



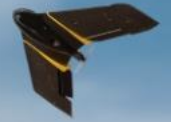
Coffee Microcaps
**Q2 QUARTERLY REPORT
PRESENTATION**

AUGUST 2022

This presentation has been approved for release by the CEO of Delta Drone International Ltd.

DLT IS A LEADING GLOBAL MINING & AGRICULTURE TECH-SERVICES COMPANY.

We enable clients to detect, define & calculate asset value by digitising their operational sites daily, with precision and at speed



QUARTERLY RESULTS

Q2 FY2022 (JUNE)

Delta Drone International CEO Christopher Clark said: "Off the back of signing our first long-term customer in Australia, Red 5, we have now set the baseline growth metrics for the business.

These new key indicators not only display the maturity and robustness of our business and reporting today, but also give investors insight into how our commercial model is driven.

By breaking up the growth drivers of our business, we believe shareholders will be able to derive the true value of the contracted recurring revenue (ARR) and our on-going total contract pipeline (TCV), as well as sizable non-recurring revenue, some of which we have historically been able to keep rolling forward."



ASX:DLT

QUARTERLY RESULTS - HIGHLIGHTS

Q2 FY2022 (JUNE)

ARR AND TCV

- ✓ ARR - \$1.7m, up 30% on prior quarter
(March quarter Q1 FY2022)
- ✓ TCV - \$3.8m, up 27% on prior quarter
- ✓ Key contracts within TCV include with Red 5, Seriti (multiple), Exxaro, South32 (multiple) and Newmont (multiple)

REVENUE & CASH

- ✓ Revenue - \$1.4m, up 7% on prior quarter
- ✓ Cash receipts - \$1.3m, down 26% on prior quarter (impacted by timing of collections)
- ✓ Contracted annual recurring revenue (ARR) was 29% of total revenue
- ✓ Australian operations accounted for 37% of group revenue (trade)

CONTRACTS SIGNED IN Q2

- ✓ Red 5 - Australian 3-year contract signed (TCV \$1.01m / ARR 336k);
- ✓ Australia, material contract
(see ASX announcement 8 June 2022)
- ✓ Seriti Coal and Exxaro (non-material contracts)
Post quarter end:
- ✓ Assmang - Khumani Iron Ore (South Africa) 3-year contract (TCV \$880k / ARR \$293k), material contract /
(see ASX announcement 27 July 2022)

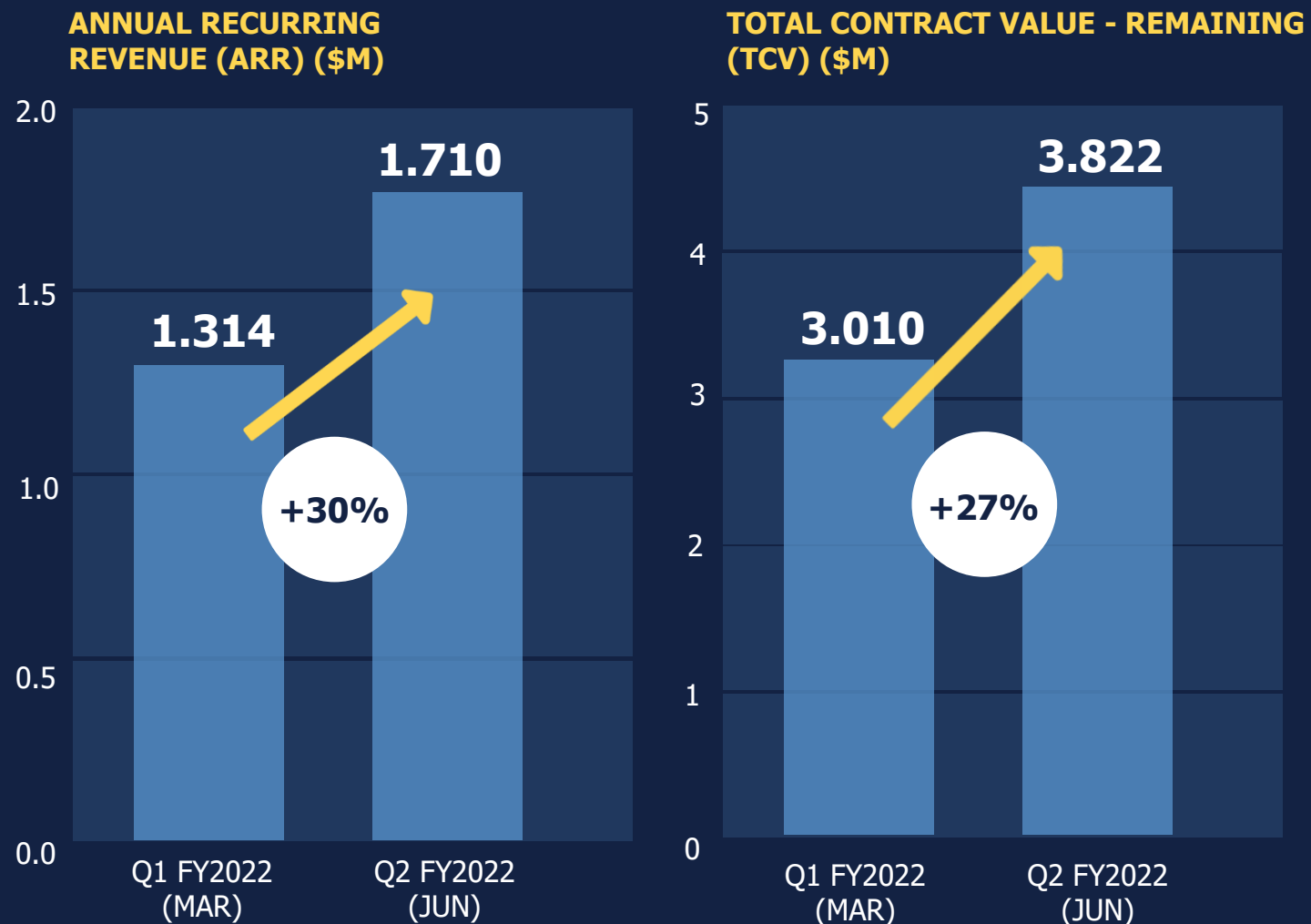
INITIATIVES

- ✓ Beyond Visual Line of Sight (BVLOS) drone operating license granted by the Civil Aviation Safety Authority (CASA) in Australia opening up DLT significant business opportunity to tender for contracts
(see ASX announcement 9 May 2022)
- ✓ Board right sized to suit size of current business;
composition change and reduction in size



OUR GROWTH

ASX:DLT



Growth In The Quarter Driven By New Contracts Signed:

- ✓ **Red 5 Ltd** – Australian 3-year contract (TCV \$1.01m / ARR 336k), material contract (an Australian ASX listed gold producer with established mines located in the Eastern Goldfields of Western Australia)

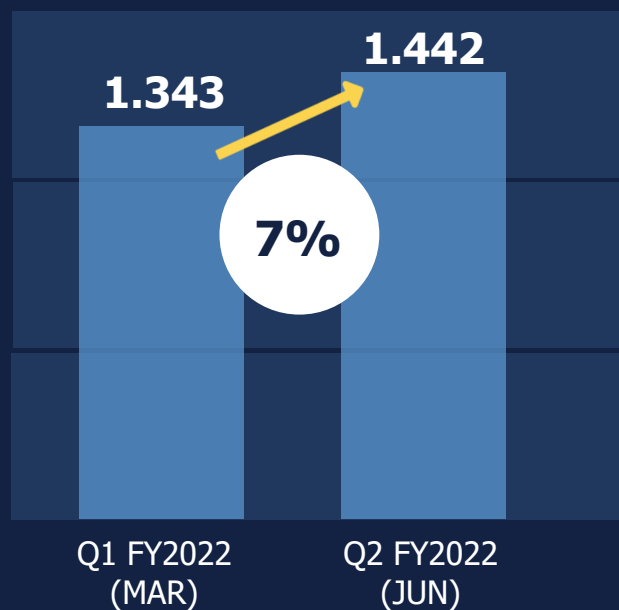
Other Non-material Contracts:

- ✓ **Seriti Coal** - 3-year contract was signed with Seriti Coal in South Africa (TCV of \$252k and ARR of \$112k)
- ✓ **Exxaro** - 18-month contract extension (TCV of \$278k and ARR of \$185k)

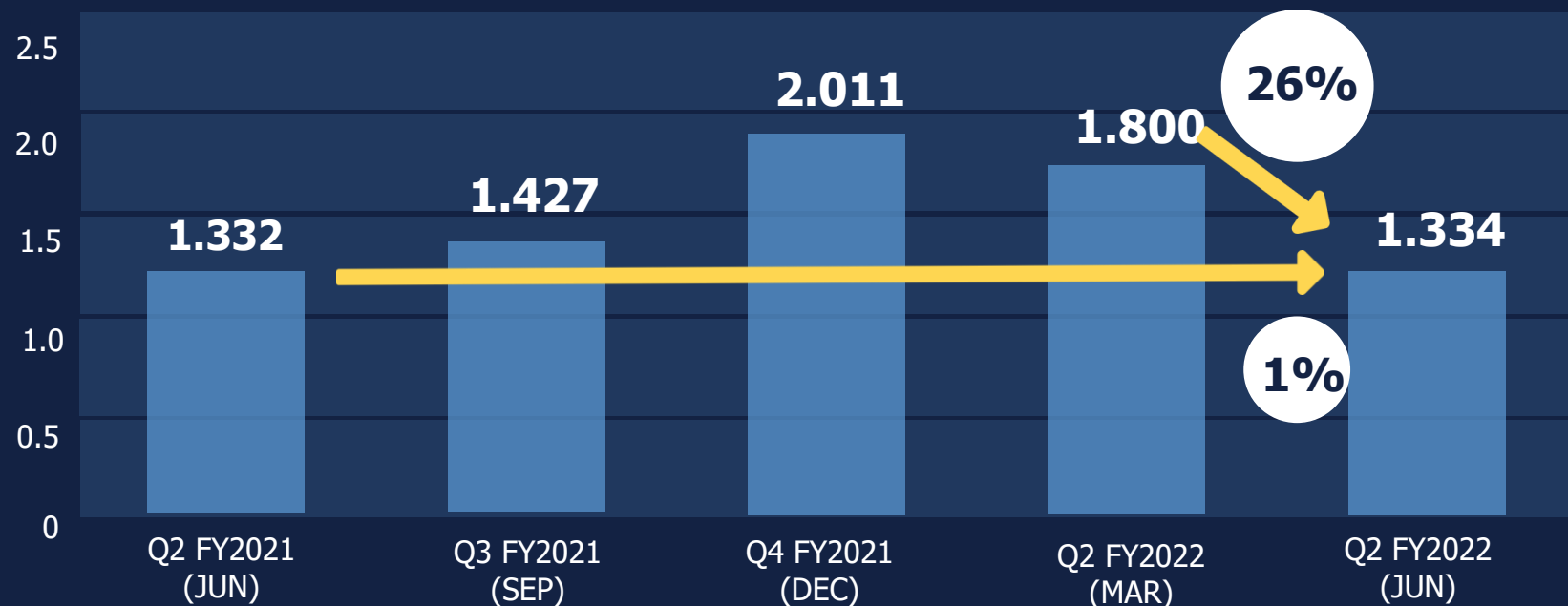
QUARTERLY RESULTS – REVENUE AND CASH RECEIPTS

Q2 FY2022 (JUNE)

REVENUE FROM CONTINUING OPERATIONS (\$M)



CASH RECEIPTS FROM CUSTOMERS (\$M)



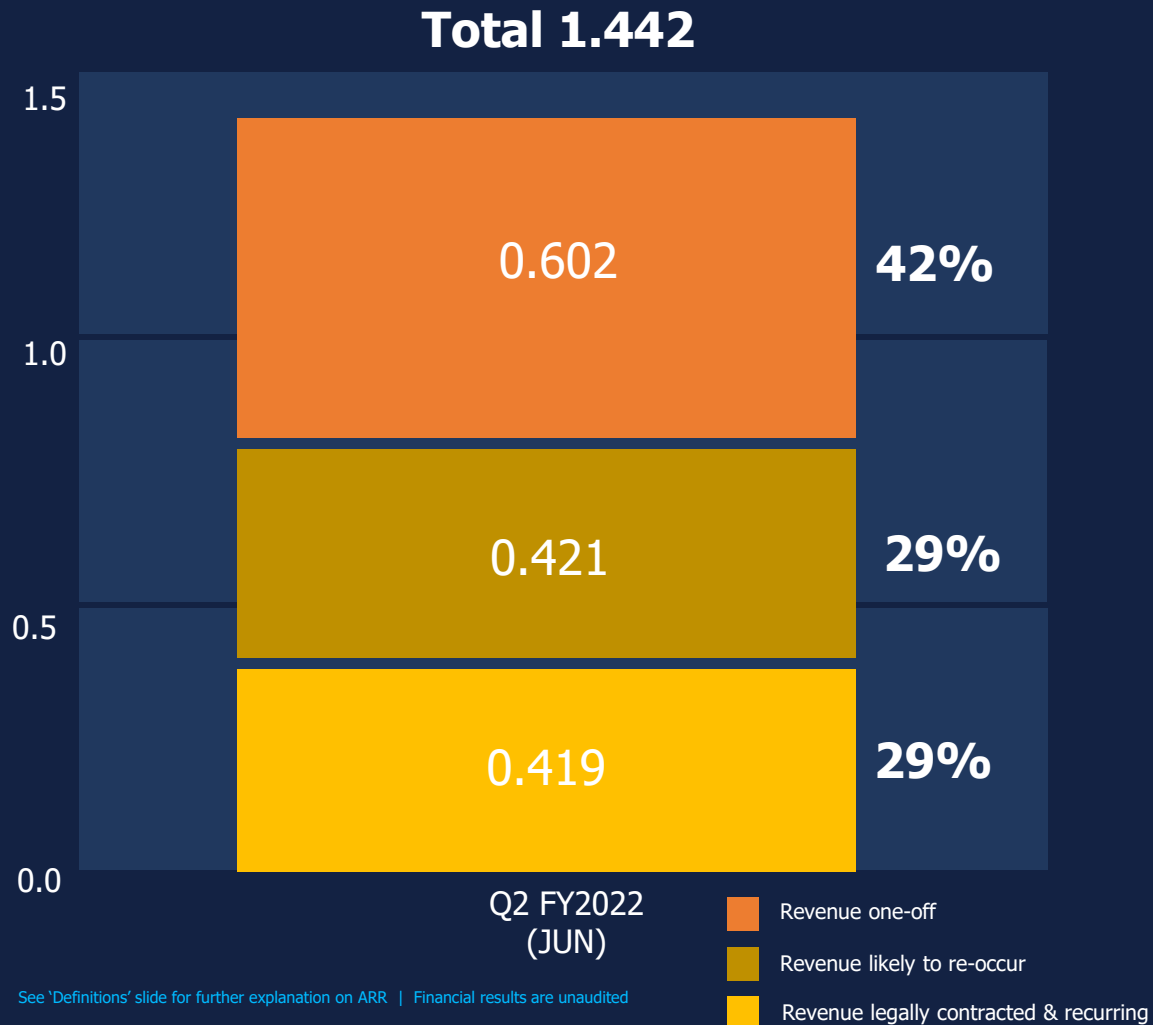
- ✓ Revenues in Q2 of \$1.442m, up 7% on prior quarter
- ✓ Growing the ARR component of overall revenue is a focus of the Company when tendering its services
- ✓ Australian operations accounted for 37% of group revenue (trade) in the quarter, increasing by 36%

- ✓ Cash receipts in Q2 of \$1.3m, down 26% on prior quarter (impacted by timing of collections)
- ✓ Up 1% on same quarter in the prior year; Q2 FY2021 included ParaZero which was recently sold, if excluded, the increase would have been 28%
- ✓ Trade receivables were \$0.93m at 30 June 2022, higher than at the end of the March quarter of \$0.65m

REVENUE BREAKDOWN

REVENUE FROM CONTINUING OPERATIONS BY TYPE (\$m)

Q2 FY2022 (JUNE)



See 'Definitions' slide for further explanation on ARR | Financial results are unaudited

Contracted Annual Recurring Revenue (ARR) was 29% of Total Revenue

Revenue types

- A)** Revenue legally contracted and recurring: revenue from legal contracts with minimum original terms of 12 months, subject to normal termination provisions per each contract. The TCV and ARR measures contain only this type of contract.
- B)** Revenue likely to re-occur: revenue which management have a reasonable expectation will reoccur in the future either because it has been historically demonstrated to re-occur or because we hold rolling short term purchase orders or legal contracts which are less than 12 months in original length.
- C)** Revenue one-off: revenue which does not meet the above definitions (these are typically one-off short projects).

DEFINITIONS

Metric

TOTAL CONTRACT VALUE (TCV)	TCV is the total value of all remaining contracts (only contracts that had a minimum of 12 months original duration are included) and is net of monthly contract depletion (i.e. the revenue remaining to be collected until end of contract life). ARR and TCV may be impacted by exchange rate fluctuations.
ANNUAL RECURRING REVENUE (ARR)	Revenue which is contracted and has a minimum original term of 12 months.
(A) REVENUE LEGALLY CONTRACTED AND RECURRING	Revenue from legal contracts with minimum original terms of 12 months, subject to normal termination provisions per each contract. The TCV and ARR measures contain only this type of contract.
(B) REVENUE LIKELY TO RE-OCCUR	Revenue which management have a reasonable expectation will reoccur in the future either because it has been historically demonstrated to re-occur or because we hold rolling short term purchase orders or legal contracts which are less than 12 months in original length.
(C) REVENUE ONE-OFF	Revenue which does not meet the above definitions (these are typically one- off short projects).

DISCLAIMER

Summary

This presentation has been prepared by Delta Drone International Limited. ("Delta Drone" or the "Company") based on information available to it as at the date of this presentation. The information in this presentation is provided in summary form and does not contain all information necessary to make an investment decision.

This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in Delta Drone, nor does it constitute financial product advice or take into account any individual's investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this presentation but must make its own assessment of Delta Drone and conduct its own investigations. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Delta Drone is not licensed to provide financial product advice in respect of its securities or any other financial products. Cooling off rights do not apply to the acquisition of Delta Drone securities.

Although reasonable care has been taken to ensure that the facts stated in this presentation are accurate and that the opinions expressed are fair and reasonable, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Delta Drone its officers, directors, employees and agents, nor any other person, accepts any responsibility and liability for the content of this presentation including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of or reliance on any of the information contained in this presentation or otherwise arising in connection with it.

The information presented in this presentation is subject to change without notice and Delta Drone does not have any responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of this presentation, which may affect any matter referred to in this presentation. The distribution of this presentation may be restricted by law and you should observe any such restrictions.

This presentation contains certain forward looking statements that are based on the Company's management's beliefs, assumptions and expectations and on information currently available to management. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results or performance of Delta Drone to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which Delta Drone will operate in the future, which are subject to change without notice. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast. To the full extent permitted by law, Delta Drone and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Not financial or product advice

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law or the law of any other jurisdiction. This document is not a financial product or investment advice, or a recommendation to acquire securities in Delta Drone International Limited, nor is it legal or tax advice. You are solely responsible for seeking independent and professional advice in relation to the information contained in this presentation and any action taken on the basis of that information. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

Financial data

All dollar values are in Australian dollars (A\$) unless stated otherwise.

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this presentation is, or is based upon, information that has been released to the Australian Securities Exchange (ASX). This presentation should be read in conjunction with Delta Drone International Limited's other periodic and continuous disclosure announcements which are available at www.asx.com.au.

Future performance

The presentation includes forward-looking statements regarding future events and the future financial performance of Delta Drone International Limited. Forward looking words such as "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" or other similar expressions are intended to identify forward-looking statements. Any forward looking statements included in this document involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Delta Drone International Limited and its officers, employees, agents or associates. In particular, factors such as variable climatic conditions and regulatory decisions and processes may affect the future operating and financial performance of Delta Drone International Limited. This may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. The Information also assumes the success of Delta Drone International Limited's business strategies. The success of the strategies is subject to uncertainties and contingencies beyond control, and no assurance can be given that the anticipated benefits from the strategies will be realised in the periods for which forecasts have been prepared or otherwise. Given these uncertainties, you are cautioned to not place undue reliance on any such forward looking statements. Delta Drone International Limited is providing this information as of the date of this presentation and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward-looking statements in this presentation speak only as at the date of this presentation.

No advertisement

This document does not constitute an advertisement for an offer or proposed offer of securities. It is not intended to induce any person to engage in, or refrain from engaging in, any transaction.

Disclaimer

Except as required by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, reliability or correctness of the Information, opinions and conclusions, or as to the reasonableness of any assumption contained in this presentation. By receiving this presentation and to the extent permitted by law, you release Delta Drone International Limited and its officers, employees, agents and associates from any liability (including, without limitation, in respect of direct, indirect or consequential loss or damage or loss or damage arising by negligence) arising as a result of the reliance by you or any other person on anything contained in or omitted from this presentation. To the maximum extent permitted by law, Delta Drone International Limited and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Offer and the information in the presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. To the maximum extent permitted by law, Delta Drone International Limited and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation.