

AgEagle Aerial Systems' New CEO Issues Shareholder Letter

NEODESHA, Kan., Jul07, 2020 (GLOBE NEWSWIRE) -- J. Michael Drozd, new Chief Executive Officer [AgEagle Aerial Systems Inc.](#) (NYSE American: UAVS), an industry leading provider of unmanned aerial vehicles and advanced aerial imagery, data collection and analytics solutions, today issued a letter to the Company's shareholders commenting on the Company's vision, defined growth strategy and key developments which have occurred since he assumed the helm of AgEagle on May 18, 2020. Drozd stated:

"I'd like to begin by sharing how pleased and privileged I am to have been selected by the Board to help lead AgEagle through its next critical phase of innovation and evolution. Since my first day on the job, I have immersed myself in meeting with our talented team, fully understanding the depth and capabilities of our software development and manufacturing operations; carefully evaluating our core strengths and many market opportunities; and attaining meaningful clarity into the dynamic, high growth company we are actively engaged in building. This has been and will undoubtedly remain an exciting and ongoing process.

"After an extensive evaluation process, I firmly believe that AgEagle has what it takes to become one of the leading, most trusted commercial drone technology, services and solutions providers globally. To achieve that aim, we are committing to a highly focused growth strategy centered on three primary industry sectors:

- U.S.-based drone hardware and subcomponent design, manufacturing, assembling and testing;
- Drone package delivery services; and
- Hemp cultivation registration, oversight, compliance, reporting and data analytics software solutions for government and commercial customers.

Drone Hardware and Drone Delivery

"With a goal of materially increasing our manufacturing capacity and proficiencies, AgEagle has finalized its decision to expand our drone-related operations to Wichita, Kansas. With that goal in view, we have been working in close collaboration with a Wichita-based commercial real estate firm to identify properties that will best suit our current manufacturing, assembly, testing and office space requirements, while also providing ample space to allow for planned expansion as our Company grows. In this regard, we have narrowed down our list of possible properties and expect to make a final decision within the next couple of weeks. Once that decision is made, we will announce all of the relevant details about our new Wichita home and the anticipated official date of our move.

"Additionally, we have been actively pursuing opportunities to manufacture and assemble drone-related hardware and subcomponents for a wide range of other prospective new customers - companies which value the fact that we are a U.S.-based manufacturer and their products will be 'Made in America.'

"In the foreseeable future, we believe being an American drone manufacturer with proven engineering expertise will go a long way in winning new business opportunities, particularly with those customers which may be reluctant to rely on Chinese manufacturers due to the much touted supply chain challenges and perceived national security risks that have been the subject of prevailing media attention over the past several months. Based on advanced discussions with several prospective new customers, the outlook for our drone manufacturing business appears very promising.

"Given the projected growth of the drone package delivery market, which is forecasted to reach \$27.4 billion by 2030 according to research firm MarketsandMarkets, we have determined that our long-term growth strategy must provide for additional opportunities in this high growth market. Our approach to continuing to successfully penetrate this market will require that we proceed with measured, well-calculated steps to ensure that the path we forge is smart, revenue-driven and financially disciplined. We intend to evaluate and pursue select projects and investments that will permit AgEagle to properly assess inherent risks and rewards before we make significant commitments of growth capital to this focused strategy. As our efforts in this sector begin to take shape and gain greater traction, we look forward to providing much greater detail on anticipated milestones and our forward-moving progress.

Hemp Software Solutions

"With *HempOverview*'s registration module now operational in the State of Florida, we have been actively pursuing talks with other state and tribal departments of agriculture across the country in hopes of expanding the number of customers on the platform. In addition, as part of our key growth objectives, we've committed to bringing additional states onboard, along with enhancing our footprint within the State of Florida. In fact as many states begin to open up as a result of COVID-19 shutdowns, we are already advancing discussions with them and hope to have good news to share about new wins in the near term.

"We have also initiated talks with other key stakeholders in the hemp industry which can benefit from AgEagle's agricultural software development expertise and experience. These include large genetics/seed companies, processors, hemp testing labs and large commercial farming co-ops. In time, we look forward to forming numerous meaningful research and revenue-generating relationships that will help to further establish AgEagle as the hemp industry's preferred, trusted source for best-in-class technology solutions. We believe much more will follow on this front in the coming months.

Corporate Update

"Thanks to the efforts of AgEagle's Chief Financial Officer, Nicole Fernandez-McGovern, who has spearheaded the negotiation and closing of recent large institutional financing rounds, our balance sheet has never been stronger. With nearly \$13 million in cash, we now have the ability to respond quickly to opportunities that are well aligned with our underpinning strategic growth objectives.

"In closing, I'd like to make an important observation known. Over the past six weeks, it has been amazing to see how quickly members of our talented team, including our supportive board of directors, employees and strategic business partners, have all come together and formed a

cohesive force. We are focused, committed to excellence in all that we do, and dedicated to the success of AgEagle. Now that we have arrived at the dawning of 'The Drone Age,' much work must be done to ensure that our Company effectively claims our leadership stake and sets the standards by which all others must ascend to if they are to compete with us. Without question, we have the right team to make that happen and I am delighted to be among them."

About AgEagle Aerial Systems Inc.

Founded in 2010 and based in Kansas, AgEagle has earned distinction as one of the industry's leading pioneers of technologically advanced drones and aerial imagery-based data collection and analytics solutions. We are trusted to help the world's growers, consumer packaged goods companies and their supply chain partners, to proactively assess and manage the health of commercial crops, reduce the chemicals in produced foods and products and preserve and protect natural resources. In addition, we are at the leading edge of providing state and territorial departments of agriculture, growers and processors with registration, oversight, compliance/enforcement, and reporting solutions relating to the United States' emerging hemp cultivation industry. In late 2019, we began pursuing expansion opportunities within the emerging Drone Logistics and Transportation market with the manufacture and assembly of UAVs designed to meet specifications for drones that are meant to carry packaged goods in urban and suburban areas. For more information, please visit www.ageagle.com.

Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements involve risks and uncertainties that could negatively affect our business, operating results, financial condition and stock price. Factors that could cause actual results to differ materially from management's current expectations include those risks and uncertainties relating to our competitive position, the industry environment, potential growth opportunities, and the effects of regulation and events outside of our control, such as natural disasters, wars or health epidemics. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as required by law.

Contacts:

Gateway Investor Relations

Cody Slach

Sean Mansouri

Phone: 949-574-3860

Email: UAVS@gatewayIR.com



7/7/2020 8:30:00 AM