Palladyne AI Announces Employee Equity Awards

Mar 13, 2026

SALT LAKE CITY--(BUSINESS WIRE)--Mar. 13, 2026-- Palladyne AI Corp. (Nasdaq: PDYN and PDYNW) ("Palladyne AI"), a U.S.-based defense and industrial technology company delivering embodied artificial intelligence software and autonomy solutions, today announced that effective March 10, 2026, the Compensation Committee of Palladyne AI's Board of Directors approved the grant of, in the aggregate, 107,932 restricted stock units, or RSUs, as material inducements to seven employees entering into employment with a subsidiary of Palladyne AI (the "New Hire Awards").

The New Hire Awards were made under Palladyne AI's 2024 Inducement Equity Incentive Plan (the "2024 Inducement Plan"). Each of the New Hire Awards was granted as an inducement material to the employee's commencement of employment with a subsidiary of Palladyne AI pursuant to Nasdaq Listing Rule 5635(c)(4). Six of the New Hire Awards will vest as to 25% of the RSUs on the one-year anniversary of the grant date and as to 1/12 of the remaining RSUs on each of May 20, August 20, November 20, and March 10 of the succeeding three years, subject to the recipient continuing to be a service provider to Palladyne AI or one of its subsidiaries. One of the New Hire Awards will vest as to 25% of the RSUs on November 20, 2026 and as to 1/12 of the remaining RSUs on each of March 10, May 20, April 20, and November 20 of the succeeding three years, subject to the recipient continuing to be a service provider to Palladyne AI or one of its subsidiaries. Each New Hire Award is subject to the terms and conditions of the 2024 Inducement Plan and the grant agreements covering the awards.

The Company grants equity awards to certain of its employees to better align their interests with those of our stockholders, as a meaningful retention incentive and as a means of reducing cash used in compensation expense.

About Palladyne AI Corp.

Palladyne AI Corp. (Nasdaq: PDYN) is a U.S.-based technology company developing patented embodied artificial intelligence, collaborative autonomy solutions, advanced avionics, autonomous systems, advanced UAV engineering services, and precision-manufactured components for defense and industrial markets. Palladyne AI delivers secure, American-developed and operated platforms designed to meet the stringent requirements of U.S. government and public-sector customers, including data sovereignty, security, and compliance.

Palladyne AI's embodied AI is designed to operate in complex, contested, and high-risk environments, enabling distributed tasking, human-on-the-loop decision-making, degraded-communications resilience, and multi-domain coordination. Its platform-agnostic autonomy stack combines real-time sensor fusion, adaptive AI models, and edge-native orchestration—without vendor lock-in—to support autonomous and collaborative systems across air, ground, maritime, and industrial domains where performance, resilience, and trust are paramount. For more information about Palladyne AI, including GuideTech and Palladyne Defense, please visit www.palladyneai.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the capabilities or future capabilities of the Company's AI/ML foundational technology and related software products; the benefits of the software and the industries that could benefit from it; and the applicability of the software to different kinds of machines (such as UAVs, UGVs and ROVs). Forward-looking statements are inherently subject to risks, uncertainties, and assumptions. Generally, statements that are not historical facts, including statements concerning possible or assumed future actions, business strategies, events, or results of operations, are forward-looking statements. These statements may be preceded by, followed by, or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates," "intends" or "continue" or similar expressions. Such forward-looking statements involve risks and uncertainties that may cause actual events, results, or performance to differ materially from those indicated by such statements. These forward-looking statements are based on Palladyne AI's management's current expectations and beliefs, as well as a number of assumptions concerning future events. However, there can be no assurance that the events, results, or trends identified in these forward-looking statements will occur or be achieved. Forward-looking statements speak only as of the date they are made, and Palladyne AI is not under any obligation and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Readers should carefully review the statements set forth in the reports which Palladyne AI has filed or will file from time to time with the Securities and Exchange Commission (the "SEC"), in particular the risks and uncertainties set forth in the sections of those reports entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements," for a description of risks facing Palladyne AI and that could cause actual events, results or performance to differ from those indicated in the forward-looking statements contained herein. The documents filed by Palladyne AI with the SEC may be obtained free of charge at the SEC's website at www.sec.gov.

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Source: Palladyne AI Corp.