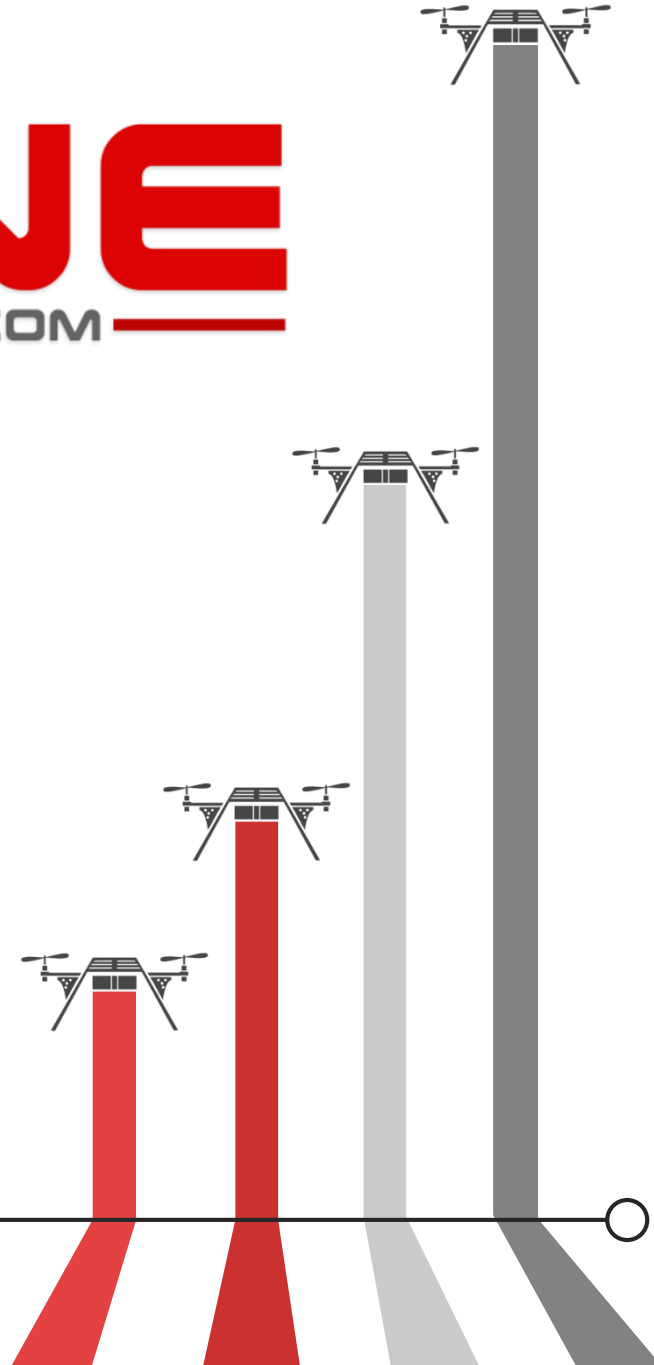




# DRONE

DELIVERY CANADA.COM



## Investor Presentation

CSE: FLT | WKN: A2AMGZ

March 2017



## Forward-Looking Statements

This presentation contains “forward looking information” which may include but is not limited to statements with respect to the future financial operating performances of Drone Delivery Canada Inc. (“DDC” or the “Company”) and the future supply and demand of the services we provide to our customers. This presentation contains certain forward-looking statements that may involve a number of risks and uncertainties. Actual events or results could differ materially from DDC expectations and projections. The securities regulators has neither approved nor disapproved of the information contained in this presentation. This document is only intended for accredited investors and close friends and family as defined by the applicable securities legislation pertinent to the offering at hand. This is not a solicitation. Except for statements of historical fact relating to the Company, certain information contained herein constitutes “forward-looking statements”. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “forecast” and other similar words or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in government approval, or no approval in the foreseeable future, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.



### Company Overview

### Value Proposition

### Industry Dynamics

### Appendix



# Company Overview

## Drone Delivery Canada at a Glance

### Company Overview

- Drone Delivery Canada Corp. (CSE: FLT) (“DDC” or the “Company”) is a software logistics and drone development company focused on Canadian commercialization
  - The technology DDC is seeking to deploy is disruptive to a broad spectrum of industries
  - Large automotive, retail and home delivery players have made material investments in drones
- Seeking to dominate the logistical software required for commercialization contingencies such as:
  - Aerospace safety
  - Transport Canada regulations
  - Weather patterns
- DDC announced partnerships with some of the largest retail and automotive parts companies
  - On November 29<sup>th</sup>, 2016, DDC announced a major partnership with Staples® (NASDAQ – SPLS)
  - On December 14<sup>th</sup>, 2016, DDC announced it entered into a commercial agreement with NAPA Auto Parts in Canada



# Company Overview

## Investment Highlights

**Strong projected EPS based on existing customers**

**Projected 45% gross margins upon commercialization; growing to 60% in Year 2-3**

**Large customers signed or in advanced discussion**

**Multiple patents pending for Drone Delivery Platform and logistics IP**

**Commercialization in late 2017 (est.) followed by nationwide roll out in 2018**

**Strong and experienced management team**

**Regulatory barriers preclude foreign competition**



### Drone Delivery Canada signs agreement to expand drone logistics platform with NAPA Auto Parts in Canada

#### Highlights:

- DDC and NAPA Auto Parts entered into a commercial agreement to expand the logistic capabilities of UAP's NAPA Auto Parts delivery activities
- DDC will work under Transport Canada's framework to advance its testing

**TORONTO, Dec. 14, 2016, Drone Delivery Canada ('DDC or the Company') (CSE – FLT)**, is pleased to announce it has entered into a commercial agreement with UAP Inc. (NAPA) – one of Canada's largest automotive parts companies for testing of a drone delivery platform that looks to expand the logistic capabilities of UAP's NAPA Auto Parts delivery activities nationwide.

"We are delighted to be working with NAPA Canada" commented Tony Di Benedetto, CEO of Drone Delivery Canada. "We are the first and only drone delivery company in Canada and to now be able to work with one of Canada's largest auto parts distributor is a major opportunity for us. We are focusing on many areas which are game changing for us and the automotive industry."

DDC will work directly with NAPA to design, prototype and test a drone delivery solution to expand NAPA's logistics capabilities using Drone Delivery Canada's logistic platform. Development, prototyping and testing initiatives will be focused on a customized solution that includes Depot to Depot and Depot to Consumer solutions.

With this agreement in place, DDC will work under Transport Canada's framework to advance its testing at a specific test site within the Southern Ontario geography following which DDC anticipates it will travel to Foremost, Alberta and Alma, Quebec to test beyond visual line of sight.



# STAPLES®



# DRONE

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## Drone Delivery Canada and Staples team up for drone delivery development, implementation, and commercialization

### Highlights:

- DDC and Staples will collaborate to explore the feasibility of developing, implementing, and commercializing a drone delivery logistics platform
- DDC is actively advancing further agreements with additional customers

**TORONTO, Nov. 29, 2016 - Drone Delivery Canada ('DDC' or the 'Company') (CSE – FLT)** is pleased to announce it is working with Staples (NASDAQ – SPLS), the country's leading provider of business solutions, to collaborate and explore the feasibility of developing, implementing and commercializing a drone delivery logistics platform for Staples' commercial requirements nationwide in Canada.

"This agreement with Staples is potentially transformational for us as a Company," commented Tony Di Benedetto, CEO of Drone Delivery Canada." We are the first and only drone delivery company in Canada. Now, with our recently awarded SFOC (Special Flight Operating Certificate) from Transport Canada to test fly, those customers who we were previously in contract discussions are now accelerating their dialogue with us to develop and implement their own drone delivery solution. We are experiencing great traction and are expecting more contract wins in Q4 and Q1 of 2017."

"The work Staples is doing with Drone Delivery Canada will let us rapidly provide innovative solutions to meet our customers' needs," commented Mike Bhaskaran, Executive Vice President of Supply Chain, Staples, Inc. "We're always testing new ways we can improve our supply chain capabilities and are encouraged by the potential of drone technology."

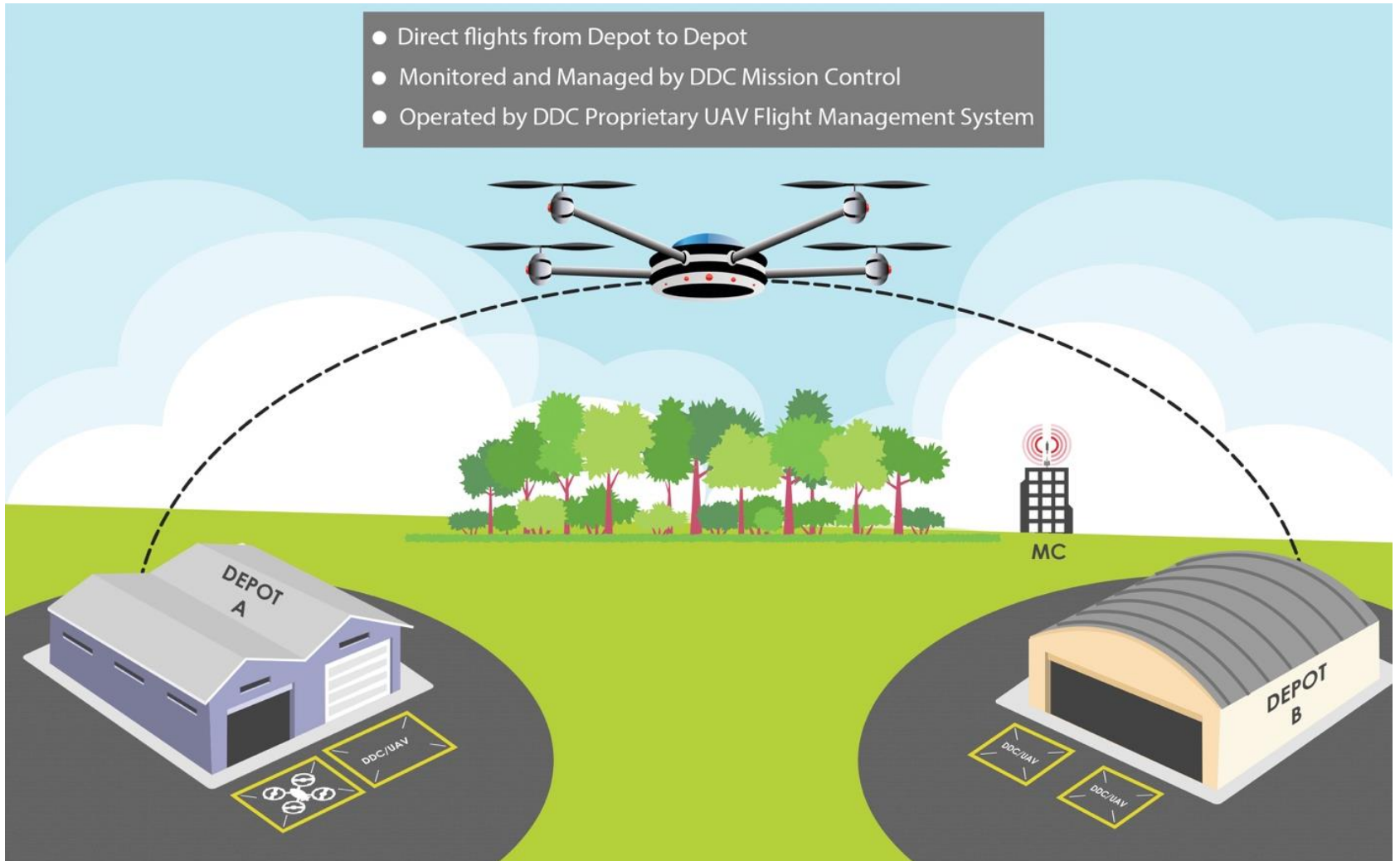
With this agreement in place, DDC will work under Transport Canada's framework to advance its testing at a specific test site within the Southern Ontario geography following which, DDC anticipates it will travel to Foremost, Alberta and Alma, Quebec to test beyond visual line of sight (BVLOS). With DDC's strong balance sheet and prudent approach, the Company is pleased to report it is adequately funded to commercialization.



# Company Overview

## Service – Depot to Depot

- Direct flights from Depot to Depot
- Monitored and Managed by DDC Mission Control
- Operated by DDC Proprietary UAV Flight Management System







# Company Overview

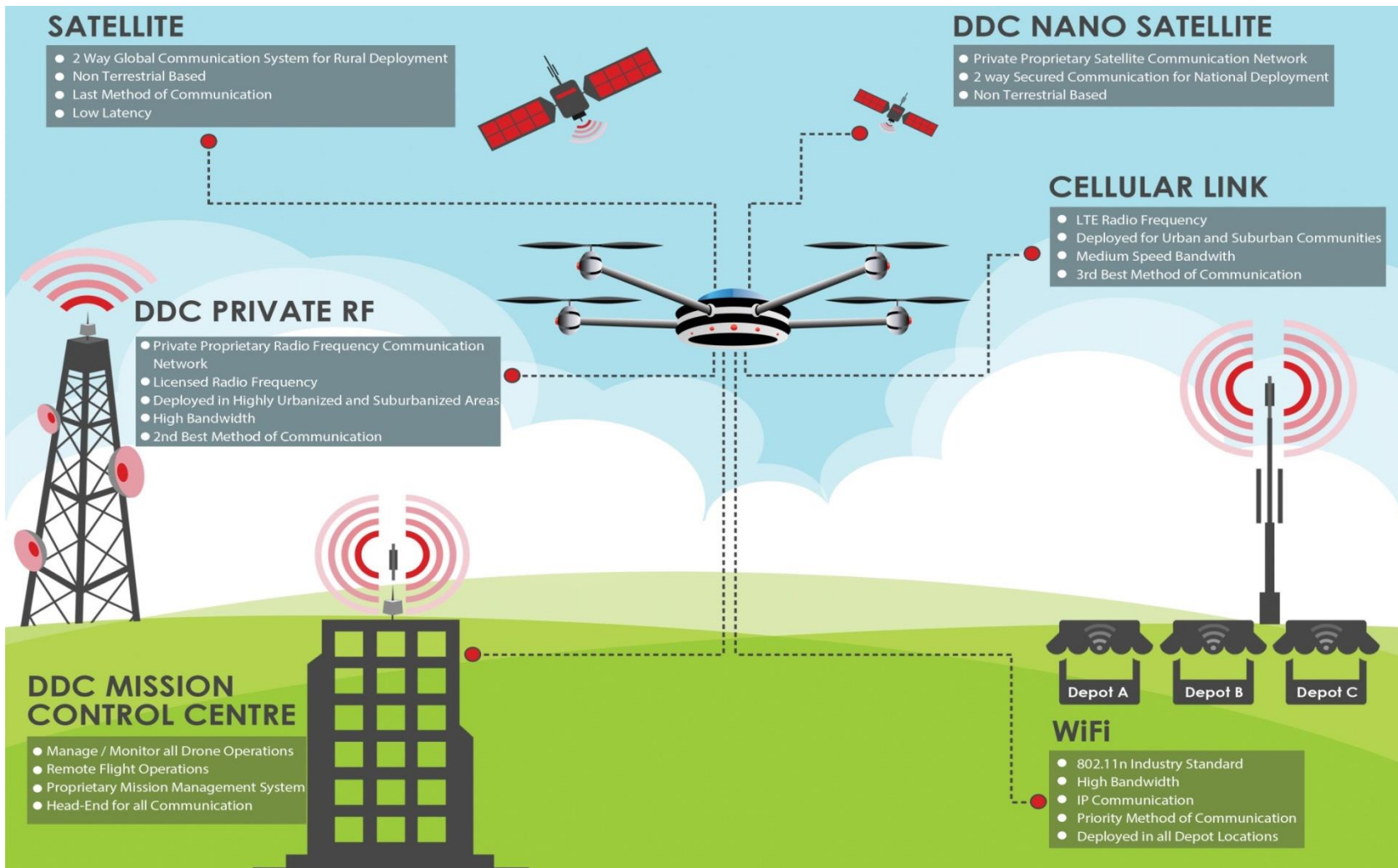
## Service – Depot to Consumer





# Company Overview

## Drone Communication Network





**Company Overview**

**Value Proposition**

**Industry Dynamics**

**Appendix**

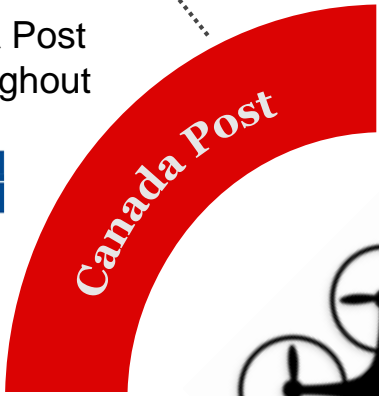


# Value Proposition

## Instrumental Governmental Partnerships

### Major Government Organization Engagements with Drone Delivery Canada

- Participated in Canada Post Review sessions throughout 2016



- Assisting NATO in development of the final framework for new regulations



- Selected to pilot the first drone logistics platform in Canada



- First Canadian drone logistics company to achieve test flight license by Transport Canada





# Value Proposition

## Business Model Overview



### SCALABLE MODEL

- Company has capabilities to operate growing number of drones across different regions



### RECURRING REVENUE

- Company's unique drone delivery service will attract consumers on a recurring basis
- SaaS like model



### EXPONENTIAL GROWTH RATE

- Company is well positioned and exposed to market with explosive growth rate
- Profitability in early 2018



### LIMITED CAPITAL INVESTMENT

- Customers will finance the portion of capital investment for infrastructure of drone sites

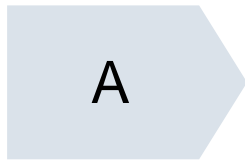




# Value Proposition

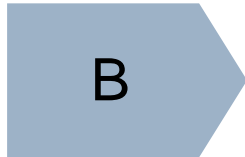
## Revenue Model Overview

- **Highly scalable operations with focus on driving efficiencies through technology and heavy automation**
- **EBITDA margins from 45%+ increasing to 60%**



### **INTEGRATION FEES**

- One-time setup fee to integrate DDC Flight Platform with customer back-end systems
- \$50,000 - \$500,000 per customer



### **SETUP FEES**

- One-time setup fee for DDC drone logistics technology at client locations
- \$25,000 - \$50,000 per location



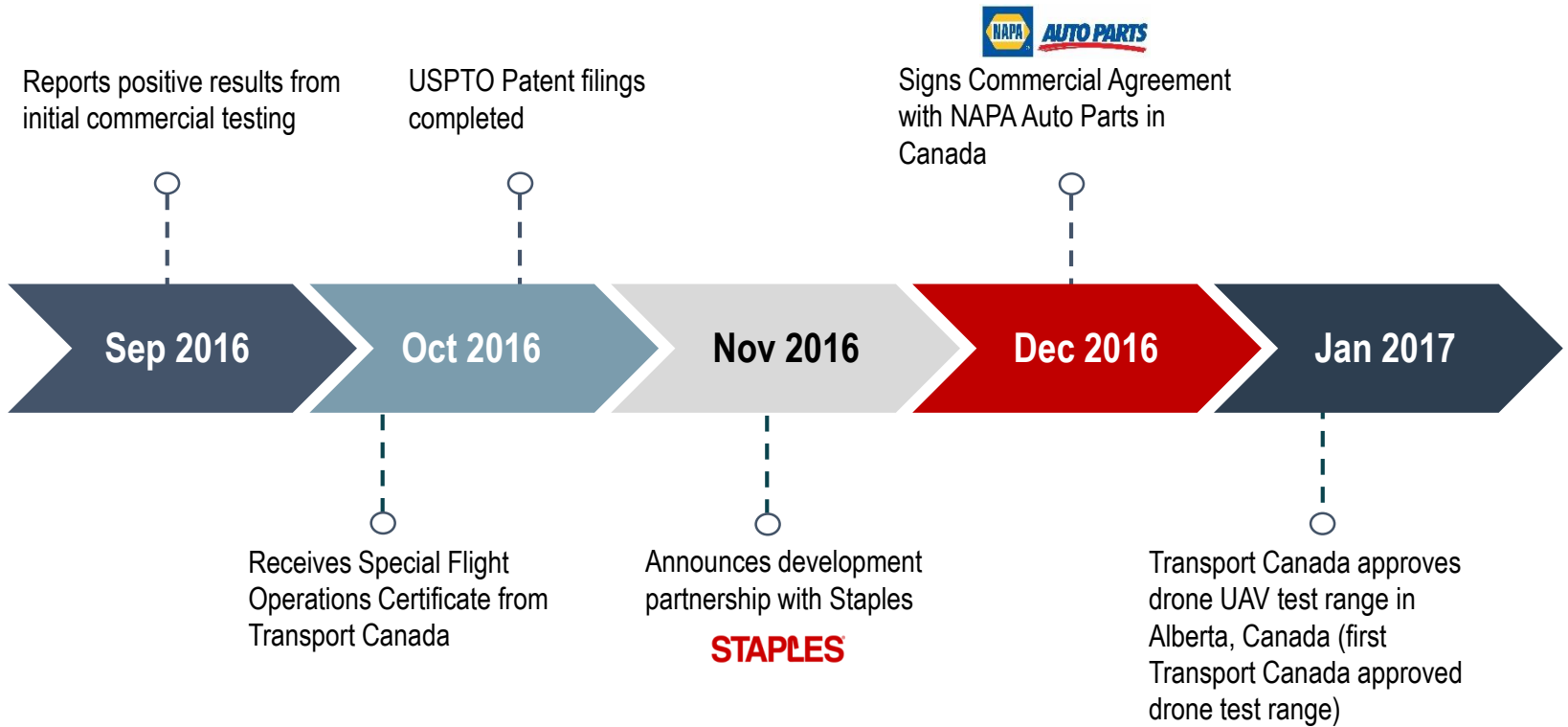
### **MONTHLY FEES**

- Monthly service fees for DDC's drone delivery services
- Fees based on distance and volume of deliveries on take / on pay model



# Value Proposition

## Milestones Achieved



**STAPLES**



**Company Overview**

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**Appendix**

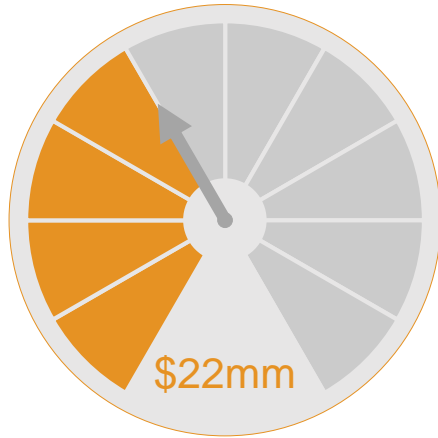




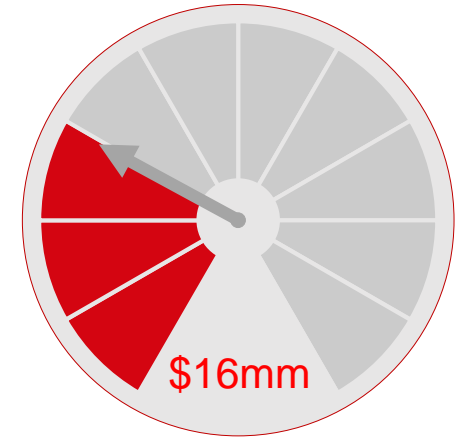
# Industry Dynamics

## Material Investments Deployed in 2016

- Various large, multinational corporations have made significant capital investments in the drone industry over the last twelve months



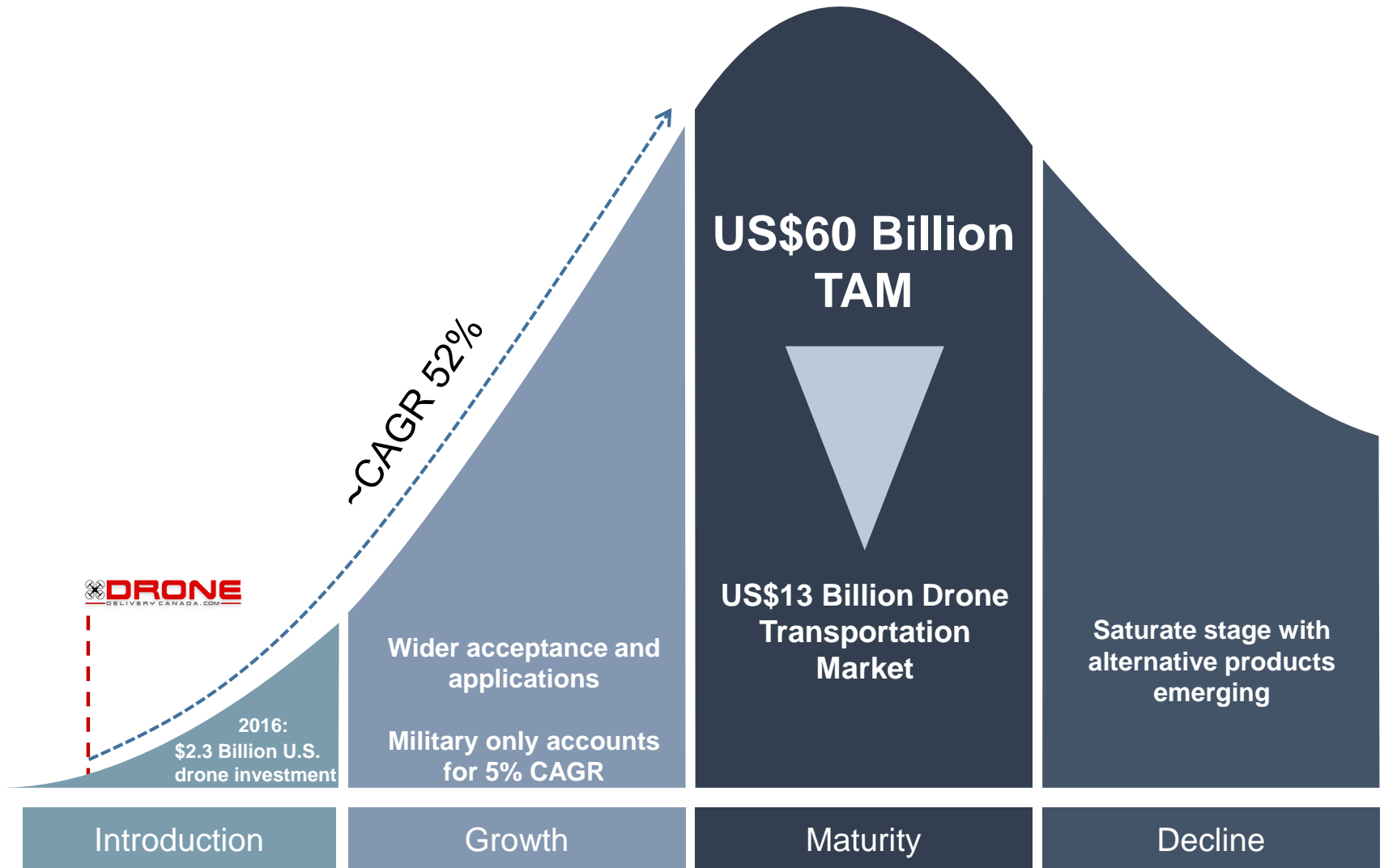
DAIMLER





# Industry Dynamics

## Development of Drone Market



Source: Macquarie Industry Report, Management Data

**STRICTLY PRIVATE & CONFIDENTIAL**



# Industry Dynamics

## Market Potential

### Four Key Trends



#### Proliferating Applications

- Search & rescue
- Package delivery
- 3D measurement
- Surveillance & satellite imagery



#### Consumer First, Commercial Larger

- Consumer drone market ramping up quicker
- Commercial market winner in long-term; regulations forthcoming



#### Smarter and Safer Designs

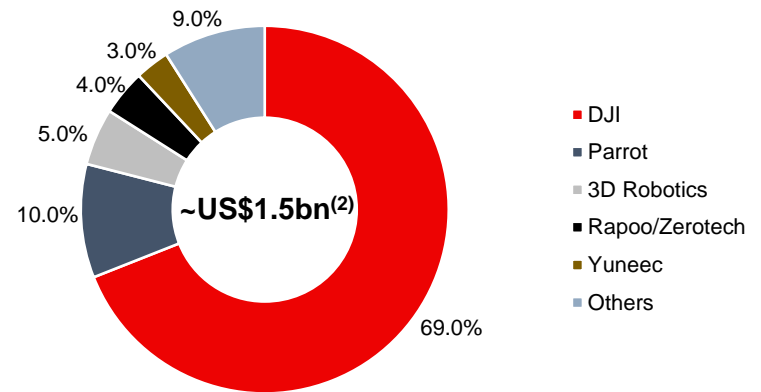
- Obstacle avoidance
- Increasing sensory capabilities
- Camera technology and built-in parachutes



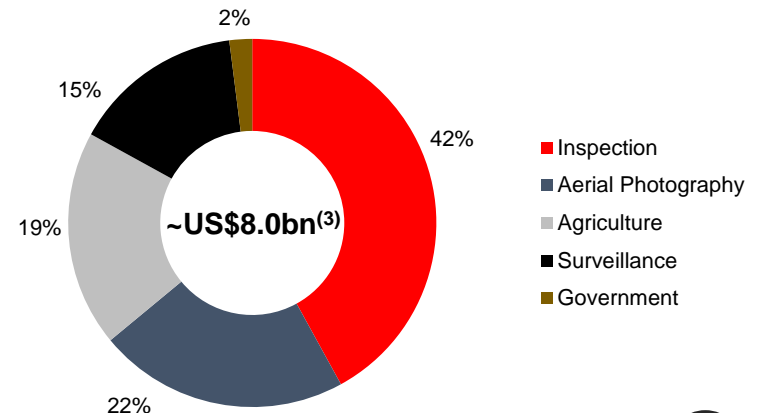
#### Maturing Regulation

- Establish safety / identify operator duties
- Support a wider adoption of drones
- Automotive, retail and deliver markets become exploitable

### Industry Players<sup>(1)</sup>



### Industry Applications<sup>(1)</sup>



(1) Source: FAA, Macquarie Research, August 2016.

(2) Global consumer drone market size.

(3) Global drone market size.



**Company Overview**

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**Appendix**



### Capital Structure

CSE: FLT

WKN: A2AMGZ

*As of March 1, 2017*

Current Cash Balance	(C\$mm)	\$11.50
Debt	(C\$mm)	\$0.00
Shares Outstanding	(mm)	92.00
Current Share Price	(C\$)	\$0.47
Average Daily Volume	(shares)	200,000
Outstanding Options	(mm)	Nil
Outstanding Special Warrants*	(mm)	31.1

\* GMP \$10.9M capital raise.



## Appendix

### Management Team

#### Tony Di Benedetto, Director and CEO



- Founder of and successfully sold Data Centers Cnd in May 2013 - to Terago Networks (TSX:TGO) achieving ROI ~1900% in \$10mm transaction (Partner Paul)
- Sold broadband wireless business in 2008 achieving ROI ~450%
- 17+ years of IT entrepreneurship, M&A and capital markets experience
- Degree from York University

#### Richard Buzbuzian, Director and President



- Capital markets executive with 20+ years of experience in technology and resource sectors
- Experience in corporate finance, M&A transactions and initial public offerings
- Responsible for corporate finance matters, investor relations, and day to day finance activities
- Degree from University of Toronto

#### Paul Di Benedetto, Chief Technology Officer



- Oversees DDC's R&D, engineering, and technical operations
- Co-founded a number of successful tech companies in the Canadian marketplace including Data Centers Canada, a co-location services provider (25,000+ global customers)
- 15+ years of technology architecture and engineering experience



### Robert Suttie, Chief Financial Officer



- 16 years experience in public accounting, management advisory services and financial disclosure
- Involved in IPOs, business combinations, asset carve-outs, and spin-out transactions
- Acting CFO for a number of junior mining companies on the TSX and TSX.V

### Greg Colacitti, Vice President of Business Development



- Responsible for developing DDC's customer channel
- Involved in building a number of manufacturing companies in Canada and US
- 15+ years of entrepreneurial experience in business development, marketing and executive leadership



# Appendix

## Board of Directors

### Tony Di Benedetto, Director and CEO



- Previously Outlined

### Richard Buzbuzian, Director & President



- Previously Outlined



### Chris Irwin, Director

- Practices securities and commercial/corporate law and is President of Irwin Professional Corp. since Aug '06. Advises public Co.'s on continuous disclosure and regulatory issues; reverse-takeover transactions, IPOs and takeover transactions



### Michael Della Fortuna, Director

- CEO of Nexeya Canada, provider of mission critical products for space, aviation, and transportation; a licensed Engineer and Accredited Risk Manager



### Rob Montemarano, Director

- Partner and Vice-President of Lakeview Group Ltd. Residential and commercial property development company and Director of Armada Data Corp. (TSXV:ARD)





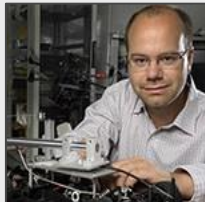
# Appendix

## Advisory Board



### **Dr. Hugh Liu Professor, University of Toronto Institute for Aerospace Studies (UTIAS)**

- Full professor at the U of T Institute for Aerospace Studies (UTIAS)
- International leading researcher in the area of aircraft systems and control



### **Dr. Sebastian Fischmeister, Associate Professor, University of Waterloo**

- Sebastian Fischmeister received the Dipl.-Ing. degree in Computer Science at the Vienna University of Technology, Austria, Ph.D. degree in Computer Science at the University of Salzburg
- Associate Professor at the Department of Electrical and Computer Engineering at the University of Waterloo



### **Dr. Craig A. Steeves, Associate Professor, U of T Institute for Aerospace Studies (UTIAS)**

- Associate professor in the U of T Institute for Aerospace Studies (UTIAS) and Associate Director of the Centre for Research in Sustainable Aviation
- Research focuses on combining high performance materials with complex geometry to design structures



### **Mr. Michael Della Fortuna, CEO, Nexeya Canada**

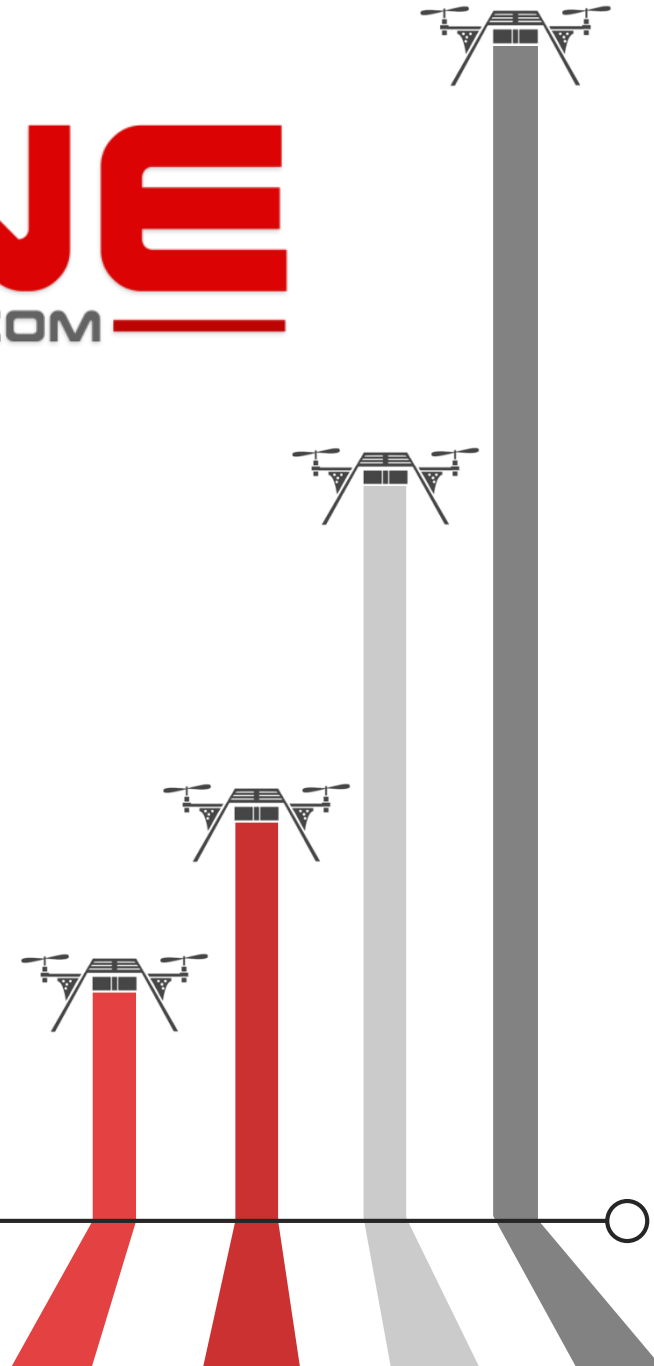
- Previously outlined



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## Investor Presentation