



Volatus Releases Q1 2025 Financial Results

- Generated revenue of \$5,713,158 in Q1 2025
- Achieved 30% EBITDA improvement over Q1 2024
- Continuation of optimization efforts post Volatus and Drone Delivery Canada merger of equals
- Subsequent to quarter end, closed \$3,000,000 fully subscribed LIFE Offering
- Subsequent to quarter end, announced closing of shares for debt transaction of \$2,646,000 and an additional \$446,400, strengthening balance sheet
- Volatus will host a webinar and live Q&A on Monday, June 2, 2025, at 8 am ET (see registration link below).

TORONTO, May 29, 2025 -- Volatus Aerospace Inc. (TSXV:FLT) (OTCQB:TAKOF) (Frankfurt:A3DP5Y/ABBA.F) ("Volatus" or "the Company"), a leader in aerial solutions, is pleased to announce its financial results for the three months ended March 31, 2025 (Q1 2025). All dollar figures are stated in Canadian dollars, unless otherwise indicated.

The Company generated revenues of \$5,713,158 for the three months ended March 31, 2025, with a 32% gross margin. Adjusted EBITDA improved by 30%, or \$402,004 between Q1 2024 and Q1 2025. The Company also generated cash from operating activities of \$1,448,565 in the quarter.

Q1 2025 Financial Highlights:

- Adjusted EBITDA achieved a 30% year-over-year improvement, reducing the loss from (\$1.39 million) in Q1 2024 to (\$978K) in Q1 2025.
- Revenue was \$5,713,158 compared to \$6,623,741 in Q1 2024. This reduction reflects the Company's strategic repositioning toward a more resilient and profitable revenue mix, as well as temporary impacts from macroeconomic and geopolitical conditions.
- The Company witnessed increased demand for equipment in the US market driven by tariff policy changes, resulting in 47% quarter-over-quarter increase in equipment sales. The service revenue saw a contraction consistent with winter slowdown in Canada and the northern US regions.
- Gross profit for Q1 2025 was \$1,829,973, representing a gross margin of 32%, compared to 34% in Q1 2024. This marginal decline is primarily attributable to the higher proportion of lower-margin equipment sales in the revenue mix for the quarter.
- Available cash on hand as of March 31, 2025, was \$1,182,611 compared to \$1,803,187 at December 31, 2024. Subsequent to quarter end, the Company closed an additional \$3,000,000 in an equity issuance on May 1, 2025, resulting in pro forma available cash of \$4,182,611.
- The Company generated cash flow from operating activities of \$1,448,565.
- Comprehensive loss was (\$4,285,320) in Q1 2025 compared to (\$2,991,319) in Q1 2024. On a pro forma basis, considering the combined operations of Volatus Aerospace Corp. and Drone Delivery Canada, total operating expenses (excluding depreciation, finance cost and share based payments) in Q1 2024 were \$5,316,814. In comparison, the equivalent expense base in Q1 2025 declined by \$1,780,668, underscoring the effectiveness of ongoing cost optimization efforts.

Q1 2025 Operational Highlights:

- Major Regulatory Advancements Support National-Scale BVLOS Operations
- Announced partnership with Ondas Holdings to support and scale autonomous operations for border surveillance
- Announced partnership with Draganfly for Transformative Oil & Gas Exploration project
- Announced a partnership with DroneUp LLC to support the acceleration of drone deliveries in the United States
- Surpasses 75,000 flight hours in pipeline integrity monitoring
- Announced a partnership with Dufour Aerospace AG to support remote cargo deliveries
- Announced a partnership with Rigi Technologies S.A. to add autonomous drone delivery technologies in its portfolio of solutions
- Obtained Canada-wide approval from Transport Canada to conduct long-distance, remotely piloted beyond visual line of sight (BVLOS) drone operations at night in atypical airspace
- Announced a shares-for-debt transaction with respect to \$2,646,000 of unsecured convertible debentures

Subsequent to Q1 2025 Operational Highlights:

- Announced Broad National Expansion of Drone Operating Authorities Across Canada, Unlocking Scalable, High-Value Aerial Operations

- Fulfilled demonstration order with a G-20 Defense Organization
- Secured extension to Service Agreement with Canadian Government
- Announced closing of fully subscribed LIFE Offering of \$3,000,000
- Announced Shares-for-Debt Transaction for \$446,400
- Obtained clearance for high-value RPAS deployments in the oil & gas sector

“During Q1 2025, Volatus focused on navigating ongoing geopolitical challenges by diversifying our operations and securing key regulatory approvals, strategic steps that position us to convert a growing sales pipeline into realized revenue,” said Glen Lynch, CEO of Volatus Aerospace. “As we enter the core flying season, we look forward to increasing operational efficiency through our Operations Command Centre, enabling us to better serve large enterprise and government clients while advancing toward profitability.”

Webinar:

In conjunction with this release, Volatus will host a webinar on Wednesday, June 2nd at 8:00 AM EST at which time Glen Lynch, Chief Executive Officer, and Abhinav Singhvi, Chief Financial Officer, will review financial results and major milestones with Danielle Gagne, Head of Corporate Communications as moderator. Investors are invited to register for the webinar [here](https://us06web.zoom.us/webinar/register/WN_twQABO6kRza5cRFScT5tUg).

Registration Link:

https://us06web.zoom.us/webinar/register/WN_twQABO6kRza5cRFScT5tUg

Audio Replay Options:

An audio replay of the event will be archived on the Investor Relations page of the company's website [here](#).

	Three months ended March 31	
	2025	2024
Revenue	\$ 5,713,158	\$ 6,623,741
Direct costs	\$ 3,883,185	\$ 4,397,985
Gross Profit	1,829,973	2,225,757
OPERATING EXPENSES		
Advertising & marketing	\$ 135,575	293,339
IT & tech	\$ 245,180	\$ 256,802
Personnel	\$ 2,440,528	2,196,722
R&D	\$ 11,756	\$ 11,840
Office cost	\$ 438,182	583,199
Travel	\$ 64,288	\$ 57,621
External partner cost	\$ 200,637	200,072
Depreciation and amortization	\$ 1,496,425	1,098,088
Share based Payments	\$ 165,454	126,822
	5,198,025	4,824,504
(Loss) from Operations	(3,368,052)	(2,598,748)
OTHER ITEMS - INCOME/(EXPENSE)		
Finance cost	\$ (645,685)	(379,106)
Other income (expense)	\$ (3,468)	(10,168)
Gain (loss) on investments	(58,963)	
Tax expenses	(210,377)	
Gain (Loss) on disposal of property and equipment	-	(7,184)
Foreign exchange translation	\$ 1,225	3,887
Net Loss	\$ (4,285,320)	\$ (2,991,319)
Total comprehensive Income (loss) for the period attributable to:		
Owners of Volatus Aerospace Corp.	(4,241,643)	(2,915,143)
Non-controlling interest	(43,677)	(76,176)
	(4,285,320)	(2,991,319)

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	5,713,158	6,783,176	6,618,504	7,121,993	6,623,741	10,500,995	8,274,349	8,684,991
Direct costs	3,883,185	4,209,577	4,366,107	4,617,447	4,397,985	7,700,881	5,265,775	5,724,516
Gross Profit	1,829,973	2,573,599	2,252,397	2,504,546	2,225,757	2,800,114	3,008,574	2,960,475
	32%	38%	34%	35%	34%	27%	36%	34%

OPERATING EXPENSES

Advertising & marketing	135,575	100,878	331,763	397,357	293,339	278,781	541,635	629,686
IT & tech	245,180	157,851	210,328	259,456	256,802	28,439	243,602	211,960
Personnel	2,440,528	1,958,572	1,787,175	1,515,536	2,196,722	1,312,983	1,727,086	1,788,347
R&D	11,756	25,429	4,011	-	11,840	771,861	104,832	364,263
Office cost	438,182	673,047	497,706	554,050	583,199	605,396	722,276	610,650
Travel	64,288	38,959	77,011	40,143	57,621	126,710	90,804	167,364
External partner cost	200,637	386,259	2,117,840	430,141	200,072	436,686	243,443	326,979
Depreciation and amortization	1,496,425	1,315,544	1,294,350	1,116,698	1,098,088	1,647,364	843,744	797,487
Share based Payments	165,454	77,523	124,861	126,822	126,822	173,671	195,372	178,361
	5,198,025	4,734,061	6,445,045	4,440,202	4,824,504	5,381,891	4,712,793	5,075,097

(Loss) from Operations	(3,368,052)	(2,160,462)	(4,192,648)	(1,935,656)	(2,598,748)	(2,581,777)	(1,704,219)	(2,114,622)
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OTHER ITEMS - INCOME/(EXPENSE)

Finance cost	(645,685)	(1,072,341)	(992,806)	(491,664)	(379,106)	(667,949)	(425,671)	(368,635)
Other income (expense)	(3,468)	(133,884)	(2,669)	153	(10,168)	14,955	(39,229)	41,237
Unrealized gain on investments	(58,963)	247,661	-	-				
Gain (Loss) on disposal of property and equipment	-	(1,541)	(194,662)	319,044	(7,184)	(125,476)	228,769	(0)
Foreign exchange translation	1,225	92,541	(109,037)	25,508	3,887	(24,156)	19,946	(16,191)
Net Loss	(4,074,943)	(3,028,025)	(5,491,822)	(2,082,615)	(2,991,319)	(2,775,864)	(1,920,403)	(2,458,211)

Deferred Tax Income/ (Expense)	(210,377)	(100,899)				464,216		
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Net Loss	(4,285,320)	(3,128,924)	(5,491,822)	(2,082,615)	(2,991,319)	(2,311,647)	(1,920,403)	(2,458,211)
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Total comprehensive Income (loss) for the period attributable to:

Owners of Volatus Aerospace Corp.	(4,241,643)	(3,099,840)	(5,440,827)	(2,070,150)	(2,915,143)	(1,997,089)	(2,427,597)	(2,427,468)
Non-controlling interest	(43,677)	(29,084)	(50,994)	(12,465)	(76,176)	(314,559)	507,194	(30,743)
	(4,285,320)	(3,128,924)	(5,491,822)	(2,082,615)	(2,991,319)	(2,311,647)	(1,920,403)	(2,458,211)

Loss per share

About Volatus Aerospace:

Volatus Aerospace is a leader in innovative global aerial solutions for intelligence and cargo. With a strong foundation of over 100 years of combined institutional knowledge in aviation, Volatus provides comprehensive solutions using both piloted and remotely piloted aircraft systems (RPAS). We serve industries such as oil and gas, utilities, healthcare, and public safety. Our mission is to enhance operational efficiency, safety, and sustainability through cutting-edge, real-world solutions.

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, gross margin, and Adjusted EBITDA and Normalized EBITDA 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," "gross margin," and "Adjusted EBITDA" 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. Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). The Company defines Adjusted EBITDA as IFRS comprehensive loss excluding interest expense, depreciation and amortization expense, share-based payments, income tax expense, integration and due diligence costs, one time profit or loss (non-recurring), and impairment of goodwill, property, plant, and equipment and right-of-use assets (ROU). The Company believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Company can use to fund working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. 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"). Adjusted EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers and should not be construed as alternatives to comprehensive loss or income determined 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 Statement:

This news release contains statements that constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs, and current expectations of the Company with respect to future business activities and operating performance. Often, but not always, forward-looking information and forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements formed in the future tense or indicating that certain actions, events or results "may", "could", "would", "might" or "will" (or other variations of the foregoing) be taken, occur, be achieved, or come to pass. Forward-looking information includes information regarding: (i) the business plans and expectations of the Company; and (ii) expectations for other economic, business, and/or competitive factors. Forward-looking information is based on currently available competitive, financial, and economic data and operating plans, strategies, or beliefs as of the date of this news release, but involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors may be based on information currently available to the Company, including information obtained from third-party industry analysts and other third-party sources, and are based on management's current expectations or beliefs. Any and all forward-looking information contained in this news release is expressly qualified by this cautionary statement. Investors are cautioned that forward-looking information is not based on historical facts but instead reflects expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Forward-looking information and forward-looking statements reflect the Company's current beliefs and is based on information currently available to it and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this news release in connection with statements containing forward-looking information. Such material factors and assumptions include, but are not limited to: the commercialization of drone flights beyond visual line of sight and potential benefits to the Company; and meeting the continued listing requirements of the TSXV. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. The forward-looking information contained herein is made as of the date of this news release and, other than as required by law, the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accept responsibility for the adequacy or accuracy of this release.

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SOURCE: Volatus Aerospace Inc.