Palladyne AI Corp. Awarded Contract from Air Force Research Laboratory to Migrate Palladyne™ Pilot Autonomous Drone Software to Next-Generation AI Computing Chipsets

Jan 13, 2025

Palladyne Pilot AI software platform provides closed-loop autonomous detection, tracking, and control for unmanned aerial vehicles

SALT LAKE CITY--(BUSINESS WIRE)--Jan. 13, 2025-- Palladyne AI Corp. (NASDAQ: PDYN and PDYNW) ("Palladyne AI"), a developer of artificial intelligence software for robotic platforms in the commercial and defense sectors, today announced that the Company has been awarded a new contract from the Air Force Research Laboratory (AFRL) to migrate the Palladyne ™ Pilot AI software platform ("Pilot") to next-generation, U.S. made AI computing chipsets. This project will take place over a 26-month period beginning in early 2025.

The Palladyne Pilot software platform is based on the Closed Loop Ubiquitous Tasking and Control of Heterogeneous Exploring Sensors (CLUTCHES) framework, which defines a novel AI structure that combines upstream multi-sensor fusion with adaptive real-time sensor management on individual unmanned aerial vehicle (UAV) platforms to facilitate shared situational awareness. Pilot has been designed to enable a network of collaborating unmanned systems and multi-modal sensors that self-orchestrate to provide superior capabilities for applications including intelligence, surveillance, and reconnaissance (ISR). This real-time sensor management requires a closed-loop system, a key feature of the Pilot platform.

"Our development work with AFRL on the Pilot AI software platform has been critical to evolving the technology to benefit our DoD customers," said Ben Wolff, CEO, Palladyne AI. "By evolving Pilot to be able to operate on these next-generation AI chipsets, in addition to the AI chipsets from Nvidia and Qualcomm that we are already operating on, we believe we will have the opportunity to deliver the benefits of our enhanced autonomy Pilot platform to the vast majority of small drone platforms that will be deployed in the coming years."

"Palladyne AI has already made significant progress by porting its Pilot software platform to some of the latest AI chipsets currently available. Initial tests of the Pilot software are demonstrating strong potential to reduce the operational and cognitive burden on the warfighter while substantially improving mission effectiveness," said Dr. Peter Zulch, AFRL. "We believe that Pilot will offer our Air Force drone operators a powerful tool for improving tactical missions, and by funding the migration of Pilot onto new and emerging AI chipsets we hope to expand the universe of small UAV platforms on which Pilot will be available."

For more information on Palladyne AI and its artificial intelligence software for robotic platforms, please visit www.palladyneai.com. For more information about AFRL, please visit www.afrl.af.mil.

About Palladyne AI Corp.

Palladyne AI Corp. (NASDAQ: PDYN) has developed an advanced artificial intelligence (AI) and machine learning (ML) software platform poised to revolutionize the capabilities of robots, enabling them to observe, learn, reason, and act in a manner akin to human intelligence. Our AI/ML Software Platform empowers robots to perceive variations or changes in the real-world environment, enabling them to autonomously maneuver and manipulate objects accurately in response.

The Palladyne AI/ML Software Platform operates on the edge and dramatically reduces the significant effort required to program and deploy robots enabling industrial robots and collaborative robots (cobots) to quickly achieve autonomous capabilities even in dynamic and or complex environments. Designed to achieve precise results with minimal training time, limited data sets, and lower power requirements, compared to current solutions, Palladyne AI believes its software has wide application, including in industries such as automotive, aviation, construction, defense, general manufacturing, infrastructure inspection, logistics and warehousing. Its applicability extends beyond traditional robotics to include Unmanned Aerial Vehicles (UAVs), Unmanned Ground Vehicles (UGVs), and Remotely Operated Vehicles (ROVs). Palladyne AI's approach is expected to elevate the return on investment associated with a diverse range of machines that are fixed, fly, float or roll.

By enabling autonomy, reducing programming complexity and enhancing efficiency, we are paving the way for a future where machines can excel in tasks that were once considered beyond their reach. For more information, please visit www.palladyneai.com and connect with us on LinkedIn at www.linkedin.com/company/palladyneaicorp.

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 future uses of the Palladyne IQ software by the Air Force Research Laboratory, including during Phase II of the contract, the benefits of the software to the Air Force Research Laboratory, the capabilities or future capabilities of Palladyne AI's software platform and products generally, the benefits of the software platform and products and the industries that could benefit from them, the impact of the software platform and products on robotics and the applicability of the software platform to different kinds of machines (such as UAVs, UGVs and ROVs and different available industrial robots). 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.