



## Draganfly Announces Third Quarter Results for 2024

**Vancouver, BC, November 14, 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 third quarter financial results.

### Key Financial and Operational Highlights for Q3 2024:

- Revenue for the third quarter of 2024 was \$1,885,322 which represents an 8.9% quarter over quarter increase. Product sales of \$1,328,675 made up the bulk of the revenue with the remainder coming from drone services. This is compared to total Q3 revenue in 2023 of \$2,138,017.
- Gross profit for Q3 2024 was \$440,780 which represents a 4.5% decrease quarter over quarter and was down 50.7% over the same period in 2023. Gross margin percentage for Q3 2024 was 23.4% down from 41.8% in Q3 2023. Gross profit would have been \$617,202 and gross margin would have been 32.7%, not including a one-time write down of inventory of \$176,422. The decrease is due to the sales mix of the products sold.
- The Company recorded a comprehensive loss of \$364,549 in the third quarter of 2024 compared to a comprehensive loss of \$5,530,248 in the third quarter of 2023. The comprehensive loss for the period includes non-cash changes comprised of a positive change in fair value derivative of \$3,575,559, a write down of inventory of \$176,422, and an impairment gain on notes receivable of \$7,564 and would otherwise be a comprehensive loss of \$3,771,250. Contributors to the year-over-year decrease are lower office and miscellaneous expenses, professional fees, research and development costs, and wages.
- Cash balance on September 30, 2024 of \$3,997,577 compared to \$3,093,612 on December 31, 2023.
- On August 23, 2024, the Board approved a 1-for-25 share consolidation, effective September 5, 2024, aimed at enhancing share value and market positioning. This strategic move is intended to attract a broader range of investors and improve the Company's standing in the financial markets.
- On September 10, 2024, Draganfly unveiled the APEX Drone, tailored for military and law enforcement surveillance, showcasing the Company's commitment to cutting-edge solutions. The APEX Drone is designed to provide enhanced aerial intelligence, offering advanced features that meet the stringent requirements of defense and security operations.
- On September 17, 2024, Draganfly partnered with Nightingale Security to develop an autonomous drone-in-a-box remote sensing solution for a major oil and gas company, underscoring its versatility across industries. This collaboration aims to deliver a fully automated, real-time monitoring system, enhancing safety and operational efficiency in the energy sector.
- On September 24, 2024, the Company received a purchase order for its Commander 3XL drone, designated for logistics within various branches of the U.S. Department of Defense, highlighting Draganfly's expanding role in defense applications. The Commander 3XL is expected to streamline logistical operations, providing reliable and efficient aerial transport capabilities in complex environments.

Draganfly will hold a shareholder update and earnings call on November 14, 2024 at 2:30 p.m. PDT / 5:30 EDT pm.

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 September 30, 2024, and associated management discussion and analysis, which will be available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and filed on EDGAR at [www.sec.gov](http://www.sec.gov).

	Three months ended September		Nine months ended September 30,	
	2024	30, 2023	2024	2023
Total revenues	\$ 1,885,322	\$ 2,138,017	\$ 4,947,894	\$ 5,638,542
Gross Margin (as a % of revenues) <sup>(1)</sup>	23.4%	41.8%	23.9%	32.0%
Net income (loss)	(200,194)	(5,446,885)	(9,155,551)	(19,423,475)
Net income (loss) per share (\$)				
- Basic	(0.06)	(3.13)	(3.28)	(11.99)
- Diluted	(0.06)	(3.13)	(3.28)	(11.99)
Comprehensive income (loss)	(364,549)	(5,530,248)	(9,346,603)	(19,518,055)
Comprehensive income (loss) per share (\$)				
- Basic	(0.11)	(3.18)	(3.35)	(12.05)
- Diluted	(0.11)	(3.18)	(3.35)	(12.05)
Change in cash and cash equivalents	\$ (1,292,970)	(4,264,040)	\$ 903,965	\$ (5,437,697)

(1) Gross Profit (as a % of revenues) would have been 32.7% and 42.2% not including a non-cash write down of inventory for \$176,422 and \$8,600 respectively for the three-month period ending September 30, 2024 and 2023. Gross Profit (as a % of revenues) would have been 33.2% and 35.7% not including a non-cash write down of inventory for \$459,591 and \$208,247 respectively for the nine-month period ending September 30, 2024 and 2023.

As at	September 30, 2024	December 31, 2023
Total assets	\$ 8,528,719	\$ 8,330,292
Working capital	3,549,345	(717,017)
Total non-current liabilities	382,520	523,584
Shareholders' equity	\$ 4,360,959	\$ 407,716
Number of shares outstanding	3,825,208	1,969,183

(1) Shareholders' equity and working capital as at September 30, 2024, includes a fair value of derivative liability of \$1,252,005 (2023 - \$4,196,125) and would otherwise be \$5,612,964 (2023 - \$4,603,841) and \$4,801,350 (2023 - \$3,479,108), respectively.

	2024 Q3	2024 Q2	2023 Q3
Revenue	\$ 1,885,322	\$ 1,732,990	\$ 2,138,017
Cost of sales <sup>(2)</sup>	\$ (1,444,542)	\$ (1,271,317)	\$ (1,243,334)
Gross profit <sup>(3)</sup>	\$ 440,780	\$ 461,673	\$ 894,683
Gross margin – percentage	23.4%	26.6%	41.8%
Operating expenses	\$ (4,125,078)	\$ (4,395,923)	\$ (6,356,139)
Operating income (loss)	\$ (3,684,298)	\$ (3,934,250)	\$ (5,461,456)
Operating loss per share - basic	\$ (1.10)	\$ (1.38)	\$ (3.14)
Operating loss per share - diluted	\$ (1.10)	\$ (1.38)	\$ (3.14)
Other income (expense)	\$ 3,484,104	\$ (3,157,299)	\$ 14,571
Change in fair value of derivative liability <sup>(1)</sup>	\$ 3,575,559	\$ (2,604,394)	\$ -
Other comprehensive income (loss)	\$ (164,355)	\$ (6,089)	\$ (83,363)
Comprehensive income (loss)	\$ (364,549)	\$ (7,097,638)	\$ (5,530,248)
Comprehensive income (loss) per share - basic	\$ (0.11)	\$ (2.51)	\$ (3.18)

Comprehensive income (loss) per share - diluted

\$ (0.11) \$ (2.51) \$ (3.18)

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- (1) Included in other income (expense).
  - (2) Cost of goods sold would have been \$1,268,120 in Q3 2024 not including a non-cash write down of inventory for \$176,422. For the comparative quarters cost of goods sold not including inventory write-downs of \$8,600 in Q3 2023 and \$134,410 for Q2 2024 would have been \$1,234,734 in Q3 2023 and \$1,136,907 in Q2 2024 before these write downs.
  - (3) Gross profit would have been \$617,202 not including a one-time non-cash write down of inventory for \$176,422 (2023 - \$8,600). Gross profit would have been \$903,283 in Q3 2023 and 596,083 in Q2 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

[The CSE](#)  
[NASDAQ](#)  
[Frankfurt](#)

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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 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 in this news release include statements relating to the anticipated impact of the consolidation, the expected results of Draganfly's partnership with Nightingale Security, the purchase order for and performance of the Commander 3XL drone, 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.sedarplus.ca](http://www.sedarplus.ca). 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.