

The success of the 2018 – 2019 plan and the upcoming launch of a line of very innovative solutions will accelerate the Group's development with the goal of reaching the operating breakeven point in 2020

- Revenue for the first half of 2019 reached €10M (including ATM GROUP over 6 months)
- Rocketmine's activities in Africa are becoming profitable
- Added value tripled, reaching €3M
- Continued lowering of expenses and decrease of losses

Dardilly, 24 September 2019.

(In €K)	FY 2018	HY1 2018	HY1 2019
Revenue	10 449	4 252	5 893
Other income	877	240	695
Operating expenses (Purchases + other external expenses)	8 102	3 437	3 638
ADDED VALUE	3 224	1 055	2 950
Personnel expenses	9 303	4 691	5 512
EBITDA (1)	(6 079)	(3 636)	(2 562)
Non-recurring charges (2018/19 impact plan)	1 246	1 105	480
OPERATING INCOME before AEP *	(4 833)	(2 531)	(2 082)
Amortization expenses & provisions (2)	1 767	1 066	996
OPERATING INCOME (1) – (2)	(7 846)	(4 702)	(3 558)
Financial income	(424)	(155)	553
Extraordinary income	(680)	(396)	(591)
Amortization of goodwill	1 387	611	703
CONSOLIDATED NET INCOME	(10 387)	(6 131)	(4 544)
EQUITY AND QUASI EQUITY	12 177	12 292	10 230
NET CASH	2 507	4 453	3 494

* AEP: Amortization of expenses and provisions

1 – Continued pursuit of sustained revenue growth, which reached €10M

Consolidated revenue for the first half of 2019 reached €5 893K, up 38.6%, from half-year to half-year. This includes one month of revenue from the ATM subgroup, consolidated as from 1 June. Taking into account ATM Group's revenue for the full first half of 2019, it reached €10M, as announced in a previous press release.

Organic growth was of approximately +19%, mainly generated by Rocketmine's activities in Africa (mining sector), which showed a growth rate of +46.2% and generated revenue of €1.2M. In contrast, The Pixiel subsidiary's Event activity dropped sharply, due in particular to the temporary halt in Puy du Fou's Neopter-drone investments resulting from the opening of a second amusement park in Toledo (Spain). This setback is, however, purely situational and does not change business prospects for this sector.

Revenue as at 30 June 2019 (including ATM Group) breaks down as follows: Safety & Security (60.5%), Industry (18%), Mines (11%), Quarries (2.5%), Snow & Lidar (2.3%), Hydrology (0.5%), Events (2.2%), Training (2.6%), Agriculture (0.5%).

This shows the primacy of three sectors that represent almost 90% of the revenue and are becoming a major focus for the Group's strategy after a long but necessary preparatory phase:

- **Safety & Security:** following the many successful operations carried out for major events (Ryder Cup, Bol d'Or, Paris Peace Forum, Ferté-Alais Air Show, France's F1 Grand Prix, the Paris-Nice bicycle race, Cannes' Plages Electroniques music festival, etc.), the autonomous-drone solution will complete our range of product offerings and will be officially presented before the end of the year for commercial distribution starting at the very beginning of 2020. Several Aer'Ness clients have already expressed interest in being among the first users.
- **Industry:** the warehouse-inventory solution, developed in close collaboration with the GEODIS group, has been finalized. As it is completely innovative, a patent has been filed. The official presentation, under real-world conditions, of the solution should take place in December and the first operational installations are scheduled for the first quarter of 2020 in several warehouses managed by Geodis.
- **Mines:** this activity is obviously mainly carried out in Africa by the Rocketmine entities. The positive growth of these subsidiaries' performances, in terms of both revenue growth rate and profitability, is the first reason we are pleased. It also provides the Group with a stellar reputation vis-à-vis key accounts that also have proven safety & security and "industry" needs.

2 – Sharp improvement in operational profitability

One of the highlights of the first half of 2019 is the continued effort to improve operating income before amortization expenses and provisions, particularly if we look at how this figure came about:

- Adjusted for non-recurring charges in connection with the 2018-2019 plan, it corresponds to a loss of €2.1M;
- It benefits from the positive impact of the Rocketmine activities, which are now solidly profitable (positive operating margin of 12.3%);
- It suffered from the negative impact of the Pixiel accounts, with an operating loss of approximately €0.6M.

In any event, the structural measures taken within the framework of the 2018 – 2019 plan with respect to lowering operating expenses are a success. The strong growth in activity also allows for the progressive absorption of the support costs that are required for and in line with the size achieved (and targeted) by the Group.

3 – Investments currently mostly concern growth financing

As indicated several times in various press releases, the Group no longer wishes to turn to financing via *OCABSA* (bonds convertible into shares with attached warrants) because this is dilutive for the shareholders. Currently, 50 *OCA* remain, issued pursuant to the final tranche of 2016 *OCABSA* contract, and their conversion will mark the true end of the program.

It should also be recalled that, last June, Delta Drone purchased and then cancelled 32 841 602 *BSA* that had resulted from the various *OCABSA* contracts, thereby placing a corresponding limit on the risk of future dilution.

In anticipation of the changes to come, early in the year, Delta Drone gave the company's shareholders the opportunity to become the major providers of support for the Group's development by allocating two categories of free *BSA* (*BSA J* and *BSA Y*), listed on Euronext Growth. On the date hereof, the *BSA J* and *BSA Y* are still in circulation, together representing, if exercised in their entirety, an additional equity contribution of €3.7M.

This amount corresponds more or less to the additional resources currently considered necessary to finance the development of activity and reach the goal of achieving the operating breakeven point in 2020, taking into account a positive cash position of €1.8M as at 31 August 2019.

However, depending on the situation and in view of an environment that is rapidly improving and an increasingly full sales calendar, Delta Drone has not ruled out the possibility of availing itself of additional financing: indeed, the Group has a negative net financial debt/equity and quasi equity ratio and could set up additional financing, in particular via *OCEANE*, similar to that of last June.

2019 – 2021 roadmap

The 2019 financial year, which will be the eighth financial year closed since the company's creation in 2011, should be the last one with an operating deficit, it being noted nevertheless that this deficit will be much improved compared with the previous year. It will also be the financial year in which the group's activity will be in the neighborhood of €20M (excluding the impact of the dates the new subsidiaries entered the scope of consolidation).

It should be noted that this focus on size is essential to the Group's development strategy as it dramatically changes business relationships and makes it easier to reach certain markets.

The two upcoming financial years will fall under the framework of the 2020 – 2021 plan announced last September:

- The 2020 financial year should mainly bring the first commercial successes of the two new business solutions (autonomous-security and warehouse-inventory drones) and continued steady growth in Africa, within the framework of an organization that is structured and sized for an international group enjoying strong growth. All these factors should help reach the operating breakeven point (before provisions). Net income will nevertheless be affected, in the last year, first by significant provisions for depreciation from the previous period and for, in particular, previous-generation drones, and, second, by the end of the goodwill amortization period;
- Aside from events that cannot be predicted at this time, the 2021 financial year should be affected by the same market influences, undoubtedly with a stronger impact. It is under these conditions that the three main goals of the plan, i.e., revenue of €30M, a positive operating margin of 10% and 30% of revenue generated by activities outside France, could be reached.

Finally, we should not overlook the fact that the new solutions about to be launched, thanks to their innovation and relevant patents, represent a prime industrial asset the value of which will only appreciate as success is achieved and market shares are acquired.

About Delta Drone: *The Delta Drone Group is a renowned international player in the field of civilian drones for professional use. It offers a complete service, from data acquisition to data processing through a specifically developed information system, including a supply of professional pilots.*

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

Are also listed on Euronext Growth Paris:

- 4 166 666 BSA – ISIN code: FR001329977
- 68 143 914 BSA J – ISIN code: FR0013400983
- 33 452 727 BSA Y – ISIN code: FR 0013400991

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