



Q2 2023 EARNINGS CALL

August 30, 2023



**VOLATUS
AEROSPACE**

TSXV : VOL | OTCQB : VLTF



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This Presentation refers to certain financial performance measures that are not defined by and do not have a standardized meaning under International Financial Reporting Standards (termed “**Non-IFRS measures**”). EBITDA is one such Non-IFRS measure used. Volatus Aerospace defines EBITDA as earnings before interest tax depreciation and amortisation. Non-IFRS measures are used by management to assess the financial and operational performance of Volatus Aerospace. Volatus Aerospace believes that these Non-IFRS measures, in addition to conventional measures prepared in accordance with International Financial Reporting Standard, enable investors to evaluate Volatus Aerospace’s operating results, underlying performance and prospects in a similar manner to Volatus Aerospace’s management. As there are no standardized methods of calculating these Non-IFRS measures, Volatus Aerospace’s approach may differ from those used by others, and accordingly, the use of these measures may not be directly comparable. Accordingly, these Non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with International Financial Reporting Standards.



Q2 2023 BUSINESS HIGHLIGHTS

Milestone 1

Acquisition of Skyscape

- Expanded in the US utility Segment
- Added long-term recurring contracts - ~\$1M
- EV/LTM Rev of 0.60x and EV/ENTM Rev of 0.42x

Milestone 2

Expansion in Wildfire Suppression

- Deployed team in Alberta to detect forest wildfire hotspots
- Qualified to provide infrared imaging services
- Opens a \$70M serviceable addressable market opportunity in Canada and the US

Milestone 3

Canada-Wide Regulatory Approvals from Transport Canada

- Approved to fly BVLOS (Beyond Visual Line of Sight) over 400 ft for wildfire suppression
- Approved to operate over 25kg drones for heavy crop spraying

Milestone 4

Contracts

- Expansion of the SEAR Program into US (Waste Management)
- Oil & Gas contract kick-off—Ontario



Q2 2023 FINANCIAL SUMMARY (1/2)

In C\$	For three months ending Jun 30, 2023	For three months ended Jun 30, 2022	NOTES
Revenue	\$8.68M	\$6.63M	Revenue grew by 31% YoY and 17% on QoQ basis. The quarterly growth was driven by services division.
Gross Profit	\$2.96M	\$1.9M	The overall gross margin increased from 29% in Q2 2022 to 34% in Q2 2023. The higher margins were attributable to overall business synergies and change in product mix. Equipment segment generated 25% GM and services division generated 44% gross margin.
Gross Margin (%)	34%	29%	
Net and Comprehensive (Loss)	(\$2.45M)	(\$1.62M)	
Adjusted EBITDA ²	(\$1.10M)	(\$955K)	Headcount increased by at least 50 employees between June 2022 and June 2023 due to M&As, Synergies are being realised in 2023.
Earnings/(Loss) Per Share (diluted)	(\$0.02)	(\$0.02)	The Adj. EBITDA/Revenue ratio reduced from 14.40% to 12.70%



Q2 2023 FINANCIAL SUMMARY (2/2)

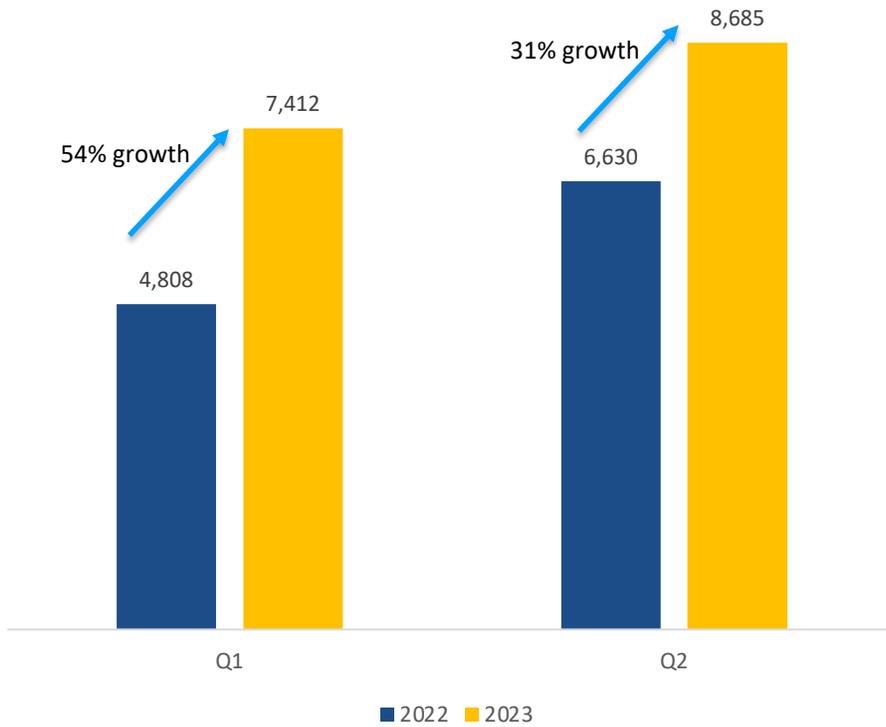
In C\$	For six months ending Jun 30, 2023	For six months ended Jun 30, 2022	NOTES
Revenue	\$16.1M	\$11.4M	Revenue grew by 41% and growth was marginally driven by equipment sales and majorly by services.
Gross Profit	\$5.3M	\$2.9M	Increase in gross profit was 78% and attributed higher GM both in equipment and services segments. As industry matures, product mix skew more towards services and custom products adding higher gross profits.
Gross Margin (%)	33%	26%	
Loss from Operations	(\$4.49M)	(\$3.37M)	Depreciation increased by approx. \$1.03M due to addition of piloted aircrafts and interest increased by \$526K due to financing of aircraft and higher interest rates
Adjusted EBITDA ²	(\$2.88M)	(\$2.09M)	Loss on LATAM JV added \$285K in losses followed by higher SG&A
Cash used in Operating Activities	(\$2.8M)	(\$5.2M)	Optimized working capital in H1 2023
Cash used in Investing Activities	(\$1.2M)	(\$2.M)	Attributable to JV investment and purchase of fixed assets
Cash provided by Financing Activities	\$1.7M	\$344K	Attributable to proceeds from issue of convertible debt



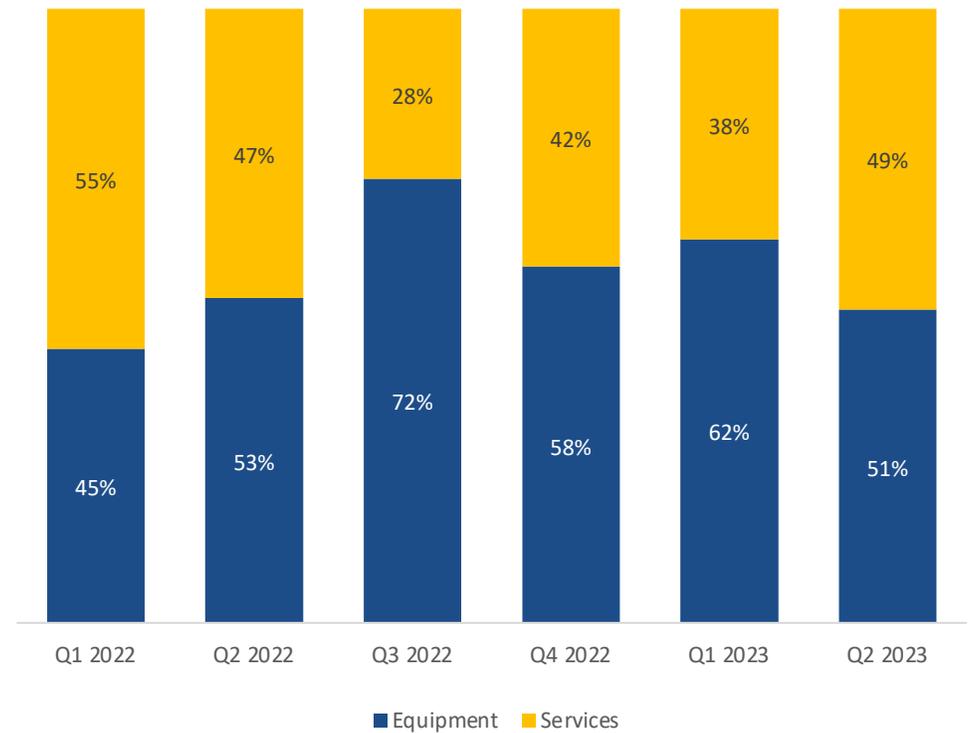
REVENUE SNAPSHOT

Revenue (C\$ in Millions)

YoY Quarterly Revenue Growth



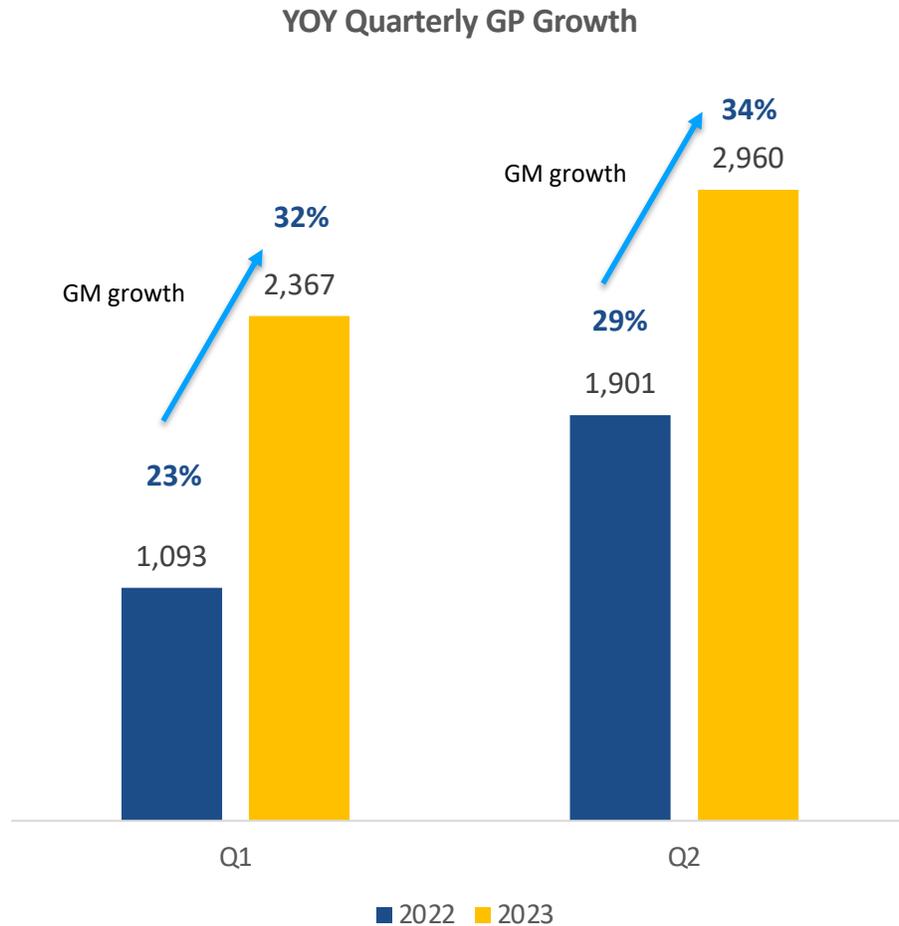
Product Mix



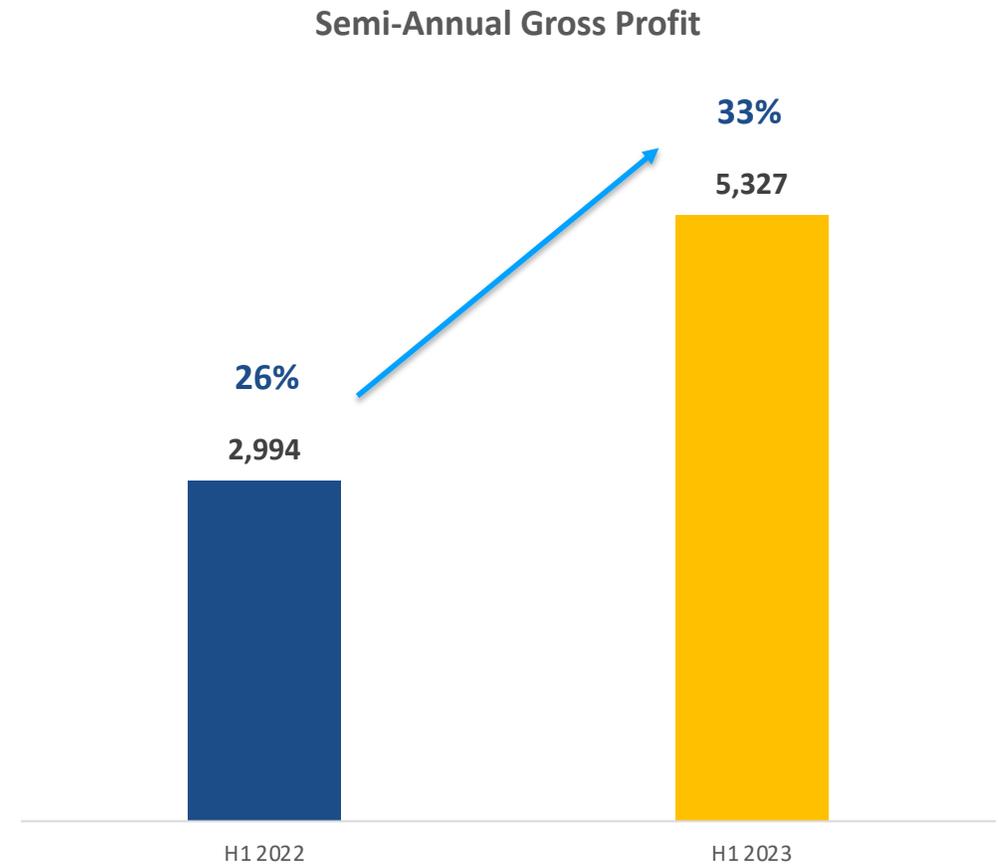


GROSS PROFIT SNAPSHOT

Quarterly Gross Profit (C\$ in Millions)



Half-Yearly Gross Profit (C\$ in Millions)





THANK YOU



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