

The Dawn of Next Level Logistics



Join us July 14th @ 2-3pm EST

Join us for a look into next level logistics, the innovative business cases propelled by COVID-19, and the experience and insights gained. Find out how DSV – Global Transport and Logistics has innovated its logistics with Drone Delivery Canada (DDC) as partners.

As one of industry's first adopters of drone technology, DSV is helping to lead and shape the future of drone delivery and logistics in Canada.

REGISTER TODAY!

Moderated by



The Chartered
Institute of Logistics
and Transport



ANDREW YOUNG

Vice Chair CILT North America &
Chair of the USA Chapter



MARTIN ROOS

Managing Director of
DSV Air & Sea Inc. Canada



MICHAEL ZAHRA

President & CEO of
Drone Delivery Canada



The Dawn of Next Level Logistics



WATCH VIDEO

Learn more at ca.dsv.com

Questions?

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DSV



DSV Canada is dedicated to delivering innovative and integrated supply chain solutions. We have looked to overcome some of today's challenges by investing in tomorrow's opportunities, and look forward to next steps.

– Martin Roos, Managing Director
DSV Air & Sea Inc. Canada



DSV Canada extends commercial agreement with Drone Delivery Canada

June 24, 2021 – DSV Canada is pleased to announce our continued partnership with Drone Delivery Canada (DDC) and Air Canada Cargo to bring our clients innovative capabilities that aims at optimizing their supply chains.

In Q1 2020, DSV Canada deployed DDC's drone delivery platform at our new 1.2 million square foot logistics facility and warehouse in Milton, Ontario.

DDC's DroneSpot take-off and landing zone flight infrastructure, deployed its Sparrow cargo drone, with a capacity of up to 10lbs. The first route occurred on a defined flight route within our site in Milton, Ontario. All operations are conducted in accordance with the Canadian Aviation Regulations and Transport Canada flight authorizations. Flights are remotely monitored by DDC from its commercial operations centre in Vaughan, Ontario.

DDC will continue operations with its Sparrow drone, existing in-place DroneSpot® depots with related infrastructure and will upgrade the project to the Robin XL when commercially available, expected in 2021.



“

In a changing logistics world,
you can either drive in the same
lane or create your own.

”

Aim high.
go far.


Learn more at ca.dsv.com



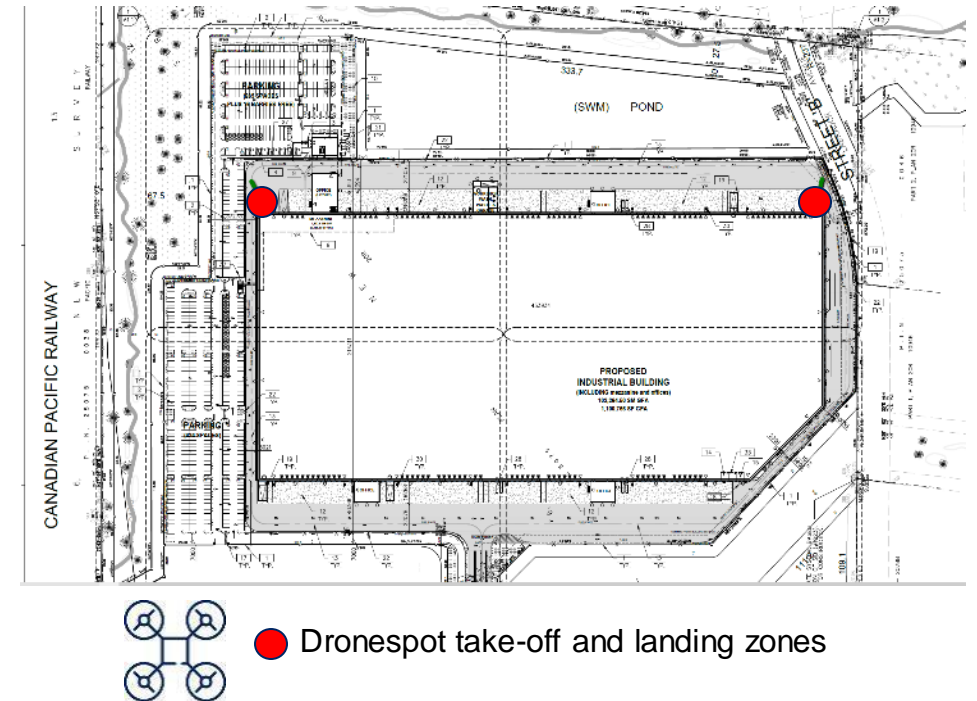


Opportunity: DSV Canada & Drone Delivery Canada Partnership

To grow and develop the industry with a trusted and innovative partner:

-  holds a compliant operator status certificate with the Canadian government, meaning that the company is compliant to fly based on the appropriate rules and regulations.
- All flights are remotely monitored from DDC's commercial operations centre in Vaughan, Ontario.
- Strategic alliance with national carrier 
- Commercial launch of suburban deployment
- Plan and scalability for payload and range increase
- As first adopters, lead and shape future development
- Synergies with innovation and technology
- Optimize customer supply chains locally in key verticals

DSV Milton – Site Plan Route 1





Experience: Key Milestones in DSV deployment of Drone Delivery Canada platform

Q4 2019

Installed secure dronespots for take off and landing.
Authorized personnel trained to load/unload and operate.

Q1-Q2 2020

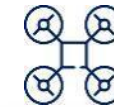
Route 1 implemented live.
Delivered minor parts, documents, and other non-commercial loads within DSV's facility.

Q3 2020

Route 2 implemented live.
Launched the first commercial route from DSV Milton facility to an external client.

Q2-Q4 2021

Extension of commercial agreement
Continuous exploration of drone delivery scalability and commercial roll-out



● Dronespot take-off and landing zones





Drone Delivery: A Business Case for Innovation

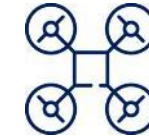
With a full range of equipment, we can offer customers flexible drone logistics solutions suitable to various cargo loads.

Benefits include:

- Flexible Payloads
- Optimum Capacity & Maximum Efficiency
- Ideally suited for local deliveries
- Options for longer range
- Environmentally friendly transport

Ideal Business Cases include:

- Transport & Logistics
- Healthcare & Pharmaceuticals
- High Fashion & Luxury Retail
- Automotive
- Aerospace
- Oil & Gas



Flights are remotely monitored by DDC from its commercial operations centre located in Vaughan, Ontario.



Drone Type	Speed	Range	Payload / Capacity
Sparrow	80 kph	30 km	4.5 kgs / 10 lbs.
Robin	105 kph	60 km	11.3 kg / 25 lbs.
Condor	120 kph	200 km	180 kg / 400 lbs.



Sparrow



Robin

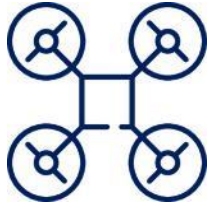


Condor





Insights: The Future of Drone Logistics



The future is now. We believe in enabling new markets and service offerings. We are ready for tomorrow's opportunities. Are you?



Guaranteed on-time deliveries: Imagine a transportation scenario where freight always arrives on time, every time – without any last-minute delays.



Critical cargo: When time and cargo is critical (i.e. healthcare, pharma, PPE) – drone delivery can provide a safe and secure means of transport to keep essential goods moving.



Eco-friendly & sustainable transport mode: Every cargo volume off the roads helps to improve traffic flow and reduce traffic congestion and emissions.



Growth & Development: Cargo drone delivery is a scalable business model with ample growth potential for the future.



Aim high.
go far.

With a focus on innovation and growth, DSV Canada is home to the largest head office and logistics facility (1.2 million square feet in Milton, Ontario) in the DSV network worldwide.



DSV's Milton logistics facility – 1.2 million sq. ft, opened Feb 2020

Thank you

Aim high.
go far.

Learn more at ca.dsv.com

DSV

DroneSpot North

DRONE
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PLEASE CALL:
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EN CAS D'URGENCE,
S'IL VOUS PLAIT APPELEZ:
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Reimagining the Way You Deliver®

TSX.V:FLT & OTC QX:TAKOF



at July 7th, 2021



DISCLAIMER – FORWARD LOOKING STATEMENTS

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This presentation contains “**forward-looking information**” within the meaning of applicable Canadian securities laws (such forward-looking information being hereinafter referred to as “forward-looking statements”). Forward-looking statements are based on expectations, estimates and projections as at the date of this presentation. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as “expects”, “is expected”, “anticipates”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends”, or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results “may” or “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company; market position; ability to compete and future financial or operating performance of the Company; anticipated developments in the operations of the Company; the timing and amount of funding required to execute the Company’s business plans; capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company’s management, as well as on assumptions, which management of the Company believes to be reasonable based on information available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, related to the following: the uncertainty regarding legislation or regulatory framework for commercial drone use in Canada; operational risks; regulation and permitting; evolving markets; industry growth; uncertainty of new business models; speed of introduction of products to the marketplace; undetected flaws; risks of operation in urban areas; marketing risks; geographical expansion; limited operating history; substantial capital requirements; history of losses; reliance on management and key employees; management of growth; risk associated with foreign operations in other countries; risks associated with acquisitions; electronic communication security risks; insurance coverage; tax risk; currency fluctuations; conflicts of interest; competitive markets; uncertainty and adverse changes in the economy; reliance on components and raw materials; change in technology; quality of products and services; maintenance of technology infrastructure; privacy protection; development costs; product defects; insufficient research and development funding; uncertainty related to exportation; legal proceedings; reliance on business partners; protection of intellectual property rights; infringement by the Company of intellectual property rights; resale of shares; market for securities; dividends; and global financial conditions.

The lists of risk factors set out herein are not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results, performance or achievements could differ materially from those projected in the forward-looking statements as a result of the matters set out generally and certain economic and business factors, some of which may be beyond the control of the Company. In addition, global financial and credit markets have experienced significant debt and equity market and commodity price volatility, which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, prospective investors should not place undue reliance on forward-looking statements.



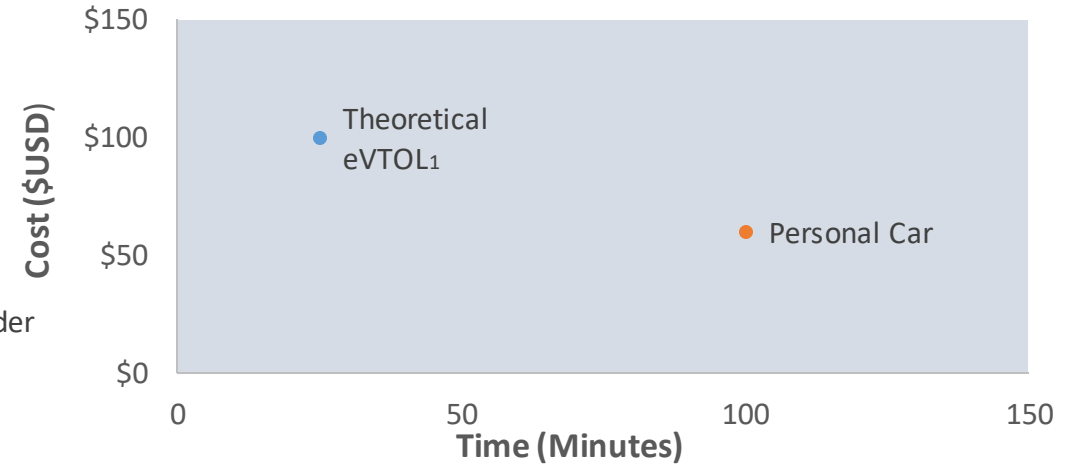
DRONES ENABLE CUSTOMER COSTS SAVINGS, CONVENIENCE & NEW REVENUE STREAMS

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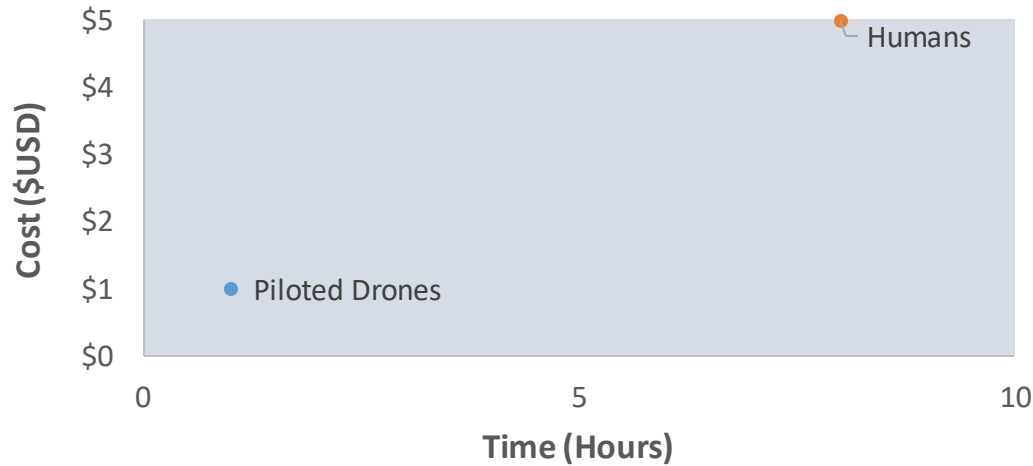
Pharmaceutical Delivery / Pickup: Cost vs. Time



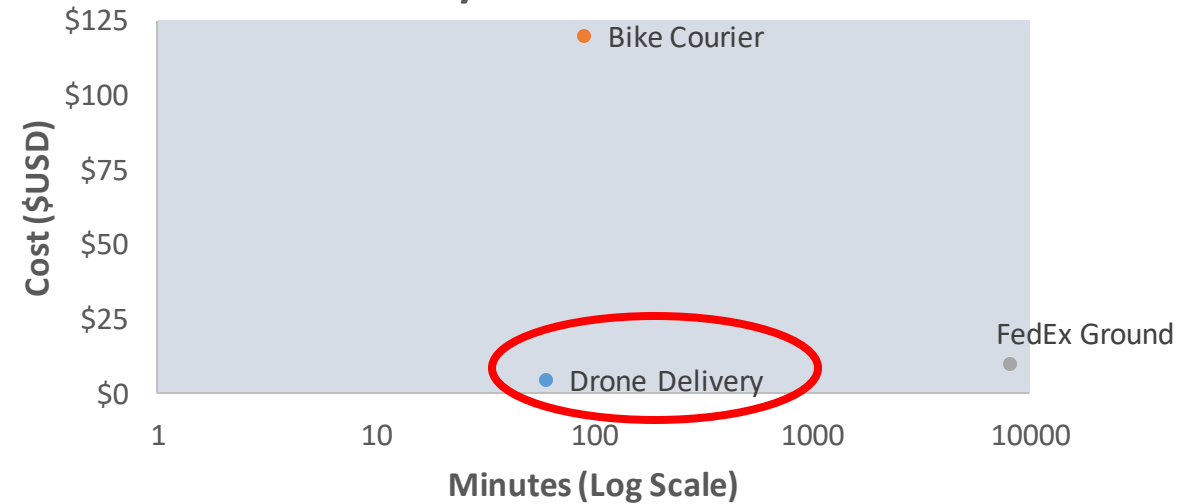
Passenger - Orlando to Tampa: Cost vs. Time



Bridge Inspection: Cost vs. Time



Parcel Delivery: 5lbs 10 Miles: Cost vs. Time



(1) eVTOL: electric vertical takeoff and landing. Source: ARK Investment Management LLC, 2020 based on data sourced from Are you Ready for Take Off? - Presentation by Remo Gerber, CCO of Lilium at the NOAH Conference London 2017. Old Billingsgate on the 3rd of November 2017, Kelling SE Exploring Accessibility of Community Pharmacy Services Innov Pharm. 2015;6(3):Article 201. <http://pubs.lib.umn.edu/innovations/vol6/iss3/6>, Carey. Liz "North Carolina DOT Approved to Inspect Bridges with Drones" Transportation Today, 6 Oct. 2020, transportationtodaynews.com/featured/19901-north-carolina-dot-approved-to-inspect-bridges-with-drones/. "Fed Ex Ground® Shipping" Fed Ex. www.fedex.com/en-us/shipping/ground.htm | "Mail & Shipping Services" USPS, www.usps.com/shipping/mail-shipping-services.htm. Report: By Elise Could · February 20. "State of Working America Wages 2019: A Story of Slow, Uneven, and Unequal Wage Growth over the Last 40 Years" Economic Policy Institute. www.epi.org/publication/swa-wages-2019/





DRONES COULD DELIVER A SUBSTANTIAL SHARE OF E-COMMERCE SHIPMENTS BY 2030

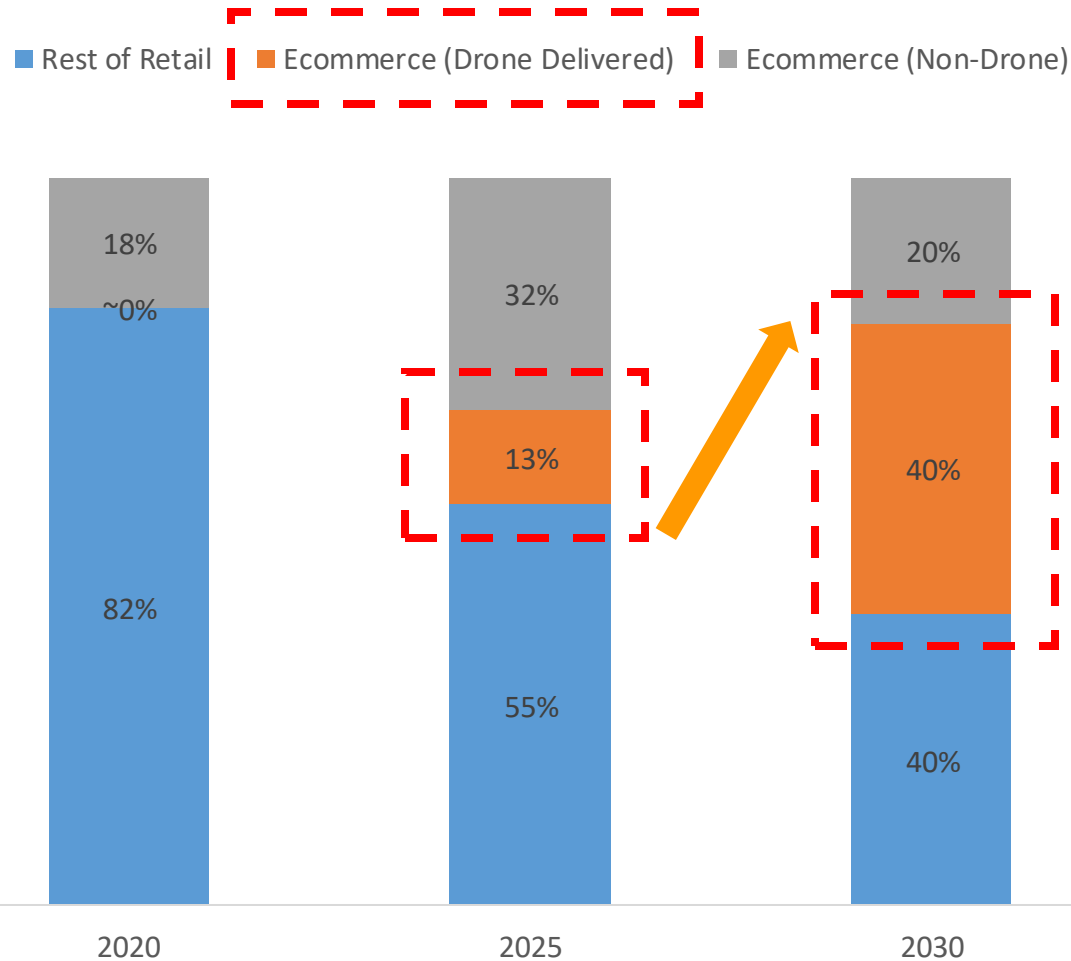
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COVID-19 accelerated e-commerce and adoption with contactless deliveries

Estimates are that at some point during the next five years, **drones could deliver more than 20% of parcel shipments** – ARK Investment Management

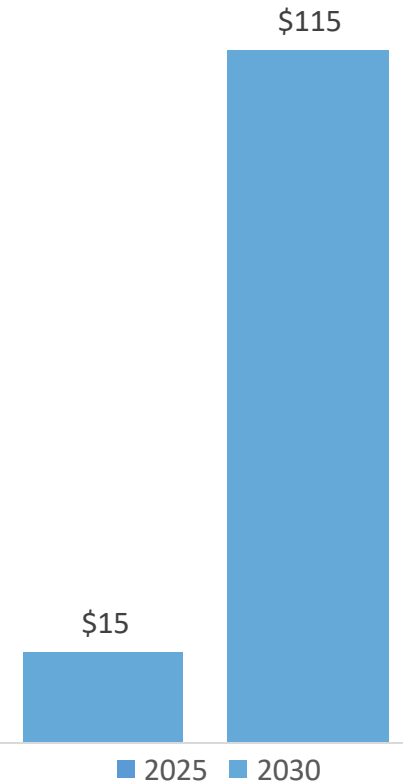
Even a small % market share of this massive industry could be significant revenue to DDC.

Global E-Commerce Share of Retail with Drones



Global Parcel Drone Delivery Revenue

Revenue Billions (\$USD)



Source: ARK Investment Management LLC, 2020 based on data sourced from "Pitney Bowes Parcel Shipping Index Reports Global Parcel Shipping Reaches \$279 Billion in Revenue" Pitney Bowes, 28 Aug 2018, <https://arkinvst/2QjSeSQ>; "Data and Research on Digital for Business Professionals." EMarketer, EMarketer, <https://arkinvst/2trGQeE>; Total Retail Sales of Consumer Goods in December 2017, National Bureau of Statistics of China, 25 Jan. 2018, <https://arkinvst/36mBKz6>; "Monthly Sales for Retail and Food Services by Kind of Business: Retail Sales by Kind of Business, Millions of Dollars, Seasonally Adjusted" FRED, Federal Reserve Bank of St Louis, <https://arkinvst/2ZJWSN4>

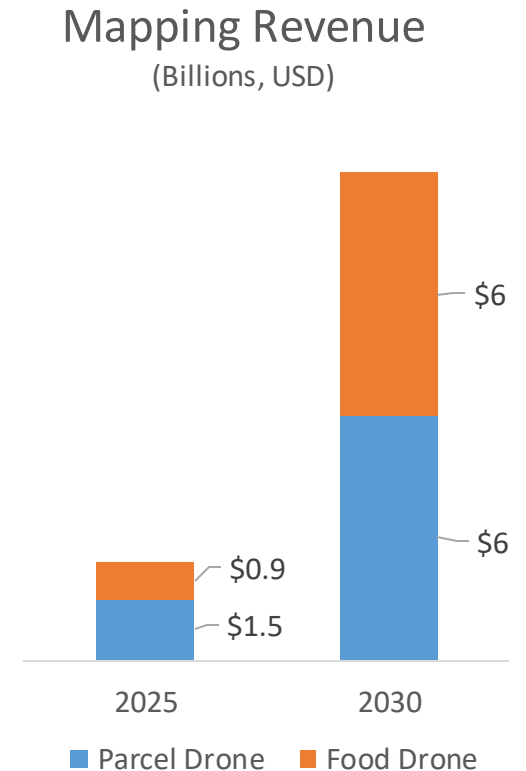
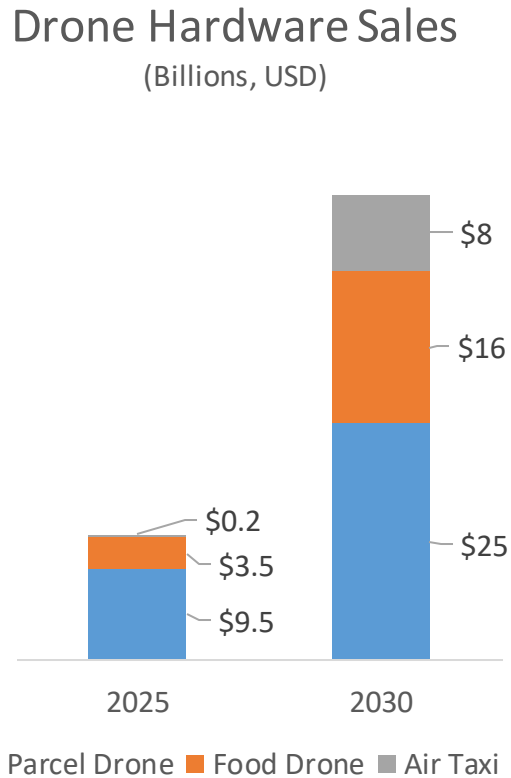
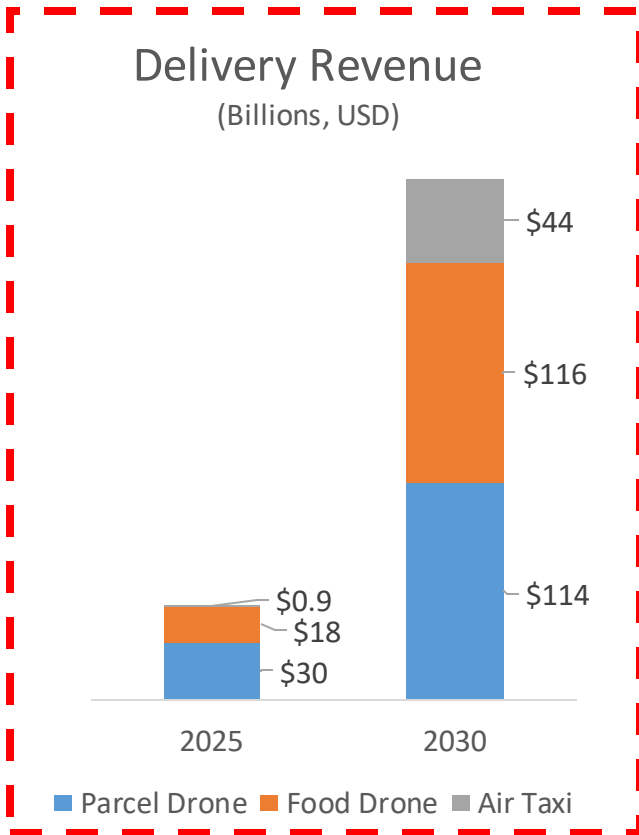




DRONE DELIVERY MARKET OPPORTUNITIES

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- Estimates are that *drone delivery* platforms will generate nearly \$50 billion in revenue, \$14 billion in hardware sales, and \$3 billion in mapping revenues.
- By 2030, *drone delivery* platforms could scale another four-fold, generating ~\$275 billion in revenues, while hardware sales grow nearly three-fold to almost \$50 billion, and mapping revenues nearly four-fold to \$12 billion.
- During the next 5 years, drones are expected to deliver more than 20% of parcel shipments.



Source: ARK Investment Management LLC, 2020



Drone Delivery Market Growth:

The global Drone Package Delivery Market is expected to **grow at a compound annual growth rate (CAGR) of 53%** from 2021 to 2026. It's no surprise that the drone delivery market is growing fast.

Medical drone delivery is expanding rapidly around the world, with COVID lending the market a profile boost as drones prove their value in distributing vaccine and testing materials to remote areas.

As the U.S. and global aviation authorities move towards regularizing flight beyond visual line of sight (BVLOS) **on-demand cargo drone delivery becomes a viable option for industry**.

The retail sector is rising fast – because more than 50% of online shoppers **favour same-day or quick delivery**. Retailers are attempting to reduce delivery lead times and increase delivery flexibility and speed by using drones to assist in the maintenance of stock-keeping units (SKUs). In densely populated megacities, aerial delivery drones are supposed to speed up product delivery.

Consumer Acceptance:

The public, consumer survey found that:

- **87% liked the idea of drone delivery**
- **89% would use the service**

While the news was excellent for public perception of drone delivery, it could also be positive for other commercial drone applications.

According to industry experts of consumer goods and retail, CV19 has heightened the **frailties of many supply chains, and innovation has become imperative**. Firms need to move away from linear, traditional supply chain models to become connected supply networks. The goal is to create a single, end-to-end, unified view of the ecosystem so that organizations have precise, real-time visibility into their operations—from the suppliers of materials, the transporters of those supplies and finished goods, and finally to the customers demanding fulfillment. **Drones have enormous potential as a last-mile resource because they reduce the need for human intervention and are exceptionally fast**. They can also **reach isolated locations that are tricky to get to via traditional vehicles—potentially opening new customer bases**. During CV19, drones have proved to be a feasible option to overwhelming levels of demand along with adaptation to social distancing norms.



Attractive Opportunities in Drone Package Delivery Market



“Companies operating in the logistics & transportation, retail, agriculture, and healthcare sectors are making efforts to integrate drone delivery into their business models for the smooth and successful execution of same-day delivery of packages. In addition, technological advancements in drone technologies help in carrying out drone package delivery operations autonomously and safely, thereby contributing to their **increased adoption in the drone delivery ecosystem.**

Growing demand for fast delivery, rising amendments in regulatory frameworks to encourage drone package delivery, and **increasing demand for lowering carbon emission are some of the factors fueling the growth of the market.**

A recent report from MarketsAndMarkets said that the drone package delivery market is **projected to grow from USD\$528 million in 2020 to USD\$39 billion by 2030, at a CAGR of 53.8% from 2020 to 2030.** The report said: "The demand for faster delivery of packages is increasing, with customers willing to pay extra for same-day delivery. With innovation in cargo transportation and increasing investments from logistics & transportation companies, the **use of delivery drones in e-commerce, quick service restaurants, convenience stores, and the healthcare sector, among others, is increasing.**"



“As countries begin to lift restrictions, reopen economies, and take their first steps toward recovery, the global transportation sector must adapt and evolve to deal with COVID-19’s lasting impact on consumers and supply chains alike. Consumers are increasingly shopping online, and their **delivery expectations continue to rise**. Supply chains are becoming supply networks as organizations search for ways to not only ensure goods continue to flow despite COVID-19-related interruptions, but to be more resilient to disruptions in the future. In response, **transportation companies are under pressure to be nimbler and more flexible than ever** while simultaneously being seen as a greater partner in emerging supply networks.”

“With **last-mile delivery responsible for roughly 40 percent of overall logistics costs**, it’s little wonder that many companies are exploring alternatives. These include establishing more delivery nodes in urban centres—new pickup points or so-called “dark stores” that allow packages to be picked up closer to customers and avoid the need for drivers to return to larger, more centralized distribution centres. **Some companies are even exploring the use of drones: Drone Delivery Canada...**”

Automation increases to control costs and improve productivity

“To control costs and boost productivity while supply networks grow increasingly complex, the cargo, transport, and logistics sector will see **increasing investment in automation technologies**.

Automation is also seen as a way to keep supplies of commodities, consumer goods, and essential products flowing...”

“...each organization should explore how it could be harnessed to **improve efficiency** and resiliency across its operations. Are there **processes that can be automated**? Is there an opportunity in introduce robots or cobots into warehouses? Are **drones** a viable alternative for some delivery situations?”





“If you’re a logistics provider and you don’t look at these next-generation technologies, you might not be around in 10 years”

– Source: ARK Investment Management

✓ **Hard to Access Locations**

- Mining, Oil & Gas, Ecommerce, Postal Mail, Medical, Grocery, Pharma
- Last Mile / First Mile Courier Routes – Commercial & Residential
- Indigenous Communities, Rural Towns
- Government, Military

✓ **Time Critical Deliveries**

- Time = Lives: Emergency, Medical, Pharma, Cold Chain, Perishables
- Time = Money: Urgent Commercial / Industrial – Repair Parts, Ecommerce, Supplies, Documents

✓ **Limiting Person-to-Person Contact**

- Limit Spread of Virus & Cross Contamination, While Maintaining Open Supply Chain
- Healthcare, Seniors’ Homes, Medical Labs, Pharma
- Indigenous Communities Self-Isolating

✓ **Disaster Recovery / Business Continuity**

- Drone Logistics as a Critical, Integrated Component of Core Supply Chain and Backup
- Contingency Standby System Business Model





NUMEROUS POTENTIAL DRONE DELIVERY APPLICATIONS ACROSS CANADA & INTERNATIONALLY

Vertical Market	Description
Remote Communities (Indigenous & Non-Indigenous)	1000's of remote communities in Canada - healthcare, biologicals, ecommerce parcels, postal mail, parts - similar remote community issues globally
Last-Mile Courier Routes	1000's of rural and suburban areas experiencing expensive and time-delayed delivery of general & e-commerce goods
Oil & Gas	Time sensitive industrial cargo, on land and oil rigs at sea – repair parts, emergency supplies, general cargo
Mining	Time sensitive industrial cargo – repair parts, core drilling samples, water testing samples, emergency supplies
Medical / Pharmaceutical	AEDs, blood, medical tests, medical radioisotopes, cryopreserved biologicals, vaccines, organs, prescriptions, emergency supplies, disaster relief, humanitarian aid
Shore-to-Ship Logistics	Port-to-ship movement of cargo – repair parts, emergency supplies, documents, general supplies
Military / Construction / Forestry / Agriculture	Movement of important cargo in any expansive operational area
Carrying Specialized Cameras & Sensors <i>(Data collection, imaging, mapping, etc)</i>	“Cargo” can include the carrying of specialized sensors and cameras for commercial, industrial, scientific, exploratory mining, environmental, agricultural, security, infrastructure inspection applications



FIRST NATIONS PROJECTS



Stellat'en First Nation – British Columbia
Application: Fraser Lake area of BC - delivering medicine, healthcare, pharmaceuticals, PPE, and covid19 supplies



Moose Cree First Nation - Ontario
Application: flying over the Moose River, between Moosonee and Moose Factory - delivering medicine, postal, general supplies



Beausoleil First Nation - Ontario
Application: goods up to 5 kg commercially transported between Christian Island and the mainland, covid-19 related



Georgina Island First Nation - Ontario
Intended application: commercial transport of goods up to 5 kg between Georgina Island and the mainland, covid-19 related





EXAMPLE CANADIAN CUSTOMERS – BREADTH OF APPLICATIONS

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✓ Commercial Agreements



DSV Panalpina (Suburban Commercial Application)

Application: Time sensitive cargo across key verticals. Various commodities
Value: (i) Premium business development opportunity, (ii) Speed of service, (iii) Cost savings



Vision Profile (Suburban Commercial Application)

Application: move tools, parts, documents, general commodities between different Vision facilities
Value: (i) speed, (ii) cost savings



Edmonton International Airport (Active Airspace Airport Application)

Canada's fifth busiest airport and largest major airport by land size
Application: goods up to 5 kg to be commercially transported between facilities, on and off airport
Cargo: could include letters, documents, general parcels, parts, pharmaceuticals



✓ Commercial Letters of Intent (LOIs)



Drones Express (Remote Quebec Condor Application)

Application:
Cargo: perishables, medical supplies, pharma, parcels, general cargo



IDP Group (Rural & Suburban Commercial Applications)

Application: e-commerce solutions for remote Canadian Indigenous communities, supplies for temporary mobile hospital units
Cargo: medical supplies, emergency kits, pharma, parcels, general cargo



OEC Group (Suburban Commercial Applications)

Application: e-commerce solutions for remote Canadian Indigenous communities, parcels & ecommerce
Cargo: medical supplies, pharma, parcels, general cargo



Numerous other commercial project customer discussions in advanced stages.





HEALTHCARE / EMERGENCY RESPONSE PROJECTS

Peel Paramedics “AED on the FLY” project:

- 100% success rate, faster than ground ambulance
- Potentially lifesaving applications
- Touchless cargo drop functionality
- Reduced response time to cardiac arrest patients
- Can operate in rural areas with no cell coverage
- Can remotely communicate to a bystander / patient to assist in real time
- Patent for specialized healthcare container

Temperature-controlled blood and biologicals deliveries:

- Active or passive temperature control
- Data recording for cold-chain evidence
- Dry spot blood tests, blood, vaccines
- Emergency medical: epi-pens, insulin injections, asthma inhalers, first aid kits, anti-venom kits, etc.



Why Drone Delivery Canada?

Drone Delivery Canada is a global leader in drone logistics, with a patented system and a cost-effective, scalable, operational solution

- Create new customer revenue opportunities
- Tested, proven & reliable technology
- Fully commercialized and operational
- Patented intellectual property
- Multi-platform, airframe-agnostic technology
- Fully operational, fully integrated FLYTE SaaS system
- Approved by the Regulator to integrate into active airspace
- Leading-edge and scalable Operations Control Centre





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<https://www.youtube.com/DroneDeliveryCanada/videos>

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The Dawn of Next Level Logistics



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