

Delta Drone Adds Military Drones to its Core Business and Proposes Name Change to Tonner Drones

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Following its acquisition of military drone company Tonner Drones, Delta Drone (the “**Company**”) is adding to its core business by including the development and sales of military drones and their associated software and services. In addition, the Company proposes to change its name to Tonner Drones.

As a condition to their initial investment announced on 5 June 2023 of € 1.5 million, the new investor group, led by Mr. Diede van den Ouden (the “**New Investor**”), insisted that the former Delta Drone management team be replaced, and that a new management team led by Jean-François Ott and Brad Taylor optimize the management of the company and develop a new vision and strategy. The new management team brings to the Company an extensive network in the corporate, governmental, and financial sectors particularly throughout Europe, North America, and Africa that it fully intends on using to generate shareholder value.

In the first few weeks since arriving, the new management has been focused on (i) reducing the monthly cash burn through the payment plan announced on 27 June 2023 with Yorkville and optimizing operations¹; (ii) securing the € 1 million shareholder loan with the New Investor as announced on 18 June 2023 that provides the Company with short term operational funds; (iii) terminating variable pricing financing products; and (iv) working with partners and other stakeholders to generate revenues for the company.

Current studies² indicate that the global military drone sector has a value of approximately € 12 billion growing to more than € 30 billion by 2030. By adding military drones to its strategy, the Company aims to develop its technology and products to meet this increasing demand. The Company sees significant potential in the Tonner Drones military technology and the technology developed by Delta Drone over more than a decade to increase shareholder value.

At the core of Tonner Drones is modular drone technology with firing capabilities that has been developed for the military sector since 2018 at a cost of more than € 8 million. In addition to the associated intellectual property, hardware, software, and technology, the company owns the rights to a recoil ejection system patent in Germany as well as pending patents before the World Intellectual Property Organization (WIPO), Europe, Australia, New Zealand, Canada, and the United States. Tonner Drones is still in the process of developing this technology. Of note, while this technology was developed for the military, the modular nature of the technology means that it can also be modified for applications in the security, firefighting (including forest firefighting and prevention), search and rescue (including the delivery of medical necessities), and agricultural planting sectors. While the Company’s initial focus will be on the military sector, it will also evaluate and develop products in parallel for these other sectors as needed.

The Tonner Drones military technology is needed most urgently today in the Ukraine and several African nations. Productive discussions have already been taking place with corporate and governmental representatives in these and other regions.

The Company’s objective will be to work on site with its customers to study the specific military challenges each is confronting so that we can develop robust, easy-to-operate, and unique tailor-made military drone solutions for them. By interacting on the ground with the military and security personnel who are charged daily with the responsibility of protecting the lives of their citizens, the Company believes it can best develop drone solutions that will cater properly and specifically to their immediate needs. These solutions are not optimized with “one size fits all” products developed in a research and

¹ https://www.deltadrone.com/wp-content/uploads/2023/07/DeltaDrone_CP_DeltaDrone_Yorkville_27.06.2023_EN_VD.pdf

² <https://www.precedenceresearch.com/military-drones-market>

<https://www.vantagemarketresearch.com/industry-report/military-drone-market-1930>

<https://www.alliedmarketresearch.com/military-drones-market-A07156>

development facility or warehouse offsite. Each military situation and region are unique; therefore, each product must be unique and developed onsite with the teams confronting these challenges every day.

The Company also has at its disposal the extensive inventory of drones, equipment, charging stations, batteries, software, materials, video and surveillance devices, telescopic cranes, and technology developed over the years by Delta Drone. These items are being evaluated and will be re-tooled and modified to meet the needs of the Company's new strategy.

"We are focused on the future by creating a new company that will build upon more than a decade of technological development and experience at Delta Drone by adding a military drone development component," said Brad Taylor, the new CEO "I am confident that this strategy will open up new markets and clients for the company to generate value for our shareholders and stakeholders."

About Delta Drone:

The Delta Drone Group is a recognized international player in the sector of civil drones for professional use. It develops a range of professional solutions based on drone technology as well as all associated services that form a complete value chain.

*Delta Drone shares are listed on Euronext Growth Paris – ISIN code: FRO01400H2X4
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