

Delta Drone International relists on the ASX

HIGHLIGHTS

- **Successful merger between ParaZero and Delta Drone South Africa**
- **Raised \$5 million at \$0.04 a share following strong support from domestic and international investors**
- **Funds to be used to establish Australian operations, initially targeting local mining and agricultural industries**
- **Delta Drone International well placed to take advantage of US Department of Transportation Federal Aviation Administration (FAA) final rules for Unmanned Aerial Systems (UAS), for Operations Over People (OOP), Remote ID, and Night Operations.**
- **Name and ticker code changed to Delta Drone International Limited and DLT earlier this month**

Delta Drone International Limited (ASX: DLT, Delta Drone or the Company), Australia's first listed drones-as-a-service company, re-commences trading on the ASX today following the successful merger between world-leading drone safety company ParaZero and international drone services provider Delta Drone South Africa.

The re-listing follows a strongly supported capital raise of \$5 million at \$0.04 a share, resulting in a market capitalisation of \$20 million. The capital raise has enabled new domestic and international investors to join the register, along with existing ParaZero shareholders.

The combined entity achieved pro forma combined revenue in CY19 of A\$5.8m and a historical revenue year-on-year growth rate of 40%. Delta Drone International will provide drone services to the mining, agricultural and engineering industries through a range of contract and project services including aerial surveying and mapping, security and surveillance and blast monitoring and fragment analysis as well as safety system and compliance management. The business is built to meet the demand for fast and accurate survey data, as well as to support all the regulatory, insurance and maintenance requirements needed to run these services safely and consistently.

Funds from the capital raise will be used to expand into the Australian market, initially targeting drone services for the local mining and agricultural related industries – an addressable market in 2020 of around A\$277 million in Australia alone or US\$486 million globallyⁱ.

Delta Drone is an established international provider of drone services within these sectors with operations in South Africa, Ghana and Namibia. Existing customers include South32 and Newmont Mining. The capital raise will also enable the new entity to establish an Australian headquarters and expand its operations in Southern Africa.

Delta Drone International CEO Chris Clark said, "This strategic merger provides the business with substantial growth opportunities, both in the short term and the long term. Australia's vast mining and agricultural sectors provide an accelerated path to revenue, enabling mining companies to focus on extracting resources out of the ground, while we take care of collecting data from the air. This includes managing safety, compliance, insurances, and maintenance. Our same-day survey data turnaround and reporting is key to increasing operational productivity, facilitating real-time planning and execution for large-scale mining companies."

"Meanwhile, our world-leading drone safety technology will be essential as global urban drone deliveries increase with new US Department of Transportation Federal Aviation Administration (FAA) final rules announced this week for Unmanned Aerial Systems (UAS), or drones, in the categories of Operations Over People (OOP), Remote ID, and Night Operations. ParaZero's drone parachutes are at the forefront of commercial drone flight

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waivers in Beyond Visual Line-of-Sight operations, including over people, and we are confident this type of technology will become a mandated safety standard as the industry evolves.

“These final rules will apply to the expanding US drone sector, currently with more than 1.7 million drone registrations and 203,000 FAA-certificated remote pilots (FAA, 2020). They will allow UAS operators to conduct flight operations over people and moving vehicles across four main categories, with varying degrees of flight permissions according to degrees of regulatory compliance. ParaZero’s UAS safety systems are well-positioned to provide an instrumental edge in supporting these new categories, based on ParaZero’s patented autonomous parachute technology, which is specifically designed and tested to meet regulatory compliance for the required kinetic energy thresholds.”

Funds from the capital raise will be also used for sales and marketing support in Australia, as well as R&D in Australia and Israel.

-ENDS-

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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.

ⁱ Australian Drone Market Report 2019-2024 – Drone Industry Insights (droneii.com)