

## **Transfer of Delta Drone shares to the E2 listing group (public offer) on Alternext Paris**

*Dardilly, 12 December 2016*

The Delta Drone Group, renowned player in the field of civilian drones for professional use, announces the transfer of its shares listed in group E1 (private investment) to group E2 (public offer) on the Alternext Paris market in order to increase share liquidity and the Group's profile.

The Prospectus prepared by the Company for this transfer was approved by the Autorité des Marchés Financiers (AMF) under visa no. 16-571 dated 9 December 2016. Finally, within the framework of preparing its Prospectus, Delta Drone declared that it had sufficient working capital to meet its obligations and its operating cash requirements over the next twelve months. This declaration was the subject of an in-depth examination by the AMF and the Delta Drone Group's Audit Board.

### **Timetable**

09/12/2016	AMF visa for the Prospectus
12/12/2016	Alternext Paris notice of listing-group transfer for the shares
14/12/2016	Transfer from E1 group (private investment – continuous trading) to the E2 group (public offer – continuous trading) of the existing shares.

### **Risk factors**

We invite investors to take into consideration all the information set forth in the Prospectus, including the risk factors described in section 4 of the Prospectus before deciding to acquire or subscribe for Delta Drone shares. As part of the preparation of the Prospectus, the Company reviewed the risks that might have a significant unfavorable effect on the Company, its activity, financial situation, results, development and future prospects, and considers that there are no significant risks other than those presented.

Moreover, the Company is financed almost exclusively by convertible notes with warrants attached ("OCABSA") underwritten by an investment fund that does not intend to be a long-term shareholder and will sell on the market the shares that might be issued to it upon conversion of the notes ("OCA") or exercise of the attached warrants ("BSA").

Investors should nevertheless note that other risks, which are unknown or not deemed likely on the date of the Prospectus, and might have a significant unfavorable effect on the Company, its activity, financial situation, results or future prospects, might or could exist.

### **Dilutive impact of the financial instruments issued by Delta Drone**

For the last two years, the Company's funding model has been based almost exclusively on issuing warrants ("Bons d'Emission" or "BEOCABSA") for notes convertible into new ordinary shares ("OCA") with attached warrants ("BSA") (the OCA and BSA together: "OCABSA"). These have affected the Company's capital structure, causing, in particular, a significant dilution of the shareholders. This dilution explains why, on 30 November 2016, the share capital was held at 53% by individual shareholders who repurchased the shares resulting from the conversion of the so-called OCA or the exercise of the so-called BSA. The plan is to continue this type of financing over the next few years.

Moreover, the Company also issued warrants attached to shares issued as remuneration for the FLY-N-SENSE in-kind contribution ("BSA"), share warrants for business-creator shares ("BSPCE"), as well as free Company shares for agents and employees of the Company or directly or indirectly related groups in accordance with the conditions of article L. 225-197-2 of the French Commercial Code. In the event that all of the OCABSA, BSPCE or BSA attached to the shares issued as remuneration for the in-kind contribution of FLY-N-SENSE shares are exercised, and the definitive acquisition of the free shares granted, 9,236,118 shares will be created (2,450,833 free shares + 4,925,299 shares pursuant to the OCABSA + 313,003 shares pursuant to the BSPCE + 1,546,983 shares pursuant to the BSA attached to the shares issued as remuneration for the in-kind contribution of FLY-N-SENSE shares).

As at 30 November 2016, these instruments represent a potential dilution of 27.37%<sup>1</sup>. It is specified that these calculations do not take into account the potential dilution resulting from the last two tranches of OCABSA that have not yet been subscribed (this cannot be calculated until the drawdown of these tranches).

Upon being granted the AMF visa for the Prospectus, Christian VIGUIE, Chairman and CEO of Delta Drone, said, "This change in market list group is an important new step that shows the Group's desire to make itself known to a larger pool of investors while complying with the strictest of financial reporting rules."

#### Partners in the project



**About Delta Drone:** *The Delta Drone Group is a renowned 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. These pilots are trained and certified by EFD, a subsidiary of the Group.*

*Delta Drone is listed on the Alternext market of Euronext Paris.*

*ISIN code: FR0011522168.*

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<sup>1</sup> The ratio of 27.37% is calculated based on 24,508,331 shares making up the share capital on 30 November 2016 and does not take into account the 599,348 new shares issued but not yet acknowledged by the Board of Directors on 1, 6 and 8 December 2016, pursuant to the conversion of 50 OCA, representing a definite dilution