

GROWTH MOMENTUM CONTINUES SEVERAL STRUCTURING STEPS FOR THE FUTURE HAVE BEEN TAKEN SUCCESSFULLY

January 31, 2022 – 6 p.m.

- *2021 consolidated revenue: €16.3 million (+22.3%)*
- *Ramp-up of the Delta Drone International subsidiary*
- *Success of the strategy to create an ecosystem around the UDT subsidiary*
- *Strengthening the pivotal role entrusted to Delta Drone Human Tech (ex-ATM Group)*
- *Continued discussions with the Weasure Group*
- *Decisive legal success for the commercial development of ISS Spotter security solutions.*

1 - Consolidated revenue increased by +22.3% in 2021

Despite the persistence of the global health crisis that is slowing down the development of the activity (travel difficulties, supply disruptions, availability of employees, postponements of delivery and therefore billing, cancellation of events, etc.), Delta Drone has experienced a growing activity.

Revenue generated outside France, through the Australian and South African subsidiary Delta Drone International, amounted to €3.5 million, up +81.7% and represented 21.2% of the consolidated total. Activity in the southern hemisphere is mainly in the mining sector.

In France, activity grew more modestly by +17.6% and represented 78.8% of the consolidated total. It is now focusing on the two ISS Spotter (security) and Countbot (warehouse inventory) solutions, including taking into account the activity of the traditional security division which already plays a key role in the success of these two solutions.

2 – Delta Drone International becomes the market leader for mining activity in the Southern Hemisphere

One year after its incorporation, resulting from the merger of Delta Drone South Africa and ParaZero Ltd, the subsidiary Delta Drone International, listed on the ASX Stock Exchange in Sydney, continues its expansion, in accordance with the objectives assigned:

- The growth of the activity in Southern Africa and Ghana, historical markets, is accelerating and many contracts have been renewed, others won,
- The acquisition, in August 2021, of the Australian company Arvista Pty Ltd provides Delta Drone International with a local Australian team composed of experienced and qualified personnel, with a perfect knowledge of the Australian mining market and a base of existing customers,
- The recent sale (see press release of January 28, 2022) of the subsidiary ParaZero Israel for an amount of A\$ 6 million in cash will allow Delta Drone International to self-finance its future development. The transaction also makes it possible to strongly clarify Delta Drone International's business model, both geographically (business concentration in the southern hemisphere) and at the sectoral level (mining sector).

3 – The UDT portfolio represents an asset value of €8 million for Delta Drone

In 2017, Delta Drone embarked on a bold policy of acquiring minority stakes in companies that were often nascent, but with high growth potential. These operations were carried out via a specific subsidiary company created for this purpose, DDrone Invest originally, UDT today.

In a few years, the portfolio has been made up of 6 participations (Elistair, Donecle, Aero41, Diodon Drone Technologie, Sightec, Skylinx SLX).

At the end of 2021, the cumulative value of the portfolio companies is estimated, according to official analysis by an independent expert, at around €40 million, which gives Delta Drone, taking into account the various percentages of capital held, an asset value equal to €8 million.

Given the development prospects of portfolio companies, it is reasonable to assume that the value of the portfolio could more than double in the next two years.

4 – The "traditional security" division is a key element of the group's strategy

At the end of July 2021, Delta Drone strengthened its position in the capital of ATM Group to hold 100% of the capital. As a result of this operation, ATM Group was renamed Delta Drone Human Tech, marking the full integration of the "traditional private security" division within the group.

Indeed, Delta Drone Human Tech is intended to play an essential pivotal role in the deployment of the group's strategy:

- With an installed base of several dozen customers under multi-year contracts, its subsidiary ATM Group Sécurité plays a role of "Trojan horse" to dronify the private security sector, gradually offering its customers mixed surveillance teams, composed of human agents and cyber agents represented by the ISS Spotter solution,
- As part of security services for events, cultural and sports, ATM Group Sécurité now systematically offers the integration into its system of technological solutions, ISS Spotter and SpotterBot.
- Finally, Delta Drone Human Tech, thanks to the important life of human resources present in its subsidiaries, delegates staff able to acquire a competence of Countbot solution operators.

5 – The Weesure Group remains associated with the group's strategic development

In April 2021 (see press release of April 21), Delta Drone had announced a draft agreement with the Weesure group. Regardless of the economic and strategic interest of the project, the evolution of Delta Drone's stock market valuation did not allow the conclusion of this project on terms satisfactory to the parties.

Taking note of this situation, a new partnership scheme is being finalised. It could be formalized in two parts:

- A strategic partnership agreement in France between Delta Drone and the Weesure group, without a capital link,
- Delta Drone acquires a minority stake in Weesure Africa, the controlling holding company of four operating companies in the security sector in Senegal, Ivory Coast, Benin and Togo.

It should be noted that the teams of Delta Drone and Weesure Africa have started for several months a close collaboration, leading to the establishment of many commercial proposals, mainly related to the ISS Spotter solution.

4 – The Paris Court of Justice confirms the ownership of the patent relating to automatic drone systems

On April 2, 2019, the French company Azur Drones had issued a summons in claim of the French patent filed by DPS (Delta Drone group) under the Number FR1755160 as well as the extension application N° XO 2018/224578.

3 years later, on January 21, 2022, the Judicial Court of Paris issued its decision, according to which:

- DPS (Delta Drone Group) is the sole owner of the entire patent and international extension applications,
- Azur Drones' request to order DPS to return to it the fruits it could have derived from the exploitation of the patent, as well as all its other claims for compensation are rejected,
- The decision is enforceable (despite any appeal).

This judgment of first instance is a very important step in all the legal proceedings initiated between the Delta Drone group and the company Azur Drones. It does not bode well for the outcome of the other ongoing cases, but it should nevertheless allow a beginning of clarification in relation to the market's assessment of the real position of the various players in the segment of security drone systems.

About Delta Drone: Delta Drone Group is a recognized international player in the field of civilian 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 the Euronext Growth Paris market – ISIN code: FR0011522168

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