

Successful capital increase with preferential subscription rights

- Total demand of €6.6 million from shareholders, new investors and guarantors
- €5.0 million capital increase through the issue of 199,091,160 new shares at a price of €0.025
- Settlement-delivery and listing of new shares: April 5, 2024

Cannes, April 2, 2024 – 5:45 pm

Tonner Drones (FR001400H2X4 - ALTD) (the "**Company**"), a company developing drones and associated technologies, in particular for the logistics, defense and homeland security sectors, announces the successful capital increase through the issue of new shares with shareholders' preferential subscription rights ("**PRS**"), which took place from March 18 to March 27, 2024 (the "**Capital Increase**"), raising approximately €5.0 million by issuing 199,091,160 new shares (the "**New Shares**") at a unit price of €0.025.

Brad Taylor, Chief Executive Officer of Tonner Drones, said: "*We would like to thank all the investors, both existing and new, who contributed to the success of this capital increase, enabling us to complete the financial restructuring of Tonner Drones and provide us with the means to cover our financing needs beyond the next 12 months*".

RESULT OF THE CAPITAL INCREASE

Following the subscription period, the total demand was for 105,805,355 New Shares, or approximately €2.6 million, allocated as follows:

- 74,515,320 New Shares on an irreducible basis;
- 24,970,928 New shares on a reducible basis; and
- 6,319,107 New shares on a free basis.

All irreducible, reducible and unrestricted subscriptions were taken up in full.

These irreducible, reducible and unrestricted subscriptions represented 53.14% of the gross amount of the Capital Increase. As such, the Company then turned to its 12 guarantors who had committed to subscribing to the difference in New Shares between those subscribed to after the subscription period and the total of 199,091,160. The guarantors' total commitment was for a maximum of approximately €4.0 million, meaning that the total demand from shareholders, new investors and the guarantors was approximately €6.6 million. Given, however, that the total capital increase was only for 199,091,160 shares, the guarantors therefore subscribed to the remaining 93,285,805 shares, or approximately €2.3 million.

Within the framework of the Capital Increase, 111,197,815 New Shares were subscribed to by offsetting receivables corresponding to an amount of approximately €2.8 million. In addition, 87,893,345 New Shares were subscribed to in cash corresponding to an amount of approximately €2.2 million.

REMINDER OF THE USE OF PROCEEDS FOR THE CAPITAL INCREASE

The net proceeds of the Capital Increase following the deduction of expenses and costs related to the Capital Increase totaled approximately €4.6 million, of which the net cash proceeds were approximately €1.8 million.

The main objectives of the Capital Increase were to :

- cover the Company's working capital requirements for the next twelve months (up to around 20% of the Capital Increase); and
- reduce the Company's financial debt and clear its trade payables (up to around 80% of the Capital Increase).

This Capital Increase thus marks the end of the financial restructuring phase of Tonner Drones initiated in June of 2023 by a new management team and a new group of investors. Following the Capital Increase, Tonner Drones' liquidity horizon extends beyond the next 12 months.

This Capital Increase marks the end of a challenging financial restructuring period for the Company, where it had to deal with numerous legacy issues that the new management inherited upon their arrival in June of 2023. Management is committed to generating value for all historic and new investors who helped to refinance the Company. Management can now finally fully concentrate on rebuilding the business.

The Company also will have a closer look at the composition of the board to be well equipped for the next phase.

With the restructuring and refinancing phase complete, management will focus on the following:

- maximizing the value of its stakes in several drone companies;
- deepening its current collaborations and starting new ones; and
- developing its products like Countbot and Inhibitor.

Tonner Drones will communicate about these developments as they take place.

SETTLEMENT-DELIVERY

Settlement and delivery of the New Shares and their admission to trading on Euronext Growth Paris are scheduled for April 5, 2024. The New Shares will carry dividend rights, will be immediately assimilated to the Company's existing shares and will be traded on the same trading line as the latter under the same ISIN code (FR001400H2X4 - Mnemonic: ALTD).

Following settlement-delivery, the Company's share capital will amount to €5,018,756.33, divided into 200,750,253 ordinary shares with a par value of €0.025 each.

IMPACT OF THE CAPITAL INCREASE ON THE SHAREHOLDER STRUCTURE

To the best of the Company's knowledge, the breakdown of capital and voting rights following the Capital Increase is as follows:

Shareholders	Before completion of the Capital Increase			After completion of the Capital Increase		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Ott Heritage ⁽¹⁾	270,000	16.27%	16.27%	40,270,000	20.06%	20.06%
Courcelette Holdings ⁽²⁾	30,000	1.81%	1.81%	30,000	0.01%	0.01%
Crazy Duck BV	0	0.00%	0.00%	41,867,876	20.86%	20.86%
Market Wizards	0	0.00%	0.00%	14,208,427	7.08%	7.08%
Graeff	0	0.00%	0.00%	13,123,850	6.54%	6.54%
Hillen	0	0.00%	0.00%	6,561,925	3.27%	3.27%
Treasury stock	30	0.00%	0.00%	30	0.00%	0.00%
Public	1,359,063	81.92%	81.92%	84,688,145	42.18%	42.18%
TOTAL	1,659,093	100.00%	100.00%	200,750,253	100.00%	100.00%

(1) Company controlled by Mr. Jean-François OTT, Chairman of the Board of Directors of the Company.

(2) Company controlled by Mr. Bradley TAYLOR, CEO of the Company.

IMPACT OF THE CAPITAL INCREASE ON THE SHAREHOLDER'S SITUATION

The impact of the issue of the New Shares on the shareholding of a shareholder holding 1% of the Company's share capital prior to the Capital Increase and not subscribing to it would be as follows:

	Shareholder participation	
	Non-diluted basis	Non-diluted basis ⁽¹⁾
Before the Capital Increase	1.00%	0.54%
After the Capital Increase	0.01%	0.01%

- (1) Taking into account warrants allotted or issued by the Company as of the date of this press release, with the exception of Fiducie A's equitization warrants, since dilution cannot be determined for these warrants, as it depends in particular on average stock market prices prior to the exercise request. It should be noted that the dilution linked to the convertible bonds has not been taken into account insofar as the investors who hold them had undertaken to participate in the Capital Increase by offsetting receivables via these same convertible bonds.

IMPACT OF THE CAPITAL INCREASE ON SHAREHOLDER'S EQUITY

The impact of the issue of New Shares on the Company's share of shareholders' equity per share (calculated on the basis of consolidated shareholders' equity on June 30, 2023 taking into account the various capital increases and the capital reduction carried out since then) would be as follows:

	Share of equity	
	Non-diluted basis	Non-diluted basis ⁽¹⁾
Before the Capital Increase	€ -1.68	€ -1.68
After the Capital Increase	€0.01	€0.01

- (1) Taking into account warrants allotted or issued by the Company as of the date of this press release, with the exception of Fiducie A's equitization warrants, since dilution cannot be determined for these warrants, as it depends in particular on average stock market prices prior to the exercise request. It should be noted that the dilution linked to the convertible bonds has not been taken into account insofar as the investors who hold them had undertaken to participate in the Capital Increase by offsetting receivables via these same convertible bonds.

ABSTENTION AND LOCK-UP COMMITMENTS

No commitment to refrain from issuing new securities of the Company or to retain shares has been made in connection with the Capital Increase.

Ce communiqué et les informations qu'il contient ne doivent pas être distribués, directement ou indirectement, aux Etats-Unis, au Canada, au Japon et en Australie.

EQUITIZATION MECHANISM OF FIDUCIE A

The management intends to stop financing itself through any type of product with a variable issue price for new shares.

The only mechanism for issuing new shares at a variable price depending on the share price still active at the date of this press release is the debt *equitization* program set up under a trust agreement relating to a French *fiducie* ("**Fiducie A**") entered into between the Company and the trustee Equitis Gestion on September 15, 2022 and amended on January 3, 2023, June 5, 2023 and March 19, 2024.

As part of the Capital Increase, Fiducie A subscribed to 9,013,520 New Shares by offsetting receivables corresponding to an amount of €225,338. Fiducie A has a selling restriction of 13.5% of the daily volume for these shares.

After the Capital Increase, the balance of Tonner Drones' receivables held by Fiducie A will be around €2.1 million. Fiducie A will be able to continue to "*equitize*" the receivables it holds on Tonner Drones. However, it cannot request for any new conversions as long as Fiducie A holds shares. The selling restriction of a maximum of 13.5% of the daily volume remains in place anytime.

PROSPECTUS

In accordance with the provisions of Article L. 411-2-1 1° of the French Monetary and Financial Code and Articles 211-2 and 211-3 of the General Regulations of the French Financial Markets Authority (*Autorité des marchés financiers* - "**AMF**"), the Capital Increase does not give rise to a prospectus subject to approval by the AMF insofar as the total amount of the offering calculated over a twelve-month period does not exceed €8,000,000.

RISK FACTORS

The risk factors relating to the Company and its business are detailed in its 2023 half-year report¹ and its 2022 annual financial report², both of which are available free of charge on the Company's website.

The occurrence of any or all of these risks could have a material adverse effect on the Company's business, financial condition, results of operations, development or prospects. The risk factors presented in the aforementioned documents remain unchanged as of the date of this press release.

**Next press release: Annual results 2023 and publication of the
Annual Financial Report 2023 on April 30, 2024**

About Tonner Drones: Tonner Drones (formerly Delta Drone) develops drones and associated technologies for the defense and homeland security sectors. It is also a recognized international player in the sector 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.

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

More information on www.tonnerdrones.com

¹ [Half-year financial report to June 30, 2023](#)

² [2022 Financial Report](#)



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Pursuant to the provisions of Article L. 411-2-1 1° of the French Monetary and Financial Code, and Articles 211-2 and 211-3 of the General Regulations of the AMF, the Capital Increase will not give rise to a prospectus subject to approval by the AMF, provided that the total amount of the offering calculated over a twelve-month period does not exceed €8,000,000.

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