Volatus Aerospace Reports Preliminary Proforma Unaudited Revenue of Approximately C$38M for FY 2022 and Revenue Guidance of Approximately C$52M for FY 2023

NEWS RELEASE BY VOLATUS AEROSPACE CORP.
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Volatus anticipates unaudited proforma gross profit margin of approximately 31% in 2022 compared to 26% in 2021. Consequently, management is pleased to report preliminary full-year 2022 gross profit margin consistent with its original guidance.

Volatus Aerospace Corp. ("**Volatus**" or "the **Company**") (TSXV:VOL) (OTCQB:VLTTF) is pleased to announce preliminary, unaudited proforma Net Revenue and Gross Profit results for the three-month period ended December 31, 2022 and year ended December 31, 2022 ("FY-2022") and Revenue and Gross Profit guidance for the financial year ended December 31, 2023 ("FY-2023").

Volatus expects to report positive financial results underpinned by geographic and sector expansion. Based on preliminary unaudited proforma results for FY-2022 prepared by management, Volatus expects to report FY-2022 revenue of approximately C$38 million and FY-2022 Gross Profit of approximately C$11.6 million with an expected gross profit margin of approximately 31%. Additionally, Volatus is providing financial guidance targets for FY-2023. Volatus expects to report FY-2023 Revenue of approximately C$52 million and FY-2023 Gross Profit of approximately C$16.6M million with a gross profit margin of 32%. Factors contributing to the expected increases in revenue, gross profit and gross profit margin in FY-2023 include changes in product mix, conversion of existing active sales pipeline opportunities into sales, larger geographical presence, access to new markets and new products, commercialization of Volatus' technologies such as Aerieport and ISR drones, and the scaling of operations in the defence segment. For greater clarity, the gross profit margin is derived solely by subtracting the costs of goods sold from total revenue and dividing such number by total revenue.

Q4-2022 and FY-2022 Preliminary Results

For the three-month period ended December 31, 2022 ("Q4-2022") and FY-2022, on a preliminary unaudited proforma basis (as discussed in further detail below), management reports the following highlights:

- Q4-2022 unaudited proforma Net Revenue is expected to be between C$7 million and C$8 million. Without accounting for the proforma adjustment, Volatus expects to report unaudited revenue between C$6.5 million and C$7 million. The FY-2022 unaudited proforma Net Revenue is expected to be approximately C$38 million.
- Q4-2022 proforma Gross Profit is expected to be between C$2 million to C$2.5 million and FY-2022 unaudited proforma Gross Profit is expected to be approximately C$11.6 million.
- Organic revenue growth for FY-2022 compared to FY-2021 was approximately 45% as a result of access to new markets, entry in the defence segment, the sale of equipment, and continued growth in the service and training segment.
- Volatus expects to end 2023 with positive EBITDA on a run rate basis subject to maintaining the Company's current growth, the level of investment expenditure, and the timing of its customer orders.

Business Update

At the end of FY-2022, Volatus has:

- Sold equipment and services on 3 continents.
- Expanded geographically in Latin America and the United Kingdom.
- Developed and began commercializing 4 proprietary technologies.
- Completed 5 acquisitions.
- Expanded our defence and public safety businesses.

Subsequent to Q4-2022

- Completed the acquisition of Empire Drone.
- Received a domestic service licence from the Canadian Transportation Agency to provide drone cargo services.

Gross Profit Margin. The Company derives gross profit margin by subtracting costs of goods sold from total revenue and dividing such number by total revenue.

“Despite macro-economic challenges and supply chain constraints, the Volatus team has continued to demonstrate strong execution in 2022. We issued a revenue guidance note of C$38M through a news release on February 16, 2022, and I am extremely proud of achieving our target,” said Abhinav Singhvi, CFO of Volatus Aerospace. “Continued geographic expansion, enhanced capabilities, accelerating industry adoption and cross-selling are expected to drive growth for the foreseeable future.”

The Company cautions that the above results are preliminary in nature and unaudited, as the Company’s audit for FY-2022 has not yet been completed. Actual results for FY-2022 may differ materially from the estimates disclosed in this news release due to the completion of the Company’s financial closing procedures, final adjustments, review by the Company’s auditors and other developments that may arise between now and the time the financial results are finalized. Actual results for FY-2023 may differ materially from the estimates disclosed in this news release due to, among other things, supply chain challenges, the inability of strategic suppliers and resellers to perform their obligations, rapid changes in the industry, increased competition, regulatory changes and hurdles, and the inability to expand in different markets due to geo-political risks. These estimates are not a comprehensive statement of the Company’s financial results for Q4-2022, FY-2022 and FY-2023 and should not be viewed as a substitute for full financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), and these estimates are not necessarily indicative of the results to be achieved for Q4-2022, FY-2022 and FY-2023. A number of economic, market, operational and financial assumptions were made by the management of Volatus in preparing its forward guidance, including, but not limited to, the conversion ratio of the Company’s sales pipeline, success in the bidding of RFQs, the ability to change the product mix and the Company’s ability to maintain a competitive position, retain and increase recurring revenue with customers, scale relationships with strategic suppliers, maintain gross margins and retain its sales force.

The preliminary results provided in this press release constitute forward-looking information and future-oriented financial information within the meaning of applicable Canadian securities laws, are based on a number of assumptions and are subject to a number of risks and uncertainties. The purpose of this future-oriented financial information is to provide readers with an understanding of the Company’s ability to scale *and maintain its competitive position and such future oriented financial information may not be appropriate for other purposes. Please see the section below entitled "Cautionary Note Regarding Forward-Looking Information and Future Oriented Financial Information". The preliminary results have been prepared by, and are the responsibility of, management of the Company. The Company's auditor, MS Partners, has not reviewed the preliminary results. Neither MS Partners nor any other independent accountants express an opinion or any other form of assurance with respect to the preliminary results.*

The Company will provide additional discussion and analysis regarding its fourth quarter revenue, gross profit, and EBITDA when the Company reports it Q4-2022 and FY-2022 results on April 17, 2023 after the close of markets.

Non-IFRS Measures and Other Financial Measures

This news release contains references to EBITDA and gross profit margin, which are not defined under IFRS. Management believes the presentation of these metrics gives useful information to investors and shareholders, as they provide increased transparency and insight into the performance of the Company. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Readers should not place undue reliance on non-IFRS measures and should instead view them in conjunction with the most comparable IFRS financial measures

EBITDA. The Company defines EBITDA as IFRS net loss excluding interest expense, depreciation and amortization expense. EBITDA should not be construed as alternatives to comprehensive loss or income determined in accordance with IFRS. EBITDA does not have any standardized meaning under IFRS and, therefore, may not be comparable to similar measures presented by other issuers. The Company believes that 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.

About Volatus Aerospace:

Volatus Aerospace Corp. is a leading provider of integrated drone solutions throughout North America and growing into Latin America and globally. Volatus serves civil, public safety, and defense markets with imaging and inspection, security and surveillance, equipment sales and support, training, as well as R&D, design, and manufacturing. Through our subsidiary, Volatus Aviation, we are introducing green and innovative drone solutions to supplement and replace traditional aircraft and helicopters for long-linear inspections such as pipeline, energy, rail, and cargo services. Volatus is committed to carbon neutrality; the fostering of a safe, equitable and inclusive workplace; and responsible governance.

Forward-Looking Information

This news release contains statements that constitute "forward-looking information" and "future oriented financial information" within the meaning of applicable Canadian securities laws, including statements regarding the plans, intentions, beliefs, and current expectations of the Company with respect to future business activities and operating and financial performance. Often, but not always, forward-looking information and future oriented financial information 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 and future oriented financial information includes information regarding: (i) the Company’s expectations of net revenue, gross profit, gross profit margin and other financial projections for Q4-2022, FY-2022 and FY-2023; (ii) the business plans and expectations of the Company; and (ii) expectations for other economic, business, and/or competitive factors. Forward-looking information and future oriented financial 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 and future oriented financial information contained in this news release is expressly qualified by this cautionary statement. Investors are cautioned that forward-looking information and future oriented financial 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 future oriented financial information 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. Factors that could also cause actual results to differ materially from those anticipated in the forward-looking information and the future oriented financial information are described under the caption “Risk Factors” in the Company’s Annual Information Form dated June 30, 2022, which is available on SEDAR at www.SEDAR.com. 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 and future oriented financial 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 and financial oriented financial information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information and future oriented financial 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 TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Source: Volatus Aerospace Corp.

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Contact Details

Abhinav Singhvi

+1 514-447-7986

abhinav.singhvi@volatusaerospace.com

Company Website

https://volatusaerospace.com

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