

Tonner Drones Answers Questions From Shareholders

Schiltigheim, February 21th 2025 8:00, Tonner Drones ('the Company') today publishes the answers to questions it has received from shareholders in the past period.

Tonner Drones meets the wishes of shareholders for good information provision. This is important, especially because so many changes have taken place in the past 2 years. The company hopes to be able to better clarify the state and future of the company with each publication. This Q&A follows the shareholder letter that the CEO wrote on 10-10-2024¹.

1. Is Tonner Drones still a Drone Company?

Yes, currently the core business of Tonner Drones is still the development of Drones. In particular: The Countbot. However, the former company (Delta Drone) has burned a lot of money in the past. Therefore, Tonner Drones made a clear decision to reduce costs and only pursue projects that are viable and could quickly contribute to profitability.

Our Countbot solution is therefore the product we are most committed to. The warehouse industry is a multi billion market and there is a strong trend in this industry to use more and more automation and robotics. The Countbot is the most advanced and closest to the production and commercialization phase. Because we still have stock, we could deliver a few Countbots. This will directly contribute to strengthening our cashflow. We notice a very clear interest in the Countbot and are therefore enthusiastic about the future. However, we can only provide certainty once an order is confirmed and we will only be able to inform the market at that time.

Our patents for «*the inhibitor*» are valuable. TonnerDrones will continue to search for partners who are willing to develop the product. Which has a specialized technique to stabilize the recoil of Drones.

2. You have saved a lot of costs. For example, Tonner Drones headquarter is only an administrative address. How can you still produce revenue and grow the business?

We indeed communicated about striving to a maximum of €20.000 of monthly operational costs. Which is the absolute minimum for a listed company. This was essential in this phase of the company. We now have created an ideal situation to grow again. The company is no longer in distress, and because of the low costs we can wait for the right opportunities.

For the Countbot, we work closely together with the founder of the project. As you can imagine, he is committed to succeed with this project. We spend a bit of money on this project, but by having this collaboration, we can also generate cash flow by selling inventory that was still in stock. In case we are starting to sell the Countbot solution, the project will immediately become profitable.

Shareholders need to understand that the people who are managing TonnerDrones now, have always been entrepreneurs and successful investors. They are used to earning money for their own companies, not to lose money or spend it on worthless projects.

The CEO and President of the board has invested significantly in TonnerDrones since June 2023. He is now running the business as he has always done with his own companies. Van den Ouden is now the biggest shareholder and is aligning himself with the interest of the other shareholders. He will do whatever it takes to make Tonner Drones successful.

3. Tonner Drones has communicated about a new strategy of investments and consultancy. What do you mean by this and how does this differ from the investment strategy that Delta Drone already knew?

¹ https://tonnerdrones.com/wp-content/uploads/2024/10/ENG_Shareholder-letter_PR.pdf

It is true that Tonner Drones, formerly known as Delta Drone, already had an investment strategy. There are a few main differences.

1) Current management is highly experienced in making investment decisions. Their careers were and are depending on it. The CEO has invested heavily in the project and will not take any risk by making wrong investing-decisions. A big difference from the past. There was less expertise, and only money from external shareholders was spent that was raised with variable price financing.

2) An important change is the shift in focus towards listed companies. An investment in a listed company has more liquidity than a private company. This will lower the risk substantially.

The investments that were made in the past, were in other Drone companies, of which most of them were private companies. Current management decided to depreciate the worth of these companies because the value of a private company is hard to evaluate. But even now that these companies are now valued at a low valuation on the balance sheet, Tonner Drones still has expectations to generate value and cash flow from them. The investments in Donnecle, Elistair and Diodon are now hidden values. The hope is that the value in the future can surprise positively.

Shareholders have now approved resolutions to widen the mandate of these investments. The people who are currently running the company are successful investors with years of experience in the financial markets.

They have always made investments themselves. Management of Tonner Drones is convinced it will be much more successful with this strategy than Delta Drone was in the past. New investments need to offer interesting returns against low risks. Investments most likely will only be made in other listed companies, while the liquidity of these investments will lower the risk significantly.

In addition to these investments, management of Tonner Drones is offering consultancy services to other listed companies. Already resulting in a first order in November 2024, which led to an invoice of €61.000 that was paid in early January. Even while €61.000 is not a huge amount, compared to the lowered operational costs, it will help the company forward. The income from the consultancy business and investment strategy can support the Company to cover its operating costs.

4. What is the main change in the Company since there was a change of management?

There have been many changes. But the main shift is with mentality. Current management is determined to create value for our shareholders and stop burning money. They feel a huge responsibility towards all shareholders, and they want to build a successful story on the stock exchange. In many cases on the stock exchange, management is putting their own interests at first. For example with generous salaries. Current policy of Tonner Drones is the opposite. The CEO will not receive any compensation in 2025. The total compensation for the other 2 board members has been set at a maximum of €24,000 for each of them. The philosophy is that performance must be delivered first. Tonner Drones wants to lead by example, and change the French Financial industry. Self-enrichment and financial excesses have come to an end.

5. The CEO and President of the board has bought 8% of the outstanding shares in the market. What are his intentions?

D.M. van den Ouden has invested significantly since June 2023. Initially mainly in debt. He felt that he, as the CEO and President of the board, should become the reference shareholder of the company. This allows the company to be managed properly. He also wanted to align his interests more with the other shareholders. Van den Ouden has always been an investor and shareholder in his own and other listed companies. By being the largest shareholder of Tonner Drones, he expresses confidence in his own policy, and 'puts his money where his mouth is.'

6. TD communicated about partnerships and RTO-candidates, especially seen the carry-

forward losses of more than €50M that can be activated. Is there any interest?

Tonner Drones has had and is still having, multiple conversations with interested parties. Both from parties in the Drone sector and from outside.

We are now in the process of selecting the right party to continue discussions with for a period of exclusivity.

It needs to be very clear that an investment, partnership or RTO needs to bring value for our current shareholders.

D.M. van den Ouden is the CEO, largest shareholder and main debt-holder of the company. He will only agree to a deal which will benefit the shareholders of Tonner Drones. Meaning that a partner needs to be fairly valued, well financed and needs to create value for all Tonner Drones shareholders.

While management strongly believes in its own strategy for the longer term, a large transaction with a partner or RTO-candidate can provide great value creation in the short term. For example, when an agreement can be made with a company that has multi millions of revenue, the nature of the TonnerDrones entity will immediately change.

When a significant agreement / decision needs to be made, shareholders will be asked for their approval.

Tonner Drones is now in a great position, because it is betting on multiple horses for a promising future.

7. Seeing the rough history of Delta Drone, what is the current situation of the company?

During the year of 2024, the new CEO and President of the board has been able to increasingly put his mark on the company's policy. The company is noticing that this is restoring trust among partners. Management still needed to solve some issues from the past. This sometimes entails unexpected costs, but because these are one-off costs, it does not hurt the future of Tonner Drones.

In the balance sheet there are still amounts included for past litigations. Tonner Drones expects that these provisions will be sufficient to cover these cases. These cases are incidents from the past and happened before the current management was in charge. As time passes since the 'change of management', the chance that major problems from the past will resurface is diminishing.

Tonner Drones understands that shareholders would like to move forward more quickly. But the company needs some time to build up trust, so that it can start building from a stable foundation. Since the costs have been brought down so much, the Company has the time to build. Especially because Tonner Drones has the full support from its CEO and President of the board and its supporting shareholders who are willing to continue to invest in the future of the company.

Tonner Drones is now focusing on the sale of the first Countbot. Certainty about this cannot yet be given, but the product can be a game changer for the company. At the same time, if the interest does not lead to orders, the strategy for this product will be reconsidered.

Tonner Drones wants to generate cash by selling assets. In particular its holdings in French private drone companies. Because these companies are listed on the balance sheet for low amounts, this can contribute positively to the cashflow and the results. The funds generated by this can be reinvested in the Countbot project or in new investments.

Finally, the discussions with interested parties in the stock exchange listing are very interesting. This strategy can create the most value for shareholders in the short term. It is up to management to choose the right party. As soon as these discussions become more concrete, Tonner will publish about this.

8. What is your vision regarding variable price instruments and dilution?

You could say that the Tonner Drones project is a matter of honor. The CEO has always been an investor, and is already for years fighting against variable price financing. To now lead one of the companies that has used equity lines for many years, is a great challenge to show that it can

be done differently and better. Management has shown that it was able save the company from bankruptcy and at the same time stop all variable dilutive products. Tonner Drones is convinced that this will restore confidence in the company and that it can be an example for other companies in France.

Tonner Drones has no plans to dilute shareholders. TonnerDrones has rewarded BSAs to all shareholders, and shareholders therefore have the opportunity to finance the company themselves and accelerate developments. This construction is a measure born of strength, and not of weakness.

This BSA is listed at Euronext Paris: ISIN FR001400RIB4 / TDBS. The main characteristics are as follow: for 3 BSA, 2 new shares can be bought against €0,0125 until august 2027.

9. What do you see as the main risk for shareholders? Fundamentally and regarding the stock price.

In terms of sentiment, and technical factors about the stock price, it is always difficult to comment. While Tonner Drones is listed, general sentiment can influence the price of the stock negatively. Also it is hard to predict if investors will look towards the future or still judge the company by the past. Tonner Drones still needs to publish the annual results, and seeing the problems Tonner Drones still had in 2024, nobody should be surprised that the results will probably not be very good yet. Even when the results will be much better than 2023, Tonner Drones is still in a turnaround situation.

In general, when sentiment in the markets will be more negative, people tend to be less willing to invest in such companies.

Because of the outstanding debt, a shareholder in Tonner Drones is exposed to leverage. When results are positive, it is likely that the stock price will perform very well. But when results are less positive, shareholders are more exposed.

Finally, the situation has calmed down a lot in the recent months. But reckoning with the past will take some time. In our annual accounts, there is an item for litigation for matters from the past. It is still unclear how those cases will evolve. Although possible setbacks from the past are unpleasant, the current management is convinced that matters from the past will not have a lasting impact on the future business operations.

10. The market is still sceptical, what is your feeling about that?

Seeing the history of the Company, we can not blame people for thinking like that. Management can only change this by performing well, to execute what they promise and being transparent in everything they do.

We are already noticing that sentiment has changed among our partners, and we are convinced that we will be able to achieve the same with our shareholders.

Some results have been delivered already, but it is not strange when more time and results are needed before trust in the company will return.

Luckily, nobody is forced to invest in Tonner Drones, everybody needs to make their own investment-decisions. On the bright side, the more people are sceptical now, the less people own shares yet. This lowers the risk of current shareholders, and will increase the potential, because there is a larger group of potential buyers still on the sidelines. The CEO is betting largely on himself, it is up to investors to choose whether to follow him or not.

- 1) https://tonnerdrones.com/wp-content/uploads/2024/10/ENG_Shareholder-letter_PR.pdf

End of Press-Release.

About Tonner Drones: Tonner Drones develops technologies for the logistics sector. Tonner Drones holds valuable stakes in some promising French drone manufacturers. Tonner Drones' strategy is to increase the value of its interests in these companies through active asset management. A sale to generate cash flow is also a possibility. Additional revenues can be achieved through royalties from patents held by Tonner Drones. Tonner Drones does not plan on owning a factory; however, it is determined to retain R&D for its products and systems in France.

Tonner Drones' shares are listed on Euronext Growth Paris (ISIN code: FR001400H2X4).

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