

## **Major strategic development project in Australia and Israel**

*Dardilly, 12 March 2020*

DELTA DRONE and PARAZERO Ltd, an Australian company listed on the Sydney Stock Exchange, announce that they signed a letter of intent (LOI) today for a major strategic agreement covering several capital, commercial and industrial plans.

### **Strategic relevance of the alliance**

DELTA DRONE SOUTH AFRICA's main activity is providing business solutions and related services adapted to the mining industry in Africa (South Africa, Ghana, Namibia, Ivory Coast, etc.) under the ROCKETMINE brand. The client portfolio is made up of major multinational groups (Glencore, Anglo-American, Exxaro, South 32, Newmont, etc.) largely established in Africa and Australia, as several of them are Australian/South-African groups.

The quality of the services provided recently garnered the ROCKETMINE brand the Excellence in Technology Award at Mining Indaba 2020.

In 2019, DELTA DRONE SOUTH AFRICA generated consolidated revenue of approximately USD 2.5M and had a positive operating margin exceeding 10%.

The relationship with PARAZERO Ltd will make it possible to establish an initial base from which to first start expanding mining solutions and services into Australia, which is a major mining country on a worldwide level. Second, this agreement will allow for the sale of the Group's other solutions, in particular, the ISS SPOTTER security solution.

PARAZERO IL is a company specialized in the design and sale of a complete line of drone safety solutions that were the first systems approved in the United States by the FAA and whose revenue should reach approximately USD 1.5M this year. In addition, PARAZERO IL is first and foremost a high-tech Israeli company that is central to worldwide aeronautic and electronic innovation.

PARAZERO IL joining the Group will allow for considerable reinforcement of R&D teams, which will be divided between PIXIEL in Nantes and PARAZERO IL in Tel Aviv. All drones used in solutions designed by the Group will also progressively be able to be integrated into PARAZERO's security systems.

The two PARAZERO entities are led by Eden ATTIAS, who became an entrepreneur after a military career with the Israeli Air Force. By the end of his military career, Eden had reached the rank of Brigadier General. Before taking the position of PARAZERO's Chairman & CEO, he was an attaché to Canada for Israel for three years in charge of relations with the civil and military aeronautics industry.

### Structure of the planned agreement

- DELTA DRONE has already subscribed to an issue of convertible bonds by PARAZERO Ltd representing approximately USD 160K.
- DELTA DRONE will assign 100% of the capital of its South-African subsidiary DELTA DRONE SOUTH AFRICA to the Australian company PARAZERO Ltd, which is listed on the ASX market of the Sydney Stock Exchange.
- This sale will be paid for in new PARAZERO Ltd shares. These new shares, as well as the conversion of the convertible bonds, will allow DELTA DRONE to become the first shareholder of the new group.
  - o DELTA DRONE SOUTH AFRICA is itself the holding company of three operational companies: two South-African companies, i.e., ROCKETMINE (Pty) Ltd and DSL AFRICA, and one Ghanaian company, i.e., ROCKETMINE GHANA.
  - o PARAZERO Ltd wholly owns the Israeli company PARAZERO IL, which is based in Tel Aviv.
- The new entity will remain listed on the Sydney Stock Exchange and will launch a capital increase of approximately AUD 5 to 6M (i.e., USD 3 to 4M), which would mainly be raised from Australian investors.
- Eden ATTIAS, current Chairman & CEO of PARAZERO Ltd, will keep his position but will also join DELTA DRONE's Executive Committee.
- Chris CLARK, current General Manager of DELTA DRONE SOUTH AFRICA, will be appointed Managing Director of PARAZERO Ltd.
- The subsidiary PARAZERO Israel will continue to develop its current activities and will also become the DELTA DRONE Group's second R&D site, thereby adding to and strengthening the current R&D site at PIXIEL in Nantes.

***About Delta Drone:*** *The Delta Drone Group is a recognized international player in the field of civilian drones for professional use. It develops a range of professional solutions based on drone technology as well as all related services, thus providing a full value chain.*

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

*Also listed on Euronext Growth: 33 443 695 BSA Y – ISIN code: FR0013400991*

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