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ASX RELEASE

Middle Eastern Ministry of Defence Orders 70 DroneGuns™

- A \$3,200,000 order for 70 DroneGuns™ for use by a Middle Eastern Ministry of Defence received.
- A sophisticated user with one of the largest defence budgets in the world.
- The largest known order of its kind in the industry to date, globally.
- The largest order in the history of the Company.
- Larger follow on orders in the pipeline.
- Cements DroneShield's leadership in the industry.

DroneShield Ltd (ASX:DRO) ("DroneShield" or the "Company") is pleased to announce that it has received an order for 70 units of its DroneGun™ tactical jammer product for use by the Ministry of Defence (the "MOD") of a major Middle Eastern country allied with the Western governments. This approximately \$3,200,000 order was placed for the MOD with the Company by the Company's distributor Zariba Security.

This is the largest known order for tactical drone mitigation equipment of this kind globally in the history of the industry. This is also the first order for multiple DroneGun™ units, the largest order in the Company's history, and the Company's first multi-million dollar order. This is significant since the drone detection and mitigation industry is only several years old, and allocations of substantial governmental funding for anti-drone equipment purchases have only commenced in size in the recent 12 months.

Oleg Vornik, DroneShield's CEO, commented "We believe that this is a company-making sale and a game-changer for DroneShield, for the following reasons.

- The MOD has one of the largest defence budgets in the world. We view this order as just a start of our relationship with the MOD and expect to receive substantial (and substantially larger) additional orders for this product and other products of the Company for the MOD and for other ministries and agencies in-country and elsewhere in the region.
- This sale, the largest ever in the industry for this kind of equipment, establishes DroneShield as the leader in the industry, globally, and places DroneShield well ahead of its competitors in the global anti-drone industry "land grab".
- A large order by one of the most sophisticated users of security and defence equipment in the world validates the quality, effectiveness and competitiveness of our products.
- DroneShield's sales pipeline includes dozens of contracts that DroneShield is pursuing, in various stages of advancement, in dozens of countries. These range from a few tens of thousands of dollars to tens of millions of dollars each. Necessarily, not all, and there can be no assurance that any, of these sales opportunities will result in sales. However, DroneShield expects that this validation by a demanding user will accelerate the adoption of our products by a range of governmental and corporate users globally and accelerate the execution time-frame for our sales.
- We have previously advised the market of our discussions with larger industry participants about a range of potential corporate transactions. These discussions are on-going. Larger defence "prime contractors" and security integrators are looking to ascertain which companies emerge as the winners in the anti-drone "arms race." This order places DroneShield at the forefront of the industry and is likely to have a substantial positive effect on DroneShield's corporate discussions with larger industry players."



Image: His Excellency President of France Emmanuel Macron, French Minister of the Armed Forces Florence Parly, and the Chief of Staff of the Army Jean-Pierre Bosser review DroneGun Tactical at French Army Camp Mourmelon

This order comes against the backdrop of significantly intensified nefarious drone activity in the Middle East. By way of example, among the dozens of reported drone attacks reported in the region since the beginning of the year were the following:

- Israel was reported to have intercepted an Iranian drone.
- UAE was reported to have intercepted an Iranian drone.
- Yemen's Houthi rebels were reported to have attacked a Saudi Aramco facility.
- Saudi Arabia was reported to have shot down (using conventional small arms) a drone in the vicinity of a royal palace.
- An attempt to attack a Saudi Arabian airport with a terrorist drone was reported.

The Company's ability to fulfil the order is subject to approval by a U.S. regulator overseeing defence exports. For clarity, only some of the Company's potential orders require such approval since sales of some of the Company's products to a number of countries allied with the United States do not require U.S. regulatory approval. The Company expects to receive such approval, if it is granted, in the next two months, using the established U.S. defence product sale approval process. There are, of course, no guarantees that the approval for this particular order will be granted.

Further Information

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About DroneShield Limited

Based in Sydney, Australia and Virginia, USA, DroneShield is a worldwide leader in drone security technology. The Company has developed pre-eminent drone security solutions that protect people, organisations and critical infrastructure from intrusion from drones. Its leadership brings world-class expertise in engineering and physics, combined with deep experience in defence, intelligence, and aerospace.

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