

ZenaTech, Inc.

NASDAQ - ZENA

June 8, 2026

Vertically Integrated Drone Company Poised for Rapid Growth – Initiating Coverage with a Buy Rating and \$4 Price Target

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- Building a vertically integrated drone platform: ZenaTech combines proprietary drones, Drone-as-a-Service operations, enterprise SaaS software, and emerging AI/quantum capabilities under a single corporate structure.
- Acquisition phase nearing completion: The company has announced 36 acquisitions and closed 32, creating a national DaaS footprint that we believe is large enough to begin demonstrating meaningful operating leverage. Its DaaS acquisitions focus mainly on land surveying.
- Addressing a critical labor shortage: With the average U.S. licensed surveyor now approximately 60 years old, ZenaTech is using drones to automate workflows in an industry facing severe demographic constraints.
- Military opportunity becoming more tangible: Three drone platforms have advanced into the cybersecurity phase of the Green-to-Blue certification process, creating a pathway toward U.S. government procurement opportunities.
- Execution, not acquisitions, is the story: As drone utilization increases across the acquired footprint, we believe investors will increasingly focus on revenue per location, margin expansion, and platform economics.

Rating	Buy	In USD	1.392	USD/CAD exchange rate			
Target Price	\$4.00	Earnings Per Share		Normalized to exclude unusual items			
Ticker Symbol	ZENA	FYE - December		2024	2025	2026E	2027E
Market	NASDAQ	1Q - March		(\$0.01)	(\$0.00)	(\$0.36) A	(\$0.18)
Stock Price	\$1.35	2Q - June		(\$0.00)	(\$0.00)	(\$0.21)	(\$0.17)
52 wk High	\$7.11	3Q - September		(\$0.03)	(\$0.24)	(\$0.20)	(\$0.16)
52 wk Low	\$1.15	4Q - December		(\$0.13)	(\$0.43)	(\$0.20)	(\$0.15)
		Year		(\$0.17)	(\$0.95)	(\$0.92)	(\$0.66)
Shares Outstanding:	87.1 M	Revenue (\$mm)		1.4	9.3	28.1	39.9
Public Market Float:	18.4 M	EV/Rev		81.3X	12.4X	4.1X	2.9X
Avg. Daily Volume	2,969,358	EBITDA (\$mm)		(1.0)	(14.3)	(28.8)	(18.2)
Market Capitalization:	\$117.6 M	EV/EBITDA		-114.5X	-8.0X	-4.0X	-6.3X
Institutional Holdings:	3.7%						
Dividend Yield:	0.0%						

Risks/Valuation

- **Execution risk remains the primary concern:** ZenaTech must successfully integrate a large number of acquisitions, improve drone utilization across its DaaS network, and convert certification progress into commercial and government contracts while managing dilution and capital requirements.
- **Valuation reflects platform economics rather than hardware sales:** Our target price is based on a revenue multiple that assigns ZenaTech a premium to single-vertical drone peers, reflecting its combination of drones, DaaS operations, enterprise software, and AI/quantum optionality.

Company description: ZenaTech is a technology company focused on autonomous drones, Drone-as-a-Service (DaaS), enterprise Software-as-a-Service (SaaS), artificial intelligence, and quantum computing. The company operates a growing network of surveying and infrastructure service businesses, develops proprietary drone platforms through its ZenaDrone subsidiary, and owns a portfolio of enterprise software applications serving commercial and government customers.



ZenaTech, Inc. NASDAQ - ZENA

Vertically Integrated Drone Company Poised for Rapid Growth

We initiate coverage of ZenaTech, Inc. with a Buy rating and a 12-month price target of \$4.00. ZenaTech represents a rare small-cap opportunity at the intersection of autonomous drones, Drone as a Service (DaaS), and mission-critical enterprise software, with an additional layer of long-dated optionality tied to quantum-secured autonomy. The company has spent the last two years aggressively assembling a national services footprint through acquisition and is still going, a strategy that has laid the foundation for what we believe will become a scalable, utilization-driven platform by 2027. We forecast over 200% revenue growth in 2026 and another 42% in 2027.

ZenaTech's current valuation reflects skepticism around dilution, integration complexity, and the pace at which recently acquired operations can be integrated and modernized by using drones for surveying work. We believe this skepticism is backward-looking. As the acquisition phase slows and the focus shifts toward utilization, margin expansion, and repeatability, the market should begin to value ZenaTech as a services platform rather than a collection of small regional operators or a speculative drone hardware vendor.

Our valuation is anchored on 2027, when we expect the company's economic model to be visible in reported results. As the market starts discounting next year's numbers, we believe ZenaTech will warrant a materially higher multiple than it commands today.

ZenaTech is not an easy company to understand, but after spending several weeks conducting research, its integrated strategy became clear. Its businesses are increasingly integrated, and it is rapidly moving up the value chain with ten acquired SaaS businesses, an emerging Quantum computing strategy, and 26 announced drone services company acquisitions (mainly in land surveying), which the company expects to modernize by using drones to address a critical and worsening manpower shortage in that industry. But it is not limited to surveying, with several other service acquisitions, or services with a drone and component business. So, in addition to supplying its own Drone as a Service (DaaS) business units, it will also likely supply to others. It already operates 47,000 square feet of manufacturing space and has eight drone models in the market with another in development, so the pieces are in place.

A Vertically Integrated Drone Platform

ZenaTech is the only publicly traded small-cap company offering a vertically integrated unmanned systems platform. Unlike most drone companies, which are narrowly focused on hardware or components, ZenaTech controls the full workflow from data capture to processing to delivery. This integration allows the company to monetize services rather than units sold, fundamentally altering the scaling characteristics of the business.

The platform consists of four primary layers:

- First is proprietary drone hardware developed under the ZenaDrone brand, including heavy lift VTOL platforms and enterprise-grade quadcopters designed for surveying, inspection, and logistics.
- Second is a rapidly expanding Drone as a Service delivery model that sells mapping, inspection, and monitoring services to commercial and government customers.
- Third is an enterprise software portfolio serving highly-regulated end markets such as healthcare, public safety, and industrial compliance.
- Finally, the company is developing an early-stage quantum computing capability intended to support secure, autonomous drone operations in contested environments, including where GPS is unavailable.



ZenaTech, Inc. NASDAQ - ZENA

This combination is unusual at ZenaTech's market capitalization. Larger defense primes operate across similar layers, but at a scale and valuation far removed from small-cap investors. ZenaTech offers exposure to the same structural trends at an earlier stage of development.

Dr. Passley is Preparing ZenaTech to be a Leader in the Next Industrial Revolution

We recently had the opportunity to speak with Dr. Shaun Passley, ZenaTech's visionary CEO. Dr. Passley holds a Master of Science in Law degree from Northwestern University, specializing in intellectual property, and a Ph.D. in Business Administration from Benedictine University. As we researched the company and gained a better understanding of the challenges facing industries such as surveying (described later in this report) and window washing, and how drones are uniquely positioned to address those challenges, we began to appreciate his vision. As noted, he is not just building a one-dimensional drone company, but a vertically integrated business with hardware, software, and services operating on a global footprint. When we caught up with him, he was in his hotel room in Japan.

Dr. Passley believes that drones represent a potential acceleration of humanity similar to the Industrial Revolution. Two hundred years ago, there was no indoor plumbing, no universal secondary education, horses were the primary mode of transportation, and average life expectancy at birth was approximately 39 years. Beginning with World War II, innovations in automobiles, aviation, communications, and entertainment changed the way humans had lived for centuries. With current technological advances, Dr. Passley explained that ZenaTech does not need to force change; it simply needs to be ready for it.

He currently runs three public companies. ZenaTech is his primary operating platform. Epazz (EPAZ – OTC) is a \$20 million market cap software company focused on metaverse solutions, blockchain, cryptocurrency applications, and cloud-based business solutions. Ameritek Ventures (ATVK – OTC) is a \$93 million market cap technology development company. ZenaTech is the more advanced operating company, while the other two remain earlier-stage development platforms. Over the years, technology has been transferred into ZenaTech as it matured and reached the commercialization stage, utilizing a careful third-party valuation process and shareholder approval where required.

Dr. Passley specifically highlighted the military opportunity. As discussed later in this report, the company has completed the initial Green UAS stage for three drones and is progressing through the final Blue UAS approval process for the U.S. military. He noted that using missile systems to defeat enemy drones is often prohibitively expensive and discussed using the company's interceptor platform instead. He also highlighted the ZenaDrone1000, the ZenaDrone2000 (which utilizes a gasoline engine for extended range and serves as a mothership for interceptor drones), the IQ Aqua (an underwater drone designed to address mine threats in locations such as the Strait of Hormuz), and the IQ Octo (which was recently acquired from Epazz). The company's ZenaDrone subsidiary maintains a U.S. drone assembly, production, and testing facility in Mesa, Arizona, positioning it to support NDAA-compliant and Buy American procurement requirements.

On the commercial side, he discussed future applications including wildfire detection, wildfire suppression, agriculture, and disaster relief, citing potential advantages over current aircraft-based firefighting methods. Finally, he highlighted the company's quantum computing initiatives, with employees working on the effort in its UAE office. Management believes quantum computing could eventually provide significant advantages in analyzing the vast amounts of data generated by drone-based imaging systems used in land surveying.

From Acquisition Engine to Platform Economics

Since 2018, ZenaTech has completed 32 acquisitions, including 22 transactions directly tied to the build-out of its Drone as a Service footprint, with four more pending. The majority of these acquisitions occurred in 2025 and early 2026, reflecting a deliberate decision by management to front-load the platform build rather than pursue incremental growth.

The acquired businesses are primarily regional land surveying, civil engineering, and infrastructure services firms. These companies typically possess long-standing customer relationships, local market dominance, and predictable



ZenaTech, Inc. NASDAQ - ZENA

demand, but operate with labor-intensive workflows and limited technology investment. By integrating autonomous drones, AI-based processing, and centralized software, ZenaTech seeks to reduce labor hours per job, shorten project timelines, and increase throughput.

This strategy creates labor arbitrage: the ability to decouple revenue growth from headcount growth. While the near-term financial impact of acquisitions has been dilution and operating losses, the long-term objective is to build a services platform where incremental revenue carries meaningfully higher contribution margins.

Drone as a Service Changes the Economics of Infrastructure Work

Traditional surveying and inspection firms are constrained by labor availability rather than demand. Training licensed surveyors and field technicians is time-consuming and expensive, and scaling headcount often lags project demand. Importantly, much of the professional surveyor workforce is nearing retirement age. ZenaTech's Drone as a Service model addresses this constraint directly by automating data capture and reducing the number of personnel required per project.

Rather than selling drones as capital equipment, ZenaTech sells deliverables. Customers pay for maps, models, inspections, and compliance reports, either on a per-project basis or under subscription arrangements. This aligns pricing with customer outcomes and reduces sensitivity to hardware commoditization.

As utilization improves across the company's acquired footprint, we expect revenue per location to increase while incremental costs remain relatively fixed. This dynamic should drive gross margin expansion and operating leverage over time. We view 2026 as a transition year and 2027 as the first year in which these dynamics should be clearly visible.

From Epazz Sub to Vertically Integrated UAS Company

The company was originally incorporated in the State of Illinois on August 31, 2017, as ZenaPay, Inc. In its earliest iteration, the firm specialized in developing blockchain-based payment and plant-tracking software specifically tailored for the nascent hemp and agriculture industries. At this stage, the entity was a wholly owned subsidiary of Epazz, Inc., a cloud-business software business led by Shaun Passley, Ph.D., who is the architect of ZenaTech's expansion.

The pivotal transition occurred on November 30, 2018, when the company was spun off from Epazz as a separate entity. Following the spin-off, the company sought a new domicile, continuing its operations in British Columbia, Canada, through Articles of Continuance dated December 14, 2018. This period marked the beginning of a strategic pivot away from pure-play payment software toward the integration of smart hardware and mission-critical cloud applications.

On August 11, 2020, the company changed its name to ZenaDrone, Inc., reflecting an increasing focus on its proprietary heavy-lift autonomous octocopter. However, management quickly realized that the drone hardware was only one component of a broader technological suite. Consequently, on October 5, 2020, the name was finalized as ZenaTech, Inc. This final nomenclature was chosen to encompass its diversified segments: AI-powered drones, Drone as a Service (DaaS), enterprise SaaS, and quantum computing.

In isolation, these steps don't appear strategic, but taken together, we can see the strategy at work as it evolved. It now has eight drone models for sale and one in development, a large DaaS business with 28 locations in the U.S., Canada, the U.K., and Australia, ten SaaS businesses, mostly integrated with the drone business. In addition, it has announced a quantum computing strategy that should also be integrated with the drone business. We don't think that the market grasps this integrated strategy, but as it comes to appreciate it, we think ZENA shares will be accorded a premium valuation, as there is no other company we are aware of with such a complete vertically integrated model.

ZenaTech, Inc. NASDAQ - ZENA

ZenaTech Timeline

Date	Event
8/31/2017	Incorporation as ZenaPay, Inc. (Illinois)
11/30/2018	Spin-off from Epazz, Inc.
12/14/2018	Domiciled in British Columbia, Canada
2019	Acquired SystemView and PacePlus
8/11/2020	Renamed to ZenaDrone, Inc.
10/5/2020	Renamed to ZenaTech, Inc.
2020	Acquired WorkAware and Tillerstack
2021	Acquired PSPortals Beta testing of ZenaDrone 1000
2022	Established ZenaDrone Launched ZenaDrone 1000 Opened 13000 Sq ft factory in Dubai
2023	U.S. Air Force and Navy contracts Opened 10,000 Sq ft factory in UAE
10/1/2024	Listing on Nasdaq Capital Markets (ZENA)
2024	Acquired 4 software companies Launched IQ Nano
2025	Acquired 11 Land survey companies Acquired Othership IQ Square Launch
2026	Announced 5 more DaaS acquisitions Announced 1 more SaaS acquisition Launched 5 new drone models Established Ukraine operations

Source: Company reports

U.S. Policy Now Strongly Favors Trusted UAS Manufacturers

The policy backdrop supporting domestic and allied unmanned systems has evolved from incremental restriction to structural realignment. Bipartisan U.S. government actions over the past five years have reshaped the competitive landscape in ways that disproportionately benefit trusted-supply providers and service-based platforms.

- The first and most consequential pillar is the National Defense Authorization Act (NDAA). Beginning with the FY2020 NDAA signed into law by President Trump in December 2019 and subsequently expanded, the NDAA prohibits the Department of Defense from procuring unmanned aerial systems, components, or software sourced from Chinese manufacturers or companies with ties to foreign adversaries. In practical terms, this restriction removed DJI and related suppliers—previously estimated to control more than 70–90% of the U.S. commercial drone market—from defense, intelligence, and sensitive infrastructure applications. Importantly, the prohibition extends beyond finished aircraft to subsystems and software, forcing agencies and contractors to re-evaluate entire supply chains such as ZenaTech.
- The second pillar is the American Security Drone Act, which was part of the FY2024 NDAA and was signed into law by President Biden in December 2023. It broadened these restrictions beyond the Department of Defense to civilian federal agencies. The Act mandates that federal departments transition away from covered foreign entities and procure only drones that meet stringent security and sourcing criteria. This legislation accelerated demand for compliant platforms not only within federal agencies but also among state and municipal governments that rely on federal funding and guidance. This has the practical effect of creating a

ZenaTech, Inc.

NASDAQ - ZENA

bifurcated market: a shrinking, untrusted consumer segment and a rapidly expanding, policy-protected government and infrastructure segment.

- The third pillar is the Countering CCP Drones policy framework, reflecting bipartisan concern that Chinese-manufactured drones pose systemic risks related to data exfiltration, embedded communications backdoors, and supply-chain leverage. While not enacted as a standalone statute, this framework is expressed through enacted NDAA restrictions, the American Security Drone Act, executive actions, and agency-level procurement guidance. Congressional hearings and agency studies have increasingly framed drones as networked sensing platforms capable of collecting, transmitting, and storing sensitive data. This framing has influenced procurement behavior well beyond formal bans, with agencies and contractors adopting conservative sourcing standards even where explicit prohibitions do not yet exist.
- In addition to these legislative and regulatory actions, the fourth pillar was that on June 6th, 2025, President Donald Trump issued an executive order titled Unleashing American Drone Dominance, directing federal agencies to accelerate domestic drone manufacturing, deployment, and export competitiveness. The order emphasized the strategic importance of unmanned systems to national security, critical infrastructure, and economic resilience, and called for coordinated action across the Departments of Defense, Commerce, Homeland Security, and Transportation. While implementation details continue to evolve across administrations, the executive order reinforced a clear policy signal: building a domestic unmanned systems industrial base is a strategic priority, not a discretionary initiative.
- The fifth pillar was the July 10th, 2025, reclassification of small unmanned aerial systems (sUAS) as consumable equipment rather than aircraft by Secretary of War Pete Hegseth. This change materially alters procurement dynamics by allowing military units to acquire drones directly through field purchasing mechanisms, including government credit cards. By removing drones from traditional aviation procurement channels, this reclassification shortens sales cycles, reduces administrative friction, and enables rapid experimentation and deployment at the tactical level. For service-oriented providers such as ZenaTech, this shift favors platforms that can be deployed, replaced, and upgraded quickly rather than capital-intensive aircraft programs. In a July 11, 2025, press release, ZenaTech confirmed that all of its drone products meet the definition specified by the Secretary and called it a “game changer”.

Taken together, these actions have transformed the U.S. drone market from one dominated by low-cost foreign hardware to one increasingly shaped by compliance, security, and service capability. ZenaTech’s strategy—focused on NDAA-aligned hardware, outcome-based services, and integration with regulated workflows—is directly aligned with this policy environment. We believe this alignment reduces competitive risk and expands the company’s addressable market over the medium to long term.

U.S. government policy toward unmanned systems has shifted decisively over the past five years. Policymakers now view Chinese-manufactured drones as a national security risk rather than a benign commercial technology. ZenaTech’s strategy is aligned with these policy tailwinds, positioning its drones and services for Green UAS and Blue UAS pathways and benefiting from the forced exit of Chinese competitors from regulated markets.

In the rapidly evolving U.S. government and defense drone ecosystem, the Blue UAS and Green UAS frameworks have emerged as the two primary mechanisms for defining which unmanned aircraft systems are considered secure, trusted, and eligible for official use.

Green UAS is a Defense Innovation Unit (DIU) framework designed to bridge the gap between the commercial drone market and full Blue UAS approval by pre-vetting commercially available sUAS against a defined set of cybersecurity, supply-chain, and data-protection criteria. Green UAS platforms are not fully Blue-approved, but they are considered lower-risk and suitable for many governments, states, local, and enterprise uses where full DoD certification is not required. Conceptually, Green UAS functions as a fast-track on-ramp: it expands access to trusted non-Chinese drones while reducing procurement friction and giving vendors a clearer pathway toward eventual Blue UAS compliance.

ZenaTech, Inc. NASDAQ - ZENA

Blue UAS is the U.S. Department of Defense's formally approved list of small unmanned aircraft systems (sUAS) that have completed rigorous government security, supply-chain, and cyber risk vetting and are authorized for DoD and many federal government operations. Inclusion on the Blue UAS list means the platform meets strict requirements around trusted components, secure firmware/software, data handling, and resilience against foreign influence or exploitation. In practice, Blue UAS is the "gold standard" for federal procurement and mission use, enabling agencies to buy and deploy drones without needing case-by-case waivers or additional security reviews.

To date, ZenaTech has completed paid trials with the U.S. Air Force and Navy Reserve for medical cargo and made three applications under the Green and Blue UAS programs:

Date	Drone	Green UAS Milestone
Feb. 11, 2025	IQ Square	Green UAS certification process initiated
April 15, 2025	IQ Square	The company announced its intent to submit a Green UAS application
July 1, 2025	IQ Nano	Green UAS application submitted
Feb. 19, 2026	ZenaDrone 1000	Green UAS application initiated
May 19, 2026	ZenaDrone 1000, IQ Square, and IQ Nano	Advanced to the cybersecurity phase of the Green-to-Blue pathway

Source: Company reports

After Thirty-Two Acquisitions, Execution Becomes the Story

With the acquisition phase well underway, ZenaTech now enters a period where execution, integration, and utilization will define investor perception. Management's focus has shifted toward standardizing operations, integrating technology across acquired locations, and improving disclosure around utilization and margins. We expect investor skepticism to persist until tangible evidence of operating leverage emerges. However, we believe the platform has reached sufficient scale that incremental improvements in utilization will show meaningful margin improvement going forward.

ZenaTech's Drone Product Line is Designed with Specific Applications in Mind

ZenaTech's drone hardware portfolio is designed for enterprise and government use cases rather than consumer markets.

1. The **ZenaDrone 1000** is a heavy lift VTOL platform capable of operating in challenging environments, supporting applications such as agriculture, infrastructure inspection, and logistics. We expect this product to be the workhorse of its 22 DaaS subsidiaries
2. The **IQ Square** is a compact, multi-sensor VTOL platform designed for high-precision surveying and inspection missions, bridging the capability gap between indoor nano-drones and heavy-lift systems, and supporting applications such as corridor mapping, construction progress monitoring, and public-safety operations.
3. The **IQ Quad** is optimized for LiDAR mapping and 3D terrain modeling.
4. The **IQ Nano** is intended for indoor, GPS-denied environments such as warehouses and secure facilities. In our opinion, the market for this product is huge. It can fly around inside warehouses, taking inventory, or be used for security. According to Forbes, there are approximately 725,000 warehouse facilities in the U.S., and even if the IQ Nano were deployed in just 10% of these at an estimated \$25,000 per unit, the implied revenue opportunity would exceed \$1.8 billion, underscoring the scale of the potential market even under conservative

ZenaTech, Inc.

NASDAQ - ZENA

penetration assumptions. We certainly don't forecast anything near that, but the math suggests that the upside is enormous.

5. The **ZenaDrone 2000** is a gas-powered, high-endurance VTOL interceptor engineered for sea-based and coastal defense missions, operating from land bases, coastal positions, and vessel decks as part of an integrated counter-UAS architecture. With a hover endurance of more than 4 hours and a multi-domain design, the 2000 is positioned as a multifunction, all-domain interceptor capable of sustained patrol and rapid threat response rather than a traditional ISR drone. In ZenaTech's concept of operations, the 2000 works in concert with the IQ Glider launch and refueling station and the expendable Interceptor P-1, enabling layered, persistent air-defense coverage in high-value maritime and coastal environments.
6. The **IQ Aqua** is an AI-enabled underwater ROV/AUV platform acquired from Epazz. ZenaTech assigned a value of approximately \$4.6 million to the technology in the acquisition agreement. The platform is being developed for subsea inspection, research, surveillance, and payload operations in GPS-denied underwater environments. On the defense side, the system is intended to support autonomous mine detection, harbor security, and underwater ISR missions, while commercial applications include inspection of subsea pipelines, cables, offshore energy infrastructure, and other critical underwater assets. By replacing or supplementing divers and manned vessels, IQ Aqua is intended to provide a lower-cost, persistent approach to underwater monitoring and diagnostics.
7. The **IQ Glider** is an autonomous marine-based drone launch and refueling station designed to extend the operational endurance and coverage of ZenaDrone 2000 maritime interceptor fleets. The system can operate as a self-contained autonomous marine platform or be deployed from ship decks and shore installations, maintaining continuous communications with active ZenaDrone 2000 airframes to support launch, docking, refueling, and redeployment cycles without reliance on fixed shore infrastructure. By serving as the mobile logistics backbone for interceptor operations—and as a communications node for underwater (bathymetric) drones—the IQ Glider effectively turns each vessel or coastal site into an autonomous, self-contained counter-UAS hub.
8. The **Interceptor P-1** is a fast-response, expendable VTOL fighter drone designed to physically intercept and neutralize hostile UAVs in flight, offering a lower-cost alternative to traditional missile-based or directed-energy air-defense systems. Intended for deployment from ground, vehicle, and maritime platforms—including via the IQ Glider sea-based station—the P-1 autonomously locates, tracks, and collides with target drones, providing a disposable "last-mile" kinetic layer that complements the longer-endurance ZenaDrone 2000 and broader counter-UAS suite.
9. The **IQ Octo** is a heavy-duty, eight-rotor VTOL drone platform that ZenaTech acquired from Epazz. The platform has not yet been commercially launched and remains in the development stage. Designed for precision aerial surveying, inspection, and infrastructure monitoring missions, the IQ Octo is intended to support larger and more sophisticated sensor payloads than conventional quadcopter systems, including LiDAR, thermal imaging, and high-resolution optical cameras. Its octocopter architecture provides enhanced lift capacity, redundancy, and flight stability, making it suitable for demanding industrial and government applications. Under the acquisition agreement, ZenaTech assigned a value of \$5.7 million to the IQ Octo intellectual property. The octocopter platform is intended for heavier-lift and specialized missions and could eventually serve as an intermediate platform within the company's drone portfolio, bridging the gap between the IQ Square surveying platform and the larger ZenaDrone 1000 heavy-lift system.

The emphasis across the portfolio is reliability, regulatory compliance, and integration with downstream workflows. These attributes are critical for customers who view drones as operational tools rather than novelty devices.

ZenaTech, Inc.
NASDAQ - ZENA

ZenaTech Drone Product Portfolio

ZenaDrone 1000 7' x 12'
Range 60 minutes \$100,000 to \$250,000
Payload 40 kg



ZenaDrone IQ Quad 40" x 40"
Range 20 minutes



ZenaDrone IQ Nano
Range 25 minutes 20" x 20"
30" x 30"



ZenaDrone IQ Square
Range 20 minutes 40" x 40"
50" x 50"



ZenaDrone 2000
Range 4+ hours hover gas powered
400 lbs. weight
88 lbs. payload



ZenaDrone IQ Aqua
Underwater AUV / ROV



ZenaDrone Interceptor P-1
disposable fighter drone designed to stop enemy drones
in the air through direct physical contact

specifications and image not yet available

IQ Octo
recently acquired from Epazz

specifications and image not yet available

IQ Glider 19" x 13" x 10"
Range 4+ hours
Underwater threat detection

specifications and image not yet available

Source: Company reports



ZenaTech, Inc. NASDAQ - ZENA

On February 25, 2025, the company announced that it had finalized the production model of the ZenaDrone 1000 and planned to begin manufacturing and assembly at a rate of at least 10 units per month starting in Q1 2025 at its Sharjah, UAE facility. Recent presentations raised this number to 10 to 15 and added capacity of 25 IQ series drones per month. The low end implies a baseline annualized production run-rate of 420 units, assuming steady monthly output. Management framed this as an initial scaling phase, supporting early commercial deployments and positioning the platform for U.S. defense and government opportunities. To date, it has not broken out drone sales revenue or updated its production numbers. We believe that it is using initial production models for its DaaS operations.

The company subsequently disclosed expansion of U.S.-based manufacturing, with a leased location in Mesa, Arizona, with the explicit goals of:

- Supporting DoD-destined and NDAA-compliant drones
- Enabling participation in Blue UAS-aligned programs
- Reducing geopolitical and supply-chain friction for U.S. government customers

As a result, the company now operates over 47,000 square feet of manufacturing space in four locations, with an AI R&D center recently opened in Baton Rouge, Louisiana and a quantum computing R&D center in the UAE.

Location	Sq. Ft.	Operational Role
Taipei, Taiwan	16,000	NDAA-compliant PCB and sensor manufacturing
Sharjah, UAE	25,000	Structural fabrication, electronics integration, flight testing
Dubai, UAE	3,000	DaaS fleet management, maintenance, storage
Mesa, Arizona	3,000	Final assembly for DoD/NATO, quality control
Baton Rouge, LA		AI defense division, quantum computing R&D
Ukraine		Drone manufacturing
	47,000	

Source: Company reports

Building a National Drone-as-a-Service Footprint Through Targeted Acquisitions

ZenaTech's Drone-as-a-Service platform is the result of a deliberate acquisition strategy focused on assembling a geographically diversified footprint of established service providers. Rather than acquiring early-stage technology companies, management targeted profitable or near-profitable surveying, engineering, and infrastructure services firms with entrenched local customer relationships.

Below, we summarize ZenaTech's completed mergers and acquisitions. These transactions form the operational backbone of the current platform and explain the company's rapid expansion in scale and capability.

ZenaTech Has Announced 36 Acquisitions and Closed 32, with Four Pending

	Vertical	Date Ann.	Date Closed	Name	Headquarters	Services	URL
1Q2019	Software		2/11/19	SystemView, Inc.	-	WY Facility Management	https://www.systemview.com/
	Software		2/11/19	PacePlus, Inc.	-	WY Medical Records SaaS	https://www.workaware.com/
3Q2020	Software		8/1/20	WorkAware	-	Canada Safety Compliance	https://www.workaware.com/
1Q2021	Software		1/15/21	TillerStack	-	Germany Field Service Management	https://www.tillerstack.com/
	Software		1/7/22	PsPortals, Inc.	Naperville	IL Law Enforcement SaaS	https://www.psportals.com/
4Q2024	Software	11/12/24	10/1/24	Ecker Capital	Wheeling	IL Interactive/InterlinkONE	https://www.eckercapital.com/
	Software		10/1/24	ZooOffice Inc.	Chicago	IL Jadian/DeskFlex SaaS	https://www.zoooffice.com/
1Q2025	Software	1/7/25	3/18/25	Othership Limited	London	UK Workplace Scheduling	https://othership.com/
	Software	11/18/25	3/4/26	Epazz Tech Assets	Chicago	IL AI/Drone IP	https://epazz.com/
	Software	4/14/26	4/14/26	NOW Solutions	Richardson	TX HR and payroll software	https://www.nowolutions.com/
1Q2025	DaaS		1/14/25	Weddle Surveying Inc.	Beaverton	OR Land surveys	https://www.weddlesurveying.com/
	DaaS		1/23/25	KJM Land Surveying LLC	Pensacola	FL Land surveys	https://www.kjmsurveying.com/
2Q2025	DaaS		4/3/25	Wallace Surveying Corporation	West Palm Beach	FL Land surveys	https://wallacesurveying.net/
	DaaS		4/10/25	Miller Land Surveying	Lake Worth	FL Land surveys	https://www.millersurveys.com/
	DaaS	5/21/25	5/21/25	Laventure & Associates	Fort Pierce	FL Land surveys	
	DaaS	6/9/25	6/9/25	Empire Land Surveying	Pensacola	FL Land surveys	https://www.empiresurveying.com/
3Q2025	DaaS	6/26/25	8/4/25	Morgan Surveying, Inc.	Greensboro	NC Real Estate/Zoning	https://www.morgansurveying.com/
	DaaS	8/7/25	8/7/25	Cardinal Civil Resources	Williamsburg	VA DOT/Civil Surveying	https://cardinal-cr.com/
	DaaS	9/11/25	9/11/25	Lescure Engineers Inc.	Santa Rosa	CA Viticulture	https://lesecure-engineers.com/
	DaaS	8/21/25	9/23/25	A&J Land Surveyor	Jacksonville	FL Aviation/Utility	https://www.ajsurvey.com/
4Q2025	DaaS	8/26/25	12/9/25	Casado Design Ltd.	Weston-super-Mare	UK Telecom/3D Modeling	https://www.casadodesign.co.uk/
	DaaS	9/1/25	10/9/25	Putt Land Surveying	Tucson	AZ Mining/FEEMA	https://puttsurveying.com/
	DaaS	9/18/25	12/30/25	Holt Surveying & Mapping	Spokane	WA Forestry/Mining	https://holtsurveying.com/
	DaaS	10/1/25	12/30/25	Andrew Spiewak Surveyor	Chicago	IL AEC/Engineering	https://landsurveyors.pro/
	DaaS	11/1/25	12/2/25	Smith Surveying Group	Jacksonville	FL Municipal/Aviation	https://www.smithsurveying.net/
	DaaS	11/13/25	11/18/25	Rampart Surveys	Woodland Park	CO Commercial Surveying	https://rampartls.com/
	DaaS	11/20/25	12/23/25	Vara 3D Inc.	Murray	UT Solar/LiDAR Mapping	https://www.vara3d.com/
	DaaS	12/1/25	12/30/25	unnamed window washing firm	Halifax	Nova Scotia Window Washing	
	DaaS	10/21/25	1/8/26	L.D. King, Inc.	Los Angeles	CA Wildfire/Public Works	https://www.ldking.com/
	DaaS	12/4/25	6/2/26	NorthGroup Consulting	Queensland	Australia Natural Resources	https://www.northgroup.com.au/
	DaaS	12/11/25	pending	Mountain West Land Surveying	Montrose	CO Ag/Wildfire	https://mountainwestlandsurveying.com/
1Q2026	DaaS	1/13/26	pending	Florida Power Wash	Avon Park	FL Building Maintenance	https://floridapowerwash.com/
	DaaS	2/3/26	pending	unnamed land surveying firm		VA Land surveys	
2Q2026	DaaS	4/9/26	4/9/26	Andy Paris & Associates	Lake Oswego	OR Land surveys	https://andyparis.com/
	DaaS	5/21/26	pending	unnamed land surveying firm		Alberta Land surveys	
	DaaS	6/2/26	6/2/26	High Prairie Survey Company	Kiowa	CO Land surveys	https://www.highprairiesurvey.com/

Source: Company reports

These acquisitions created a contiguous national footprint across key U.S. regions and Canada, Australia, while also expanding software capabilities that support recurring revenue and margin stability. In our view, the coherence of this acquisition strategy distinguishes ZenaTech from less disciplined roll-up models and underpins the scalability of the platform.

ZenaTech has completed 32 acquisitions, including 22 Drone as a Service transactions and 10 software or IP acquisitions. These transactions span engineering, surveying, infrastructure services, and enterprise software, forming the foundation of the current platform. Four additional acquisitions have been announced, but not yet closed.

Ten SaaS Acquisitions Closed

1. SystemView, Inc.

Closed February 11, 2019 – Wyoming

The acquisition of SystemView, Inc. represents one of ZenaTech's earliest software transactions and laid the groundwork for its initial recurring-revenue base. SystemView provides facility and asset management software used to track physical locations, equipment, and maintenance workflows. This acquisition gave ZenaTech early exposure to enterprise SaaS customers managing distributed assets—an operational theme that would later become central to the



ZenaTech, Inc.

NASDAQ - ZENA

company's Drone as a Service strategy. SystemView's platform established core competencies in workflow digitization, reporting, and compliance tracking that would later be extended into autonomous data collection.

2. PacePlus, Inc.

Closed February 11, 2019 – Wyoming

PacePlus, acquired concurrently with SystemView, focuses on case and records management software, particularly in regulated and documentation-intensive environments. The platform strengthened ZenaTech's ability to manage structured data, audit trails, and compliance-driven workflows. Together, SystemView and PacePlus formed the company's initial "software-first" operating layer, providing predictable SaaS revenue and foundational IP that supported ZenaTech's early corporate development and public listing.

3. WorkAware

Closed August 1, 2020 – Canada

WorkAware expanded ZenaTech's software portfolio into industrial safety and compliance management. The platform is designed to track workforce certifications, safety incidents, and regulatory requirements across distributed industrial teams. This acquisition positioned ZenaTech at the intersection of workforce management and compliance—an area where automated data capture and real-time reporting deliver measurable economic and safety benefits. WorkAware's functionality later aligned naturally with drone-enabled inspection and monitoring use cases in industrial and infrastructure environments.

4. TillerStack

Closed January 15, 2021 – Berlin, Germany

The acquisition of TillerStack was a pivotal moment in ZenaTech's evolution and served as the operational "glue" between autonomous hardware and field service execution. The transaction originated during a period of financial distress for TillerStack's prior owner, Australia-listed Invigor Group Limited, which announced a binding share purchase agreement for the sale of TillerStack on August 31, 2020.

The transaction officially closed in January 2021, providing ZenaTech with a revenue-generating enterprise field service management platform headquartered in Berlin. TillerStack enables dispatching, scheduling, tracking, and reporting for mobile workforces across industries such as infrastructure, mining, and construction. ZenaTech's CEO has described TillerStack as the backbone of its Drone as a Service model—coordinating human technicians, autonomous drones, and customer deliverables through a single cloud-based system. The acquisition also expanded ZenaTech's European presence and added an established customer base in industrial end markets.

Following the acquisition of TillerStack and WorkAware, ZenaTech has pursued internal development of next-generation tools designed for the "Remote Expert" model. A notable example is "StackLens," a prototype developed by TillerStack GmbH. StackLens is an AR-powered tool that enables remote experts to provide real-time video guidance to on-site technicians. In a DaaS context, this allows a single senior engineer in a centralized hub to guide junior drone pilots or maintenance crews through complex repairs or inspections, significantly reducing the overhead associated with skilled labor. Similarly, WorkAware has developed the "JourneyMan Device," a hardware-integrated safety tool designed to supervise remote workers in hazardous environments. This device integrates with the ZenaTech cloud, ensuring that both drone flights and human movements are tracked for maximum liability mitigation.

5. PsPortals, Inc.

Closed January 7, 2022 – Naperville, Illinois

ZenaTech, Inc. NASDAQ - ZENA

PsPortals added a law-enforcement-focused SaaS platform to ZenaTech's portfolio, specializing in records management and case workflow digitization. The acquisition reinforced the company's capabilities in secure data handling, compliance, and auditability—requirements that are increasingly relevant as drones are deployed in public-sector and security-sensitive environments. PsPortals complements ZenaTech's broader strategy of pairing data capture technologies with enterprise-grade software systems that meet stringent regulatory and evidentiary standards.

6. Ecker Capital (Interactive Systems & InterlinkONE)

Closed October 1, 2024 – Wheeling, Illinois

The acquisition of Ecker Capital brought the Interactive Systems and InterlinkONE brands into ZenaTech's software ecosystem. InterlinkONE provides warehouse management software (WMS) that is now being integrated with ZenaTech's IQ Nano indoor drone platform. This integration enables autonomous inventory scanning, barcode capture, and real-time synchronization between physical warehouses and digital inventory systems. The combination of legacy WMS software with autonomous drone swarms positions ZenaTech as a differentiated provider in logistics, defense supply chains, and high-throughput warehouse environments.

7. ZooOffice Inc. (Jadian & DeskFlex)

Closed March 16, 2025 – Chicago, Illinois

ZooOffice Inc. was acquired as part of ZenaTech's effort to consolidate its enterprise software offerings. ZooOffice is the parent company of Jadian and DeskFlex, two complementary SaaS platforms. Jadian specializes in complex inspection and compliance workflows for government and industrial users, making it a natural software companion to drone-based inspection services. DeskFlex provides workforce and space management tools that support flexible scheduling and distributed teams. Together, these platforms enhance ZenaTech's ability to coordinate inspections, personnel, and physical assets across its expanding DaaS network.

8. Othership Limited

Closed March 18, 2025 – London, United Kingdom

Othership was acquired to strengthen ZenaTech's internal collaboration and workforce productivity infrastructure. The platform enables coordination across distributed teams and supports the company's "distributed headquarters" operating model. As ZenaTech scaled to more than 20 acquisitions across multiple continents, Othership provided a unified digital layer connecting manufacturing, engineering, and service operations. This acquisition reflects management's recognition that scalable internal systems are essential to supporting a global DaaS roll-up strategy.

9. Epazz Tech Assets

Closed in March after January 2026 shareholder approval – Chicago, Illinois

The transactions closed after shareholder approval (including majority-of-the-minority approval under related-party rules). Payment was made entirely in equity: 10 million Preferred Shares (stated value \$3.00 each) and 100,000 Super Voting Shares (stated value \$30.00 each). All acquired intellectual property (patents, patent applications, inventions, source code, firmware, engineering/CAD files, mechanical drawings, stress-test data, prototypes, documentation, branding, and trade dress) was assigned to ZenaDrone Limited, ZenaTech's Irish subsidiary. Epazz retained no rights or licenses afterward.

List of Acquired Assets and Allocated Values

The \$33 million purchase price was allocated across six specific drone/hardware/software technologies as follows (based on the company's valuation and allocation in the SEC filing):

- PIN Technology: \$4,478,100 (1,357,000 Preferred Shares + 13,570 Super Voting Shares)

ZenaTech, Inc.

NASDAQ - ZENA

- ZD1000 Design Generation 4: \$7,019,100 (2,127,000 Preferred Shares + 21,270 Super Voting Shares) — Core design for the flagship ZenaDrone 1000 platform.
- ZD1000 Spraying Module: \$5,973,000 (1,810,000 Preferred Shares + 18,100 Super Voting Shares) — Enables precision agricultural spraying.
- IQ Octo Drone: \$5,672,700 (1,719,000 Preferred Shares + 17,190 Super Voting Shares) — Octocopter-style drone for heavier-lift or specialized missions.
- IQ Aqua: \$4,629,900 (1,403,000 Preferred Shares + 14,030 Super Voting Shares) — A water/inspection-focused variant.
- Spraying Trailer Platform: \$5,227,200 (1,584,000 Preferred Shares + 15,840 Super Voting Shares) — Mobile platform supporting spraying operations.

Why These Assets Were Valued at \$33 Million

These are not generic off-the-shelf items—they represent proprietary, patent-pending or patented drone hardware, designs, modules, and supporting IP that form the core of ZenaTech's ZenaDrone product line and AI-powered Drone-as-a-Service (DaaS) strategy. Their high valuation stems from several strategic and financial factors:

1. **Full IP Ownership and Elimination of Ongoing Costs** — Previously, ZenaTech licensed much of this technology from Epazz under royalty-bearing agreements (typically 5–7% of sales). Acquiring outright ownership ends perpetual royalties, reduces future expenses, and gives ZenaTech complete control over modifications, commercialization, and defense/government sales (important for NDAA-compliant and BVLOS operations).
2. **Direct Acceleration of Product Roadmap and Revenue** — The assets enable immediate enhancements to the ZenaDrone 1000 (ZenaTech's flagship multifunction drone used in agriculture, surveying, inspection, wildfire management, and defense). Examples include better lift/payload (via design IP), precision spraying for crops/livestock, and specialized variants (IQ series). Integration supports new revenue streams in high-growth areas like precision agriculture, infrastructure inspection, and public safety. ZenaTech's DaaS segment already generated the majority of 2025 revenue; these assets expand service capabilities and customer offerings across acquired surveying firms.
3. **Strategic and Competitive Value in a Fast-Growing Market** — Drones with AI autonomy, spraying, and specialized modules address booming demand in agriculture (e.g., crop monitoring/spraying), infrastructure, wildfire response, and defense. Owning the patents protects against competitors, supports vertical integration (hardware + software + services), and positions ZenaTech for larger government/defense contracts. The Board (excluding the CEO) and an independent valuator deemed the deal fair, citing familiarity with the tech, lack of comparable third-party alternatives at this price, and expected increases in revenues/cash flow.
4. **Related-Party Context but Arms-Length Valuation** — Because Epazz is controlled by the same CEO, the deal required special approvals and an independent valuation to ensure fairness. The \$33M figure reflects the internal development costs, patent value, prototype readiness, and projected contribution to ZenaTech's growth (the company completed 20+ DaaS acquisitions in 2025 alone and was rapidly scaling drone services).

In short, the \$33 million price reflects the foundational, revenue-generating IP that transforms ZenaTech from a licensor-dependent entity into a fully integrated AI/drone hardware + DaaS provider. It de-risks the technology stack and directly fuels the company's expansion into higher-margin, recurring-revenue drone services.

10. NOW Solutions

Closed April 14, 2026 – Richardson, Texas

The acquisition of NOW Solutions significantly expands ZenaTech's Enterprise SaaS division and adds a recurring-revenue software platform with a long-established customer base spanning schools, hospitals, municipalities, and



ZenaTech, Inc. NASDAQ - ZENA

government agencies throughout the United States and Canada. Acquired through a U.S. bankruptcy sale process, NOW Solutions develops the emPath Human Resource Management System (HRMS), a web-based platform that integrates payroll, human resources, workforce analytics, skills tracking, performance management, absence management, and employee self-service capabilities. The transaction continues ZenaTech's strategy of acquiring established enterprise software businesses that generate predictable recurring revenue while serving mission-critical customer functions.

Strategically, the acquisition broadens ZenaTech's exposure to government and public-sector customers, many of whom have maintained relationships with NOW Solutions for decades. These customers tend to exhibit lower churn rates, longer contract durations, and higher switching costs than typical commercial software users, creating a more durable revenue base. The company believes there is a significant opportunity to expand NOW Solutions' position within the underserved market of organizations employing approximately 1,000 to 20,000 workers, a segment often overlooked by larger HR software providers focused on enterprise-scale customers. The acquisition also strengthens ZenaTech's software foundation as management continues building a diversified technology platform spanning enterprise SaaS, artificial intelligence, drone hardware, Drone-as-a-Service operations, and quantum computing initiatives.

Through the bankruptcy court, we have access to NOW's financial statements. For the first quarter of this year, the company generated approximately \$292,000 in revenue, prior to ZenaTech acquiring it. This is considerably more than the \$47,000 (C\$66k in our model) average of the other nine SaaS businesses acquired. NOW has also been consistently profitable even after interest expense, which will presumably go away post-acquisition.

26 DaaS Acquisitions Announced

1. Weddle Surveying Inc.

Closed January 14, 2025 – Beaverton, Oregon

The acquisition of Weddle Surveying Inc. marked ZenaTech's early-2025 expansion into Western Canada and provided an established operational platform in the Vancouver market. Weddle is a long-standing land surveying provider serving municipal, infrastructure, and private development clients in a region where permitting complexity and project density create strong demand for high-precision, rapid-turnaround mapping. ZenaTech intends to integrate drone-based surveying into Weddle's workflow to reduce field time, improve data fidelity, and accelerate project cycles in urban corridors where speed, safety, and documentation quality are economically decisive.

2. KJM Land Surveying LLC

Closed January 23, 2025 – Pensacola, Florida

KJM Land Surveying LLC expanded ZenaTech's presence along Florida's Gulf Coast and established a scalable base in the Pensacola region. With a mix of residential, commercial, and municipal work, KJM provides recurring relationships well-suited for drone-enabled boundary surveys, elevation models, and post-storm condition assessments. ZenaTech's strategy is to layer autonomous aerial capture onto KJM's existing client workflow to shorten delivery timelines, reduce labor intensity, and increase repeat utilization across projects that require frequent updates.

3. Wallace Surveying Corporation

Closed April 3, 2025 – West Palm Beach, Florida

Wallace Surveying Corporation strengthened ZenaTech's South Florida footprint in one of the most active coastal development markets in the U.S. The firm's work in land development and construction surveying aligns with ZenaTech's core DaaS model: acquire durable, local operating businesses and modernize them with drone-based data capture. ZenaTech expects drone-enabled site documentation and elevation modeling to improve turnaround times



ZenaTech, Inc. NASDAQ - ZENA

and consistency in coastal projects where environmental constraints and zoning compliance often drive rework and schedule risk.

4. Miller Land Surveying

Closed April 10, 2025 – Lake Worth, Florida

The acquisition of Miller Land Surveying further consolidated ZenaTech's South Florida operating density. Miller's established relationships with developers and civil engineering partners provide a stable platform for expanding drone-assisted construction staking, progress monitoring, and documentation services. ZenaTech's plan is to transition repeatable field tasks into higher-speed aerial workflows, allowing the firm to handle more concurrent projects without proportionate increases in labor and mobilization costs.

5. Laventure & Associates

Closed May 21, 2025 – Fort Pierce, Florida

Laventure & Associates extended ZenaTech's reach into Florida's Treasure Coast and added a workflow profile well-suited for drone-driven topographic mapping and infrastructure support. The strategic value lies in geographic clustering: adding contiguous coverage across Florida improves asset utilization and enables standardized operating procedures across nearby locations. ZenaTech expects drone integration to enhance safety, reduce revisit frequency, and accelerate deliverables for clients operating under time-sensitive permitting and construction timelines.

6. Empire Land Surveying

Closed June 9, 2025 – Pensacola, Florida

Empire Land Surveying represented a second Pensacola-area acquisition, reinforcing the company's regional density thesis. By combining multiple local operating teams under a unified drone-enabled service model, ZenaTech can reduce mobilization friction and increase the effective utilization rate of aerial systems across parallel jobs. Empire's existing book of business provides immediate throughput for drone workflows, supporting both efficiency gains and a clearer path to margin expansion as operations become increasingly standardized.

7. Morgan Surveying, Inc.

Closed August 4, 2025 – Greensboro, North Carolina

Morgan Surveying provided ZenaTech with a stable base in North Carolina and expanded its Southeastern footprint beyond Florida. The firm's strong local reputation and repeat clientele support a practical integration strategy: deploy drone-based topographic mapping and site documentation to deliver faster turnaround and higher data consistency without disrupting existing client relationships. This acquisition reflects ZenaTech's disciplined approach of targeting durable, profitable service businesses where autonomous workflows can materially improve productivity and scalability.

8. Cardinal Civil Resources

Closed August 7, 2025 – Williamsburg, Virginia

Cardinal Civil Resources is a multi-state land surveying and engineering firm with meaningful experience across DOT and public-sector programs. The acquisition is strategically significant because it adds institutional capability in procurement discipline, compliance, and execution standards required for larger government and infrastructure contracts. ZenaTech plans to augment Cardinal's workflows with drone-enabled surveying and documentation to demonstrate measurable speed and cost advantages to public-sector stakeholders, supporting broader penetration into federally funded infrastructure programs. This acquisition is also significant in that Cardinal appears to have far



ZenaTech, Inc. NASDAQ - ZENA

more scale, with five locations listed on its website, compared to just one location for all but one other acquisition. The company is also establishing its defense office at this location, given its proximity to Washington.

9. Lescure Engineers Inc.

Closed Sep 11, 2025 – Santa Rosa, California

Lescure Engineers Inc. expanded ZenaTech's DaaS presence into Northern California and the specialized viticulture market. Based in wine country, Lescure provides engineering and surveying services tied to vineyard planning, drainage, and water management—use cases where precision mapping and repeat monitoring have clear economic value. ZenaTech intends to deploy advanced drone platforms for multispectral imaging and autonomous surveying to help vineyard operators optimize irrigation, detect stress patterns earlier, and improve the speed and quality of engineering-grade site plans.

10. A&J Land Surveyor

Closed Sep 23, 2025 – Jacksonville, Florida

A&J Land Surveyor strengthens ZenaTech's Florida footprint with a focus on aviation, utility, and infrastructure-adjacent work where compliance and engineering precision are critical. The firm's project mix supports deployment of drone-enabled mapping and inspection workflows across larger corridors and regulated environments. Strategically, this acquisition improves ZenaTech's ability to deliver higher-frequency updates and rapid documentation for infrastructure clients, while benefiting from regional density that supports shared aerial assets and standardized processing.

11. Casado Design Ltd.

Closed December 9, 2025 – Weston-super-Mare, United Kingdom

The acquisition of Casado Design Ltd. marked ZenaTech's formal entry into the UK and established a foundation for European telecom infrastructure exposure. Casado specializes in 3D modeling, digital twins, and BIM deliverables supporting tower and network infrastructure planning. ZenaTech's integration thesis is to pair Casado's design capabilities with drone-enabled inspection and tower lifecycle services, improving safety and reducing cost versus manual climbs while accelerating documentation cycles for operators navigating large-scale network modernization.

12. Putt Land Surveying

Closed Oct 9, 2025 – Tucson, Arizona

Putt Land Surveying provides a strategic operating base in Arizona, a region with meaningful mining, infrastructure, and natural resource surveying demand. The acquisition is particularly synergistic given Arizona's proximity to ZenaDrone operations, supporting a faster feedback loop between field requirements and product iteration. ZenaTech plans to use Putt as a deployment catalyst for drone-enabled mapping and industrial site documentation, expanding DaaS penetration in the Southwest while improving speed, safety, and consistency of deliverables in rugged operating environments.

13. Holt Surveying & Mapping

Closed December 30, 2025 – Spokane, Washington

Holt Surveying & Mapping, headquartered in Spokane, provides ZenaTech with an operational base in the Pacific Northwest and access to workflows spanning construction, infrastructure, and resource-adjacent surveying. ZenaTech intends to expand Holt's reach into verticals such as forestry, mining, and infrastructure monitoring—applications where drones can reduce time-on-site and improve safety in remote terrain. This acquisition supports ZenaTech's broader



ZenaTech, Inc.

NASDAQ - ZENA

strategy of modernizing established multi-decade firms by upgrading legacy field processes into faster, data-driven autonomous solutions.

14. Andrew Spiewak Land Surveyor

Closed December 30, 2025 – Chicago, Illinois

The acquisition of Andrew Spiewak Land Surveyor established ZenaTech's first operational presence in Illinois and the broader Midwest. Spiewak's long-standing integration within Chicago-area AEC (architectural, engineering, and construction) networks provides immediate access to a dense urban market where drones can materially improve façade inspections, construction documentation, and site planning. ZenaTech's plan is to certify field technicians as drone operators, increasing utilization of the IQ Square and IQ Quad platforms across the existing project pipeline while improving speed and documentation quality.

15. Smith Surveying Group

Closed December 2, 2025 – Jacksonville, Florida

Smith Surveying Group, based in Jacksonville, was acquired to strengthen ZenaTech's exposure to municipal and aviation-related surveying workflows. The firm's precision and infrastructure-oriented service profile makes it well-suited for drone-enabled airfield documentation, right-of-way mapping, and rapid condition assessments for public assets. Strategically, this acquisition adds both recurring municipal relationships and a pathway to higher-value aviation and infrastructure engagements where drone workflows can improve safety, speed, and data integrity versus legacy methods.

16. Rampart Surveys

Closed November 18, 2025 – Woodland Park, Colorado

Rampart Surveys represents ZenaTech's entry into high-altitude and rugged-terrain surveying markets in Colorado's Mountain West. With deep local expertise in land stewardship and commercial surveying, Rampart provides a strong platform for introducing drone-based mapping where terrain and access constraints make traditional fieldwork slower and more costly. ZenaTech views this acquisition as supportive of expanded DaaS penetration into resource, infrastructure, and land-management use cases where repeat aerial monitoring can deliver superior economics and safety outcomes.

17. Vara 3D Inc.

Closed December 23, 2025 – Murray, Utah

Vara 3D, headquartered in Murray, Utah, was acquired to serve as ZenaTech's platform for expanding into LiDAR-driven 3D mapping and solar-infrastructure workflows. Vara specializes in complex mapping, scanning, and staking services, supporting repeatable inspection and documentation needs across large sites. ZenaTech expects drones to materially compress inspection cycles and enable scalable thermal and condition monitoring—positioning the company to expand into solar and infrastructure maintenance services where speed and coverage are decisive and manual workflows are inherently inefficient.

18. Unnamed Halifax-area Commercial Window Washing Firm

Closed December 30, 2025 – Halifax, Nova Scotia

ZenaTech's acquisition of a Halifax-area commercial window washing firm represents a strategic expansion beyond surveying and into drone-powered exterior building maintenance. The company views this business as an operational proving ground for drone-based cleaning workflows that replace scaffolding and lift systems, improving safety while



ZenaTech, Inc. NASDAQ - ZENA

lowering labor and mobilization costs. The acquisition also provides a template for scaling a repeatable “service + automation” model across other markets, using real-world operating conditions to validate performance, unit economics, and customer adoption for drone-enabled cleaning services.

19. L.D. King, Inc.

Closed January 8, 2026 – Los Angeles, California

The acquisition of L.D. King, Inc. secured a high-value anchor for Southern California operations. Founded in 1965, L.D. King is a civil engineering and land surveying firm with deep roots across the Los Angeles metro area and established commercial and government relationships. The strategic significance lies in wildfire and disaster-prone geographies where rapid surveillance and post-event assessment are mission-critical. ZenaTech plans to integrate its drone platforms into L.D. King’s public works and planning workflows to enable faster situational awareness, higher-frequency updates, and more data-rich regional planning deliverables.

20. NorthGroup Consulting

Closed June 2, 2026 – Queensland, Australia

The acquisition of NorthGroup Consulting firm in Queensland represents ZenaTech’s strategic entry into Australia and a meaningful expansion of its DaaS footprint into a large, resource-heavy geography. Queensland’s mix of infrastructure development, mining activity, and land-management needs creates a natural environment for drone-enabled mapping and monitoring. ZenaTech’s thesis is that autonomous aerial workflows can materially reduce field time and improve safety across large and remote sites, while providing repeatable monitoring services that support a higher recurring-revenue profile over time.

21. Mountain West Land Surveying

Announced Dec 11, 2025 – Montrose, Colorado

The planned acquisition of Mountain West Land Surveying is intended to deepen ZenaTech’s presence in the Mountain West and strengthen its capability in rugged-terrain and land-management use cases. Based in Montrose, Colorado, the firm’s regional profile aligns with drone-enabled surveying applications where access constraints and long travel distances create natural economic advantages for aerial data capture. Strategically, ZenaTech expects this type of platform to support growth in agriculture, land stewardship, and environmental monitoring services, particularly where recurring updates are required and traditional workflows are labor-intensive.

22. Florida Power Wash

Announced January 13, 2026 – Avon Park, Florida

The planned acquisition of Florida Power Wash would expand ZenaTech’s drone-enabled exterior maintenance initiative into the U.S. market, building on the operational learning from its Canadian cleaning acquisition. Florida’s climate and building stock create recurring demand for exterior cleaning and maintenance services, especially for commercial properties requiring consistent compliance and appearance standards. ZenaTech’s strategy is to integrate drone-powered cleaning workflows to improve safety and reduce equipment costs, while creating a scalable service template that can be replicated across other high-density markets.

23. Unnamed Land Surveying Firm

Announced February 3, 2026 – Virginia

The planned acquisition of an unnamed Virginia-based land surveying company would further expand ZenaTech’s Drone as a Service presence in the Mid-Atlantic region and build upon the platform established through the earlier acquisition of Cardinal Civil Resources. According to management, Virginia remains a strategically important market



ZenaTech, Inc. NASDAQ - ZENA

due to its proximity to federal agencies, defense contractors, transportation infrastructure, and government-funded development projects. The company believes drone-enabled surveying can significantly improve project turnaround times while reducing labor-intensive field work and enhancing the quality and frequency of data collection.

The transaction aligns with ZenaTech's stated strategy of acquiring established surveying firms and integrating advanced drone technologies into existing workflows. Management has repeatedly highlighted surveying as one of the most immediately scalable Drone as a Service applications due to the clear economic benefits associated with aerial mapping, topographic surveys, construction monitoring, and infrastructure inspections. The acquisition would further increase geographic density in the region, enabling greater utilization of drone assets while expanding opportunities to deploy NDAA-compliant drone solutions for government and infrastructure-related customers.

24. Andy Paris & Associates

Closed April 9, 2026 – Lake Oswego, OR

The acquisition of Andy Paris & Associates establishes ZenaTech's first operational presence in Oregon and expands its Drone as a Service network throughout the Pacific Northwest. The firm provides professional land surveying services in a region characterized by significant infrastructure investment, forestry activity, environmental management requirements, and complex terrain. These market characteristics create attractive use cases for drone-enabled surveying, mapping, and inspection services where autonomous aerial systems can improve efficiency, safety, and data quality relative to traditional field methods.

The transaction is consistent with ZenaTech's broader strategy of acquiring established surveying companies with long-standing customer relationships and enhancing their capabilities through drone technology. By integrating autonomous aerial data collection into existing surveying workflows, management expects to reduce field labor requirements, accelerate project completion times, and improve operational scalability while maintaining continuity for existing customers. The acquisition also complements the company's growing presence along the U.S. West Coast, joining operations in California, Washington, Arizona, and Utah and creating additional opportunities to deploy ZenaDrone platforms and expand recurring Drone as a Service revenue. The Pacific Northwest also presents potential future opportunities in forestry management, environmental monitoring, utility inspections, and wildfire-related applications, all areas where autonomous drone technologies can provide significant operational advantages.

25. Unnamed Land Surveying Firm

Announced May 21, 2026 – Alberta

The planned acquisition of an Alberta-based land surveying company would significantly expand ZenaTech's presence in Western Canada and provide exposure to one of North America's largest concentrations of energy, utility, infrastructure, agricultural, and natural resource development projects. Management has identified Alberta as an attractive market for Drone as a Service applications because large project footprints and remote operating environments can create substantial productivity advantages for drone-enabled surveying, inspection, and monitoring solutions.

The acquisition continues the company's strategy of building a geographically diversified network of local surveying operators that can serve as deployment platforms for autonomous drone technologies. ZenaTech believes aerial mapping, LiDAR scanning, infrastructure inspections, and recurring monitoring services can reduce costs while improving safety and data collection capabilities across industries that traditionally rely on labor-intensive field operations. The transaction would also strengthen the company's Canadian footprint beyond British Columbia and Nova Scotia, creating additional opportunities to deploy ZenaDrone platforms and expand recurring Drone as a Service revenue across multiple high-value industrial end markets.

26. High Prairie Survey Company

Closed June 2, 2026 – Kiowa, Colorado



ZenaTech, Inc. NASDAQ - ZENA

The acquisition of High Prairie Survey Company expands ZenaTech's presence in Colorado and strengthens its position along one of the fastest-growing development corridors in the Denver metropolitan region. Founded more than 40 years ago, High Prairie has established long-standing relationships with residential developers, construction firms, infrastructure customers, and real estate clients across Douglas and Elbert Counties, including the rapidly expanding communities of Castle Rock, Parker, Elizabeth, and surrounding areas. The firm's service offerings include boundary surveys, ALTA/NSPS land title surveys, construction staking, subdivision mapping, engineering support, and infrastructure-related surveying.

Strategically, the transaction builds upon ZenaTech's earlier acquisition of Rampart Surveys and creates a second operating location in Colorado. The combination expands the company's geographic density in the Mountain West while providing an additional platform for deployment of its Drone as a Service (DaaS) model. Management believes drone-enabled surveying can materially improve project turnaround times, reduce labor-intensive field work, and enhance the quality and frequency of data collection for developers, builders, infrastructure operators, agricultural customers, and large landowners.

The acquisition also highlights the scalability of ZenaTech's broader consolidation strategy. Rather than attempting to build local operations from scratch, the company continues to acquire established surveying businesses with existing customer relationships and recurring revenue streams, then integrates drone-based aerial intelligence, autonomous data collection, and AI-driven analytics into those workflows. The transaction moves the company closer to its stated objective of completing 25 acquisitions by mid-2026 while further expanding the installed base of customers that may ultimately utilize the company's growing portfolio of drone-enabled services.

U.S. Surveying Industry Facing a Worsening Manpower Shortage

According to the National Society of Professional Surveyors (NSPS) Workforce Development Committee, the average age of Licensed Professional Surveyors (LPS) in the United States was 60 years old in 2025. And they are not being replaced by new entrants to even maintain the approximately 40,000 LPSs in the U.S., according to data from the Bureau of Labor Statistics.

According to the National Council of Examiners for Engineering and Surveying (NCEES), just 483 individuals passed the second and final national exam to become a licensed surveyor in 2024, with 583 individuals taking the first level exam. Once passing the national exams, individuals must pass one or more state-specific exams to be licensed in their state. As the average age of people starting the exam process was 35, with the average age at completion of 40, PLS are already middle-aged on average when they enter the profession. So, with 40,000 PLS at an average age of 60 and just 483 people passing the final exam in a year, this is less than half the required replacement rate. So, by 2050, the number of PLS will be halved at current trends. While attracting more candidates, as the industry association is attempting, is one solution, productivity gains via automation seem to be the only viable answer, which is exactly what ZenaTech is doing.

After 32 Acquisitions, Execution Defines the Upside

With the platform build substantially complete, the primary driver of value creation at ZenaTech shifts decisively from acquisition velocity to operational execution. This transition is critical to understanding why we anchor our valuation on 2027E rather than near-term reported results. During the acquisition phase, financial statements tend to obscure underlying economics as integration costs, overlapping overhead, and non-recurring transaction expenses dominate margins. As these costs normalize, the unit economics of the Drone as a Service model should become increasingly visible.

ZenaTech now operates a geographically diversified footprint of DaaS locations acquired over the past two years. Each location brings an installed base of customers, regulatory credentials, and local expertise. The opportunity is not simply to maintain these operations, but to materially improve their productivity through standardized workflows, autonomous



ZenaTech, Inc. NASDAQ - ZENA

data capture, and centralized processing. In this context, utilization rather than footprint expansion becomes the key lever for margin expansion.

Historically, a regional surveying or inspection firm's revenue is constrained by the number of licensed technicians it employs and the number of field hours those technicians can work. Drone-enabled workflows alter this equation by allowing a single operator to oversee multiple data capture missions, while automated processing reduces the manual effort required to convert raw data into customer deliverables. The result is a structural increase in revenue per employee and revenue per asset.

As utilization improves, incremental revenue should carry materially higher contribution margins. Fixed costs such as office leases, core staff, and software infrastructure are largely in place across the acquired footprint. Once baseline utilization thresholds are met, additional projects can be absorbed with limited incremental expense. This dynamic underpins our expectation of gross margin expansion.

ZenaTech / ZenaDrone: U.S. Military Opportunity

ZenaTech's defense strategy is increasingly organized around one central objective: making its ZenaDrone platforms eligible for trusted U.S. government procurement channels through certification, compliance, and procurement access rather than relying on a single headline contract to validate the story. The company is building the infrastructure required to participate broadly in federal drone purchasing, including Green-to-Blue certification, NDAA-compliant supply-chain documentation, cybersecurity validation, program applications, demonstrations, and government relationship development.

The military opportunity is fairly straightforward. First the company must earn certification. Then it must convert that certification into demonstrations, pilot programs, and eventually government contracts.

The current effort is centered on three non-combat platforms: the ZenaDrone 1000, IQ Square, and IQ Nano. Each addresses a different operational category inside defense and government workflows.

- ZenaDrone 1000 is the company's largest platform. The aircraft is approximately seven feet by twelve feet and can carry up to 88 pounds. The drone is designed for heavy-lift operations, surveillance, inspection, cargo transport, logistics support, and other mission-support activities where payload capacity and endurance matter. The company has also highlighted ISR, border-security, and critical-cargo applications.
- IQ Square serves as the company's outdoor inspection and surveillance platform. With an approximately 41-inch by 41-inch footprint and four-camera configuration, it is designed for infrastructure inspections, perimeter security, facility surveillance, land surveys, road inspections, bridge inspections, and military-base security missions.
- IQ Nano is the indoor platform. Designed for operation inside GPS-denied environments such as warehouses, armories, storage facilities, and inventory-management centers, the drone supports autonomous navigation, inventory monitoring, barcode and QR-code scanning, security patrols, and facility inspections.

Taken together, the three drones cover most of the missions ZenaTech is targeting: outdoor inspections and security, indoor inventory and facility management, and heavier-lift logistics and support work.

This positioning places ZenaTech squarely within the growing market for military and government support drones. The company is not marketing these systems as offensive combat drones. Instead, the applications highlighted across company materials focus on logistics, inspection, surveillance, inventory management, infrastructure monitoring, and security missions that support day-to-day military operations. As a result, the opportunity should be evaluated against support-mission procurement budgets rather than weaponized drone programs.



ZenaTech, Inc. NASDAQ - ZENA

The Key to the Military Opportunity is Green-to-Blue Certification

Historically, Blue UAS functioned as a major bottleneck because it served as the Department of Defense gatekeeper for cybersecurity, software-security, supply-chain, and NDAA compliance review. Under the newer framework, Green UAS performs much of the front-end work through AUVSI-administered and third-party assessments, allowing Green and Blue to operate as an integrated pathway rather than two separate hurdles. Green validates the compliance architecture, while Blue remains the designation that opens the door to broader government procurement opportunities.

ZenaTech's May 2026 disclosure marked an important milestone. All three target platforms completed the first two phases of the accelerated Green-to-Blue process, including onboarding and submission of consolidated hardware bills of materials and supply-chain documentation demonstrating NDAA compliance. The drones have now entered cybersecurity validation, which includes penetration testing designed to assess system resilience, encryption integrity, operational security, and resistance to adversarial attack.

This is the first time all three drones have been moving through an advanced certification process simultaneously. Earlier efforts were largely platform-specific. IQ Square entered the process first, followed by IQ Nano, and later the ZenaDrone 1000. Today, all three are advancing together. If the process proceeds as expected, ZenaTech could emerge with approval coverage across multiple mission categories at roughly the same time rather than validating one aircraft and then starting over with the others. That would allow the company to approach agencies with multiple approved systems rather than a single drone.

The certification process is still extensive despite the accelerated pathway. Every major component must be documented and sourced through NDAA-compliant channels before approval can occur. Detailed hardware bills of materials and sourcing documentation have already been assembled and submitted for all three platforms. The current phase—penetration testing and cybersecurity validation—may be the most important remaining technical hurdle because it evaluates whether the systems can withstand the cyber and operational threats that government customers increasingly screen for before procurement.

The contracting logic follows directly from that process. Green reduces friction and shortens timelines, but Blue remains the milestone that can turn technical progress into procurement eligibility. The central question is no longer whether ZenaTech can market drones to government agencies. The question is whether certification progress can shorten the path from demonstrations to funded pilots and eventually formal procurement programs.

That process is already underway. The company has disclosed demonstrations involving the U.S. Air Force and Navy Reserve and continues to showcase its systems at military-focused trade shows and government events. At the same time, it is building a government relations infrastructure to support future procurement efforts. Winning Strategies Washington is assisting with agency outreach and Congressional engagement, particularly in states where ZenaTech maintains operations, such as Arizona and Louisiana. Eagle Point Funding is helping pursue grant programs, government funding opportunities, and other non-dilutive sources of capital that could support deployments and pilot programs.

The roadmap from here is straightforward. Cybersecurity testing is expected this summer across all three drones. Following successful testing, the process moves to Defense Contract Management Agency review. DCMA review meetings occur approximately every two weeks. Because all three drones are progressing together, there is a possibility that multiple platforms could be reviewed within the same approval cycle.

Recent procurement trends suggest that, if ZenaTech succeeds in obtaining Blue approval, its platforms would be entering a favorable market environment. The U.S. military continues to increase spending on unmanned systems, while NDAA restrictions continue to drive demand toward secure and compliant drone suppliers. Base security, infrastructure inspection, logistics support, facility management, inventory control, and surveillance missions are all areas where secure domestic systems are becoming increasingly attractive alternatives to foreign-built platforms.



ZenaTech, Inc. NASDAQ - ZENA

We believe the military story has become considerably more tangible over the last six months. ZenaTech now has three drones moving through a defined certification pathway and has already completed the NDAA documentation and supply-chain review stages. Cybersecurity testing is expected this summer, followed by DCMA review. The next major milestone is Blue approval. After that, investors should focus on whether the company can convert demonstrations, pilot programs, and agency relationships into recurring government contracts.

Quantum Optionality Without Paying for the Hype

AI and Quantum Could Become the Longest-Duration Part of The ZenaTech Story

Most investors currently focus on ZenaTech's drone business, Green-to-Blue certification efforts, and expanding defense relationships. However, the company is simultaneously building two separate technology initiatives that could become important long-term differentiators: an artificial intelligence development operation headquartered in Baton Rouge, Louisiana, and a quantum computing division operating primarily through its Middle East technology operations.

Unlike many small-cap companies that simply add "AI" or "quantum" to investor presentations, ZenaTech has spent the last eighteen months building dedicated teams, opening research facilities, launching internal projects, and repeatedly expanding the scope of both initiatives. Whether these efforts ultimately create meaningful revenue remains uncertain, but they have clearly evolved beyond marketing concepts and now represent a material part of the company's strategic roadmap.

The AI and quantum initiatives are closely related but serve different purposes. The Baton Rouge operation is focused on practical AI applications for defense, government, drone operations, autonomy, sensor fusion, decision-support systems, and fleet management. The UAE quantum division is focused on next-generation computing capabilities that could eventually enhance navigation, optimization, cybersecurity, secure communications, weather forecasting, swarm coordination, and large-scale drone operations. In simple terms, AI is intended to improve what the drones can do today while quantum computing is intended to expand what may become possible in the future.

The AI effort is now centered around the company's Zena AI division in Baton Rouge, Louisiana. The company announced plans to open the facility during the first quarter of 2026 as a dedicated U.S.-based defense AI research center supporting the Department of Defense, DARPA, intelligence, and federal-agency applications. The facility is expected to employ AI engineers, data scientists, systems engineers, and drone specialists focused on autonomous systems, decision-support software, sensor fusion, edge intelligence, multi-drone coordination, and advanced command-and-control architectures.

One reason the Baton Rouge operation is important is that it gives ZenaTech a domestic AI development footprint aligned with current U.S. defense priorities. Federal agencies increasingly prefer AI systems developed inside the United States, particularly when those systems involve defense, intelligence, secure communications, autonomous operations, or critical infrastructure. The Baton Rouge facility appears designed specifically around those priorities.

The company has also begun describing increasingly sophisticated military AI applications. These include AI-driven decision-support systems, autonomous and semi-autonomous drone operations, sensor and data fusion, secure edge intelligence, intuitive command interfaces, multi-drone fleet coordination, and AI-assisted mission planning. The broader goal appears to be creating software systems that allow operators to manage larger numbers of drones while reducing human workload and improving response times.

The Baton Rouge effort is also closely tied to the company's Eagle Eye initiative. Eagle Eye combines AI drones, real-time and historical data, predictive analytics, and quantum-computing tools to improve battlefield awareness, operational decision-making, and mission planning. While still largely developmental, Eagle Eye provides perhaps the



ZenaTech, Inc. NASDAQ - ZENA

clearest example of how management views AI and quantum not as separate businesses but as technologies that ultimately enhance drone operations.

While AI receives most of the current investor attention, the quantum initiative may actually be more ambitious. The company formally launched its Quantum Computing Division in August 2025 and has continued expanding the program through multiple subsequent announcements, with 15 employees now in its UAE offices. The division is focused on both quantum hardware and quantum software development, an unusually broad scope for a company of ZenaTech's size. The company has discussed applications involving secure communications, encryption, navigation in GPS-denied environments, AI-driven drone optimization, weather forecasting, traffic management, sensor processing, and large-scale fleet coordination.

Management has stated that the quantum division currently operates primarily through the company's Middle East technology operations, where much of the quantum development effort is based. This geographic structure is somewhat unusual but reflects the company's broader international technology footprint and access to technical talent in the region.

The company's two flagship quantum projects are Clear Sky and Sky Traffic. Clear Sky combines AI drones, swarm technology, environmental data, and quantum computing to improve localized weather forecasting and severe-weather prediction. The goal is to process enormous quantities of environmental information far faster than traditional computing systems, potentially improving both forecasting accuracy and response times. Weather prediction is an area where quantum advocates believe future systems may eventually provide meaningful advantages because of the enormous number of variables involved in atmospheric modeling.

Sky Traffic applies similar concepts to traffic management and public safety. The project uses AI-enabled drones combined with quantum optimization techniques to analyze traffic flows, improve routing decisions, identify congestion patterns, and support public-sector transportation planning. The company has described the project as targeting smart-city and government applications.

More recently, the company expanded beyond software concepts and began discussing proprietary quantum hardware development. During January 2026, ZenaTech disclosed progress toward a proprietary quantum-computing hardware platform focused on defense, homeland-security, infrastructure, and government applications. The company discussed component procurement, vendor selection, hardware design work, and development of an initial five-qubit prototype. While still at a very early stage, the announcement suggests the company is attempting to participate in quantum infrastructure development rather than limiting itself to software applications layered on third-party systems.

The most interesting aspect of the AI and quantum strategies is how tightly they are integrated with the drone roadmap. Virtually every major AI or quantum initiative ultimately feeds back into drone operations. The company repeatedly discusses the multiple applications and features it is working on. Rather than operating as independent software businesses, the AI and quantum efforts appear designed to increase the capabilities and competitiveness of the company's drone platforms.

This integration is important because it potentially allows the company to create differentiation beyond hardware. Drone airframes eventually become commodities. Software, autonomy, cybersecurity, navigation, sensor fusion, fleet management, and decision-support tools are where long-term competitive advantages are more likely to emerge. ZenaTech appears to be attempting to build those layers simultaneously rather than treating the drone itself as the finished product.

The opportunity is clearly still early stage. Neither the Baton Rouge AI initiative nor the quantum division currently appears positioned to generate significant near-term revenue. Investors should view both efforts primarily as long-duration research and development programs rather than immediate financial drivers.

ZenaTech, Inc. NASDAQ - ZENA

That said, the scope of the initiatives has expanded materially over the last eighteen months. What began as isolated references to AI-enabled drones has evolved into a dedicated Baton Rouge AI operation, a separate quantum-computing division, multiple internal AI and quantum projects, proprietary quantum-hardware development efforts, and growing integration of those technologies into the company's defense and drone strategy.

We believe investors should view AI and quantum as a strategic option value embedded within the broader ZenaTech story. The near-term focus remains Green-to-Blue certification, defense pilots, drone deployments, and contract wins. However, if the company succeeds in building meaningful capabilities in autonomy, sensor fusion, quantum-enhanced optimization, secure communications, or swarm management, the AI and quantum initiatives could eventually become important differentiators across both its defense and commercial drone businesses.

Anchoring the Forecast on 2027

Because ZenaTech remains in a build-out phase, in our opinion, near-term losses are not particularly informative. We anchor our valuation on 2027E, when we expect the platform's economics to be visible. We separately forecast revenue for SaaS, DaaS, and drone sales. It is important to note that the company reports results in Canadian dollars, and our model follows this convention, while the shares trade on the NASDAQ in U.S. dollars.

For SaaS, the company has made ten acquisitions. The closing dates range from 1Q2019 through 2Q2026. SaaS revenue has been a bit lumpy, with C\$1.8 million in revenue in 2023 on five closed acquisitions, ramping 7.4% to C\$2.0 million in revenue in 2024 with eight closed acquisitions. SaaS revenue surged in 2025, up 43%, so this part of the business is clearly working, despite the focus on drones. We model revenue based on the approximately C\$65k per subsidiary seen in the last two quarters. The middle two quarters of 2025 benefited from one-time fees in addition to normal recurring revenue. We expect these fees to be generated again in the future, but given their unpredictability, we do not model them. We also note that the last acquisition, NOW Solutions, which closed on April 14, 2026, had considerably higher revenue than the average of the other businesses — \$292k in 1Q compared to a \$47k average — and we have factored that in (note that our model is in Canadian dollars and so shows C\$6k per location in 1Q 2026).

We have less history in the DaaS business, with only five quarters of reported results since the first of 26 announced acquisitions closed in January 2025. While most of the acquired DaaS businesses are small, single-location surveying firms, several had multiple locations. Therefore, we model based on the weighted average number of locations per quarter. For 2025, revenue per location was roughly C\$1.25 million. We expect strong gains in efficiency and productivity as the company applies its drone hardware and software to this business, modelling 5% sequential growth. The company now has 28 locations, including 25 acquired and three corporate locations. As discussed earlier, Professional Licensed Surveyors are aging, with the average surveyor now approximately 60 years old and too few new entrants passing certification exams to replenish the workforce. Consequently, we expect a favorable supply-demand dynamic to support industry-wide pricing growth. Once all announced acquisitions close, we estimate ZenaTech will operate a total of 32 locations. We note that two of the acquired businesses are window washing companies, one in Halifax, Nova Scotia, and the other in Avon Park, Florida. We have very little basis to model these businesses, so we assume the same revenue per location as the surveying operations. Additionally, four of the 26 announced acquisitions are outside the United States in Canada, the U.K., and Australia. Again, we have no meaningful basis for modelling these units differently than their U.S. counterparts and therefore use the same revenue-per-location assumption. As a result, we forecast DaaS revenue increasing to C\$36 million in 2026, from C\$10 million in 2025, and to C\$44 million in 2027. We do not assume any acquisitions beyond those already announced and only incorporate acquisitions after they have been publicly announced. Accordingly, as additional acquisitions are announced, we would expect upward revisions to our model.

The third revenue contributor is drone sales, with nine models in various stages of development. Management has discussed production capacity of up to 40 units per month, and pricing for its largest model has been cited at US\$100,000 to US\$150,000 per unit. However, to date, the company has not reported material drone hardware revenue. We believe the company is producing units but deploying early production aircraft into its DaaS operations rather than selling them commercially. Again, visibility into the timing of revenue generation remains limited, so we start conservatively with 10 units sold in 1Q2027 at C\$100,000 each, ramping to 25 units in 4Q2027. While this may seem



ZenaTech, Inc. NASDAQ - ZENA

aggressive, we note that the company has disclosed 47,000 square feet of manufacturing space and capacity to produce up to 40 units per month of its larger drone platforms.

Altogether, we forecast revenue of C\$39.0 million in 2026, rising to C\$55.5 million in 2027. The rapid acquisition-driven growth is already driving the top line, with year-over-year revenue growth of 671% and 640% in the last two reported quarters, respectively.

The company has consistently reported operating losses to fund growth, but both its SaaS and DaaS businesses are profitable. The company has recently added more cost centers, with three corporate DaaS locations added and a new manufacturing center in Ukraine. Additionally, we expect the company's military business to be unprofitable for at least the first year of low-rate production. The reason for this is that the military wants to see production facilities in place, which costs money, before placing orders. We see no issue with funding operating losses, as it currently has roughly C\$15 million in cash and just C\$10.5 million in debt in a market that is very receptive to funding UAS companies.

Valuing ZenaTech

While we view ZenaTech as a unique, vertically integrated drone company, it is not yet even being valued in line with other publicly traded drone stocks. We think that is the next step in the market's recognition of the company's value. The ten publicly traded drone stocks we used as comps (comps table is at the end of this report) trade at an average EV/Revenue multiple of 8.5x consensus 2027 revenue estimates. We note that Palladyne trades at 10.3x 2027 consensus revenue estimates and that its software and AI-heavy model is the closest to ZenaTech's. At a Palladyne-type valuation, ZENA shares would trade closer to our \$4, and that's ultimately where we think they are headed as the business model is executed and turned into reported revenue and as the market recognizes it.



ZenaTech, Inc. NASDAQ - ZENA

Our \$4 Price Target Puts ZENA Shares on Par with Valuations of Drone Comps

Category	Security Type	Shares Underlying	Strike	Expiration
Common Equity	Common Shares Outstanding	87,120,900		
	Super voting	185,000		
Preferred Equity	28.77 million convertible at 1:3	86,310,000		
Warrant Overhang		1,250,000	\$1.77	11/15/2026
		22,056	\$0.64	7/27/2026
		41,666	\$8.52	12/31/2026
		291,829	\$10.28	12/31/2027
	Total Warrant Overhang	1,605,551		
TOTAL BASIS	Fully Diluted Shares	175,221,451		

In millions except per share price/ U.S. dollars

	Current	Target
Share Price	\$1.47	\$4.00
Shares outstanding	87.31	175.22
Market capitalization	\$128.33	\$700.89
(+) Total Debt	\$7.60	\$7.60
(-) Cash & Equivalents	(10.82)	(10.82)
(-) Cash from warrant exercises		(2.23)
ENTERPRISE VALUE (EV)	\$125.11	\$695.44
2027E Revenue	\$40.12	\$40.12
EV/Revenue	3.1x	17.3x

Note: in U.S. dollars

Source: Litchfield Hills Research

Risks That Could Disrupt the Thesis

ZenaTech's strategy involves a deliberate trade-off between speed of platform build and near-term financial clarity. While we believe the long-term opportunity is compelling, investors should carefully consider the risks inherent in this approach.

- The most significant operational risk is integration execution. ZenaTech has completed 32 acquisitions since its inception (four more are pending), with the majority concentrated over a relatively short time frame. Integrating disparate operating cultures, legacy systems, and workflows into a unified Drone-as-a-Service platform requires disciplined execution. Delays in standardization or failure to achieve expected productivity gains would push the utilization-driven inflection further into the future.
- Capital structure risk remains relevant. Although we expect dilution to slow materially as cash flow improves, the company may still access capital markets opportunistically or defensively. Adverse equity market conditions or unexpected operating setbacks could result in additional dilution beyond our base-case assumptions.
- Regulatory and certification risk also warrants attention. ZenaTech's strategy is aligned with NDAA, Green UAS, and Blue UAS frameworks, but certification timelines are not fully within the company's control. Delays in certification or changes in procurement interpretation could slow adoption in government and regulated end markets.

ZenaTech, Inc. NASDAQ - ZENA

- Execution risk at the DaaS location level is another factor. The model assumes that acquired locations can materially increase utilization through drone-enabled workflows. If customer adoption is slower than expected or if pricing pressure emerges, margin expansion could fall short of expectations.
- Finally, technology risk should not be dismissed. While we do not include quantum initiatives in our base-case valuation, management attention and capital allocation toward frontier technologies could distract from near-term execution if not carefully managed.

Technicals - Building a Base After the Selloff



Source: Factset Research Systems

From a technical perspective, ZenaTech appears to have established a short-term trading bottom after a sharp capitulation selloff in May. The stock had been in a persistent downtrend for most of the past year, falling from above \$6.00 last Fall to approximately \$2.00 by early May. The most recent decline accelerated after the company reported results and investors digested the larger fully diluted share count, triggering a high-volume selloff that drove the stock to a new 52-week low. In our view, the most important technical level on the chart is the recent 52-week low of \$1.15, reached on May 21, 2026. The stock has since rebounded approximately 32% from that level, suggesting the possibility of a capitulation bottom and the beginning of a base-building process.

Several technical observations stand out:

- **Capitulation Volume:** The largest volume spikes on the entire chart occurred during the May decline and subsequent rebound. Heavy volume near a low often indicates a transfer of shares from weak holders to stronger hands and can mark an important bottoming process.



ZenaTech, Inc. NASDAQ - ZENA

- **Successful Retest:** After the initial bounce from approximately \$1.00, the stock pulled back but remained well above the lows, suggesting buyers were willing to step in on weakness.
- **RSI Recovery:** The RSI fell into oversold territory during the selloff and has since recovered to approximately 41, indicating selling pressure has eased, although the stock is not yet overbought.
- **Trend Remains Down:** Despite the recent rebound, the longer-term trend remains negative. The stock continues to trade below all major moving averages and remains well below the \$2.00–\$2.50 area that served as support earlier this year.
- **Potential Base Formation:** The trading action over the last two weeks resembles the early stages of a bottoming pattern. Continued consolidation above \$1.00 would strengthen the case that the recent low was a durable bottom rather than a temporary bounce.

In our view, the most important technical level on the chart is the recent low of \$1.15. As long as that level holds, the stock can be viewed as attempting to build a base. A break below that level would indicate the downtrend remains intact and could trigger another round of selling. Conversely, a move back above the \$2.00 area would represent a meaningful improvement in the technical picture and suggest that investors are beginning to look past dilution concerns and focus on the company's operating progress.



ZenaTech, Inc. NASDAQ - ZENA

ZenaTech Revenue Forecast

In Canadian Dollars Fiscal years ended Dec. 31	2025E					2026E					2027E				
	1QA	2QA	3QA	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
Drone as a Service	603,348	1,340,000	3,568,500	4,593,886	10,105,734	7,812,462	8,834,092	9,275,796	9,739,586	35,661,936	10,226,565	10,737,894	11,274,788	11,838,528	44,077,775
YoY growth						1194.9%	559.3%	159.9%	112.0%	252.9%	30.9%	21.6%	21.6%	21.6%	23.6%
Locations - weighted average	1.61	4.57	9.92	16.23	8.08	26.00	28.00	28.00	28.00		28.00	28.00	28.00	28.00	
Revenue per location:	374,518	293,152	359,583	283,084	1,250,168	300,479	315,503	331,278	347,842		365,234	383,496	402,671	422,805	
Sequential						6.1%	5.0%	5.0%	5.0%		5.0%	5.0%	5.0%	5.0%	
Annual growth							911022								
Software as a Service	532,306	901,662	776,908	596,112	2,806,988	589,857	884,786	929,025	975,476	3,379,143	1,024,250	1,075,462	1,129,235	1,185,697	4,414,645
YoY growth	-10.0%	143.0%	137.0%	-11.5%	43.0%	10.8%	-1.9%	19.6%	63.6%	20.4%	73.6%	21.6%	21.6%	21.6%	30.6%
Subsidiaries	8	9	8	9	9	9	10	10	10		10	10	10	10	
Revenue per sub	66,538	100,185	97,114	66,235	330,234	65,540	88,479	92,902	97,548		102,425	107,546	112,924	118,570	
Sequential growth						-1.0%	35.0%	5.0%	5.0%		5.0%	5.0%	5.0%	5.0%	
Drone Sales											1,000,000	1,500,000	2,000,000	2,500,000	7,000,000
Units											10	15	20	25	
Revenue per unit											\$100,000	\$100,000	\$100,000	\$100,000	
Total	1,135,654	2,241,662	4,345,408	5,189,998	12,912,722	8,402,319	9,718,877	10,204,821	10,715,062	39,041,079	12,250,815	13,313,356	14,404,024	15,524,225	55,492,420
	92.0%	504.1%	1225.3%	670.8%	557.6%	639.9%	333.6%	134.8%	106.5%	202.3%	45.8%	37.0%	41.1%	44.9%	42.1%

Source: Company reports and Litchfield Hills Research



ZenaTech, Inc.

NASDAQ - ZENA

ZenaTech Income Forecast

In Canadian Dollars
Fiscal years ended December 31

	2025					2026E					2027E				
	1Q	2Q	3Q	4Q	YEAR	1QA	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
Total Revenue	1,135,654	2,241,662	4,345,408	5,189,998	12,912,722	8,402,319	9,718,877	10,204,821	10,715,062	39,041,079	12,250,815	13,313,356	14,404,024	15,524,225	55,492,420
Year-over-year growth	92.0%	504.1%	1225.3%	670.8%	557.6%	639.9%	333.6%	134.8%	106.5%	202.3%	45.8%	37.0%	41.1%	44.9%	42.1%
Sequential growth	-	97.4%	93.8%	19.4%	-	61.9%	15.7%	5.0%	5.0%	-	14.3%	8.7%	8.2%	7.8%	-
Drone sales COGs	-	-	-	-	-	-	-	-	-	-	500,000	750,000	1,000,000	1,250,000	3,500,000
As a percent of revenue	-	-	-	-	-	-	-	-	-	-	50.0%	50.0%	50.0%	50.0%	50.0%
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As a percent of revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Programming and support fees	91,952	597,479	1,728,466	1,855,617	4,273,514	2,071,104	2,000,000	2,000,000	2,000,000	8,071,104	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
As a percent of revenue	8.1%	26.7%	39.8%	35.8%	33.1%	24.6%	20.6%	19.6%	18.7%	20.7%	16.3%	15.0%	13.9%	12.9%	14.4%
Sales and marketing	1,600,396	1,636,621	1,010,474	2,398,749	6,646,240	3,989,586	4,000,000	4,000,000	4,000,000	15,989,586	4,000,000	4,000,000	4,000,000	4,000,000	16,000,000
As a percent of revenue	140.9%	73.0%	23.3%	46.2%	51.5%	47.5%	41.2%	39.2%	37.3%	41.0%	32.7%	30.0%	27.8%	25.8%	28.8%
Professional fees	302,309	191,991	215,265	813,240	1,522,805	1,411,719	1,500,000	1,500,000	1,500,000	5,911,719	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
As a percent of revenue	26.6%	8.6%	5.0%	15.7%	11.8%	16.8%	15.4%	14.7%	14.0%	15.1%	12.2%	11.3%	10.4%	9.7%	10.8%
Wages and benefits	805,947	2,413,056	3,467,666	6,735,164	13,421,833	8,464,488	8,500,000	8,500,000	8,500,000	33,964,488	8,700,000	8,700,000	8,700,000	8,700,000	34,800,000
As a percent of revenue	71.0%	107.6%	79.8%	129.8%	103.9%	100.7%	87.5%	83.3%	79.3%	87.0%	71.0%	65.3%	60.4%	56.0%	62.7%
General, administrative and other	658,821	943,832	1,748,976	3,629,483	6,981,112	3,784,845	3,800,000	3,800,000	3,800,000	15,184,845	4,000,000	4,000,000	4,000,000	4,000,000	16,000,000
As a percent of revenue	58.0%	42.1%	40.2%	69.9%	54.1%	45.0%	39.1%	37.2%	35.5%	38.9%	32.7%	30.0%	27.8%	25.8%	28.8%
Total Cash Operating Expenses	3,459,425	5,782,979	8,170,847	15,432,253	32,845,504	19,721,742	19,800,000	19,800,000	19,800,000	79,121,742	20,200,000	20,200,000	20,200,000	20,200,000	80,800,000
As a percent of revenue	304.6%	258.0%	188.0%	297.3%	254.4%	234.7%	203.7%	194.0%	184.8%	202.7%	164.9%	151.7%	140.2%	130.1%	145.6%
EBITDA	(2,323,771)	(3,541,317)	(3,825,439)	(10,242,255)	(19,932,782)	(11,319,423)	(10,081,123)	(9,595,179)	(9,084,938)	(40,080,663)	(7,949,185)	(6,886,644)	(5,795,976)	(4,675,775)	(25,307,580)
EBITDA margin	-204.6%	-158.0%	-88.0%	-197.3%	-154.4%	-134.7%	-103.7%	-94.0%	-84.8%	-102.7%	-64.9%	-51.7%	-40.2%	-30.1%	-45.6%
Finance expenses	1,617,549	2,563,359	7,275,931	8,420,440	19,877,279	5,083,400	5,083,400	5,083,400	5,083,400	20,333,600	3,500,000	3,500,000	3,500,000	3,500,000	14,000,000
Amortization and depreciation	122,135	249,054	426,216	1,384,355	2,181,760	1,375,487	1,375,000	1,375,000	1,375,000	5,500,487	1,375,000	1,375,000	1,375,000	1,375,000	5,500,000
Stock-based compensation	395,000	35,000	465,000	1,993,503	2,888,503	8,874,251	8,874,000	8,874,000	8,874,000	35,496,251	8,874,000	8,874,000	8,874,000	8,874,000	35,496,000
Stock issued for services	151,105	84,439	84,438	-	319,982	-	-	-	-	-	-	-	-	-	-
Operating Income	(4,609,560)	(6,473,169)	(12,077,024)	(22,040,553)	(45,200,306)	(26,652,561)	(25,413,523)	(24,927,579)	(24,417,338)	(101,411,001)	(21,698,185)	(20,635,644)	(19,544,976)	(18,424,775)	(80,303,580)
Operating margin	-699.7%	-685.8%	-690.5%	-424.7%	-647.5%	-704.2%	-668.8%	-656.0%	-642.6%	-259.8%	-542.5%	-515.9%	-488.6%	-460.6%	-144.7%
Other (Income)/Expenses															
FX (loss)/gain	(7,861)	(344,584)	(204,774)	590,167	32,948	31,187	-	-	-	31,187	-	-	-	-	-
Unrealized (loss)/gain	-	-	-	(139,142)	(139,142)	57,580	-	-	-	57,580	-	-	-	-	-
Interest income	7,102	(7,074)	9,874	78,524	88,426	13,889	-	-	-	13,889	-	-	-	-	-
Pretax income	(4,610,319)	(6,121,511)	(12,271,924)	(21,511,004)	(45,218,074)	(26,549,905)	(25,413,523)	(24,927,579)	(24,417,338)	(101,308,345)	(21,698,185)	(20,635,644)	(19,544,976)	(18,424,775)	(80,303,580)
Taxes	-	-	-	590,167	-	-	-	-	-	-	-	-	-	-	-
Tax rate	0.0%	0.0%	0.0%	-2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	(4,610,319)	(6,121,511)	(12,271,924)	(22,101,171)	(45,218,074)	(26,549,905)	(25,413,523)	(24,927,579)	(24,417,338)	(101,308,345)	(21,698,185)	(20,635,644)	(19,544,976)	(18,424,775)	(80,303,580)
Net income margin	-406.0%	-273.0%	-282.4%	-425.8%	-350.2%	-316.0%	-261.5%	-244.3%	-227.9%	-259.5%	-177.1%	-155.0%	-135.7%	-118.7%	-144.7%
Diluted shares outstanding	2,284,301,160	2,284,301,160	36,562,646	36,562,646	34,183,348	53,774,981	87,774,981	87,824,981	87,874,981	79,312,481	87,924,981	87,974,981	88,024,981	88,074,981	87,999,981
Seq change	-	-	-	-	-	17,212,335	34,000,000	50,000	50,000	-	50,000	50,000	50,000	50,000	-
EPS diluted - continuing	(\$0.00)	(\$0.00)	(\$0.34)	(\$0.60)	(\$1.32)	(\$0.50)	(\$0.29)	(\$0.28)	(\$0.28)	(\$1.28)	(\$0.25)	(\$0.23)	(\$0.22)	(\$0.21)	(\$0.91)

Source: Company reports and Litchfield Hills Research



ZenaTech, Inc. NASDAQ - ZENA

Our \$4 Target Has ZENA Shares Trading at a Premium to Comps, Given its Comprehensive Strategy

Ticker	Company	Price Last	Cap \$ millions	EV \$ millions	2025E Rev. \$mils	2026e Rev. \$mils	2027e Rev. \$mils	Growth vs. 2026E	EV/Rev. 2027E
ZENA	ZenaTech, Inc.	\$1.50	72.03	\$114.67	9.28	28.05	39.87	42.1%	2.9x
ZENA	ZenaTech @ target price	\$4.00	700.89	\$695.46	9.28	28.05	39.87	42.1%	17.4x
AMBA	Ambarella, Inc.	\$78.38	3,438	3,369	391	444	503	13.5%	6.7x
AVAV	AeroVironment, Inc.	\$204.35	10,204	10,309	1,893	2,186	2,510	14.8%	4.1x
DPRO	Draganfly Inc	\$7.47	273	206	6	14	33	131.9%	6.2x
KTOS	Kratos Defense & Security Solutions, Inc	\$63.27	11,864	10,540	1,347	1,733	2,143	23.7%	4.9x
ONDS	Ondas Inc.	\$13.58	6,732	5,791	51	394	692	75.7%	8.4x
PDYN	Palladyne AI Corp.	\$8.60	406	423	5	25	41	67.0%	10.3x
RCAT	Red Cat Holdings Inc	\$14.95	2,193	2,153	41	152	218	43.2%	9.9x
SPAI	Safe Pro Group, Inc.	\$5.96	123	108	1	7	18	163.0%	6.0x
TDY	Teledyne Technologies Incorporated	\$618.81	28,669	30,972	6,115	6,422	6,762	5.3%	4.6x
UMAC	Unusual Machines Inc.	\$33.42	1,597	1,359	11	34	56	66.3%	24.1x
Average								60.4%	8.5x
ZENA vs. Comps								0.7x	33.8%

Source: Company reports and Litchfield Hills Research



ZenaTech, Inc.

NASDAQ – ZENA

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