



Coffee Microcaps  
**Q2 QUARTERLY REPORT  
PRESENTATION**

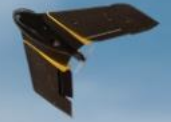
**AUGUST 2022**

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

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# 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



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# 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

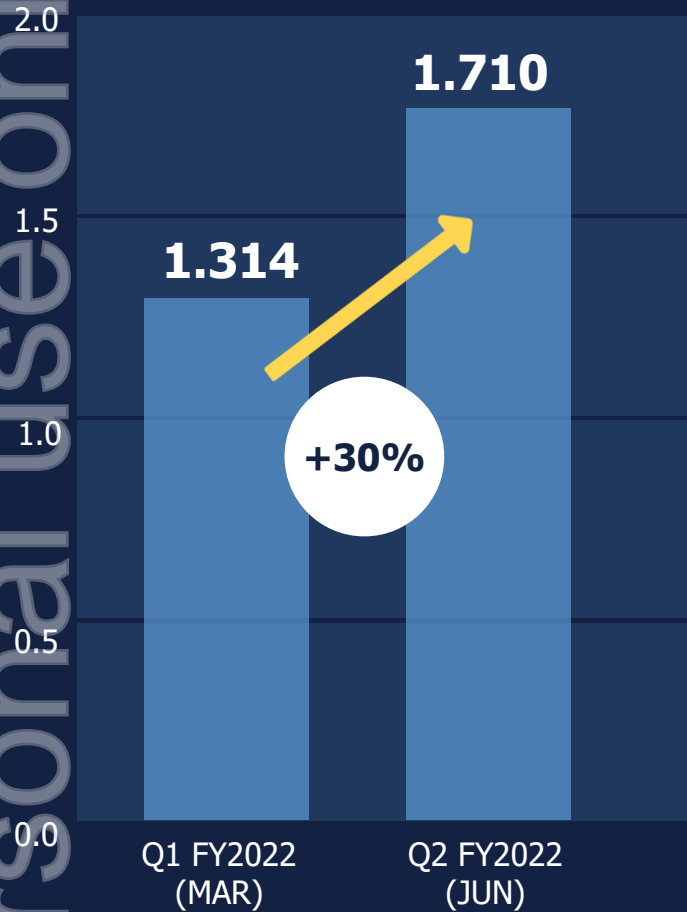
- ✓ Beyond Visual Line of Sight (BVLOS) drone operating license granted by the Civil Aviation Safety Authority (CASA) in Australia opening up DLT significant business opportunity to tender for contracts  
(see ASX announcement 9 May 2022)
- ✓ Board right sized to suit size of current business;  
composition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



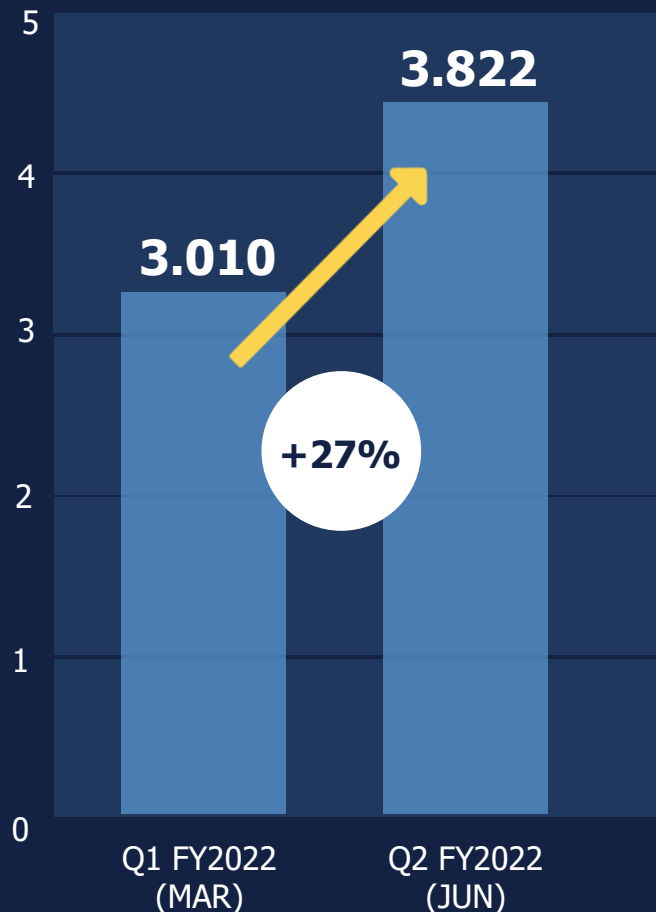
# OUR GROWTH

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ANNUAL RECURRING REVENUE (ARR) (\$M)



TOTAL CONTRACT VALUE - REMAINING (TCV) (\$M)



## 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:

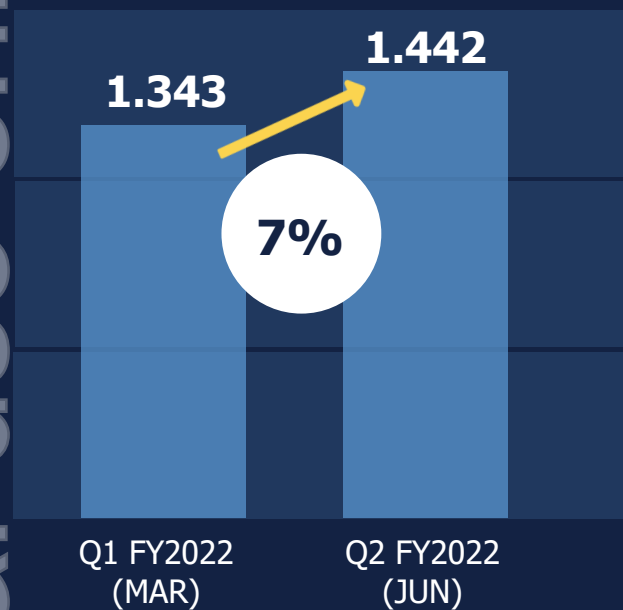
- ✓ **Seriti Coal** - 3-year contract was signed with Seriti Coal in South Africa (TCV of \$252k and ARR of \$112k)
- ✓ **Exxaro** - 18-month contract extension (TCV of \$278k and ARR of \$185k)

# QUARTERLY RESULTS – REVENUE AND CASH RECEIPTS

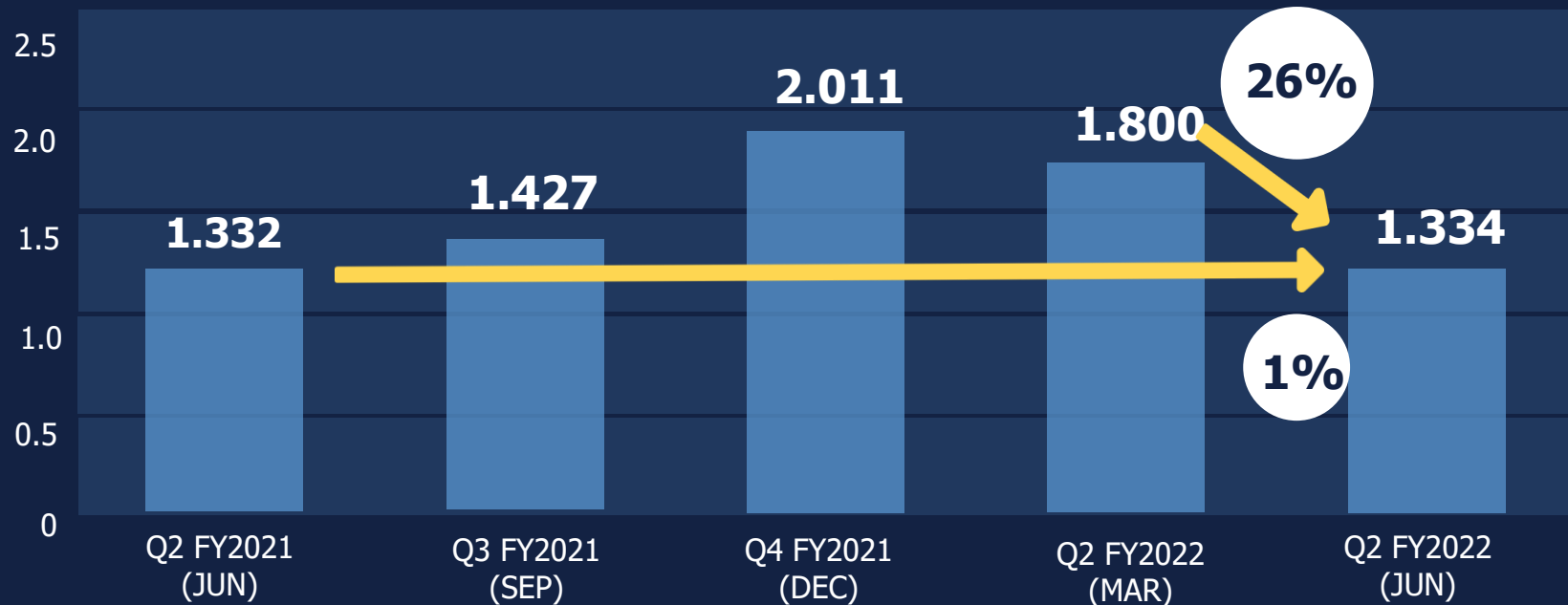
## REVENUE FROM CONTINUING OPERATIONS (\$M)

### 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%

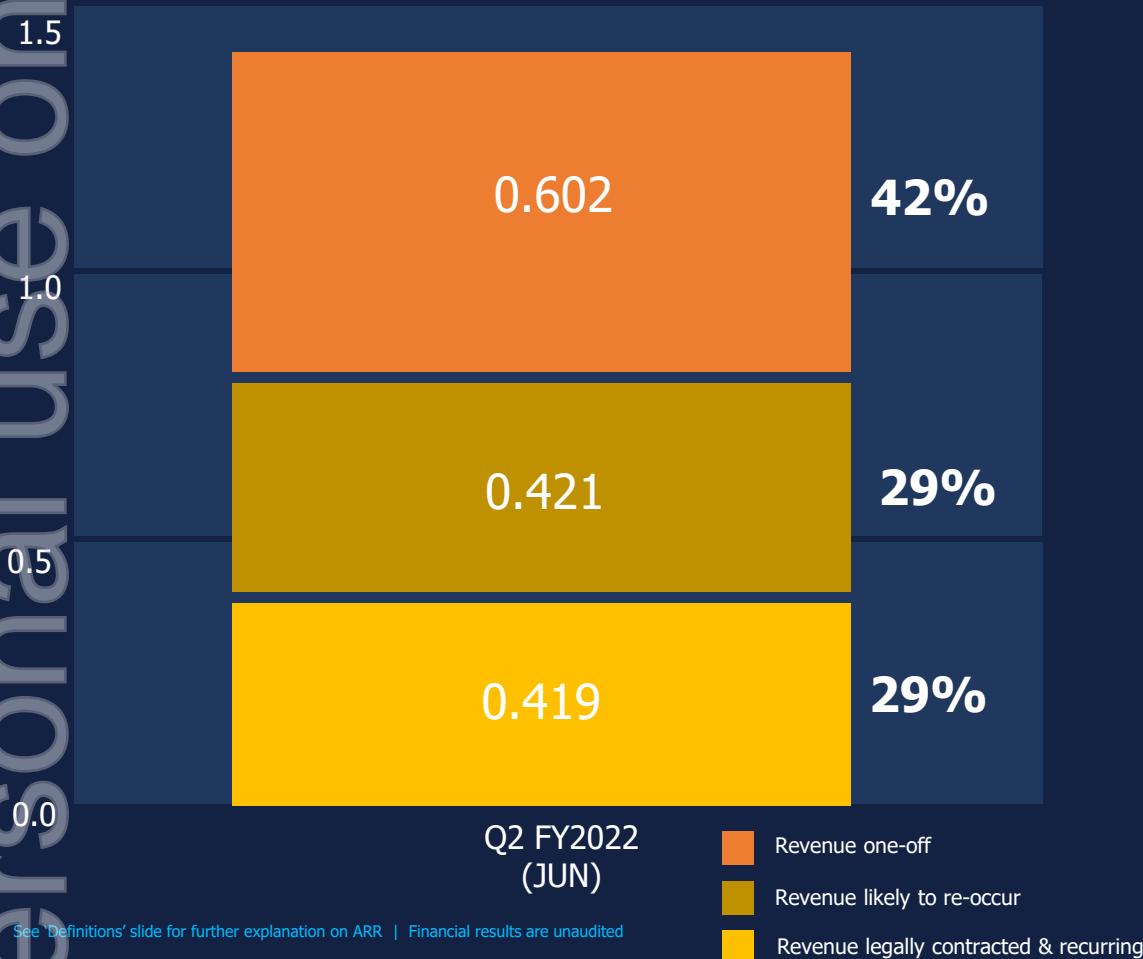
- ✓ Cash receipts in Q2 of \$1.3m, down 26% on prior quarter (impacted by timing of collections)
- ✓ Up 1% on same quarter in the prior year; Q2 FY2021 included ParaZero which was recently sold, if excluded, the increase would have been 28%
- ✓ Trade receivables were \$0.93m at 30 June 2022, higher than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

# REVENUE BREAKDOWN

## REVENUE FROM CONTINUING OPERATIONS BY TYPE (\$m)

Q2 FY2022 (JUNE)

Total 1.442



## 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

<b>TOTAL CONTRACT VALUE (TCV)</b>	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.
<b>ANNUAL RECURRING REVENUE (ARR)</b>	Revenue which is contracted and has a minimum original term of 12 months.
<b>(A) REVENUE LEGALLY CONTRACTED AND RECURRING</b>	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>(B) REVENUE LIKELY TO RE-OCCUR</b>	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.
<b>(C) REVENUE ONE-OFF</b>	Revenue which does not meet the above definitions (these are typically one- off short projects).



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