



DeltaDrone

DRONIFY FOR A SAFER WORLD

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30TH, 2022

Please note, only the accounts brochure in French has no legal value - the english version is only a translation

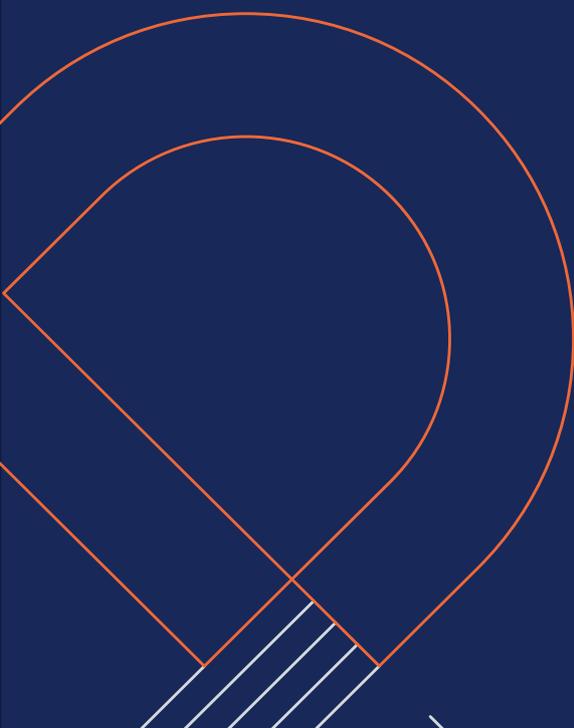


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Selected Financial information

(In K€)

	30/06/2022	30/06/2021	31/12/2021
	IFRS	IFRS	IFRS
Total Assets	34 424	34 348	42 236
Total non current assets	23 764	21 796	23 640
Total assets held for sale	0	0	9 709
Equity - Share attributed to DELTA DRONE shareholders	17 464	18 295	18 568
Equity - Share attributed to non-controlling interests	3 476	2 653	3 781
Gross financial debt (*)	5 319	5 728	5 266
Net financial debt (**)	2 677	187	3 675
Net financial debt ratio	12,8%	0,9%	16,4%
<i>Financial debt ratio out of IFRS16</i>	(5,9)%	(18,5)%	(0,2)%

(*) - Corresponds to short and long term financial debts

(**) - Corresponds to short and long term financial debts, from which cash and equivalents are subtracted

	30/06/2022	30/06/2021	31/12/2021
	IFRS	IFRS	IFRS
Turnover	8 530	6 987	15 865
EBITDA	(4 658)	(3 226)	(6 131)
Recurring Operating Income	(5 658)	(4 224)	(8 491)
Operating Income	(6 431)	(4 342)	(9 514)
Net result of integrated companies	(5 355)	(256)	(4 423)
Share attributed to DELTA DRONE shareholders	(5 075)	87	(4 347)
Share attributed to non-controlling interests	(280)	(343)	(995)
Net earning per share (in €)	(5,744)	0,000	(0,002)
Diluted earning per share (in €)	(0,233)	0,000	(0,001)



Consolidated statement of financial position

(In K€)

		30/06/2022	30/06/2021	31/12/2021
		IFRS	IFRS	IFRS
	Notes			
NON-CURRENT ASSETS		23 764	21 796	23 640
Goodwill	4	4 028	4 294	4 731
Other intangible assets	5	2 700	3 019	3 169
Tangible assets	6	1 482	1 311	1 148
Right of use related to rental contracts	6	3 574	3 636	3 566
Equity affiliates	7	137	10	150
Non-consolated companies share	8	8 973	7 219	7 815
Other fixed assets	9	2 666	2 100	2 846
Deferred Tax - Asset	16	204	207	215
CURRENT ASSETS		10 661	12 552	8 887
Inventories and work in progress	10	2 692	2 624	2 891
Trade account receivables	11	2 939	2 160	3 039
Other receivables	12	2 387	2 226	1 366
Availability & treasury instruments	13	2 642	5 541	1 591
Assets indexed as held for sale		0	0	9 709
TOTAL ASSETS		34 424	34 348	42 236

		30/06/2022	30/06/2021	31/12/2021
		IFRS	IFRS	IFRS
	Notes			
SHAREHOLDER EQUITY		20 940	20 948	22 349
Equity - Share attributed to DELTA DRONE shareholders	14	17 464	18 295	18 568
Equity - Share attributed to non-controlling interests	14	3 476	2 653	3 781
NON-CURRENT DEBTS		4 506	5 806	4 711
Provisions	15	297	339	356
Deferred Tax - Liability	16	81	0	8
Other long-term liabilities	17	401	1 167	542
Long-term financial debts	17	643	952	804
Long-term lease related financial debts	17	3 085	3 348	3 001
CURRENT DEBTS		8 977	7 594	7 771
Provisions	15	0	0	0
Trade payables and advance received	18	2 836	2 285	1 882
Short-term financial debts	17	771	722	737
Short-term lease related financial debts	17	820	707	724
Other debts	19	4 550	3 880	4 428
Liabilities indexed as held for sale		0	0	7 405
TOTAL LIABILITIES		34 424	34 348	42 236



Consolidated Income Statement

(In K€)

		30/06/2022	30/06/2021	31/12/2021
		IFRS	IFRS	IFRS
	Notes			
TURNOVER	20	8 530	6 987	15 865
Other operating income	20	(393)	582	1 420
Purchases and changes in inventories	21	3 861	3 533	7 164
Personnel expenses	21	8 694	6 994	15 718
Taxes and duties	21	204	130	374
Other income and expenses from current operations	21	37	138	160
EBITDA (*)		(4 658)	(3 226)	(6 131)
Net depreciation	22	1 241	1 040	2 066
Net provisions and depreciation allocations	22	(241)	(42)	294
RECURRING OPERATING INCOME		(5 658)	(4 224)	(8 491)
<i>Associated margin ratio</i>		<i>(66,3)%</i>	<i>(60,5)%</i>	<i>(53,5)%</i>
Other operating income and expenses	23	(773)	(118)	(1 023)
OPERATING RESULT		(6 431)	(4 342)	(9 514)
Income in cash and equivalents	24	(1)	(3)	(7)
Gross cost of financial debt	25	(86)	(98)	(184)
Net cost of financial debt		(87)	(101)	(191)
Other financial income and expenses	26	1 267	4 283	5 334
RESULT BEFORE TAX		(5 249)	(160)	(4 371)
Tax expenses	28	(94)	(10)	(24)
Share of net income of equity affiliates	29	(12)	(86)	(28)
NET RESULT OF INTEGRATED COMPANIES		(5 355)	(256)	(4 423)
Income from sold operations		0	0	(919)
Net result - Share attributed to non-controlling interests		(280)	(343)	(995)
NET RESULT - GROUPE SHARE		(5 075)	87	(4 347)
Amount of shares outstanding	30	883 457	1 225 119 183	2 451 863 006
Amount of shares following dilution	30	21 738 506	2 058 247 780	5 777 377 201
NET RESULT PER SHARE (in €)	30	(5,744)	0,000	(0,002)
DILUTED NET RESULT PER SHARE (in €)	30	(0,233)	0,000	(0,001)

(*) - Adjusted operating income



Consolidated Income Statement of integrated companies

(In K€)

	30/06/2022	30/06/2021	% de variation 06-2022 / 06-2021	31/12/2021
	IFRS	IFRS	IFRS	IFRS
TURNOVER	8 530	6 987	22,1%	15 865
Other operating income	(393)	582	(167,5)%	1 420
Purchase and change in inventories	3 861	3 533	9,3%	7 164
Personnel expenses	8 694	6 994	24,3%	15 718
Taxes and duties	204	130	56,7%	374
Other daily operating income and revenues	37	138	(73,5)%	160
EBITDA (**)	(4 658)	(3 226)	44,4%	(6 131)
Net depreciation	1 241	1 040	19,3%	2 066
Net provisions and depreciation allocations	(241)	(42)	477,4%	294
RECURRING OPERATING INCOME	(5 658)	(4 224)	34,0%	(8 491)
Other operating income and expenses	(773)	(118)	553,8%	(1 023)
OPERATING RESULT	(6 431)	(4 342)	48,1%	(9 514)
Income from cash and equivalents	(1)	(3)	N/S	(7)
Gross cost of financial debt	(86)	(98)	(12,2)%	(184)
Net cost of financial debt	(87)	(101)	(13,9)%	(191)
Other financial income and expenses	1 267	4 283	(70,4)%	5 334
RESULT BEFORE TAX	(5 249)	(160)	N/S	(4 371)
Tax expenses	(94)	(10)	N/S	(24)
Share of net income of equity affiliates	(12)	(86)	(86,1)%	(28)
NET RESULT OF INTEGRATED COMPANIES	(5 355)	(256)	N/S	(4 423)

(*) - Adjusted operational result

The DELTA DRONE Group reports two intermediate aggregates:

- "EBITDA" (adjusted operational result) : this indicator makes it possible to understand the Group's activity before considering allocations net of reversals and other operating income and expenses.

- « Current operating income » (ROC):

The Group therefore considers CNC recommendation 2009-R.03, which proposes the use of an indicator on the operational performance level that can be used as a forecasting approach for recurring performance.

In accordance with this recommendation, all significant and non-recurring items that would distort the reading of the Group's performance have been excluded from current operating income.



The excluded items are specifically described in Note 23 - Other operating income and expenses. This intermediate indicator (ROC) is used internally, above operating income, for segment information (note 32).

		Turnover breakdown by activity		EBITDA by activity		Recurring Operating Income breakdown by activity	
		30/06/2022 IFRS	30/06/2021 IFRS	30/06/2022 IFRS	30/06/2021 IFRS	30/06/2022 IFRS	30/06/2021 IFRS
Professional solutions	In K €	6 625	5 238	(3 859)	(2 480)	(4 602)	(3 265)
	%tage	77,7%	75,0%	82,8%	76,9%	81,3%	77,3%
Training	In K €	91	199	(239)	(170)	(237)	(216)
	%tage	1,1%	2,8%	5,1%	5,3%	4,2%	5,1%
Mining professional solutions	In K €	1 813	1 550	(561)	(576)	(820)	(743)
	%tage	21,3%	22,2%	12,0%	17,9%	14,5%	17,6%
In K €		8 530	6 987	(4 658)	(3 226)	(5 659)	(4 224)
%tage		100%	100,0%	100%	100,0%	100%	100,0%



Consolidated statement of cash flows

(In K€)

	30/06/2022	30/06/2021	31/12/2021
	IFRS	IFRS	IFRS
Consolidated net result - Share attributed to DELTA DRONE shareholders	(5 075)	87	(4 347)
Share attributed to non-controlling interestests	(280)	(343)	(995)
Depreciation expenses and provisions (net of reversals)	1 870	1 869	2 800
Income and expenses with no impact on cash flow	92	77	1 339
Removal of shares of equity affiliates	12	86	28
Removal of income from discontinued operations	0	(5 290)	919
Unrealised gains and losses relating to changes in fair value	(1 157)	0	(5 290)
Losses and gains relating to changes in interest with takeover			
CASH FUNDING CAPACITY AFTER NET COST OF DEBT AND TAX	(4 537)	(3 515)	(5 546)
Removal of the tax expenses (Income)	94	17	31
Removal of net cost of debt	(232)	106	197
CASH FUNDING CAPACITY BEFORE NET COST OF DEBT AND TAX	(4 675)	(3 391)	(5 318)
Net operating change	1 230	(1 910)	(7 869)
Net non-operating change	(75)		
Change in working capital requirement	1 155	(1 910)	(7 869)
NET CASH FLOW GENERATED BY ACTIVITY	(3 520)	(5 301)	(13 187)
INVESTMENT TRANSACTIONS			
Acquisitions of intangible assets	(30)	(850)	(1 395)
Acquisitions of tangible fixed assets	(427)	(320)	(721)
Acquisitions of financial fixed assets	191	(741)	(1 980)
Disposal of fixed assets	20	26	34
Impact of activities held for sale	2 910	0	4 881
Other flows related to investment operations	13	0	0
Net cash on acquisitions & disposals of subsidiaries	26	(77)	(853)
NET CASH FLOW FROM INVESTING ACTIVITIES	2 702	(1 961)	(34)
FINANCING OPERATIONS			
Capital increase	(476)	2 711	10 113
Change in other equity	4 390	5 676	828
Financial debt		149	104
Financial deleveraging	(2 126)	(698)	(1 255)
Exchange rate variations	11	55	42
Purchase/sale of treasury shares			
NET CASH-FLOW RELATED TO FINANCING OPERATIONS	1 798	7 893	9 832
CHANGE IN CASH AND EQUIVALENTS	980	631	(3 389)
OPENING CASH BALANCE	1 343	4 732	4 732
CLOSING CASH BALANCE	2 322	5 364	1 343



Consolidated statement of changes in equity

(In K€)

	Capital	Primes	Revaluation variance	Consolidated reserves	Items recognised directly in equity	Result for the period	Share attributed to DELTA DRONE shareholders	Non-controlling interests	Total equity
Balance as at 31/12/2021	845	45 212	0	(26 215)	0	(9 068)	10 774	2 982	13 757
Income allocation				(9 068)		9 068	0		0
Capital increase	1 104	10 037					11 141		11 141
Capital reduction							0		0
Change in scope							0		0
Exchange differential				(175)			(175)	(153)	(328)
Result for the period						(4 347)	(4 347)	(995)	(5 342)
Consolidation adjustments				1 175			1 175	1 947	3 122
Dividend distribution							0		0
Balance as at 31/12/2021:	1 949	55 249	0	(34 283)	0	(4 347)	18 568	3 781	22 349
Income allocation				(4 347)		4 347	0		0
Capital increase	639	2 235					2 874		2 874
Capital reduction							0		0
Change in scope							0		0
Exchange differential				144			144	144	288
Result for the period						(5 075)	(5 075)	(280)	(5 355)
Consolidation adjustments				(179)	1 132		953	(169)	784
Balance as at 30/06/2022:	2 588	57 484	0	(38 665)	1 132	(5 075)	17 464	3 476	20 940



Annex to the consolidated financial statements

Notes to the consolidated financial statements

DELTA DRONE is a public limited company incorporated under French law, listed on NYSE Euronext Growth.

DELTA DRONE and its subsidiaries are hereinafter referred to as “the Group” or “DELTA DRONE Group”. The head office of DELTA DRONE is located at Multiparc du Jubin, 27, Chemin des Peupliers - 69 570 DARDILLY. The consolidated financial statements as of June 30, 2022, reflect the accounting situation of the DELTA DRONE Group, as well as its interests in associated companies. The consolidated financial statements of the DELTA DRONE Group for the period ending June 30, 2022, were approved by the Board of Directors on September 30th, 2022

Significant events of the first half of 2022 and after June 30th, 2022

The first half of 2022 was marked by an evolution of the Group and by Management decisions aiming, on the one hand, to initiate a drastic reduction in operating costs and, on the other hand, to initiate a policy reducing dilutive instruments that could weigh on DELTA DRONE capital structure:

Group development

Several legal transactions were initiated and completed in the first half of 2022:

- At DELTA DRONE INTERNATIONAL, a change in governance took place through the resignation of two company directors as well as that of its chairman. These resignations are correlated with the policy implemented, both in France and abroad, aiming at reducing the operating costs of the various Group components. Thus, this change in governance allows lowering the costs incurred, on an annual basis, by around 300 KAUD, or approximately 180 K€. The management of DELTA DRONE INTERNATIONAL has been taken over by Mr. Chris CLARK. This is also consistent with the decision taken at the end of 2021 to sell the company PARAZERO, a company under Israeli law, an operation finalized at the start of the 2022 financial year. This company, based in Tel Aviv, presented a profile of activity inappropriate with the main activities of DELTA DRONE INTERNATIONAL, centred on the provision of drone services for the mining industry, and requested financing for working capital requirements which were difficult for the Group to assume (high expenditure in terms of R&D as so-called “niche” products).
- In DELTA DRONE COTE D'IVOIRE, the decision was taken to sell all the shares held by DELTA DRONE in the company capital, which left the scope of consolidation of the Group in April 2022. This operation was mainly motivated by the creation with the buyer, the WEESURE Group, of a commercial relationship based on the WEESURE teams already strongly established in the geographical area of West Africa and the Gulf of Guinea.
- Following several weeks of discussions, and while the condition precedent linked to the prior authorization of the French Ministry of Economy and Finance (under the control of foreign investments) had not yet been lifted, DELTA DRONE and the Canadian group VOLATUS AEROSPACE decided, at the end of April 2022, by mutual agreement to interrupt their discussions according to the terms provided for in the agreement signed on March 4, 2022.



Operation costs reduction

The draft agreement with VOLATUS AEROSPACE included the implementation of a plan to reduce operating expenses by approximately €2 million over a full year.

Therefore, although the discussions undertaken with VOLATUS AEROSPACE could not find a successful conclusion, the Group's Management undertook to implement the various points identified through strategic discussions from the beginning of April.

This resulted in the implementation of a plan to reduce the Group's support teams, leading to the departure of 10 people, including 6 economic layoffs, 2 contractual terminations and 2 resignations. The cost incurred for these departures totalled €278.8 thousand over the period.

Simultaneously, a program to reduce general operating expenses has been implemented, which aims to reduce it by around one million euros on an annual basis, with effect from the end of 2022 at the latest, regarding implementation deadlines.

Reduction of calculative dilutive instruments

On May 10th, 2022, Group Management communicated on the redemption by DELTA DRONE of all existing BSA, i.e., 2,147,549,465 BSA, representing a potential future dilution of 36.76%. The repurchase value of these BSA, based on an independent expert assessment, whose work was the subject of a written report, is recorded in the half-yearly consolidated financial statements as of June 30, 2022, for an amount of 1 €368.2K.

To reduce the potential future dilution attached to the BSA issued during the ORNAN tranches drawing in June and September 2022, a redemption of the latter for a symbolic euro was carried out by DELTA DRONE with immediate cancellation.

Share consolidation

A consolidation of the shares making up the share capital of DELTA DRONE, at the rate of 10,000 old shares against 1 new share, was initiated and implemented in the 2nd quarter of 2022.

Impacts exogenous to the Group's activity:

Impact of the COVID19 health crisis

Both at national and international level, 2022 was strongly impacted by the consequences of the COVID19 health crisis, especially regarding the global economic recovery resulting in a shortage of a certain number of electronic components.

Regarding the DELTA DRONE Group, although dedicated measures have been taken, the fact remains that certain highly targeted electronic components present difficulties in terms of supply.

The Group's Governance ensures alternatives so as not to suffer from this constraint for the Group's productions.



Impact of the military crisis in Ukraine

At the time of writing this document, the Group is not directly affected by the consequences of the military crisis in Ukraine. However, the pressure on international supplies, especially in terms of raw materials and energy, has resulted in an increase in the purchase cost borne by the Group. At this stage, this impact remains insignificant for the Group's business.

Events subsequent to the closing date of the half-year financial statements as of June 30, 2022

Continuation of the Group reorganization and implementation of a bond issue

The Group's financial losses are concentrated on DELTA DRONE SA and its support subsidiaries in France. This results from a high operating cost compared to a turnover that is still insufficient to cover the expenses.

Under these conditions, and despite very promising start-up prospects for the marketing of ISS SPOTTER and COUNTBOT solutions, the actions undertaken by Management to drastically reduce operating costs were continued in the second half of 2022:

- During the month of September 2022, the companies DELTA DRONE, DELTA DRONE EXPERTS and TECHNIDRONE recorded the cumulative departure of 11 employees, including 9 by way of redundancy and 2 resulting from resignations. The cost of these operations (severance pay, paid leave and CSP) amounted to €229,000.

- At the request of its parent company (DELTA DRONE SA), DELTA DRONE ENGINEERING (design office activity) was placed under safeguard on August 31, 2022, by the Commercial Court of Nantes. The subsidiary employs 14 people and amounts to approximately €1 million in annual operating expenses. The goal is to fit into a schedule devoted to the reorganization of the entity's operation: it allows to initiate discussions with new customers and/or partners, outside the Group, to diversify its activity and thus reach the operating break-even point.

Given these elements, especially the decisions impacts on the TECHNIDRONE and DELTA DRONE ENGINEERING entities, a revision of the goodwill residual value relating to the latter was implemented in the 2022 half-year financial statements. An additional provision for depreciation of €710,000 was recognized to bring the Group's intangible assets closer to their realizable value as of June 30, 2022.

To support this objective, a bond loan for a principal amount of €2.4 million was set up in July 2022. An issue of simple bonds for an amount of €2,150 thousand, through the issue of 43,000 simple bonds with a nominal value of €56 at a price of €50 each, representing a bond loan for a principal amount of €2,408,000.

In addition, given the interest aroused from private investors, a second round was completed at the beginning of September, resulting in an issue of simple bonds in the amount of €850,000, through the issue of 17,000 simple bonds with a nominal value of €56 at a price of €50 each, representing an additional bond loan for a principal amount of €952,000.

The issuance of these bonds will allow the Company to pursue its strategy of returning to equilibrium. The transaction is part of the implementation of a "equitization" mechanism for bonds by (i) setting up a management trust for the benefit of bondholders which will have decided to transfer them to the trust and (ii) the issue of stock warrants for the benefit of the said trust, the terms and conditions of exercise of which will make it possible, from an economic point of view, to transform the bonds thus transferred into shares.



Holders of simple bonds will be reimbursed either in cash by DELTA DRONE, or by the net proceeds from the sale of said shares.

CONTINUATION OF DELTA DRONE'S INVESTMENT IN DELTA DRONE INTERNATIONAL CAPITAL

As allowed by the specific rules of the ASX Sydney Stock Exchange, where DELTA DRONE INTERNATIONAL is listed, an operation to acquire 3% of the shares of the latter is being finalized. Thus, increasing the percentage held by DELTA DRONE in DELTA DRONE INTERNATIONAL capital to 58.16%.

Note 1 – Accounting principles and valuation methods

1-1 – Standards application and interpretation, and regulations

The consolidated financial statements of the DELTA DRONE Group are drawn up in accordance with the IFRS (International Financial Reporting Standard) as adopted by the European Union and published in the Official Journal of the European Union, in application with EC regulation n°1606 /2002.

The IFRS framework includes IFRS, IAS (International Accounting Standards), as well as IFRIC (International Financial Reporting Interpretations Committee) as published by the IASB. This repository is available on the website of the European Commission.

No standards, interpretations, or amendments to existing standards applicable as of July 1st, 2022, have been identified and therefore retained in advance as of June 30th, 2022.

Delta Drone's condensed half year consolidated financial statements as of June 30th, 2022, have been established in accordance with IAS 34 on interim financial information, which defines the minimum information content, and which identifies the accounting principles and valuation to be applied to an interim financial report

1-2 – Preparation bases

The accounting principles and valuation methods set out below were applied to the financial statements closed on June 30th, 2022, after considering the new standards and interpretations described below. The consolidated statements are presented in thousands of euros.

1-3 – Standards, standards amendments, and interpretations applicable from the fiscal year beginning on January 1st, 2022

The standards, amendments and interpretations mentioned below are applicable for the first time to financial years beginning on January 1st, 2022:

- Annual improvements to IFRS – 2018 / 2021 Cycle (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).
- Amendment to IAS 16 – Tangible assets – Income prior to its intended use.
- Amendment to IFRS 3 – References to the conceptual framework.
- Amendment to IAS 37 – Onerous Contracts – Cost of Performing the Contract.



The texts mentioned above did not have any impact on the Group's consolidated financial statements as of June 30th, 2022.

1-4 – Standards, standards amendments, and interpretations of subsequent application within the European Union

Standards and interpretations of subsequent application within the European Union (Texts applicable in advance):

- IFRS 14 – Regulatory Deferral Accounts.
- IFRS 17 – Insurance Contracts.
- Amendments to IAS 1 – classification of liabilities as current or non-current, and disclosure of accounting principles and methods.
- Amendment to IAS 8 – Definition of an accounting estimate.
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and an associate or joint venture.

The Group has not applied any of these new amendments or new / interpretations in advance

1-5 – Operational performance of the group and the sectors

The DELTA DRONE group considers adjusted operating result (EBITDA), current operating income (ROC) and net operating cash flow, measures of a non-strictly accounting nature, to be relevant indicators of the group's operating and financial performance.

1-6 – Valuation basis

The financial statements are prepared according to the principle of historical cost, except for assets and liabilities acquired within the framework of business combinations and financial assets, especially non-consolidated securities which have been measured at their fair value in accordance with IFRS 9.

Financial liabilities are valued based on the amortized cost principle.

1-7 – Use of estimates and assumptions

The preparation of the financial statements requires that the General Management of the Group makes estimates and retains certain assumptions that have an impact on the assets and liabilities of the consolidated balance sheet, on the expenses and income in the income statement, as well as on the information given in notes to the appendix.

These evaluations or estimates are reviewed at each closing and compared with the achievements to adjust the assumptions.

However, actual results might differ materially depending on different assumptions or conditions.

The main items in the financial statements depending on estimates or judgments as of June 30th, 2022, are as follows:

- The assessment of the recoverable amount of goodwill, intangible and tangible fixed assets



- The valuation of non-consolidated financial assets using the fair value method
- The valuation of retirement and similar commitments
- The estimate of provisions for risks and charges
- The realizable value of stocks and receivables.

The estimates used by the Group on these different themes are detailed in the specific notes relating to each heading.

1-8 – Scope and consolidation methods

Scope

The consolidated statements of the DELTA DRONE Group include the accounts of DELTA DRONE (consolidating company) and all its directly or indirectly controlled subsidiaries, jointly owned subsidiaries as well as companies under significant influence.

The Group's scope of consolidation, as well as its development during 2022, are presented in note 2.

Consolidation methods

Companies in which the Group has exclusive or majority control, directly or indirectly, are consolidated using the full consolidation method with recognition of minority rights.

Control is generally presumed to exist if the Group holds more than 40% of the voting rights, has the power to govern the financial and operating policies of a company or the power to appoint (or remove) most of the members of the Board of Directors (or equivalent management body) or to meet the majority of voting right, when control is exercised by it.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of transfer of effective control until the date control ceases to exist.

Associate companies are those in which the Group exercises significant influence over management and financial policy, but which it does not control.

The companies concerned are accounted for using the equity method. Significant influence is assumed when more than 20% of the voting rights are held.

The decision-making power held is also considered.

Joint ventures are companies over which the Group exercises joint control, that is, of which it shares control of economic activities following a contractual agreement. Joint ventures are recognized in the consolidated balance sheet using the equity method in accordance with the application of IFRS 11.

Shares in companies that are insignificant or in which the Group (both DELTA DRONE as an entity and its subsidiaries) does not exercise significant influence are classified as financial assets and are recognized at their fair value with an offset against the profit or other comprehensive income (OCI) if the shares are not intended for trading.



Gains and losses resulting from this valuation are recognized in profit or loss in the first case or in equity up to the level of previous bookings in OCI and then in profit or loss in the second case.

Regarding the half-year financial statements, as of June 30, 2022, DELTA DRONE did not exercise an option for treatment in OCI and recognized the fair values in profit or loss.

Commitment to buy out minority interests

In the event of cross buy and sell options contracted with a minority on the securities of a Group company, these options are essentially considered as firm buy/sell contracts with deferred payment.

Purchase commitments given relating to fully consolidated subsidiaries are recognized in “financial liabilities” for the present value of the estimated exercise price of the option when this option is at a fixed price, and for its fair value when the latter is at variable price.

In accordance with the application of the revised version of IAS 27, the options issued are treated as transactions between shareholders (impacts recorded in equity).

Internal transactions

Intra-Group balances and transactions as well as unrealized profits resulting from “intra-Group” transactions are eliminated as part of the preparation of the consolidated financial statements.

Unrealized losses resulting from “intra-Group” transactions are only eliminated to the extent that there is no indication of any impairment.

Non-controlling interests

Non-controlling interests are defined as the share of interests in a subsidiary which is not directly or indirectly attributable to the parent company.

Transactions with minority shareholders inducing a change in the parent company's interest shares without taking or losing control only affect equity.

If the end-of-period equity of a consolidated company is negative, the share of minority interests in this equity is borne by the Group, unless third parties have an obligation to cover their share of losses.

If these companies become profitable, the Group's share in their income is taken by the majority shareholder up to the losses recorded previously.

Balance sheet

Assets and liabilities whose maturity is less than the operating cycle, generally equal to 12 months, are classified as current assets or liabilities. If their maturity exceeds this period, they are classified as non-current assets or liabilities.

Goodwill



Company consolidations are accounted for in accordance with IFRS 3 revised.

The transferred compensation (goodwill) is measured at the fair value of the assets transferred, equity issued, and liabilities incurred on the date of the exchange.

The identifiable assets and liabilities of the acquired business are measured at their fair value on the date of acquisition. Any excess of the compensation transferred over the Group's share in the net fair value of the identifiable assets and liabilities of the acquired company gives rise to the recognition of goodwill.

On the takeover date and for each consolidation, the Group has the option of either opting for partial goodwill (limited to the share acquired by the Group) or for full goodwill. In the case of an option for the full goodwill method, non-controlling interests are measured at fair value and the Group recognizes goodwill on all identifiable assets and liabilities. This option applies on a transaction-by-transaction basis.

Costs directly attributable to the acquisition of control are expensed in the period during which they are incurred. The subsequent acquisition of minority interests does not give rise to the recognition of additional goodwill.

The analysis of goodwill is finalized during the evaluation period, i.e., 12 months from the date of the takeover.

In the event of a phased acquisition, the previously held stake is revalued at fair value on the date control is taken. The difference between the fair value and the net book value of this investment is recorded directly in profit or loss. In addition, the price supplements are included in the consideration transferred at their fair value from the date of acquisition and regardless of their probability of occurrence.

During the valuation period, subsequent adjustments find their counterpart in goodwill when they relate to facts and circumstances existing at the time of acquisition; failing this and beyond, the price supplement adjustments are recognized directly in profit or loss, unless the price supplements had an equity instrument as a counterpart. In the latter case, the price supplement is not reassessed subsequently.

Goodwill relating to companies consolidated by the equity method is classified under the balance sheet item "Equity affiliates".

Other intangible assets

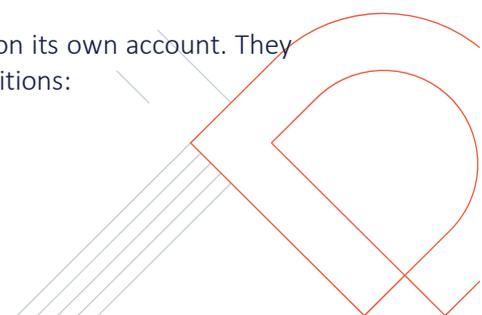
Intangible assets acquired through business combinations are recorded at their fair value.

Other intangible assets are valued at their acquisition cost or at their production cost for the Group. This cost includes all costs directly attributable to the preparation for the use of these intangibles.

It is reduced by cumulative depreciation and impairment losses, if applicable.

Other intangible assets mainly include acquired software and R&D costs.

Research & Development costs correspond to the effort made by the Group on its own account. They are recognized as an asset when they simultaneously meet the following conditions:



- The technical feasibility necessary for the completion of projects aiming at commissioning phase,
- The intention to complete the relevant projects for later use,
- The ability to use the developed projects,
- The projects concerned are clearly individualized,
- The projects have a strong chance of technical success and commercial profitability, generating probable future economic benefits,
- The company can reliably estimate the expenses attributable to projects under development.

All the expenses incurred constitute development costs as opposed to fundamental research costs.

Expenses are recorded as an asset based on the direct costs of each project, to which is added a share of overheads assessed as the ratio between overheads and the sum of the costs of the business. This share is calculated at the end of the year for application to the following year.

The depreciation method and the useful lives are revised at least at the end of each financial year.

Where applicable, the impact of changes in these is recognized prospectively as a change in accounting estimate.

Tangible fixed assets

Tangible fixed assets acquired through business combinations are recorded at their fair value.

Other tangible fixed assets are entered in the balance sheet at their acquisition cost minus accumulated depreciation and impairment losses, if applicable.

No asset can be broken down by component.

The acquisition cost includes all costs directly attributable to its creation or acquisition, to the asset transfer, and to its preparation for operation.

Interest on loans relating to the acquisition of tangible fixed assets is recognized as an expense. They are not tied to the cost of the asset.



Investment grants are recognized on the liabilities side of the balance sheet, as “deferred income” and systematically allocated to the income statement, over a period suitable for them to be binded to the costs that they are supposed to compensate.

Depreciation of tangible fixed assets is calculated on a straight-line basis depending on the components identified and their effective useful lives.

- | | |
|----------------------------------|---------------|
| • Layout, installations | 5 to 10 years |
| • Industrial equipment and tools | 5 to 10 years |
| • Transport equipment | 4 to 5 years |
| • Office computer and furniture | 5 to 10 years |
| • Computer equipment | 3 years |

Gains and losses on disposals of tangible fixed assets are determined by comparing the sale price to the net book value.

They are recorded in the income statement on the line “other income and expenses from current operations” for the sale of equipment from current operations; on the line “other operating income and expenses” for the sale of real estate complexes.

Depreciation of non-financial fixed assets

In accordance with IAS 36 "Depreciation of Assets", an entity shall assess at each reporting date whether there is any indication that an asset may have been impaired.

The Group, following the adoption of IFRS, will regularly perform impairment tests on the value of:

- all the Group's cash-generating units (CGUs) and indefinite life intangible assets,
- intangible or tangible fixed assets with a definite duration once an indication of impairment has been identified based on extensive analyses and resulting in a recoverable value lower than the book value of these assets.

Additional information is provided in the notes on "Goodwill" and "Other intangible assets"

Depreciation recorded on goodwill is irreversible and is therefore not reversed.

They appear under the heading “Allocations to provisions and depreciation” in the income statement, under current operating result.

Lease contracts

In accordance with IFRS 16, the DELTA DRONE group has restated all the leases concerned.

Assets held for sale

In accordance with IFRS 5, “Non-current assets held for sale and discontinued operations”, non-current assets held for sale are assets that will be realized through their disposal and not their use within 12 months. future. When classifying, non-current assets held for sale are valued at the lower amount of their net book value and their fair value less costs to sell, an impairment loss being recognized where applicable.



These assets are no longer depreciated.

Inventories

Inventories are valued at the lower of their actual cost price or their net realizable value.

The cost price includes the acquisition costs and other transportation and preparation costs incurred.

The cost price is calculated using the weighted average cost method.

Net realizable value is the estimated selling price minus the estimated costs to complete the sale.

Taxes

The “tax expense” section of the consolidated income statement relate to the tax payable by each consolidated subsidiary, adjusted for deferred taxes.

Deferred taxes are recognized in equity when they arise from items allocated to equity. Deferred taxes are calculated using the liability method for all temporary differences between the tax base and the accounting base of assets and liabilities (balance sheet analysis).

Deferred tax assets and liabilities must be valued at the tax which is expected over the financial year during which the asset will be realized, or the liability settled, based on tax rates (and tax regulations) which have been adopted or almost adopted at the balance sheet date.

Deferred tax assets and liabilities are recognized for all temporary difference deductible and taxable, respectively.

The activation of deferred taxes related to tax losses or capital losses rescheduled is limited to those whose recovery is highly probable, given the profit outlook. Tax losses follow the tax regime for French companies and can therefore be postponed indefinitely.

Assets and liabilities are offset when taxes are collected by the same tax authority and the local tax authorities allow it.

Trade receivables and payables

Trade receivables, trade payables and other receivables and payables are recorded at nominal value considering payment deadlines of less than three months.

Trade receivables are subject to depreciation on a case-by-case basis depending on the risks incurred, and the assessment of expected losses.

Bad debts are recorded as a loss when they are identified as such.

Debts and receivables denominated in foreign currencies are valued at the year-end price. Exchange differences resulting from this conversion are entered in the balance sheet under “Currency translation differences”. Unrealized losses are covered by provisions for risks (except for specific provisions provided for in the chart of accounts).



Cash and cash equivalents

Cash equivalents consist of liquid, easily convertible marketable securities which originally mature in less than or equal to three months.

Cash includes bank accounts and cash balances.

Own shares

The retained shares are recorded at their acquisition cost as a reduction of shareholders equity.

In the event of the sale of these shares in whole or in part, the income from the sale (with the corresponding tax) is charged directly to shareholders equity and therefore does not contribute to the result.

Provisions

A provision for risks or charges is made if there is an obligation towards an identified third party, the amount of which can be reliably estimated, and which will probably result in an outflow of resources without equivalent consideration.

When the effect of the time value of money is significant, provisions are recognized at their discounted amount, i.e., the present value of expected expenses deemed necessary to settle the corresponding obligations.

Changes in provisions recorded to reflect the effects of the passage of time are recognized in financial income or financial expenses.

– Retirement and similar commitments

Within the Group, retirement commitments include end-of-career indemnities for active staff. They are valued using the projected unit credit method. This method considers life expectancy assumptions, the staff turnover rate and salary trends. An update of the sums to be paid and a financial discount coefficient for future payments are applied.

The commitments are fully provisioned and correspond exclusively to the defined benefit pension plan located in France, including legal retirement indemnities.

Discounting costs are recognized in OCI.

– Litigation

Provisions for litigation have been assessed on a case-by-case basis depending on the risks incurred.

– Other provisions for risks and charges

The other provisions for risks and charges have been established based on the risks known at the closing date of the accounts and the estimated future charges.



Turnover

Turnover and other income from the activity is valued at the fair value of the consideration received or to be received. They are valued net of discounts granted once the significant risks and benefits inherent in product ownership have been transferred to the buyer or the service has been provided.

Turnover includes the sale of products or services to which is added, where applicable, the various services related to the sale.

Current operating Income

Current operating income includes all current operating expenses, including impairment of fixed assets and impairment of goodwill directly related to operations and allocated by CGU.

Other income and expenses from current operations, including items from asset disposals that enter the current operating cycle itself, also contribute to the determination of current operating income.

Operating result

Operating result includes all non-financial income and expenses, as well as income from disposals of real estate assets and significant non-recurring items.

Other operating income and expenses

Other operating income and expenses related to the capital gains and losses following the sale of real estate complexes and any significant and non-recurring element that would distort the reading of current operating income.

Acquisition costs

The costs related to the acquisition of an entity are recognized in the cost of shares in the event of significant influence being acquired, in profit or loss in the case of a takeover or in equity in the case of an acquisition of a company minority interests.

Financial result

Financial income includes income from cash and equivalents, the cost of gross financial debt as well as various income and expenses.

Result per share

Earnings per share is calculated by dividing net result (Group share) by the number of shares in circulation at the date of closing of the consolidated accounts.

Diluted result per share is calculated on the same basis of net result, considering the number of shares in circulation and the conversion of all dilutive instruments.



Segment information

A sector is a distinct and contributory component of the Group, engaged in the supply of products or services (business sector) or in the supply of products and services within a particular economic environment (geographic sector), and exposed to risks and profitability that is different from the risks and profitability of other sectors. All the operational and corporate sectors constitute the group's accounts.

The Group's activity revolves around three divisions: Professional Solutions, Mining professional turnkey solutions and training.

Segment assets are the operational assets used by a sector during its operational activities. They include attributable goodwill, intangible and tangible fixed assets, as well as current assets used in the operating activities of the sector. They do not include deferred taxes, other shareholdings, receivables, and other non-current financial assets. Sector liabilities are liabilities resulting from the activities of a sector, which are directly attributable to this sector, or which can reasonably be allocated to it. They include current and non-current liabilities except for financial debts and deferred tax liabilities.

General context of the accounts closing

The economic context was considered, especially in determining the forecasts used for the depreciation tests. The Group carefully respect a balance between its long-term resources and its structural investment needs. Short-term cash management is accompanied by the implementation of WCR improvement levers.

The following risk factors were analyzed to respond to the financial market authority recommendations:

- The recoverable amount of goodwill and other intangible assets, close to the net book value, has been the subject of special attention.
- The assumptions used to determine the recoverable value of non-current assets within the framework of impairment tests have been subject to sensitivity tests. The necessary depreciations have been considered in the profit for the year.
- The financial assets appearing on the Group's balance sheet do not present any significant risk, as well as cash equivalents. There is no liquidity risk at the end of the year.



Note 2 – Consolidation scope and change during the period

Companies included in the consolidation scope:

The companies included in the consolidation scope are as follows:

Companies	Consolidation method (*)		Equity percentage		Entry Date
	As at June 30th, 2022	As at December, 31st 2021	As at June 30th, 2022	As at December, 31st 2021	
DELTA DRONE	Parent company		100,0%	100,0%	Prior to 202
MTSI	I.G.	I.G.	100,0%	100,0%	Prior to 202
DELTA DRONE ENGINEERING	N/A	I.G.	N/A	100,0%	Simplified merger with PIXIEL in December 2021
TECHNI DRONE	I.G.	I.G.	100,0%	100,0%	Prior to 202
DELTA DRONE ENGINEERING (ex-PIXIEL)	I.G.	I.G.	100,0%	100,0%	Prior to 202
DELTA DRONE SOUTH AUSTRAL	I.G.	N/A	100,0%	N/A	Company created during the first half of 2022
DELTA DRONE HUMAN TECH (ex-ATM GROUP SRA)	I.G.	I.G.	100,0%	100,0%	Prior to 202
ATM GROUP SECURITE	I.G.	I.G.	100,0%	100,0%	Prior to 202
ATM GROUP ACCUEIL	I.G.	I.G.	100,0%	100,0%	Prior to 202
AFM	I.G.	I.G.	100,0%	100,0%	Prior to 202
AER NESS TRAINING	N/A	I.G.	N/A	100,0%	Universal Transfer of the Assets of AER NESS TRAINING to its parent company, TECHNIDRONE, on 12/2021
DRONE PROTECT SYSTEM	M.E.	M.E.	41,9%	41,9%	Prior to 202
DELTA DRONE EXPERTS	I.G.	I.G.	100,0%	100,0%	Prior to 202
SNOWSKUT	M.E.	M.E.	49,8%	49,8%	Prior to 202
DELTA DRONE AFRICA	I.G.	I.G.	51,0%	51,0%	Prior to 202
DELTA DRONE INTERNATIONAL	I.G.	I.G.	55,2%	50,4%	Impact of the operation carried out with ARVISTA and the acquisition of an additional 6% - 3% in July 2021 and 3% in February 2022.
PARAZERO	N/A	I.G.	N/A	50,4%	PARAZERO was sold in January 2022. It was treated as "Assets classified as held for sale" as of 12/31/2021.
DELTA DRONE SOUTH AFRICA	I.G.	I.G.	55,2%	50,4%	Prior to 202
DSL SOUTH AFRICA	I.G.	I.G.	55,2%	50,4%	Prior to 202
ROCKETMINE SOUTH AFRICA	I.G.	I.G.	40,9%	37,3%	Prior to 202
ROCKETMINE AUSTRALIA	I.G.	I.G.	55,2%	50,4%	Prior to 202
ROCKETMINE GHANA	I.G.	I.G.	36,8%	33,6%	Prior to 202
ARVISTA	I.G.	N/A	33,1%	N/A	Acquisition of 60% of ARVISTA by DELTA DRONE INTERNATIONAL in July 2021
DELTA DRONE COTE D'IVOIRE	N/A	I.G.	N/A	90,0%	All the shares of DELTA DRONE COTE D'IVOIRE were sold in April 2022 to the company WEESURE AFRIQUE.
UNITED DRONE TECHNOLOGIES	I.G.	I.G.	100,0%	100,0%	Prior to 202
AB COMTECH	I.G.	I.G.	77,3%	77,3%	Prior to 202

(*) :

I.G.: Global Integration

M.E.: Equity Method

N/A: Not applicable

Companies excluded from the consolidation scope:

Are excluded from the scope of consolidation as of June 30th, 2022:

- Companies forming the former DELTA DRONE NETWORK

DELTA DRONE continued its policy of supporting companies that were part of the DELTA DRONE NETWORK.

The DELTA DRONE group providing support to the network without having any influence on its management, the integration of the companies concerned into the scope of consolidation as of June 30th, 2022, was not considered significant.

However, following the implementation of the strategic decisions taken by the Governance of DELTA DRONE and given the gradual shutdown of the activity of these companies, only one entity remains in which the Group has interests.

The percentage of ownership as of June 30th, 2022, of DELTA DRONE in the capital of this entity remains unchanged compared to December 31, 2021:

DELTA DRONE NETWORK COMPANY	Participation rate as at 30/06/2022
DELTA DRONE	5.0%

- Financial participation in companies with high potential:

The holdings of minority interests in the companies ELISTAIR, DONECLE, DIODON, SIGHTEC, and AERO41, were included in the fixed assets of the DELTA DRONE Group on June 30th, 2022. The company SLX ETCHNOLOGIES, under Israeli law, ceased its activity in the first half of 2022.



All the investments made are intended only to invest and secure access to a technology in synergy with the needs of DELTA DRONE for its development, no significant influence is exerted by the group over these entities.

As such, the decision was taken to place all its holdings in the investment portfolio held by the company UNITED DRONE TECHNOLOGIES, a wholly owned subsidiary of DELTA DRONE and whose vocation is the financial management of the investments of the Group in companies with high potential.

Within this framework and in accordance with applicable IFRS standards, these investments were valued using their fair value of June 30th, 2022.

Note 3 – Application of IFRS standards

General framework and general principles

Following European Regulation No. 1606 / 2002 of July 19th, 2002, the DELTA DRONE Group has established its consolidated financial statements as of the 2021 financial year in accordance with International Standards.

The IFRS restatements considered for the preparation of the financial statements as of June 30th, 2022, and detailed in the various notes of this document are as follows:

IAS 1

The financial statements have been established in accordance with this Standard which slightly modifies the general presentation of the accounts.

IAS 2

Inventories of goods were already valued using the weighted average cost method. The Group now includes the discount fees obtained for cash payment in the acquisition cost.

IFRS 8

Breakdown of consolidated accounts by operating segment based on internal reporting.

IFRS 9

As such, with reference to IFRS 10 and IAS 28, the DELTA DRONE Group having neither joint control nor significant influence over non-consolidated holdings, IFRS 9 was applied by retaining the valuation of financial assets at fair value.

The option of considering the impacts of fair value in profit or loss or equity has been evaluated individually and at the level of each of the non-consolidated investments.

The fair value of non-consolidated investments was determined based on:

- Either a recent transaction carried out in the capital structure of the related non-consolidated participation,
- Or an assessment performed by an independent expert.



As a principle of internal management and to meet the standard, the assessment of the fair values of non-consolidated holdings will be systematically assessed, when the Group's half-yearly accounts are calculated, i.e., on June 30th of each year. Given the start-up status of the companies concerned, in emerging markets, future valuations are likely to generate different valuations, upwards or downwards.

Thus, an update of the fair value of non-consolidated investments will be considered per period of 12 consecutive months.

IAS 12

Deferred taxes have been considered on the adjustments made to assets and liabilities, according to the criteria defined by this Standard.

IAS 16

Tangible fixed assets have been reprocessed using the amortized historical cost method.

IAS 18 completed by IFRS 15

Group revenue was not impacted by the change in standards.

IAS 19

Retirement commitments (IFC) have been considered since fiscal year 2012.

At the time of the Group's consolidated accounts (half-yearly and annual), an actuary is called upon to determine the commitments in this area for the companies in the scope concerned. As such, please refer to note 15, below.

Regarding the half-yearly accounts calculated on June 30th, 2022, the actuary made the following assumptions:

Professional career	
Retirement scenario	Voluntary departure
Age of the start of professional activity	s.o.
Age of cessation of activity	62 years old

Actuarial assumptions		
Annual financial discount rate:		3,20%
Annual salary evolution		2,50%
Inflation included		
Life expectancy tables	Men	INSEE 15 - 17 Men
	Women	INSEE 15 - 17 Women

IFRS 3 / IAS 36

Goodwill is no longer amortized from January 1st, 2021 but is subject to impairment tests.

IAS 32 et 39

Separation of debt and equity components of financial instruments



IAS 38

Commercial funds have been reclassified as goodwill. Impairment tests were carried out at the level of each CGU (Cash Generating Units). Negative goodwill has been restated in profit or loss.

Note 4 – Goodwill

As a principle of internal management and to meet the standards, the assessment of the net value of goodwill will be subject to an evaluation by a systematic independent expert, when the financial statements are established, i.e., on December 31 of each year.

Thus, an update of the net value of goodwill will be considered per period of 12 consecutive months.

4-1 – Evolution of goodwill:

(In K€)

Goodwill	
Gross values	
At the start of the financial year	6 290
Increases / Aquisitions	6
Decreases / Exits	
At the end of the period	6 296
Depreciations	
At the start of the financial year	(1 559)
Depreciation / Impairment	(710)
At the end of the period	(2 269)
Net values	
At the start of the financial year	4 731
At the end of the period	4 028



4-2 – Details of goodwill at the opening and closing of the financial year

(In K€)

	At opening	Movements				At Closing
	31/12/2021 Net values	Increases / Acquisitions	Decreases / Exits	Depreciation	Transfers	30/06/2022 Net values
DELTA DRONE ENGINEERING (Merged with PIXIEL in 2021)	0					0
MTSI	0					0
TECHNIDRONE	515			(257)		258
ROCKETMINE	320					320
DELTA DRONE ENGINEERING (ex PIXIEL)	906			(453)		453
ATM GROUP SRA	2 554					2 554
AB COMTECH	259					259
ARVISTA	178	6				184
TOTALS	4 731	6	0	(710)	0	4 028

Impairment losses

The DELTA DRONE Group CGU (Cash Generating Unit) is defined as the smallest identifiable group of assets that generates cash flows independent of those generated by other assets or groups of assets

The CGU can be defined according to one of the following criteria:

- Existence or not of an active market,
- Importance of economic dependency relationships between the different units,
- Operational breakdown: How management organizes its reporting,
- Strategic breakdown: How management takes decisions to continue or abandon activities

The decisive criterion chosen is the operational breakdown. Thus, the CGU selected is the nature of the activity of the combined entities.

Goodwill relating to companies consolidated by the equity method is classified under the balance sheet item "Investments in associates".



Goodwill as of June 30th, 2022, breaks down as follows:

(In K€)		Net values
Professional solutions		3 267
DELTA DRONE ENGINEERING (ex PIXIEL)	453	
ATM GROUP SRA	2 555	
AB COMTECH	259	
Training		257
TECHNIDRONE	257	
Mining professional turnkey solutions		504
ROCKETMINE	320	
ARVISTA	184	
TOTAL		4 028

Goodwill is described in detail by legal entity (see table above).

Impairment tests performed on CGUs (including allocated goodwill) are based on fair value minus costs to sell.

To determine the fair value less minus to sell, comparable transactions are analysed, considering the result of recent transactions involving similar assets in the same sector of activity.

The valuation is based on multiples of accounting aggregates.

If the fair value minus costs to sell is not validated by comparable transactions, then the estimated value in use is calculated by the present value net of future cash flows. Details of the calculation method are provided in note 1 - accounting principles - section: impairment of goodwill.

Based on this method, the recoverable amount of each CGU to which a share of the book value of goodwill is allocated is analysed to detect whether the value in use of the CGU is not less than the net book value of its assets.

For the years ended prior to 2021, the Group used the French accounting standards. Therefore, goodwill was amortized over a period of 5 years. With the adoption of IFRS and especially the application of IFRS 3 and IAS 36, goodwill is no longer amortized from January 1st, 2021 on.

On the other hand, regarding the decisions taken concerning the companies DELTA DRONE ENGINEERING and TECHNIDRONE, impairments amounting to 50% of the net value of goodwill relating to these two entities were recorded in the half-yearly consolidated accounts closed on 30th June 2022.



(In K€)

Goodwill depreciation recognized		
Year	Amount	As a % of goodwill
2014	122	20,0%
2015	189	6,7%
2016	923	26,7%
2017	1 144	44,4%
2018	1 377	49,1%
2019	1 670	51,9%
2020	734	58,9%
2021	0	56,5%
2022	710	63,1%

In application of Standard IAS 38, goodwill not amortized or impaired as well as negative goodwill not yet fully reported in profit or loss have been charged against goodwill of the entities concerned. The impact is a revaluation of the gross value of said differences of € 142,000.

An analysis of each goodwill with a non-zero net value is performed at the end of the period. The Group considers the economic context of each closing and has adopted relevant and measured operational assumptions for 2022.

These assumptions are based on the experience of management and the implementation of action plans relating to the development of the Group and the monitoring of the aggregates composing the income statement.



Note 5 – Other intangible assets

(In K€)

	R&D costs	Software packages	Rights of use furniture rentals IFRS 16	Other	Total
Gross values					
At the start of the financial year	9 040	333	39	515	9 927
Increases / Acquisitions		30			30
IFRS 16 restatements					0
Decreases / Exits		(30)			(30)
Change in Scope	Entrance				0
Change in Scope	Exit				0
Bank Transfer					0
At the end of the period	9 040	333	39	515	9 927
Depreciations					
At the start of the financial year	(5 944)	(279)	(20)	(515)	(6 758)
Depreciation and amortization	(462)	(24)			(486)
IFRS 16 restatements			(13)		(13)
Depreciation / Impairment allowances					0
Reversals of depreciation / Impairment loss					0
Decreases / Exits		29			29
Change in Scope	Entrance				0
Change in Scope	Exit				0
Bank Transfer		1			1
At the end of the period	(6 407)	(273)	(33)	(515)	(7 227)
Net values					
At the start of the financial year	3 095	54	20	0	3 169
At the end of the period	2 633	60	7	0	2 700

R&D costs are amortized according to the amortization plan initially defined by the Group. The endowment concerns only DELTA DRONE ENGINEERING.

As part of the adoption of the IFRS reference framework for the presentation of the Group's consolidated financial statements, an in-depth analysis of the various movable rental contracts was performed in accordance with IFRS 16. Thus, the rights of use calculated as of June 30th, 2022, are included in intangible assets when this concerns assets that would have been recognized in this asset line if they had been acquired by the Group. This is exclusively rental software.

(In K€)

	Rights of use real estate rentals IFRS 16	Total
Gross values		
At the start of the financial year	39	39
Right of Use		0
At the end of the period	39	39
Depreciation		
At the start of the financial year	(20)	(20)
DAP right of use	(13)	(13)
At the end of the period	(33)	(33)
Net values		
At the start of the financial year	20	20
At the end of the period	7	7

Note 6 – Tangible fixed assets

(In K€)

	Rights of use real estate rentals IFRS16	Technical installations	Rights of use of IFRS16 movable assets	Other tangible assets	Total
Gross Values					
At the start of the financial year	3 860	1 330	294	2 941	8 425
Increases / Acquisitions	550	50	100	390	1 090
Decreases / Exits	(49)		(66)	(51)	(166)
IFRS16 restatements					0
Change in scope		Entrées			0
Change in scope		Exit			0
Translation effects	6	3		49	58
Bank transfer		27	(42)	15	0
At the end of the period	4 367	1 410	286	3 344	9 407
Depreciations					
At the start of the financial year	(465)	(1 219)	(123)	(1 904)	(3 711)
Depreciation and amortization		(48)		(275)	(323)
IFRS16 restatements	(276)	(72)	(70)		(418)
Depreciation / Impairment allowances					0
Reversals of depreciation / Impairment loss					0
Decreases / Exits	25		64	50	139
Change in scope		Entrées			0
Change in scope		Exit			0
Translation effects	(2)	(1)		(35)	(38)
Bank transfer	(232)	256		(24)	0
At the end of the period	(950)	(1 084)	(129)	(2 188)	(4 351)
Net values					
At the start of the financial year	3 395	110	171	1 038	4 714
At the end of the period	3 417	325	157	1 157	5 056

Tangible fixed assets have been the subject of an in-depth analysis to determine any impairment losses that may have appeared during 2022.

As part of the adoption of the IFRS reference framework for the presentation of the Group's consolidated financial statements, an in-depth analysis of the various property and movable rental contracts performed in accordance with IFRS 16. Thus, the rights of use calculated as of 30th June 2022, are included in tangible fixed assets. (This concerns goods that would have been recognized in this asset line had they been acquired by the Group). The main categories of assets concerned are either contracts relating to the rental of buildings used for the needs of the Group's business, or those relating to the rental of vehicles or other goods required by the activity.



(In K€)

	Rights of use real estate rentals IFRS16	Rights of use of IFRS16 movable assets	Total
Gross Values			
At the start of the financial year	3 860	294	4 154
Acquisitions	550	100	650
Decreases	(49)	(66)	(115)
Translation effects	6		6
Bank transfer		(42)	(42)
At the end of the period	4 367	286	4 653
Depreciations			
At the start of the financial year	(465)	(123)	(588)
IFRS16 restatements	(276)	(70)	(346)
Decreases / Exits	25	64	89
Translation effects	(2)		(2)
Bank transfer	(232)		(232)
At the end of the period	(950)	(129)	(1 079)
Net values			
At the start of the financial year	3 395	171	3 566
At the end of the period	3 417	157	3 574

6-1 – Finance lease contract (furniture leasing)

(In K€)

	Installations techniques	Autres immobilisations corporelles	Total
Gross Values			
At the start of the financial year	857	99	956
Increases / Acquisitions	8	14	21
Decreases / Exits			0
IFRS1 restatements			0
Change in scope			0
Consolidation adjustments			0
At the end of the period	864	113	977
Depreciations			
At the start of the financial year	(642)	(55)	(697)
Depreciation and amortization	(68)	(13)	(80)
Decreases / Exits			0
Change in scope			0
Consolidation adjustments			0
At the end of the period	(710)	(68)	(777)
Net values			
At the start of the financial year	215	44	259
At the end of the period	155	45	200



6-2 – Information on furniture leasing debt

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Residual value of debt at the end of the period	200	280	259
Maturity of residual debt at the end of the period			
Less than a year	147	144	157
2 to 5 years	53	136	102
More than 5 years	0	0	0

Note 7 – Investments in associates

According to IAS 28.38, if the investor's share in the losses of an associate or joint venture exceeds the book value of his participation, the investor ceases to recognize its share in subsequent losses and according to IAS 39, when the investor's share is reduced to zero, the additional losses do not have to be the subject of a provision. Consequently, DELTA DRONE's stake in DRONE PROTECT SYSTEM has been reduced to 0.

7-1 – Value of equity-accounted investments

(In K€)

		Investments in associates
At the start of the financial year		150
Increases		
Decreases		(12)
Change in scope	Entrance	
Change in scope	Exit	
At the end of the period		137

7-2 – Details of equity-accounted investments

(In K€)

	As of June 30th, 2022	As of June 30th, 2021	As of December 31st, 2021
SAS DRONE PROTECT SYSTEM	0	(157)	0
SAS SNOWSKUT	137	167	150
Total	137	10	150

All the Group's associates are accounted for using the equity method.

There is no joint venture at the level of the DELTA DRONE Group.



7-3 – Goodwill of associates

(In K€)

	As of June 30th, 2022	As of June 30th, 2021	As of December 31st, 2021
SAS DRONE PROTECT SYSTEM	(350)	(350)	(350) (1)
SAS SNOWSKUT	180	180	180
Total	(170)	(170)	(170)

(1) – This is negative goodwill (Liability).

Note 8 – Shares of non-consolidated companies

8-1 – Applied principle

The accounting principle applied is that on each closing date of the consolidated accounts (half-yearly and annual), shares in non-consolidated companies are valued at their fair value either through profit or loss or through equity.

As part of the application of the IFRS framework, an individual decision was taken for each non-consolidated company, as to their measurement at fair value through profit or loss or through equity.

On June 30th, 2022, the DONECLE, ELISTAIR and AERO41 companies were subject to a fair value adjustment through profit or loss. The values used for the shares held by the Group in the capital of these companies are based on:

- either a financial audit of the entities performed by an independent expert,
- or the value of the entities concerned retained during a capital transaction (fundraising) executed for less than six months.

The financial assessments of the independent expert, in agreement with the Group's statutory auditors, are established once a year, when the Group's half-year financial statements are closed. However, when closing the Group's annual financial statements, any indication of impairment gives rise to an adjustment of the fair values used for the entities concerned. As of June 30th, 2022, no indication of impairment had been detected leading to the renewal of the assessments established as of June 30th, 2021, concerning AERO41. However, the DIODON and DONECLE entities were assessed by an independent expert, considering events that occurred between 2021 and 2022, such as to assess their value.

For each new acquisition of equity securities, an analysis of the Group's management intention is undertaken to determine whether they will be measured at fair value through profit or loss or through equity.



8-2 – Evolution of shares in non-consolidated companies

(In K€)		Shares of non-consolidated companies
As of June 30th, 2021		2 238
Increases		695
Decreases		(1 003)
Change in fair value	Increases	5 290
	Decreases	
Change in provisions	Dotations	
	Reversals	
Change in scope		
Consolidation restatement		596
Exchange rate variation		
As of December 31st, 2021		7 815
Increases		
Decreases		21
Change in fair value	Increases	1 726
	Decreases	(569)
Change in provisions	Dotations	
	Reversals	(21)
Change in scope		
Consolidation restatement		
Exchange rate variation		
At the end of the period		8 973



Note 9 – Other fixed financial assets

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Receivables attached to non-consolidated securities	1 003	614	1 212
Fixed securities relating to banking establishments	12	0	12
Current accounts of associates	1 180	1 063	1 170
Deposits and guarantees	472	422	452
Gross values	2 666	2 100	2 846
Provisions	0	0	0
Depreciations	0	0	0
Net values	2 666	2 100	2 846

Note 10 – Inventories

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Raw materials, supplies and other supplies	1 742	990	1 547
In production	0	0	0
Intermediate and seedlings products	1 068	1 507	1 594
Goods	24	321	62
Other supplies	0	0	0
Gross value	2 834	2 819	3 203
Provisions on raw materials and goods	(142)	(194)	(312)
Provisions on intermediate and seedlings products	0	0	0
Provisions on other supplies	0	0	0
Depreciations	(142)	(194)	(312)
Net values	2 692	2 624	2 891

The costs of inventories include the purchase price, customs duties, and other taxes (excluding taxes subsequently recoverable by the entity from the tax authorities), as well as transport, handling and other costs related to the cost price of raw materials, goods, work in progress and finished products.

Trade discounts, rebates and the like are deducted when determining acquisition costs.

Inventories are valued according to the last purchase price method.

A potential provision for inventory depreciation (equal to the difference between the gross value determined according to the methods indicated above and the day's rate or the realizable value less proportional sales costs), is made when this gross value is higher than the other stated term. More specifically, an analysis was performed on the rotation of the various items stored to better understand the level of depreciation to be retained in the accounts for the period considered.



Note 11 – Accounts receivables

(In K€)

	30/06/2022	30/06/2021	30/12/2021
Accounts receivables	2 926	2 291	3 167
Unbilled revenue	228	52	100
Gross values	3 155	2 343	3 267
Provisions	(215)	(183)	(228)
Depreciations	(215)	(183)	(228)
Net values	2 939	2 160	3 039

Trade receivables result from sales and are spread over the entire scope of the Group.

There is no major concentration for non-collection risks.

The provision for accounts receivable depreciation has been calculated for each company in the Group individually depending on the risks incurred.

Note 12 – Other operating receivables

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Advances and prepayments paid	23	115	63
Tax receivables	716	1 110	593
Social security receivables	113	160	148
Corporate tax	65	286	83
Current account	0	4	0
Other receivables	837	0	124
Prepayments	664	551	385
Gross values	2 418	2 226	1 396
Provisions	(30)	0	(30)
Depreciations	(30)	0	(30)
Net values	2 387	2 226	1 366



Note 13 – Cash and cash equivalents

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Investment securities	10	25	23
Investment securities depreciation	0	0	0
Net investment securities	10	25	23
Availability - Asset	2 632	5 516	1 568
Availability - Asset	2 632	5 516	1 568
Treasury - Asset	2 642	5 541	1 591
Bank overdrafts	(320)	(152)	(248)
Treasury - Liability	(320)	(152)	(248)
Net treasury	2 332	5 414	1 365

Cash and cash equivalents include bank accounts and cash balances, as well as marketable securities taken from the Group's financial institutions.

These transferable securities meet the various criteria to be recognized as cash equivalents: they are short-term, very liquid investments, easily convertible into a known amount of cash and subject to a negligible risk of change in value.

The IAS 7 criteria for short-term investments are therefore met.

Note 14 – Equity

14-1 – Share capital structure

The fully paid-up share capital consists of 884 088 shares with a par value of €1 each.

	Number of common shares	Par value of the shares (in€)	Amount of share capital (in €)
As of 30/06/2021	1 225 119 183	0,0010	1 225 119,18
Increases	668 891 288	0,0010	668 891,29
Decreases	0	0,0010	0,00
As of 27/10/2021	1 894 010 471	0,0010	1 894 010,47
Capital reduction of the AGM of 27/10/2021		0,0001	(1 704 609,45)
Increases	557 852 535	0,0001	55 785,28
Decreases	0	0,0001	0,00
As of 31/12/2021	2 451 863 006	0,0001	245 186,32
Increases	3 389 757 625	0,0001	338 975,76
Decreases	0	0,0001	0,00
As of 11/04/2022	5 841 620 631	0,0010	584 162,12
Consolidation of shares by 10,000	Cancellation linked to the grouping (5 841 035 838)		
	Deduction of fractional shares on the situation of C. VIGUIE (631)		
As of 26/05/2022	584 162	1,0000	584 162,00
Increases	299 926	1,0000	299 926,00
Decreases	0	1,0000	0,00
As of 30/06/2022	884 088	1,0000	884 088,00

14-2 – Non-controlling interests

(In K€)

	30/06/2022	30/06/2021	31/12/2021
The non-Group share in the reserves amounts for	3 756	2 996	4 777
The share outside the Group in the result amounts for	(280)	(343)	(995)
Total	3 476	2 653	3 781

Note 14-3 – Treasury shares

	30/06/2022	30/06/2021	31/12/2021
Amount of shares	60	19 492	20 456
Amount in K€	0,88	0,11	0,35

These shares are shown at their acquisition cost as a reduction of shareholder equity.

They are only related to the operation of the share animation account, the management of which is entrusted to MIDCAP PARTNERS (LOUIS CAPITAL MARKETS).

These treasury shares do not hold voting rights.

Over the year of 2022, transactions in number of shares are as follows:

<i>(In amount of shares)</i>	First half of 2022
Purchases	576 889
Sales	335 079

Note 15 – Provisions

15-1 – Provisions for liabilities and charges

(In K€)

	30/06/2022			30/06/2021			31/12/2021		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Provisions for litigations	0	187	187	0	187	187	0	187	187
Other provisions for liabilities and charges	0	0	0	0	0	0	0	0	0
Provisions for retirement benefits	0	110	110	0	152	152	0	169	169
Other provisions (negative Goodwill)	0	0	0	0	0	0	0	0	0
Total	0	297	297	0	339	339	0	356	356

Provisions for litigation have been calculated individually depending on the risks incurred.

These provisions mainly relate to labor disputes, the judgments of which have not yet been rendered and the proceedings terminated.



15-2 – Changes in provisions

(In K€)

	Dispute with former employees	Risks and charges	Retirement	Other	Total
At the start of the financial year	187	0	169	0	356
Endowments		0	5	0	5
Used reversals		0		0	0
Unused reversals		0	(64)	0	(64)
Change in scope - Entrance		0		0	0
Change in scope - Exit		0		0	0
Actuarial gains and losses recognized in equity		0		0	0
Bank transfers		0		0	0
Total	187	0	110	0	297

In accordance with IAS 37 - Provisions, contingent liabilities, and contingent assets - provisions are recognized when the Group has a legal or constructive obligation resulting from a past event and this obligation can be reliably estimated. The amount recognized is best estimate of the expenditure necessary to settle the obligation on the closing date of the accounts.

Provisions for disputes are calculated based on information collected from the departments concerned, which identifies and monitors disputes with the support of legal advisers outside the Group.

15-3 – Commitments in terms of retirement indemnities

There is no defined benefit pension plan for the Group, other than statutory retirement indemnities in France.

The Group uses the services of an actuary so that the obligation is determined according to demographic and statistical developments in this area.

The subsidiary companies of ATM GROUP SRA did perform calculation of a provision as of June 30th, 2022, (as for the previous closing periods) in respect of their retirement commitments, having regard to the non-significance of the latter and to the economic model of these companies. The operational staff of these companies are, for the most part, attached to contracts for which, in the event of non-renewal, a transfer of staff is made.

Regarding foreign subsidiaries, no provision for retirement commitments is recognized in the consolidated financial statements as of June 30th, 2022. The absence of such a commitment at the end of the period depends on the legislation applicable to these subsidiaries.

Note 16 – Income taxes and deferred taxes

Deferred taxes are recognized for temporary tax differences, consolidation restatements or the recognition of tax loss carry forwards.

The various taxes (on profits and deferred) are calculated based on the tax rate under the normal regime applicable in France.



The recording of deferred taxes is recorded depending on the company's tax situation, in compliance with the principle of prudence.

Thus, deferred tax assets on tax loss carry forwards are only recognized when their allocation to future profits is highly probable.

The accumulated deficits have not led the creation of a deferred tax asset in the consolidated accounts closed on June 30th, 2022.



As of June 30th, 2022, deferred taxes show the following balances:

(In K€)

		30/06/2022
Deferred tax - ASSET		
At the start of the financial year		215
Income for the period		3
Expenses for the period		
Change in scope	Entrance	
Change in scope	Exit	
Bank transfers		
IDA limitation		(13)
At the end of the period		204
Deferred tax - LIABILITY		
At the start of the financial year		(8)
Income for the period		
Expenses for the period		(60)
Impact on reserves		
Change in scope	Entrance	
Change in scope	Exit	
Bank transfers		
IDA limitation		(13)
At the end of the period		(81)
Net values		
At the start of the financial year		207
At the end of the period		123



Note 17 – Current and non-current financial liabilities

17-1 – Details of financial debts

(In K€)

	30/06/2022			30/06/2021			31/12/2021		
	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Other long-term liabilities									
Current accounts less than 1 year old	1	0	1	0	0	0	1	0	1
Current accounts over 1 year old	0	400	400	0	1 167	1 167	0	355	355
Other long-term liabilities	1	400	401	0	1 167	1 167	1	355	355
Financial debts									
Financial debts within 1 year	407	0	407	570	0	570	411	0	411
Financial debts over 1 year	0	556	556	0	643	643	0	695	695
Current bank accounts payable	310	0	310	146	0	146	239	0	239
Accrued interest not yet due on availability	10	0	10	6	0	6	10	0	10
Government advances within 1 year	45	0	45	0	0	0	76	0	76
Government advances over 1 year	0	87	87	0	309	309	0	109	109
Loans convertible into shares	0	0	0	0	0	0	0	0	0
Financial debts	771	643	1 414	722	952	1 674	736	804	1 540
Rental financial debts									
Rental financial debts less than 1 year old	820	0	820	707	0	707	724	0	724
Rental financial debts over 1 year old	0	3 085	3 085	0	3 348	3 348	0	3 001	3 001
Rental financial debts	820	3 085	3 905	707	3 348	4 055	724	3 001	3 726
Total financial debts	1 593	4 128	5 720	1 429	5 467	6 896	1 461	4 160	5 621

17-2 – Credit and currency risks

Credit risks

There is no longer any credit risk as of June 30th, 2022.

Foreign exchange risks

Receivables and debts in foreign currencies are converted at the closing rate.

See the table of exchange rates used for the consolidation of the Group's accounts as of June 30th, 2022:

Code	Currency	Closing rate 2022	Closing rate 2021	Average rate 2022	Average rate 2021
AUD	DOLLAR AUST	1,5099	1,5615	1,520388	1,574942
CHF	FRANCSUISSE	0,996	1,0331	1,031875	1,081146
EUR	EURO	1	1	1	1
GHC	CEDI	8,4561	6,846	7,839882	6,946
MAD	DIRHAM MAR	10,64367	10,476	10,613856	10,656
USD	DOLLAR US	1,0387	1,1326	1,093393	1,18274
XOF	FRANCS CFA B	656	656	656	656
ZAR	RAND	17,0143	18,0625	16,848478	17,47655



Exchange differences happening during the conversion of “intragroup” receivables and debts were recorded on the “Translation difference” line recorded in consolidated shareholders' equity. The major part of the amount recorded as of June 30th, 2022 comes from the conversion into euros of the accounts of the various foreign subsidiaries, in particular those located in South Africa and Ghana, for which the variation in the conversion rate of the rand and the Ghanaian cedi can have a significant impact. However, given the low level of trade between companies located in the “Euro” zone and zones of other foreign currencies, the currency risk is considered low.

17-3 – Net financial debt

(In K€)	30/06/2022	30/06/2021	31/12/2021
Current accounts			
Current accounts	401	1 174	355
Financial debts			
Loan and debts	963	1 219	1 106
Current bank account payable	320	146	249
Government advances	131	309	185
Convertible debts	0	0	0
Rental financial debts	3 905	4 055	3 726
Financial debts	5 320	5 729	5 266
Cash and cash equivalents			
Cash and cash equivalents	2 642	5 541	1 568
Cash and cash equivalents	2 642	5 541	1 568
(In K€)			
	30/06/2022	30/06/2021	31/12/2021
Net financial debt			
Long-term debts	3 728	4 300	3 805
Short-term debts	1 592	1 429	1 461
Cash and cash equivalents	2 642	5 541	1 568
Net financial debt	2 677	187	3 698



Note 18 – Accounts payable

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Payables	2 439	1 886	1 874
Debt on fixed assets	397	399	0
Trade payables and related accounts	2 836	2 285	1 874

Note 19 – Other operating debts

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Tax debts	1 076	1 257	1 084
Social debts	2 673	2 376	2 440
Corporate tax	25	1	3
Other operating debts	473	3	854
Advances and prepayments on order	0	12	84
Prepaid income	303	230	156
Trade payables and related accounts	4 550	3 880	4 622



Note 20 – Turnover and other income from the activity

20 -1 – Turnover for the period

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Professional solutions	6 625	5 238	12 703
Training	91	199	333
Mining professional turnkey solutions	1 813	1 550	2 828
Total turnover	8 530	6 987	15 865

20- 2 - Other operating income

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Stocked production	(526)	(106)	(19)
Capitalised production	0	366	903
Operating grant	66	116	276
Load transfers	52	178	201
Other income	16	28	59
Total of other activity income	(393)	582	1 420

Note 21 – Purchases, taxes, and personnel costs

21-1 - Purchases, taxes, and personnel costs

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Raw materials purchases	372	489	3 380
Change in inventory	(158)	(156)	(856)
Other purchases and external expenses	3 646	3 199	4 639
Purchases and change in inventories	3 861	3 533	7 163
Tax and other payments	204	130	375
Tax and other payments	204	130	375
Wages and assimilated salaries	6 944	5 380	12 408
Social charges	1 750	1 614	3 310
Personnel costs	8 694	6 994	15 718
Other current operating expenses	37	138	160
Other current operating expenses	37	138	160
Total of operating costs	12 795	10 795	23 416



21-2 – Workforce

	30/06/2022	30/06/2021	31/12/2021
Professional solutions			
DELTA DRONE	15	22	24
MTSI	0	0	0
DELTA DRONE EXPERTS	8	6	10
PIXIEL	0	5	14
DELTA DRONE ENGINEERING	15	8	0
ATM GROUP SRA	6	5	5
ATM GROUP ACCUEIL	18	13	10
ATM GROUP SECURITE	349	332	432
DELTA DRONE AFRICA	0	0	0
DELTA DRONE COTE D'IVOIRE	0	0	0
Training			
AMF	0	0	1
TECHNIDRONE	7	7	7
DSL AFRICA	2	2	2
Mining professional turnkey solutions			
DELTA DRONE INTERNATIONAL	2	1	2
ROCKETMINE AUSTRALIA	0	0	0
PARAZERO	0	10	0
DELTA DRONE SOUTH AFRICA	1	1	2
ROCKETMINE SOUTH AFRICA	25	36	34
ROCKETMINE GHANA	8	7	8
Total workforce of the Group	456	455	551

Note 22 – Depreciation and provisions

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Depreciation of goodwill		0	0
Depreciation of fixed assets	1 241	1 040	2 066
	1 241	1 040	2 066
Allocations for depreciation of fixed assets	0	0	0
Reversals for depreciation of fixed assets	0	0	0
Net	0	0	0
Allowances for depreciation of current assets	9	129	278
Reversals for depreciation of current assets	(191)	(75)	(10)
Net	(182)	54	268
Allocations to provisions for R&C	5	24	30
Reversals of provisions for R&C	(64)	(120)	(4)
Net	(59)	(96)	26
Net total	1 000	998	2 360

Note 23 – Other income and expenses from current operations

23-1 – Details of other income and expenses from current operations

(In K€)

	30/06/2022		30/06/2021		31/12/2021	
	Expenses	Income	Expenses	Income	Expenses	Income
Income from asset sales	0	36	0	29	0	765
Other operating income	0	26	0	12	0	158
Reversals of operational provisions	0	0	0	0	0	179
Reversals of provisions for depreciation of EA	0	0	0	0	0	0
VNC of assets sold	117	0	27	0	2 043	0
Other operating expenses	8	0	133	0	83	0
Allocations to operational provisions	0	0	0	0	0	0
Allocations to provisions for depreciation of EA	710	0	0	0	0	0
Total	834	61	160	42	2 125	1 102
Net total	(771)		(118)		(1 023)	

23-2 – Transition from current operating income to operating income

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Current operating income	(5 658)	(4 224)	(8 491)
Impact of movements on fixed assets	(82)	3	(1 278)
Impact of change in provisions	0	0	179
Impact of staff departures during the period	18	(57)	76
Impact of tax liabilities	0	(64)	0
Impact of goodwill depreciation	(710)	0	0
Net total	(6 431)	(4 342)	(9 514)

Note 24 – Income from cash and cash equivalents

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Income from securities and other trade receivables	(1)	(3)	(8)
Total	(1)	(3)	(8)



Note 25 – Cost of gross financial debt

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Interest expenses	(86)	(98)	(184)
Total	(86)	(98)	(184)

Note 26 – Other financial income and expenses

(In K€)

	30/06/2022		30/06/2021		31/12/2021	
	Expenses	Income	Expenses	Income	Expenses	Income
Reversals of financial provisions	0	21	0	4	0	32
Fair value of investments	569	1 726	0	5 290	0	5 290
Currency exchange gain	0	13	0	1	0	9
Other financial products	0	337	0	0	0	16
Currency exchange loss	50	0	7	0	6	0
Other financial expenses	212	0	5	0	6	0
Allocation to financial provisions	0	0	1 000	0	0	0
Total	830	2 097	1 012	5 296	13	5 347
Net total	1 267		4 283		5 334	

Note 27 – Financial result

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Income from securities and other receivables	(1)	(3)	(8)
Cost of gross financial debt	(86)	(98)	(184)
Cost of net financial debt	(87)	(101)	(191)
Other financial income and expenses	1 267	4 283	5 334
Financial result	1 180	4 182	5 143

Note 28 – Tax expenses

(In K€)

	30/06/2022	30/06/2021	31/12/2021
Social tax expenses	(36)	(18)	5
Deferred tax	(58)	8	(29)
Tax expenses	(94)	(10)	(24)



Note 29 – Share of associates net income

(In K€)

	30/06/2022	30/06/2021	31/12/2021
DRONE PROTECT SYSTEM	0	(76)	0
SNOWSKUT	(12)	(10)	(28)
Total share of associates net income (MEE)	(12)	(86)	(28)

Note 30 – Earnings per share

30 -1 – Basic result

Basic earnings per share is calculated by dividing the net income attributable to the shareholders of DELTA DRONE by the number of shares in circulation at the end of the financial years concerned.

	30/06/2022	30/06/2021	31/12/2021
Profit (loss) for the period - Group share	(5 074 980)	86 073	(4 346 593)
Number of shares used for basic earning per share	883 457	1 225 119 183	2 451 863 006
Earnings per share	(5,744)	0,000	(0,002)

30 -2 – Diluted result

Diluted earnings per share is calculated by dividing the net income attributable to the shareholders of DELTA DRONE by the number of shares in circulation as of June 30, 2022, adjusted for the maximum impact of:

	30/06/2022	30/06/2021	31/12/2021
Profit (loss) for the period - Group share	(5 074 980)	86 073	(4 346 593)
Number of shares used for basic earning per share	21 738 506	2 058 247 780	5 777 377 201
Earnings per share	(0,233)	0,000	(0,001)

(*)

Current share warrants

1) BSA Y

The BSA Y, created during the February 2019 operation and resulting from the exercise of the BSA J

Allocation of Free Shares being created:

1) Board of Directors of September 30th, 2021:

4 065 shares were allocated and will be created on September 30th, 2022

2) Board of Directors of November 18th, 2021

3 384 shares were allocated and will be created on November 18th, 2022



- 3) Board of Directors of January 5th, 2022:
6 747 shares were allocated and will be created on January 5th, 2023
- 4) Board of Directors of March 31st, 2022:
28 178 shares were allocated and will be created on March 31st, 2023
- 5) Board of Directors of September 8th, 2022:
415 745 shares were allocated and will be created on September 8th, 2022

Shares to be issued under the ORNAN#3 contract:

The potential shares related to the 480 ORNAN subscribed and not converted as of June 30th, 2022, amount to 20 855 049.

Thus, the potential number of shares to be issued is 20 855 049 actions shares, i.e., added to those composing the capital as of June 30th, 2022, a total of 21 738 506 shares.

Note 31 – Off-balance sheet commitments

Covenants

Only a loan subscribed by ATM GROUP SRA, prior to its entry into the Group, has a financial covenant. In this regard, please refer to note 17.

Unmatured discounted bills:

No unmatured expected effect is recognized as of June 30th, 2022.

Other commitments given or received:

	Commitments given	Commitments received
DELTA DRONE SA		
PGE BNP PARIBAS LOAN - 135 K€	NONE	NONE
TECHNI DRONE SAS		
CREDIT COOPERATIF LOAN - 250 K€	Pledge of business assets up to 100% of the loan and pledge of SOMUDIMEC shares	BPI France guarantee for 50% of the loan



	Commitments given	Commitments received
DELTA DRONE ENGINEERING (ex PIXIEL SAS)		
BPI LOAN - 100 K€	NONE	100% guarantee from the "CCI Innovation Pays de la Loire" Fund
CIC LOAN - 300 K€	Pledge of business assets for 100% of the loan	BPI France guarantee for 60% of the loan
BPI LOAN - 500 K€	Retention of €25,000 as a "cash pledge"	Guarantee of the loan by: - The PPI Guarantee Fund for 30% and, - The European Investment Fund (EIF) for 50%
DELTA DRONE HUMAN TECH (ex ATM GROUP SRA SAS)		
LCL LOAN - 800 K€	Pledge of financial securities and blocking of the current account opened in the books of ATM GROUP SRA, in the name of Mr Christian BARD, amounting €300,000	Partial guarantee granted by BPI France Financement for 40% of the outstanding amount due
ATM GROUP SECURITE SAS		
LCL LOAN - 50 K€	NONE	NONE
BGE LCL LOAN - 250 K€	NONE	NONE
BGE LCL LOAN - 150 K€	NONE	NONE

Note 32 – Consolidated segment information

No consolidation of operational sectors has been implemented in the DELTA DRONE Group.

The Group considers three distinct business sectors: professional solutions, training and the “Mining professional turnkey solutions” sector, which correspond to the three sectors reviewed by the main operational decision-maker.

The Cash Generating Units, which represent the lowest level at which goodwill is monitored, are systematically allocated to the operating sector on which they depend.



All the Group's activities have been grouped into these three sectors and operate in the following geographic sectors:

- Professional solutions: France, Morocco, and Ivory Coast
- Training: France and South Africa
- "Mining professional turnkey solutions": South Africa, Ghana, Australia, and Israel.

Regarding the level of integration, each sector corresponds to a grouping of legal entities which are each dedicated to only one sector of activity.

The accounting methods of the sectors presented are identical and the results communicated in the internal reporting are calculated according to the same methods used at the end of the year, in accordance with the IFRS standards applied in the Group.

Consequently, no reconciliation table of consolidated data with the total of reconciled sectors is presented.

Performance is assessed based on current operating income (ROC) and EBITDA. The General Management uses these indicators because it considers that this information is the most relevant for understanding the performance compared to that of other entities involved in these activities.

Annual goodwill impairment tests are implemented in accordance with IAS 36.

As of June 30th, 2022, the results by business sector are detailed below:

	30/06/2022				30/06/2021				31/12/2021			
	Professional solutions	Training	Mining prof. Turnkey solutions	Total	Professional solutions	Training	Mining prof. Turnkey solutions	Total	Professional solutions	Training	Mining prof. Turnkey solutions	Total
Turnover	6 625	91	1 813	8 530	5 238	199	1 550	6 987	12 704	333	2 828	15 865
EBITDA	(3 859)	(239)	(561)	(4 658)	(2 480)	(170)	(576)	(3 226)	(4 931)	(439)	(762)	(6 132)
Current Operating Profit (ROC)	(4 602)	(237)	(820)	(5 658)	(3 265)	(216)	(743)	(4 224)	(6 913)	(507)	(1 071)	(8 491)
Operating result				(7 799)				(4 342)				(9 514)
Result before taxes				(6 617)				(160)				(4 371)
Tax expenses				(95)				(10)				(24)
Share of associates net income				(12)				(86)				(28)
Net result of consolidated companies				(6 723)				(256)				(4 423)



Note 33 – Audit related fees

(in €)

Entities	Service provided as part of the due diligence directly related to the statutory audit mission
DELTA DRONE	37 111
DELTA DRONE ENGINEERING (ex PIXIEL)	4 600
TECHNI DRONE	2 750
DELTA DRONE EXPERTS	2 050
DRONE PROTECT SYSTEM	1 300
ATM GROUP SECURITE	2 800
DELTA DRONE AFRICA	942
DELTA DRONE INTERNATIONAL	22 210

