



ASX Announcement

HY21 overview: a year of significant progress for DLT

New markets, new services and new enterprise contracts

HY21 HIGHLIGHTS

- Audit Reviewed revenue of \$2.49 million up 53.3% on prior corresponding period (pcp)
- Australian headquarters established and operational
- New contracts with multinational enterprise companies, South32 Coal Holdings (Pty) Ltd (now Seriti Power), Anglo-American subsidiary, Kumba Iron Ore Limited, Perenti subsidiary, AMS African Mining Services and Syngenta
- Entered three new markets – Namibia, Zambia and Australia
- Signed largest integration deal in company history with Doosan Mobility Innovation
- Added three additional services to core remit, light detection and ranging (LiDAR), security monitoring and advanced drone pilot training
- Post-balance date acquisition of Arvista Pty Ltd ("Arvista") to further strengthen Delta Drone's drone-based data service and technology solutions for its enterprise clients, and further accelerating the Company's growth in the Australian market

31 August 2021 – Global drones-as-a-service provider, **Delta Drone International Limited (ASX: DLT)** is pleased to provide this business update for the half year ending 30 June 2021 (HY21), along with its Appendix 4D.

Commenting on the Company's progress Delta Drone International CEO, Christopher Clark said:

"The first half of 2021 has been a significant period for Delta Drone International as we continue to cement ourselves as a leading drones-as-a-service provider in Africa through substantial contract wins with some of the world's most well-known enterprise and mining companies. We aim to earn the same reputation through our unique service offering and unmatched level of expertise in new markets as our operations ramp up in Australia."

"The addition of three new services to the Delta Drone International remit has contributed to the Company's success over the last six months with light detection and ranging (LiDAR), security monitoring and advanced drone pilot training contracts adding to our \$2.49 million in revenue."

"The Delta Drone International Australian headquarters is fully operational with initial hires made in Perth and Adelaide. We are gearing up for a big second half, signing our first contract since the reporting period and conducting beyond visual line of sight (BVLOS) flight trials with the Civil Aviation Safety Authority (CASA) that showcases our ability to fly drones safely over people with our patented ParaZero safety systems. This type of technology will catapult the drone industry into its next era through uses such as urban deliveries and entertainment."

“Through prudent operations and cost management we are able to use our current cash reserve for a long runway to support current operational needs and future business growth in Australia.”

FINANCIAL OVERVIEW

Receipts from customers for HY21 totalled \$2.59 million.

Delta Drone International incurred an operating loss of \$1.49 million for H121. This reflects the Company's current strategy, in using its current cash reserve to support the growth of the business in Australia.

Cash in bank as at 30 June 2021 was \$2.95 million, which provides sufficient flexibility for DLT to carry out its current growth strategy.

COMMERCIAL UPDATE

Delta Drone International continues to sign significant contracts with some of the world's most well-known enterprise companies, further strengthening its position as a leading 'drones-as-a-service provider'. Key contracts during the period include:

ParaZero OEM integration with Doosan Mobility Innovation

Delta Drone International's safety specialist brand, ParaZero, signed its largest multinational OEM (original equipment manufacturer) integration deal in March, with industrial equipment world-leader, Doosan Mobility Innovation. ParaZero integrated its patented SafeAir parachute technology with Doosan's award-winning DS30 endurance drone.

Ag-tech contract with Syngenta

Building on an established partnership with Syngenta since 2018, RocketFarm expanded its remit into Zambia and used its advanced data capabilities to virtually deliver crop visualisation and analysis in real time while also allowing remote data capture and sharing of Syngenta's field trials in the region – an essential part of the company's research and development process which historically, was conducted face-to-face.

Five-year contract extension with South32 Coal Holdings (Pty) Ltd (now Seriti Power)

In June, Delta Drone International commenced a significant five-year contract extension with global mining and metals company South32 Coal Holdings (Pty) Ltd (now Seriti Power) in South Africa.

The renewed agreement was signed after a successful six years of Delta Drone International providing its drones-as-a-service capabilities across mine surveying and real-time data collection services.

Contract expansion with global mining customer

In April, Delta Drone International expanded its remit with a longstanding mining customer who required a solution to examine mining site expansion options more accurately.

The versatility of DLT's drones-as-a-service model along with the latest drone technology and knowledge of its specialised mining drone pilots, allowed DLT to deliver a tailored LIDAR solution and keep the work in-house.

The project is a testament to the value the drones-as-a-service model provides by delivering solutions outside DLT's core remit to assist customers with daily business challenges.

ParaZero contract with Kumba Iron Ore Limited in South Africa

During May, DLT's safety specialist brand, ParaZero, signed its first customer contract in South Africa with leading enterprise mining company Anglo American subsidiary, Kumba Iron Ore Limited (Kumba).

Kumba will enhance its safety operations by installing ParaZero's SafeAir parachute safety system at scale to their on-site drone fleet.

The contract was a result of the synergy benefits of the combined Delta Drone and ParaZero businesses and represents the potential for cross promotion through all Delta Drone International's specialist brands.

AMS African Mining Services for stockpile measurement

Delta Drone International was recontracted by Perenti subsidiary, AMS African Mining Services for a three-month stockpile volume measurement project. Delta Drone International deployed its mining specific drone fleet once a week to accurately track on-site stock volumes so AMS could better optimise their supply chain and have a better understanding of how much work the site had left on its project.

Complex auditing projects with Interwaste and BDO

In June Delta Drone International was recommissioned by global accounting firm BDO to again provide its tailored drone solution to count more than 25,000 sheep for a client verification audit.

The project was completed in 2.5 hours with 99.9% accuracy - a task that historically would require a team of auditors and days to complete with greatly reduced accuracy.

In addition, Delta Drone International was commissioned by Interwaste on a contract to provide advanced thermal imaging data to assist the organisation create more detailed air quality reports to monitor the environmental conditions of waste and landfill sites in South Africa.

Using thermal imaging technology, DLT was able to capture visual temperature datasets in near real-time, transmit them, through the cloud to the customer so they could be complemented by traditional data sources to create more dynamic air quality reports that more accurately show changes in micro-climate or local environmental conditions.

OPERATIONAL UPDATE

Delta Drone International continues to cement its position as a leading 'drones-as-a-service' provider. The Company has expanded operations into Namibia, Zambia and Australia, and continues to work with leading regulation authorities to ensure safe drone practices.

Namibia expansion

Drone Safety & Legal (Pty) Ltd. (DSL), an accredited training subsidiary of Delta Drone International expand its training operations into Namibia to deliver advanced drone operations training for enterprise companies.

The courses have been designed specifically for enterprise drone operators with an intermediate understanding of aerial data capture, to gain deeper insights into the magnitude of ways advanced drone use and its associated services can add value to their operations.

University of Pretoria Drone Pilot Course

Delta Drone International became the first organisation to provide specialised Remote Pilot License (RPL/ RePL) drone courses in Africa in conjunction with the University of Pretoria.

Drone Safety & Legal (Pty) Ltd. designed the RPL course specifically to support the mining, agriculture and engineering sectors in the region. DSL expert trainers provided the practical, safety and licencing instruction, while University of Pretoria lecturers provided the related theory.

Australian operations update

Delta Drone International's Australian operations continue to build, with initial Project Engineers hired in Western Australia to support the region's vast mining sector. The new hires have enabled the South Australian team to build on the agriculture opportunities of the business, with key partnerships established in the state.

DLT is working closely with the Civil Aviation Safety Authority (CASA) and is preparing for its first BVLOS flight trials with the Australian regulator. BVLOS trials are key to the industry's evolution through demonstrations of the latest technology and safety standards that showcase how drones can safely fly over people and populated areas.

Post-balance date, Delta Drone announced the acquisition of Arvista Pty Ltd to further strengthen the Company's drone-based data service and technology solutions for its enterprise mining clients, and further accelerating its growth in the Australian market.

OUTLOOK

Delta Drone International is focused on growing revenue with a significant investment in sales and marketing to harness the reputation of its technology and operations leadership as it executes its Australian growth strategy. Additionally, the Company is enhancing its operational efficiencies as it works to reduce and control overhead costs within the business to ensure a longer runway for the Company to focus on execution.

This announcement has been authorised for release by the Board of Delta Drone International Limited.

-ENDS-

For more information, please contact:

Corporate

Stephen Buckley
Company Secretary
+61 (0)8 6189 1155

Investors

Eric Kuret, Executive Director @ Market Eye
P: +61-417 311 335
E: eric.kuret@marketeye.com.au

Media

Tristan Everett, Director @ Market Eye
P: +61-403 789 096
E: tristan.everett@marketeye.com.au

About Delta Drone International

Delta Drone International is a multi-national drone-based data service and technology solutions provider for the mining, agricultural and engineering industries. It provides aerial surveying and mapping, security and surveillance, and blast monitoring and fragment analysis through a fully-outsourced service with AI and fast data turnaround that allows enterprise customers to focus on operations on the ground while Delta Drone International takes care of everything in the air.

It has in-house enabling proprietary technology, an R&D and integration centre and specialist expertise in designing, developing and providing best-in-class autonomous safety systems for commercial drone deliveries, drone flights for crowd monitoring and in urban areas, as well as 'beyond visual line of sight' (BVLOS) missions.

www.dlti.com.au

ASX APPENDIX 4D HALF-YEAR FINANCIAL REPORT TO 30 JUNE 2021

1. DETAILS OF REPORTING PERIOD

Name of Entity	Delta Drone International Limited (“the Company”)
ABN	17 618 678 701
Reporting Period	30 June 2021
Previous Corresponding Period	30 June 2020
Presentation Currency	Australian Dollars (\$)

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2021 \$	30 June 2020 \$	Increase/ (Decrease) %	Amount change \$
Revenues from ordinary activities	2,492,832	1,626,010	53.31%	866,822
Profit/(loss) after tax from ordinary activities attributable to members	(1,495,123)	103,377	(1,546.28%)	1,598,500
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Comparisons to the previous corresponding period are comparison to historical information extracted from Delta Drone South Africa (Pty) Ltd and its wholly owned subsidiaries for the half-year ended 30 June 2020. Refer to Note 2 of the attached half-year report.

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Commentary on results:

For further information, refer to the review of activities contained in the directors’ report, which forms part of the attached half-year financial report.

3. NET TANGIBLE ASSETS PER SHARE

	30 June 2021 (cents)	30 June 2020 (cents)
Net tangible asset/(liability) backing per ordinary security (i)	0.688	(0.067)

(i) The denominator for the net tangible liability calculation at 30 June 2020 has been adjusted to reflect the reverse acquisition in December 2020. The number of shares outstanding for the half-year ended 30 June 2020 is based on the number of Delta Drone International Limited’s shares on issue as at 30 June 2021.

4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

5. DIVIDEND DETAILS

No dividend has been paid or recommended to be paid for the half-year ended 30 June 2021.

6. DETAILS OF DIVIDEND REINVESTMENT PLANS

Not Applicable

7. DETAILS OF ASSOCIATE AND JOINT VENTURE ENTITIES

Not applicable

8. FOREIGN ENTITIES

Not Applicable

9. AUDIT

This report has been based on accounts that have been subject to an audit review. The accounts contain an independent review report that is subject to an Emphasis of Matter drawing attention to a material uncertainty related to going concern. The attached half-year financial report has been prepared on a going concern basis. There are no items of dispute with the auditor and the audit review is not subject to qualification.



Mr Christopher Clark
Chief Executive Officer

30 August 2021