



Draganfly Announces Record Revenue in Fourth Quarter and Fiscal 2020 Financial Results

Vancouver, BC. April 19, 2021 -- Draganfly Inc. (OTCQB: DFLYF) (CSE: DFLY) (FSE: 3U8) (“**Draganfly**” or the “**Company**”), an award-winning, industry-leading manufacturer and systems developer, is pleased to announce its fourth quarter and fiscal 2020 financial results. Revenue growth for the fourth quarter and the year was driven by a combination of organic growth, the acquisition of Dronelogics Systems Inc. (“**Dronelogics**”), and sales from COVID-19 screening products.

The financial year 2020 was another milestone year for Draganfly. The Company successfully closed and integrated its Dronelogics acquisition which, as planned, became the driver of the bulk of Draganfly new product revenue sales. The Company’s main custom engineering customer effectively shut down this portion of its business in Q1 2020 primarily due to COVID-19; however, services revenues were successfully offset by other drone services work. 2020 revenues were up 216% year over year coming in at \$4,363,511 versus \$1,380,427 in the previous year. \$645,756 represents custom engineering services work, \$630,532 represents drone services work and the balance of revenue was from its hardware sales.

The Company recently added health monitoring and prevention to its product and service offering. Securing some key clients in this business line was key to proving out this new vertical. These clients were important for validation of this new technology, but more importantly, it demonstrated the Company’s ability to evolve and offer products and services that have global applicability.

Financial Highlights – 2020:

- Total revenue for the year ended December 31, 2020, increased by 216.1% to \$4.36 million, compared to \$1.38 million in 2019.
- As a result of increased product sales and service revenue, the Company’s gross profit increased by \$597,973, or 51.5%. As a percentage of sales, gross margin⁽¹⁾ decreased from 84.1% in 2019 to 40.3% in 2020. This shift in gross margin is due to a higher percentage of hardware sales.
- The Company recorded a comprehensive loss of \$8,015,709 compared to a comprehensive loss of \$11,095,057 in 2019. The decreased loss was largely the result of the lack of listing expense resulting from the 2019 amalgamation and the funds received from the disposition of an investment that had been previously written off.
- The Company’s cash balance on December 31, 2020, was \$1.98 million compared to \$2.43 million on December 31, 2019.

For the year ended December 31,	2020	2019
Total revenues	\$ \$4,363,511	\$ 1,380,427
Gross Profit (as a % of revenues)	40.3%	84.1%
Net loss	(8,015,813)	(11,095,057)
Net loss per share (\$)		
- Basic	(0.10)	(0.23)
- Diluted	(0.10)	(0.23)
Comprehensive loss	(8,015,709)	(11,095,057)
Comprehensive loss per share (\$)		
- Basic	(0.10)	(0.23)
- Diluted	(0.10)	(0.23)
Change in cash and cash equivalents	(447,063)	2,349,954
Total assets	7,100,567	3,221,783

Working capital		1,214,371		2,037,906
Total non-current liabilities		104,885		93,073
Shareholder's equity (deficiency)	\$	3,848,205	\$	2,191,353
Number of shares outstanding		86,093,361		69,670,613

Financial Highlights – Fourth Quarter 2020:

- Revenue for Q4 2020, increased by 202.3% to \$1.49 million, compared to \$492 thousand for Q4 2019. The substantial increase in revenue is largely due to the Company's acquisition of Dronelogics and the retail sales and services business that the acquisition brought partially offset by a decrease in custom engineering services due to the downturn caused by COVID-19.
- Gross margin percentage for Q4 2020 was 22.2% compared to 91.4% in Q4 2019. The decrease is due to the sales mix as product sales tend to have a much lower margin than those of custom engineering services.
- Total comprehensive loss for the Q4 2020, was \$3.74 million compared to \$2.03 million for the same period in 2019. The increase was due to higher office and miscellaneous expenses.

		2020 Q4		2020 Q3		2019 Q4
Revenue	\$	1,486,009	\$	1,453,905	\$	491,520
Cost of goods sold	\$	(1,155,491)	\$	(893,441)	\$	(42,401)
Gross profit	\$	330,518	\$	560,464	\$	449,119
Gross margin – percentage		22.2%		38.5%		91.4%
Operating expenses	\$	(3,359,508)	\$	(2,852,003)	\$	(2,983,115)
Operating loss	\$	(3,028,990)	\$	(2,291,539)	\$	(2,533,996)
Operating loss per share – basic	\$	(0.04)	\$	(0.03)	\$	(0.04)
Operating loss per share – diluted	\$	(0.04)	\$	(0.03)	\$	(0.04)
Other income (expense)	\$	(713,885)	\$	91,228	\$	506,080
Comprehensive loss	\$	(3,741,640)	\$	(2,201,543)	\$	(2,027,916)
Comprehensive loss per share – basic	\$	(0.05)	\$	(0.03)	\$	(0.03)
Comprehensive loss per share – diluted	\$	(0.05)	\$	(0.03)	\$	(0.03)

Cameron Chell, CEO of Draganfly, said: “We have seen tremendous growth in the first quarter of 2021 around some key initiatives including education, military, security, mining, telehealth, and our 24hr pathogen sequestration and kill sanitizing spray applied via patented drone technology. The Draganfly team is looking forward to continuing to build on those relationships, technologies, and innovations.”

Q4 2020 and Q1 2021 milestones include the following:

- Secured \$1 MM flight services contract to deploy EagleEye™ AI flight services with Windfall Geotek Inc. Windfall Geotek flies mining prospect with magnetometers with data placed into EagleEye™ and provides recommended targets for mining companies to drill.
- Raised US\$16,450,000 million through the issuance of securities under the Company's Regulation A offering filed with the U.S. Securities and Exchange Commission.
- Entered into an agreement with Southern Alberta Institute of Technology to advance UAV delivery technology, which will include (i) designing, developing, and testing of a cargo system for medical delivery to be mounted on a variety of drones including VTOL rotary and fixed-wing platforms, (ii) developing test protocols, operational procedures, and standards for Beyond Visual Line of Sight medical delivery operation within the framework of Transport Canada, US Federal Aviation Agency, and European Union Aviation Safety Agency procedures and protocols and (iii)

developing an operational manual for BVLOS operation of heavy lifting and long endurance RPASS to be used for commercial application under an Air Operator's Certificate.

- Partnership with Steve Wozniak's K-12 program Woz ED to be the exclusive supplier of drones to Woz ED's drone program across its national K-12 curriculum and received orders for the sale of 2,000 drones. To clarify the Company's news release dated March 2, 2021, the Company entered into a memorandum of understanding with Woz ED with the objective to create the terms and conditions surrounding a business agreement. The memorandum of understanding automatically terminates after 60 days; however, the Company anticipates entering into a definitive agreement with Woz ED during Q2 2021.
- Talladega College implemented Vital Intelligence Smart Vital assessment platform, Vital Signs Assessment Stations, and Social Distancing awareness technologies to be used campus-wide to detect potential symptoms of COVID-19.
- Portage County Sheriff's Department deployed Vital Intelligence Technology to be used to pre-screen inmates and detainees before bringing them into detention.
- Barrett-Jackson Auction Company implementing Draganfly's Safely Opening Sites protocol for its March 2021 collector car auction in Scottsdale, AZ. including patented drone technology of the Varigard one-of-a-kind, revolutionary organic sanitizer that provides up to 24-hour of pathogen sequestration and kill-efficacy.
- Design and deliver Vital Intelligence technology into The 517 Group's Hospitality and Entertainment Service Organization.
- Selected by Coldchain Technology Services, LLC ("**Coldchain**") to develop and provide flight services for drone delivery of the COVID-19 vaccine. To clarify the Company's news release dated December 22, 2020, the Company entered into a letter of intent with Coldchain with the objective to create the terms and conditions surrounding a business agreement for the development of a vaccine delivery payload system and associated flight services. The letter of intent automatically terminates after 90 days; however, the Company anticipates entering into a definitive agreement with Coldchain during Q2 2021.
- Providing engineering and development services for drone-based air support defense system for Integrated Launcher Solutions ("**ILS**"). To clarify the Company's news release dated January 21, 2021, the Company entered into a memorandum of understanding with ILS with the objective to create the terms and conditions surrounding a project management and development agreement for the production of ILS's multi-launching air support defense system. The memorandum of understanding automatically terminates after 60 days; however, the Company anticipates entering into a definitive agreement with ILS during Q2 2021.
- Draganfly selected by Knightscope to integrate mobile Vital Sign Screening technology into its autonomous security robots.
- Issued new delivery drone patent for variable center of gravity vertical take-off and landing aircraft. US Patent No. 10,807,707 is an unmanned aircraft system (UAS) configured for both vertical take-off and landing (VTOL) and fixed-wing flight operations includes forward, and aft wing assemblies mounted to the fuselage, each wing assembly including port and starboard nacelles terminating in motor-driven rotors powered by an onboard control system capable of adjusting rotor speeds.
- Closed an acquisition of assets from Vital Intelligence Inc. on March 25, 2021, in consideration for (a) a cash payment of \$500,000 with \$250,000 paid at closing and \$250,000 to be paid on the six-month anniversary date of closing; and (b) 6,000,000 units of the Company with each unit being comprised of one common share of the Company and one common share purchase warrant. The units are subject to escrow with 1,500,000 units released at closing and the remainder to be released upon the Company reaching certain revenue milestones received from the purchased assets. Each warrant entitles the holder to acquire one common share for a period of 24 months at an exercise price of \$2.67 per common share and the Company can accelerate the expiry date of the warrants after one year in the event the underlying common shares have a value of at least 30% greater than the exercise price of the warrants.

All financial information in this press release is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company will file its consolidated financial statements for the year ended December 31, 2020, and associated management discussion and analysis under the Company's profile on SEDAR at www.sedar.com.

Note 1: this press release refers to "gross margin" which does not have any standardized meaning prescribed by generally accepted accounting principles in Canada ("**GAAP**"). Gross margin is defined as gross profit divided by revenue and is often presented as a percent. Draganfly's management believes that gross margin and other non-GAAP measures provide useful information to investors as it provides them with supplemental measures of the Company's operating performance and liquidity and thus highlights trends in the Company's business that may not otherwise be apparent when relying solely on GAAP measures. Management also uses non-GAAP measures and metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation. For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see the "Non-GAAP Measures and Additional GAAP Measures" section of the Company's most recent MD&A which is available on SEDAR.

About Draganfly

Draganfly Inc. (CSE: DFLY; OTCQB: DFLYF; FSE: 3U8) is the creator of quality, cutting-edge software, and systems that revolutionize the way organizations can do business and service their stakeholders. Recognized as being at the forefront of technology for over 22 years, Draganfly is an award-winning, industry-leading manufacturer and technology developer serving the public safety, agriculture, industrial inspections, security, and mapping and surveying markets. Draganfly is a company driven by passion, ingenuity, and the need to provide efficient solutions and first-class services to its customers around the world with the goal of saving time, money, and lives.

For more information on Draganfly, please visit us at www.draganfly.com.

For additional investor information, visit <https://www.thecse.com/en/listings/technology/draganfly-inc>, <https://www.otcm Markets.com/stock/DFLYF/overview> or <https://www.boerse-frankfurt.de/aktie/draganfly-inc>.

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Forward-Looking Statements

This release contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out here in, including but not

limited to: the potential impact of epidemics, pandemics or other public health crises, including the current outbreak of the novel coronavirus known as COVID-19 on the Company's business, operations and financial condition, the successful integration of technology, the inherent risks involved in the general securities markets; uncertainties relating to the availability and costs of financing needed in the future; the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses, currency fluctuations; regulatory restrictions, liability, competition, loss of key employees and other related risks and uncertainties disclosed under the heading "Risk Factors" in the Company's most recent filings filed with securities regulators in Canada on the SEDAR website at www.sedar.com. The Company undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents managements' best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.