

31 August 2020

ASX RELEASE

Multiple European Government Orders

DroneShield Ltd (ASX:DRO) ("DroneShield" or the "Company") is pleased to announce it has received orders from Government agencies of two separate European countries for its products.

The first order is for the Company's DroneSentinel™ multi-sensor detection system, powered by the DroneShieldComplete™ Command-and-Control ("C2") engine, and a DroneGun Tactical™ portable counterdrone solution, from a significant European Government customer, following up on the smaller order from an existing customer announced on 24 July 2020. The second order, from the Ministry of Defence of a different European country, is for several of the company portables (DroneGun Tactical™, DroneNode™ and RfPatrol MKII™).

At approximately \$750,000 in sales proceeds, these are additional orders for an evaluation, expected to lead to further deployments with these customers. The second order is the first sale in that particular country and is further strong validation of the demand for the Company's products and capabilities across Europe and globally. The Company's strategy is to build upon these initial sales to customers, to achieve follow on orders at mass scale, once its products have been evaluated against requirements by these high calibre end users.

The DroneSentinel™ system combines RfOne MKII direction finding sensors, RadarZero™ revolutionary metamaterials radar, DroneOpt™ electro-optic system and DroneShield's proprietary Artificial Intelligence DroneOptID™ engine to detect, ID/classify and track drones and payloads. The overlay of DroneShieldComplete™ C2 enables an intuitive user interface and a rich reporting functionality of drone threats. DroneGun Tactical™ will provide a portable defeat option for this solution chosen by the customer.

DroneShield expects to receive all of the amount due under the first order prior to shipment which is expected at the end of September, and approximately half of the amount due under the second order in September, with remainder on shipment in 4Q2020. Both customers are Government agencies with a high credit rating.

Oleg Vornik, DroneShield's CEO, has commented, "These sales showcase the diverse capability of DroneShield in the rapidly growing C-UAS market. The first order delivers a combined integrated solution with a number of deep technologies that we excel in, across hardware and software, and across individual sensors and the multi-sensor integrated offering. It is a follow on, and larger, order from this country (the initial order announced last month), with further multi-million dollar opportunities expected in the next 12-24 months. The second order shows our capabilities in the portables C-UAS area, opening the defence and other end customers of that European country to our products"

The sales are subject to pending relevant export approvals.

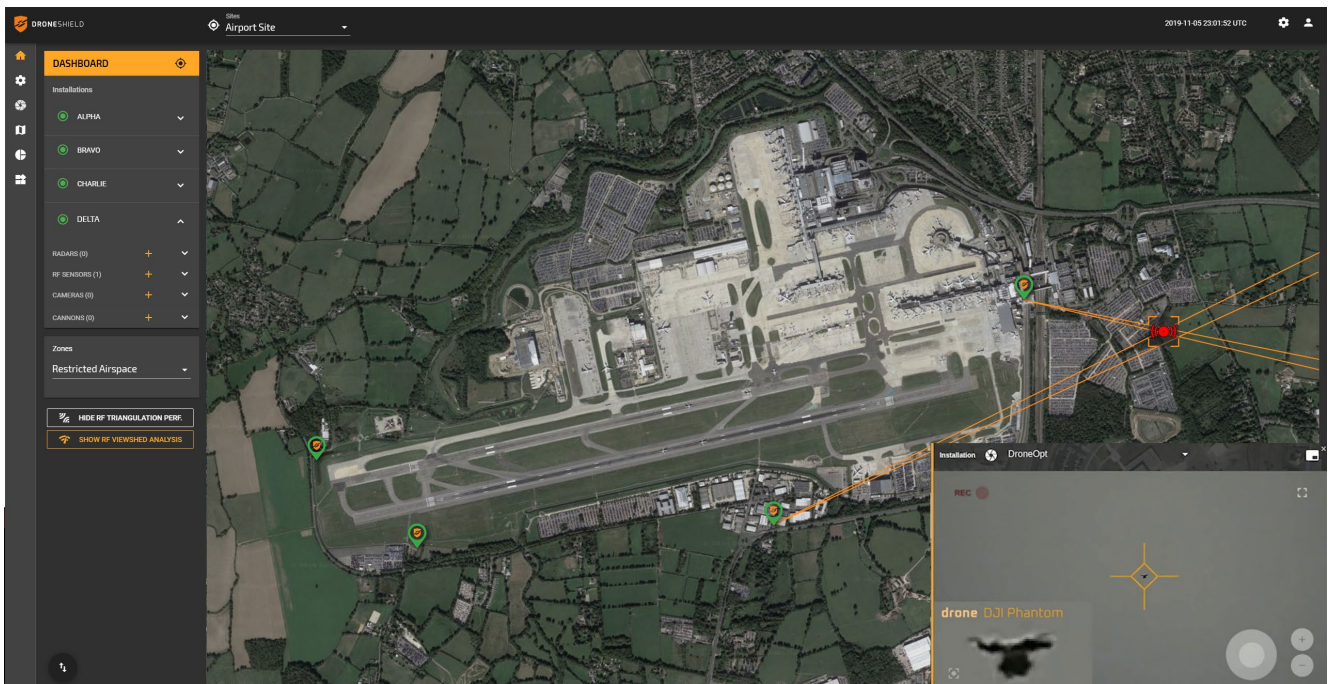


Image: DroneShieldComplete™ Command-and-Control system

This announcement has been approved for release to the ASX by the Board.

Further Information

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About DroneShield Limited

Based in Sydney (Australia), Virginia (USA) and London (UK), 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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