

18 March 2019

## Joint Statement by Public Telecommunication Co (STC Specialized) and DroneShield

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- **The Public Telecommunication Co (STC Specialized) and DroneShield have entered into a Memorandum of Understanding ("MOU")**
- **The MOU covers the parties' co-operation on sales opportunities in Saudi Arabia and the broader Middle East**
- **Particular focus on governmental customers in Saudi Arabia**

*Riyadh, Kingdom of Saudi Arabia; Sydney, Australia; and Virginia, USA* – **The Public Telecommunication Co** also known as **STC Specialized** ("STC Specialized") and **DroneShield Ltd (ASX:DRO or DRO.AU)** ("DroneShield"), are pleased to release the following joint statement.

The Saudi Telecom Company ("STC") is the only national licensed Kingdom of Saudi Arabia operator providing the business sector, governmental, industrial and commercial sectors, with services and solutions addressing instant collective wireless communications.

STC Specialized is the executive arm of the STC whose mission is implementing solutions for Critical Communications, by aiming at boosting the communication channels between ambulatory and fixed working groups in various business sectors, at the highest standards of efficiency and effectiveness.

Under the guidance of the government of the Kingdom, STC Specialized seeks to fulfill a long-term vision for a globally integrated and diverse Saudi economy, and to operate as a trusted global player that partners with the world's best. Among STC Specialized's partners in the aerospace and defense industry are Airbus, Motorola and Inmarsat. STC Specialized is pleased to add DroneShield to that list.

STC Specialized's customers include Saudi Aramco, Saudi Ministry of Defence, General Directorate of Civil Defence, Saudi Airlines, Saudi Electricity Company, Rabigh Refining Company, General Directorate of Narcotics Control, and a large number of other largest Saudi Government and enterprise customers.

Nefarious use, and the potential for nefarious use, of commercial and consumer grade drones in the Middle East is now well-documented. STC Specialized is pleased to partner with DroneShield, an effective global leader in drone detection and mitigation.

DroneShield (ASX:DRO or DRO.AU) is a public Australian company whose products provide protection to people and critical infrastructure from intrusions by commercial / consumer grade drones. DroneShield's products include DroneSentinel™ (a sensor fusion, multi-method drone detection system), DroneSentry™ (a combined detection and interdiction system), and DroneGun™ Tactical (a handheld rifle-shaped drone-mitigation device).

STC Specialized and DroneShield were pleased to execute a Memorandum of Understanding (the "MOU") to document the start of their relationship. Under the MOU, STC Specialized and DroneShield have acknowledged that theirs is a strategic relationship for both parties, and that they will co-operate on sales opportunities in the Kingdom and the broader Middle East, with a particular focus on governmental customers in Saudi Arabia. STC Specialized will focus on managing local relationships and providing pre and post-sale customer service, education and support, while DroneShield will supply its drone detection and mitigation products.

For clarity, the MOU is not a commitment to purchase or supply such number of units of the products, and the MOU is non-binding except as to certain procedural aspects of it. If the STC Specialized/DroneShield

relationship proceeds to the supply of the products, it will be the subject of separate definitive documentation at a later day (and will require certain United States governmental approvals).

DroneShield's Chief Executive Officer Oleg Vornik commented, "STC Specialized is a world class partner with deep access and technical capability in the region. The Kingdom of Saudi Arabia, and the broader Middle East are a market with a substantial need for our products, and we look forward to capitalizing on that demand, while STC Specialized achieves its broader economic and technological objectives in the Kingdom."

STC Specialized's Chief Executive Officer Waleed Mutter commented, "We have partnered with DroneShield after a careful review and consideration of the counter-drone market. We look forward to working on our strategic objectives with DroneShield, while helping protect the Kingdom and its allies from aerial threats."

### **Further Information**

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