



## Draganfly Announces 30% Quarter Over Quarter Revenue Increase with Second Quarter Results for 2024

**Vancouver, BC, August 13, 2024** – Draganfly Inc. (NASDAQ: DPRO) (CSE: DPRO) (FSE: 3U8) (“Draganfly” or the “Company”), an award-winning, industry-leading drone solutions and systems developer, is pleased to announce its second quarter financial results.

### Key Financial and Operational Highlights for Q2 2024:

- Revenue for the first quarter of 2024 was \$1,732,990 which represents a 30.3% quarter over quarter increase. Product sales of \$1,387,350 made up the bulk of the revenue with the remainder coming from drone services. This is compared to total Q2 revenue in 2023 of \$1,899,039.
- Gross profit for Q2 2024 was \$461,673 which represents a 64.9% increase quarter over quarter and was down 1.2% over the same period in 2023. Gross margin percentage for Q2 2024 was 26.6% up from 24.6% in Q2 2023. Gross profit would have been \$596,083 and gross margin would have been 34.4%, not including a one-time write down of inventory of \$134,410. The increase is due to the sales mix of the products sold.
- The Company recorded a comprehensive loss of \$7,097,638 in the second quarter of 2024 compared to a comprehensive loss of \$6,890,812 in the second quarter of 2023. The comprehensive loss for the period includes non-cash changes comprised of a positive change in fair value derivative of \$2,604,394, a write down of inventory of \$134,410, and an impairment gain on notes receivable of \$4,110 and would otherwise be a comprehensive loss of \$4,362,944. Contributors to the year-over-year decrease are lower office and miscellaneous, professional fees, research and development, and wages.
- Cash balance on June 30, 2024 of \$5,290,547 compared to \$3,093,612 on December 31, 2023.
- Draganfly Inc. launched its FlexModular FPV UAV System, designed for Government and Military use in aerial reconnaissance and surveillance. The NDAA-compliant system features quick-exchange assemblies, offering flexibility in mission requirements with payload capacities up to 6.5 lbs and a maximum speed of 93 mph. It includes various flight modes, GPS-denied position hold, and an ultra-low latency video feed. The system was demonstrated and used for training to over 200 military personnel during a March 2024 event at Fort Liberty, North Carolina. Shipments to early adopters began in Q2 2024, with the system showcased at Special Operations Forces (SOF) Week 2024. CEO Cameron Chell emphasized the importance of FPV drones in defense, citing the company’s experience in Ukraine and the Drone Racing League.
- First Atlantic Nickel Corp. partnered with Draganfly Inc., a leading drone solutions company, to utilize advanced drone survey technology for exploring a potential large-scale nickel deposit in Atlantic Canada. The project aimed to identify zones rich in awaruite, a highly magnetic nickel-iron alloy, within a 30km nickel-bearing system. This collaboration was part of First Atlantic Nickel's strategy to secure North America's critical mineral supply chains. Draganfly's drones, equipped with specialized sensors, provided high-resolution data essential for the 2024 summer exploration and drilling programs. Both companies emphasized the importance of drone technology in reducing costs, speeding up data collection, and enhancing strategic insights in mineral exploration.
- Draganfly deployed a record number of drones crews and equipment in support of Wildfire Crews as part of its Government Wildfire Contract.

- Draganfly appointed Kim G C Moody as a new Director, bringing extensive expertise in tax law and governance. Scott Larson has been named Interim Chair of the Board, while Olen Aasen takes on the role of Lead Independent Director.
- Draganfly Inc. announced the closing of its offering of 13.5 million units, each consisting of one common share and one warrant, at a price of \$0.259 per unit, raising approximately \$3.5 million in gross proceeds. The warrants are immediately exercisable at \$0.259 per share and will expire in five years. Maxim Group LLC acted as the sole placement agent. Draganfly plans to use the net proceeds for general corporate purposes, including growth initiatives, product development, and potential acquisitions. Additionally, the company amended the terms of previously issued warrants, reducing the exercise price and changing the functional currency to Canadian dollars. The offering was made under a U.S. shelf registration statement and a Canadian base shelf prospectus, with securities sold exclusively in the United States.
- Draganfly Inc. announced a strategic collaboration with ParaZero Technologies Ltd. To enhance UAV safety in medical and emergency response operations. This partnership integrates ParaZero's advanced safety systems into Draganfly's UAVs, improving safety for projects like Mass General Brigham's Home Hospital UAV Delivery Pilot and Squamish Search and Rescue. The collaboration enables safer operations over people and beyond visual line of sight (BVLOS) by incorporating parachute systems that mitigate accident risks, boosting the effectiveness of UAVs in challenging missions. Both companies emphasize the importance of advancing UAV safety standards to support critical missions, with Draganfly CEO Cameron Chell highlighting the partnership's role in providing safer aerial support tools for emergency responders. ParaZero CEO Boaz Shetzer echoed this sentiment, stating that the collaboration will lead to better outcomes in time-sensitive and safety-critical situations.
- Draganfly Inc. announced a memorandum of understanding with Squamish Search and Rescue (SSAR), appointing Draganfly as SSAR's UAV solutions partner. SSAR, one of Canada's busiest search and rescue organizations, will collaborate with Draganfly through joint proof-of-concept and field training exercises beginning in Spring 2024. The partnership aims to enhance SSAR's capabilities by integrating UAV technology, providing expert training, cutting-edge equipment, and specialized solutions tailored to SSAR's needs. This collaboration is designed to validate and operationalize UAV use in search and rescue missions, ensuring swift and efficient aid delivery in challenging terrains. SSAR's Director of Technology, Lianne Girard, expressed eagerness to explore how Draganfly's solutions could improve their operations. Draganfly CEO Cameron Chell highlighted the partnership as a testament to the company's commitment to using advanced technology for humanitarian causes, aligning with their mission to save time, money, and lives.
- Draganfly Inc. announced a collaboration with Doodle Labs and UXV Technologies to enhance UAV operations for law enforcement, first responders, and military applications. This partnership integrates Draganfly's Commander 3XL UAV, Doodle Labs' Helix Mesh Rider® Radio, and UXV Technologies' Soldier Robotic Controller (SRoC) ground control station, creating a secure and adaptable platform for demanding missions. The combined technologies offer dynamic interference-avoidance, anti-jamming capabilities, and a rugged, user-friendly control interface. This collaboration underscores a commitment to innovation, aiming to set new standards for operational excellence, security, and reliability in challenging environments. Leaders from all three companies highlighted the significance of this partnership in advancing UAV capabilities to meet the critical demands of their clients.

Draganfly will hold a shareholder update and earnings call on August 13, 2024 at 2:30 p.m. PDT / 5:30 p.m. EDT.

Registration for the call can be done [Here](#)

Selected financial information is outlined below and should be read with Draganfly's consolidated financial statements for the quarter ended June 30, 2024, and associated management discussion and analysis, which will be available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and filed on EDGAR at [www.sec.gov](http://www.sec.gov).

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Total revenues	\$ 1,732,990	\$ 1,899,039	\$ 3,062,571	\$ 3,500,525
Gross Margin (as a % of revenues) <sup>(1)</sup>	26.6%	24.6%	24.2%	26.0%
Net income (loss)	(7,091,549)	(6,908,964)	(8,955,537)	(13,976,590)
Net income (loss) per share (\$)				
- Basic	(0.10)	(0.16)	(0.14)	(0.36)
- Diluted	(0.10)	(0.16)	(0.14)	(0.36)
Comprehensive income (loss)	(7,097,638)	(6,890,812)	(8,982,054)	(13,987,807)
Comprehensive income (loss) per share (\$)				
- Basic	(0.10)	(0.20)	(0.14)	(0.40)
- Diluted	(0.10)	(0.20)	(0.14)	(0.40)
Change in cash and cash equivalents	\$ 950,811	(6,647,812)	\$ 2,196,935	\$ 1,173,657

(1) Gross Profit (as a % of revenues) would have been 34.4% and 31.1% not including a non-cash write down of inventory for \$134,410 and \$122,600 respectively for the three-month period ending June 30, 2024 and 2023. Gross Profit (as a % of revenues) would have been 33.5% and 31.7% not including a non-cash write down of inventory for \$283,169 and \$199,647 respectively for the six-month period ending June 30, 2024 and 2023.

As at	June 30, 2024	December 31, 2023
Total assets	\$ 9,900,539	\$ 8,330,292
Working capital	(3,690,940)	(717,017)
Total non-current liabilities	441,053	523,584
Shareholders' equity	\$ (2,622,137)	\$ 407,716
Number of shares outstanding	75,399,769	49,229,563

Shareholders' equity and working capital as at June 30, 2024, includes a fair value of derivative liability of \$9,382,960 (2023 - \$4,196,125) and would otherwise be \$6,760,823 (2023 - \$4,603,841) and \$5,692,020 (2023 - \$3,479,108), respectively.

	2024 Q2	2024 Q1	2023 Q2
Revenue	\$ 1,732,990	\$ 1,329,581	\$ 1,899,039
Cost of sales <sup>(2)</sup>	\$ (1,271,317)	\$ (1,049,570)	\$ (1,431,922)
Gross profit <sup>(3)</sup>	\$ 461,673	\$ 280,011	\$ 467,117
Gross margin – percentage	26.6%	21.1%	24.6%
Operating expenses	\$ (4,395,923)	\$ (3,530,933)	\$ (7,234,034)
Operating income (loss)	\$ (3,934,250)	\$ (3,250,922)	\$ (6,766,917)
Operating loss per share - basic	\$ (0.05)	\$ (0.05)	\$ (0.16)
Operating loss per share - diluted	\$ (0.05)	\$ (0.05)	\$ (0.16)
Other income (expense)	\$ (3,157,299)	\$ 1,387,114	\$ (142,046)
Change in fair value of derivative liability <sup>(1)</sup>	\$ (2,604,394)	\$ 1,817,569	\$ -
Other comprehensive income (loss)	\$ (6,089)	\$ (20,608)	\$ 18,152
Comprehensive income (loss)	\$ (7,097,638)	\$ (1,884,416)	\$ (6,890,812)

Comprehensive income (loss) per share - basic	\$	(0.10)	\$	(0.03)	\$	(0.16)
Comprehensive income (loss) per share - diluted	\$	(0.10)	\$	(0.03)	\$	(0.16)

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- (1) Included in other income (expense).
- (2) Cost of goods sold would have been \$1,136,907 in Q2 2024 not including a non-cash write down of inventory for \$134,410. For the comparative quarters cost of goods sold not including inventory write-downs of \$122,600 in Q2 2023, and \$148,760 in Q1 2024 would have been, \$1,309,322 in Q2 2023, and \$900,810 in Q1 2024 before these write downs.
- (3) Gross profit would have been \$596,083 not including a one-time non-cash write down of inventory for \$134,410 (2023 - \$122,600). Gross profit would have been \$589,717 in Q2 2023, and \$428,771 in Q1 2024 without the write downs.

## About Draganfly

Draganfly Inc. (NASDAQ: DPRO; CSE: DPRO; FSE: 3U8) is the creator of quality, cutting-edge drone solutions, software, and AI systems that revolutionize the way organizations can do business and service their stakeholders. Recognized as being at the forefront of technology for over 24 years, Draganfly is an award-winning industry leader serving the public safety, public health, mining, agriculture, industrial inspections, security, 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](http://www.draganfly.com).

For additional investor information, visit <https://www.thecse.com/en/listings/technology/draganfly-inc>, <https://www.nasdaq.com/market-activity/stocks/dpro> or <https://www.boerse-frankfurt.de/equity/draganfly-inc-1>.

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## Note Regarding Non-GAAP Measures

In this press release we describe certain income and expense items that are unusual or non-recurring. There are terms not defined by International Financial Reporting Standards (IFRS). Our usage of these terms may vary from the usage adopted by other companies. Specifically, gross profit and gross margin are undefined terms by IFRS that may be referenced herein. We provide this detail so that readers have a better understanding of the significant events and transactions that have had an impact on our results.

Throughout this release, reference is made to "gross profit," and "gross margin," which are non-IFRS measures. Management believes that gross profit, defined as revenue less operating expenses, is a useful supplemental measure of operations. Gross profit helps provide an understanding on the level of costs needed to create revenue. Gross margin illustrates the gross profit as a percentage of revenue. Readers are cautioned that these non-IFRS measures may not be comparable to similar measures used by other companies. Readers are also cautioned not to view these non-IFRS financial measures as an alternative to financial measures calculated in accordance with International Financial Reporting Standards ("IFRS"). 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.

## 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 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](http://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.