



**DeltaDrone**

DRONIFY FOR A SAFER WORLD

# CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30<sup>TH</sup>, 2021

Ce document est une traduction de la version  
en Français des comptes, qui seule fait foi.

This document is a translation of the French  
version of the accounts, which alone is  
authentic

## Table of content

Selected Financial information.....	4
Consolidated statement of financial position .....	5
Consolidated income statement .....	6
Consolidated income statement of integrated companies.....	7
Consolidated statement of cash flows .....	9
Consolidated statement of changes in equity.....	10
Annex to the consolidated financial statements.....	11
Significant events of the first half of 2021 and after June 30 <sup>th</sup> , 2021 .....	11
Note 1 - Accounting principles and valuation methods.....	12
Note 2 – Consolidation scope and change during the period.....	25
Note 3 – Transition to IFRS standards .....	27
Note 4 – Goodwill.....	30
Note 5 – Other intangible assets.....	34
Note 6 – Tangible fixed assets.....	35
Note 7 – Investments in associates.....	38
Note 8 – Shares of non-consolidated companies .....	39
Note 9 – Other fixed financial assets .....	41
Note 10 – Inventories.....	42
Note 11 – Accounts receivables .....	43
Note 12 – Other operating receivables.....	43
Note 13 – Cash and equivalents.....	44
Note 14 – Equity.....	44
Note 15 – Provisions.....	46
Note 16 – Income taxes and deferred taxes .....	47
Note 17 – Current and non-current financial liabilities.....	49
Note 18 – Accounts payable.....	51
Note 19 – Other operating debts .....	51
Note 20 – Turnover and other income from the activity.....	52
Note 21 – Purchases, taxes and personnel costs .....	52
Note 22 – Depreciation and provisions.....	54
Note 23 – Other income and expenses from current operations.....	54
Note 24 – Income from cash and equivalents.....	55
Note 25 – Cost of gross financial debt .....	55
Note 26 – Other financial income and expenses .....	56

Note 27 – Financial result.....	56
Note 28 – Tax expenses.....	56
Note 29 – Share of associates net income .....	56
Note 30 – Earnings per share .....	57
Note 31 – Off-balance sheet commitments.....	58
Note 32 – Consolidated segment information.....	60
Note 33 – Audit related fees .....	61



## Selected Financial information

(In K €)

	30/06/2021	31/12/2020	31/12/2020	31/12/2019
	IFRS	IFRS	FRENCH GAAP	FRENCH GAAP
Total Assets	34 348	23 818	22 491	21 599
Total non current assets	21 796	11 745	10 101	12 727
Total assets held for sale	0	0	0	0
Equity - Share attributed to DELTA DRONE shareholders	18 295	10 775	8 317	7 628
Equity - Share attributed to non-cotrolling interests	2 653	2 983	2 039	(1 616)
Gross financial debt (*)	5 728	2 232	1 978	1 980
Net financial debt (**)	187	(2 779)	(807)	3 659
Net financial debt ratio	0,9%	(20,2)%	(7,8)%	60,9%
<i>Financial debt ratio out of IFRS16</i>	(18,5)%	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.

	30/06/2021	31/12/2020	31/12/2020	31/12/2019
	IFRS	IFRS	FRENCH GAAP	FRENCH GAAP
Turnover	8 990	13 417	13 417	15 987
EBITDA	(3 226)	(4 298)	(4 298)	(4 914)
Recurring Operating Income	(4 224)	(5 778)	(7 558)	(8 579)
Operating income	(4 342)	(8 619)	(9 651)	(9 935)
Net result of integrated companies	(256)	(9 233)	(10 862)	(10 080)
Share attributed to Delta Drone shareholders	87	(9 956)	(10 697)	(9 539)
Share attributed to non-cotrolling interests	(343)	723	(165)	(541)
Net earning per share (in €)	0,00	(0,01)	(0,01)	(0,05)
Diluted earning per share (in €)	0,00	(0,01)	(0,01)	(0,03)



# Consolidated statement of financial position

(In K €)

		30/06/2021	31/12/2020	31/12/2020	31/12/2020	31/12/2019
		IFRS	IFRS	IMPACT OF THE ACCOUNTING REFERENTIAL CHANGE	FRENCH GAAP	FRENCH GAAP
	Notes					
<b>NON-CURRENT ASSETS</b>		21 796	11 745	1 644	10 101	12 727
Goodwill	4	4 294	3 844	1 191	2 653	4 452
Other intangible assets	5	3 019	3 034	-325	3 359	2 408
Tangible assets	6	1 311	1 258	123	1 135	1 584
Rights of use related to rental contracts	6	3 636	0	0	0	0
Equity affiliates	7	10	-423	0	-423	84
Non-consolidated companies shares	8	7 219	2 238	598	1 640	1 604
Other fixed assets	9	2 100	1 694	0	1 694	2 529
Deferred Tax - Asset	16	207	100	57	43	66
<b>CURRENT ASSETS</b>		12 552	12 073	-317	12 390	8 872
Inventories and work in progress	10	2 624	2 685	0	2 685	625
Trade account receivables	11	2 160	2 320	0	2 320	3 781
Other receivables	12	2 226	2 056	-317	2 373	2 411
Availability & treasury instruments	13	5 541	5 012	0	5 012	2 055
Assets classified as held for sale			0	0	0	0
<b>TOTAL ASSETS</b>		34 348	23 818	1 327	22 491	21 599

		30/06/2021	31/12/2020	31/12/2020	31/12/2020	31/12/2019
		IFRS	IFRS	IMPACTS CHANGEMENT REFERENTIEL	FRENCH GAAP	FRENCH GAAP
	Notes					
<b>SHAREHOLDER EQUITY</b>		20 948	13 757	3 401	10 356	6 012
Equity - Share attributed to DELTA DRONE shareholders	14	18 295	10 775	2 458	8 317	7 628
Equity - Share attributed to non-controlling interests	14	2 653	2 983	944	2 039	-1 616
<b>NON-CURRENT DEBTS</b>		5 806	1 722	-2 075	3 798	7 978
Provisions	15	339	509	-41	551	637
Deferred tax - Liability	16	0	2	0	2	0
Other long-term liabilities	17	1 167	154	-74	228	2 051
Long-term financial debts	17	952	1 057	-1 960	3 017	5 290
Long-term lease related financial debts	17	3 348	0	0	0	0
<b>CURRENT DEBTS</b>		7 594	8 338	0	8 338	7 609
Provisions	15	0	0	0	0	0
Trade payables and advance received	18	2 285	2 504	0	2 504	2 756
Short-term financial debts	17	722	1 175	0	1 175	413
Short-term lease related financial debts	17	707	0	0	0	0
Other debts	19	3 880	4 659	0	4 659	4 440
<b>TOTAL LIABILITIES</b>		34 348	23 818	1 327	22 491	21 599



# Consolidated income statement

(In K €)

		30/06/2021	31/12/2020	31/12/2020	31/12/2020	30/06/2020	31/12/2019
		IFRS	IFRS	IMPACT OF THE ACCOUNTING REFERENTIAL CHANGE	FRENCH GAAP	FRENCH GAAP	FRENCH GAAP
	Notes						
TURNOVER	20	6 987	13 417	(0)	13 417	6 885	15 987
Other operating income	20	582	3 865	0	3 865	1 224	1 561
Purchases and changes in inventories		3 533	8 305	(0)	8 305	3 456	8 051
Personnel expenses	21	6 994	12 726	(0)	12 726	6 373	13 985
Taxes and duties	22	130	423	(0)	423	231	397
Other income and expenses from current operations	24	138	126	0	126	146	29
EBITDA		(3 226)	(4 298)	(0)	(4 298)	(2 097)	(4 914)
Net depreciation		1 040	1 618	(1 780)	3 398	1 799	3 665
Net provisions and depreciation allocations	23	(42)	(139)	0	(139)	(26)	
RECURRING OPERATING INCOME		(4 224)	(5 778)	1 780	(7 558)	(3 870)	(8 579)
Associated margin ratio		(60,5)%	(43,1)%		(56,3)%	(56,2)%	(53,7)%
Other operating income and expenses	25	(118)	(2 842)	(749)	(2 093)	(51)	(1 356)
OPERATING RESULT		(4 342)	(8 619)	1 031	(9 651)	(3 921)	(9 935)
Income in cash and equivalents	26	(3)	(18)	(18)			
Gross cost of financial debt	27	(98)	(129)	(129)			
Net cost of financial debt		(101)	(147)		0	0	0
Other financial income and expenses	28	4 283	163	745	(582)	(202)	513
RESULT BEFORE TAX	29	(160)	(8 604)	598	(10 233)	(4 123)	(9 422)
Tax expenses	30	(10)	(122)	0	(121)	(76)	(194)
Share of net income of equity affiliates	31	(86)	(507)	0	(507)	(204)	(464)
NET RESULT OF INTEGRATED COMPANIES		(256)	(9 233)	1 629	(10 862)	(4 403)	(10 080)
Net result - Share attributed to non-controlling interests		(343)	723	0	(165)	(42)	(541)
NET RESULT - GROUP SHARE		87	(9 955,944)	1 629	(10 697)	(4 361)	(9 539)
Number of shares outstanding	32	1 225 119 183	845 417 377	N/A	845 417 377	504 046 452	203 161 578
Number of shares fully diluted	32	2 058 247 780	1 280 100 859	N/A	1 280 100 859	728 897 755	365 358 466
NET RESULT PER SHARE (in €)	32	0,00	(0,01)	N/A	(0,01)	(0,02)	(0,05)
DILUTED NET RESULT PER SHARE (in €)	32	0,00	(0,01)	N/A	(0,01)	(0,01)	(0,03)

(In K €)

		30/06/2021	31/12/2020	31/12/2020	31/12/2020	30/06/2020	31/12/2019
		IFRS	IFRS	IMPACT OF THE ACCOUNTING REFERENTIAL CHANGE	FRENCH GAAP	FRENCH GAAP	FRENCH GAAP
NET RESULT OF INTEGRATED COMPANIES		(256)	(9 233)	1 629	(10 862)	(4 403)	(10 080)
Currency translation reserve		(180)	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		(180)	787	714	0	0	0
OTHER ELEMENTS OF COMPREHENSIVE RESULT, NET OF TAX		(180)	787	714	0	0	0
TOTAL ANNUAL COMPREHENSIVE RESULT		(436)	(8 446)	2 343	(10 862)	(4 403)	(10 080)
Total annual comprehensive result - Share attributed to DELTA DRONE shareholders		(8)	(9 505)	2 343	(10 697)	(4 361)	(9 539)
Total annual comprehensive result - Share attributed to non-controlling interests		(428)	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

(In K €)

	30/06/2021	31/12/2020	% of variation 2021 / 2020 (*)	31/12/2020	30/06/2020	31/12/2019
	IFRS	IFRS	IFRS	FRENCH GAAP	FRENCH GAAP	FRENCH GAAP
TURNOVER	6 987	13 417	4,2%	13 417	6 885	15 987
Other operating revenues	582	3 865	(69,9)%	3 865	1 224	1 561
Purchase and change in inventories	3 533	8 305	(14,9)%	8 305	3 456	8 052
Personnel expenses	6 994	12 726	9,9%	12 726	6 373	13 985
Taxes and duties	130	423	(38,6)%	423	231	397
Other operating income and expenses	138	125	120,5%	125	146	29
<b>EBITDA (**)</b>	<b>(3 226)</b>	<b>(4 298)</b>	<b>50,1%</b>	<b>(4 298)</b>	<b>(2 097)</b>	<b>(4 914)</b>
Net depreciation	1 040	1 618	28,6%	3 259	1 799	3 665
Net provisions and depreciation allocations	(42)	(139)	(39,9)%		(26)	
<b>RECURRING OPERATING INCOME</b>	<b>(4 224)</b>	<b>(5 777)</b>	<b>46,2%</b>	<b>(7 557)</b>	<b>(3 870)</b>	<b>(8 579)</b>
Other operating income and expenses	(118)	(2 842)	(91,7)%	(2 093)	(51)	(1 356)
<b>OPERATING RESULT</b>	<b>(4 342)</b>	<b>(8 619)</b>	<b>0,8%</b>	<b>(9 650)</b>	<b>(3 921)</b>	<b>(9 935)</b>
Income from cash and equivalents	(3)	(18)	(66,5)%			
Gross cost of financial debt	(98)	(129)	51,2%			
Net cost of financial debt	(101)	(148)	36,6%	0	0	0
Other financial income and expenses	4 283	163	5 155,6%	(583)	(202)	513
<b>RESULT BEFORE TAX</b>	<b>(160)</b>	<b>(8 604)</b>	<b>(96,3)%</b>	<b>(10 233)</b>	<b>(4 123)</b>	<b>(9 422)</b>
Tax expenses	(10)	(122)	(83,3)%	(122)	(76)	(194)
Share of net income of equity affiliates	(86)	(507)	(66,1)%	(507)	(204)	(464)
<b>NET RESULT OF INTEGRATED COMPANIES</b>	<b>(256)</b>	<b>(9 233)</b>	<b>(94,4)%</b>	<b>(10 862)</b>	<b>(4 403)</b>	<b>(10 080)</b>

(\*) - As these are half-yearly accounts, the variation is determined by linearly taking into account half of the aggregates recorded at 12/31/2020 to compare them with those recorded at 06/30/2021.

(\*\*) Adjusted operational result

The DELTA DRONE Group reports two intermediate aggregates:

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

- « Current operating income » (ROC):

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

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



The excluded items are specifically described in Note 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	
		30/06/2021 IFRS	31/12/2020 IFRS	30/06/2021 IFRS	31/12/2020 IFRS	30/06/2021 IFRS	31/12/2020 IFRS
Professionnal solutions	En milliers d'euros	5 238	11 046	(2 480)	(4 449)	(3 265)	(5 595)
	%tage	75,0%	82,3%	76,9%	103,5%	77,3%	96,8%
Training	En milliers d'euros	199	309	(170)	(136)	(216)	(194)
	%tage	2,8%	2,3%	5,3%	3,2%	5,1%	3,4%
Mining professional turnkey solutions	En milliers d'euros	1 550	2 062	(576)	287	(743)	12
	%tage	22,2%	15,4%	17,9%	(6,7)%	17,6%	(0,2)%
En milliers d'euros		6 987	13 417	(3 226)	(4 298)	(4 224)	(5 777)
%tage		100%	100,0%	100%	100,0%	100%	100,0%





# Consolidated statement of cash flows

(In K €)

	30/06/2021	31/12/2020	31/12/2020	31/12/2020	31/12/2019
	IFRS	IFRS	IMPACT OF THE ACCOUNTING REFERENTIAL CHANGE	FRENCH GAAP	FRENCH GAAP
Consolidated net result - Share attributed to DELTA DRONE shareholders	87	(9 956)	741	(10 697)	(9 539)
Share attributed to non-controlling interests	(343)	723	888	(165)	(541)
Depreciation expense and provisions (net of reversals)	1 869	2 203	(1 031)	3 234	2 801
Income and expenses with no impact on cash flow	77	1 332	77	1 255	1 080
Removal of shares of equity affiliates	86	507	(0)	507	464
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		0		
<b>OPERATING CASH FLOW AFTER NET COST OF DEBT AND TAX</b>	<b>(3 515)</b>	<b>(5 789)</b>	<b>77</b>	<b>(5 866)</b>	<b>(5 735)</b>
Removal of the tax expenses (income)	17	122	0	122	194
Removal of net cost of debt	106	147	147		
<b>OPERATING CASH FLOW BEFORE NET COST OF DEBT AND TAX</b>	<b>(3 391)</b>	<b>(5 520)</b>	<b>224</b>	<b>(5 745)</b>	<b>(5 541)</b>
Net operating change	(1 910)	1 494	(0)	1 494	1 773
Net non-operating change			0		
Change in working capital requirement	(1 910)	1 494	(0)	1 494	1 773
<b>NET CASH FLOW GENERATED BY ACTIVITY</b>	<b>(5 301)</b>	<b>(4 026)</b>	<b>224</b>	<b>(4 250)</b>	<b>(3 768)</b>
<i>INVESTMENT TRANSACTIONS</i>			0		
Acquisitions of intangible assets	(850)	(2 072)	0	(2 072)	(588)
Acquisitions of tangible fixed assets	(320)	(537)	0	(537)	(554)
Acquisitions of financial fixed assets	(741)	(280)	0	(280)	(1 795)
Disposals of fixed assets	26	726	(77)	803	676
Net cash on acquisitions & disposals of subsidiaries	(77)	2 988	0	2 988	(4 639)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(1 961)</b>	<b>825</b>	<b>(77)</b>	<b>902</b>	<b>(6 900)</b>
<i>FINANCING OPERATIONS</i>			0		
Capital increase	2 711	11 161	0	11 161	9 629
Change in other equity	5 676	(3 686)	0	(3 686)	517
Financial debt	149	232	(147)	379	387
Financial deleveraging	(698)	(1 591)	0	(1 591)	(1 306)
Exchange rate variations	55				
Purchase/sale of treasury shares			0		751
<b>NET CASH-FLOW RELATED TO FINANCING OPERATIONS</b>	<b>7 893</b>	<b>6 116</b>	<b>(147)</b>	<b>6 263</b>	<b>9 978</b>
<b>CHANGE IN CASH AND EQUIVALENTS</b>	<b>631</b>	<b>2 915</b>	<b>0</b>	<b>2 915</b>	<b>(690)</b>
<b>OPENING CASH BALANCE</b>	<b>4 732</b>	<b>1 817</b>	<b>0</b>	<b>1 817</b>	<b>2 507</b>
<b>CLOSING CASH BALANCE</b>	<b>5 364</b>	<b>4 732</b>	<b>0</b>	<b>4 732</b>	<b>1 817</b>



## Consolidated statement of changes in equity

(In K €)

	Capital	Primes	Revaluation variance	Consolidated reserves	Items recognised directly in equity	Result for the period	Share attributed to DELTA DRONE shareholders	Non-controlling interests	Total equity
<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				(9 068)		9 068	0		0
Capital increase	380	5 510					5 890		5 890
Capital reduction							0		0
Change in scope							0		0
Exchange differential				(95)			(95)	(85)	(180)
Result for the period						87	87	(343)	(256)
Consolidation adjustments				1 639			1 639	99	1 738
	1 225	50 722	0	(33 739)	0	87	18 295	2 653	20 948

(\*) - 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)
	<hr/>
	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 June 30, 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 June 30, 2021, were approved by the Board of Directors on September 30<sup>th</sup>, 2021

## Significant events of the first half of 2021 and after June 30<sup>th</sup>, 2021

### Impact of the COVID19 health crisis

Both nationally and internationally, the first half of 2021 was strongly impacted by the consequences of the COVID19 health crisis.

Regarding the DELTA DRONE Group, the measures taken by the Governance since 2020 allowed proper reaction to the context and the evolution of the pandemic.

Since the Group's governance ensured not to postpone systematically and massively its financial commitments, the first half was not marked by a strangulation effect tied to the accumulation of charges still to be paid.

### Group Changes

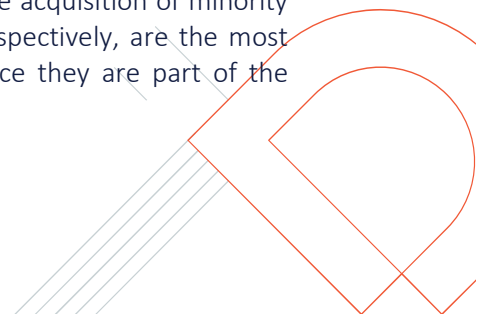
The first half of 2021 was particularly marked by the effects of the strategy implemented by the Governance since fiscal year 2019, relying on strong industrial foundations and structurally consistent with sustainability.

The shutdown and/or sale of activities with lower added value during the 2020 financial year enabled the Group to focus on the development, industrialization and commercialisation of professional solutions adapted specifically to target worldwide sectors.

Simultaneously, during the period, strong partnerships were forged (AIROBICS) or renewed (GEODIS), supporting the approach undertaken within the Group.

The necessary support from professionals in the targeted sectors has also resulted in two transactions: the start of exclusive negotiations with the WEASURE Group in April 2021 and the acquisition in July 2021 of 100% of the shares of the ATM Group - in which the DELTA DRONE Group already held 65%. Through this strengthening within the traditional private security market, the Group has an accelerator for the marketing of its professional solutions dedicated to this sector.

In addition, the creation within the Group of an ecosystem through the acquisition of holdings in promising companies in the sector increased during the first half of 2021. The acquisition of minority holdings in DIODON Drone Technology and SIGHTEC, in March and April respectively, are the most recent examples. The operations do not only have a financial vocation since they are part of the



establishment of industrial synergies that should benefit all stakeholders, as is already the case with the DONECLE and ELISTAIR companies.

Finally, the Group's growth is also part of its international development, particularly through the emergence of two major poles 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 ROCKETMINE's business model in Australia in the mining sector.

## Note 1 - Accounting principles and valuation methods

### 1-1 – Standards application and interpretation, and regulations

The consolidated financial statements of the DELTA DRONE Group are drawn up in accordance with the IFRS (International Financial Reporting Standard) as adopted by the European Union and published in the Official Journal of the European Union.

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

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) and recalled in Note 3 of this document, relating to the transition to IFRS.

No standards, interpretations, or amendments to existing standards applicable as of July 1, 2022, have been identified and therefore retained in advance as of June 30, 2021.

The consolidated financial statements of the DELTA DRONE Group are presented for the first time in IFRS standards for the year ended December 31, 2020, and for the half-year accounting closure on June 30, 2021.

The financial year ended December 31, 2020, established under French standards. Statements have been published on the Group's website, which contains all the consolidated analytical elements of the DELTA DRONE Group for the years end 2020 and 2019.

It emerges from this transition of accounting standards that the consolidated financial statements of the DELTA DRONE Group established in accordance with IFRS at the time of the half-year closing on June 30, 2021 present all the comparative information between the 2 accounting standards and the impacts transition required by IFRS 1 and incorporate the following general principles: fair presentation, operating continuity, accrual accounting method, consistency of presentation, materiality and consolidation.

### 1-2 – Preparation bases



The accounting principles and valuation methods set out below were applied to the half-year financial statements ending June 30, 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 – Standards, standards amendments and interpretations applicable from the fiscal year beginning on January 1, 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 did not have any impact on the Group's consolidated financial statements as of June 30, 2021.

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

#### **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 June 30, 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).

## 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:

Companies	Consolidation method (*)		Equity percentage		Entry date
	As of June 30th, 2021	As of December 31st, 2020	As of June 30th, 2021	As of December 31st, 2020	
DELTA DRONE	Parent company		100,0%	100,0%	Prior to 2021
MTSI	I.G.	I.G.	100,0%	100,0%	Prior to 2021
DELTA DRONE ENGINEERING	I.G.	I.G.	100,0%	100,0%	Prior to 2021
TECHNI DRONE	I.G.	I.G.	100,0%	100,0%	Prior to 2021
PIXIEL	I.G.	I.G.	100,0%	100,0%	Prior to 2021
ATM GROUP SRA	I.G.	I.G.	65,0%	65,0%	Prior to 2021
ATM GROUP SECURITE	I.G.	I.G.	65,0%	65,0%	Prior to 2021
ATM GROUP ACCUEIL	I.G.	I.G.	65,0%	65,0%	Prior to 2021
AFM	I.G.	I.G.	65,0%	65,0%	Prior to 2021
AER NESS TRAINING	I.G.	I.G.	100,0%	100,0%	Prior to 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 on
DELTA DRONE AFRICA	I.G.	I.G.	51,0%	51,0%	Prior to 2021
DELTA DRONE INTERNATIONAL	I.G.	I.G.	50,4%	50,4%	Prior to 2021
PARAZERO	I.G.	I.G.	50,4%	50,4%	Prior to 2021
DELTA DRONE SOUTH AFRICA	I.G.	I.G.	50,4%	100,0%	Prior to 2021
DSL SOUTH AFRICA	I.G.	I.G.	50,4%	100,0%	Prior to 2021
ROCKETMINE SOUTH AFRICA	I.G.	I.G.	37,3%	74,0%	Prior to 2021
ROCKETMINE AUSTRALIA	I.G.	I.G.	50,4%	100,0%	Prior to 2021
ROCKETMINE GHANA	I.G.	I.G.	33,6%	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 participation of this entity is integrated on 06/30/2021 in the holding perimeter of UNITED DRONE TECHNOLOGIES SAS, the Group's investment company.



(\*) :

I.G.: Global Integration

M.E.: Equity Method

N/A: Not applicable

### Companies excluded from the consolidation scope:

Are excluded from the scope of consolidation as of June 30<sup>th</sup>, 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 June 30<sup>th</sup>, 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 June 30<sup>th</sup>, 2021, in the capital of the remaining entities of the DELTA DRONE NETWORK are as follows:

DELTA DRONE NETWORK companies	Participation rate as of June 30 <sup>th</sup> , 2021
R-DRONE (1)	17,5%
RPL VISION (1)	24,4%
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 30<sup>th</sup>, 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	450
Decreases / Exits	
At the end of the period	10 452
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	4 294

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



	31/12/2020 IFRS Net values	Increases / Acquisitions	Decreases / Exit	Depreciations	Transfers	30/06/2021 Net values
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
<b>TOTALS</b>	<b>3 844</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4 294</b>





## Impairment losses

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

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

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

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

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

Goodwill as of June 30, 2021, breaks down as follows:

(In K€)	
	Net values
Professional solutions	3 460
PIXIEL	906
ATM GROUP SRA	2 554
Training	515
TECHNIDRONE	515
Mining professional turnkey solutions	320
ROCKETMINE	320
<b>TOTAL</b>	<b>4 294</b>

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 1<sup>st</sup>, 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
<b>Gross values</b>				
At the start of the financial year	8 137	382	515	9 034
Increases / Acquisitions	366	34		400
IFRS 1 restatements				0
Decreases / Exits				0
Change in scope	Entrance			0
Change in scope	Exit			0
Bank transfer				0
<b>At the end of the period</b>	<b>8 503</b>	<b>417</b>	<b>515</b>	<b>9 435</b>
<b>Depreciations</b>				
At the start of the financial year	(5 165)	(320)	(515)	(6 000)
Depreciation and amortization	(390)	(26)		(416)
IFRS 1 restatements				0
Depreciation / Impairment allowances				0
Reversals of depreciation / Impairment loss				0
Decreases / Exits				0
Change in scope	Entrance			0
Change in scope	Exit			0
Bank transfer				0
<b>At the end of the period</b>	<b>(5 555)</b>	<b>(346)</b>	<b>(515)</b>	<b>(6 416)</b>
<b>Net values</b>				
At the start of the financial year	2 972	62	0	3 034
<b>At the end of the period</b>	<b>2 948</b>	<b>71</b>	<b>0</b>	<b>3 019</b>

As part of the adoption of the IFRS reference framework for the presentation of the Group's consolidated financial statements, an in-depth analysis of the various movable rental contracts was performed in accordance with IFRS 16. Thus, the rights of use calculated as of June 30, 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.



## Note 6 – Tangible fixed assets

(In K€)

	Rights of use real estate rentals IFRS 16	Technical installations	Rights of use of IFRS 16 movable leases	Other tangible fixed assets	Total
<b>Gross values</b>					
At the start of the financial year	0	1 355	0	2 331	3 686
Increases / Acquisitions		87		283	370
Decreases / Exits		(23)		(32)	(55)
IFRS 16 restatements	3 880	26	251		4 157
Change in scope	Entrance				0
Change in scope	Exit				0
Bank transfer		(318)		384	66
<b>At the end of the period</b>	<b>3 880</b>	<b>1 127</b>	<b>251</b>	<b>2 966</b>	<b>8 224</b>
<b>Depreciations</b>					
At the start of the financial year	0	(985)	0	(1 443)	(2 428)
Depreciation and amortization	(226)	(97)	(62)	(227)	(611)
IFRS 16 restatements	(244)				(244)
Depreciation / Impairment allowances					0
Reversals of depreciation / Impairment loss					0
Decreases / Exits		2		27	29
Change in scope	Entrance				0
Change in scope	Exit				0
Bank transfer		296		(353)	(57)
<b>At the end of the period</b>	<b>(470)</b>	<b>(784)</b>	<b>(62)</b>	<b>(1 996)</b>	<b>(3 311)</b>
<b>Net values</b>					
At the start of the financial year	0	370	0	888	1 258
<b>At the end of the period</b>	<b>3 411</b>	<b>343</b>	<b>189</b>	<b>970</b>	<b>4 912</b>

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 30 June 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 of use real estate rentals IFRS 16	Rights of use of IFRS 16 movable leases	Total
Gross values				
At the start of the financial year				
Right to use	DD - Buildings	3 341	0	3 341
	DDX - Buildings	0	0	0
	PIXIEL - Buildings	0	0	0
	TD - Buildings	0	0	0
	DD AFRICA - Buildings	81	0	81
	AMF - Buildings	33	0	33
	ATM GS - Buildings	283	0	283
	ATM GSRA - Buildings	23	0	23
	DD AFS - Buildings	50	0	50
	ROCKETMINE - Buildings	68	0	68
	DD - Other rentals	0	157	157
	DDX - Other rentals	0	24	24
	PIXIEL - Other rentals	0	3	3
	TD - Other rentals	0	5	5
	DD AFRICA - Other rentals	0	0	0
	AMF - Other rentals	0	0	0
	ATM GS - Other rentals	0	87	87
	ATM GSRA - Other rentals	0	0	0
	DD AFS - Other rentals	0	0	0
	ROCKETMINE - Other rentals	0	0	0
At the end of the period		3 880	277	4 157
Depreciations				
At the start of the financial year				
DAP right to use	DD - Buildings	(159)	0	(159)
	DDX - Buildings	0	0	0
	PIXIEL - Buildings	0	0	0
	TD - Buildings	0	0	0
	DD AFRICA - Buildings	(9)	0	(9)
	AMF - Buildings	(3)	0	(3)
	ATM GS - Buildings	(29)	0	(29)
	ATM GSRA - Buildings	(2)	0	(2)
	DD AFS - Buildings	(10)	0	(10)
	ROCKETMINE - Buildings	(14)	0	(14)
	DD - Other rentals	0	(37)	(37)
	DDX - Other rentals	0	(7)	(7)
	PIXIEL - Other rentals	0	(2)	(2)
	TD - Other rentals	0	(2)	(2)
	DD AFRICA - Other rentals	0	0	0
	AMF - Other rentals	0	0	0
	ATM GS - Other rentals	0	(15)	(15)
	ATM GSRA - Other rentals	0	0	0
	DD AFS - Other rentals	0	0	0
	ROCKETMINE - Other rentals	0	0	0
At the end of the period		(226)	(62)	(287)
Net values				
At the start of the financial year				
		0	0	0
At the end of the period		3 655	215	3 869



## 6-1 – Finance lease contract (furniture leasing)

(In K€)

	Technical installations	Other tangible fixed assets	Total
<b>Gross values</b>			
At the start of the financial year	823	0	823
Increases / Acquisitions	59	71	130
Decreases / Exits			0
IFRS 1 restatements			0
Change in scope			0
Consolidation restatements	(52)		(52)
<b>At the end of the period</b>	<b>830</b>	<b>71</b>	<b>901</b>
<b>Depreciations</b>			
At the start of the financial year	(567)	0	(567)
Depreciation and amortization	(62)	(9)	(71)
Decreases / Exits			0
Change in scope			0
Consolidation restatements	51	(35)	16
<b>At the end of the period</b>	<b>(578)</b>	<b>(43)</b>	<b>(621)</b>
<b>Net values</b>			
At the start of the financial year	256	0	256
<b>At the end of the period</b>	<b>252</b>	<b>28</b>	<b>280</b>

## 6-2 – Information on furniture leasing debt

(In K€)

	2021	2020
Residual value of debt at the end of the period	280	256
Maturity of residual debt at the end of the period		
Less than a year	144	106
2 to 5 years	136	150
More than 5 years	0	0



## Note 7 – Investments in associates

### 7-1 – Value of equity-accounted investments

(In K€)

		Investments in associates
At the start of the financial year		(423)
Increases		167
Decreases		(76)
Change in scope	Entrance	342
Change in scope	Exit	
At the end of the period		10

### 7-2 – Details of equity-accounted investments

(In K€)

	As of June 30th 2021	As of December 31st 2020
SAS DRONE PROTECT SYSTEM	(157)	(81)
SAS SNOWSKUT	167	0
SA AERO41	0	(342)
Total	10	(423)

All the Group's associates are accounted for using the equity method. AERO41 was deconsolidated on June 30, 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) <sup>(1)</sup>
SAS SNOWSKUT	180	0
SA AERO41	0	0
<b>Total</b>	<b>(169)</b>	<b>(350)</b>

**(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 June 30, 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 June 30, 2021, 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 December 31 2020(French GAAP)		1 640
Change in fair value	Increase	598
	Decrease	
At the start of the financial year(IFRS)		2 238
Increase		640
Decrease		(3)
Change in fair value	Increase	5 290
	Decrease	
Change in provisions	Dotations	(1 000)
	Reversals	
Change in scope		55
Exchange rate variation		
At the end of the period		7 219





## Note 9 – Other fixed financial assets

(In K€)

	Receivables on equity investments	Other financial assets	Total
<b>Gross values</b>			
At the start of the financial year	156	2 724	2 880
Increases / Acquisitions	53	641	694
Decreases / Exits		(15)	(15)
Change in scope		54	54
Fair value measurement		5 290	5 290
Bank transferts	405		405
<b>At the end of the period</b>	<b>614</b>	<b>8 694</b>	<b>9 308</b>
<b>Depreciations</b>			
At the start of the financial year	0	53	53
Endowments		1 000	1 000
Reversal			0
Change in scope			0
Bank transferts			0
<b>At the end of the period</b>	<b>0</b>	<b>1 053</b>	<b>1 053</b>
<b>Valeurs nettes</b>			
At the start of the financial year	156	2 671	2 827
<b>At the end of the period</b>	<b>614</b>	<b>7 641</b>	<b>8 255</b>



## Note 10 – Inventories

'(In K€)

	IFRS		Impacts of change of repository	French GAAP	
	30/06/2021	31/12/2020		31/12/2020	
Raw materials	990	716	0	716	
In production	0	0	0	0	
Intermediate and seedlings products	1 507	1 613	0	1 613	
Goods	321	427	0	427	
Other supplies	0	0	0	0	
<b>Gross values</b>	<b>2 819</b>	<b>2 757</b>	<b>0</b>	<b>2 757</b>	
Provisions on raw materials and goods	(194)	(72)	0	(72)	
Provisions on intermediate and seedlings products	0	0	0	0	
Provisions on other supplies	0	0	0	0	
<b>Depreciations</b>	<b>(194)</b>	<b>(72)</b>	<b>0</b>	<b>(72)</b>	
<b>Net values</b>	<b>2 624</b>	<b>2 685</b>	<b>0</b>	<b>2 685</b>	

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	2 291	2 387	0	2 387
Unbilled revenue	52	110	0	110
<b>Gross values</b>	<b>2 343</b>	<b>2 497</b>	<b>0</b>	<b>2 497</b>
Provisions	(183)	(177)	0	(177)
Depreciations	(183)	(177)	0	(177)
<b>Net values</b>	<b>2 160</b>	<b>2 320</b>	<b>0</b>	<b>2 320</b>

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	115	205	0	205
Tax receivables	1 110	828	0	828
Social security receivables	160	202	0	202
Corporate tax	286	299	0	299
Current account	4	4	0	4
Other receivables	0	53	0	53
Prepayments	551	468	(317)	785
<b>Gross values</b>	<b>2 226</b>	<b>2 059</b>	<b>(317)</b>	<b>2 376</b>
Provisions	0	(3)	0	(3)
Depreciations	0	(3)	0	(3)
<b>Net values</b>	<b>2 226</b>	<b>2 056</b>	<b>(317)</b>	<b>2 373</b>



## 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	25	25	0	25
Investment securities depreciation	0	0	0	0
<b>Net investment securities</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>25</b>
Availability	5 516	4 986	0	4 986
Treasury - Asset	5 516	5 012	0	5 012
Bank overdrafts	(152)	(268)	0	(268)
Treasury - liability	(152)	(268)	0	(268)
<b>Net treasury</b>	<b>5 389</b>	<b>4 769</b>	<b>0</b>	<b>4 769</b>

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 1,225,119,183 shares with a par value of € 0.001 each.

	Number of common shares	Par value of the shares (in €)	Amount of share capital (in €)
As at 31/12/2020	845 417 377	0,001	845 417,38
Increases	379 701 806	0,001	379 701,81
Decreases	0	0,001	0,00
<b>As at 30/06/2021</b>	<b>1 225 119 183</b>	<b>0,001</b>	<b>1 225 119,18</b>



## 14-2 – Non-controlling interests

(In K€)	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
The non-Group share in reserves amounts for	2 996	2 260	386	1 874
The share outside the Group in the result amounts for	(343)	723	558	165
<b>Total</b>	<b>2 653</b>	<b>2 983</b>	<b>944</b>	<b>2 039</b>

## Note 14-3 – Treasury shares

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Amount of shares	19 492	9 893	0	9 893
Amount in K€	0,11	0,26	0	0,26
<b>Total</b>	<b>19 492</b>	<b>9 893</b>	<b>0</b>	<b>9 893</b>

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 the first half of 2021, transactions in number of shares are as follows:

<i>(In amount of shares)</i>	First half of 2021
Purchases	82 471
Sales	72 872



## Note 15 – Provisions

### 15-1 – Provisions for liabilities and charges

(In K€)

	IFRS						Impacts of change of repository	French GAAP		
	30/06/2021			31/12/2020				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	366
Other provisions for liabilities and charges	0	0	0	0	0	0	0	0	0	0
Provisions for retirement benefits	0	152	152	0	143	143	0	0	143	143
Other provisions(BADWILL)	0	0	0	0	0	0	-42	42	0	42
<b>Total</b>	<b>0</b>	<b>339</b>	<b>339</b>	<b>0</b>	<b>509</b>	<b>509</b>	<b>(42)</b>	<b>42</b>	<b>509</b>	<b>551</b>

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

These provisions mainly relate to labour 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	24	24
Used reversals		(115)	0	0	(115)
Unused reversals		(64)	0	(15)	(80)
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
<b>Total</b>		<b>187</b>	<b>0</b>	<b>152</b>	<b>339</b>

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 June 30, 2021.



As of June 30, 2021, deferred taxes show the following balances:

(In K€)		30/06/2021
<b>Deferred tax - ASSET</b>		
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		22
Expenses for the period		
Change in scope	Entrance	
Change in scope	Exit	
Bank transferts		184
IDA limitation		(99)
<b>At the end of the period</b>		<b>207</b>
<b>Deferred tax - LIABILITY</b>		
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		(14)
Impact in reserves		
Change in scope	Entrance	
Change in scope	Exit	
Bank transferts		115
IDA limitation		(99)
<b>At the end of the period</b>		<b>0</b>
<b>Net values</b>		
At the start of the financial year		98
<b>At the end of the period</b>		<b>207</b>





## Note 17 – Current and non-current financial liabilities

### 17-1 – Details of financial debts

(In K€)

	IFRS						Impacts of change of repository	French GAAP 31/12/2020		
	30/06/2021		Total	31/12/2020		Total		Current	Non current	Total
	Current	Non current			Current		Non current			
Other long-term liabilities										
Current accounts less than 1 year old	6	0	6	0	0	0	0	0	0	0
Current accounts over 1 year old	0	1 167	1 167	0	228	228	0	0	228	228
<b>Other long-term liabilities</b>	<b>6</b>	<b>1 167</b>	<b>1 174</b>	<b>0</b>	<b>228</b>	<b>228</b>	<b>0</b>	<b>0</b>	<b>228</b>	<b>228</b>
Financial debts										
Financial debts within 1 year	570	0	570	705	0	705	0	705	0	705
Financial debts after over 1 year	0	643	643	0	1 005	1 005	0	0	1 005	1 005
Current bank accounts payable	146	0	146	262	0	262	0	262	0	262
Accrued interest not yet due on availability	6	0	6	6	0	6	0	6	0	6
Government advances within 1 year	0	0	0	202	0	202	0	202	0	202
Government advances over 1 year	0	309	309	0	52	52	0	0	52	52
Loans convertible into shares	0	0	0	0	0	0	(1 960)	0	1 960	1 960
<b>Financial debts</b>	<b>722</b>	<b>952</b>	<b>1 674</b>	<b>1 175</b>	<b>1 057</b>	<b>2 232</b>	<b>(1 960)</b>	<b>1 175</b>	<b>3 017</b>	<b>4 192</b>
Rental financial debts										
Rental financial debts less than 1 year old	707	0	707	0	0	0	0	0	0	0
Rental financial debts over 1 year old	0	3 348	3 348	0	0	0	0	0	0	0
<b>Rental financial debts</b>	<b>707</b>	<b>3 348</b>	<b>4 055</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financial debts</b>	<b>1 435</b>	<b>5 467</b>	<b>6 902</b>	<b>1 175</b>	<b>1 285</b>	<b>2 460</b>	<b>(1 960)</b>	<b>1 175</b>	<b>3 245</b>	<b>4 420</b>

### 17-2 – Credit and currency risks

#### Credit risks

A single loan taken by the company ATM GROUP SRA is subject to a "leverage covenant" liable to lead to early repayment in the event of non-compliance.

The calculation formula is as follows:

*Sum of net debts increased by outstanding leases and factoring at the closing date of the financial years of the companies ATM Group SRA, ATM Group Sécurité and APIC Sécurité*

*Divided by*

*Sum of Gross Operating Surpluses of ATM Group Sécurité and APIC Sécurité.*

The "leverage covenant" must be less than or equal to 2% from the financial year ended in 2016 until the extinction of the loan, the term of which is December 31, 2021.

#### Currency risks

Receivables and payables in foreign currencies are converted at the closing price.

Exchange differences happening during the conversion of "intragroup" receivables and debts were recorded on the "Translation difference" line recorded in consolidated shareholders' equity. The major part of the amount recorded as of June 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	French GAAP
	30/06/2021	31/12/2020	of repository	31/12/2020
<b>Current accounts</b>				
Current accounts	1 174	228	0	228
<b>Financial debts</b>				
Loans and debts	1 219	1 710	0	1 710
Current bank account payable	146	268	0	268
Government advances	309	254	0	254
Convertible debts	0	0	(1 960)	1 960
Rental financial debts	4 055	0	0	0
<b>Financial debts</b>	<b>5 729</b>	<b>2 232</b>	<b>(1 960)</b>	<b>4 192</b>
<b>Cash and equivalents</b>				
Cash and equivalents	5 541	5 012	0	5 012
<b>Cash and equivalents</b>	<b>5 541</b>	<b>5 012</b>	<b>0</b>	<b>5 012</b>
(In K €)				
	IFRS		Impacts of change	French GAAP
	30/06/2021	31/12/2020	of repository	31/12/2020
<b>Net financial debt</b>	<b>187</b>	<b>(2 779)</b>	<b>(1 960)</b>	<b>(820)</b>
Long term debts	1 429	1 057	(1 960)	3 017
Short term debts	4 300	1 175	0	1 175
Cash and equivalents	5 541	5 012	0	5 012
<b>Net financial debt</b>	<b>187</b>	<b>(2 779)</b>	<b>(1 960)</b>	<b>(819)</b>



## Note 18 – Accounts payable

(In K €)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Payables	1 886	2 459	0	2 459
Debt on fixed assets	399	45	0	45
<b>Trade payables and related accounts</b>	<b>2 285</b>	<b>2 504</b>	<b>0</b>	<b>2 504</b>

## 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	1 257	1 052	0	1 052
Social debts	2 376	2 483	0	2 483
Coportate tax	1	8	0	8
Other operating debts	3	836	0	836
Advances and prepayments on orders	12	68	0	68
Prepaid income	230	213	0	213
<b>Trade payables and related accounts</b>	<b>3 880</b>	<b>4 659</b>	<b>0</b>	<b>4 659</b>



## 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
	30/06/2021	31/12/2020		31/12/2020
Professional solutions	5 238	11 046	0	11 046
Training	199	309	0	309
Mining professional turnkey solutions	1 550	2 062	0	2 062
<b>Total turnover</b>	<b>6 987</b>	<b>13 417</b>	<b>0</b>	<b>13 417</b>

### 20- 2 -Other operating income

(In K €)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Stocked production	(106)	1 573	0	1 573
Capitalised production	366	1 872	0	1 872
Operating grant	116	147	0	147
Load transfers	178	213	0	213
Other income	28	60	0	60
<b>Total of other activity income</b>	<b>582</b>	<b>3 865</b>	<b>0</b>	<b>3 865</b>

## Note 21 – Purchases, taxes and personnel costs

### 21-1 - Purchases, taxes and personnel costs

(In K €)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Raw material purchases	489	3 950	0	3 950
Change in inventory	-156	(169)	0	(169)
Other purchases and external expenses	3 199	4 523	0	4 523
<b>Purchases and changes in inventories</b>	<b>3 533</b>	<b>8 305</b>	<b>0</b>	<b>8 305</b>
Taxes and other payments	130	423	0	423
<b>Taxes and other payments</b>	<b>130</b>	<b>423</b>	<b>0</b>	<b>423</b>
Wages and assimilated salaries	5 380	9 753	0	9 753
Social charges	1 614	2 972	0	2 972
<b>Personnel costs</b>	<b>6 994</b>	<b>12 726</b>	<b>0</b>	<b>12 726</b>
<b>Total of operating costs</b>	<b>10 657</b>	<b>21 454</b>	<b>0</b>	<b>21 454</b>



## 21-2 – Workforce

	30/06/2021	31/12/2020
Professional solutions		
DELTA DRONE	22	25
MTSI		0
DELTA DRONE EXPERTS	6	8
PIXIEL	5	7
DELTA DRONE ENGINEERING	8	7
ATM GROUP SRA	5	5
ATM GROUP ACCUEIL	13	13
ATM GROUP SECURITE	332	332
DELTA DRONE AFRICA		0
DELTA DRONE COTE D'IVOIRE		0
Training		
AMF	0	0
TECHNIDRONE	7	4
DSL AFRICA	2	2
Mining professional turnkey solutions		
DELTA DRONE INTERNATIONAL	1	0
ROCKETMINE AUSTRALIA	0	0
PARAZERO	10	10
DELTA DRONE SOUTH AFRICA	1	2
ROCKETMINE SOUTH AFRICA	36	27
ROCKETMINE GHANA	7	7
<b>Total workforce of the Group</b>	<b>455</b>	<b>449</b>



## 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	1 040	1 618	0	1 618
	1 040	1 618	(1 780)	3 398
Allocations for depreciation of fixed assets	0	0	0	0
Reversal for depreciation of fixed assets	0	0	0	0
Net	0	0	0	0
Allowances for depreciation of current assets	129	138	0	138
Reversals for depreciation of current assets	(75)	(245)	0	(245)
Net	54	(107)	0	(107)
Allocations to provisions for R&C	24	5	0	5
Reversals of provisions for R&C	(120)	(37)	0	(37)
Net	(96)	(32)	0	(32)
<b>Net total</b>	<b>998</b>	<b>1 479</b>	<b>(1 780)</b>	<b>3 259</b>

## 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	29	0	524	0	0	524
Other operating income	0	12	0	137	0	0	137
Reversals of operational provisions	0	0	0	108	0	0	108
Reversals of provisions for depreciation of EA	0	0	0	0	0	0	0
VNC of assets sold	27	0	2 124	0	0	2 124	0
Other operating expenses	133	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
<b>Total</b>	<b>160</b>	<b>42</b>	<b>3 611</b>	<b>769</b>	<b>(749)</b>	<b>2 862</b>	<b>769</b>
<b>Total net</b>	<b>(118)</b>		<b>(2 842)</b>		<b>(749)</b>	<b>(2 093)</b>	



## 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		31/12/2020
Current operating income	(4 224)	(5 777)	1 780	(7 557)
Impact of movements on fixed assets	3	(1 600)	0	(1 600)
Impact of changes in provisions	0	55	0	55
Impacts of staff departures during the period	(57)	(548)	0	(548)
Impacts of tax liabilities	(64)	0	0	0
Impact of goodwill depreciation	0	(749)	(749)	0
<b>Net total</b>	<b>(4 342)</b>	<b>(8 619)</b>	<b>1 031</b>	<b>(9 650)</b>

## Note 24 – Income from cash and equivalents

(In K€)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Income from securities and other traded receivables	3	18	0	18
<b>Total</b>	<b>3</b>	<b>18</b>	<b>0</b>	<b>18</b>

## Note 25 – Cost of gross financial debt

(In K€)

	IFRS		Impacts of change of repository	French GAAP
	30/06/2021	31/12/2020		31/12/2020
Interest expenses	98	129	0	129
<b>Total</b>	<b>98</b>	<b>129</b>	<b>0</b>	<b>129</b>



## Note 26 – Other financial income and expenses

(In K€)

	IFRS		IFRS		Impacts of change of repository	French GAAP	
	30/06/2021		31/12/2020			31/12/2020	
	Expenses	Income	Expenses	Income		Expenses	Income
Reversals of financial provisions	0	4	0	23	0	0	23
Fair value of investments	0	5 290	0	598	598	0	0
Currency exchange gain	0	1	0	15	(0)	0	15
Other financial products	0	0	0	60	35	0	25
Currency exchange loss	7	0	69	0	0	65	0
Other financial expenses	5	0	465	0	158	623	0
Allocations to financial provisions	1 000	0	0	0	(41)	(41)	0
<b>Total</b>	<b>1 012</b>	<b>5 296</b>	<b>534</b>	<b>697</b>	<b>750</b>	<b>647</b>	<b>64</b>
<b>Net total</b>	<b>4 283</b>		<b>163</b>		<b>750</b>	<b>(583)</b>	

## Note 27 – Financial result

(In K€)

	IFRS		Impacts of change of repository	FRENCH GAAP	
	30/06/2021			31/12/2020	
Income from securities and other receivables	(3)	(18)	0	(18)	
Cost of gross financial debt	(98)	(129)	0	(129)	
<b>Cost of net financial debt</b>	<b>(101)</b>	<b>(147)</b>	<b>0</b>	<b>(147)</b>	
Other financial income and expenses	4 283	163	599	(436)	
<b>Financial result</b>	<b>4 182</b>		<b>16</b>	<b>(583)</b>	

## Note 28 – Tax expenses

(In K€)

	IFRS		Impacts of change of repository	FRENCH GAAP	
	30/06/2021			31/12/2020	
Social tax expenses	(18)	(68)	0	(68)	
Deferred taxes	8	(53)	0	(53)	
<b>Tax expenses</b>	<b>(10)</b>		<b>(122)</b>	<b>(122)</b>	

## Note 29 – Share of associates net income

(In K€)

	30/06/2021	31/12/2020
DRONE PROTECT SYSTEM	(76)	(360)
AERO41	0	(147)
SNOWSKUT	(10)	0
<b>Total share of associates net income (MEE)</b>	<b>(86)</b>	<b>(507)</b>





## 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		FRENCH GAAP
	30/06/2021	31/12/2020	31/12/2020
Profit (Loss) for the period - Group share	86 073	(9 955 681)	(10 697 100)
Number of shares used for basic earnings per share	1 225 119 183	845 417 377	845 417 377
<b>Earnings per share</b>	<b>0,00</b>	<b>(0,01)</b>	<b>(0,01)</b>

### 30 -2 – Diluted result

Diluted earnings per share is calculated by dividing the net income attributable to the shareholders of DELTA DRONE by the number of shares in circulation as of June 30, 2021, adjusted for the maximum impact of:

	IFRS		FRENCH GAAP
	30/06/2021	31/12/2020	31/12/2020
Profit (Loss) for the period - Group share	86 073	(9 955 681)	(10 697 100)
Number of shares used for diluted earnings per share	2 058 247 780	1 280 100 859	1 280 100 859
<b>Earnings per share</b>	<b>0,00</b>	<b>(0,01)</b>	<b>(0,01)</b>

	IFRS		FRENCH GAAP
	30/06/2021	31/12/2020	31/12/2020
Number of shares:	1 225 119 183	845 417 377	845 417 377
Shares potentially allocated on BS + AGA + OC (*):	833 128 597	434 683 482	434 683 482
<b>Total in "Full diluted" shares:</b>	<b>2 058 247 780</b>	<b>1 280 100 859</b>	<b>1 280 100 859</b>

### Current share warrants

#### 1) « OCABSA October 2016 » BSA:

Remain in circulation:

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

- Instalment 9 BSA, i.e., 22 058 823. These BSA are listed and fungible with the BSA Y.

#### 2) BSA Y:

The BSA Y, created during the February 2019 operation and resulting from the exercise of the BSA J, amount to 11,384,872.

#### 3) BSA ORNAN #2:

BSA related to the ORNAN instalments subscribed in 2020 amount to 243,676,015.



4) BSA ORNAN #3:

BSA attached to the ORNAN instalments subscribed in 2021 amount to 176,668,783.

*Allotments of Free Shares being created:*

1) Board of Directors of September 30<sup>th</sup>, 2020:

16,406,767 shares were allocated and will be created on September 30, 2021

2) Board of Directors of September 19<sup>th</sup>, 2020:

14,023,351 shares were allocated and will be created on November 19, 2021

3) Board of Directors of January 5<sup>th</sup>, 2021:

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

4) Board of Directors of March 31<sup>st</sup>, 2021:

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

5) Board of Directors of July 1<sup>st</sup>, 2021:

16,856,458 shares have been allocated and will be created on July 1, 2022.

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

The potential shares related to the 330 ORNAN subscribed and not converted as of June 30, 2021, amount to 307,545,011.

Thus, the potential number of shares to be issued is 833,128,597 shares, i.e., added to those composing the capital as of June 30, 2021, a total of 2,058,247,780 shares.

## Note 31 – Off-balance sheet commitments

### Covenants

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

### Unmatured discounted bills:

No unmatured expected effect is recognized as of June 30, 2021.



Other commitments given or received:

	Commitments given	Commitments received
<b>DELTA DRONE SA</b>		
PGE BNP PARIBAS LOAN - 135 K€	NONE	State guarantee granted by the banking establishments
<b>TECHNI DRONE SAS</b>		
CAISSE D'EPARGNE LOIRE DROME ARDECHE LOAN - 60 K€	Pledge on financial material	BPI France guarantee for 50% of the loan
CREDIT COOPERATIF LOAN - 250 K€	Pledge of business assets up to 100% of the loan and pledge of SOMUDIMEC shares	BPI France guarantee for 50% of the loan
<b>PIXIEL SAS</b>		
BPI LOAN - 100 K€	NONE	100% guarantee from the "CCI Innovation Pays de la Loire" Fund
CIC LOAN- 300 K€	Pledge of business assets for 100% of the loan	BPI France guarantee for 60% of the loan
BPI LOAN - 500 K€	Retention of 25K€ as a "cash pledge"	Guarantee of the loan by: - The PPI Guarantee Fund for 30% and, - the European Investment Fund (EIF) for 50%
<b>ATM GROUP SRA SAS</b>		
LCL LOAN - 800 K€	Pledge of financial securities and blocking of the current account opened in the books of ATM GROUP SRA, in the name of Mr Christian BARD, amounting €300,000	Partial guarantee granted by BPI France Financement for 40% of the outstanding amounts due
<b>ATM GROUP SECURITE SAS</b>		
LCL LOAN - 50 K€	NONE	NONE
EMPRUNT PGE LCL - 250 K€	NONE	State guarantee granted by the banking establishments



## Note 32 – Consolidated segment information

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

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

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

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

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

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

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

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

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

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

As of June 30, 2021, the results by business sector are detailed below:

	30/06/2021				IFRS				Impacts of change of repository	French GAAP			
	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	5 238	199	1 550	6 987	11 046	309	2 062	13 417	0	11 046	309	2 062	13 417
EBITDA	(2 480)	(170)	(576)	(3 226)	(4 449)	(136)	287	(4 298)	0	(4 449)	(136)	287	(4 298)
Current Operating Profit (ROC)	(3 265)	(216)	(743)	(4 224)	(5 595)	(194)	12	(5 777)	1 780	(7 032)	(194)	(331)	(7 557)
Operating result				(4 342)				(8 619)	1 031				(9 650)
Result before taxes				(160)				(8 604)	1 629				(10 233)
Tax expenses				(10)				(122)	0				(122)
Share of associates net income				(86)				(507)	0				(507)
<b>Net result of consolidated companies</b>				<b>(256)</b>				<b>(9 233)</b>					<b>(10 862)</b>



Note 33 – Audit related fees

(In €)

Entities	Services provided as part of the due diligence directly related to the statutory audit mission
DELTA DRONE SA	19 000
DELTA DRONE ENGINEERING SAS	N/A
ECOLE FRANCAISE DU DRONE SAS	N/A
TECHNI DRONE SAS	N/A
PIXIEL SAS	N/A
DELTA DRONE EXPERTS	N/A
DRONE PROTECT SYSTEM	N/A

