

# Drone Aviation Announces Record Revenue and Profitability in Third Quarter 2019

## Company Achieves Improved Sequential Quarterly Results Driven by Additional Product Sales and Services Revenue in Support of United States Border Patrol; U.S. Customs and Border Protection

JACKSONVILLE, Fla., Nov. 14, 2019 /PRNewswire/ -- Drone Aviation Holding Corp. (OTCQB: DRNE) ("Drone Aviation" or the "Company"), a developer of specialized, tethered aerial monitoring and communications platforms serving national defense and homeland security customers, today announced record financial results for the third quarter ended September 30, 2019. Revenue growth and profitability in the third quarter was driven by deliveries of WASP Lite systems to the U.S. Army as well as additional deliveries of its WASP tactical aerostat system and related integrated services in support of the United States Border Patrol (USBP); U.S. Customs and Border Protection (CBP).



"Improved sequential operating results including significantly increased profitability in the third quarter of 2019 reflects delivery of new systems to tier one customers including the U.S. Army and additional deliveries to our prime contractor partner in support of the USBP," said Dan Erdberg, CEO and President of Drone Aviation. "Through expanded deliveries to the southern border and in collaboration with our Army customers who are deploying WASP Lite systems, we are generating valuable operational experience that we intend to leverage as we expand our operational footprint into 2020."

### Fiscal 2019 Third Quarter Highlights

- Gross revenue in the third quarter of 2019 grew to a record of \$2,740,337, compared to gross revenue of \$84,815 reported for the third quarter of 2018. Quarterly revenues consisted of aerostat systems deliveries to customers as well as increased integrated services revenue related to field services support of the USBP.
- For the nine months ended September 2019, gross revenues were \$4,120,834 compared to \$995,838 gross revenues reported for the nine months ended September 2018.
- Income from operations for the quarter ended September 30, 2019 increased to \$602,901 compared to a loss from operations of \$1,094,038 for the same period in 2018. The increase was primarily due to an increase in gross profit and a decrease in general and administrative expenses.
- Net income for the third quarter of 2019 was \$574,296 compared to a net loss of \$(1,189,866) in the third quarter of 2018.

### About Drone Aviation Holding Corp.

Drone Aviation Holding Corp. (OTCQB: DRNE) develops and manufactures cost-effective, compact and rapidly deployable aerial platforms including lighter-than-air aerostats and drones designed to provide government and commercial customers with enhanced surveillance and communication capabilities. Utilizing a patented tether system, Drone Aviation's products are designed to provide prolonged operational duration capabilities combined with improved reliability, uniquely fulfilling critical requirements in military, law enforcement, commercial, and industrial applications. For more information about Drone Aviation, please visit [www.DroneAviationCorp.com](http://www.DroneAviationCorp.com) or view documents that we file or furnish with the Securities and Exchange Commission at <http://www.sec.gov>, including the Risk Factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as well as information in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

### Forward-Looking Statements

Statements in this press release that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions, and estimates of future performance and economic conditions, and involve risks and uncertainties that could cause actual results to differ materially from those anticipated by the

statements made herein. Forward-looking statements are generally identifiable by the use of forward-looking terminology such as "believe," "expects," "may," "looks to," "will," "should," "plan," "intend," "on condition," "target," "see," "potential," "estimates," "preliminary," or "anticipates" or the negative thereof or comparable terminology, or by discussion of strategy or goals or other future events, circumstances, or effects. Moreover, forward-looking statements in this release include, but are not limited to, those relating to: the ability to support future military needs for advanced voice and data communications applications, the continuation of growing demand for drones for military and state and local law enforcement authorities. The Company's financial results and the forward-looking statements could be affected by many factors, including, but not limited to, demand for the Company's products and services, economic conditions in the U.S. and worldwide, changes in appropriations by Congress and reduced funding for defense procurement and research and development programs, and our ability to recruit and retain management, technical, and sales personnel. Further information relating to factors that may impact the Company's results and forward-looking statements are disclosed in the Company's filings with the SEC. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company disclaims any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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