

7 March 2023

ASX RELEASE

Outstanding Shareholder Support for Share Purchase Plan

DroneShield Ltd (ASX:DRO) (DroneShield or the Company) is pleased to announce the successful completion of its Share Purchase Plan (**SPP**), which follows the \$10.9 million Placement, completed on 6 February.

The SPP generated significant support from DroneShield's existing shareholders and substantially exceeded the \$3 million the Company targeted via the SPP.

DroneShield received SPP applications of \$29.4 million at an issue price of \$0.30 per Share.

Given the strong support shown by shareholders, the Board exercised its discretion under terms of the SPP and has determined not to scale back applications, in recognition of the long-term support of its investors and to maximise growth opportunities.

The funds will be used to accelerate DroneShield's growth through a faster scale-up of inventory for near-term sales, growth of key parts of the team, and general working capital.

DroneShield's total funds raised under the Placement and SPP are \$40.3 million (before costs). Following completion, the Company has a robust balance sheet to accelerate growth with cash of approximately \$50 million and no debt.

Oleg Vornik, DroneShield's CEO, commented:

"We are pleased to have received outstanding shareholder support for both the Placement and SPP. The funds will allow us to take advantage of the highly favourable environment for defence and specifically customer demand for counterdrone solutions, as we target 2023 to be a transformative year for DroneShield."

"The SPP proceeds in particular have been significant, and the Board is appreciative of the support from our shareholders. The higher proceeds will enable DroneShield to turbo-charge its growth, more rapidly fulfil anticipated near-term contracts, accelerate its technology development, and enhance its customer engagement. The Company is well-funded to execute its growth objectives."

The Shares applied for under the SPP are expected to be issued on 9 March 2023 with quotation of the Shares expected to commence on 10 March 2023.

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

Further Information

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About DroneShield Limited

DroneShield (ASX:DRO) provides Artificial Intelligence based platforms for protection against advanced threats such as drones and autonomous systems. We offer customers bespoke counterdrone (or counter-UAS) and electronic warfare solutions and off-the-shelf products designed to suit a variety of terrestrial, maritime or airborne platforms. Our customers include military, intelligence community, Government, law enforcement, critical infrastructure, and airports globally.

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