Palladyne AI Corp. Receives Additional Funding Via U.S. Air Force Contract

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AI software leader also completed Military Utility Assessment milestones for teleoperated and automated sanding capabilities and engineered media blasting

SALT LAKE CITY--(BUSINESS WIRE)--Jun. 11, 2025-- Palladyne AI Corp. (NASDAQ: PDYN and PDYNW) ("Palladyne AI"), a developer of artificial intelligence software for robotic platforms in the defense and commercial sectors, today announced that it has received additional funding from the U.S. Air Force under its contract with the Air Logistics Complex at Warner Robins Air Force Base in Georgia. Additionally, Palladyne AI recently completed a series of Military Utility Assessment milestones that involved performing autonomous engineered media blasting on complex aircraft components and automated sanding at height using several commercial robotic systems.

These new milestones represent the continuation of the multi-million-dollar Phase II contract with the U.S. Air Force to validate the Palladyne ™ IQ closed-loop autonomy software for use in various remediation activities on complex aircraft components. This is the second year of a potential four-year effort with the U.S. Air Force, resulting from Palladyne AI's selection in the highly competitive Strategic Funding Increase (STRATFI) program emerging from the Air Force's innovation incubator, AFWERX AFVentures. The successful completion of the first milestones of the contract was announced in October 2024.

Palladyne AI accomplished several key milestones in advancing automated surface finishing tasks, including successfully demonstrating autonomous media blasting using Palladyne IQ software on a Fanuc M710 robot, enabling seven degrees of freedom and control along a linear rail with precise control over blasting parameters such as stand-off distance, path width, angle of incidence, and speed. A second milestone included the completion of teleoperated and autonomous sanding using a Universal Robots UR10e robot paired with a compliant end effector and Palladyne IQ software, allowing for high-precision sanding across contoured, overhead, and at-height surfaces and enabling customizable sanding areas and patterns for automated sanding. The use of Palladyne IQ software enabled enhanced dexterity, simplicity of use, and greater control for the operator for both tasks.

"Through our work with the U.S. Air Force, we are making significant strides with the Palladyne IQ software and pushing the boundaries of what's possible with robotic automation," said Ben Wolff, President and CEO, Palladyne AI. "These recent Military Utility Assessment milestones, combined with the additional funding we have received for the project, demonstrate not only the technical feasibility but also the operational value of our AI software to help automate a variety of complex and variable tasks for Warner Robins Air Logistics Complex."

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

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 and 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 software solution 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 state-of-the-art 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, Palladyne AI is 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 Warner Robins Air Logistics Complex, including during Phase II of the contract, the benefits of the software to the Warner Robins Air Logistics Complex, 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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