

Tonner Drones launches a capital increase with shareholders' preferential subscription rights for an amount of €5.0 million

- **Subscription price: €0.025 per share, representing a 97.22% discount to the closing share price on March 11, 2024 and a 22.44% discount to the theoretical value of the share ex-rights**
- **Subscription ratio: 120 new shares for 1 existing share**
- **Significant dilution for a shareholder who does not take part in the capital increase: a shareholder holding 1% of the capital before the operation would only hold 0.01% of the capital after the operation**
- **Trading period of the preferential subscription rights of shareholders: from March 14, 2024 to March 25, 2024 inclusive**
- **Subscription period: from March 18, 2024 to March 27, 2024 inclusive**
- **Undertakings to subscribe for a total of €5.0 million (including €2.4 million in cash and €2.6 million by offsetting receivables), comprising unconditional irreducible, reducible and unrestricted subscription commitments for €1.0 million, plus conditional unrestricted subscription commitments to subscribe for €4.0 million in order to ensure completion of the 100% capital increase.**
- **Tonner Drones recently ended its equity line with Yorkville Advisors and intends to stop financing itself through this type of product with variable price**
- **Tonner Drones anticipates low sales and large losses for fiscal year 2023**
- **Tonner Drones finalizes its refinancing and restructuring phase with this capital increase**
- **Eligibility of Tonner Drones' shares for PEA and PEA PME-ETI schemes**

Cannes, March 12, 2024 - 8:00 am

Tonner Drones (FR001400H2X4 – ALTD) (the “**Company**”), a company developing drones and associated technologies, in particular for logistic, the defense and homeland security sectors, announces the launch of a capital increase with shareholders' preferential subscription rights for a gross amount of €4,977,279.00 through the issue of 199,091,160 new shares at a unit price of €0.025, representing a discount of 97.22% to the closing price on March 11, 2024 (€0.90), with a parity of 120 new shares for 1 existing share (the “**Capital Increase**”).

REASON FOR THE CAPITAL INCREASE

This Capital Increase marks the end of the financial restructuring phase of Tonner Drones initiated since May 2023 by a new management team and a new group of investors.

The new management team, led by Mr. Bradley TAYLOR and Mr. Jean-François OTT, has implemented a strategy to drastically reduce Tonner Drones' monthly cash needs from around €200,000 to €50,000, in particular by reducing the Company's workforce, moving to premises that are more suitable in terms of size and less expensive¹.

Tonner Drones published its half-yearly financial report 2023 on February 22, 2024 and will publish its annual results 2023 and its annual financial report 2023 on April 30, 2024 at the latest. The year 2023 was devoted to restructuring the Company, and non-recurring expenses had to be incurred in order to reduce Tonner Drones' structural costs and prepare for its future development. As a result, the Company anticipates that its sales in 2023 will be very low and it will be loss-making taking into account the first half of 2023, with sales of 88,216 euros and net income of - 8,829,451 euros, and the second half of 2023¹, dedicated to the restructuring of Tonner Drones, which in particular generated significant legal expenses. Shareholders and investors should therefore expect large losses for fiscal year 2023. The Capital Increase is intended to clean the financial situation and to enable management to focus on rebuilding the company from 2nd quarter 2024.

The Company's new strategy, aimed at creating value for all shareholders, is based on the following pillars:

- increasing the value of its holdings in the various French drone companies it owns, notably DONECLE and ELISTAIR;
- the development of COUNTBOT, a promising solution designed to facilitate warehouse logistics management by combining the technologies of ground robots and aerial drones to carry out rapid, accurate and automated inventories;
- a strategic focus on the defense sector², a market estimated by Tonner Drones at over a billion dollars, with INHIBITOR in particular, its modular military drone that the Company plans to develop with partners and for which it has filed several patents; and
- a fables business model, aimed at concentrating on the design and marketing of products and working with partners on the production side.

In September 2023³, as part of its strategic focus on the defense sector, Tonner Drones initiated a collaboration with the Ukrainian defense group Techaviacom, enabling it to add value to a stock of equipment held by Tonner Drones from the former Delta Drone activities. Techaviacom and Tonner Drones are currently examining ways of deepening their collaboration, which could create value for both parties.

For the new management of Tonner Drones, the drone and drone related technologies sector is still a fragmented market, with many small players operating on part of the drone industry value chain, either on the software or hardware side, with excellent teams. As a listed company with the requisite managerial expertise and financial backing, Tonner Drones is well positioned to become a drone industry aggregator thereby ensuring seamless integration along all lines and creating shareholder value.

In order to secure its financing for at least the next 12 months, Tonner Drones has opted for a traditional method of financing, through a capital increase with shareholders' preferential subscription rights, thus enabling all current shareholders, but also new investors, to take part in the financing and the new future of Tonner Drones.

¹ [Press release dated December 29, 2023](#)

² [Press release dated July 20, 2023](#)

³ [Press release dated September 27, 2023](#)

The management of Tonner Drones is opposed to Equity Line programs with the issue of new shares at a variable price based on the issuer's share price. Tonner Drones found investors willing to buy back all the convertible bonds held by Yorkville Advisors, thereby terminating its Equity Line agreement⁴. As part of the Capital Increase, these same investors have undertaken to freely subscribe to the transaction by offsetting their debts against the amount of the convertible bonds they hold and to contribute a further €1.078.516 in cash, corresponding to subscription commitments totalling approx. €2.6 million .

Following the reserved capital increases carried out in August 2023⁵, the Company's Chairman is once again demonstrating its commitment by participating in the Capital Increase through a commitment to subscribe for an amount of one million euros by way of debt compensation and would thus hold 20,06% of the Company's share capital in the event of completion of 100% of the Capital Increase. The Chairman's objective is to maintain his position as the Company's main reference shareholder over the long term.

This Capital Increase, intended primarily for Tonner Drones shareholders but also open to all investors, has the following main objectives:

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

Mr. Jean-François OTT, Chairman of the Board of directors, and Mr. Brad Taylor, Chief Executive Officer, said: *"The purpose of this fund-raising is to complete the restructuring of Tonner Drones that has been underway since May 2023, as well as its strategic reorientation towards drones for the defense, private security and public safety sectors. We have opted for a financing operation with shareholders' preferential subscription rights, in order to unite as many of the Company's historical shareholders as possible, as well as new investors, around our development project for Tonner Drones, and we intend to make no further use of Equity Line financing programs."*

MAIN TERMS AND CONDITIONS OF THE CAPITAL INCREASE

Share capital before the transaction

At the launch date of the transaction, Tonner Drones' share capital comprised 1,659,093 fully subscribed and paid-up shares with a par value of €0.025 each, listed on Euronext Growth Paris.

Tonner Drones Share codes

- Label: Tonner Drones
- ISIN Code: FR001400H2X4
- Ticker: ALTD
- Place of listing: Euronext Growth Paris
- LEI Code: 9695000EAC5UI2LAPJ16

Nature of the transaction

The capital increase proposed by the Company involves the issue of new shares (the "**New Shares**") with maintaining of preferential subscription rights ("**PRS**"), on the basis of 120 New Shares for 1 existing share, through the issue of 199,091,160 New Shares.

The New Shares issued in connection with the Capital Increase will carry dividend rights and will be the subject of an application for listing on the Euronext Growth Paris market. They will be

⁴ [Press release dated March 1, 2024](#)

⁵ [Press release dated August 17, 2023](#)

immediately assimilated to the Company's existing shares already traded on Euronext Growth Paris under the same ISIN code (FR001400H2X4 - Mnemonic: ALTD).

Legal framework of the transaction

Making use of the delegation of authority granted by the 3rd resolution adopted by the Company's Combined General Meeting held on January 27, 2023, Tonner Drones' Board of Directors, at its meeting of March 1st, 2024, decided to implement the delegations of authority granted to it, decided on the principle of a capital increase with preferential subscription rights and granted full powers to the Chief Executive Officer to launch or postpone the issue.

On March 11, 2024, the Chief Executive Officer, using the sub-delegation granted by the Board of Directors on March 1st, 2024, decided to launch a capital increase with preferential subscription rights, the terms of which are detailed in this press release, as well as in a notice to shareholders to be published on March 13, 2024 in the *Bulletin des Annonces Légales et Obligatoires* (BALO).

Subscription price of the New Shares

The subscription price has been set at €0.025 per New Share, corresponding to the nominal value per share. No issue premium will therefore be added to the subscription price.

The subscription price represents a discount of 97.22% to the closing price on March 11, 2024 (€0.90).

The subscription price is to be fully paid up at the time of subscription in cash and/or by offsetting receivables.

Maximum amount of the Capital Increase and maximum number of New Shares

The gross amount of the Capital Increase is €4,977,279.00 corresponding to the issue of 199,091,160 New Shares.

Subscription period

Subscription for the New Shares will be open from March 18, 2024 to March 27, 2024 inclusive.

Preferential subscription right

Each shareholder will receive one preferential subscription right for each share registered in his or her securities account at the close of trading on March 15, 2024. In order to guarantee registration in the share account on this date, orders for existing shares on the Euronext Growth Paris market must be executed no later than March 13, 2024.

Subscription for the New Shares is reserved, by preference, for (i) holders of existing shares, who will be allocated one preferential subscription right per existing share, and (ii) transferees of the preferential subscription rights.

Each holder of preferential subscription rights may subscribe:

- by irrevocable entitlement, on the basis of 120 New Shares for 1 existing share held, without taking account of fractional shares;
- on a reducible basis, the number of New Shares they would like in addition to that to which they would be entitled as a result of the exercise of their irreducible preferential subscription rights. Any New Shares not taken up by irrevocable subscribers will be allocated to reducible subscribers, within the limit of their requests and in proportion to the number of existing shares for which preferential subscription rights have been used to support their irrevocable subscriptions, without this resulting in the allocation of a fraction of a New Share.

PSRs may only be exercised up to the number of PSR required to subscribe for a whole number of New Shares. Holders of preferential subscription rights who do not hold a sufficient number of existing shares or preferential subscription rights to obtain a whole number of New Shares, by

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way of irreducible subscription, will be responsible for acquiring on the Euronext Growth Paris market the number of preferential subscription rights needed to reach the multiple required to obtain a whole number of New Shares.

Fractional PSRs may be sold on the Euronext Growth Paris market during the period in which the PSRs are listed, under ISIN code FR001400ONI6.

In the event that the same subscriber submits several separate subscriptions, the number of New Shares to which he or she is entitled on a reducible basis will be calculated on the basis of all his or her subscription rights only if he or she expressly makes a special request to this effect in writing, no later than the closing date for subscriptions. This request must be attached to one of the subscriptions and must give all the information required for the aggregation of rights, specifying the number of subscriptions made and the authorized institution(s) or intermediary(ies) with which these subscriptions have been deposited.

Subscriptions in the name of separate subscribers may not be grouped together to obtain New Shares on a reducible basis.

The Company owns 30 treasury shares.

To exercise their preferential subscription rights, holders must contact their authorized financial intermediary at any time during the subscription period, i.e. between March 18, 2024 and March 27, 2024 inclusive, and pay the corresponding subscription price of €0.025 per New Share in cash and or by offsetting receivables. Unexercised preferential subscription rights will automatically lapse at the end of the subscription period, i.e. on March 27, 2024 at the close of trading.

A notice published by Euronext will announce, where applicable, the allocation scale for subscriptions subject to reduction.

Free subscription requests

In addition to the possibility of subscribing on an irreducible and reducible basis in accordance with the specified terms and conditions, any individual or legal entity, whether or not holding preferential subscription rights, may subscribe to the Capital Increase on a voluntary basis.

Persons wishing to subscribe on a voluntary basis must submit their request to their authorized financial intermediary at any time during the subscription period and pay the corresponding subscription price.

In accordance with the provisions of Article L. 225-134 of the French Commercial Code (*Code de commerce*), unrestricted subscriptions will only be taken into account if the irreducible and reducible subscriptions have not absorbed the entire Capital Increase, it being specified that the Chief Executive Officer will have the option of freely allocating the unsubscribed New Shares, in whole or in part, among the persons (shareholders or third parties) of its choice who have made unrestricted subscription requests.

Listing of preferential subscription rights

Tonner Drones' shareholders will receive 1 preferential subscription right ("PSR") for each share held (i.e., a total of 1,659,093 PSRs issued). Each shareholder holding 1 PSR (and multiples thereof) will be entitled to subscribe to 120 New Shares (and multiples thereof) at a unit price of €0.025.

The preferential subscription rights will be listed and traded on Euronext Growth Paris under ISIN code FR001400ONI6 between March 14, 2024 and March 25, 2024 inclusive. If they are not

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subscribed or sold, they will lapse at the end of the subscription period and their value will be zero.

Theoretical value of preferential subscription rights

€0.8678 (based on the closing share price on March 11, 2024, i.e. €0.90). The subscription price of the New Shares shows a discount of 22.44% compared with the theoretical value after detachment of the PSR.

These values do not prejudice either the value of the PSR during the PSR trading period, or the value of Tonner Drones shares ex-rights, or discounts, as they will be observed on the market.

Preferential subscription rights detached from treasury shares held by the Company

Pursuant to Article L. 225-206 of the French Commercial Code, the Company may not subscribe for its own shares. PSR detached from treasury shares held by the Company at March 14, 2024 will be sold on Euronext Growth Paris before the end of their trading period, pursuant to Article L. 225-210 of the French Commercial Code.

Limitation of the amount of the Capital Increase

In the event that irreducible, reducible and unrestricted subscriptions do not absorb the entire Capital Increase, the Board of Directors may limit the amount of the Capital Increase to the amount of subscriptions received, in accordance with Article L. 225-134 of the French Commercial Code, on condition that the latter reaches at least €3,792,929.25, corresponding to 75% of the gross amount of the Capital Increase. It should be noted that the Company has received subscription undertakings for an amount of €4,977,279, representing 100% of the Capital Increase.

Paying agents - Payment of subscriptions

Subscriptions for New Shares and payments of funds by shareholders whose shares are held in administered registered (*nominatif administré*) or bearer (au porteur) form will be received until March 27, 2024 (inclusive) by their authorized intermediary.

Subscriptions for New Shares and payments by shareholders whose shares are held in fully registered form (*nominatif pur*) will be received until March 27 2024 (inclusive) by Uptevia (90-110 Esplanade du Général de Gaulle - 92931 Paris La Défense Cedex).

Each subscription must be accompanied by payment of the subscription price in cash and/or by set-off against receivables. Subscriptions that have not been paid up in full will be cancelled *ipso jure*, without the need for formal notice. Sums paid at the time of subscriptions and remaining available after allocations will be reimbursed without interest to subscribers by the authorized intermediaries who have received them.

Funds paid in support of subscriptions will be centralized by Uptevia (90-110 Esplanade du Général de Gaulle - 92931 Paris La Défense Cedex), which will be responsible for drawing up the certificate of deposit of funds recording the completion of the capital increase and the issue of the New Shares.

Investment restrictions

In some countries, the sale of the New Shares and PSRs may be subject to specific regulations.

Warranty

The Capital Increase is not subject to a performance guarantee within the meaning of Article L. 225-145 of the French Commercial Code. It should be noted, however, that the

Company has received subscription undertakings for a global amount representing 100% of the Capital Increase.

Subscription undertakings

Under the terms of irrevocable undertakings given to the Company, 14 shareholders and investors have undertaken to subscribe for New Shares for a global amount of €4,977,279, representing 100% of the Capital Increase, including €2,418,516 in cash and €2,558,763 by offsetting receivables. In the event of partial allocation, their respective subscriptions will be paid in priority by offsetting receivables, if applicable.

The subscription undertakings are as follows:

- **Subscription commitments from shareholders:**

Ott Heritage, a company controlled by Mr. Jean-François OTT, Chairman of the Board of Directors, have undertaken, as shareholder, to subscribe for New Shares on an irreducible and a reducible basis as follows:

Shareholder	Amount of the subscription commitment on an irreducible and a reducible basis		
	Cash Payment	By Offsetting Receivables	Total Amount
Ott Heritage	-	€1,000,000	€1,000,000
TOTAL	-	€1,000,000	€1,000,000

The Company has no knowledge of the intentions of its other shareholders. It is specified that no corporate officer other than Mr. Jean-François OTT is participating in the Capital Increase.

- **Subscription commitments from new investors:**

The new investors listed below have undertaken to subscribe for New Shares on an unrestricted basis as follows:

New Investor	Amount of the subscription commitment on an unrestricted basis (unconditional)		
	Cash Payment	By Offsetting Receivables	Total Amount
Aelium	-	€37,963	€37,963
TOTAL	-	€37,963	€37,963

Subscription commitments by new investors are not remunerated.

- **Subscription commitments for the purpose of ensuring the 100% completion of the Capital Increase**

The investors listed below have undertaken to subscribe for New Shares on an unrestricted basis, it being specified that said subscriptions (i) shall be allocated only up to the amount that is strictly necessary for the completion of the Capital Increase up to 100%, on a pro rata basis between such investors based on their respective commitments, and (ii) will thus be reduced accordingly.

Investor	Amount of the subscription commitment on an unrestricted basis (conditional)		
	Cash Payment	By Offsetting Receivables	Total Amount
Crazy Duck BV	€778,516	€989,500	€1,768,016
Market Wizards	€600,000	-	€600,000

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Investor	Amount of the subscription commitment on an unrestricted basis (conditional)		
	Cash Payment	By Offsetting Receivables	Total Amount
Graeff	€200,000	€354,200	€554,200
Hillen	€100,000	€177,100	€277,100
KK Vermögensverwaltung	€250,000	-	€250,000
Chart AG	€80,000	-	€80,000
Elian AG	€80,000	-	€80,000
Finanzkontor Zürich AG	€80,000	-	€80,000
Thomas Bopp	€80,000	-	€80,000
AEP	€60,000	-	€60,000
Chart Capital	€60,000	-	€60,000
Jean-Philippe Cridlig	€50,000	-	€50,000
TOTAL	€2,418,516	€1,520,800	€3,939,316

In respect of these undertakings to subscribe on an unrestricted basis in order to ensure the completion of the Capital Increase at 100%, the abovementioned investors will receive a fee of €275,752.12 deducted from the gross proceeds of the Capital Increase. This fee will be payable in full, irrespective of the number of New Shares actually subscribed by such investors under the Capital Increase. In the event of completion of 100% of the Capital Increase, this commission would represent 5.54% of the gross proceeds of the Capital Increase.

Net proceeds from capital increase

The net proceeds of the Capital Increase (corresponding to the gross amount less all expenses relating to the Capital Increase, including the amount of fees payable to the investors who have undertaken to subscribe to the Capital Increase on a free basis in order to ensure its 100% completion) would amount to approximately €4.6 million in the event of completion of the Capital Increase at 100%.

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.

Termination of Equity Line with Yorkville Advisors, Equitization mechanism and Company debt

On 29 February 2024, investors redeemed all the convertible bonds held by Yorkville Advisors and thus it terminated the relationship between the Company and Yorkville Advisors as from March 1st, 2024. 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 and June 7, 2023.

Subject to the approval of the trust beneficiaries' of Fiducie A and the execution of a new amendment to the trust agreement before the end of the subscription period, it is envisaged that Fiducie A subscribe to the Capital Increase for an amount of €250,000 by way of offsetting receivables. If Fiducie A, for whatsoever reason, is not able to subscribe for New Shares, Tonner Drones would then repay this amount in cash.

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After the Capital Increase, the balance of Tonner Drones' receivables held by Fiducie A will be around €2.1 million. As with the convertible bond contract, Tonner Drones aims to terminate this variable price product, like it did with the convertible bonds agreement.

Until then, Fiducie A will be able to continue to "equitize" the receivables it holds on Tonner Drones with a selling restriction capped at a maximum of 13.5% of daily volume.

After completion of the Capital Increase, and taking into account in particular commitments to subscribe for shares by offsetting receivables and planned repayments from the net proceeds of the transaction, the Company's gross financial debt will be around €6.25 million, with no short-term maturities. These financial debts include:

- receivables held with Fiducie A that may be subject to equitization, amounting to around €2.1 million;
- regular bonds held by Crazy Duck, Kennie Capital, Courcelette Holding and Ott Heritage for around €3.2 million (including interest);
- a shareholder loan of €1.0 million (including interest).

TIMETABLE OF THE CAPITAL INCREASE

March 1, 2024	Decision of the Board of directors deciding on the principle of the transaction
March 8, 2024	Start of the period of suspension of the securities giving access to the Company's capital
March 11, 2024	Setting of the terms and conditions of the transaction by the Company's Chief Executive Officer and launch of the transaction
March 12, 2024	Distribution of the press release relating to the transaction
	Publication by Euronext of the notice of issuance
March 13, 2024	Publication in the BALO of the notice to the shareholders concerning the transaction
	Closing date for market purchases of existing shares entitling the purchaser to PSR attached thereto
March 14, 2024	Admission and start of negotiation of the PSR
March 15, 2024	Deadline for registration of existing shares entitling their holders to receive PSR
March 18, 2024	Start of subscription period Start of PSR exercise period
March 25, 2024	End of PSR trading period
March 27, 2024	End of subscription period
April 2, 2024	Notice of completion of the transaction
April 3, 2024	Distribution of the press release relating to the transaction outcome
	Publication of Euronext notice of admission of the New Shares
April 5, 2024	Settlement-delivery of the New Shares Listing of the New Shares on Euronext Growth Paris
April 8, 2024	End of period of suspension of the securities giving access to the Company's capital
April 30, 2024	Date of publication of the 2023 annual results and of the annual financial report

SUBSCRIPTION TERMS

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The Capital Increase will be carried out with shareholders maintaining their preferential subscription rights, and with the option to subscribe for shares on an irreducible basis, on a reducible basis and on an unrestricted basis.

Each shareholder will receive one preferential subscription right for each share registered in his or her securities account at the close of trading on March 15, 2024. In order to guarantee registration in the share account on this date, orders for existing shares on the Euronext Growth Paris market must be executed no later than March 13, 2024.

1 PSR held or purchased will entitle their holders to subscribe for 120 New Shares on an irreducible basis. The PSRs will be detached on March 14, 2024, listed and tradable until March 25, 2024 inclusive on the Euronext Growth Paris market under ISIN code FR001400ONI6.

Each subscription must be accompanied by payment of the subscription price, in cash and/or by offsetting receivables.

- **If you are a shareholder of the Company:**

You have PSRs attached to your Tonner Drones shares, entitling you to subscribe in priority to the New Shares on the basis of 120 New Shares for 1 PSR on an irreducible basis.

In addition to irreducible subscriptions made by means of the PSRs you hold, you may also make reducible subscriptions until March 27, 2024 for the number of New Shares you wish, by sending your request, at the same time as your irreducible subscription request, to your authorized financial intermediary.

- **If you are not a shareholder of the Company:**

You may subscribe to the Capital Increase in one of two ways:

- either by purchasing PSRs on the stock market from March 14, 2024 to March 25, 2024, through the authorized financial intermediary in charge of your securities account, and by exercising your PSRs with that institution by March 27, 2024 at the latest;
- or through unrestricted subscriptions basis until March 27, 2024. Persons wishing to take part in the Capital Increase through unrestricted subscriptions should contact their authorized financial intermediary.

DILUTION

Impact of the Capital Increase on the shareholder's situation

For information purposes, 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 (in %)	
	Non-diluted basis	Diluted basis⁽¹⁾
Before issue of New Shares from the Capital Increase ⁽²⁾	1.00%	0.54%
After issue of 199,091,160 New Shares from 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 have undertaken to participate in the Capital Increase by offsetting receivables via these same convertible bonds.

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(2) Calculations based on the number of shares comprising the share capital at the date of this press release, i.e., 1,659,093 Tonner Drones shares.

Impact of the capital increase on shareholders' equity

For information purposes, 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 (in €)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Before issue of New Shares from the Capital Increase ⁽²⁾	€ -1.68	€1.05
After issue of 199,091,160 New Shares from the Capital Increase	€0.01	€0.04

(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 have undertaken to participate in the Capital Increase by offsetting receivables via these same convertible bonds.

(2) Calculations based on the number of shares comprising the share capital at the date of this press release, i.e., 1,659,093 Tonner Drones shares.

Impact of the Capital Increase on the shareholder structure

The following tables show the breakdown of share capital before and after completion of the Capital Increase in the event of completion of 100% of the Capital Increase:

Shareholders	Before completion of the Capital Increase		
	Number of shares	% of capital	% of voting rights
Ott Heritage ⁽¹⁾	270,000	16.27%	16.25%
Courcelette Holdings ⁽²⁾	30,000	1.81%	1.81%
Treasury stock	30	0.00%	0.00%
Free float	1,359,063	81.92%	81.95%
TOTAL	1,659,093	100.00%	100.00%

Shareholders	After completion at 100% of the Capital Increase ⁽³⁾			After completion at 100% of the Capital Increase ⁽⁴⁾		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Ott Heritage ⁽¹⁾	40,270,000	20.06%	20.06%	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%	70,720,640	35.23%	35.23%
Market Wizards	0	0.00%	0.00%	24,000,000	11.96%	11.96%
Graeff	0	0.00%	0.00%	22,168,000	11.04%	11.04%
Hillen	0	0.00%	0.00%	11,084,000	5.52%	5.52%
Treasury stock	30	0.00%	0.00%	30	0.00%	0.00%
Free float	160,450,223	79.93%	79.93%	32,477,583	16.18%	16.18%
TOTAL	200,750,253	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.

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- (2) Company controlled by Mr. Bradley TAYLOR, CEO of the Company.
- (3) Taking into account the subscriptions commitments presented above and in the event that the Company does not need to call upon commitments to subscribe on a free basis in order to ensure the completion of the Capital Increase at 100%.
- (4) Taking into account the subscription commitments presented above and in the event that the Company needs to fully call upon the commitments to subscribe on a free basis in order to ensure the completion of the Capital Increase at 100%.

Suspension of the right to exercise the share warrants and to convert the convertible bonds of the Company

Holders of warrants (*bons de souscription d'actions* – BSA) and convertible bonds (*obligations convertibles en actions* – OCA) issued by the Company have been informed by registered letter with acknowledgement of receipt of the suspension of their right to exercise or convert these securities with effect from March 8, 2024 until April 8, 2024 at midnight Paris time).

RISK FACTORS

The risk factors relating to the Company and its business are detailed in its 2023 half-year report⁶ and its 2022 annual financial report⁷, 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.

In addition, investors are invited to consider the risks specific to the Capital Increase:

- the PSR market may offer only limited liquidity and be subject to high volatility;
- shareholders who do not exercise their pre-emptive rights will see their stake in the Company's capital diluted;
- the market price of the Company's shares could fluctuate and fall below the subscription price of the New Shares;
- the volatility and liquidity of the Company's shares could fluctuate significantly;
- in the event of a fall in the market price of the Company's shares, the PSRs could lose their value;
- sales of the Company's shares could occur on the market and adversely affect the Company's share price; and
- the Company's residual indebtedness will remain high following the Capital Increase and the Company could be forced to carry out further capital increases which could result in potentially significant dilution for shareholders, similar to that of the Capital Increase.

ELIGIBILITY OF THE TRANSACTION FOR THE ARTICLE 150-0 B TER OF THE FRENCH GENERAL TAX CODE (REINVESTMENT OF CAPITAL GAINS) AND ELIGIBILITY OF TONNER DRONES SHARES FOR PEA AND PEA PME-ETI ACCOUNTS

When shares are transferred to a company controlled by the transferor, the capital gain is tax-deferred (Article 150-0 B ter of the French General Tax Code (*Code général des impôts*)). If the contributed shares are sold within three years, the tax deferral is terminated, unless the Company undertakes to reinvest 60% of the proceeds of the sale in an economic activity within two years of the sale. In particular, the proceeds may be invested in a cash subscription to the initial capital

⁶ [Half-year financial report to June 30, 2023](#)

⁷ [2022 Financial Report](#)

or to a capital increase in one or more companies that meet the conditions of business activity, corporate income tax liability and head office location set out in a of 2° of I of Article 150-0 B ter and in the first paragraph of b and c of 3° of II of Article 150-0 D ter of the French General Tax Code. In this respect, the capital increase constitutes a reinvestment eligible for capital gains tax relief insofar as the nature of the reinvestment is concerned.

Other conditions for applying the scheme, which are independent of the Company (reinvestment deadline and threshold, retention of new shares, etc.), must also be complied with by the subscriber. Investors likely to benefit from this regime are advised to consult their usual tax advisor to assess their personal situation with regard to the specific regulations applicable.

Finally, Tonner Drones points out that it complies with the eligibility criteria for the PEA PME-ETI schemes specified in Articles L. 221-32-2 and D. 221-113-5 and seq. of the French Monetary and Financial Code (*Code monétaire et financier*). As a result, Tonner Drones shares can be fully integrated into stock savings plans (PEA) and PEA PME-ETI accounts, which benefit from the same tax advantages as the classic PEA.

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.

***FIND ALL THE DOCUMENTATION RELATING TO THE CAPITAL INCREASE ON
WWW.TONNERDRONES.COM/FINANCE***

Tonner Drones will publish its annual results for 2023 and its financial statements for 2023 by April 30, 2024 at the latest.

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



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This press release, and the information it contains are not an offer to sell or subscribe to, or a solicitation of an order to buy or subscribe the shares of the Company in any country.

*This press release is promotional in nature and does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").*

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.

This press release does not constitute and may not be considered a public offering, an offer to purchase or subscribe, or intended to solicit public interest for the purposes of a public offering.

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