



DeltaDrone

DRONIFY FOR A SAFER WORLD

**CONSOLIDATED FINANCIAL
STATEMENTS
AS OF DECEMBER 31ST, 2021**

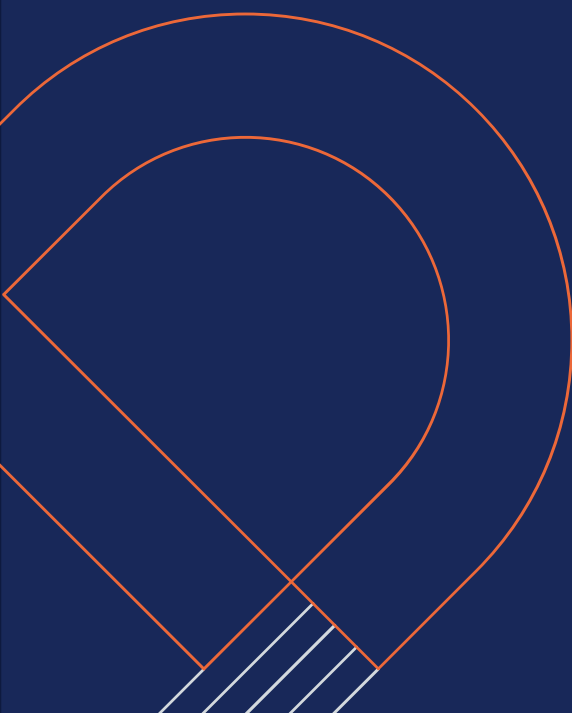


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Selected Financial information

(In K €)

	31/12/2021	31/12/2020	31/12/2020	31/12/2019
	IFRS	IFRS	FRENCH GAAP	FRENCH GAAP
Total Assets	42 236	23 818	22 491	21 599
Total non current assets	23 640	11 745	10 101	12 727
Total assets held for sale	9 709	0	0	0
Equity - Share attributed to DELTA DRONE shareholders	18 568	10 775	8 317	7 628
Equity - Share attributed to non-controlling interests	3 781	2 983	2 039	(1 616)
Gross financial debt (*)	5 266	2 232	1 978	1 980
Net financial debt (**)	3 675	(2 779)	(820)	3 659
Net financial debt ratio	16,4%	(20,2)%	(7,9)%	60,9%
<i>Financial debt ratio out of IFRS16</i>	(0,2)%	N/A	N/A	N/A

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

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

	31/12/2021	31/12/2020	31/12/2020	31/12/2019
	IFRS	IFRS	FRENCH GAAP	FRENCH GAAP
Turnover	15 865	13 417	13 417	15 987
EBITDA	(6 131)	(4 298)	(4 298)	(4 914)
Recurring Operating Income	(8 491)	(5 778)	(7 558)	(8 579)
Operating income	(9 514)	(8 619)	(9 651)	(9 935)
Net result of integrated companies	(4 423)	(9 233)	(10 862)	(10 080)
Share attributed to Delta Drone shareholders	(4 347)	(9 956)	(10 697)	(9 539)
Share attributed to non-controlling interests	(95)	723	(165)	(541)
Net earing per share (in €)	(0,002)	(0,012)	(0,013)	(0,047)
Diluted earning per share (in €)	(0,001)	(0,008)	(0,008)	(0,026)



Consolidated statement of financial position

(In K€)

		31/12/2021	31/12/2020	31/12/2020	31/12/2020	31/12/2019
		IFRS	IFRS	IMPACTS CHANGEMENT REFERENTIEL	FRENCH GAAP	FRENCH GAAP
Notes						
NON-CURRENT ASSETS						
		23 640	11 745	1 644	10 101	12 727
Goodwill	4	4 731	3 844	1 191	2 653	4 452
Other intangible assets	5	3 169	3 034	-325	3 359	2 408
Tangible assets	6	1 148	1 258	123	1 135	1 584
Rights of use related to rental contracts	6	3 566	0	0	0	0
Equity affiliates	7	150	-423	0	-423	84
Non-consolidated companies shares	8	7 815	2 238	598	1 640	1 604
Other fixed assets	9	2 846	1 694	0	1 694	2 529
Deferred Tax - Asset	16	215	100	57	43	66
CURRENT ASSETS						
		8 887	12 073	-317	12 390	8 872
Inventories and work in progress	10	2 891	2 685	0	2 685	625
Trade account receivables	11	3 039	2 320	0	2 320	3 781
Other receivables	12	1 366	2 056	-317	2 373	2 411
Availability & treasury instruments	13	1 591	5 012	0	5 012	2 055
Assets classified as held for sale		9 709	0	0	0	0
TOTAL ASSETS						
		42 236	23 818	1 327	22 491	21 599

		31/12/2021	31/12/2020	31/12/2020	31/12/2020	31/12/2019
		IFRS	IFRS	IMPACTS CHANGEMENT REFERENTIEL	FRENCH GAAP	FRENCH GAAP
Notes						
SHAREHOLDER EQUITY						
		22 349	13 757	3 401	10 356	6 012
Equity - Share attributed to DELTA DRONE shareholders	14	18 568	10 775	2 458	8 317	7 628
Equity - Share attributed to non-controlling interests	14	3 781	2 983	944	2 039	-1 616
NON-CURRENT DEBTS						
		4 711	1 722	-2 075	3 798	7 978
Provisions	15	356	509	-41	551	637
Deferred tax - Liability	16	8	2	0	2	0
Other long-term liabilities	17	542	154	-74	228	2 051
Long-term financial debts	17	804	1 057	-1 960	3 017	5 290
Long-term lease related financial debts	17	3 001	0	0	0	0
CURRENT DEBTS						
		7 771	8 338	0	8 338	7 609
Provisions	15	0	0	0	0	0
Trade payables and advance received	18	1 882	2 504	0	2 504	2 756
Short-term financial debts	17	737	1 175	0	1 175	413
Short-term lease related financial debts	17	724	0	0	0	0
Other debts	19	4 428	4 659	0	4 659	4 440
Liabilities classified as held for sale		7 405	0	0	0	0
TOTAL LIABILITIES						
		42 236	23 818	1 327	22 491	21 599



Consolidated income statement

(In K €)

		31/12/2021	31/12/2020	31/12/2020	31/12/2020	30/06/2020	31/12/2019
		FRS	FRS	IMPACTS CHANGEMENT REFERENTIEL	FRENCH GAAP	FRENCH GAAP	FRENCH GAAP
	Notes						
TURNOVER	20	15 865	13 417	(0)	13 417	6 885	15 987
Other operating income	20	1 278	3 865	0	3 865	1 224	1 561
Purchases and changes in inventories		7 182	8 305	(0)	8 305	3 456	8 051
Personnel expenses	21	15 718	12 726	(0)	12 726	6 373	13 985
Taxes and duties	21	374	423	(0)	423	231	397
Other income and expenses from current operations	23		126	0	126	146	29
EBITDA (*)		(6 131)	(4 298)	(0)	(4 298)	(2 097)	(4 914)
Net depreciation		2 066	1 618	(1 780)	3 398	1 799	3 665
Net provisions and depreciation allocations	22	294	(139)	0	(139)	(26)	
RECURRING OPERATING INCOME		(8 491)	(5 778)	1 780	(7 558)	(3 870)	(8 579)
Associated margin ratio		(53,5)%	(43,1)%		(56,3)%	(56,2)%	(53,7)%
Other operating income and expenses	25	(1 023)	(2 842)	(749)	(2 093)	(51)	(1 356)
OPERATING RESULT		(9 514)	(8 619)	1 031	(9 651)	(3 921)	(9 935)
Income in cash and equivalents	26	(7)	(18)	(18)			
Gross cost of financial debt	27	(184)	(129)	(129)			
Net cost of financial debt		(191)	(147)		0	0	0
Other financial income and expenses	26	5 334	163	745	(582)	(202)	513
RESULT BEFORE TAX		(4 371)	(8 604)	598	(10 233)	(4 123)	(9 422)
Tax expenses	28	(24)	(122)	0	(121)	(76)	(194)
Share of net income of equity affiliates	29	(28)	(507)	0	(507)	(204)	(464)
NET RESULT OF INTEGRATED COMPANIES		(4 423)	(9 233)	1 629	(10 862)	(4 403)	(10 080)
Income from discontinued operations		(919)	0	0	0	0	0
Net income - Share attributable to non-controlling interests		(995)	723	0	(165)	(42)	(541)
NET RESULT - GROUP SHARE		(4 347)	(9 956)	1 629	(10 697)	(4 361)	(9 539)
Number of shares outstanding	30	2 451 863 006	845 417 377	N/A	845 417 377	504 046 452	203 161 578
Number of shares fully diluted	30	5 777 377 201	1 280 100 859	N/A	1 280 100 859	728 897 755	365 358 466
NET RESULT PER SHARE (in €)	30	(0,002)	(0,012)	N/A	(0,013)	(0,021)	(0,047)
DILUTED NET RESULT PER SHARE (in €)	30	(0,001)	(0,008)	N/A	(0,008)	(0,015)	(0,026)

(*) - Adjusted operating profit

(In K €)

		31/12/2021	31/12/2020	31/12/2020	31/12/2020	30/06/2020	31/12/2019
		FRS	FRS	IMPACTS CHANGEMENT REFERENTIEL	FRENCH GAAP	FRENCH GAAP	FRENCH GAAP
NET RESULT OF INTEGRATED COMPANIES		(4 423)	(9 233)	1 629	(10 862)	(4 403)	(10 080)
Currency translation reserve		(381)	787	714	N/A	N/A	N/A
Revaluation of financial assets available for sale (*)		0	0		N/A	N/A	N/A
Actuarial variances on the defined benefit pension plan		0	0		N/A	N/A	N/A
Deferred taxes on the above items		0	0		N/A	N/A	N/A
Total items that will not be reclassified subsequently to net result		(381)	787	714	0	0	0
OTHER ELEMENTS OF COMPREHENSIVE RESULT, NET OF TAX		(381)	787	714	0	0	0
TOTAL ANNUAL COMPREHENSIVE RESULT		(4 804)	(8 446)	2 343	(10 862)	(4 403)	(10 080)
Total annual comprehensive result - Share attributed to DELTA DRONE shareholders		(4 551)	(9 505)	2 343	(10 697)	(4 361)	(9 539)
Total annual comprehensive result - Share attributed to non-controlling interests		(1 172)	1 059	0	(165)	(42)	(541)

(*) This is the change in the fair value of available-for-sale financial assets for which the choice of allocation to equity, and not income, has been chosen.



Consolidated income statement of integrated companies

	31/12/2021	31/12/2020	% de variation 2021 / 2020	31/12/2020	30/06/2020	31/12/2019
	IFRS	IFRS	IFRS	FRENCH GAAP	FRENCH GAAP	FRENCH GAAP
TURNOVER	15 865	13 417	18,2%	13 417	6 885	15 987
Other operating revenues	1 278	3 865	(66,9)%	3 865	1 224	1 561
Purchase and change in inventories	7 182	8 305	(13,5)%	8 305	3 456	8 052
Personnel expenses	15 718	12 726	23,5%	12 726	6 373	13 985
Taxes and duties	374	423	(11,6)%	423	231	397
Other operating income and expenses		125	(100,0)%	125	146	29
EBITDA	(6 131)	(4 298)	42,7%	(4 298)	(2 097)	(4 914)
Net depreciation	2 066	1 618	27,7%	3 259	1 799	3 665
Net provisions and depreciation allocations	294	(139)	(311,5)%		(26)	
RECURRING OPERATING INCOME	(8 491)	(5 777)	47,0%	(7 557)	(3 870)	(8 579)
Other operating income and expenses	(1 023)	(2 842)	(64,0)%	(2 093)	(51)	(1 356)
OPERATING RESULT	(9 514)	(8 619)	10,4%	(9 650)	(3 921)	(9 935)
Income from cash and equivalents	(7)	(18)	(62,0)%			
Gross cost of financial debt	(184)	(129)	42,1%			
Net cost of financial debt	(191)	(148)	29,1%	0	0	0
Other financial income and expenses	5 334	163	3 172,4%	(583)	(202)	513
RESULT BEFORE TAX	(4 371)	(8 604)	(49,2)%	(10 233)	(4 123)	(9 422)
Tax expenses	(24)	(122)	(80,3)%	(122)	(76)	(194)
Share of net income of equity affiliates	(28)	(507)	(94,5)%	(507)	(204)	(464)
NET RESULT OF INTEGRATED COMPANIES	(4 423)	(9 233)	(52,1)%	(10 862)	(4 403)	(10 080)

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 25 - Other operating income and expenses. This intermediate indicator (ROC) is used internally, above operating income, for segment information (note 36).

		Breakdown of turnover by activity		EBITDA by activity		Breakdown of recurring operating income by activity	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Professionnal solutions	In K euros	12 704	11 046	(4 931)	(4 449)	(6 913)	(5 595)
	%	80,1%	82,3%	80,4%	103,5%	81,4%	96,8%
Formation	In K euros	333	309	(439)	(136)	(507)	(194)
	%	2,1%	2,3%	7,2%	3,2%	6,0%	3,4%
Mining professional turnkey solutions	In K euros	2 828	2 062	(762)	287	(1 071)	12
	%	17,8%	15,4%	12,4%	(6,7)%	12,6%	(0,2)%
In K €		15 865	13 417	(6 131)	(4 298)	(8 491)	(5 777)
%		100%	100,0%	100%	100,0%	100%	100,0%



Consolidated statement of cash flows

(In K€)

	31/12/2021	31/12/2020	31/12/2020	31/12/2020	31/12/2019
	IFRS	IFRS	IMPACTS CHANGEMENT REFERENTIEL	FRENCH GAAP	FRENCH GAAP
Consolidated net result - Share attributed to DELTA DRONE shareholders	(4 347)	(9 956)	741	(10 697)	(9 539)
Share attributed to non-controlling interests	(995)	723	888	(165)	(541)
Depreciation expense and provisions (net of reversals)	2 800	2 203	(1 031)	3 234	2 801
Income and expenses with no impact on cash flow	1 339	1 332	77	1 255	1 080
Removal of shares of equity affiliates	28	507	(0)	507	464
Elimination of income from discontinued operations	919	0	0	0	0
Unrealised gains and losses relating to changes in fair value	(5 290)	(598)	(598)		
Losses and gains related to changes in interests with takeover			0		
OPERATING CASH FLOW AFTER NET COST OF DEBT AND TAX	(5 546)	(5 789)	77	(5 866)	(5 735)
Removal of the tax expenses (income)	31	122	0	122	194
Removal of net cost of debt	197	147	147		
OPERATING CASH FLOW BEFORE NET COST OF DEBT AND TAX	(5 318)	(5 520)	224	(5 745)	(5 541)
Net operating change	(7 869)	1 494	(0)	1 494	1 773
Net non-operating change			0		
Change in working capital requirement	(7 869)	1 494	(0)	1 494	1 773
NET CASH FLOW GENERATED BY ACTIVITY	(13 187)	(4 026)	224	(4 250)	(3 768)
<i>INVESTMENT TRANSACTIONS</i>			0		
Acquisitions of intangible assets	(1 395)	(2 072)	0	(2 072)	(588)
Acquisitions of tangible fixed assets	(721)	(537)	0	(537)	(554)
Acquisitions of financial fixed assets	(1 980)	(280)	0	(280)	(1 795)
Disposals of fixed assets	34	726	(77)	803	676
Impact of activities held for sale	4 881	0	0	0	0
Net cash on acquisitions & disposals of subsidiaries	(853)	2 988	0	2 988	(4 639)
NET CASH FLOW FROM INVESTING ACTIVITIES	(34)	825	(77)	902	(6 900)
<i>FINANCING OPERATIONS</i>			0		
Capital increase	10 113	11 161	0	11 161	9 629
Change in other equity	828	(3 686)	0	(3 686)	517
Financial debt	104	232	(147)	379	387
Financial deleveraging	(1 255)	(1 591)	0	(1 591)	(1 306)
Exchange rate variations	42				
Purchase/sale of treasury shares			0		751
NET CASH-FLOW RELATED TO FINANCING OPERATIONS	9 832	6 116	(147)	6 263	9 978
CHANGE IN CASH AND EQUIVALENTS	(3 389)	2 915	0	2 915	(690)
OPENING CASH BALANCE	4 732	1 817	0	1 817	2 507
CLOSING CASH BALANCE	1 343	4 732	0	4 732	1 817



Consolidated statement of changes in equity

(In K €)

	Capital	Primes	Ecart de réévaluation	Réserves consolidées	Eléments constatés directement en capitaux propres	Résultat de la période	Part attribuable aux actionnaires de DELTA DRONE	Intérêts non contrôlants	Total des capitaux propres
<i>Balance as at 31/12/2019</i>	2 031	34 764		(19 628)		(9 539)	7 628	(1 616)	6 012
Allocation of income				(9 539)		9 539	0		0
Capital increase	2 823	5 964					8 787	2 506	11 293
Capital reduction	(4 009)	4 009					0		0
Change in scope		475		1 628			2 103	1 044	3 147
Exchange differential				425			425	311	736
Result for the period						(10 697)	(10 697)	(165)	(10 862)
Consolidation adjustments				71			71		71
Dividend distribution							0	(41)	(41)
IFRS Impact							0		0
On 2020 equity (*)				828			828	944	1 772
On 2020 result (**)						1 629	1 629		1 629
<i>Balance as at 31/12/2020</i>	845	45 212	0	(26 215)	0	(9 068)	10 774	2 982	13 757
Allocation of income							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				1 174			1 175	1 947	3 122
<i>Balance as at 31/12/2021</i>	1 949	55 249	(175)	(25 041)	0	(13 415)	18 568	3 781	22 349

(*) - Details of the impacts on shareholders' equity at 12/31/2020 following the adoption of IFRS:

Restatement of convertible bonds	2 000
Restatement of primes and issue costs	-357
Deferred Tax Adjustment (Assets) following cancellation of business	36
Novation current account	(851)
	<hr/>
	828

(**) -Detail of the impacts on the result at 12/31/2020 following the adoption of the IFRS reference system:

Fair value adjustment on shares	
- ELISTAIR :	598
Goodwill amortization	1 049
Neutralization of "badwill" provisions	
- PIXIEL :	(18)

1 629



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 December 31, 2021, 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 December 31, 2021, were approved by the Board of Directors on March 31, 2021

Significant events of the first half of 2021 and after December 31st, 2021

Option for consolidated financial statements presented according to IFRS

The Governance of the DELTA DRONE Group has opted for a presentation of the consolidated financial statements in accordance with the IFRS reference framework (International Financial Reporting Standard) as adopted by the European Union and published in the Official Journal of the European Union (in application of EC Regulation No. 1606/202).

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

International accounting standards have been applied in their entirety with retroactive effect in the opening balance sheet on the date of transition (December 31, 2020), with certain exceptions whose application is optional and specifically listed in IFRS 1 (First Time Adoption).

Additional comments are developed in Notes 1 and 3 of this document.

Treatment of the company PARAZERO

DELTA DRONE INTERNATIONAL, a subsidiary of DELTA DRONE SA listed on the Sydney Stock Exchange, completed on January 28, 2022, the sale of the Israeli company PARAZERO to a consortium of investors, for an amount of 6 million Australian dollars, paid in cash .

This operation will allow DELTA DRONE INTERNATIONAL to focus its development on service activities dedicated to the mining sector in a well-defined geographical area, the southern hemisphere, mainly in southern Africa and Australia.

The proceeds of the sale significantly strengthen the shareholders' equity and cash flow of DELTA DRONE INTERNATIONAL, which will thus have its own financial resources, likely to quickly position itself as a leading player in the sector.

Finally, the sale of PARAZERO, whose manufacturing activity is very capital-intensive, considerably reduces DELTA DRONE INTERNATIONAL's R&D financing needs.



In terms of consolidation, this external sale operation resulted in the reclassification of PARAZERO's 2021 accounting data at the level of:

- Consolidated balance sheet: under "Assets and Liabilities classified as held for sale". Thus, the Group's consolidated assets include an amount of €9,709,000 and liabilities, an amount of €7,405,000;
- Consolidated income statement: under the heading "Results from discontinued operations" an amount of (919) K€.

Group evolution

The 2021 financial year was particularly marked by the effects of the strategy implemented by Governance since the 2019 financial year, based on strong industrial bases and structurally consistent with sustainability.

The shutdown and/or disposal of activities with lower added value during the 2020 financial year enabled the Group to focus on the development, industrialization and marketing of professional solutions specifically adapted to targeted sectors of world.

In addition, the organization chart has been streamlined by making the areas of activity more legible by reducing the number of subsidiaries. Thus, a Universal Transfer of Assets was carried out between TECHNIDRONE and AER NESS TRAINING, its two companies being specialized in the provision of training services. With regard to the Group's design office, a Simplified Merger between sisters was carried out between DELTA DRONE ENGINEERING and PIXIEL. At the end of this operation, all the resources of the design office are grouped into a single entity, DELTA DRONE ENGINEERING. These operations to simplify the internal legal organization of the DELTA DRONE Group have no impact on the consolidated financial statements as of December 31, 2021.

At the same time, during the period, strong partnerships were forged (AIROBOTICS) or renewed (GEODIS), supporting the approach undertaken within the Group.

In addition, the creation within the Group of an ecosystem by taking stakes in promising companies in the sector was amplified during 2021. The acquisition of minority stakes in DIODON Drone Technology and SIGHTEC, last March and April respectively, are the most recent illustration of this. The operations thus carried out do not only have a financial purpose since they are part of the implementation of industrial synergies that should benefit all players, as is already the case with the companies DONECLE and ELISTAIR. In order to rationalize the Group's organization chart and to ensure better readability concerning equity investments, the company UNITED DRONE TECHNOLOGIES (UDT) was created in the 2021 financial year. This 100% subsidiary of DELTA DRONE aims to hold all minority capital investments made in promising companies in the sector. Thus, the stakes in the companies ELISTAIR, DONECLE, AERO41 and SLX TECHNOLOGIES were contributed to UDT by DELTA DRONE by way of capital remuneration.

Finally, the growth of the Group is also part of its international development, in particular through the emergence of two major centers in southern Africa and Australia, with strong potential in terms of growth in a specific market with strong added value. This desire of the Group was reflected in 2020 by the takeover of the company listed in Sydney, PARAZERO LTD, since renamed DELTA DRONE INTERNATIONAL LTD, which is the umbrella company in charge of the southern hemisphere and in September 2021 by the acquisition of ARVISTA PTY LTD, based in Perth (Western Australia), which will make it possible to duplicate the economic model of ROCKETMINE in Australia in the mining sector.



In Europe, the Group took control, in October 2021, of the company AB COMTECH SRL, under Belgian law, specializing in the design, sale and rental of security "trailers", providing an additional brick in the supply of innovative solutions for the safety of goods and people. This is part of the strategy developed within the security division, whose sub-group is headed by ATM GROUP SUD RHONE ALPES, renamed DELTA DRONE HUMAN TECH following the acquisition by DELTA DRONE of 35% of minority interests in July 2021, thus bringing its stake to 100%.

Impacts exogenous to the Group's activity:

Impact of the health crisis linked to COVID 19

Both at national and international level, the 2021 financial year continued to be marked by the consequences of the health crisis linked to COVID19.

With regard to the DELTA DRONE Group, since the 2020 financial year, the measures taken by the Governance have made it possible to take measures adapted to the context and the evolution of the pandemic.

The Group's Governance having taken care not to systematically and massively defer most of its financial commitments, the 2021 financial year was not marked by a strangulation effect linked to the accumulation of charges yet to be disbursed. It should be noted that only ATM GROUP SECURITE made insignificant use (impact of around €30,000) of partial unemployment measures in the 2021 financial year.

Finally, it should be noted that two Group entities have benefited from State-Guaranteed Loans (PGE) as part of business support measures:

- DELTA DRONE: Amount of the loan obtained from BNP PARIBAS: 135 K€
- ATM GROUP SECURITE: Amount of loans obtained from LCL: 250 K€ and 150 K€

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, particularly in terms of raw materials and energy, has resulted in an increase in the cost of purchases borne by the Group. At this stage, this impact remains insignificant for the Group's business.

Events after the end of the 2021 financial year

At the beginning of March 2022, DELTA DRONE and VOLATUS AEROSPACE - a Canadian company whose shares are listed on the TSX Venture Exchange in Toronto (TSXV: VOL) and on the OTCQB Venture Market in the United States (OTCQB: VLTF) - announced the signing of an agreement for a strategic investment by VOLATUS AEROSPACE in DELTA DRONE, to form a world-class group leader in the drone sector.

Under the terms of the agreement, in addition to taking a stake in the capital of DELTA DRONE, the VOLATUS AEROSPACE teams will support the DELTA DRONE Group in the execution of a dynamic commercial development strategy in order to better take advantage of technologies and key business capabilities. The following initiatives have already been defined:

1. Move from a technology-focused organization to a sales-focused organization;
2. Pursue a cost rationalization program to improve efficiency;
3. Suspend any further use of the current dilutive financing program;



4. Build joint sales teams to accelerate growth in Europe and expand delta drone offerings in North America;
5. Pursue development in Africa and the southern hemisphere (Australia and South Africa);
6. Create a new relationship of trust with all shareholders.

At the date of writing this document, the agreement is still under negotiation, in particular with regard to its practical and legal implementation with regard to the conditions precedent indicated in the press release dated March 3 and available for consultation on the DELTA DRONE website (www.deltadrone.com).

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 prepared 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 of EC regulation n°1606 /2002.

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

International accounting standards have been applied in their entirety with retroactive effect in the opening balance sheet on the date of transition (December 31, 2020), with certain exceptions whose application is optional and specifically listed in IFRS 1 (First Time Adoption) and recalled in note 3 of this document, relating to the transition to IFRS standards.

No standards, interpretations or amendments to existing standards applicable from January 1, 2022 have been identified and therefore retained in advance as of December 31, 2021.

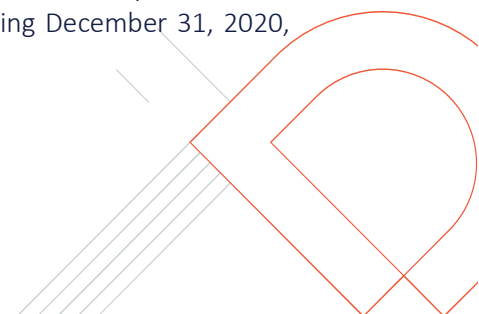
The consolidated financial statements of the DELTA DRONE Group are presented for the first time in IFRS standards for the financial year ended December 31, 2020 and for the annual closing on December 31, 2021.

The financial year ended December 31, 2020, established in accordance with French standards, has been published on the Group's website, which contains all the elements of analysis of the consolidated financial statements of the DELTA DRONE Group for the financial years ended in 2020. and in 2019.

It emerges from this transition of accounting standards that the consolidated financial statements of the DELTA DRONE Group prepared according to IFRS Standards on the occasion of the 2021 annual closing present all the comparative information between the 2 accounting standards and the impacts of the transition. required by IFRS 1 and incorporate the following general principles: true and fair view, going concern, accrual accounting method, consistency of presentation, materiality and grouping.

1-2 – Basics of preparation

The accounting principles and valuation methods set out below were applied to the half-year financial statements ending December 31, 2021, and to the financial statements ending December 31, 2020,



after considering the new standards and interpretations described below. The consolidated statements are presented in thousands of euros.

1-3 – Normes, amendements de normes et interprétations applicables à partir de l'exercice ouvert le 1^{er} janvier 2021

In addition to the application of IFRS 1 resulting from the change in accounting standards applied by the DELTA DRONE Group, the standards, amendments and interpretations mentioned below are applicable for the first time to financial years beginning on January 1, 2021:

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16 - Reform of benchmark interest rates - Phase 2;
- Amendments to IFRS 4 - Extension of the temporary exemption from the application of IFRS 9 (classification and measurement of financial instruments, impairment of financial assets and hedge accounting).

The texts mentioned above

1-4 – Normes, amendements de normes et interprétations d'application ultérieure au sein de l'Union Européenne

Published texts not yet applicable:

- Amendment to IFRS 3 - Business combination - Reference to the conceptual framework
- IFRS 17 - Insurance contracts
- Amendment to IAS 1 - Classification of liabilities as current and non-current
- Amendment to IAS 16 - Property, plant, and equipment: proceeds from sale before intended use
- Amendment to IAS 37 - Costs to be considered in determining whether a contract is onerous
- Annual improvements to IFRS - Cycle 2018/2020.

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.

1-5 – 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.

1-6 – 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 30, 2021, are as follows:

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



1-7 – 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 the first half of 2021, 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. Administration (or equivalent management body) or to meet the majority of voting rights at meetings of this body, 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 over which it does not control.

The companies concerned are accounted for using the equity method. Significant influence is presumed to exist 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.

In 2021, DELTA DRONE did not exercise an option for OCI treatment 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, DELTA DRONE has opted for the simplified retrospective approach of the standard and applied prospectively from December 31, 2021, the restatement of all the rental contracts concerned with an impact on equity for 2021.

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 analysed 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

Company	Consolidation method (**)		Equity percentage		Entry date
	At 31/12/2021	At 31/12/2020	At 31/12/2021	At 31/12/2020	
DELTA DRONE	Société mère		100,0%	100,0%	Prior to 2021
MTSI	I.G.	I.G.	100,0%	100,0%	Prior to 2021
DELTA DRONE ENGINEERING		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 2021
DELTA DRONE ENGINEERING (ex-PIXIEL)	I.G.	I.G.	100,0%	100,0%	Prior to 2021
DELTA DRONE HUMAN TECH (ex-ATM GROUP SRA)	I.G.	I.G.	100,0%	65,0%	In July 2021, DELTA DRONE acquired 35% of the shares held by the minority shareholders of ATM GROUP SRA by way of an exchange of shares. DELTA DRONE's stake in ATM GROUP SRA thus increased to 100%. In addition, the company took the corporate name DELTA DRONE HUMAN TECH.
ATM GROUP SECURITE	I.G.	I.G.	100,0%	65,0%	Impact of the change in DELTA DRONE's stake in DELTA DRONE HUMAN TECH to 100%
ATM GROUP ACCUEIL	I.G.	I.G.	100,0%	65,0%	Impact of the change in DELTA DRONE's stake in DELTA DRONE HUMAN TECH to 100%
AFM	I.G.	I.G.	100,0%	65,0%	Impact of the change in DELTA DRONE's stake in DELTA DRONE HUMAN TECH to 100%
AER NESS TRAINING		I.G.	N/A	100,0%	Universal Transfer of the Assets of AER NESS TRAINING to its parent company, TECHNI DRONE, on 12/2021
DRONE PROTECT SYSTEM	M.E.	M.E.	41,9%	41,9%	Prior to 2021
DELTA DRONE EXPERTS	I.G.	I.G.	100,0%	100,0%	Prior to 2021
SNOWSKUT	M.E.		49,8%		Integration of this company into the consolidation scope of DELTA DRONE from January 1, 2021
DELTA DRONE AFRICA	I.G.	I.G.	51,0%	51,0%	Prior to 2021
DELTA DRONE INTERNATIONAL	I.G.	I.G.	52,3%	50,4%	Impact of the operation carried out with ARVISTA and the acquisition of an additional 3% in July 2021.
PARAZERO		I.G.		50,4%	PARAZERO was sold in January 2022. It is treated as "Assets classified as held for sale".
DELTA DRONE SOUTH AFRICA	I.G.	I.G.	52,3%	100,0%	Prior to 2021
DSL SOUTH AFRICA	I.G.	I.G.	52,3%	100,0%	Prior to 2021
ROCKETMINE SOUTH AFRICA	I.G.	I.G.	38,7%	74,0%	Prior to 2021
ROCKETMINE AUSTRALIA	I.G.	I.G.	52,3%	100,0%	Prior to 2021
ROCKETMINE GHANA	I.G.	I.G.	34,8%	66,6%	Prior to 2021
DELTA DRONE COTE D'IVOIRE	I.G.	I.G.	90,0%	90,0%	Prior to 2021
UNITED DRONE TECHNOLOGIES	I.G.	N/A	100,0%	N/A	Company created in February 2021
AERO41	N/A	M.E.	N/A	40,3%	The stake of this entity is integrated on 06/30/2021 into the scope of ownership of UNITED DRONE TECHNOLOGIES SAS, the Group's investment company
ARVISTA	I.G.		31,4%		Acquisition of 60% of ARVISTA by DELTA DRONE INTERNATIONAL in July 2021
AB COMTECH	I.G.		77,3%		Acquisition of 77.3% of AB COMTECH by DELTA DRONE in October 2021



(*) :

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 December 31st, 2021:

- 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 December 31st,, 2021, 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 three entities remain in which the Group has interests. Moreover, in view of the results of said entities, only one is not depreciated because it is profitable.

The percentages of DELTA DRONE ownership as of December 31st,, 2021, in the capital of the remaining entities of the DELTA DRONE NETWORK are as follows:

DELTA DRONE NETWORK companies	Participation rate as of 31/12/2021
R-DRONE (1)	17,5%
POLIDRONE	5,0%

(1) – Shares 100% provisioned

- Financial participation in companies with high potential:

The holdings of minority interests in the companies ELISTAIR, DONECLE, DIODON, SIGHTEC, AERO41 and SLX TECHNOLOGIES, were included in the fixed assets of the DELTA DRONE Group on June 30, 2021.



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, 2021.

Note 3 – Transition to IFRS standards

General framework and general principles

In accordance with European Regulation n ° 1606/2002 of July 19, 2002, the DELTA DRONE Group has prepared its consolidated financial statements as of the 2021 financial year in accordance with the International Standards applicable on January 1, 2021, with a comparison under the fiscal year 2020.

A – International accounting standards have been applied in their entirety with retroactive effect in the opening balance sheet at the date of transition (December 31, 2020), with certain optional exceptions specifically listed in IFRS 1 (First Time Adoption):

IFRS 3

Business combinations prior to December 31, 2020 have not been restated.

IFRS16

All operating leases, as defined in IAS 17, have been restated with the option of the simplified retrospective approach.

IAS 16

The Group did not use Fair Value as presumed cost and opted for the depreciated cost method.

B – The IFRS restatements considered at the date of transition and detailed in the various notes of this document are as follows:

IAS 1

The financial statements have been prepared 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.

The proforma financial statements as of December 31, 2020, presented under IFRS, include the impact of the fair value measurement of non-consolidated investments for which information or an evaluation by an independent expert was available at the date of the report. closing of the 2020 consolidated accounts, i.e., March 31, 2021.

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 30 of each year. Given the start-up status of the companies concerned, which is moreover positioned 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 30, 2021, the actuary made the following assumptions:

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

Actuarial assumptions		
Annual financial discount rate:	0,80%	
Annual salary evolution:	2,50%	
Inflation included		
<i>Observed historical average annual rate: 3,5% vs Theoretical average annual rate: 2,5%</i>		
Life expectancy tables:	Hommes :	INSEE 14 - 16 Men
	Femmes :	INSEE 14 - 16 Women
<i>Observed historical average annual rate: 6,5% vs Theoretical average annual rate: 7,1%</i>		

IFRS 3 / IAS 36

Goodwill is no longer amortized from January 1, 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	10 002
Increases / Acquisitions	887
Decreases / Exits	
At the end of the period	10 889
Depreciations	
At the start of the financial year	(6 158)
Depreciation / Impairment	
At the end of the period	(6 158)
Net values	
At the start of the financial year	3 844
At the end of the period	4 731

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

	(In k€)		Movements			At closing 31/12/2021 Net Worth
	At Opening 31/12/2020 IFRS Net Worth	Increases / Acquisitions	Decreases / Outputs	Depreciations	Transfers	
DELTA DRONE ENGINEERING	0					0
MTSI	0					0
TECHNIDRONE	515					515
ROCKETMINE	320					320
PIXIEL	906					906
ATM GROUP SRA	2 104	450				2 554
AB COMTECH	0	259				259
ARVISTA	0	178				178
TOTALS	3 844	887	0	0	0	4 731



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 December 31, 2021, breaks down as follows:

(In k€)

	Net Worth
Professional solutions	3 719
PIXIEL	906
ATM GROUP SRA	2 554
AB COMTECH	259
Training	515
TECHNIDRONE	515
Mining professional turnkey solutions	497
ROCKETMINE	320
ARVISTA	178
TOTAL	4 731

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.

(in K€)

Goodwill depreciation recognized		
Year	Amount	As a % of goodwill
2014	122	20,0%
2015	189	4,1%
2016	923	20,0%
2017	1 144	19,3%
2018	1 377	18,0%
2019	1 671	16,0%
2020	734	7,0%
2021	0	0,0%

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 2021.

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	Other	Total	
Gross values					
At the start of the financial year	8 137	382	0	515	9 034
Increases / Acquisitions	903	48			951
IFRS 1 restatements			39		39
Decreases / Exits					0
Change in scope		Entrance			1
Change in scope		Exit			(100)
Bank transfer		2			2
At the end of the period	9 040	430	39	515	9 804
Depreciations					
At the start of the financial year	(5 165)	(320)	0	(515)	(6 000)
Depreciation and amortization	(779)	(57)			(836)
IFRS 1 restatements			(20)		(20)
Depreciation / Impairment allowances					0
Reversals of depreciation / Impairment loss					0
Decreases / Exits		100			100
Change in scope		Entrance			0
Change in scope		Exit			0
Bank transfer		(2)			(2)
At the end of the period	(5 944)	(477)	(20)	(515)	(6 956)
Net values					
At the start of the financial year	2 972	62	0	0	3 034
At the end of the period	3 096	(45)	19	0	3 070

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 December 31, 2021, 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 rental movables IFRS 16	Total
Raw values			
At the start of the financial year		0	0
Right To Use	DD - Software	39	39
At the end of the period		39	39
Depreciations			
At the start of the financial year		0	0
DAP right to use	DD - Software	(20)	(20)
A la clôture de la période		(20)	(20)
Net Worth			
At the start of the financial year		0	0
At the end of the period		20	20



Note 6 – Tangible fixed assets

(In K €)

	Droits d'utilisation locations immobilières IFRS 16	Installations techniques	Droits d'utilisation locations mobilières IFRS 16	Autres immobilisations corporelles	Total
Gross Values					
At the start of the financial year	0	1 355	0	2 331	3 686
Increase / Acquisitions		171		655	826
Decreases / Exit		(26)		(283)	(309)
IFRS 16 restatements	3 862		294		4 156
Change in scope				225	225
Change in scope					0
Currency change	(2)	(5)		12	5
Bank transfer		(165)		1	(163)
At the end of the period	3 860	1 330	294	2 941	8 425
Depreciations					
At the start of the financial year	0	(985)	0	(1 423)	(2 408)
Depreciation and amortization	(467)	(254)	(123)	(369)	(1 212)
IFRS 16 restatements					0
Depreciation / Impairment allowances				(210)	(210)
Reversals of depreciation / Impairment loss					0
Decreases / Exit		5		272	277
Change in scope				12	12
Change in scope					0
Currency change	1	3		(6)	(1)
Bank transfer		12		(180)	(168)
At the end of the period	(465)	(1 219)	(123)	(1 904)	(3 711)
Net Values					
At the start of the financial year	0	370	0	908	1 278
At the end of the period	3 395	110	171	1 038	4 714

Tangible fixed assets have been the subject of an in-depth analysis to determine any impairment losses that may have appeared during the first half of 2021.

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 31 December 2021, 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 to use real estate rentals IFRS 16	Rights of use of IFRS 16 movable leases	Total
Gross Values			
At the start of the financial year	0	0	0
Right to use			
DD - Bâtiments	3 145		3 145
DDX - Bâtiments	0		0
PIXIEL - Bâtiments	0		0
TD - Bâtiments	0		0
DD AFRICA - Bâtiments	81		81
AMF - Bâtiments	33		33
ATM GS - Bâtiments	304		304
ATM GSRA - Bâtiments	23		23
DD AFS - Bâtiments	50		50
ROCKETMINE - Bâtiments	68		68
AB COMTECH - Bâtiments	157		157
DD - Autres locations mob		163	163
DDX - Autres locations mob		20	20
PIXIEL - Autres locations mob		3	3
TD - Autres locations mob		5	5
DD AFRICA - Autres locations mob		0	0
AMF - Autres locations mob		0	0
ATM GS - Autres locations mob		103	103
ATM GSRA - Autres locations mob		0	0
DD AFS - Autres locations mob		0	0
ROCKETMINE - Autres locations mob		0	0
AB COMTECH - Autres locations mob		0	0
At the end of the period	3 862	294	4 156
Depreciations			
At the start of the financial year	0	0	0
DAP right to use			
DD - Bâtiments	(318)		(318)
DDX - Bâtiments	0		0
PIXIEL - Bâtiments	0		0
TD - Bâtiments	0		0
DD AFRICA - Bâtiments	(23)		(23)
AMF - Bâtiments	(6)		(6)
ATM GS - Bâtiments	(60)		(60)
ATM GSRA - Bâtiments	(4)		(4)
DD AFS - Bâtiments	(20)		(20)
ROCKETMINE - Bâtiments	(27)		(27)
AB COMTECH - Bâtiments	(9)		(9)
DD - Autres locations mob		(74)	(74)
DDX - Autres locations mob		(12)	(12)
PIXIEL - Autres locations mob		(3)	(3)
TD - Autres locations mob		(3)	(3)
DD AFRICA - Autres locations mob		0	0
AMF - Autres locations mob		0	0
ATM GS - Autres locations mob		(31)	(31)
ATM GSRA - Autres locations mob		0	0
DD AFS - Autres locations mob		0	0
ROCKETMINE - Autres locations mob		0	0
AB COMTECH - Autres locations mob		0	0
At the end of the period	(467)	(123)	(589)
Net values			
At the start of the financial year	0	0	0
At the end of the period	3 395	171	3 566



6-1 – Finance lease contract (furniture leasing)

(In K€)

	Technical installations	Other tangible fixed assets	Total
Gross values			
At the start of the financial year	823	0	823
Increases / Acquisitions	86	99	185
Decreases / Exits			0
IFRS 1 restatements			0
Change in scope			0
Consolidation restatements	(52)		(52)
At the end of the period	857	99	956
Depreciations			
At the start of the financial year	(567)	0	(567)
Depreciation and amortization	(126)	(20)	(146)
Decreases / Exits			0
Change in scope			0
Consolidation restatements	51	(35)	16
At the end of the period	(642)	(55)	(697)
Net values			
At the start of the financial year	256	0	256
At the end of the period	215	44	259

6-2 – Information on furniture leasing debt

(In K€)

	2021	2020
Residual value of debt at the end of the period	259	256
Maturity of residual debt at the end of the period		
Less than a year	157	106
2 to 5 years	102	150
More than 5 years	0	0



Note 7 – Investments in associates

It should be noted that 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 in it, 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		(423)
Increases		230
Decreases		
Change in scope	Entrance	
Change in scope	Exit	342
At the end of the period		149

7-2 – Details of equity-accounted investments

(In K€)		
	As of June 30th 2021	As of December 31st 2020
SAS DRONE PROTECT SYSTEM	0	(81)
SAS SNOWSKUT	149	0
SA AERO41	0	(342)
Total	149	(423)

All the Group's associates are accounted for using the equity method. AERO41 was deconsolidated on December 31, 2021, to be integrated under the heading of the Group's fixed assets (as such, see note 2 of this brochure).

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



7-3 – Goodwill of associates

(In K€)

	As of June 30th 2021	As of December 31st 2020
SAS DRONE PROTECT SYSTEM	(350)	(350) ⁽¹⁾
SAS SNOWSKUT	180	0
SA AERO41	0	0
Total	(169)	(350)

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

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.

On December 31, 2021, 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 December 31, 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.

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-consolated companies
As of 31/12/2020 (French GAAP)		1 640
Change in fair value	Increase	598
	Decrease	
At the start of the financial year (IFRS)		2 238
Increase		695
Decrease		(1 003)
Change in fair value	Increase	5 290
	Decrease	
Change in provisions	Dotations	
	Reversals	
Change in scope		
Consolidation restatement		596
Exvhange rate variation		
At the end of the period		7 815



Note 9 – Other fixed financial assets

(En milliers d'€uros)

	IFRS		Impacts changement de référentiel	French GAAP	
	30/06/2021	31/12/2020		30/06/2021	31/12/2020
Créances rattachées aux titres non consolidés	1 212	156	0	156	
Titres immobilisés relatifs aux ets. bancaires	12	12	0	12	
Comptes courants des sociétés mises en équivalence	1 170	1 092	0	1 092	
Dépôts et cautionnement	452	434	0	434	
Valeurs brutes	2 846	1 694	0	1 694	
Provisions	0	0	0	0	
Dépréciations	0	0	0	0	
Valeurs nettes	2 846	1 694	0	1 694	

Note 10 – Inventories

(In K€)

	IFRS		Impacts of change of repository	French GAAP	
	30/06/2021	31/12/2020		30/06/2021	31/12/2020
Raw materials	1 547	716	0	716	
In production	0	0	0	0	
Intermediate and seedlings products	1 594	1 613	0	1 613	
Goods	62	427	0	427	
Other supplies	0	0	0	0	
Gross values	3 203	2 757	0	2 757	
Provisions on raw materials and goods	(312)	(72)	0	(72)	
Provisions on intermediate and seedlings products	0	0	0	0	
Provisions on other supplies	0	0	0	0	
Depreciations	(312)	(72)	0	(72)	
Net values	2 891	2 685	0	2 685	

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

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Accounts receivables	3 167	2 387	0	2 387
Unbilled revenue	100	110	0	110
Gross values	3 267	2 497	0	2 497
Provisions	(228)	(177)	0	(177)
Depreciations	(228)	(177)	0	(177)
Net values	3 039	2 320	0	2 320

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

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Advances and prepayments paid	63	205	0	205
Tax receivables	593	828	0	828
Social security receivables	148	202	0	202
Corporate tax	83	299	0	299
Current account	0	4	0	4
Other receivables	124	53	0	53
Prepayments	385	468	(317)	785
Gross values	1 396	2 059	(317)	2 376
Provisions	(30)	(3)	0	(3)
Depreciations	(30)	(3)	0	(3)
Net values	1 366	2 056	(317)	2 373



Note 13 –Cash and equivalents

(In K€)	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Investment securities	23	25	0	25
Investment securities depreciation	0	0	0	0
Net investment securities	23	25	0	25
Availability	1 568	4 986	0	4 986
Treasury - Asset	1 568	5 012	0	5 012
Bank overdrafts	(248)	(268)	0	(268)
Treasury - liability	(248)	(268)	0	(268)
Net treasury	1 343	4 769	0	4 769

Cash and 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 2 451 863 006 shares with a par value of € 0.001 each.

	Number of common shares	Nominal value of shares (in €)	Amount of share capital (in €)
As at 31/12/2020	845 417 377	0,0010	845 417,38
Increases	1 048 593 094	0,0010	1 048 593,11
Decreases	0	0,0010	0,00
As at 27/10/2021	1 894 010 471	0,0010	1 894 010,49
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 at 31/12/2021	2 451 863 006	0,0010	245 186,32



14-2 – Non-controlling interests

(In K€)

	IFRS		Impacts of change of repository	French GAAP 31/12/2020
	30/06/2021	31/12/2020		
The non-Group share in reserves amounts for	4 777	2 260	386	1 874
The share outside the Group in the result amounts for	(995)	723	558	165
Total	3 782	3 000	944	2 039

Note 14-3 – Treasury shares

	IFRS		Impacts of change of repository	French GAAP 31/12/2020
	30/06/2021	31/12/2020		
Amount of shares	20 456	9 893	0	9 893
Amount in K€	0,35	0,26	0	0,26

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 have voting rights.

Over the period of 2021, transactions in number of shares are as follows:

(In amount of shares)	1st semestre 2021	2nd semestre
Purchases	82 471	96 425
Sales	72 872	95 461



Note 15 – Provisions

15-1 – Provisions for liabilities and charges

(In K€)

	30/06/2021			IFRS 31/12/2020			Impacts of change of repository	French GAAP 31/12/2020		
	Current	Non current	Total	Current	Non current	Total		Current	Non current	Total
Provisions for litigations	0	187	187	0	366	366	0	0	366	
Other provisions for liabilities and charges	0	0	0	0	0	0	0	0	0	
Provisions for retirement benefits	0	169	169	0	143	143	0	0	143	
Other provisions(BADWILL)	0	0	0	0	0	0	-42	42	0	
Total	0	356	356	0	509	509		42	509	

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		366	0	143	509
Endowments			0	30	30
Used reversals		(115)	0	0	(115)
Unused reversals		(64)	0	(4)	(68)
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		177	0	143	320

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 30, 2021 (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 December 31, 2020. 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 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 very probable.

The accumulated deficits have not led the creation of a deferred tax asset in the consolidated accounts closed on December 31, 2021.



As of December 31, 2021, deferred taxes show the following balances:

(In K€)		31/12/2021
Deferred tax - ASSET		
At the start of the financial year - FRENCH GAAP		43
Impact of the change of accounting referential changes		57
At the start of the financial year - IFRS		100
Income for the period		27
Expenses for the period		
Change in scope	Entrance	
Change in scope	Exit	
Bank transferts		105
IDA limitation		(17)
At the end of the period		215
Deferred tax - LIABILITY		
At the start of the financial year - FRENCH GAAP		(2)
Impacts changement de référentiel		0
At the start of the financial year - IFRS		(2)
Income for the period		
Expenses for the period		(23)
Impact in reserves		
Change in scope	Entrance	
Change in scope	Exit	
Bank transferts		
IDA limitation		17
At the end of the period		(9)
Net values		
At the start of the financial year		98
At the end of the period		207



Note 17 – Current and non-current financial liabilities

17-1 – Details of financial debts

(In K€)

	30/06/2021			IFRS			Impacts of change of repository	French GAAP		
	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	0	0	0	0
Current accounts over 1 year old	0	355	355	0	228	228	0	0	228	228
Other long-term liabilities	1	355	355	0	228	228	0	0	228	228
Financial debts										
Financial debts within 1 year	411	0	411	705	0	705	0	705	0	705
Financial debts after over 1 year	0	695	695	0	1 005	1 005	0	0	1 005	1 005
Current bank accounts payable	239	0	239	262	0	262	0	262	0	262
Accrued interest not yet due on availability	10	0	10	6	0	6	0	6	0	6
Government advances within 1 year	76	0	76	202	0	202	0	202	0	202
Government advances over 1 year	0	109	109	0	52	52	0	0	52	52
Loans convertible into shares	0	0	0	0	0	0	(1 960)	0	1 960	1 960
Financial debts	736	804	1 540	1 175	1 057	2 232	(1 960)	1 175	3 017	4 249
Rental financial debts										
Rental financial debts less than 1 year old	724	0	724	0	0	0	0	0	0	0
Rental financial debts over 1 year old	0	3 001	3 001	0	0	0	0	0	0	0
Rental financial debts	724	3 001	3 725	0	0	0	0	0	0	0
Total financial debts	1 461	4 160	5 621	1 175	1 285	2 232	(1 960)	1 175	3 245	4 489

17-2 – Credit and foreign exchange risks

Credit risks

There is no longer any credit risk as of December 31, 2021.

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 December 31, 2021:

Code	Devise	Taux de clôture 2021	Taux de clôture 2020	Taux moyen 2021	Taux moyen 2020
AUD	DOLLAR AUSTRALIEN	1,5615	1,5896	1,574942	1,654919
CHF	FRANC SUISSE	1,0331	1,0802	1,081146	1,070523
EUR	EURO	1	1	1	1
GHC	CEDI	6,846	7,1644	6,946	6,590058
MAD	DIRHAM MAROCAIN	10,476	10,8848	10,656	10,8496
USD	DOLLAR US	1,1326	1,2271	1,18274	1,14212
XOF	FRANCS CFA BCEAO	656	656	656	656
ZAR	RAND	18,0625	18,0219	17,47655	18,765475

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 December 30, 2021 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 €)				
	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Current accounts				
Current accounts	355	228	0	228
Financial debts				
Loans and debts	1 106	1 710	0	1 710
Current bank account payable	249	268	0	268
Government advances	185	254	0	254
Convertible debts	0	0	(1 960)	1 960
Rental financial debts	3 726	0	0	0
Financial debts	5 266	2 232	(1 960)	4 132
Cash and equivalents				
Cash and equivalents	1 568	5 012	0	5 012
Cash and equivalents	1 568	5 012	0	5 012
(In K €)				
	IFRS		Impacts changement de référentiel	French GAAP
	1/12/2021	31/12/2020		31/12/2020
Net financial debt	3 698	(2 778)	(1 960)	(200)
Long term debts	3 805	1 057	(1 960)	3 017
Short term debts	1 461	1 175	0	1 175
Cash and equivalents	1 568	5 012	0	5 012
Net financial debt	3 698	(2 778)	(1 960)	(200)



Note 18 – Accounts payable

(In K €)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Payables	1 874	2 459	0	2 459
Debt on fixed assets	0	45	0	45
Trade payables and related accounts	1 874	2 504	0	2 504

Note 19 – Other operating debts

(In K €)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Tax debts	1 084	1 052	0	1 052
Social debts	2 440	2 483	0	2 483
Coportate tax	3	8	0	8
Other operating debts	854	836	0	836
Advances and prepayments on orders	84	68	0	68
Prepaid income	156	213	0	213
Trade payables and related accounts	4 621	4 650	0	4 650



Note 20 – Turnover and other income from the activity

20 -1 – Turnover for the period

(In K €)	IFRS		Impacts of change of repository	French GAAP 31/12/2020
	30/06/2021	31/12/2020		
Professional solutions	13 708	11 046	0	11 046
Training	399	309	0	309
Mining professional turnkey solutions	2 898	2 062	0	2 062
Total turnover	23 005	23 417	0	23 417

20- 2 -Autres produits d'exploitation

(In K €)	IFRS		Impacts of change of repository	French GAAP 31/12/2020
	30/06/2021	31/12/2020		
Stocked production	(19)	1 573	0	1 573
Capitalised production	903	1 872	0	1 872
Operating grant	276	147	0	147
Load transfers	201	213	0	213
Other income	59	60	0	60
Total of other activity income	1 420	3 865	0	3 865

Note 21 – Purchases, taxes and personnel costs

21-1 - Purchases, taxes and personnel costs

(In K €)	IFRS		Impacts of change of repository	French GAAP 31/12/2020
	30/06/2021	31/12/2020		
Raw material purchases	3 380	3 950	0	3 950
Change in inventory	(856)	(169)	0	(169)
Other purchases and external expenses	4 639	4 523	0	4 523
Purchases and changes in inventories	7 163	8 304	0	8 304
Taxes and other payments	375	423	0	423
Taxes and other payments	375	423	0	423
Wages and assimilated salaries	12 408	9 753	0	9 753
Social charges	3 310	2 972	0	2 972
Personnel costs	15 718	12 725	0	12 725
Total of operating costs	23 256	21 454	0	21 454



21-2 – Workforce

	31/12/2021	31/12/2020
Professional solutions		
DELTA DRONE	24	25
MTSI	0	0
DELTA DRONE EXPERTS	10	8
PIXIEL	14	7
DELTA DRONE ENGINEERING	0	7
ATM GROUP SRA	5	5
ATM GROUP ACCUEIL	10	13
ATM GROUP SECURITE	432	332
DELTA DRONE AFRICA	0	0
DELTA DRONE COTE D'IVOIRE	0	0
Training		
AMF	1	0
TECHNIDRONE	7	4
DSL AFRICA	2	2
Mining professional turnkey solutions		
DELTA DRONE INTERNATIONAL	2	0
ROCKETMINE AUSTRALIA	0	0
PARAZERO	2	2
DELTA DRONE SOUTH AFRICA	34	27
ROCKETMINE SOUTH AFRICA	8	7
Total workforce of the Group	501	400



Note 22 – Depreciation and provisions

(In K€)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Depreciation of goodwill	0	0	(1 780)	1 780
Depreciation of fixed assets	2 066	1 618	0	1 618
	2 066	1 618	(1 780)	1 618
Allocations for depreciation of fixed assets	0	0	0	0
Reversal for depreciation of fixed assets	0	0	0	0
Net	●	●	●	●
Allowances for depreciation of current assets	278	138	0	138
Reversals for depreciation of current assets	(10)	(245)	0	(245)
Net	268	(107)	●	(107)
Allocations to provisions for R&C	30	5	0	5
Reversals of provisions for R&C	(4)	(37)	0	(37)
Net	26	(32)	●	(32)
Net total	2 334	1 484	(1 780)	1 484

Note 23 – Other income and expenses from current operations

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

(En milliers d'€uros)

	IFRS				Impacts of change of repository	French GAAP	
	30/06/2021		31/12/2020			31/12/2020	
	Expenses	Income	Expenses	Income		Expenses	Income
Income from asset sales	0	765	0	524	0	0	524
Other operating income	0	158	0	137	0	0	137
Reversals of operational provisions	0	179	0	108	0	0	108
Reversals of provisions for depreciation of EA	0	0	0	0	0	0	0
VNC of assets sold	2 043	0	2 124	0	0	2 124	0
Other operating expenses	83	0	685	0	0	685	0
Allocations to operational provisions	0	0	53	0	0	53	0
Allocations to provisions for depreciation of EA	0	0	749	0	(749)	0	0
Total	2 126	1 042	2 931	720	(749)	2 931	720
Total net	(1 099)	(997)	(749)	(997)	(749)	(997)	(997)



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

(In K€)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		
Current operating income	(6 433)	(6 779)	1 700	(7 779)
Impact of movements on fixed assets	(1 278)	(1 600)	0	(1 600)
Impact of changes in provisions	179	55	0	55
Impacts of staff departures during the period	76	(548)	0	(548)
Impacts of tax liabilities	0	0	0	0
Impact of goodwill depreciation	0	(749)	(749)	0
Net total	(6 626)	(6 626)	1 651	(6 626)

Note 24 – Income from cash and equivalents

(In K€)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		
Income from securities and other traded receivables	(8)	18	0	18
Total	(8)	18	0	18

Note 25 – Cost of gross financial debt

(In K€)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		
Interest expenses	184	129	0	129
Total	184	129	0	129



Note 26 – Other financial income and expenses

(In K€)

	30/06/2021		IFRS 31/12/2020		Impacts of change of repository	FRENCH GAAP 31/12/2020	
	Expenses	Income	Expenses	Income		Expenses	Income
	Reversals of financial provisions	0	32	0		23	0
Fair value of investments	0	5 290	0	598	598	0	0
Currency exchange gain	0	9	0	15	(0)	0	15
Other financial products	0	16	0	60	35	0	25
Currency exchange loss	6	0	69	0	0	65	0
Other financial expenses	6	0	465	0	158	623	0
Allocations to financial provisions	0	0	0	0	(41)	(41)	0
Total	12	5 307	75	687	780	687	68
Net total	5 295	5 295	480	480	780	(680)	68

Note 27 – Formation du résultat financier

(In K€)

	30/06/2021		IFRS 31/12/2020		Impacts of change of repository	FRENCH GAAP 31/12/2020	
	Expenses	Income	Expenses	Income		Expenses	Income
	Income from securities and other receivables		(8)			(18)	0
Cost of gross financial debt		(184)		(129)	0		(129)
Cost of net financial debt		(192)		(147)	0		(147)
Other financial income and expenses		5 334		163	599		(436)
Financial result		5 142		16	599		(454)

Note 28 – Charge d'impôt

(In K€)

	30/06/2021		IFRS 31/12/2020		Impacts of change of repository	FRENCH GAAP 31/12/2020	
	Expenses	Income	Expenses	Income		Expenses	Income
	Social tax expenses		5			(68)	0
Deferred taxes		(29)		(53)	0		(53)
Tax expenses		(24)		(121)	0		(121)

Note 29 – Share of associates net income



(In K€)

	31/12/2021	31/12/2020
DRONE PROTECT SYSTEM	0	(360)
AERO41	0	(147)
SNOWSKUT	(28)	0
Total share of associates net income (MEE)	(28)	(307)

Note 30 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.

	IFRS 31/12/2021	IFRS 31/12/2020	FRENCH GAAP 31/12/2020
Profit (Loss) for the period - Group share	(4 346 593)	(9 955 681)	(10 697 100)
Number of shares used for basic earnings per share	2 451 863 006	845 417 377	845 417 377
Earnings per share	(1,77)	(11,72)	(12,54)

30 -2 – Résultat dilué

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 December 31, 2021, adjusted for the maximum impact of:

	IFRS 31/12/2021	IFRS 31/12/2020	FRENCH GAAP 31/12/2020
Profit (Loss) for the period - Group share	(4 346 593)	(9 955 681)	(10 697 100)
Number of shares used for diluted earnings per share	5 777 377 201	1 280 100 859	1 280 100 859
Earnings per share	(0,75)	(7,78)	(8,36)

	IFRS 31/12/2021	IFRS 31/12/2020	FRENCH GAAP 31/12/2020
Number of shares:	2 451 863 006	845 417 377	845 417 377
Shares potentially allocated on BS + AGA + OC (*):	3 325 514 195	434 683 482	434 683 482
Total in "Full diluted" shares:	5 777 377 201	1 280 100 859	1 280 100 859

Current share warrants

1) « OCABSA October 2016 » BSA:

Remain in circulation:

- Instalment 8 BSA, i.e., 12 345 679

- The BSAs attached to tranche 9, i.e. 20,355,797. It should be noted that these BSAs are listed and fungible with the Y BSAs in point 2).

2) BSA Y:

BSA Y, created during the operation set up in February 2019 and resulting from the exercise of BSA J, are fungible with the BSA of tranche 9 of the point above.

3) BSA ORNAN #2:

The warrants attached to the ORNAN tranches subscribed in 2020 amount to 243,676,015 warrants.



4) BSA ORNAN #3:

The BSAs attached to the ORNAN tranches subscribed in 2021 amount to 598,385,953 BSAs.

The Grants of Free Shares being created:

1) BoD of January 5, 2021:

10,626,539 shares were allocated and will be created on January 5, 2022;

2) BoD of March 31, 2021:

14,615,206 shares were allocated and will be created on March 31, 2022;

3) BoD of July 5, 2021:

16,856,458 shares were allocated and will be created on July 5, 2022;

4) BoD of September 30, 2021:

40,656,030 shares have been allocated and will be created on September 30, 2022;

5) BoD of November 18, 2021:

33,841,179 shares have been allocated and will be created on November 18, 2022.

The shares to be issued under the ORNAN #3 contract:

Potential shares attached to the 230 ORNAN subscription not converted as of December 31, 2021 amounted to 2,334,155,339.

Thus, taking these elements into account, the potential number of shares to be issued is 3,325,514,195 shares, i.e., added to those making up the capital as of December 31, 2021, a total of 5,777,377,201 shares.

Note 31 – Off-balance sheet commitments

Covenants

Only a loan taken out by ATM GROUP SRA, prior to its entry into the Group, is accompanied by a financial covenant. In this respect, reference should be made to note 17 of this document.

Discount bills not due:

No unmatured discounted notes were recorded as of December 31, 2021.

Other commitments given or received:



	Commitments	Commitments received
DELTA DRONE SA		
LOAN PGE BNP PARIBAS - 135 K€	None	None
TECHNI DRONE SAS		
LOAN CREDIT COOPERATIF - 250 K€	Pledge of goodwill for 100% of the loan and pledge of SOMUDIMEC shares	BPI FRANCE guarantee for 50% of the loan
PIXIEL SAS		
LOAN BPI - 100 K€	None	100% guarantee from the "CCI Innovation Pays de la Loire" Fund
LOAN CIC - 300 K€	Pledge of goodwill up to 100% of the loan	BPI FRANCE guarantee for 60% of the loan
LOAN BPI - 500 K€	Retention of €25,000 as "cash pledge"	"Loan guarantee by: - The PPI Guarantee Fund up to 30% and, - the European Investment Fund (EIF) up to 50%"
ATM GROUP SRA SAS		
LOAN LCL - 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, up to €300,000	Partial guarantee granted by Bpifrance Financement for 40% of the outstanding amounts due
ATM GROUP SECURITE SAS		
LOAN LCL - 50 K€	None	None
LOAN PGE LCL - 250 K€	None	None
LOAN PGE LCL - 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 December 31, 2021, the results by business sector are detailed below

	IFRS				French GAAP				Impacts of change of repository	IFRS				French GAAP			
	30/06/2021		31/12/2020		30/06/2021		31/12/2020			30/06/2021		31/12/2020		30/06/2021		31/12/2020	
(In K€)	Professional solutions	Training	Mining prof. Turnkey solutions	Total	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	12 704	333	2 828	15 865	11 046	309	2 062	13 417	0	11 046	309	2 062	13 417	11 046	309	2 062	13 417
EBITDA	(4 931)	(439)	(762)	(6 132)	(4 449)	(136)	287	(4 298)	0	(4 449)	(136)	287	(4 298)	(4 449)	(136)	287	(4 298)
Current Operating Profit (ROC)	(6 913)	(507)	(1 071)	(8 491)	(5 595)	(194)	12	(5 777)	1 780	(7 032)	(194)	(331)	(7 557)	(7 032)	(194)	(331)	(7 557)
Operating result									1 031								
Result before taxes									1 629								
Tax expenses									0								
Share of associates net income									0								
Net result of consolidated companies																	



Note 33 – Audit related fees

(In €)

Entities	Services provided as part of the due diligence directly related to the statutory audit mission
DELTA DRONE	62 875
DELTA DRONE ENGINEERING	2 000
ECOLE FRANCAISE DU DRONE	1 500
TECHNI DRONE	4 000
PIXIEL	4 500
DELTA DRONE EXPERTS	4 000
DRONE PROTECT SYSTEM	2 500
ATM GROUP SECURITE	5 600
DELTA DRONE AFRICA	1 877
DELTA DRONE INTERNATIONAL	47 621

