solution.

It should be noted that two other professional solutions have been created and developed by companies in which Delta Drone has invested: an aircraft inspection solution (Donecle) and a tethered-drone solution (Elistair).

In 2019, the "solutions" division represented 15.6% of total revenue. This percentage should grow both significantly and rapidly.

The "services" division

The "services" division includes all the services provided, in particular for the implementation of the solutions (managing applicable regulations, training pilots, carrying out assignments, data processing, archival, follow-up and tracking, etc.). It also includes specific services provided for clients who should progressively become users of the professional solutions.

Future prospects

Since 1 January, Delta Drone has started the process of setting up its future industrial site in Dardilly (69) where the solutions will be assembled, in particular ISS SPOTTER and COUNTBOT. Their actual production is scheduled to start during the second quarter.

The recently announced 2020 – 2021 plan has three major objectives, which are to achieve revenue of €30M, a positive operating margin of 10% and having 30% of revenue generated by activities outside France.

About Delta Drone: *The Delta Drone Group is an international player in the field of civilian drones for professional use. It provides a range of professional solutions specifically designed for targeted sectors, as well as a complete selection of related services.*

Delta Drone is listed on Euronext Growth Paris – ISIN code: FR0011522168

Also listed on Euronext Growth :

53 151 903 BSA J – ISIN code: FR0013400983

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