

A photograph of a man in a red safety vest and white hard hat operating a quadcopter drone on the deck of a ship. He is kneeling on a yellow safety line, holding the drone's remote control. The ship's deck is made of weathered wooden planks. In the background, there are various shipping containers, industrial equipment, and the superstructure of the ship. A faint watermark "Confidential" is visible across the center of the image.

# PROJECT SCOR

## Information Memorandum

OCTOBER 2023

CONFIDENTIAL

**CIC** Conseil

This Information Memorandum (the "IM") was written by CIC Conseil for the purpose of distribution to a limited number of potential bidders who may be interested in the transaction described herein (the "Transaction")

This IM was prepared using information provided by the shareholders and the management of ROAV7 (the "Company"), regarding the financial situation, characteristics, objectives and legal entity status of the Company

CIC Conseil compiled this information and used it to conduct the analyses contained in this IM. However, CIC Conseil accepts no responsibility for the accuracy and completeness of this information and these analyses. By simply receiving this IM, the recipient acknowledges that CIC Conseil cannot be held responsible for any inaccuracies or omissions it may contain, nor for any opinions expressed herein

This IM is not a substitute for an audit, which potential investors may perform with their own advisors

CIC Conseil distributes this IM on a strictly confidential basis. The sole purpose of this IM is to allow the recipients to determine whether they are interested and wish to consider the Transaction. The recipients of this IM undertake to comply with the previously-signed confidentiality agreement and to send the IM only to those of its employees and advisors who will need it to prepare their decision, after having informed them of its confidential nature and given them the necessary instructions to prevent disclosure. They also undertake to use this IM in good faith and solely within the context of considering the Transaction

Any questions or requests for additional information regarding this IM or the proposed Transaction must be expressly sent to CIC Conseil. Under no circumstances should the Company's employees, shareholders, or commercial relations representatives be contacted directly

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Confidential  
Industry

# 01

## EXECUTIVE SUMMARY



# 1.1 ROAV7 AT A GLANCE

A leading player in data acquisition and processing collected by drones in complex environments

## 2023B KEY FIGURES

**€2.9m**  
Revenue

**€0.3m**  
Normative EBITDA

**23**  
FTEs<sup>(1)</sup>

**+100**  
customers

**+300**  
completed missions

**+5,000**  
flights  
since 2018

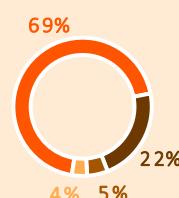
- Founded in 2016 and headquartered in Le Havre (France), ROAV7 is specialized in data acquisition, processing and turnkey solutions engineering for drone services in complex environments
- ROAV7 offers to its clients a precise and complete overview of their assets regardless of accessibility - **without interrupting their production, lowering human risks and costs** - to predict evolution in the future and optimize inspection process
- With a strong focus on **technological** (in-house R&D department focused on the creation of proprietary technologies) and **operational excellence** (0 accident), the Company has already completed more than 300 missions in various sector such as energy, industry, construction and transport, both in Europe, South America and Africa thanks to its **local partner Group Daron**
- Led by **Paul Clais** (CEO), an engineer with more than 15 years of experience in innovation, the management is composed of a highly complementary team including **Grégoire Grandjean** (Sales Director), with background in O&G, energy, and infrastructure and **Ludovic Petit** (Technical Director) with key experiences in Big Data
- ROAV7 has a **strong and direct commitment toward sustainability**. Through its services, ROAV7 enhances the lifespan of infrastructures and help monitoring and **reducing gas emissions**. Besides, the Company is a key partner of energy actors including renewables producers
- ROAV7 through its rigorous business model and solutions **ensures safeties to all its stakeholders** prevailing human resources to conduct dangerous operations at the junction of the industrial sector and the aviation sector (work at height or in risky / contaminated areas)
- Having demonstrated **strong know-how in the energy industry in France and Africa** through local partnerships, the management team is looking to strengthen its position in energy, industry, construction and transport in France, Africa and Middle East in order to become the qualitative benchmark of drone inspection in EMEA by 2028
- In 2022, the company generated more than **€2.0m revenues for a c.22% normative EBITDA margin** with a team of 23 people (o/w 4 dedicated to R&D and 7 drone pilots)

## HISTORICAL REVENUE AND BUSINESS PLAN

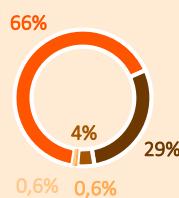


## 2022 REVENUE REPARTITION

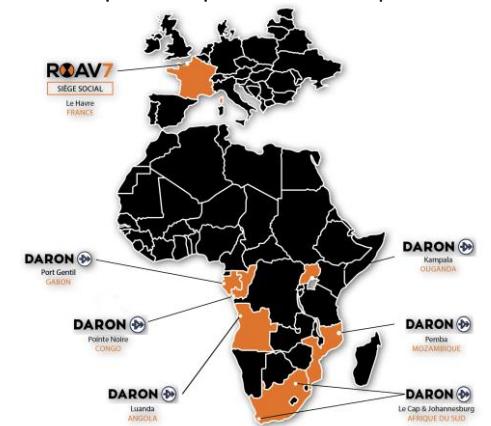
### By sector



### By geographies



An international presence through its partnership with Daron Group



## 1.2 ROAV7 SERVICES OVERVIEW

A tailor-made offer focused on customer's needs

### UAV<sup>(1)</sup> INSPECTION

Aerial data acquisition and processing in complex environments

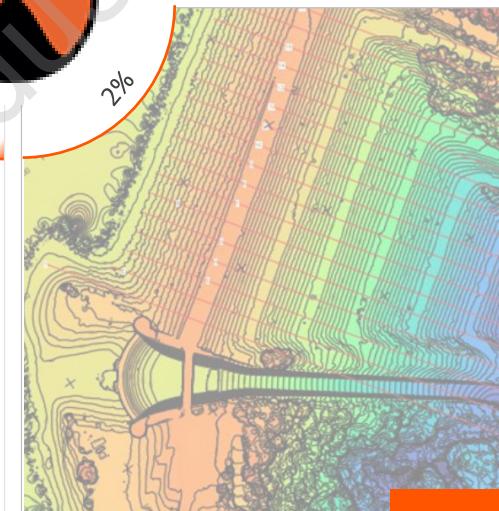
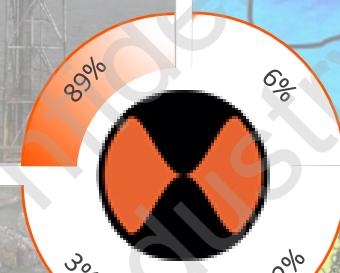
- Visual and thermal
- Onshore & Offshore
- External & Confined environments
- Gas emission control



### SPECIAL PROJECTS

Tailor-made projects using drones

- Peripheral logistics
- Leak detection
- Surveillance & Monitoring
- Etc.



### DIGITAL TWINS & 3D MODELLING



### Digital twins of assets

- Full millimetric digital twin point cloud
- Panoramic virtual tours (360°) 2D/3D
- Tags integrated to Computer Assisted Maintenance
- Photogrammetry by drone or 360° camera



### TOPOGRAPHY

- Digital field modeling
- Sectional drawings
- Recollection
- Stockpile measurements
- Etc.

## 1.3 ROAV7 ADDED VALUE FOR CUSTOMERS

Quality, safety and sustainable outcomes reached thanks to operational and technological excellence



### Quality

#### Faster & better

- Monitoring and survey missions completed faster with no failures (**2,000 hours** of cumulative operational flights and **0 serious incident**)

#### No revenue losses

- Missions performed surgically without shutting down installations or stopping operations



### Safety

#### Human risk reduction

- Human resources spared from dangerous (work at height or in risky / contaminated areas) and time consuming operations



### Sustainability

#### Emissions reduction

- A close tracking of emissions with on site quantification

#### Increase of the lifespan of assets

- **0.1 mm** precision solutions to perform on bespoke maintenance operations and prevent production incidents

#### Ease of the transition towards renewables

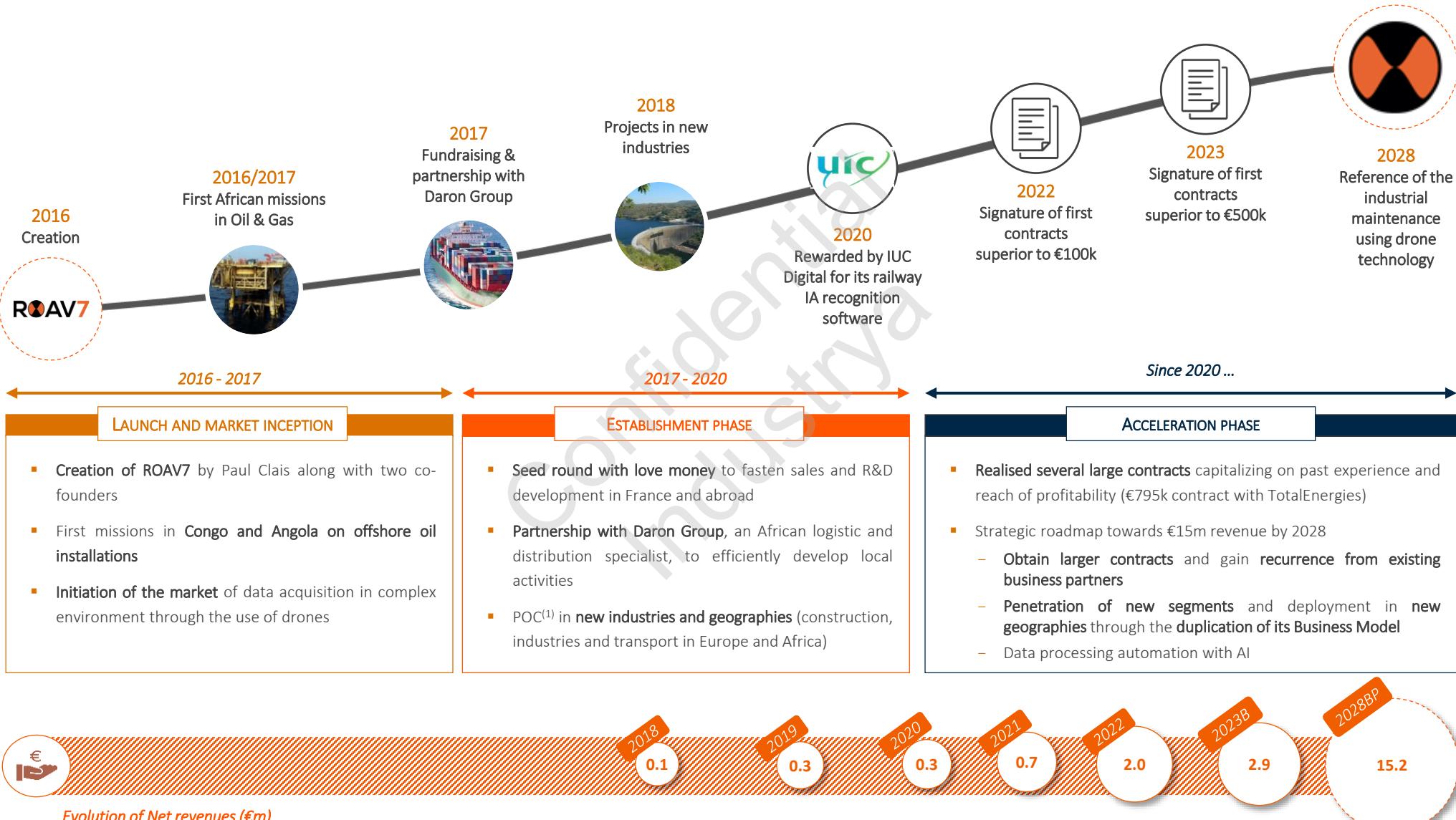
- Prevention of energy losses and optimization of production capacity of renewables with large scale deployment solutions

ROAV7 focuses on **operational excellence** (highly processed execution model / flight safety rules and regular trainings) and **technological excellence** (continuous image and data processing technology improvements) to create **added value for its customers**



## 1.4 ROAV7 HISTORY

### A historical focus on Africa



## 1.5 ROAV7 TRAJECTORY

From a best-in-class player on the French and African O&G markets to the drone inspection EMEA leader

An O&G focused business

A recognition on the French and African markets with TotalEnergies

A presence abroad through partnerships

A capacity to realize superior to €500k contracts

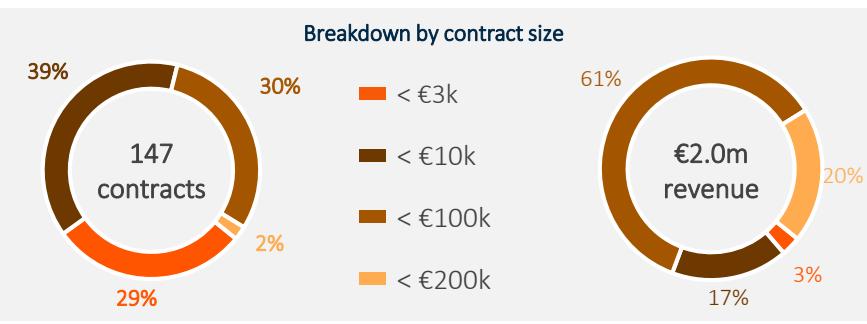
2022A

Revenue	€2.0m
---------	-------

EBITDA	€0.4m
--------	-------

# of contracts per year	147
-------------------------	-----

FTEs	23
------	----



2028BP

Revenue	€15.2m
---------	--------

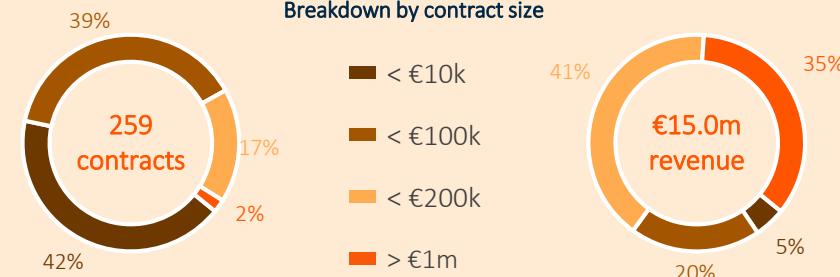
EBITDA	€4.0m
--------	-------

# of contracts per year	259
-------------------------	-----

FTEs	113
------	-----

Breakdown by contract size

- < €10k
- < €100k
- < €200k
- > €1m



A diversified customers portfolio  
EMEA leader and quality benchmark of drone inspections  
A direct presence in main geographies  
At least five contract per year superior to €1m

# 1.6 KEY INVESTMENT HIGHLIGHTS



- Today valued at \$30.4bn, the global drone industry will reach \$55.7bn within 8 years at a c.8% CAGR
  - Largely structured around a service offer that today represents c.80% of the industry, drone services will continue to deploy within segments such as industrial maintenance or security & safety and to penetrate new segments such as logistic
  - ROAV7, a pioneer of the Drone service industry, is perfectly positioned to benefit from the market positive trends
- 
- A leading player in the data acquisition and processing in complex environments through the use of drones with 4 business lines (UAV inspection, Special projects, Digital Twins & 3D modelling and Topography)
  - More than 100 customers in four targeted sectors: energy, industry, construction and transportation
  - A recognized know-how and strong experience in the Oil & Gas industry with a long term relationship with TotalEnergies in France and Africa
- 
- Operational excellence with a no failure policy thanks to a highly processed execution model supporting each stage of the mission
  - Flexibility: a business model replicable to each services offered and segments targeted
  - Technological leadership: image processing applications with Artificial Intelligence under development to improve added value and productivity
  - Solutions with multiple benefits for customers: no plant shutdown (no production loss), improved safety (human risk reduction) and additional accuracy (exhaustive visualization)
- 
- A complementary management team accumulating many years of experience in image processing but also in the industry
  - Synergistic operational and R&D departments allowing to be connected to the field while remaining a pioneer on the technological aspect
  - A strong attachment and commitment to the ROAV7 culture across all offices
- 
- More than €15m revenues projected in 2028 with an EBITDA margin superior to 25%:
    - Deployment in new sectors and geographies through strategic recruitments: nuclear, wind energy, rail and logistic and specialist in South of France and Middle East
    - Building of a highly recurring customer base attracting superior to €1m contracts with key accounts from all industries
    - Keep attracting major O&G customers, its historical core market

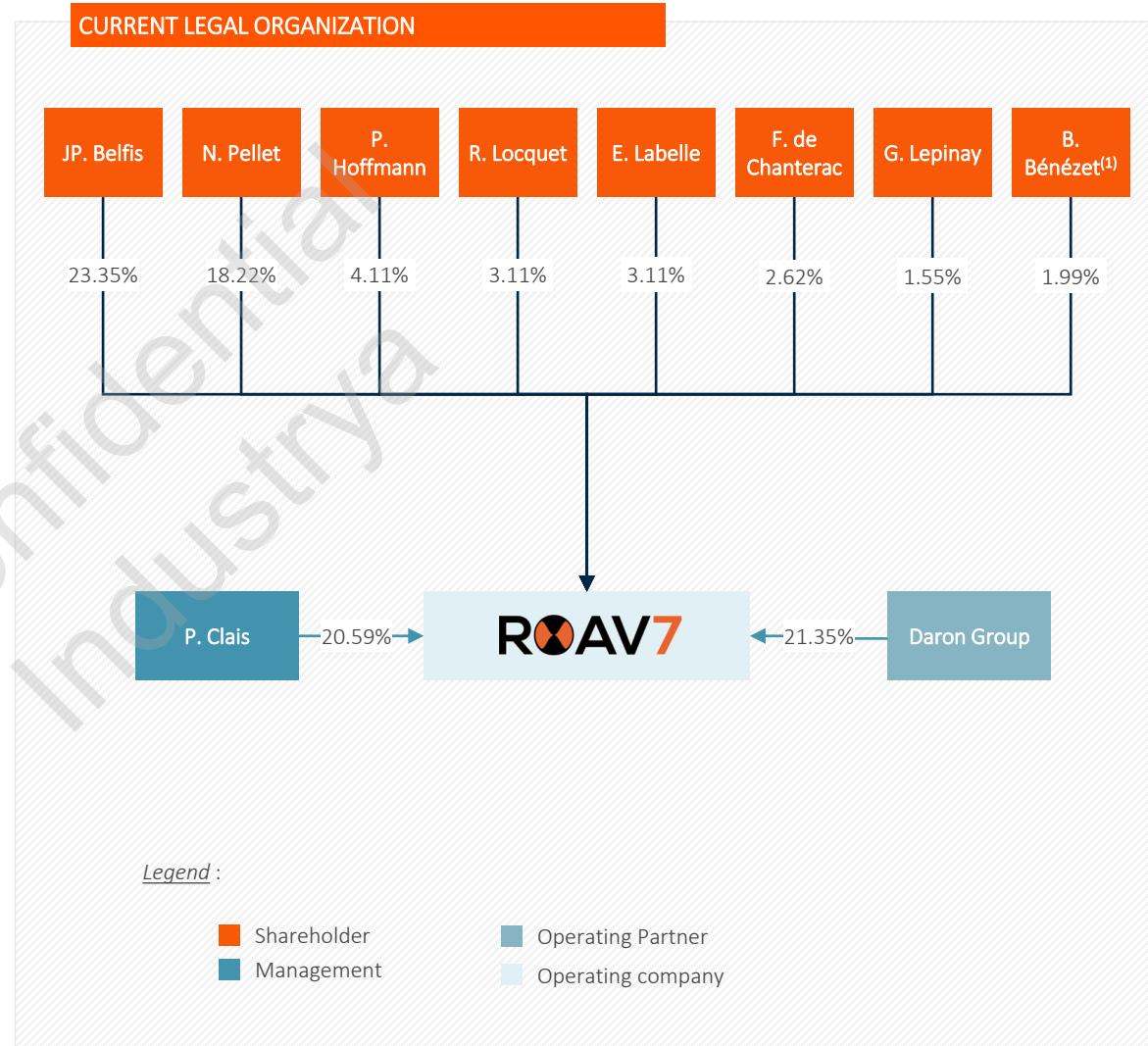
## 1.7 PROPOSED TRANSACTION OVERVIEW

### Context of the proposed transaction

- ROAV7 was founded in 2016 by Paul Clais, current CEO and one of the main active shareholder
- In 2017, Paul Clais completed a seed funding operation gathering friends and family alongside Daron Group
- Having reached profitability, ROAV7 is today looking for a long term partner to finance its expansion in new segments and markets

\*\*\*

- ROAV7 shareholders have retained CIC Conseil as their exclusive advisor
- The considered transaction would be a capital increase (between €1.5m to €2m) along with the exit of some historical non operational shareholders (minimum of c.50% of the capital)



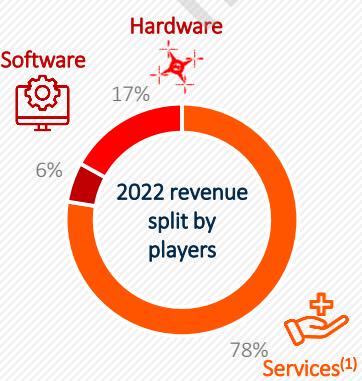
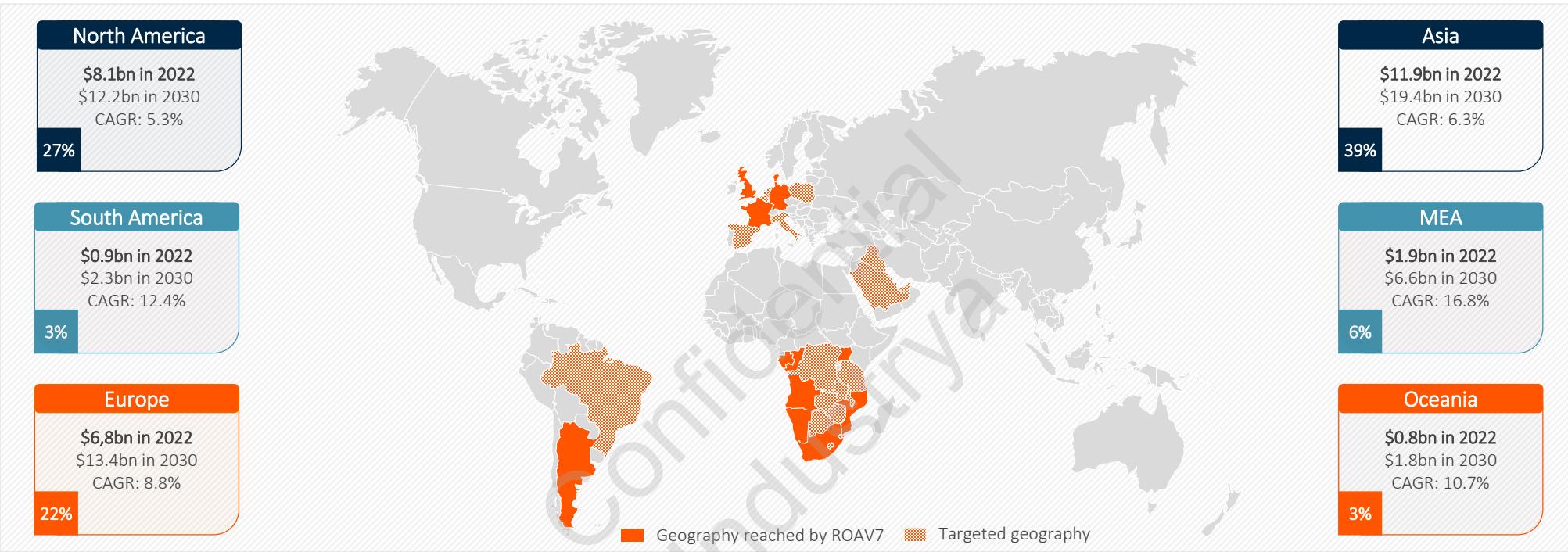
# 02

MARKET



## 2.1 A GLOBAL DRONE MARKET LED BY SERVICES

With strong growth potential across all regions



### A dynamic market enjoying positive trends

- Regulatory trends:** development of frameworks around drones flight conducting to the reduction of preparation times for complex missions
- Social trends:** social acceptance of drones thanks to drones-for goods missions despite military origins ; In terms of privacy, 2019 GDPR rules reduced socials fears toward drones recorded data
- Technological trends:** 5G technology could bring several new opportunities for the drone industry (increased speed in data transfer, easier realization of BVLOS<sup>(2)</sup>, etc.); artificial intelligence could make drone flight control and data analytics smarter and much faster; wireless charging could foster the use and automation of drone flights in remote places; etc.

## 2.2 DRONE SERVICES TAP IN SEVERAL ADDRESSABLE MARKETS

Addressable markets targeted by ROAV7 which promise remarkable growth potential

(Non exhaustive list of market applications for drones services)



Drones services for Industrial maintenance (\$bn)

### Enlargement of industrial needs

- Strong development of infrastructures requiring maintenance (renewable energies, nuclear plants, etc.)
- Deployment of the railway industry, etc.

### Problematics around energy costs

- Key interest in applying strong maintenance policies to avoid energetic wastes

### Complexification around industrial systems

- Automation and robotisation of industrial processes requiring additional maintenance needs

Drones provide with safe, efficient and cost effective monitoring solutions for industrial maintenance



Drones services for Security & Safety (\$bn)

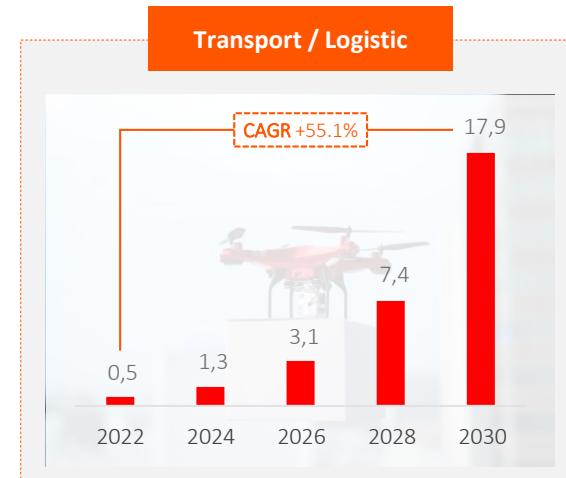
### Easy to deploy

- Instead of helicopters, drones can be deployed during small and large interventions to monitor crowds and areas

### Sensible places

- Drones offer a good compromise to assess dangerous areas such as nuclear plants
- Remote locations can be easily reached and assured such as maritime security

Drone security, developed for military applications, is pertinent to many civilian needs



Drone services for Transport / Logistic (\$bn)

### Cost and performance making cargo drones viable

- Falling price of electronic components and improved capacity of lithium-ion batteries, make drones lighter and more efficient to ensure logistic assignments

### With a broad range of applications

- Cargo drones come in small, mid and large sizes making them suitable for intra-firm warehouse deliveries, last mile supply chain, truck/ship loading/offloading and intra-and intercity deliveries

Cargo drones represent a potential game changer in the logistics industry

## 2.3 AN INTERNATIONAL COMPETITION STILL LACKING STRUCTURE

Several typologies of actors are active in the drone services industry

### A young market

- Despite its young age, the drone market and its important size counts a large number of actors
- Drone service providers gather several typologies of actors with various species:
  - **Pure players:** companies created with the purpose of developing services around the drone technology
  - **Industrial operators:** actors developing a drone service offer to answer their own needs
  - **Drones manufacturers:** actors trying to enrich their value chain

### Pure players

- Many pure players active in the service industry were **born following the recent accessibility of drone technology** in the recent years
- Those direct concurrent of ROAV7 are **still seeking to encounter their business models** and are therefore **often small and unprofitable**
- The market is **deeply international** with competitors originating from all across the globe
- Some pure players managed to finance their developments with financial investors and are currently **trying to structure the market through acquisitions**

The drone service industry is far from maturity and attracts several typologies of actors

### Industrial operators



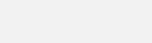
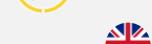
...

### Drones manufacturers



...

### Pure players



### Field



...

# 03



ACTIVITY

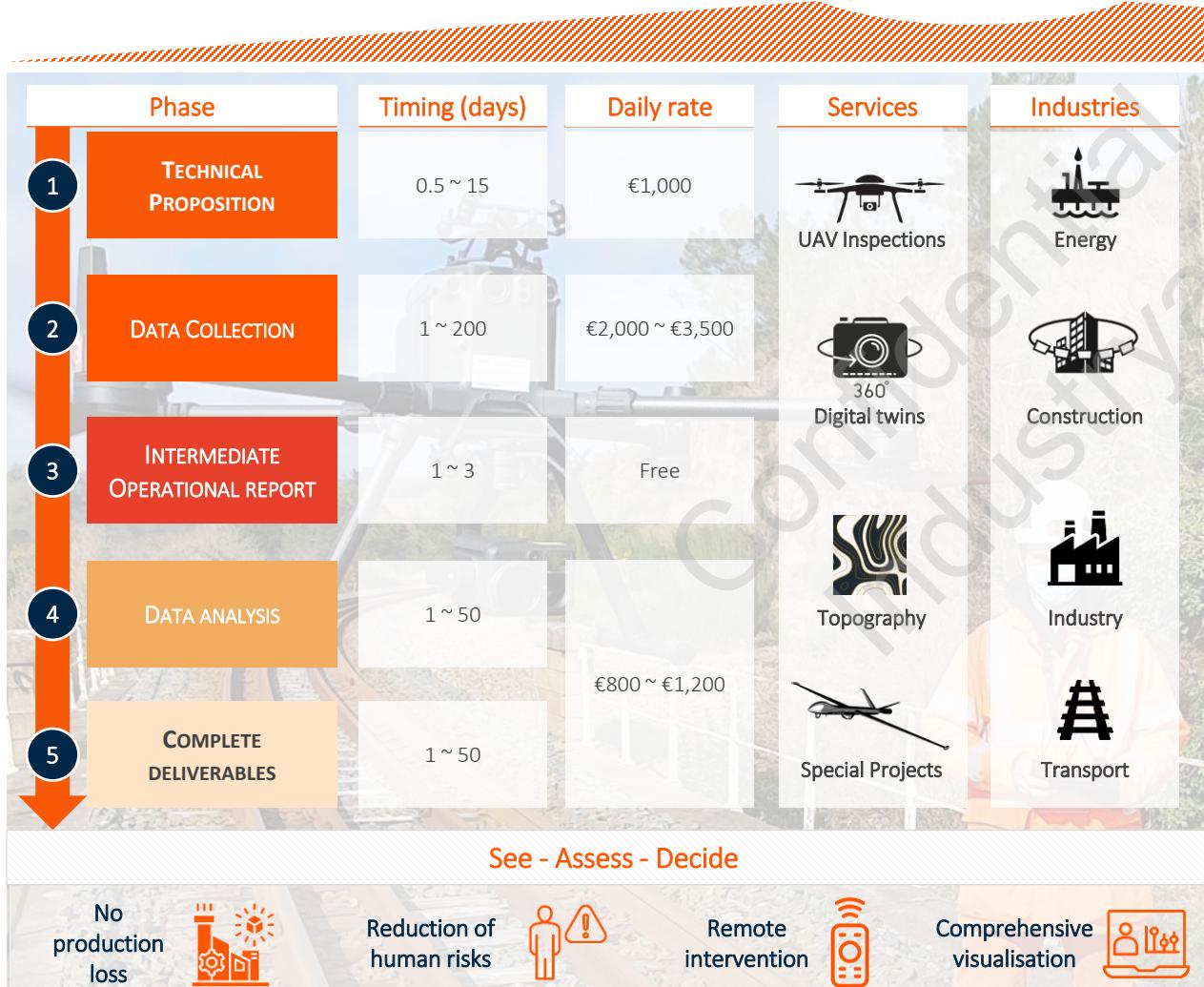
# 03.A

## ACTIVITY

- A. BUSINESS MODEL
- B. PRESENTATION OF THE SERVICE LINE
- C. CUSTOMERS & CONTRACTS
- D. CASE STUDIES

### 3.1 BEST-IN CLASS MODEL FOCUSING ON OPERATIONAL EXCELLENCE

A 5-steps business model developed by ROAV7 and applicable to all services and industries



#### STRONG WORK ETHICS

##### Flight safety rules and regular trainings

- ROAV7 defines clear operating rules in its drone flight use policy merging the safety features of the industry and aviation worlds (among which the assessment of operational risks, the definition of a safety perimeter for takeoff and landing, etc.)
- ROAV7 trains actively its staff to operate in complex environments and provides appropriate personal protective equipment

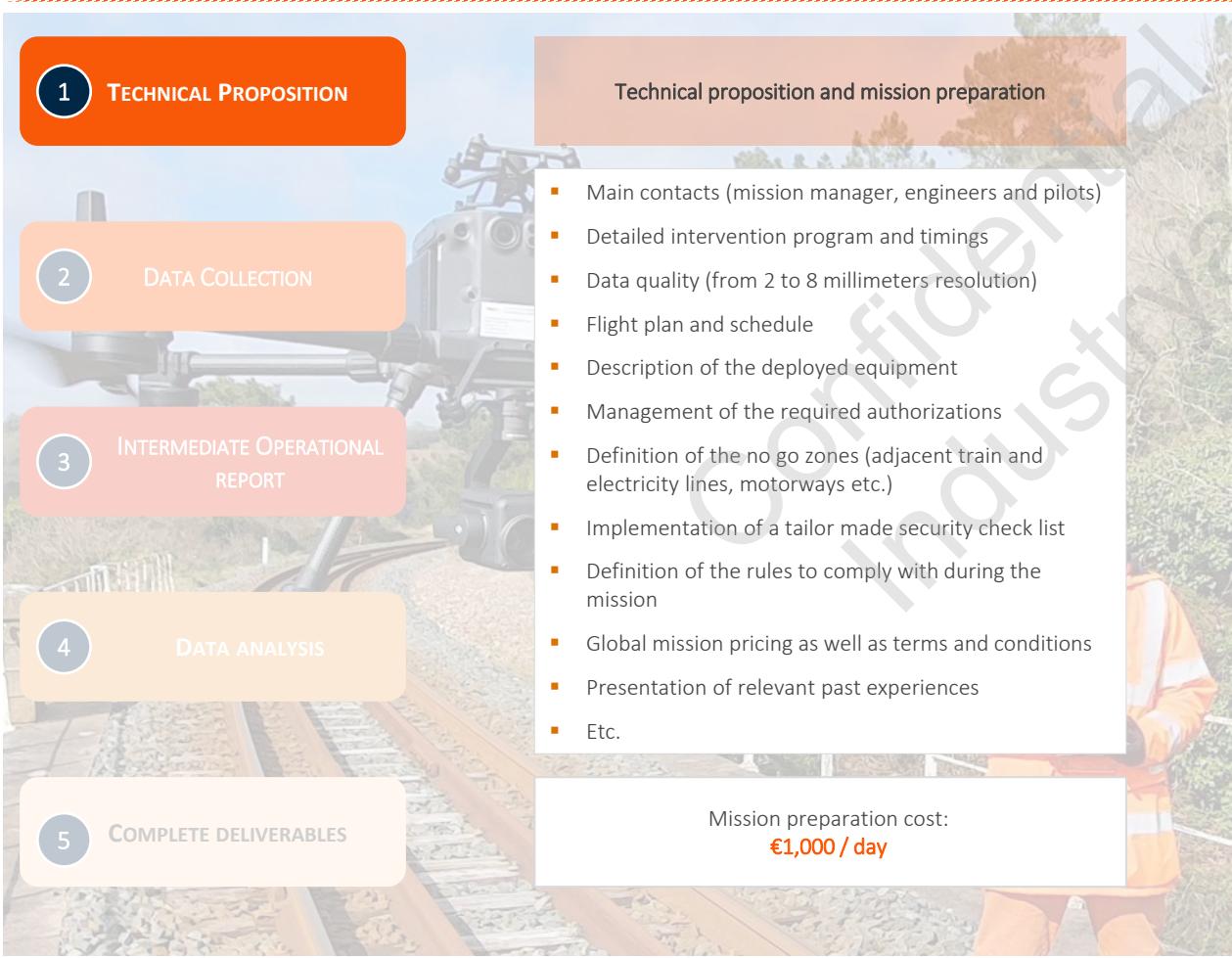
##### Legal knowledge and Integrity

- ROAV7 do not fly above public spaces, critical infrastructure or next to airports without specific authorizations and is ready for the EASA regulations
- ROAV7 respects people privacy, do not use data collected for marketing materials without proper consent of its customers

A no failure policy for its clients and employees

### 3.1 BEST-IN CLASS MODEL FOCUSING ON OPERATIONAL EXCELLENCE

A 5-steps business model developed by ROAV7 and applicable to all services and industries



Safety & Technical Aerial inspection	
Proposition technico-commerciale Inspection interne de la charpente d'un bac	
Référence:	202208-FR-931-CTO-00
Date:	01 septembre 2022
Version :	00
Langue:	FR
Communication :	Externe



Drone	
Poids	1150g avec batteries/ 780g sans batterie
Largur-Songeur-Hauteur-diagonale	35-35-35-46 cm
Autonomie	13min30 (recommandé en vol 12min30)
Puissance et fréquence transmission vidéo	25 mW, bande passante 2.4 GHz et 5.8 GHz
Puissance LED	12000 lumens
Caméra	4K 30 FPS
Batterie	Lipo 4950 mAh recharge par USB

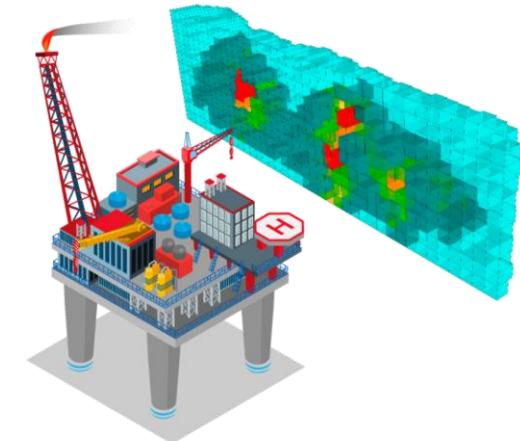
  

Radiocommande	
Hélicoptère	Norme EU/CEC > 12km (CE)/>20km(CC)
Portée (en espace libre)	Duplex
Liason radio	1.2ghz
Antenne	1.2ghz
Batterie	Lipo 4950 mAh recharge par USB

Ecran retour vidéo	
Taille	75.46° - 35 millions de couleurs, tactile
Sensibilité réception	-99 dBm
Mode de réception	Diversité
Antenne	Omnidirectionnelle
Portée (en espace libre)	> 12km(CE) /> 20km(CC)
Autonomie	5 Heures sans batterie additionnelle
Batterie	Lipo 4950 mAh recharge par USB

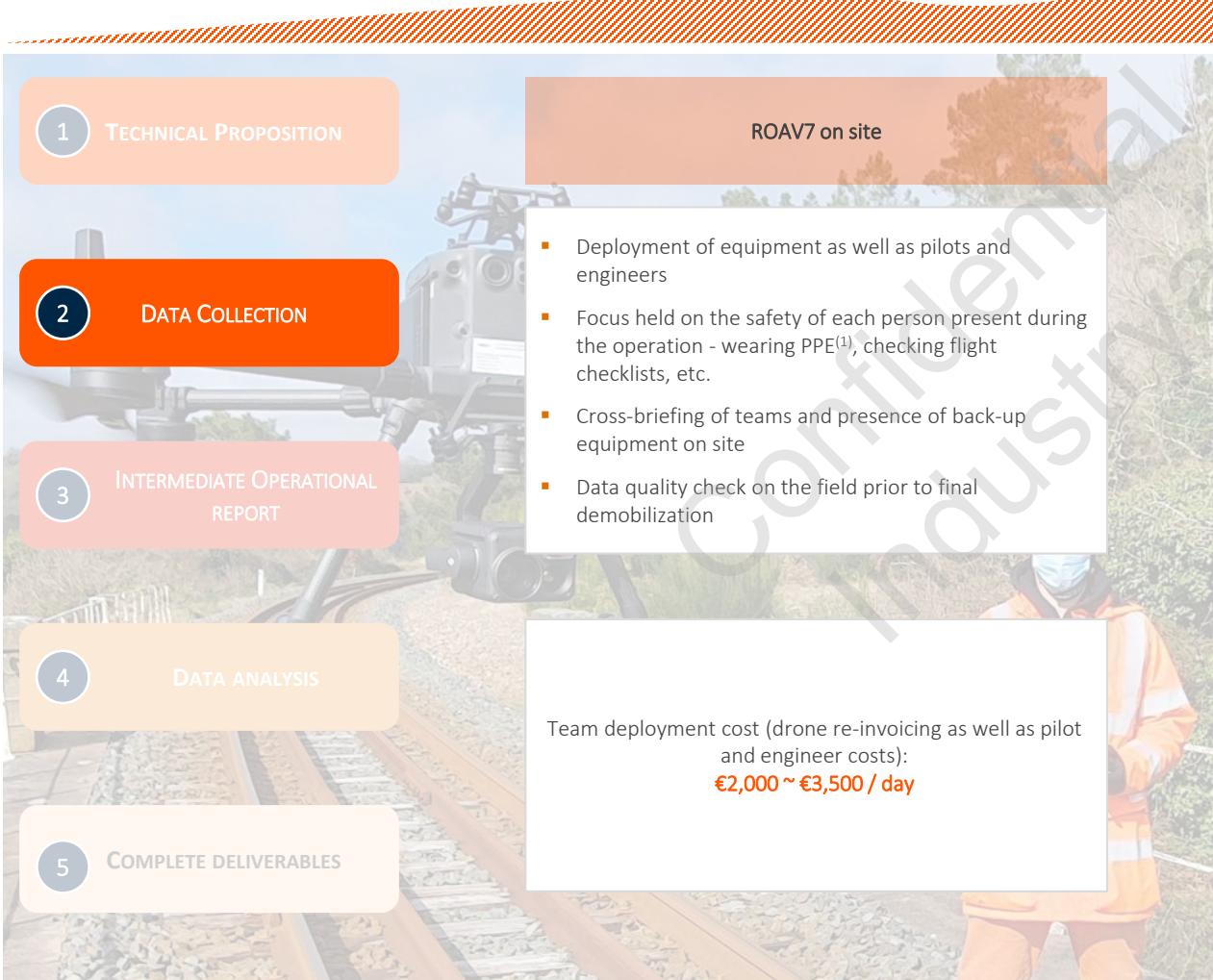
Sampling of a technical proposition



Sampling of a flight plan proposed in the technical proposition

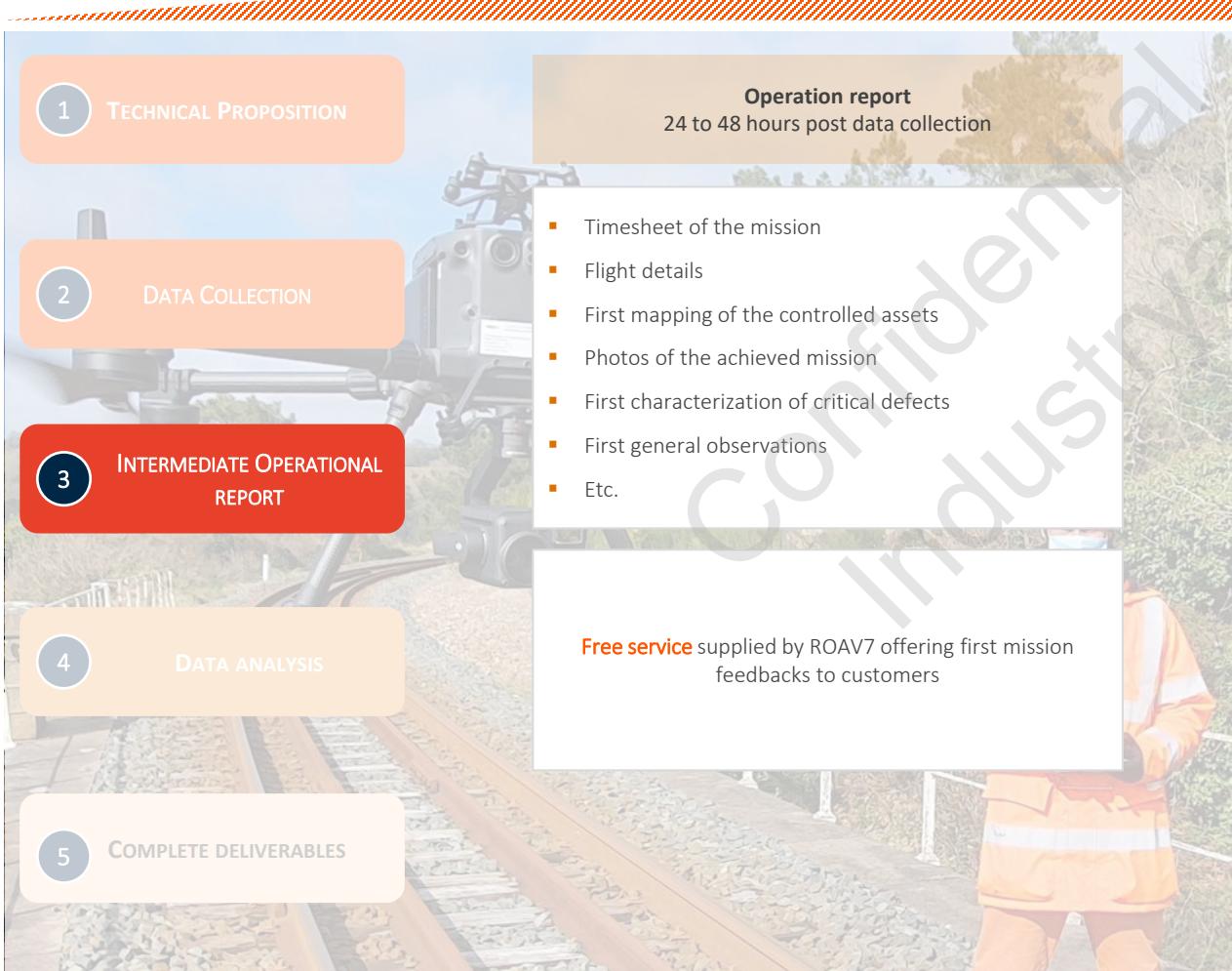
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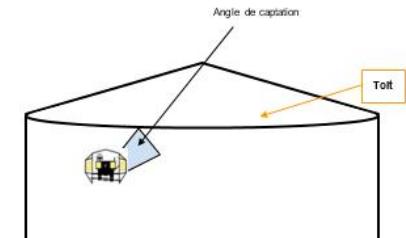
Safety & Technical Aerial Inspection		ROAV7
Ref ID:	202208-FR-931-PROGOP	202208-FR-931-PROGOP
Date:	00	20/09/2022
Version:	00	FR
Com:	INEXCO - Inspection Interne Charpente	Confidential

#### ACQUISITION DU TOIT

La procédure pour l'acquisition du toit est schématisée ci-dessous:



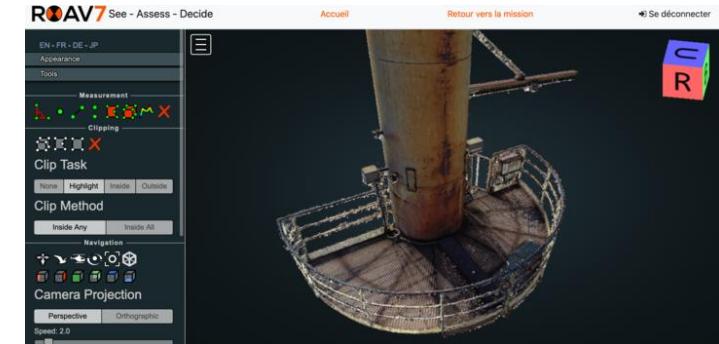
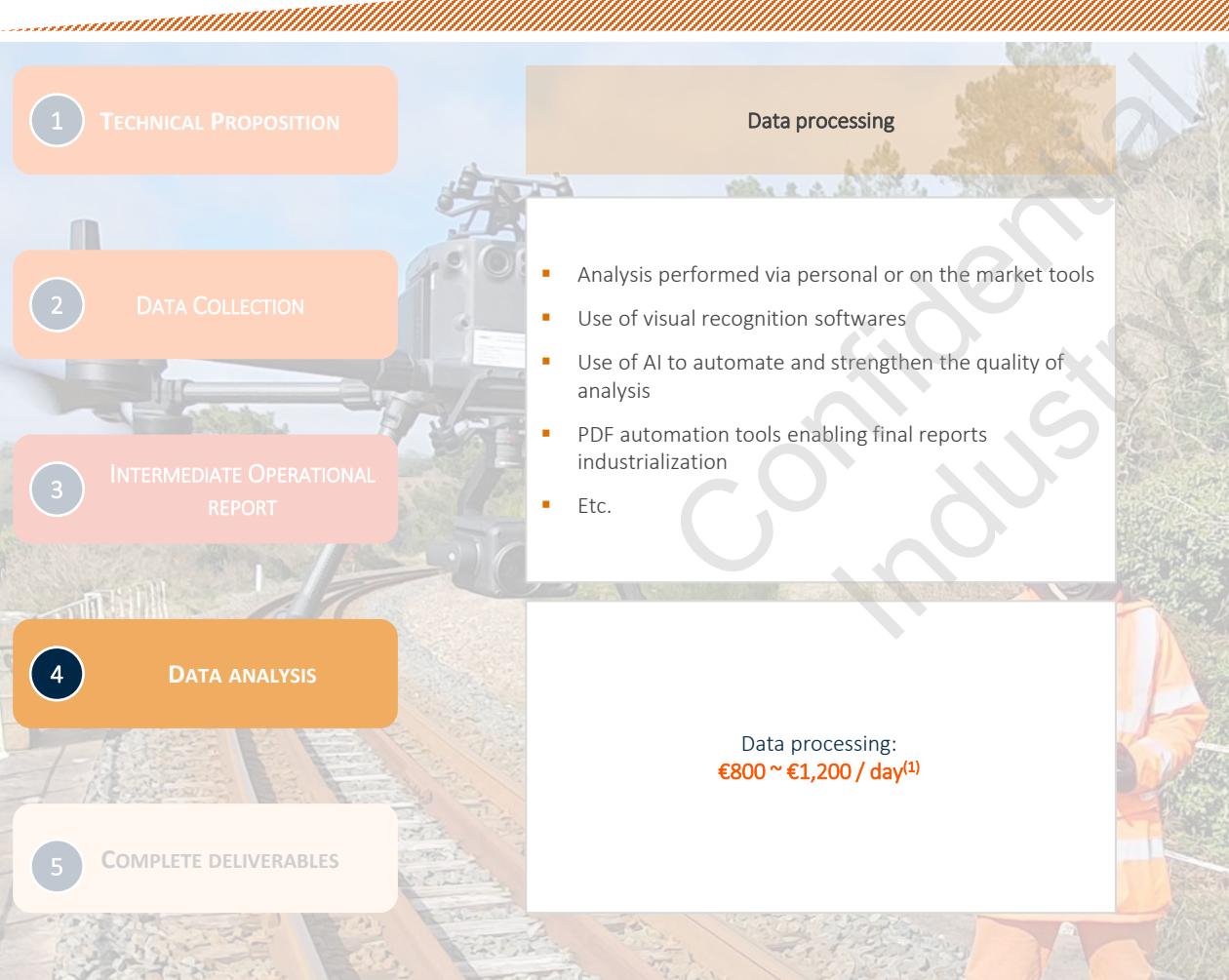
Drone vue d'en bas



Example of an operation report

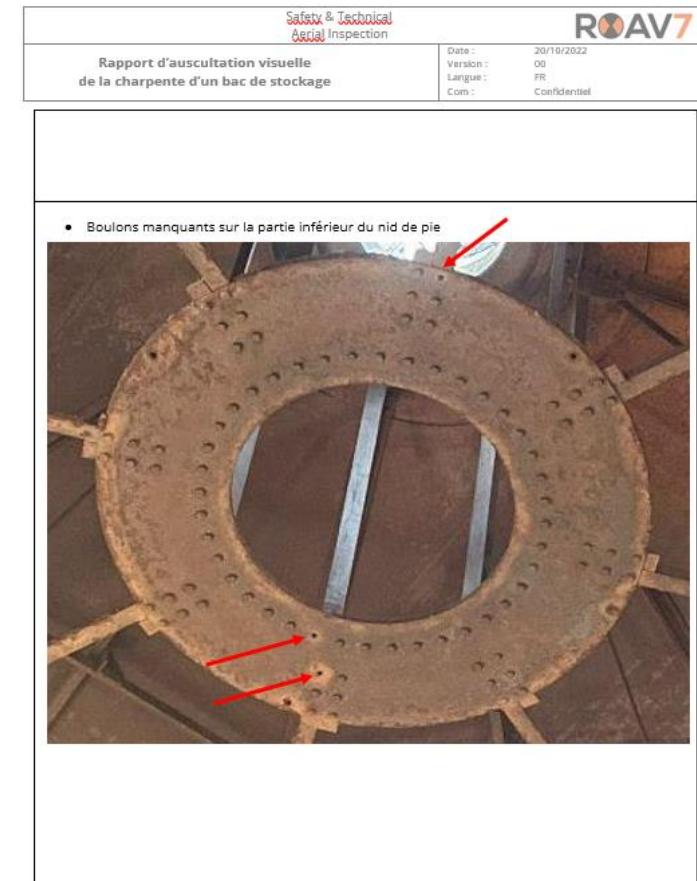
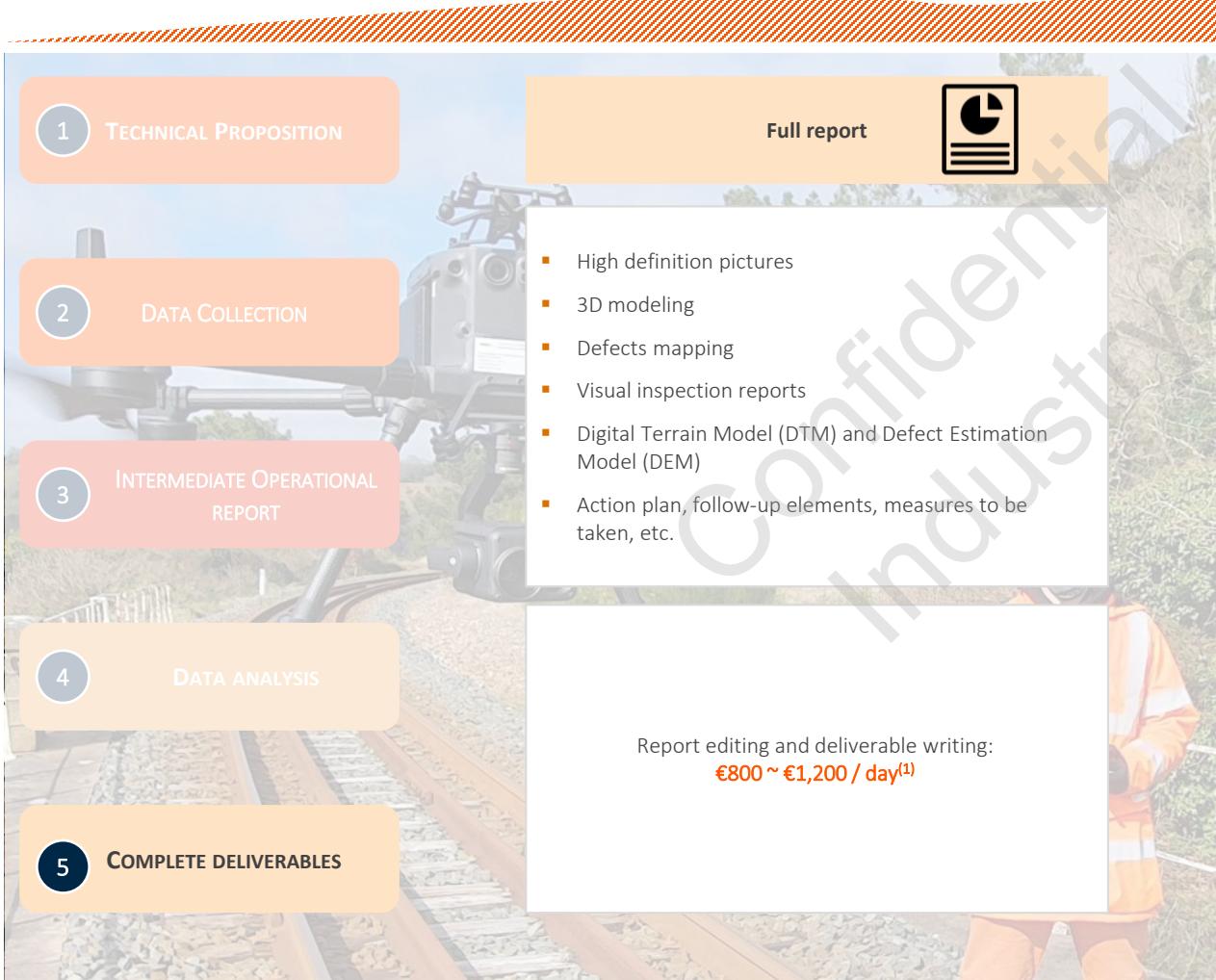
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### 3.1 BEST-IN CLASS MODEL FOCUSING ON OPERATIONAL EXCELLENCE

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## 3.2 LOCAL STRATEGICAL PARTNERSHIPS

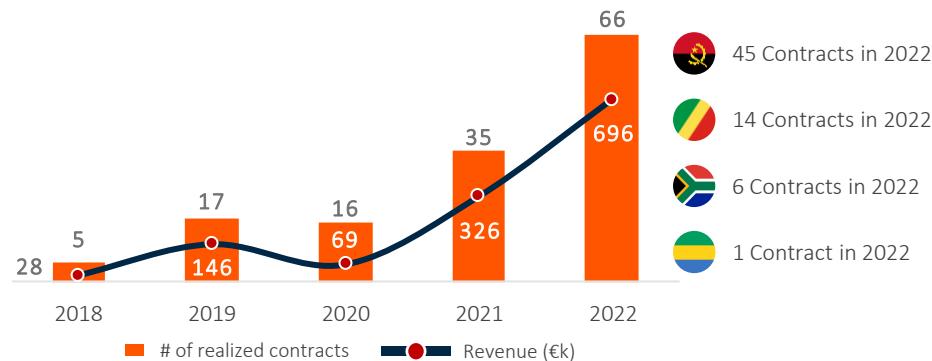
### Daron Group, a strategic ally in Africa and beyond



- Founded in 1959 in Africa and headed by Thibaud Daron, the Daron Group is a family-owned shipchandler company operating through two separate structures:
  - Daron Shipchandler, with headquarters in the ports of Gabon, Congo and Angola, specialises in the supply of food, spare parts and consumables for ships and offshore equipments, as well as other related services
  - Olex, based in France, specialises in the supply chain, from international sourcing to the delivery of food and non-food products for supermarkets, wholesalers, catering companies, embassies, etc.
- The company enjoys a direct presence in Gabon, Congo, Angola, Namibia, South Africa, Mozambique as well as Uganda
- In addition, the Daron Group has a significant network of partners enabling the company to rise internationally



### Realized activity with Group Daron over the years



# 03.B

## ACTIVITY

- A. BUSINESS MODEL
- B. PRESENTATION OF THE SERVICE LINE
- C. CUSTOMERS & CONTRACTS
- D. CASE STUDIES

### 3.3 SERVICE LINE OVERVIEW

#### UAV inspection

##### Description

ROAV7 equips its aerial drones with **visual cameras and sensors** to collect data around its customers' assets

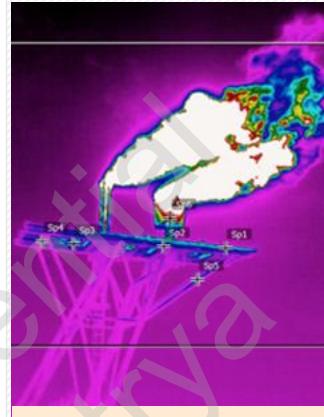
Drones are **modular** and can be easily mounted with several inspection captors: thermal, gas, lasers, sounds, etc.

The data collected is then processed to model **damage maps** and detect corrosion, cracks, welding defects, weakened anchoring points and deformations

ROAV7 provides its customers with **detailed deliverables including:**

- 3D models
- Inspection reports
- Orthophotographies
- Photos Report / Defects Tables
- Etc.

##### Assets inspections in difficult places



Visual & thermal



Onshore & Offshore



External & Confined environments

##### Addressable markets



Oil and Gas



Photovoltaic



Wind



Nuclear



Infrastructure



Industry

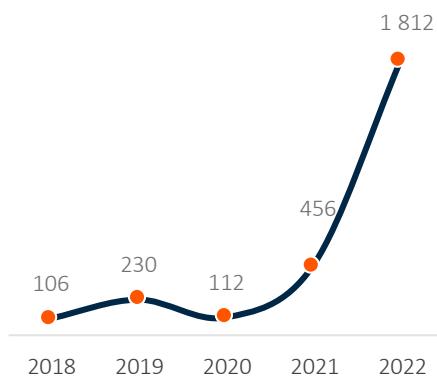


Construction



Railway

##### Financial highlights (€k)



### 3.3 SERVICE LINE OVERVIEW

#### Special projects

##### Description

ROAV7 is capable to engineer **tailor-made UAV solutions** for its customers

To do so, ROAV7 ensures technical preparation of solutions preliminary to the operations. Definition of the work scope and best practices are elaborated with customers

**Integration of the outputs into the existing customers' control and command IT systems** guarantees a perfect visibility to clients

**Flexible business model** is offered for the procurement of the solutions such as **leasing** of tools, **trainings** of operators, **etc.**

Specific in house R&D such as softwares is developed to ensure efficient deliverables

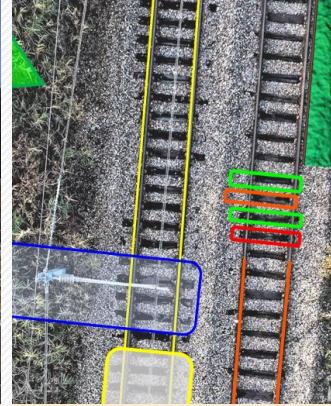
##### Special project examples



Logistic



Monitoring



Inspection of railway sleepers

##### Use cases



Logistic



Surveillance



Gas control

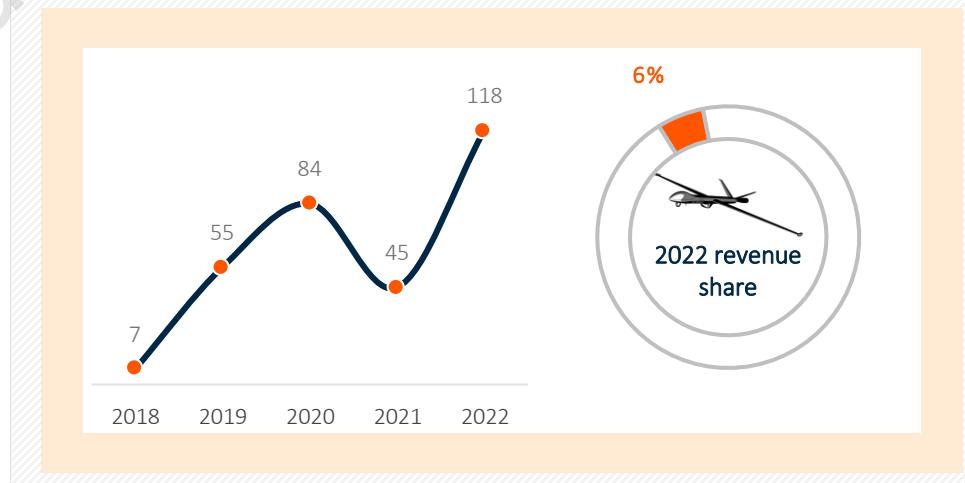


Transport



Leak monitoring

##### Financial highlights (€k)



### 3.3 SERVICE LINE OVERVIEW

#### Digital twins & 3D modelling

##### Description

ROAV7 produces 3D models of industrial sites, structures and equipment through the use of its drones and sensors using the photogrammetry method

The collected data is processed and analyzed to form a dense cloud

ROAV7 creates 3D models to take measurements, visualise structural deformation and obtain a digital twin for maintenance monitoring, HSE training, shutdown preparation, etc.

ROAV7 provides its customers with detailed deliverables including:

- Full millimetric digital twin point cloud
- Panoramic virtual tours (360°) 2D/3D
- Tags integrated to Computer Assisted Maintenance
- Photogrammetry by drone or 360° camera

##### Complete digital view of assets



Modelling of a 60 hectares industrial site

##### Use cases



Remote training



Display a work or shutdown area



Carry out maintenance monitoring



Display site evolution

##### Financial highlights (€k)



### 3.3 SERVICE LINE OVERVIEW

#### Topography

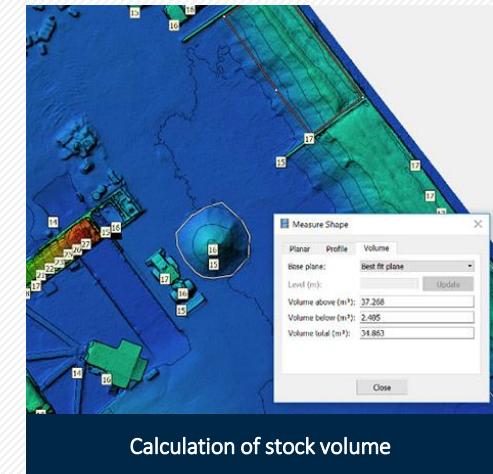
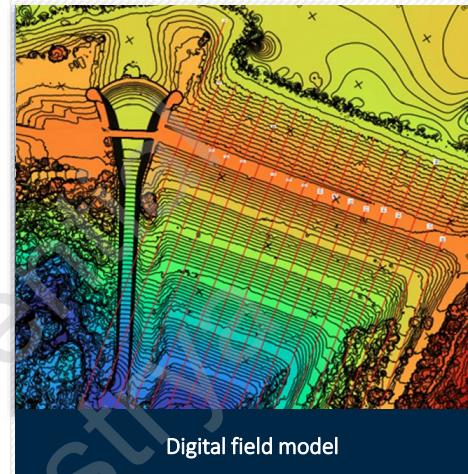
##### Description

ROAV7 carries out **topographical surveys, 3D modelling** of the terrain and cubing of stockpiles of materials from aerial photographs

The drone can cover a large land area with different sensors depending on the survey to be carried out and the measurements to be taken:

- 3D terrain modelling
- Sectional drawings
- Cubing of stockpiles of materials
- Analysis of the volumes of inert materials to be filled or cleared from a site

##### Topography visuals



##### Targeted industries



Mine



Stone quarry



Building sites



RE<sup>(1)</sup> sight  
survey

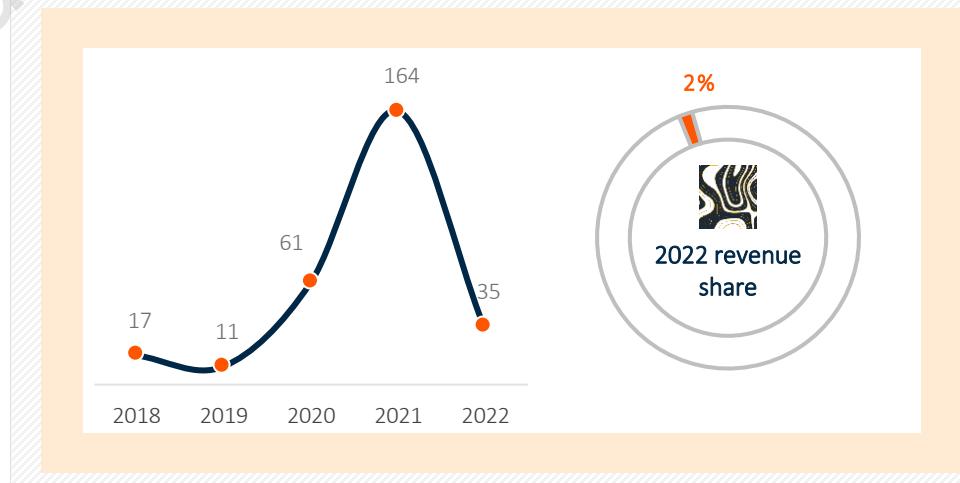


Pipelines right  
of way



Roads right of  
way

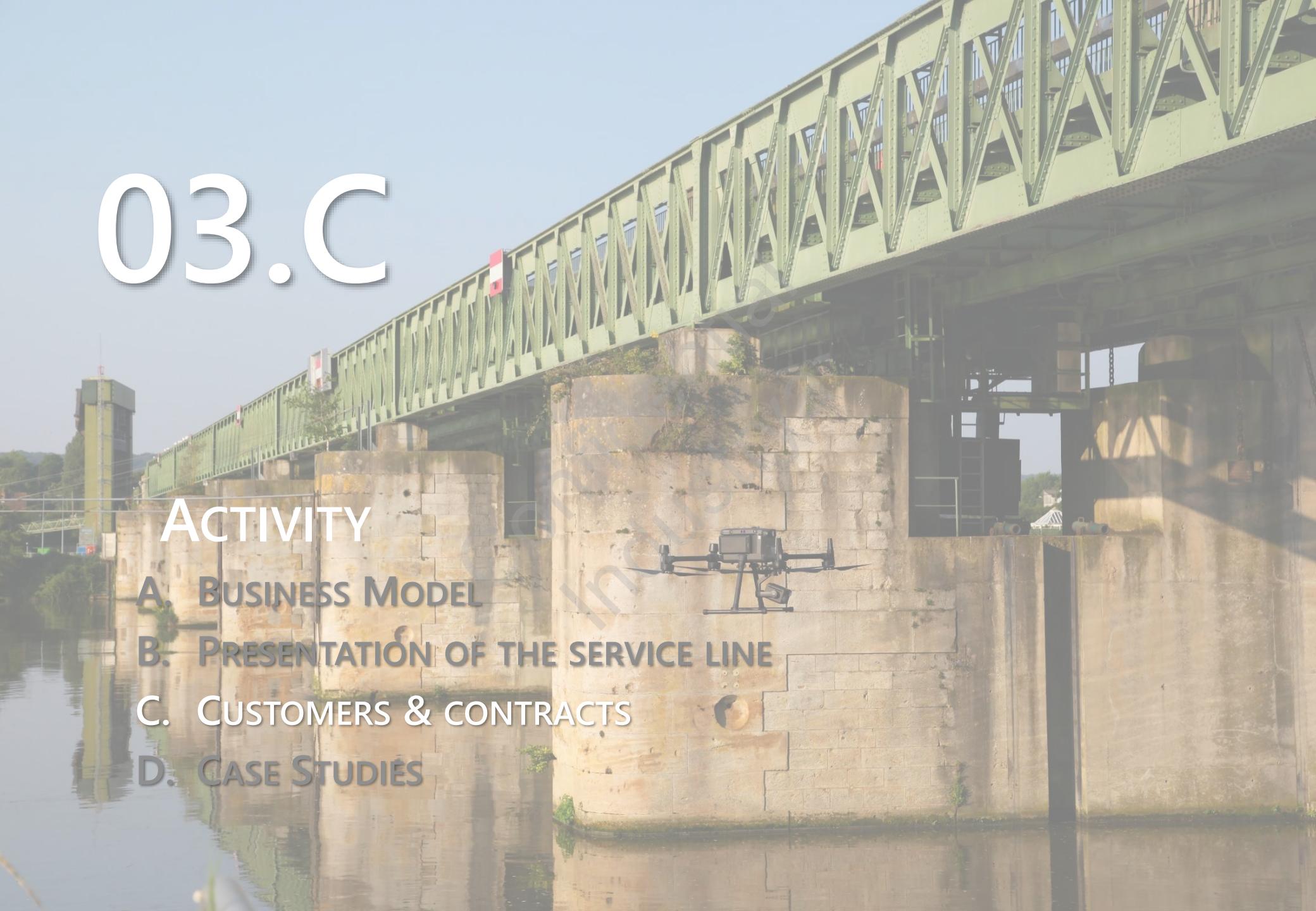
##### Financial highlights (€k)



# 03.C

## ACTIVITY

- A. BUSINESS MODEL
- B. PRESENTATION OF THE SERVICE LINE
- C. CUSTOMERS & CONTRACTS
- D. CASE STUDIES



## 3.4 FOCUS ON CUSTOMERS & CONTRACTS

More than 120 customers across 4 segments

120  
Customers since ROAV7's creation

351  
Missions successfully achieved since ROAV7's inception

147  
Contracts completed in 2022

Expanding segments through the hiring of experts and potential acquisitions



Wind



Nuclear



Railway



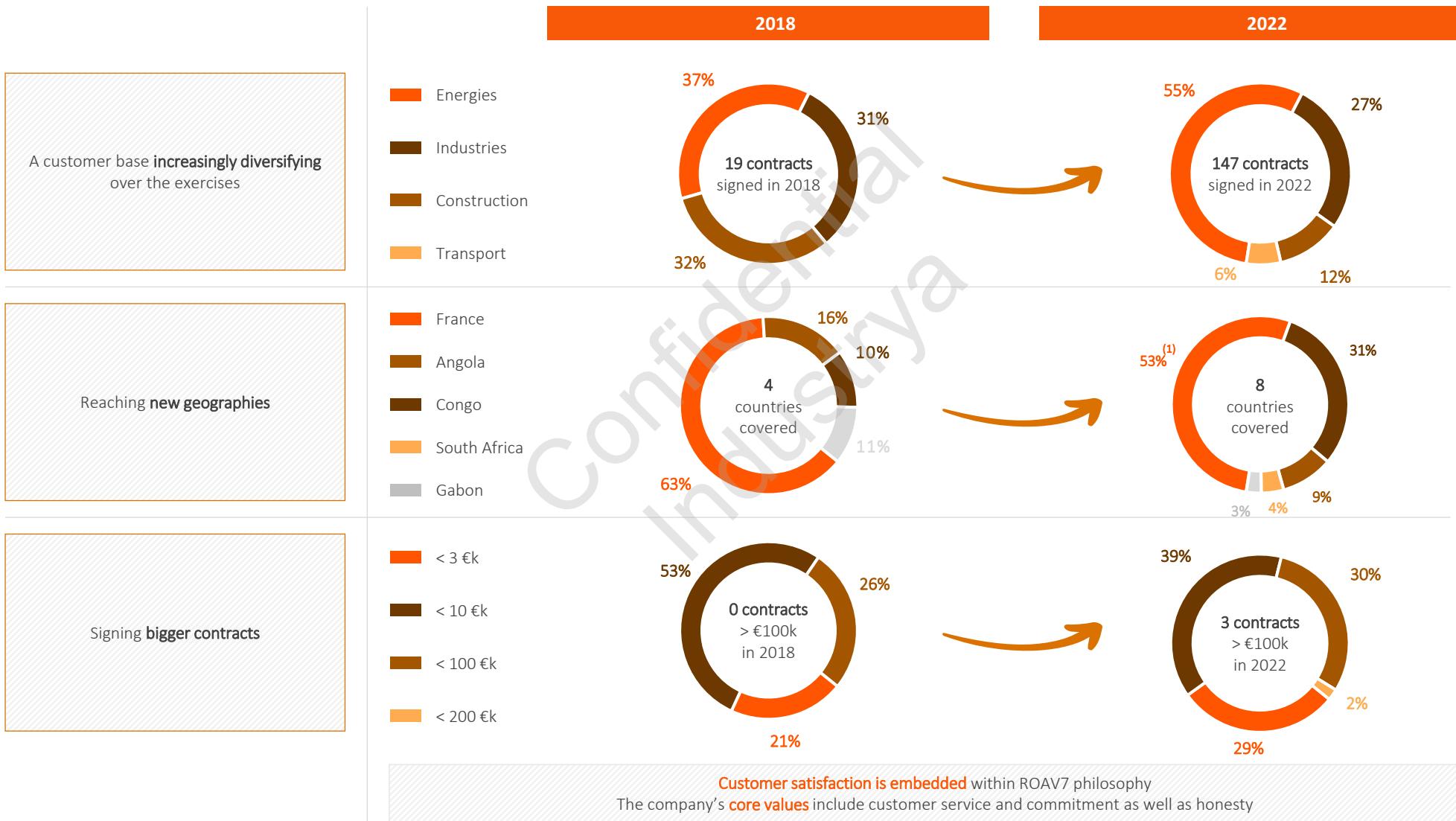
Logistic

Although ROAV7 is already active in those segments, the Company's strategy to quickly expand in those verticals will happen thanks to the recruitment of market experts within the coming years and the acquisition of targets active on those segments



### 3.4 FOCUS ON CUSTOMERS & CONTRACTS

An increasingly diversified customer base both geographically and industrially

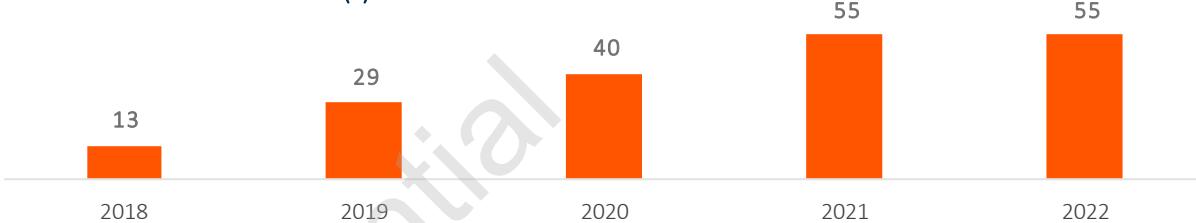


### 3.4 FOCUS ON CUSTOMERS & CONTRACTS

A customer base signing more numerous and larger contracts

ROAV7's customer base has multiplied by 4 between 2018 and 2022 without being affected by the covid pandemic showing its loyalty and interest

Evolution of the number of customers (#)



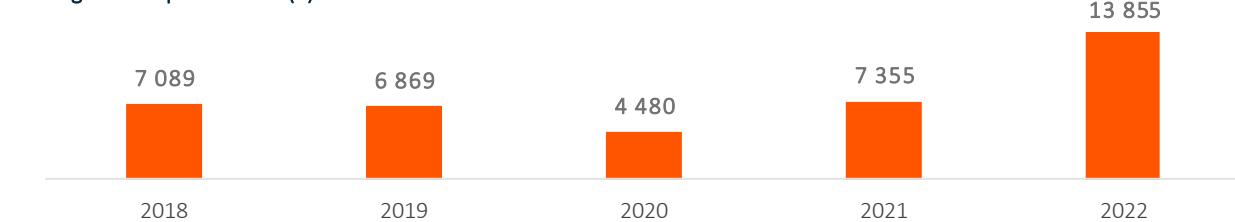
ROAV7 becomes more necessary for its customers as they signed on average one more contract each year between 2018 and 2022

Evolution of the contracts and contracts by customers (#)



ROAV7's customers doubled the size of their contracts with the company between 2018 and 2022

Average basket per contract (€)



### 3.5 A SUSTAINABLE ADDED VALUE FOR ITS CUSTOMERS

ROAV7 helps reducing emissions, increase the lifespan of assets and ease energy transition of its customers



#### Reduction of emissions

- With its **large range of high quality sensors**, ROAV7 is deeply committed to emissions monitoring
- Its **strong relationships and contracts with leading players** such as TotalEnergies (or through Oceaneering) allow the company to have a global understanding of climatic considerations



#### Increase of the lifespan of assets

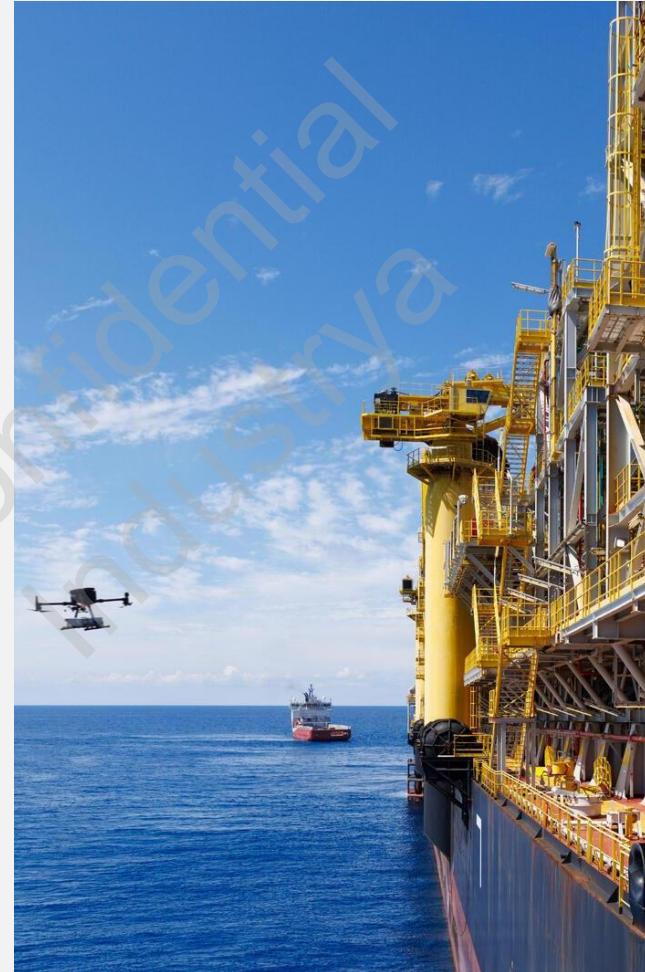
- With its **operational and technological excellence**, ROAV7 allows its customers to perform on bespoke maintenance operations and prevent production or operation incidents



#### Ease of the transition towards renewables

- ROAV7 prevents energy losses and optimize production capacity of renewables (solar farms or wind turbines) with its solutions

**Emissions reduction project**



**Partners:**

- TotalEnergies
- ROAV7
- QUAVA
- CNRS
- Université de Reims Champagne-Ardenne

**Project:** contribution to the reduction of TotalEnergies' methane and CO<sub>2</sub> emissions with drones

**Sector:** all Oil & Gas sites operated by TotalEnergies

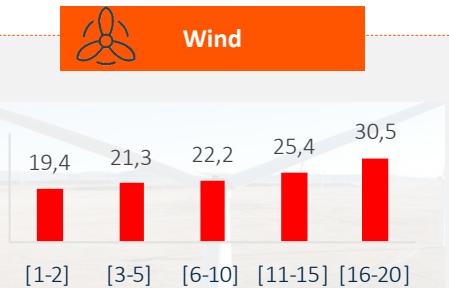
**Technology:** AUSEA (Airborne Ultralight Spectrometer For Environmental Applications) is an ultralight CO<sub>2</sub> and CH<sub>4</sub> sensor for drones, making it possible to reach hard-to-reach emission points and ensure maximum accuracy of readings

**Key 2022 figures:** 1,200 flights, 8 countries, 125 sites, €883k billed in 2022



### 3.6 ROAV7 CLEAR AXES TO REACH NEW OPPORTUNITIES

Recruitment of specialists to efficiently develop new segments



Theoretical evolution of a wind turbine maintenance costs through time

#### A strong demand for wind turbines energy

- The installation of wind turbines will keep steady with an average installation rate of 55 GW per year by 2025

#### Aging wind turbines farms

- Maintenance operations represent approximately 50 % of wind turbines operation costs
- Aging wind turbines require heavier and more regular maintenance operations



Evolution of cargo drones market (in billion dollars)

#### Cost and performances

- Falling price of electronic components and improved capacity of lithium-ion batteries, make drones lighter and more efficient to ensure logistic assignments

#### With a broad range of applications

- Cargo drones come in small, mid and large sizes making them suitable for intra-firm warehouse deliveries, last mile supply chain, truck/ship loading/offloading and intra-and intercity deliveries



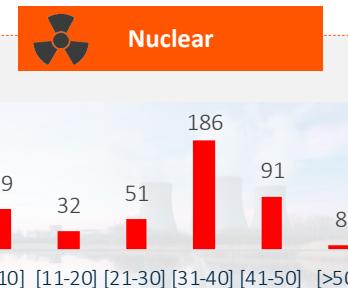
Evolution of the global rail lines length (in kilometres)

#### A bright future for the railway industry

- In 2025, the global market should reach €204bn in revenue driven by the global population growth and the growing urbanization

#### A market sensitized to process automation

- Railway operators are digitalizing their operations (e.g. with Digital Automatic Coupling) and looking for innovative and efficient predictive maintenance solutions



Split of the global nuclear power in 2021 (by age)

#### Aging nuclear plants

- 43% of the nuclear plants are aged between 31 and 40 years
- Old nuclear plants require continuous monitoring to ensure the default lifespan of 40 years can be safely exceeded

#### An active maintenance, dismantling and recycling market

- In 2021 maintenance, dismantling and recycling market accounted for €45bn in the €300bn nuclear industry

#### ROAV7 plans to enter favorable markets with the recruitment of dedicated specialists

ROAV7 will recruit a market specialist by September 2024

Acquisition of a competitor active in the wind segment if available

ROAV7 will recruit a market specialist by January 2025

Acquisition of a competitor active in the logistic segment if available

ROAV7 will recruit a market specialist by March 2024

Acquisition of a competitor active in the railway segment if available

ROAV7 will recruit a market specialist by June 2025

Acquisition of a competitor active in the nuclear segment if available

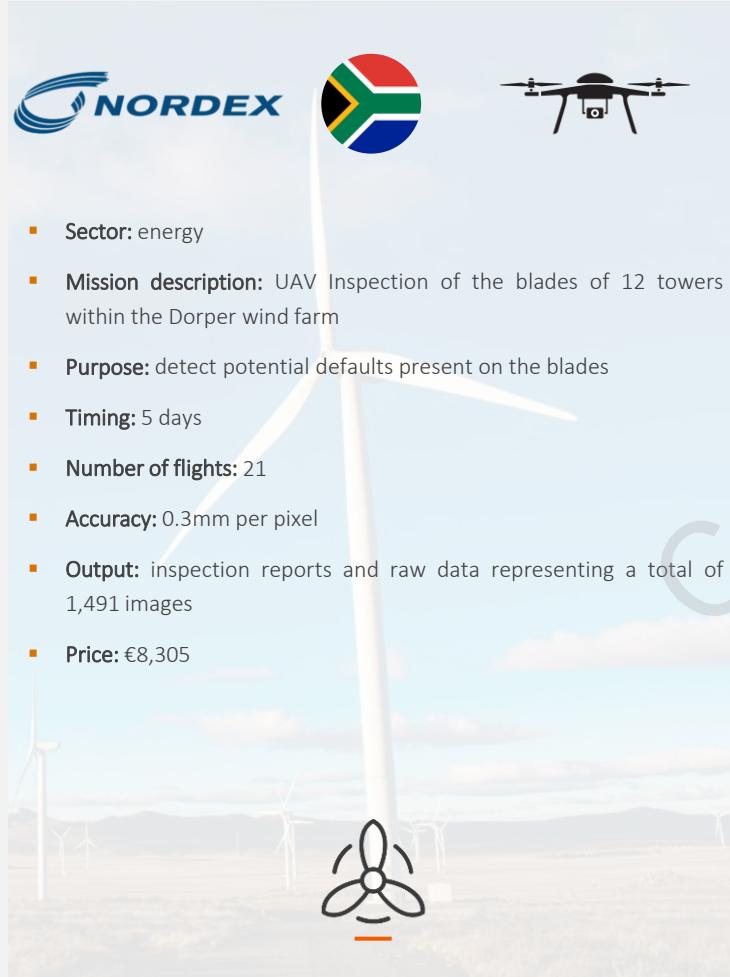
# 03.D

## ACTIVITY

- A. BUSINESS MODEL
- B. PRESENTATION OF THE SERVICE LINE
- C. CUSTOMERS & CONTRACTS
- D. CASE STUDIES

### 3.7 CASE STUDIES

#### Nordex - Wind energy



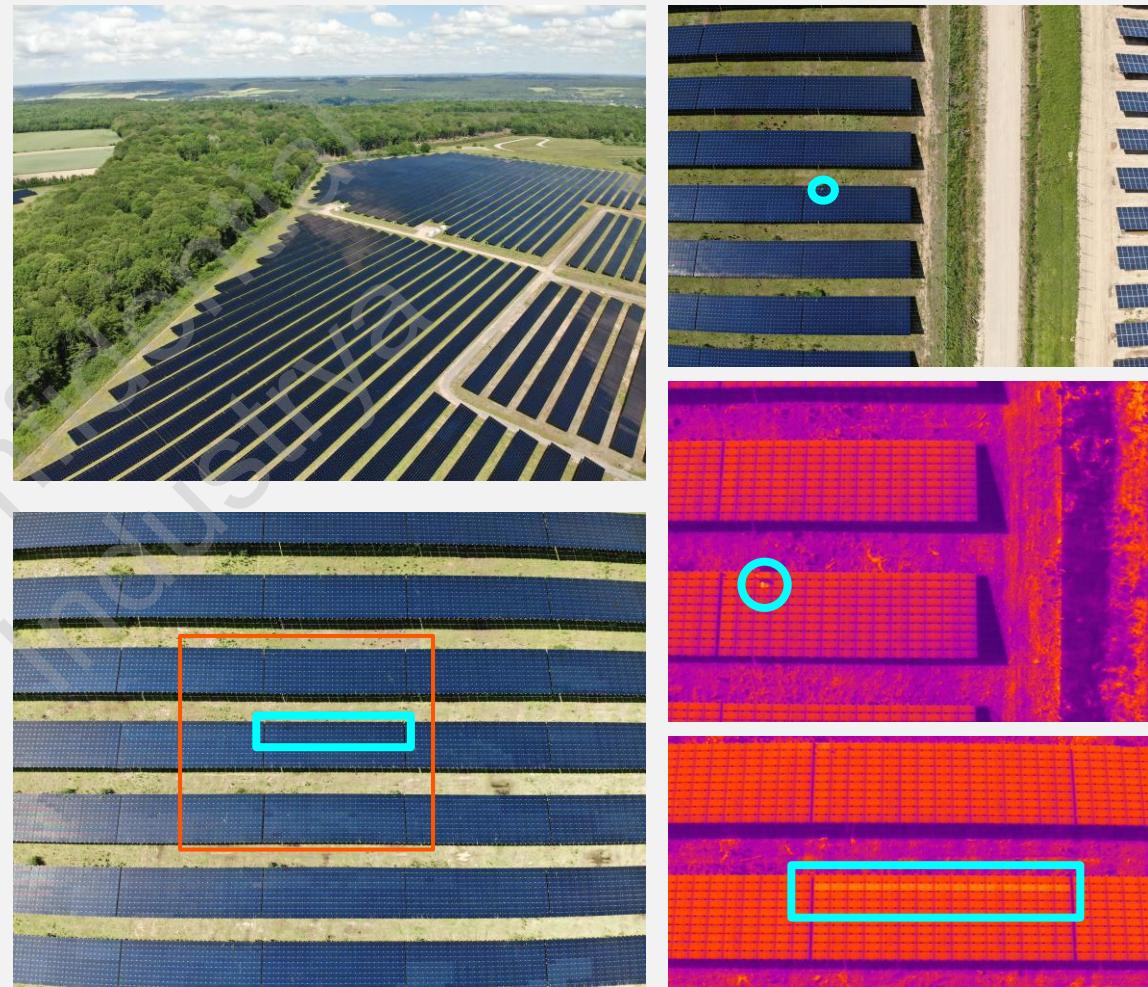
### 3.7 CASE STUDIES

#### RES - Photovoltaic



The slide features the RES logo in orange and blue on the left, followed by a silhouette of a quadcopter drone with a camera mounted underneath. Below the logo is a large, faint watermark reading "Copyright © 2023 CIC Conseil". At the bottom right is a small icon of a solar panel.

- **Sector:** energy
- **Mission description:** UAV inspection of a photovoltaic park
- **Purpose:** detect potential defaults present on solar panels of a solar Park located in Normandy. This park extends on a 40 hectares surface area
- **Timing:** 1 day
- **Number of flights:** 7
- **Accuracy:** 0.3mm per pixel
- **Output:** 31.7 Go of data collected representing a total of 7,130 photos including thermal pictures identifying defaults not visible to the naked eye
- **Price:** €2,250



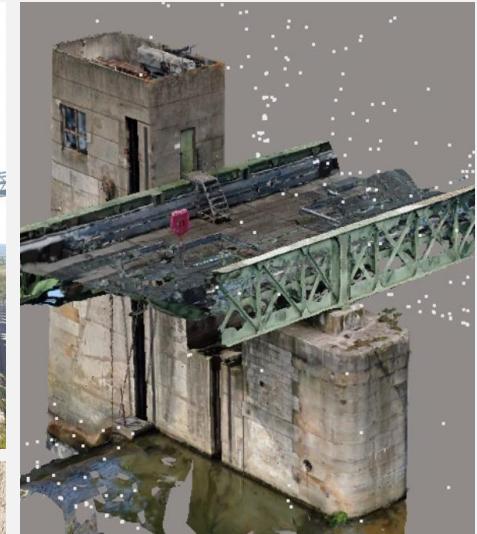
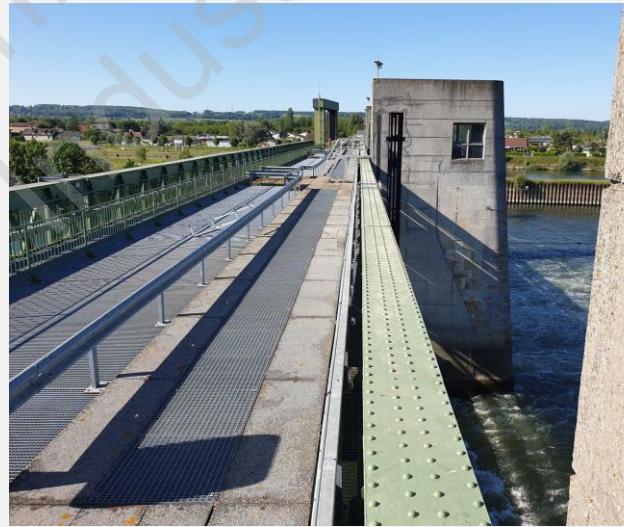
#### H2drOne - Energies



- **Sector:** energy
- **Mission description:** 3D modelling of a dam
- **Purpose:** global visual inspection and digital twin of the dam
- **Timing:** 2 days
- **Number of flights:** 20
- **Accuracy:** 0.3mm per pixel
- **Output:** orthomosaics of each pile, 3D models of the piles, a visual inspection report - table of defects
- **Price:** €15,400



Display a work or shutdown area



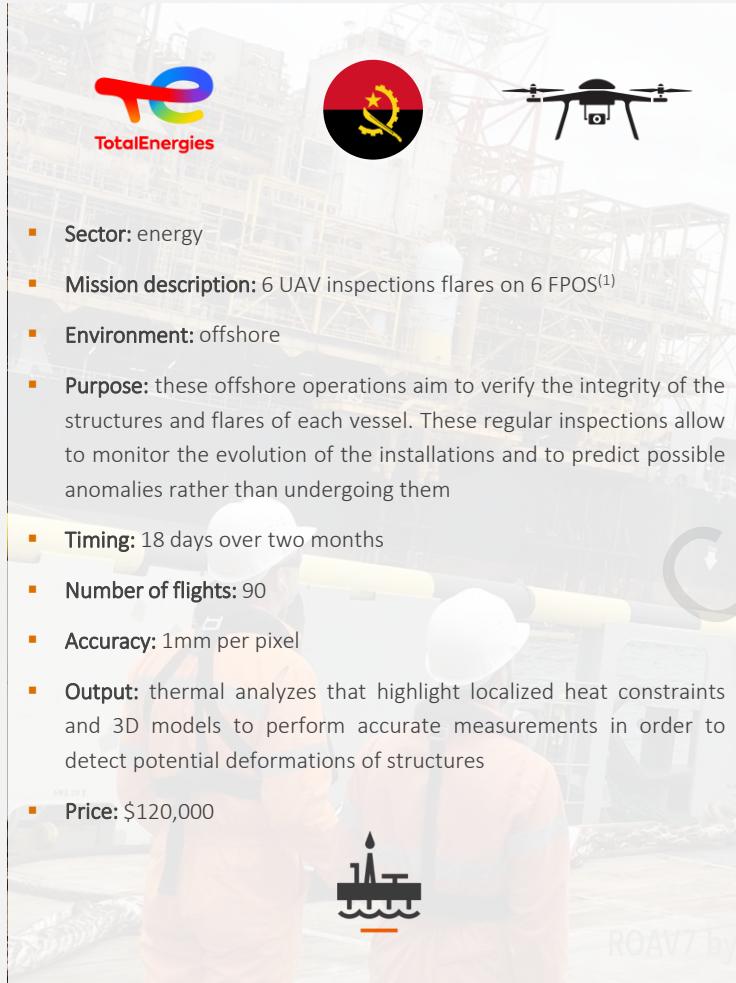
### 3.7 CASE STUDIES

#### EDF - Nuclear reactor inspection



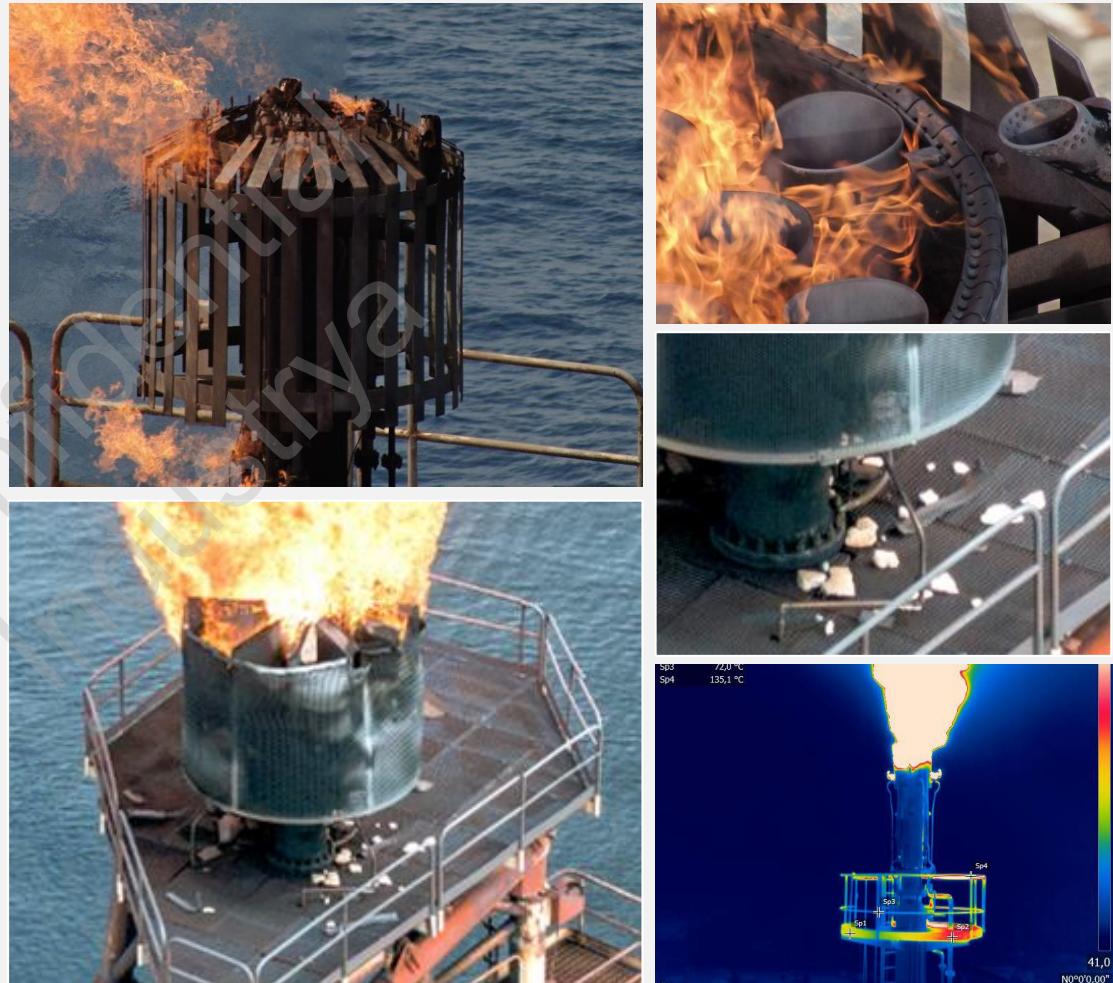
### 3.7 CASE STUDIES

#### TotalEnergies - Oil & Gas



The background image shows a large, complex steel structure of an offshore oil or gas platform, likely a jacket or hull, situated in a body of water. In the foreground, there are several icons: the TotalEnergies logo (a stylized 'T' and 'E' in red, blue, and yellow), the flag of Angola (black, red, and yellow horizontal stripes with a central emblem), a silhouette of a quadcopter drone, and a small icon of an oil rig.

- **Sector:** energy
- **Mission description:** 6 UAV inspections flares on 6 FPOS<sup>(1)</sup>
- **Environment:** offshore
- **Purpose:** these offshore operations aim to verify the integrity of the structures and flares of each vessel. These regular inspections allow to monitor the evolution of the installations and to predict possible anomalies rather than undergoing them
- **Timing:** 18 days over two months
- **Number of flights:** 90
- **Accuracy:** 1mm per pixel
- **Output:** thermal analyzes that highlight localized heat constraints and 3D models to perform accurate measurements in order to detect potential deformations of structures
- **Price:** \$120,000



# 04

Confidential  
Industry

## ORGANISATION & RESOURCES



# 04.A

## ORGANISATION & RESOURCES

- A. HUMAN RESSOURCES
- B. TOOLS AND TECHNOLOGY

Confidential  
Industry

## 4.1 A COMPETENT MANAGEMENT TEAM TO STEER ROAV7 TOWARD €15M REVENUES

With highly complementary expertises

Paul Clais



CEO & COO

- CentraleSupélec / Georgia Institute of Technology – Masters in Electrical and Computer Engineering
- 15 years of experience in the software industry in France, Africa & Middle East
- Successful business launch in Congo with SATF
- Led for 4 years the technical team of a significant French startup
- Funded ROAV7 in July 2016



Ludovic Petit



Technical and R&D Director

- CESI Engineering School – Masters in Project Management
- 4 years of research and completion of a PhD about the application of Big-Data analysis / Image processing in Matlab
- 5 years of experience in technological projects
- Joined ROAV7 in 2019 as production and R&D manager



Grégoire Grandjean



Sales Director

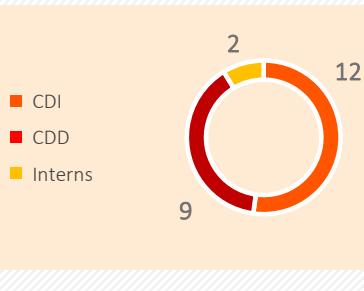
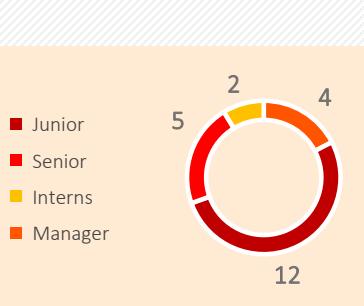
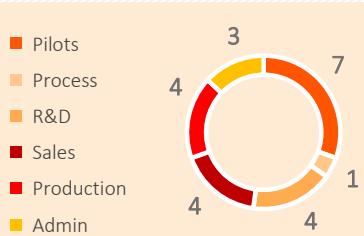
- ESCP Business School - Masters in International Project Management
- 5 years of experience in project sales in the O&G, energy, and construction sectors
- 6 years of experience in strategy and innovation consulting
- Joined ROAV7 in 2017 as Sales Director



## 4.2 AN ORGANISATION CHART THAT WILL EVOLVE WITHIN THE COMING YEARS

A structured team of 23<sup>(1)</sup> people

2022 FTEs breakdown



**CEO & COO**  
Paul CLAIS



Recruitments taking place within the 5 coming years

- 6 executives (CFO, COO, etc.)
- 6 vertical experts (rail, nuclear, Qatar, etc.)
- 39 operational (pilots and processing)
- 14 productions (R&D engineers)
- 25 support (administrative such as HR or accounting)

# 04.B

## ORGANISATION & RESOURCES

- A. HUMAN RESSOURCES
- B. TOOLS AND TECHNOLOGY

Confidential  
Industry

## 4.3 HIGH QUALITY DIVERSIFIED ASSETS FOR OPERATIONNAL EXCELLENCE

### Drone services, a capital light industry

Fleet of drones



#### DJI Matrice 300 RTK

- Maximum distance use: 15 km
- Maximum flying time: 55 min
- Maximum height : 7,000 m

Number: 6x

Average age: 2 years



#### Drone Volt Asio Pro

- Maximum distance use: 16 km
- Maximum flying time: 24 min
- Maximum height: not applicable (confined spaces)

Number: 1x

Age: 1 year



#### DJI Mavic 3E

- Maximum distance use: 15 km
- Maximum flying time: 45 min
- Maximum height : 6,000 m

Number: 1x

Age: 1 year



#### DJI Mini 3 Pro

- Maximum distance use: 12 km
- Maximum flying time: 34 min
- Maximum height : 4,000 m

Number: 1x

Age: 1 year



#### DJI Phantom 4 Pro V2

- Maximum distance use: 10 km
- Maximum flying time: 30 min
- Maximum height : 6,000 m

Number: 3x

Average age: 4 years



#### Parrot Anafi

- Maximum distance use: 4 km
- Maximum flying time: 25 min
- Maximum height : 4,500 m

Number: 3x

Average age: 2 years



#### DJI Phantom 4 Pro Obsidian

- Maximum distance use: 10 km
- Maximum flying time: 30 min
- Maximum height : 6,000 m

Number: 1x

Age: 1 year



#### Multinov Stereo

- Maximum distance use: n.d.
- Maximum flying time: 12 min
- Maximum height : not applicable (confined spaces)

Number: 1x

Age: 3 years

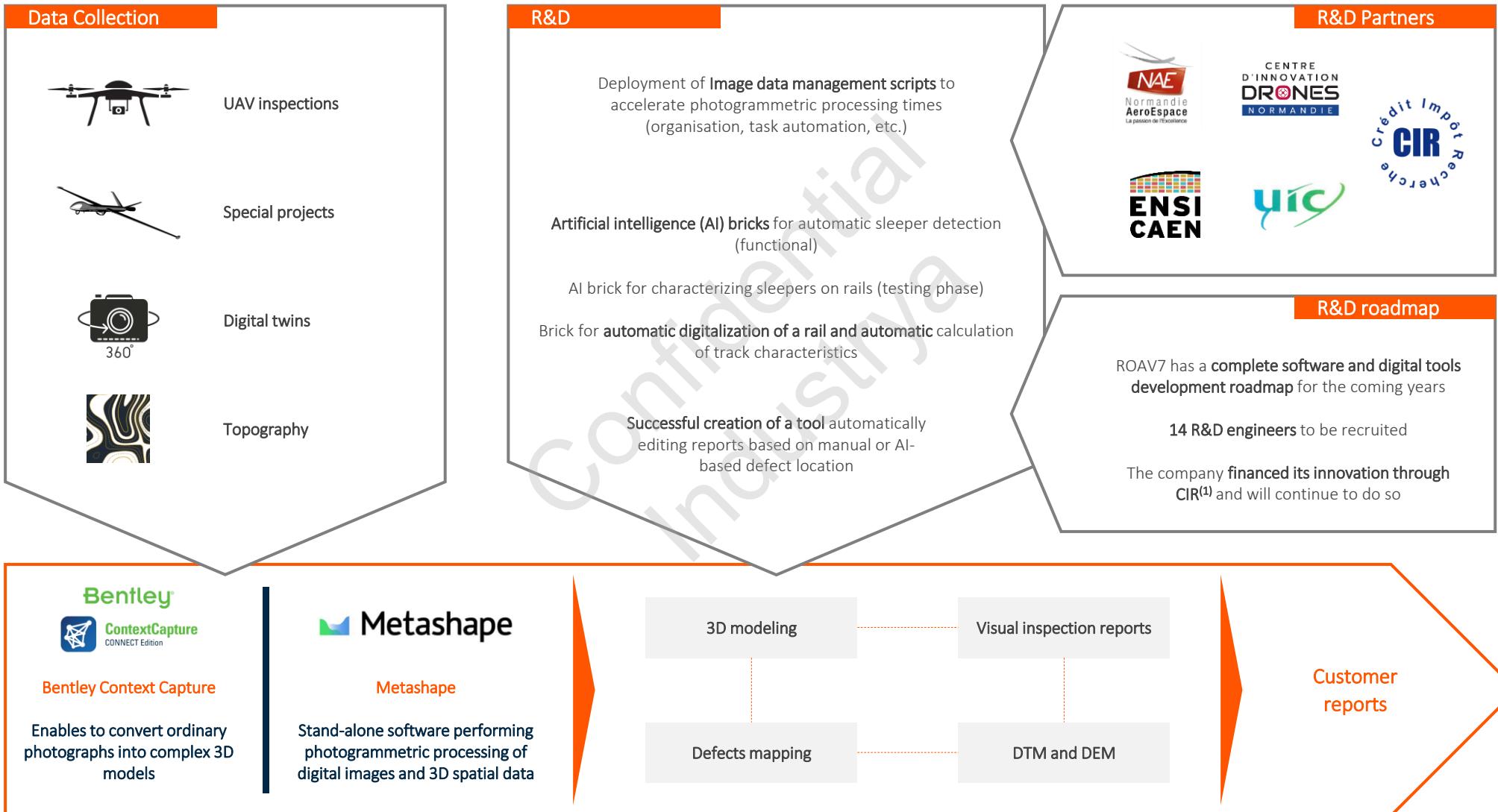
17 Drones

Average age: 2 years

Average price<sup>(1)</sup>: €2,891

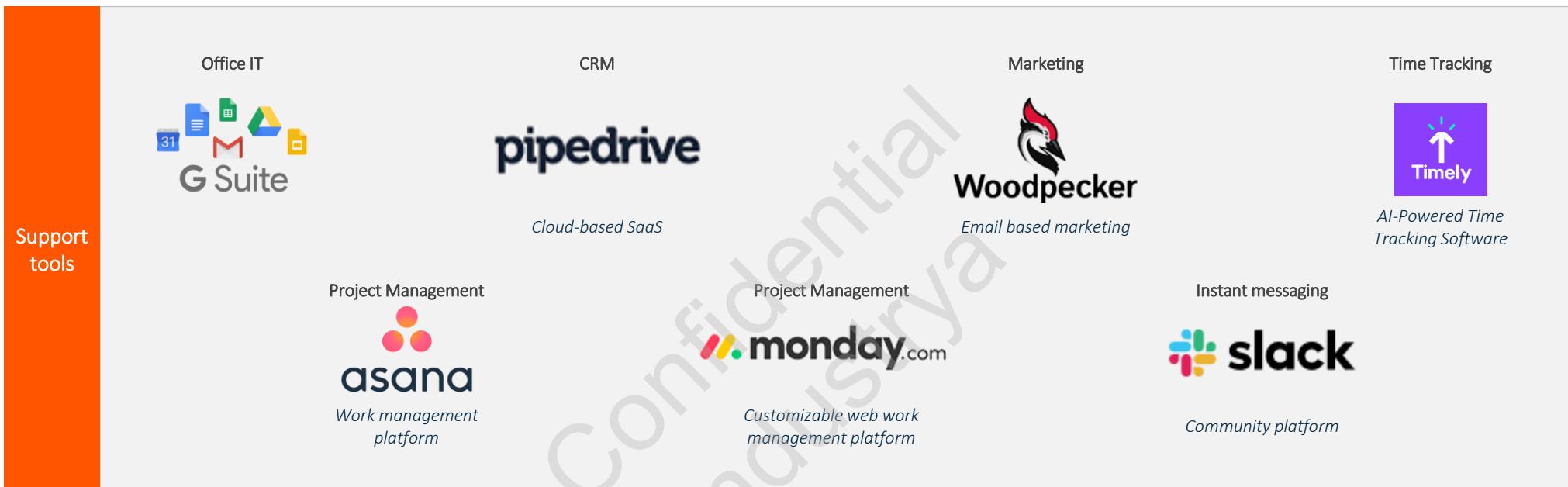
## 4.4 AN OPERATIONAL PROCESS CONTINUOUSLY ENHANCED BY R&D

Relying on technological excellence



## 4.5 A HIGHLY STRUCTURED ORGANIZATION CAPABLE OF SCALABILITY

Relying on state of the art tools bringing flexibility



Automated organizational processes allowing the edition of instantaneous reporting



Instant tracking of operations making business predictions available



Cloud-hosted servers allowing rapid and remote access to all applications

Robust organizational processes permitting scalability and replicability

# 05

Confidential  
Industry

## HISTORICAL FINANCIALS & 2023 BUDGET

Year end 31/12 €k	2021A	2022A
Sales ROAV7	416	1 341
Sales African partnerships	326	696
<b>Total Revenue</b>	<b>743</b>	<b>2 037</b>
Growth (%)	+130,6%	+174,2%
Gross margin   ROAV7	278	1 232
Gross margin   African partnerships	141	425
<b>Gross Margin</b>	<b>419</b>	<b>1 657</b>
Margin (%)	56,4%	81,4%
General & Administrative expenses	(143)	(189)
Staff costs	(655)	(1 127)
Taxes	58	22
Other incomes and expenses	55	14
<b>EBITDA Cash</b>	<b>(266)</b>	<b>377</b>
Margin (%)	(35,8%)	18,5%
Capitalised production	162	122
<b>EBITDA</b>	<b>(104)</b>	<b>499</b>
Margin (%)	(14,0%)	24,5%
Amortizations	(30)	(109)
<b>EBIT</b>	<b>(134)</b>	<b>391</b>
Margin (%)	(18,0%)	19,2%
Financial result	(6)	(10)
Extraordinary result	(5)	(1)
Tax on profits	-	-
<b>Net income</b>	<b>(144)</b>	<b>380</b>
Margin (%)	(19,4%)	18,6%

## A strong growth profile

- As a rule, the services sold to customers corresponds to data (video, gas measure, etc.) capture by drone followed by another service for processing the data collected. For each mission, ROAV7 analyzes the size of the customer's targeted assets, then offers the client a fixed price corresponding to man days
- At the end of the mission, if the flat rate has been exceeded, ROAV7 can send a request for an amendment to the first contract
- For offshore missions, ROAV7 invoices real times (based on time sheets produced by the employees on the project)
- The 2022 turnover amounts to €2,037k, a strong increase over one year (+€1,294k) and consists of 66% of sales directly invoiced by ROAV7 and 34% of sales made within the framework of the partnership in Africa with DARON
- The sales are mainly generated by the service Inspection by drone at €1,812k meaning 89,0% of the global sales against €456k in 2021 (61,4%)
- The energies sector is the main business segment of ROAV7's turnover at 69% with a strong growth driven by TotalEnergies and Chevron contracts won during the year

## Combined with a solid normative Gross Margin

- The gross margin on direct sales ROAV7 amounts €1,232k in 2022 (vs €278k in 2021) with a margin rate of 91.9% in 2022 vs 66.6% in 2021
- The increase in the margin rate in 2022 is mainly explained by a lower use of subcontracting (a non-normative case in 2021 having lowered the overall margin rate by 5 pts) and by the overall increase in the size of the projects, making it possible to offer higher rates to better absorb the costs of travel and other supplies
- The gross margin on sales African partnerships amounts €425k in 2022 (vs €141k in 2021) with a margin rate of 61.1% in 2022 vs 43.3% in 2021. The increase in the margin rate in 2022 is also mainly explained by the same reasons as the increase in direct sales margin (non normative projects with sub contracting and overall increase in the size of projects)

## 5.1 P&L FOR FY20-FY22

Year end 31/12 €k	2021A	2022A
Sales ROAV7	416	1 341
<b>1) Sales African partnerships</b>	<b>326</b>	<b>696</b>
<b>Total Revenue</b>	<b>743</b>	<b>2 037</b>
Growth (%)	+130,6%	+174,2%
Gross margin   ROAV7	278	1 232
<b>2) Gross margin   African partnerships</b>	<b>141</b>	<b>425</b>
<b>Gross Margin</b>	<b>419</b>	<b>1 657</b>
Margin (%)	56,4%	81,4%
<b>3) General &amp; Administrative expenses</b>	<b>(143)</b>	<b>(189)</b>
Staff costs	(655)	(1 127)
<b>4) Taxes</b>	<b>58</b>	<b>22</b>
<b>5) Other incomes and expenses</b>	<b>55</b>	<b>14</b>
<b>EBITDA Cash</b>	<b>(266)</b>	<b>377</b>
Margin (%)	(35,8%)	18,5%
<b>6) Capitalised production</b>	<b>162</b>	<b>122</b>
<b>EBITDA</b>	<b>(104)</b>	<b>499</b>
Margin (%)	(14,0%)	24,5%
<b>7) Amortizations</b>	<b>(30)</b>	<b>(109)</b>
<b>EBIT</b>	<b>(134)</b>	<b>391</b>
Margin (%)	(18,0%)	19,2%
Financial result	(6)	(10)
Extraordinary result	(5)	(1)
Tax on profits	-	-
<b>Net income</b>	<b>(144)</b>	<b>380</b>
Margin (%)	(19,4%)	18,6%

**1) The turnover generated by African partnerships amounted to €696k in 2022:**

Year end 31/12 €k	2021A	2022A
100% share of partner operations	176	184
50% of sales from African Partners	135	414
Rebilled salary costs to partners	16	31
Rebilled commercial costs to partners	-	67
<b>Sales African partnerships</b>	<b>326</b>	<b>696</b>

- **100% share of partner operations:** sales 100% invoiced by ROAV7 to customers (50% of this turnover is captured by the African partner and materialized with a “share of african sales” loss in the african partnerships gross margin)
- **50% of sales from African partners:** 50% turnover resulting from sales 100% invoiced by Daron
- **Rebilled salary costs to partners:** 50% of the salary costs of employees (loaded salaries + 30% share of the salary corresponding to mission expenses) who worked on the framework of the african partnership (no margin on the re-invoicing)
- **Rebilled commercial costs to partners:** ROAV7 commercial costs to obtain contracts linked to african partnerships re-invoiced as commercial functions are normally subcontracted to the African partner (no margin on the re-invoicing)

**2) The gross margin resulting from African partnerships amounted to €425k in 2022:**

Year end 31/12 €k	2021A	2022A
Costs incurred by ROAV7 50% rebilled to partners	(91)	(62)
Outstanding production	-	140
Purchases	0	(140)
Costs incurred by Partners 50% rebilled to ROAV7	(31)	(106)
Share of African sales	(62)	(102)
<b>Gross margin African partnerships</b>	<b>141</b>	<b>425</b>

- **Cost incurred by ROAV7 50% rebilled to partners:** operating costs incurred by ROAV7 mainly composed of outsourcing, trips and receptions and insurance costs as well as the cost of an employee seconded abroad
- **Outstanding production and purchases:** in Mozambique, a one shot project to manufacture drones has been accepted. This project, to be delivered in 2023 has been transferred to work in progress to cancel the charge for 2022
- **Share of African sales:** 50% retrocession to the African partner of initial 100% captured sales by ROAV7

## 5.1 P&L FOR FY20-FY22

Year end 31/12 €k	2021A	2022A
Sales ROAV7	416	1 341
① Sales African partnerships	326	696
<b>Total Revenue</b>	<b>743</b>	<b>2 037</b>
Growth (%)	+130,6%	+174,2%
Gross margin   ROAV7	278	1 232
② Gross margin   African partnerships	141	425
<b>Gross Margin</b>	<b>419</b>	<b>1 657</b>
Margin (%)	56,4%	81,4%
③ General & Administrative expenses	(143)	(189)
Staff costs	(655)	(1 127)
④ Taxes	58	22
⑤ Other incomes and expenses	55	14
<b>EBITDA Cash</b>	<b>(266)</b>	<b>377</b>
Margin (%)	(35,8%)	18,5%
⑥ Capitalised production	162	122
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Financial result	(6)	(10)
Extraordinary result	(5)	(1)
Tax on profits	-	-
<b>Net income</b>	<b>(144)</b>	<b>380</b>
Margin (%)	(19,4%)	18,6%

③ G&A expenses amounted to (€189k) in 2022 and were composed of:

Year end 31/12 €k	2021A	2022A
Fees	(71)	(82)
Rents	(18)	(24)
Trips and receptions	(16)	(28)
Softwares	(18)	(24)
Banking fees	(3)	(6)
Telecom costs	(3)	(3)
Others	(14)	(22)
<b>General &amp; Administrative expenses</b>	<b>(143)</b>	<b>(189)</b>

- Fees mainly composed of:

- COF'INNOV monthly fees for a total of (€32k) in 2022, stable in comparison with 2021 representing the remuneration of J.LAJUGIE, external CFO of ROAV7
- Consulting fees to EXPEN of up to (€18k) in 2022 (vs. (€15k) in 2021) for a financial review and valuation of the company
- Lawyers fees of up to (€14k) in 2022 (vs. (€6k) in 2021) mainly to FIDAL
- Accounting fees of up to (€10k) in 2022 and (vs. (€9k) in 2021) to ECE Group

- Rents: headquarters' rental in a business incubator via the Chamber of Commerce and Industry of Normandy

- Trips and receptions: composed of restaurant ((€6k) in 2022), transport ((€6k) in 2022), hotel ((€5k) in 2022), etc.

- Software costs: costs such as (€5k) to Monday (project management software), (€4k) to OVH (storage software), (€3k) to Asana (communication management) and Pipedrive (business management) in 2022

④ Taxes amounted to €22k in 2022 including:

- Charges: (€16k) in 2022 mainly composed of (€10k) professional training (vs. (€3k) in 2021) and (€5k) apprenticeship (vs. (€3k) in 2021) taxes
- CIR: €39k of CIR in 2022 (vs. €64k in 2021) with SELF INOV

Year end 31/12 €k	2021A	2022A
Sales ROAV7	416	1 341
① Sales African partnerships	326	696
<b>Total Revenue</b>	<b>743</b>	<b>2 037</b>
Growth (%)	+130,6%	+174,2%
Gross margin   ROAV7	278	1 232
② Gross margin   African partnerships	141	425
<b>Gross Margin</b>	<b>419</b>	<b>1 657</b>
Margin (%)	56,4%	81,4%
③ General & Administrative expenses	(143)	(189)
Staff costs	(655)	(1 127)
④ Taxes	58	22
⑤ Other incomes and expenses	55	14
<b>EBITDA Cash</b>	<b>(266)</b>	<b>377</b>
Margin (%)	(35,8%)	18,5%
⑥ Capitalised production	162	122
<b>EBITDA</b>	<b>(104)</b>	<b>499</b>
Margin (%)	(14,0%)	24,5%
⑦ Amortizations	(30)	(109)
<b>EBIT</b>	<b>(134)</b>	<b>391</b>
Margin (%)	(18,0%)	19,2%
Financial result	(6)	(10)
Extraordinary result	(5)	(1)
Tax on profits	-	-
<b>Net income</b>	<b>(144)</b>	<b>380</b>
Margin (%)	(19,4%)	18,6%

⑤ Other incomes and expenses amounted to €14k in 2022 including:

- **Transfer of charges:** €14k (vs. €49k in 2021) with €10k from APRIL insurance and €4k from DRFIP (stable). In 2021, €49k were received in accordance with a French pilot's mission time rebilled to partners when they didn't have access to local pilots
- **Subsidy:** no subsidy in 2022 but a €7k profit in 2021 from BPI related to the EXPEN fees for the valuation of the company

⑥ Capitalised production amounted to €122k in 2022 to improve the company's internal tools by developing technological building blocks for data processing and analysis. It is composed of internal hours

⑦ Amortizations for (€109k) in 2022 against (€30k) in 2021 explained by R&D amortizations of up to (€78k) in 2022 (vs. (€2k) in 2021)

## 5.2 P&L CONSOLIDATED VISION

Presentation of a theoretical P&L if presence in Africa was through 100%-owned subsidiaries

Year end 31/12 €k	Realised		100% consolidated		Var 21	Var 22	
	2021A	2022A	2021A	2022A			
Sales ROAV7 France	416	1 341	416	1 341	-	-	Take 100%
① 100% share of partner operations (Angola)	176	184	176	184	-	-	Take 100%
② 50% of sales from African Partners	135	414	270	828	135	414	Multiply by 2
③ Rebilled salary costs to partners	16	31	-	-	(16)	(31)	Cancel 100%
③ Rebilled commercial costs to partners	-	67	-	-	-	(67)	Cancel 100%
Sales African partnerships	326	696	446	1 012	119	317	
Total Revenue	743	2 037	862	2 353	119	317	
Growth (%)	+130,6%	+174,2%					
Costs of operation (France)	(139)	(109)	(139)	(109)	-	-	Take 100%
<b>Gross Margin France</b>	<b>278</b>	<b>1 232</b>	<b>278</b>	<b>1 232</b>	<b>-</b>	<b>-</b>	
% France revenue	66,6%	91,9%	66,6%	91,9%			
④ Share of African sales	(62)	(102)	-	-	62	102	Cancel 100%
Outstanding production	-	140	-	140	-	-	Take 100%
⑤ ROAV7 rebilled costs to partners	79	74	-	-	(79)	(74)	Cancel 100%
Operating costs	(126)	(104)	(126)	(104)	-	-	Take 100%
Purchases	0	(140)	0	(140)	-	-	Take 100%
Expatriate salaries costs	(44)	(32)	(44)	(32)	-	-	Take 100%
⑥ Partner costs	(31)	(106)	(63)	(212)	(31)	(106)	Multiply by 2
<b>Gross Margin African partnerships</b>	<b>141</b>	<b>425</b>	<b>212</b>	<b>664</b>	<b>71</b>	<b>239</b>	
% African revenue	43,3%	61,1%	47,6%	65,6%			
<b>Gross Margin</b>	<b>419</b>	<b>1 657</b>	<b>490</b>	<b>1 895</b>	<b>71</b>	<b>239</b>	
Margin (%)	56,4%	81,4%	56,8%	80,5%			
⑦ General & Administrative expenses	(143)	(189)	(175)	(289)	(32)	(100)	Add a 15% margin
Staff costs	(655)	(1 127)	(655)	(1 127)	-	-	
Taxes	58	22	58	22	-	-	
Other incomes and expenses	55	14	55	14	-	-	
<b>Adjusted EBITDA with 100% of African Partnership</b>	<b>(266)</b>	<b>377</b>	<b>(227)</b>	<b>516</b>	<b>39</b>	<b>139</b>	
Margin (%)	(35,8%)	18,5%	(26,3%)	21,9%			

- ① ROAV7 invoiced 100% of the service directly to the end customer therefore 100% of the revenue is maintained in this particular case
  - ② The partner invoiced 100% of the service to the end customer, therefore returned 50% of the revenue. To estimate the consolidated scenario, we multiply by 2 the revenue
  - ③ ROAV7 may rebill salary costs to partner when necessary (commercial development conducted by ROAV7 instead of Partner for example). 100% is therefore canceled in our scenario
  - ④ When ROAV7 bills 100% of services, it gives a 50% retrocession to its partner. If it was a direct subsidiary, the retrocession would be non existent
  - ⑤ On the other side, retrocessions from partner are canceled
  - ⑥ Local costs assumed by the partner are split 50/50. In the event of a consolidation the cost should be multiplied by 2
  - ⑦ In order to obtain a vision of 100% EBITDA, we have included all the other P&L costs and we have added a theoretical share of 15% of the margin achieved in Africa in order to materialize costs currently carried by the African partner who would not be re-invoiced to ROAV7 (support functions, taxes). This rate is consistent with the weight of overheads (€189k) on the French margin (€1,232k)
- The 21.9% EBITDA margin obtained corresponds to a margin where ROAV7 invoices 100% of the service and bears 100% of the costs without re-invoicing its partner

## 5.3 QUALITY OF EARNINGS

Year end 31/12 €k	2021A	2022A
Total Revenue	743	2 037
Growth (%)	+130,6%	+174,2%
EBITDA Cash	(266)	377
Margin (%)	(35,8%)	18,5%
<u>Accounting adjustments</u>	A	
EXPEN Fees	15	18
Subsidy BPI on EXPEN Fees	(7)	-
FIDAL fees	-	10
Mutual agreed severance allowance	5	-
Prime Macron	3	29
Drones rentals	17	7
<b>Subtotals</b>	<b>34</b>	<b>64</b>
<b>Adjusted EBITDA</b>	<b>(232)</b>	<b>441</b>
Margin (%)	(31,3%)	21,6%
<u>Economic adjustments</u>	B	
100% of African partnership	39	139
<b>Adjusted EBITDA with 100% of African Partnership</b>	<b>(193)</b>	<b>580</b>
Margin (%)	(26,0%)	28,5%
Adjustes sales (100% of all sales)	862	2 353
In % of adjusted sales	(22,4%)	24,6%

### A Accounting adjustments

- 1 Consulting fees to EXPEN of up to (€18k) in 2022 against (€15k) in 2021 for a financial review of the company. As it is a non-recurring expense, we propose to reintegrate in normative EBITDA these fees, meaning €18k in 2022 and €15k in 2021
- 2 Subsidy from BPI related to the fees to EXPEN for the valuation of the company. As EXPEN fees are reintegrated to the normative EBITDA for being non-recurrent, we subtract the subsidy from the normative EBITDA
- 3 FIDAL fees are related to non-recurring missions (assisting in capital operations) in 2022. We reintegrate those expenses in the normative EBITDA
- 4 As it is a non-recurring expense, we propose to reintegrate it into the Normative EBITDA 2021
- 5 As it is a non-recurring mechanism, we propose to reintegrate it into the Normative EBITDA 2021 & 2022
- 6 This was a long-term rental from NAE NORMANDIE and a non-recurring mechanism, since ROAV7 normally owns its own drones. As a result, we are deducting these leases from normative EBITDA. The lease expired in 2022 and there is no longer any debt under this arrangement

### B Economic adjustments

- 7 Presentation of a theoretical EBITDA if the presence in Africa was through 100% owned subsidiaries. Details of the calculation are available on the previous page

## 5.4 A SOLID BALANCE SHEET AND A CASH POSITIVE PROFILE

Year end 31/12 €k	2021A	2022A
Intangible assets	394	438
Tangible assets	48	106
Financial assets	3	6
<b>① Fixed assets</b>	<b>446</b>	<b>550</b>
Inventories	-	140
Accounts receivable	284	779
Accounts payable	(213)	(393)
<b>② Operating WCR</b>	<b>71</b>	<b>525</b>
Tax & social payables	(116)	(247)
Income Tax payables	73	47
Other receivables and payables	(4)	(263)
<b>③ Non-operating WCR</b>	<b>(48)</b>	<b>(464)</b>
<b>WCR</b>	<b>23</b>	<b>62</b>
<b>Provisions</b>	<b>-</b>	<b>-</b>
Cash	74	287
Current accounts	(86)	(1)
Loans	(713)	(689)
Accrued interests	(0)	(1)
<b>④ Net debt</b>	<b>(725)</b>	<b>(403)</b>
<b>Net assets</b>	<b>(256)</b>	<b>209</b>
Share capital	160	202
Bonus	84	127
Retained earnings	(356)	(500)
Result for the period	(144)	380
<b>Net equity</b>	<b>(256)</b>	<b>209</b>

**①** Fixed assets amount to €703k in gross value (€550k in net book value) at the end of December 2022, including:

- **€521k of intangible assets of which:**

- €7k of concessions and similar rights;
- €514k of research and development of which €122k had been recorded in 2022 and €162k in 2021 for the development of technological internal tools;

- **€175k of tangible assets including :**

- €146k of machinery and equipment mainly composed of cameras, drones, drone bases, etc. up by €82k (€34k in 2021) mainly of drones; At 06/30/2023, ROAV7 owns 20 operational drones. Note that a complete drone system costs between €5k and €20k and lasts around 36 months. However, ROAV7 rarely pays these amounts, as it recovers the spare parts which are interchangeable
- €29k of various office equipment and computers, an increase of €6k in 2021 and 2022 for various IT investments ;

- **€6k of financial assets** composed of deposits and guarantees including €3k to BUSINESS France (in 2021), €1k to CCI Normandy and FRAIKIN (in 2022)

**②** Operating Working Capital requirements amount to €525k and are composed as follow:

- Inventories of €140k matches the one shot project in Mozambique which will be delivered in 2023
- **Trade receivables of €779k**, including €444k in trade invoices and €335k in invoices to be issued linked with the technical progress of projects, the vast majority of which were invoiced in 2023 (except for €27k still awaiting invoicing). An average payment term of 50 days (calculated on French sales only). The age of trade receivables is not high, with only €42k overdue by more than 30 days. Management has not identified any risk of invoices non-recovery
- **Trade payables of (€393k)** With traditional suppliers, excluding African partners, there are no long-standing supplier debts. With African partners, debts overdue by more than 60 days amount to €61k, as there is no fixed payment deadline between partners and a mechanism for offsetting debts against receivables is carried out at least once a year to clear balances. There is no risk of non-payment with partners according to management

## 5.4 A SOLID BALANCE SHEET AND A CASH POSITIVE PROFILE

Year end 31/12 €k	2021A	2022A
Intangible assets	394	438
Tangible assets	48	106
Financial assets	3	6
<b>① Fixed assets</b>	<b>446</b>	<b>550</b>
Inventories	-	140
Accounts receivable	284	779
Accounts payable	(213)	(393)
<b>② Operating WCR</b>	<b>71</b>	<b>525</b>
Tax & social payables	(116)	(247)
Income Tax payables	73	47
Other receivables and payables	(4)	(263)
<b>③ Non-operating WCR</b>	<b>(48)</b>	<b>(464)</b>
<b>WCR</b>	<b>23</b>	<b>62</b>
<b>Provisions</b>	<b>-</b>	<b>-</b>
Cash	74	287
Current accounts	(86)	(1)
Loans	(713)	(689)
Accrued interests	(0)	(1)
<b>④ Net debt</b>	<b>(725)</b>	<b>(403)</b>
<b>Net assets</b>	<b>(256)</b>	<b>209</b>
Share capital	160	202
Bonus	84	127
Retained earnings	(356)	(500)
Result for the period	(144)	380
<b>Net equity</b>	<b>(256)</b>	<b>209</b>

**③ Non operating working capital requirement** amounted to (€464k) composed of:

- **Tax and social payables** of (€247k) including (€27k) in late payments due to a change in the status of certain employees, which resulted in adjustments. This delay was paid in May 2023
- **Income tax receivables** for €47k composed of €39k of Innovation Credit Tax (received each year) and €8k of sponsorship credit tax (which will not be collected and will be cancelled in 2023)
- Other receivables and payables of up to (€263k) composed of (i) prepaid incomes for (€256k) including (€200k) related to TotalEnergies project in Mozambique (deposit paid by the customer | no cost involved) and (€56k) for other projects, (ii) (€9k) of closing loan payable and (iii) prepaid expenses for (€2k)

**④ ROAV7 net debt amounts to (€403k) at December 31<sup>st</sup> 2022, split between :**

- €287k of cash
- (€1k) of current accounts;
- Loans for (€689k) including:
  - (€377k) of « PGE », (French state-guaranteed loans granted during the covid crisis) with (i) BPI for an amount of (€211k) and with (ii) Caisse d'Epargne for an amount of (€166k)
  - It also includes (€170k) of R&D loans with BPI and ADN (Agence de développement Normandie) for (€85k) respectively;
  - And other loans for (€141k)

## 5.5 FY22 CASH FLOW

Cash generation of €196k over 24 months due to the sharp increase in business in 2022

Year end 31/12 €k	2021A	2022A	Cumulated 24 months
EBITDA	(104)	499	396
Research Tax Credit	(64)	(39)	(103)
<b>EBITDA (Excl. Tax Credit)</b>	<b>(168)</b>	<b>461</b>	<b>293</b>
Non-cash items	(1)	(1)	(2)
Exceptionnal result	(4)	1	(3)
Income tax cash-out	65	64	129
Δ in WCR	102	(64)	38
<b>Operating Cash Flow</b>	<b>(6)</b>	<b>460</b>	<b>454</b>
Investments & securities acq.	(42)	(93)	(134)
Disposals of assets	-	4	4
Capitalised Production	(162)	(122)	(285)
Deposits and guarantees	(3)	(2)	(5)
<b>Investing Cash Flow</b>	<b>(207)</b>	<b>(213)</b>	<b>(420)</b>
<b>Free Cash Flow</b>	<b>(212)</b>	<b>247</b>	<b>34</b>
Loans	117	(24)	93
Current accounts	0	(0)	(0)
Other financial cash items	(7)	(9)	(16)
<b>Financial Cash Flow</b>	<b>110</b>	<b>(33)</b>	<b>77</b>
Share Capital	42	-	42
Share Premium	42	-	42
<b>Net Cash Flow</b>	<b>(18)</b>	<b>213</b>	<b>196</b>
Opening Cash	92	74	
Closing Cash	74	287	

A cash outflow of €18k in 2021 due to:

- A negative operating cash flow of €6k, comprising a negative EBITDA of €168k, a positive change in working capital of €102k and the receipt of a €65k research tax credit
- Capital expenditure of €207k, of which €162k in capitalised production
- A change in loans of €117k due to the subscription of two PGEs for €160k and the repayment of loans for €43k
- A cash injection of €84k from individual shareholders as part of a capital increase (the transaction has been completed in 2022, but the cash injection was made in 2021 by the shareholders)

Cash generation of €213k in 2022, driven by:

- A positive operating cash flow of €460k
- Which has enabled the company to finance €213k of capital expenditure, including €122k for capitalised production
- A change in loans of €24k, consisting of the receipt of a €70k loan from the BPI and the repayment of other borrowings for €94k

Year end 31/12 €k	2021R	2022R	2023R 8m	2023B
<b>① Total Revenue</b>	<b>743</b>	<b>2 037</b>	<b>2 199</b>	<b>2 896</b>
Growth (%)	+130,6%	+174,2%		+42,2%
Revenue to local partners	(62)	(102)	(421)	(509)
% of total revenue	8,4%	5,0%	19,1%	17,6%
<b>Total Revenue Net</b>	<b>680</b>	<b>1 934</b>	<b>1 779</b>	<b>2 387</b>
Margin (%)	91,6%	95,0%	80,9%	82,4%
COGS	-	(140)	(168)	(168)
Work in progress	-	140	(140)	(140)
Costs linked to operations	(262)	(277)	(330)	(450)
<b>② Gross Margin</b>	<b>419</b>	<b>1 657</b>	<b>1 141</b>	<b>1 629</b>
Margin (%)	61,5%	85,7%	64,2%	68,3%
Staff costs	(655)	(1 127)	(846)	(1 363)
SG&A	(143)	(190)	(166)	(281)
Taxes	58	22	6	10
Other incomes and expenses	55	14	32	76
Capitalised production	162	122	-	-
<b>③ EBITDA</b>	<b>(104)</b>	<b>499</b>	<b>167</b>	<b>71</b>
Margin (%)	(14,0%)	24,5%	7,6%	2,5%
Capitalised production	(162)	(122)		-
<b>④ Non normative expenses</b>	-	-		182
Special project in Mozambique				TBD
Accounting adjustments from VDD	34	64		-
<b>Adjusted EBITDA</b>	<b>(233)</b>	<b>441</b>		<b>253</b>
Margin (%)	(31,3%)	21,6%		8,7%

## ① A 2023 budget already 91% secured as of end of August

- 2023 total sales are budgeted at €2,896k, based on the order book monitored on a day-to-day basis
- By the end of August, €2,199k had already been generated and invoiced
- A remaining workload of €696k, which breaks down into:
  - €430k backlog signed and to be produced within 2023
  - €266k of unsigned projects, to be signed and produced before 2023
- The backlog will be delivered by year end 2023, and the objective of signing and producing the remaining commercial pipe is certain



## ② A non normative gross margin in 2023

- The 2023 margin rate should be 68%. The lower margin rate in 2023 compared with 2022 is due to the following factors:
  - Retrocessions to the African partner are much higher than in 2022 as ROAV7 signed more contracts themselves
  - The project to design and sell a drone for TotalEnergies in Mozambique involved the production and sale of a drone. This sale of €555k bears a margin of around 45%, lowering the overall margin

Year end 31/12 €k	2021R	2022R	2023R 8m	2023B
<b>① Total Revenue</b>	<b>743</b>	<b>2 037</b>	<b>2 199</b>	<b>2 896</b>
Growth (%)	+130,6%	+174,2%		+42,2%
Revenue to local partners	(62)	(102)	(421)	(509)
% of total revenue	8,4%	5,0%	19,1%	17,6%
<b>Total Revenue Net</b>	<b>680</b>	<b>1 934</b>	<b>1 779</b>	<b>2 387</b>
Margin (%)	91,6%	95,0%	80,9%	82,4%
COGS	-	(140)	(168)	(168)
Work in progress	-	140	(140)	(140)
Costs linked to operations	(262)	(277)	(330)	(450)
<b>② Gross Margin</b>	<b>419</b>	<b>1 657</b>	<b>1 141</b>	<b>1 629</b>
Margin (%)	61,5%	85,7%	64,2%	68,3%
Staff costs	(655)	(1 127)	(846)	(1 363)
SG&A	(143)	(190)	(166)	(281)
Taxes	58	22	6	10
Other incomes and expenses	55	14	32	76
Capitalised production	162	122	-	-
<b>③ EBITDA</b>	<b>(104)</b>	<b>499</b>	<b>167</b>	<b>71</b>
Margin (%)	(14,0%)	24,5%	7,6%	2,5%
Capitalised production	(162)	(122)		-
<b>④ Non normative expenses</b>	-	-		182
Special project in Mozambique				TBD
Accounting adjustments from VDD	34	64		-
<b>④ Adjusted EBITDA</b>	<b>(233)</b>	<b>441</b>		<b>253</b>
Margin (%)	(31,3%)	21,6%		8,7%

### ③ A profitable 2023 EBITDA

- G&A has been modeled on a line-by-line basis, based on accounting data up to 08/31/2023. This item is stable as a % of sales
- Personnel costs will increase in value, in line with the recruitment of pilots in the first half of 2023, but above all with the structuring of the team and key recruitments, notably:
  - An Operation Manager for France
  - An Operational Methods Manager
- These recruitments will enable to anticipate all regulatory changes and strengthen the internal structure, so that ROAV7 can multiply its capacity to manage several projects at the same time
- The other incomes and expenses include subsidies as well as transfer of charges

### ④ An adjusted 2023 EBITDA reaching €253k

- Non-normative items in the 2023 EBITDA were considered and reached €182k:
  - Cancellation of salaries for the two key recruits for 2023 who are still in training as well as the cancellation of costs related to the hiring of a new CFO, who will replace the current CFO on a position-by-position basis (duplication of costs over the period) for a total of €132k
  - Cancellation of costs linked to the ongoing financial operation (financial due diligence and M&A costs) for a total of €35k
  - Cancellation of start-up costs in the Middle East (no sales in 2023) for a total of €15k
- In addition, commercial human costs related to the success of the project with TotalEnergies in Mozambique could be cancelled. Indeed, this particular contract which is critical for ROAV7's future as it confirms ROAV7's capacity to deliver and manage major contracts, could be today managed more easily and quickly due to gained experience. We decided not to cancel any development human costs despite its effect on 2023B profitability

# 06

## BUSINESS PLAN

## 6.1 A BUSINESS PLAN WITH DEFINED STEPS TO REACH 2028BP

Defined steps to reach 2028BP

Having demonstrated strong know-how in the energy industry in France and Africa through local partnerships, the management team is looking to strengthen its position in Railway, Nuclear, Wind and Logistic in France, Africa and Middle-East in order to become the qualitative benchmark of drone inspection in EMEA by 2028

### Key accounts

To achieve its objectives, the company wishes to remain the **reference partner of key accounts by becoming vital for them**

ROAV7's ambition is to sign **at least 5 contracts a year superior to €1m** by 2028BP

### Revenue & profitability

Through successful strategical recruitments and acquisitions in targeted segments and geographies, ROAV7 is **confident to reach a minimum of €15m revenue by 2028BP combined with high profitability**

### Structuration

In order to maintain its strong operational processes, ROAV7 will structure itself with the **recruitment of additional management members as well as administrative headcounts**

Put into action



Railway      Nuclear      Wind      Logistic

Recruitments of vertical experts in the first two years of the BP

Acquisition of identified targets active within the targeted industries



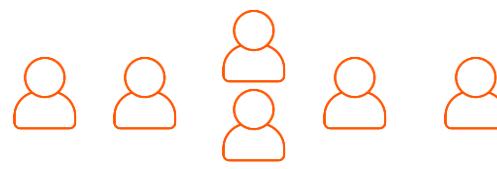
Middle East



South of France

Hiring of 2 local business developers in June 2024 and January 2025

Establishment in the Middle East

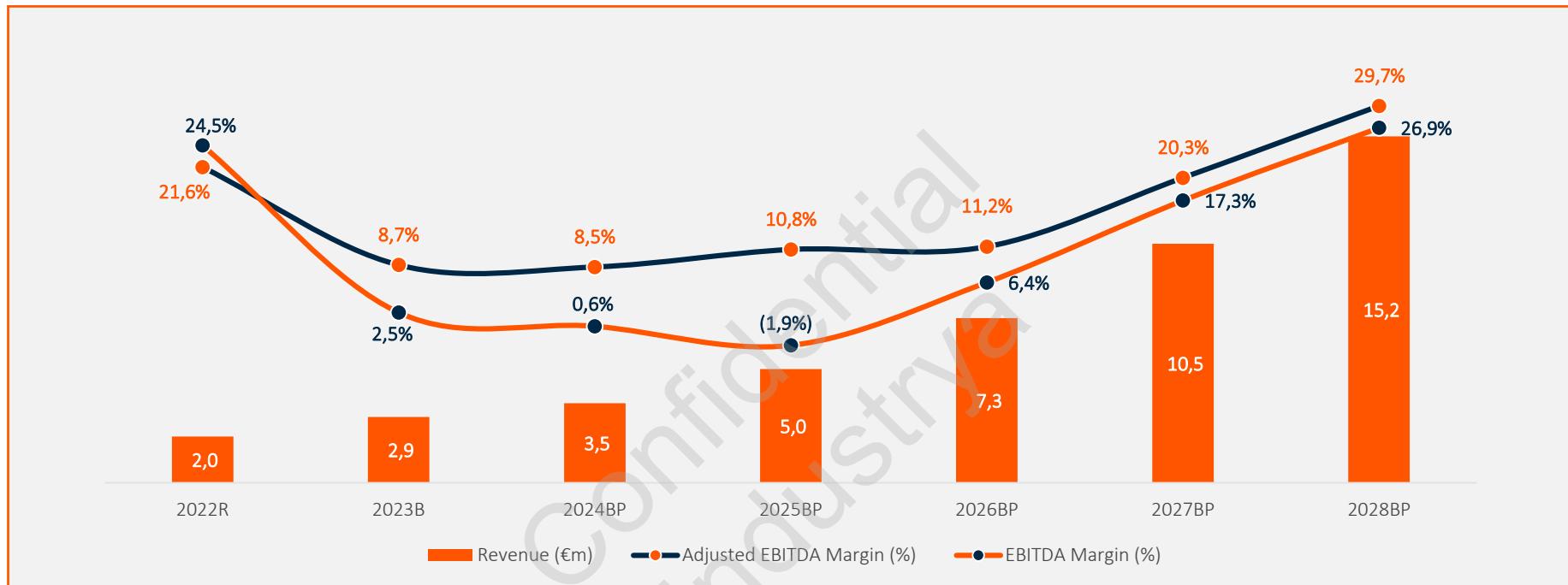


CFO      COO      RH      Bus. dev.      Mkt.

Structuration of ROAV7 with the arrival of a CFO, a COO, two RH, an operational manager and a marketing specialist

## 6.1 A BUSINESS PLAN WITH DEFINED STEPS TO REACH 2028BP

A two stage approach from 2023B–2025BP to 2026BP–2028BP



First stage taking place from 2023B to 2025BP giving way to key recruitments, spinning off of activities in Africa and development of new markets

- Moderate growth taking place between 2023B and 2025BP as the company will invest significantly in strategical recruitments together with targeted acquisitions
- Investment in Africa will also take place to develop local offices with objective to integrate local activities

Second stage from 2026BP to 2028BP enabling a strong profitability ramp up

- The integration of the African operations will reduce significantly the revenue reallocated to the local partner as well as the costs linked to operations (hotels, car rentals, etc.)
- The recruitments achieved during the first Business Plan phase will be incremented and all sales profiles fully operational
- SG&A will achieve economies of scales and reach normalized level

# 6.1 A BUSINESS PLAN WITH DEFINED STEPS TO REACH 2028BP

## P&L projection

Year end 31/12 €k	2022R	2023B	2024BP	2025BP	2026BP	2027BP	2028BP
<b>Total Revenue</b>	<b>2 037</b>	<b>2 896</b>	<b>3 500</b>	<b>5 000</b>	<b>7 250</b>	<b>10 513</b>	<b>15 243</b>
Growth (%)	+174,2%	+42,2%	+20,9%	+42,9%	+45,0%	+45,0%	+45,0%
① Revenue to local partners	(102)	(509)	(527)	(627)	(728)	(791)	(762)
% of total revenue	5,0%	17,6%	15,1%	12,5%	10,0%	7,5%	5,0%
<b>Total Revenue Net</b>	<b>1 934</b>	<b>2 387</b>	<b>2 973</b>	<b>4 373</b>	<b>6 522</b>	<b>9 722</b>	<b>14 481</b>
② COGS	(140)	(168)					
③ Work in progress	140	(140)					
③ Costs linked to operations	(277)	(450)	(648)	(950)	(1 414)	(1 945)	(2 744)
<b>Gross Margin</b>	<b>1 657</b>	<b>1 629</b>	<b>2 325</b>	<b>3 423</b>	<b>5 109</b>	<b>7 777</b>	<b>11 737</b>
Margin (%)	85,7%	68,3%	78,2%	78,3%	78,3%	80,0%	81,1%
④ Staff costs	(1 127)	(1 363)	(2 035)	(3 166)	(4 169)	(5 279)	(6 647)
⑤ SG&A	(190)	(281)	(301)	(429)	(620)	(896)	(1 296)
⑥ Taxes	22	10	33	79	148	213	299
Other incomes and expenses	14	76					
Capitalised production	122						
<b>EBITDA</b>	<b>499</b>	<b>71</b>	<b>23</b>	<b>(94)</b>	<b>467</b>	<b>1 815</b>	<b>4 093</b>
Margin (%)	24,5%	2,5%	0,6%	(1,9%)	6,4%	17,3%	26,9%
Capitalised production	(122)						
⑦ Non normative expenses	-	182	274	633	342	314	439
Accounting adjustments from VDD	64						
<b>Adjusted EBITDA</b>	<b>441</b>	<b>253</b>	<b>297</b>	<b>540</b>	<b>809</b>	<b>2 129</b>	<b>4 532</b>
Margin (%)	21,6%	8,7%	8,5%	10,8%	11,2%	20,3%	29,7%
⑧ D&A	(31)	(55)	(137)	(217)	(300)	(348)	(424)
<b>EBIT</b>	<b>468</b>	<b>16</b>	<b>(115)</b>	<b>(311)</b>	<b>167</b>	<b>1 467</b>	<b>3 669</b>
Margin (%)	23,0%	0,6%	(3,3%)	(6,2%)	2,3%	14,0%	24,1%

### ① Revenue to local partners

- As part of its development, ROAV7 aims to develop direct presences through subsidiaries. Revenue to local partners will therefore decrease over the Business Plan's lifetime

### ② COGS & Work in Progress

- The design, acquisition and sell of a Drone to TotalEnergies was a first time project that took place in 2022 and 2023. This time consuming project billed €795k in 2023 (€555k for the construction and sale of the drone and €240k for the associated services) and confirmed ROAV7's ability to deliver significant contracts

### ③ Costs linked to operation

- ROAV7's management objective to develop subsidiaries in Africa will impact the margin on the short term. On the lifetime of the Business Plan Costs linked to operations will stabilize around 18% of Total Revenue

### ④ Staff costs

- Staff Costs will increase over the Business Plan as ROAV7's strategy imply several recruitments. Operation (drone pilots and data processions profiles), IT / R&D as well as admin. profiles will also be recruited in order to support the incoming activity

31/12	2024BP	2025BP	2026BP	2027BP	2028BP
<b>Strategic recruitments</b>					
Strategical develop.	3	2	1	-	-
New segments	2	2	-	-	-
New geographies	1	1	-	-	-
<b>Operational recruitments</b>					
Operations	3	5	7	10	14
IT / R&D	2	2	3	3	4
Admin team	1	3	5	7	9
<b>Total</b>	<b>12</b>	<b>15</b>	<b>16</b>	<b>20</b>	<b>27</b>

# 6.1 A BUSINESS PLAN WITH DEFINED STEPS TO REACH 2028BP

## P&L projection

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<b>EBIT</b>	<b>468</b>	<b>16</b>	<b>(115)</b>	<b>(311)</b>	<b>167</b>	<b>1 467</b>	<b>3 669</b>
Margin (%)	23,0%	0,6%	(3,3%)	(6,2%)	2,3%	14,0%	24,1%

### ⑤ SG&A

- SG&A will reach optimized level over the duration of the Business Plan

### ⑥ Taxes

- Due to its highly innovating profile, ROAV7 will activate R&D tax credits in the future. IT / R&D staff costs will serve as reference for R&D tax credits

### ⑦ Non normative expenses

- ROAV7's new recruits require several months of training/ramp-up before becoming 100% operational
- Salaries of strategical recruits implied directly in the selling of missions (new verticals and geographies) are normalized over a 12 months period
- Salaries for non strategical new entrants are normalized over a 6 months period except for admin. profiles which are considered instantly operational

### ⑧ D&A

- D&A are modeled over tangible assets only. Therefore, over the horizon of the Business Plan, R&D will not be immobilized but subsidized as mentioned in the taxes paragraph above
- Over 2022 we only retained the D&A over the tangible assets (€31k)

## 6.1 A BUSINESS PLAN WITH DEFINED STEPS TO REACH 2028BP

### Capex and Free Cash Flow projections

Year end 31/12 €k	2023B	2024BP	2025BP	2026BP	2027BP	2028BP
<b>Hypothesis</b>	<b>Price €k</b>					
① Regular Drones	(30)		(45)	(75)	(105)	(150)
Important drones	(75)		(150)	(150)	(150)	(150)
② Image processing computers	(7)		(14)	(14)	(21)	(21)
③ Regular computers	(1)		(10)	(13)	(13)	(17)
④ Software licenses	(15)		(23)	(38)	(53)	(75)
<b>Total Capex</b>		(55)	(242)	(290)	(342)	(413)
% of revenues		(1,9%)	(6,9%)	(5,8%)	(4,7%)	(3,9%)
⑤ External acquisitions	(250)		(250)	(250)	(250)	-
<b>Total Capex (inc. Acquisitions)</b>		(55)	(492)	(540)	(592)	(413)
% of revenues		(1,9%)	(14,0%)	(10,8%)	(8,2%)	(3,9%)
<b>Year end 31/12 €k</b>	<b>2023B</b>	<b>2024BP</b>	<b>2025BP</b>	<b>2026BP</b>	<b>2027BP</b>	<b>2028BP</b>
EBIT	16	(115)	(311)	167	1 467	3 669
(-) Theoretical taxes (25%)	(4)	-	-	(42)	(367)	(917)
⑥ (+) D&A	55	137	217	300	348	424
(-) Capex	(55)	(242)	(290)	(342)	(413)	(516)
(-) External acquisitions	-	(250)	(250)	(250)	-	-
⑦ (-) WCR Requirements	(26)	(18)	(46)	(68)	(99)	(144)
(-) Estimated Transaction Fees	-	(200)	-	-	-	-
<b>Free Cash Flow</b>	<b>(13)</b>	<b>(687)</b>	<b>(679)</b>	<b>(235)</b>	<b>936</b>	<b>2 516</b>

#### ① Regular Drones

- ROAV7 plans to acquire one regular drone for two new operations members as well as two important drones each year. It will ensure a qualitative and modern drone fleet

#### ② Image processing computers

- High capacity computers will be acquired every time an additional IT / R&D joins the team

#### ③ Regular computers

- Regular computers are necessary for every new entrants (except IT / R&D profiles equipped with Image processing computers)

#### ④ Software licenses

- Software licenses will be acquired for two new operations members

#### ⑤ External acquisitions

- Willingness to conduct several external acquisitions early in the BP

#### ⑥ D&A

- Capex are amortized over 36 months

#### ⑦ WCR Requirements

- WCR requirements are estimated at 3.0% of the Total Revenue in line with level observed in 2022



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