



Drone-based Data Service
and Technology Solutions
Provider to the Mining and
Agricultural industries

INVESTOR PRESENTATION

11th Annual Australian Microcap Investment Conference

18-19th October 2022

ASX: DLT

DISCLAIMER

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Company Overview





COMPANY SNAPSHOT

Enterprise Value (A\$)

DLT market cap ¹	Share price 1.2c 14 Oct 22	\$6.139m
Cash ²	As at 30 June 22	\$3.185m
Debt ³	As at 30 June 22	Nil
Enterprise Value	14 Oct 22	\$2.954m

Key Operating Metrics⁴

Revenue FY21	End Dec 2021	\$4.6m	+36% on FY20
Revenue 1H FY22	End June 2022	\$2.8m	+47% on 1H FY21

ARR⁵ Q2 FY22	End June 2022	\$1.7m	+30% on Q1 FY22
TCV⁵ Q2 FY22	End June 2022	\$3.8m	+27% on Q1 FY22

H1 FY22 Revenue in Australia % of total revenue	End June 2022	37%	Based on Q1 FY22
H1 22 Contracted Revenue % of total revenue	End June 2022	29%	Based on Q1 FY22

¹ 511,604,932 ordinary shares outstanding at the date, including those in voluntary escrow

² Excluding \$1.15m in escrow due to be settled by late February 2023

³ Excluding motor vehicle leasing and credit cards

⁴ December financial year end

⁵ Annual Recurring Revenue (ARR), Total Contract Value (TCV), see 'ARR | TCV' slide for details

INVESTMENT HIGHLIGHTS

STRONG CORE BUSINESS



- ✓ Established global presence in mining jurisdictions with excellent team
- ✓ Proven business model with large-scale tier-1 and tier-2 customers
- ✓ Strong TCV and ARR contract growth with clients
- ✓ Operations hardware & software: enterprise agreements & preferential pricing with technology suppliers
- ✓ Drone pilot sourcing and training
- ✓ Strong cash-position with growth pathway to breakeven

A GROWTH & VALUE BUSINESS



- ✓ DLT's tech-services offer real value to our customers – growing use cases and utilization by industry including move to outsourcing
- ✓ Development pipeline of new products & services
- ✓ Attractive Profit Margins on long-term B2B contracts
- ✓ Strongly positioned to integrate our business model through strategic acquisitions

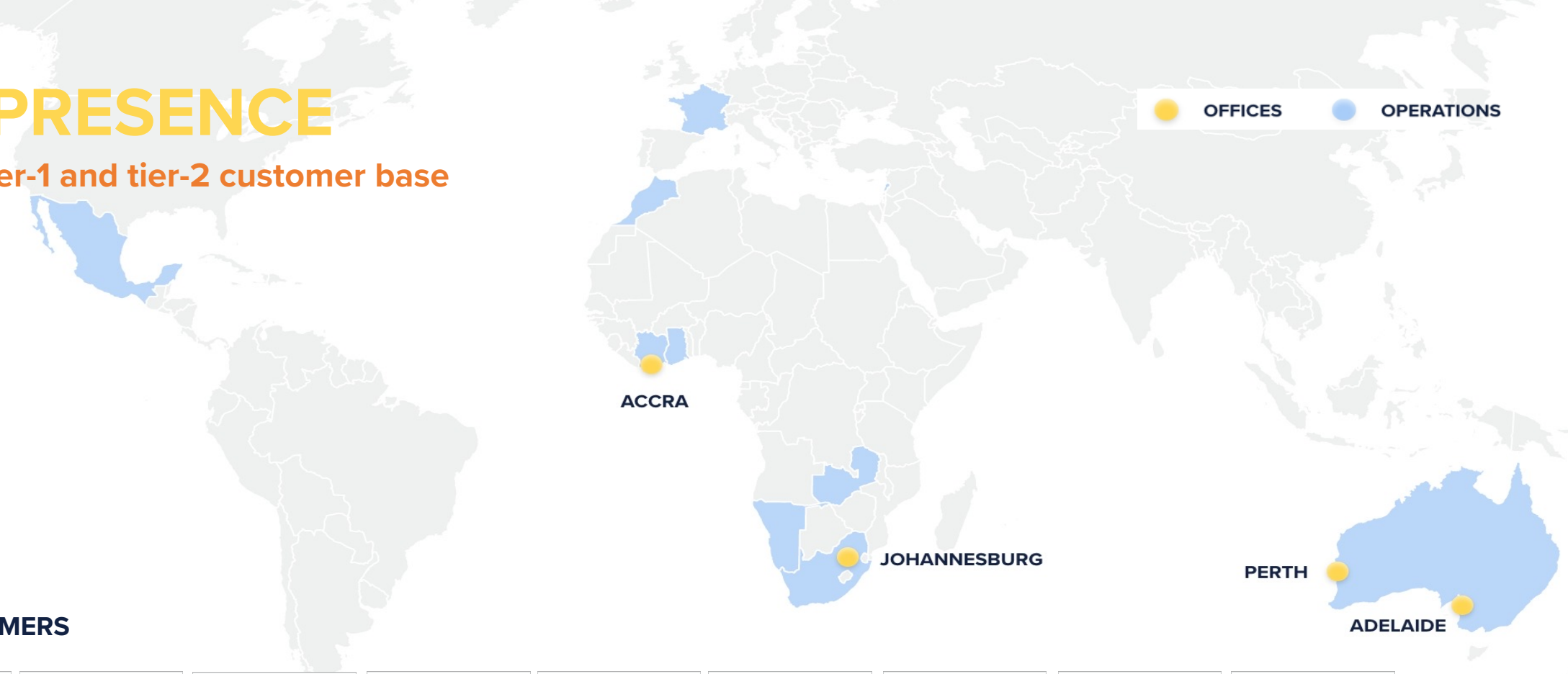
POSITIVE INDUSTRY DRIVERS



- ✓ Primary industry companies are well funded (mining and agriculture)
- ✓ Cost-saving initiatives are well-received & understood
- ✓ Increased spending on exploration & precision agriculture programmes
- ✓ The demand for real-time input data is growing to feed into AI & GIS applications

OUR PRESENCE

Growing tier-1 and tier-2 customer base



OUR CUSTOMERS

BOARD & MANAGEMENT



**CHRISTOPHER
CLARK**

**EXECUTIVE CHAIRMAN &
CEO**

Over 10 years experience in the mining and Technology industries. Raised first US\$200,000 at age 22 for a digital music platform, while in university. Chris created the Rocketmine brand, before selling to the Delta Drone Group. Holds an Accounting Degree and MBA from the University of Pretoria (GIBS), South Africa.



**PAUL
WILLIAMSON**

**EXECUTIVE DIRECTOR
& CFO**

Paul brings deep international experience and, finance, accounting and compliance rigor supported by strong tertiary qualifications. Initially working for big four professional services firm KPMG, Paul has more recently worked in ASX listed companies and is based in Perth, Western Australia, which is a core focus of growth for the Company.



**CHRISITAN
VIGUIÉ**

BOARD OF DIRECTORS

A graduate of IEP Paris, Christian VIGUIÉ worked as a financial analyst before forming multiple financial reporting companies. He also served as CEO of the Unilog Group from 1998 to 2006, where he was responsible for relationships with the financial community. A member of the French Society of Financial Analysts, Christian VIGUIÉ serves as a professor at the Financial Analysis Training Center.



**NICOLAS
CLERC**

BOARD OF DIRECTORS

Nicolas has an Advanced Degree in Accounting and Management and boasts 20 years of experience within accounting and audit firms. After working within several national and international firms, he became audit manager within a firm of about 60 people in the Auvergne-Rhône-Alpes region.

He joined the Delta Drone group in September 2017 as Group Administrative and Finance Director.



**CAMRON
PFAFFEROTT**

**HEAD OF SALES &
MARKETING: AFRICA**

Camron brings a wealth of enterprise and consumer marketing experience to the group, including B2B software sales and branding.

He holds a Bachelor of Commerce Degree (Marketing) from the University of Pretoria, as well as a MBA (GIBS), South Africa.



**EVAN
MCKERN**

**GENERAL MANAGER:
ROCKETMINE WA**

Evan is a mining engineer with over 20 years experience in the Australian mining industry, predominantly in underground gold and base metals. Evan co-founded Arvista in 2012 to provide aerial and miscellaneous surface and underground surveying services to the mining industry. Arvista was purchased by DLT in late 2021.

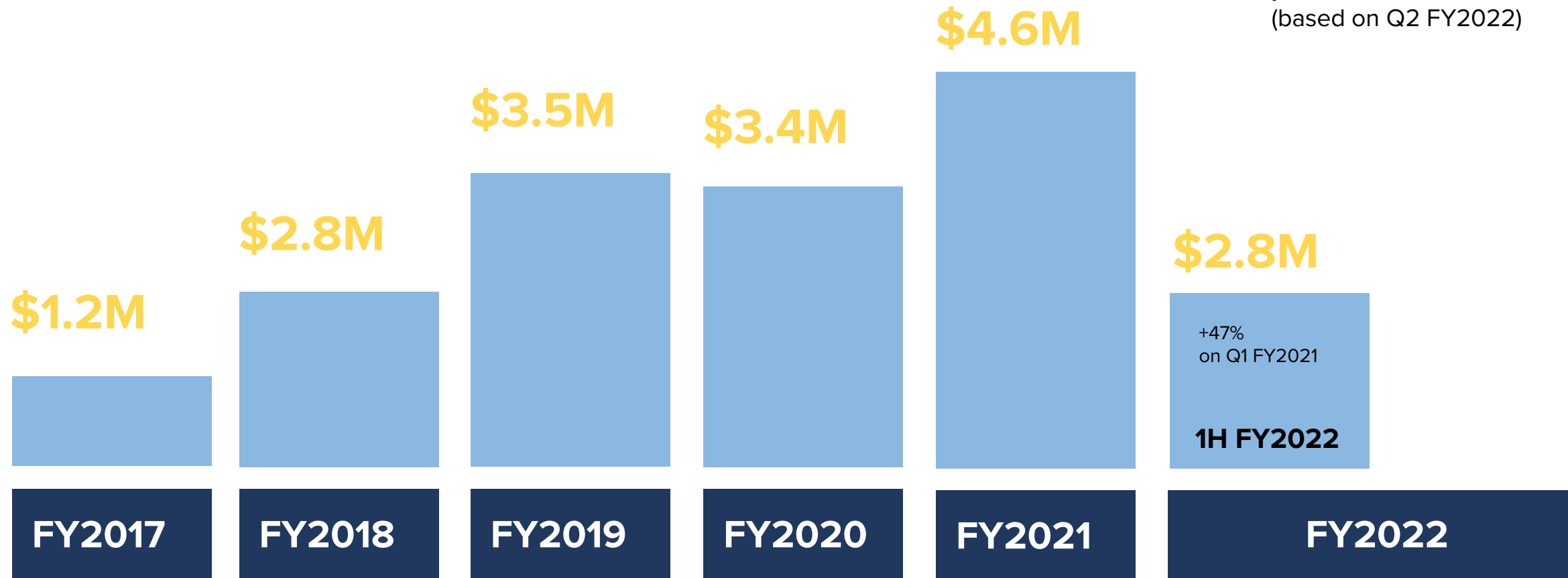
A green tractor is pulling a large, green and yellow agricultural machine, likely a harrow or similar implement, through a field of dense green crops. The scene is captured at sunset, with the sun low on the horizon, creating a warm, golden glow and long shadows. The sky is filled with soft, wispy clouds. The overall atmosphere is serene and industrious.

Key Operating Metrics & Financials

OUR GROWTH

Revenue growth showing track record with Australian share increasing¹

- ✓ 37% of total revenue is generated in Australia (based on Q2 FY2022)
- ✓ 29% of total revenue is multi year contracted revenue (based on Q2 FY2022)



¹ 31 December financial year end



QUARTERLY RESULTS

Q2 FY2022 (JUNE)¹

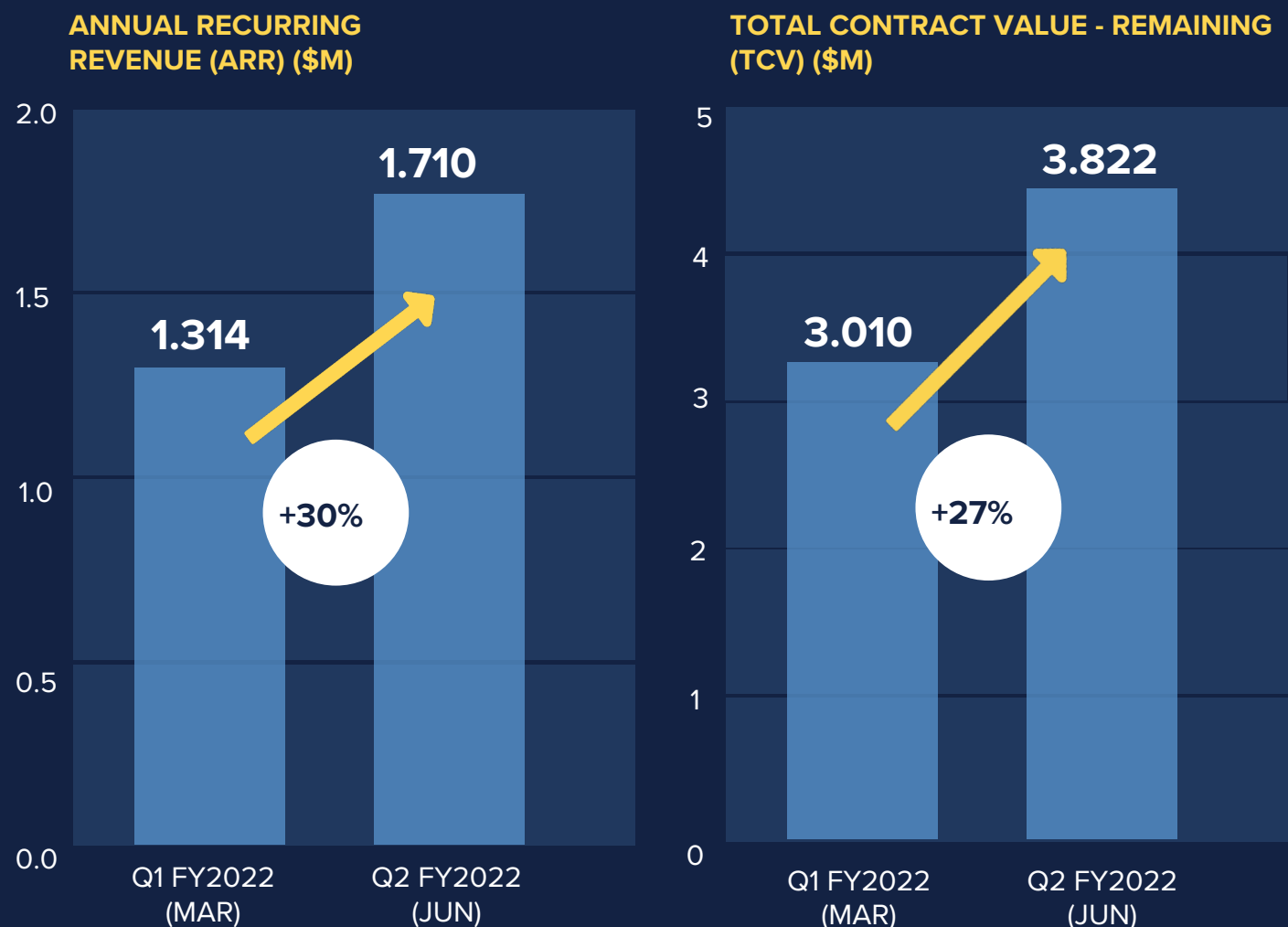
Delta Drone International CEO Christopher Clark said: “Off the back of signing our first long-term customer in Australia, Red 5, we have now set the baseline growth metrics for the business.

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.”

¹ 31 December financial year end

ARR | TCV – OUR GROWTH



ARR: revenue which is contracted and has a minimum original term of 12 months

TCV: 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

Growth in the June quarter driven by new contracts signed:

- ✓ **Red 5 Ltd** – Australian 3-year contract (TCV \$1.01m / ARR of \$336k)
An Australian ASX listed gold producer with established mines located in the Eastern Goldfields of Western Australia
Material contract, see [ASX announcement](#) 8 June 2022
- ✓ **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)

Post June Quarter-End

(data not included in the graphs)

- ✓ **Assmang Khumani Iron Ore** – South African 3-year contract (TCV of \$880k and ARR of \$293k)
A leading South African iron ore miner
Material contract, see [ASX announcement](#) 27 July 2022
- ✓ **Anglo American – Mogalakwena Platinum Mine** – South African 2-year contract (remaining) (TCV of \$516k and ARR of \$258k)

A leading global miner listed on the JSE
Material contract, see [ASX announcement](#) 17 October 2022

QUARTERLY RESULTS - HIGHLIGHTS

Q2 FY2022 (JUNE)

ARR AND TCV AT Q2 FY2022

- ✓ ARR - \$1.7m,
up 30% on prior quarter
(Q1 FY2022)
- ✓ TCV - \$3.8m,
up 27% on prior quarter

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 & POST Q2

- ✓ Red 5 - Australian 3-year
contract signed (TCV
\$1.01m / ARR 336k);
Australia, material contract
(see ASX announcement 8 June 2022)
- ✓ Assmang - Khumani Iron
Ore (South Africa) 3-year
contract (TCV \$880k / ARR
\$293k), material contract
(see ASX announcement 27 July 2022)
- ✓ Anglo American –
Mogalakwena platinum mine
(South Africa) 2-year contract,
remaining (TCV \$516k / ARR
\$258k), material contract
(see ASX announcement 17 October 2022)

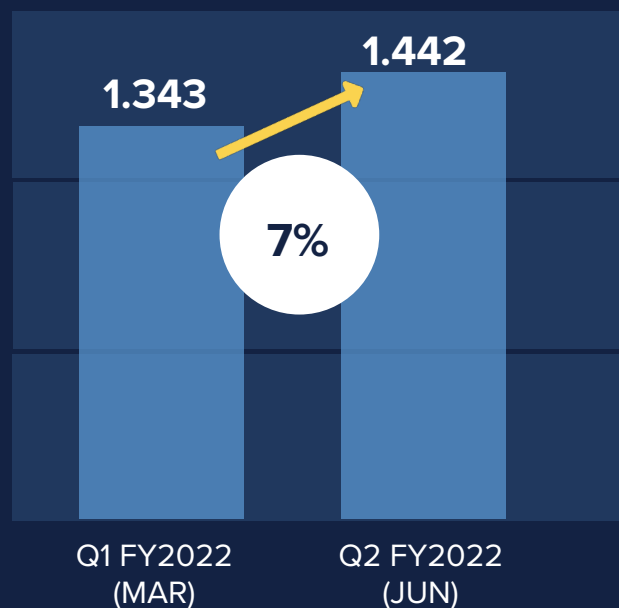
INITIATIVES

- ✓ 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
- ✓ Board right sized to suit
size of current business
(composition change and
reduction in size)
(see ASX announcement 9 May 2022)

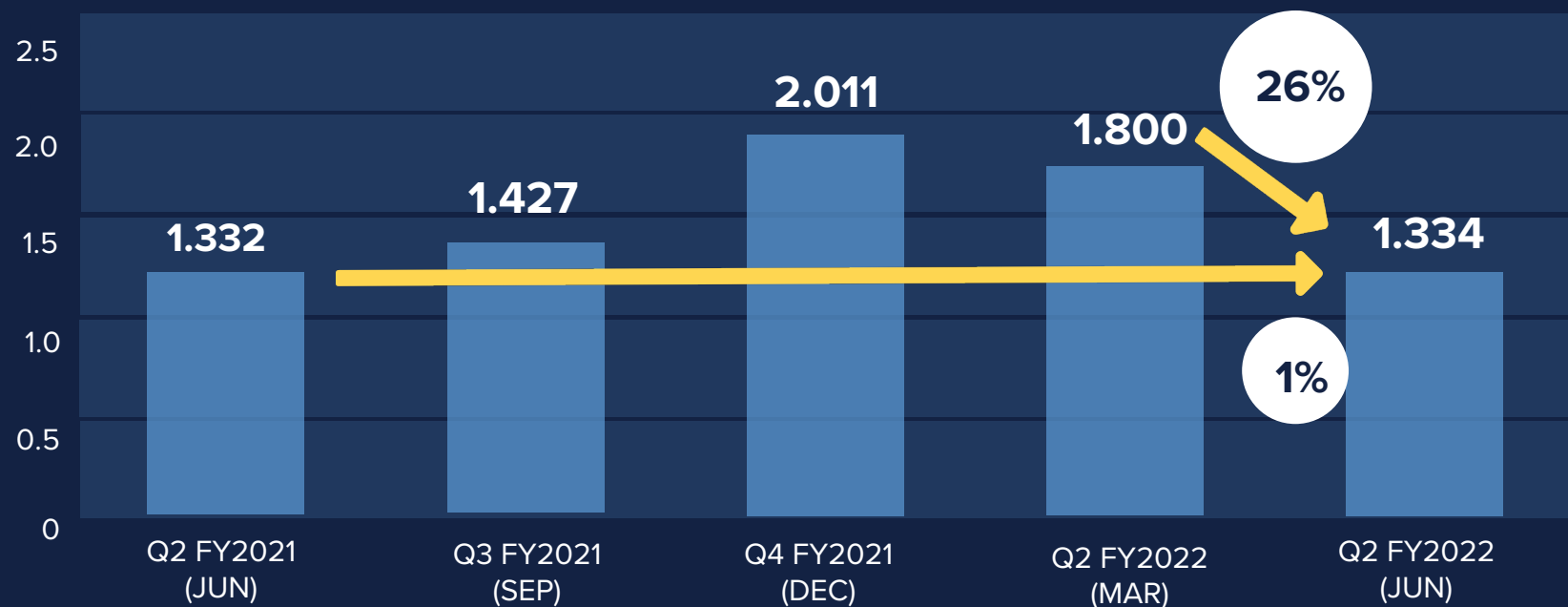
QUARTERLY RESULTS – REVENUE & CASH RECEIPTS

Q2 FY2022 (JUNE)

REVENUE FROM CONTINUING OPERATIONS (\$M)



CASH RECEIPTS FROM CUSTOMERS (\$M)



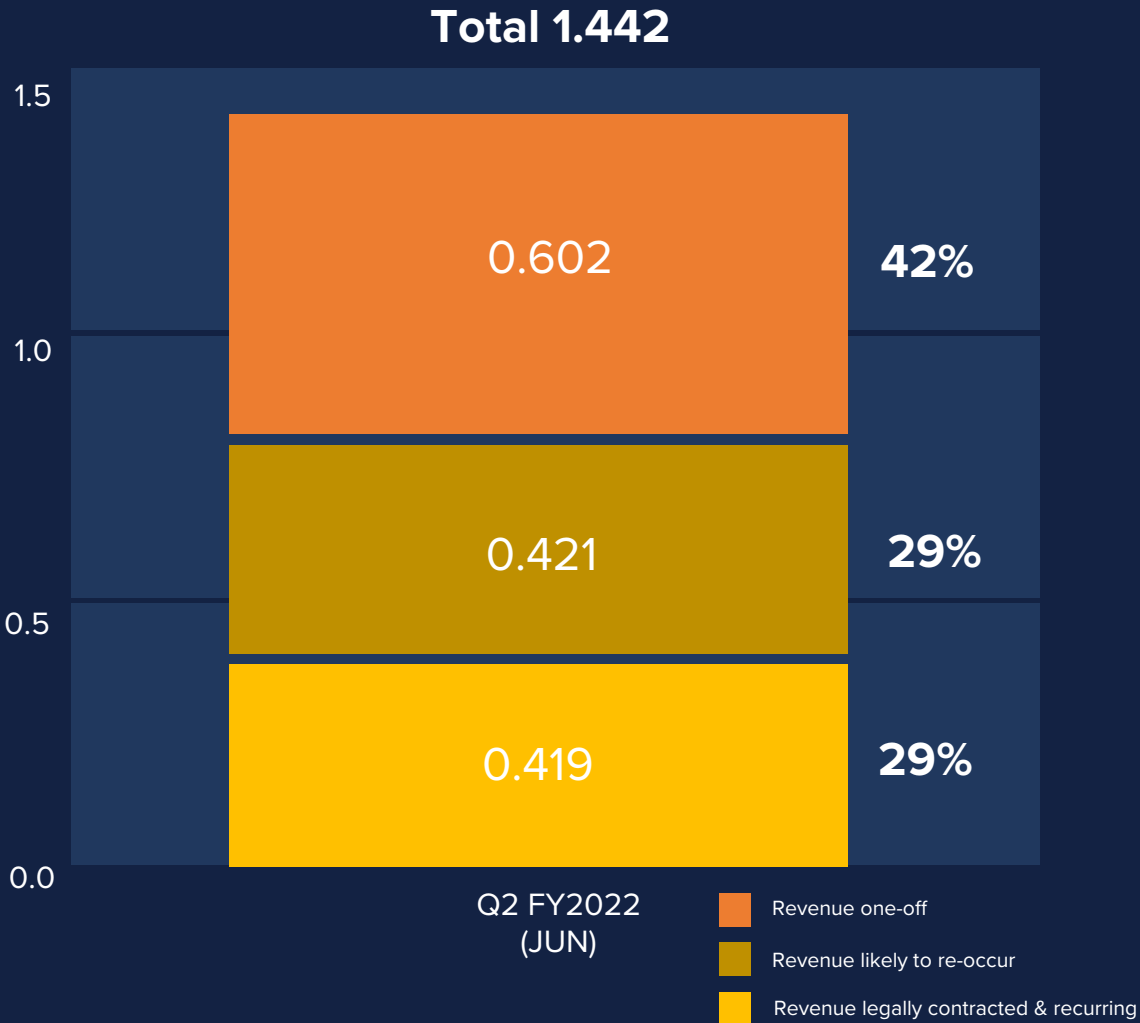
- ✓ Revenues in Q2 FY2022 of \$1.442m, up 7% on prior quarter
- ✓ Growing the ARR component of overall revenue is a focus of the Company when tendering its services
- ✓ Australian operations accounted for 37% of group revenue (trade) in the quarter, increasing by 36%

- ✓ Cash receipts in Q2 FY2022 of \$1.3m, down 26% on prior quarter (impacted by timing of collections)
- ✓ Cash receipts 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 ARR & TCV slide for definitions | Financial results are unaudited

Contracted Annual Recurring
Revenue (ARR) was 29%
of Total Revenue in Q2 FY2022 (June)

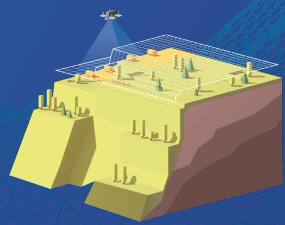
Revenue types

- 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) **and can be an early indicator of new contract pipeline, leading to recurring revenue (TCV / ARR) in the future.**

Strategy, Industry & Growth Pathway



GEOSPATIAL & AI DATA SOLUTIONS FROM MINE TO MILL & BEYOND



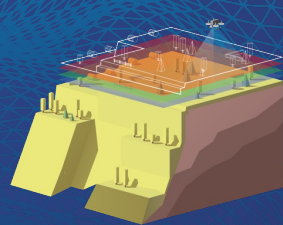
ENVIRONMENTAL

- Pre & Post Disturbance Surveys
- Vegetation Health Monitoring
- Data for Environmental Reporting
- Landform Erosion Surveys



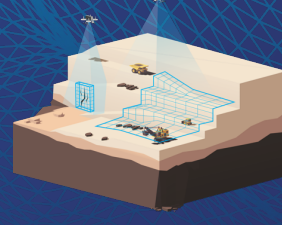
EXPLORATION

- Topographic Survey & Imagery
- Drill-Hole Surveys
- Surface Feature Mapping



SURVEY & PLANNING

- Mine Design Layout
- Stockpile Volumetrics
- 3-D Face Profiles



GEOTECHNICAL

- AI Crack Detection
- Conformance Monitoring
- Pit Wall Monitoring & Mapping



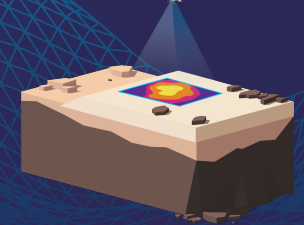
DRILL & BLAST

- Fragmentation & Heave Analysis
- Burden Planning & Reporting
- Vibration Modelling



INFRASTRUCTURE & CONSTRUCTION

- Asset Management & Inspections
- Progress Monitoring & Heat Map Conformance
- Digital Twins
- Thermal Inspection



TAILINGS STORAGE MANAGEMENT

- Embankment Monitoring
- Thermal Leak Detection
- Deposition Analysis

OUR VALUE ADD

We enable clients to **extract increased value** from their assets by **digitising operational sites daily** and **providing insights with precision and at speed**



Capture



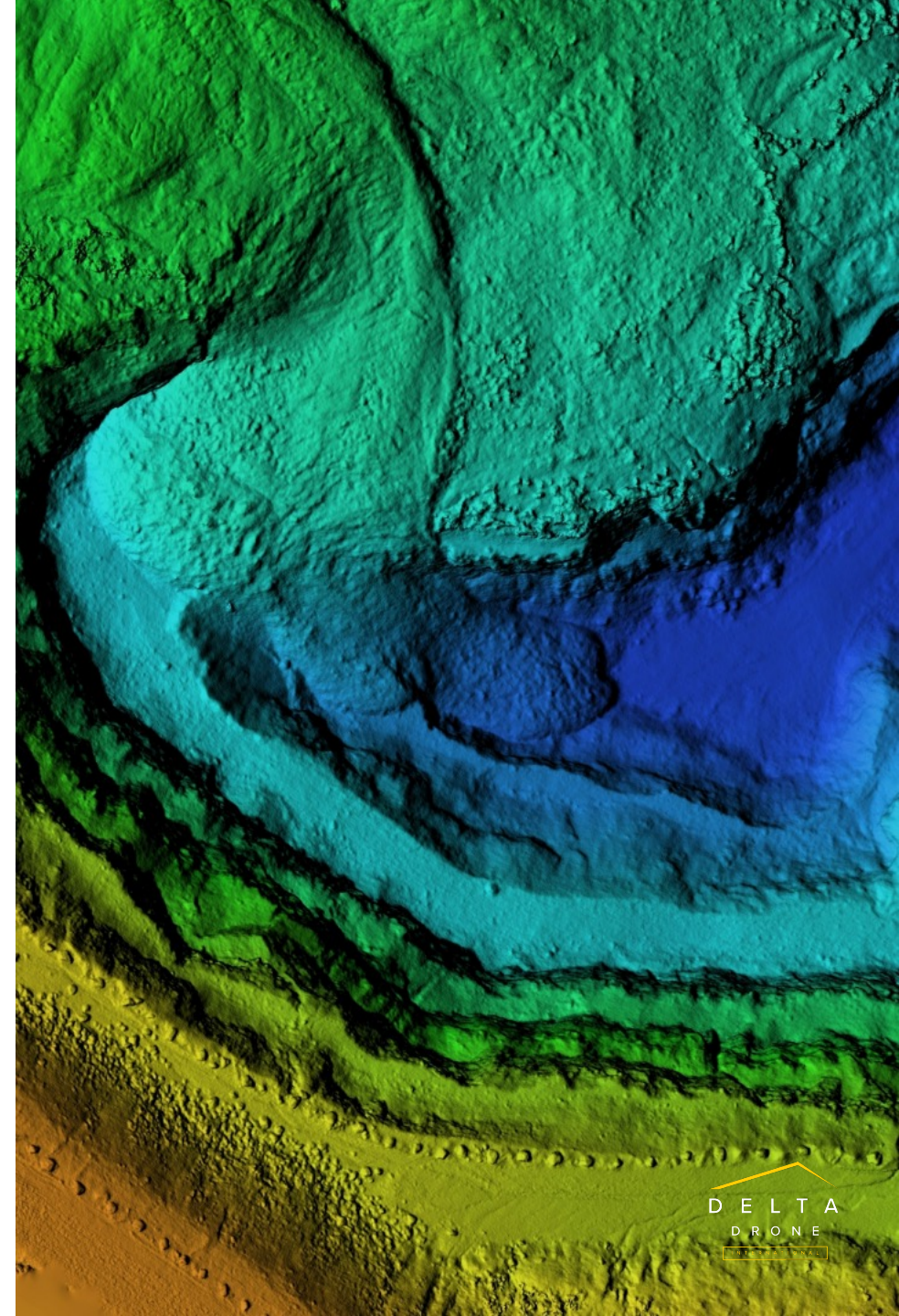
Detect & Define



Calculate & Quantify



Report



OUR ADVANTAGE

What makes our business model so unique

Long-Range Flight Capabilities



We are only a handful of providers to receive CASA BVLOS accreditation, which enables us to achieve large area acquisition & lower costs

Higher Resolution Imagery



We provide higher resolution data (vs. manned aircraft & satellite solutions) within 24 hours of capture

AI & Image Recognition



We've trained up AI models & detectors to detect safety issues or asset-valuation which the customer is looking for, saving time & manual processing

Turning Pixels into Profit

Tracking detected assets & issues over time allows us to quantify the change

Automated KPI Reports



As we collect, detect & quantify on a weekly or daily basis, we are then able to customise auto-generated KPI reports which can be integrated within current reporting systems

Objective Reporting



Since we operate over the entire data supply value-chain, auditors & management can rely on our outputs to be more consistent over the long-term

High-Frequency, High-Speed Data



Satellite-alternatives only pass over a particular area once per week, while manned aerial solutions may take a month. We can deploy immediately or within days

Scalable Business Model



We deploy specialist drone pilots & semi-autonomous drones within a short-time period of receiving customer orders, allowing flexibility of capital structures

Integrator Approach



Instead of developing software from scratch, we use software engineers to develop tools & macros to speed-up existing proven technology platforms

Best Practice GIS & Survey Methodology

We employ a team of GIS experts, mining engineers & surveyors to ensure your data remains consistently accurate

It's all about the PDF

While pictures & 3D models may be pretty, we understand the importance of reliable geospatial information to allow our customers to make faster & better decisions on a more frequent basis

1. Data Acquisition & Processing

2. Detection

3. Quantify

4. Reporting

ADDRESSABLE MARKET



A\$ 520M

Total commercial drone services spend in Australia for 2022*



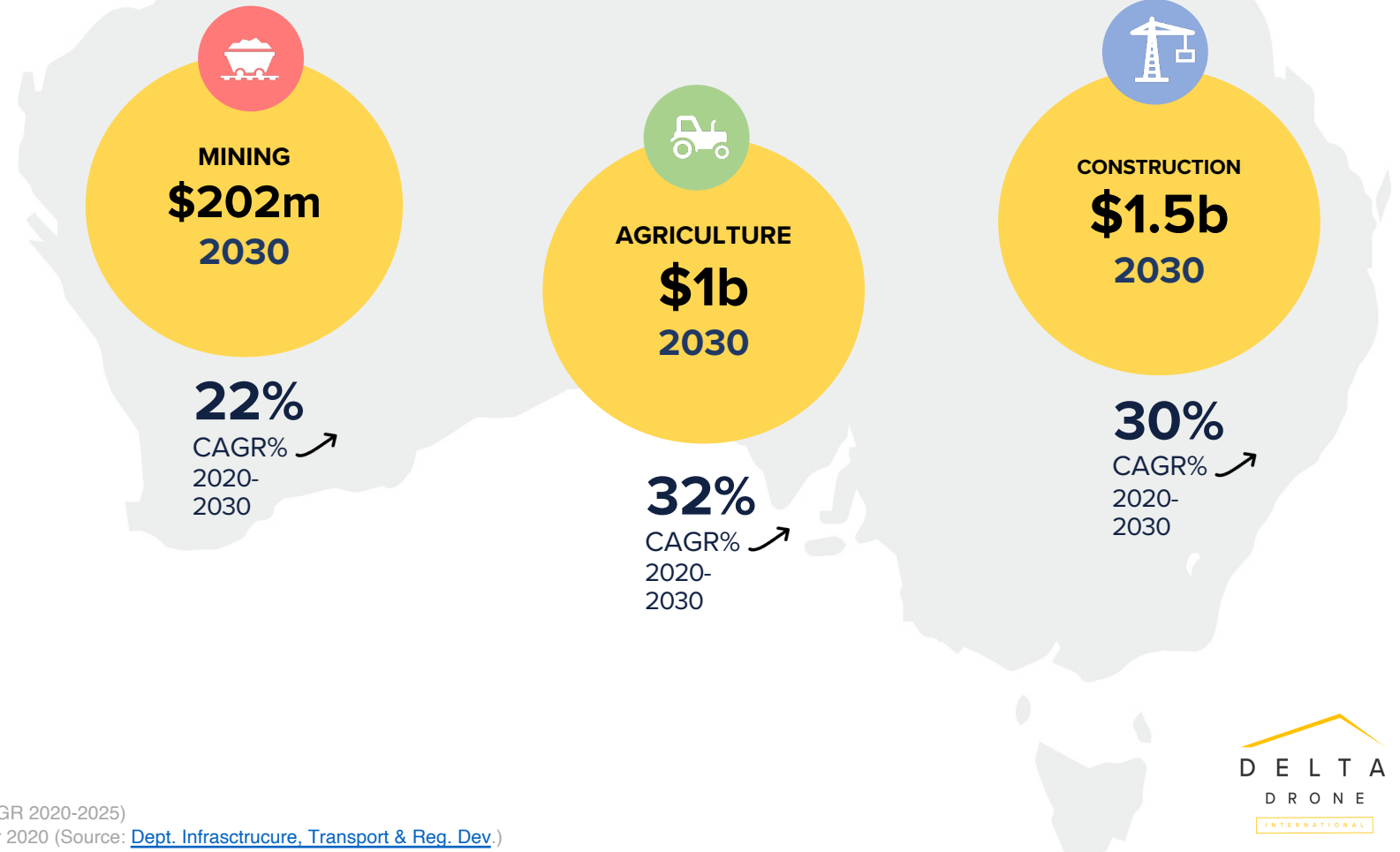
Strong Australian mining market with **high demand for tried-and-tested tech-services** that lower operating costs



Continuous adoption of **precision farming technology & techniques** which rely on high-resolution drone data to lower operating costs

Market Size

by use-case



Reference:

- [Drone Industry Insights](#) – Australia Report, November 2020 (*Estimated – 14.5% CAGR 2020-2025)
- Deloitte Access Economics Report, Economic Benefit of Drones in Australia, October 2020 (Source: [Dept. Infrastructure, Transport & Reg. Dev.](#))

GROWTH PATHWAY

Our focus coming into calendar 2023

BUSINESS MODEL



- ✓ Australia business:
 - Implement new operating model (moving projects to multi-year contracts)
 - Improve margins (Arvista acquired late 2021)
- ✓ Value add service offering and value chain (data processing)
- ✓ Unlock value from unique BVLOS* license longer range capability
- ✓ Expand the Agricultural service offering in Australia

CORPORATE & OPEX COSTS



- ✓ Initiatives that bring us closer to break-even
- ✓ Continue to reduce corporate overheads, fees & consulting (board level completed)
- ✓ Incentivise through non-cash mechanisms
- ✓ Improve operational process flows (data capture and processing)
- ✓ Investigate debt-sourced funding for operational 'growth' purposes:
 - Scaling new contracts
 - Hardware purchases to further develop a value added client offering (to complement licensed software)

CUSTOMER GROWTH



- ✓ Calendar 2022 to date has shown a track record of growth which is a function of our strong offering with tier-1 and tier-2 mining client wins
- ✓ Pipeline growing with strong opportunity in Australia and Africa

ACQUISITIONS



- ✓ Pursue opportunities that add value to our business, help us build further economies of scale
- ✓ Industries: mining & agriculture
- ✓ Locations that add value to our business



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