

Delta Drone Signs Purchase and Sale Agreement with Ukrainian Military Defence Firm Scientific Production Company Techaviacom to Supply Drones and Related Technology

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Delta Drone (FR001400H2X4 ALDR) is pleased to announce that on 25 September 2023, it signed a Purchase and Sale Agreement (the “PSA”) with Ukrainian military defence firm Scientific Production Company Techaviacom (“Techaviacom”) to supply Techaviacom with drones and drone-related technology for civilian and military purposes (the “Inventory”). This Inventory is valued in Delta Drone’s books at more than € 2 million.

Techaviacom is a Ukrainian private company with a significant track record of doing business in the defence sector. The company's manufacturing capacities and R&D team are located in Ukraine, and it is presently focused on the design and development of a wide range of proprietary defence products and technology solutions.

In addition, the Delta Drone management and team have extensive knowledge of Ukraine and the surrounding regions.

Under the terms of the PSA, the Inventory will be delivered to Techaviacom in October of this year, which will then develop and/or resell products using the Inventory. The base price of this Inventory is € 2,138,678 (the Inventory’s valuation in Delta Drone’s books) with payments to be made to Delta Drone in four instalments through 1 October 2024. This base price can be adjusted downwards after (i) the inspection to be performed by Techaviacom of the Inventory, (ii) the return by Techaviacom of items of the Inventory that cannot be used, and (iii) the resale of such items of the Inventory, it being understood that Delta Drone and Techaviacom will split the proceeds of these sales 50-50.

Drones and drone-related technology are at the forefront of the war between Ukraine and Russia. Drone parts and accessories are in high demand as the war uses an estimated 10,000 drones per month. With the Inventory at its disposal, Delta Drone recognized the immediate opportunity to procure this much-needed technology for Techaviacom. Delta Drone is confident that this Inventory with its “civil” value in France and the European Union can get a higher value by sending it to Ukraine, where there are more buyers with an urgent demand.

Delta Drone and Techaviacom view this initial Inventory delivery as the first step in a long-term partnership of military drone research, development, manufacturing, and sales. Given the ongoing war, Ukraine has been deemed the “Silicon Valley” of drone technology, for both civil and military purposes. The speed and efficiency with which drones and drone-related technology are being developed, refined, and combat tested in Ukraine is unparalleled and it is essential that Delta Drone be actively involved in this process for the long-term benefit of its shareholders.

Delta Drone and Techaviacom aim to become long-term leaders in this field given that following this initial PSA, they are negotiating the terms of a broader research and development framework agreement for the development and production of Tonner Drones’ military drones in Ukraine in exchange for royalties.

“Delta Drone is pleased to be able to provide Techaviacom with this inventory that we are confident will be valuable to Techaviacom as it continues to develop drones and drone related technology in Ukraine’s ongoing war against Russia. Delta Drone looks forward to a long and profitable partnership with Techaviacom as the company continues its pivot towards military drones to generate shareholder value,” stated Brad Taylor, CEO of Delta Drone.

About Delta Drone: Delta Drone Group is a recognized international player in the civil drone sector 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. With the acquisition of 100% of the capital of Tonner Drones, Delta Drone is entering new markets, including military and homeland security.

Delta Drone shares are listed on Euronext Growth Paris - ISIN Code: FR001400H2X4

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