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Leading Russian Drone Manufacturer Faces Financial Turmoil

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Orion drone. **Mike1979 Russia (CC BY-SA 4.0)**

One of Russia's leading drone manufacturers is facing serious financial difficulties that have brought it to the brink of bankruptcy, the CNews news website has reported.

Kronstadt, known for its Orion and Inokhodets drones used for both military and civilian purposes, has been hit with 40 lawsuits totaling 626.3 million rubles ($7.8 million, according to spot foreign exchange market data published by Reuters) over the past three months.

The largest claims came from Innovative Technologies and Materials (151.1 million rubles) and the Research Institute of Modern Telecommunications Technologies (220.6 million rubles).

Kronstadt itself faced an attempted bankruptcy filing by Turbodjet Micro in August 2023.

The company's most recent publicly available financial figures, from 2020, showed a revenue of 2 billion rubles ($24.9 million) and a net loss of 3.6 billion rubles ($44.8 million).

“The situation could lead to bankruptcy,” Nikolai Ryashin, CEO of drone service company RusDronPort, told CNews. “Subcontractors who provided services or delivered products without receiving payment are now filing lawsuits en masse to enter the creditors’ registry.”

Sources in the Russian drone market told CNews that Kronstadt has struggled financially for the past two years.

A key factor was the 2022 exit of AFK Sistema, the company’s former strategic investor and primary source of funding.

“Losing that financial backing sharply reduced access to capital and increased debt pressure,” one source told CNews. “Without that ‘wallet,’ the company was left to handle cash shortfalls on its own.”

Additional strains have come from international sanctions and rising component costs.

Representatives of Kronstadt did not respond to CNews’ requests for comment.

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