DRONESHIELD

14 September 2021 **ASX RELEASE**

ASX Small and Mid-Cap Conference Presentation

DroneShield Ltd (ASX:DRO) ("DroneShield" or the "Company") encloses its investor presentation at the ASX Small and Mid-Cap Conference to be given today by the DroneShield CEO Oleg Vornik at 2:30pm Sydney time, followed by Q&A.

The registration link for the conference is as follows:
https://www2.asx.com.au/investors/investment-tools-and-resources/events/smid

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

Further Information

Oleg Vornik
CEO and Managing Director
Email: oleg.vornik@droneshield.com
Tel: +61 2 9995 7280

About DroneShield Limited

DroneShield (ASX:DRO) is an Australian publicly listed company with its head office in Sydney and teams in the US and UK, specialising in C-UAS, Electronic Warfare, RF sensing, Artificial Intelligence and Machine Learning, Sensor Fusion, rapid prototyping and MIL-SPEC manufacturing. Our capabilities are used to protect military, Government, law enforcement, critical infrastructure, commercial and VIPs throughout the world.

Through our team of Australian based engineers, we offer customers bespoke solutions and off-the-shelf products designed to suit a variety of terrestrial, maritime or airborne platforms. DroneShield is proudly exporting Australian capability to customers throughout the world and supporting Australia's defence, national security and other organisations protect people, critical infrastructure and vital assets.

ENDS

For personal use only

DRONESHIELD

Counterdrone, Electronic Warfare and Tracking Systems

ASX Small and Mid-Cap Conference Presentation (ASX:DRO)

14 September 2021

ersonal use only

A new, technology based, asymmetric threat

The widespread adoption of drone technology has increased the risk and prevalence of disruptive use

Why is the malicious use of drones a threat?

Payload delivery

- **Attacks:** Dropping harmful / explosive payloads (including chemical or biological substances) or creating damage via collision
- **Smuggling:** Moving contraband into sensitive zones such as prisons

Intelligence gathering

- **Directing attack:** Reporting enemy target location on the battlefield to direct forces
- **Spying and tracking:** Obtaining video, images and track movements of personnel
- **Surveillance:** Using drone images and other payload data to enable reconnaissance

Nuisance activity

- **Infrastructure disruption:** Using drones to jeopardise the safe operation of major facilities such as airports

ersonal Use only

High profile drone incidents continue to escalate

Otago Daily Times

cloudy Dunedin 18 | 8 Monday, 6 September 2021 Send us news & photos

News | Sport | Life & Style | Entertainment | Business | Regions | Fea

Friday, 23 April 2021

Helicopter pilot horrified at close drone encounter

Forbes

Aug 3, 2021, 09:05am EDT | 18,681 views

Drone Striking World Trade Center Is A Wake-Up Call

David Hambling Contributor
Aerospace & Defense
I'm a South London-based technology journalist, consultant and author

Listen to this article now

Powered by Trinity Audio

w York Post reports that a small drone has slammed into a buil
Trade Center complex. No terrorist threat is suspected, but the
ke-up call to the potential threat posed by such drones.

Ultimate Heliport briefly shut down due to illegal drone activity

Written by defenceWeb - 4th May 2021

Ultimate Heliport in Midrand.

The Ultimate Heliport in the Waterfall precinct in Midrand was shut down for an hour on Monday after drones were observed flying in the helicopter flight path.

On 3 May shortly after 08:00, an Ultimate Heliport employee reported seeing two drones operating directly in the helicopter flight path of Ultimate Heliport while driving in to work. Ultimate Heli said

NATION

STOCK MARKET

Home › Nation

Army opens fire on two drones found hovering over Ratnuchak-Kaluchak military areas in Jammu

One drone was spotted at 11.45 pm on Sunday night and the other at 2.40 am, officials said. Both em.

WORLD

Three 'explosive-laden drones' used in Baghdad airport attack: Army

courier journal

Sports | Life | Opinion | USA TODAY | Obituaries | E-Edition | Legals

CRIME / COURTS

Drug cartels attack enemies and spread terror with weaponized drones in US, Mexico

Karol Suárez
Published 6:01 a.m. ET May 24, 2021

Middle East

Fire extinguished on oil tanker off Syria after suspected drone attack

IDF Shoots Down Hamas Drone That Crossed Into Israeli Territory

i24 by i24 News

A drone that Israeli troops recovered in southern Israel that the military said entered Israeli airspace from the Gaza Strip two days earlier, on August 13, 2021. Photo: Israel Defense Forces.

Saudi Arabia Reveals Extent Of Damage To Oil Plants After Drone Strike

TRENDING

"Sidharth Shukla Sent Money During Lockdown": Pratyusha Banerjee's Father

"If We Die ...": What Afghan Resistance Leader, Killed, Had Told NDTV

Inside Rishi Kapoor's Birth Anniversary Party. The Cake Stole The Show

CNN World Africa Americas Asia Australia China Europe India Middle East United Kingdom Edition

Police hunt drone pilots in unprecedented Gatwick Airport disruption

By Sheena McKenzie and Gianluca Mezzofiore, CNN
Updated 0050 GMT (0850 HKT) December 21, 2018

News & buzz

'Almost intentional sa
Doctor reacts to Trur
vaccine...

Analysis: Blow to Me
and Harry with UK w
ruling but...

Multiple drones hit northeast of Erbil, no casualties: sources

Middle East

Drone Attack Damages Hangar at US-Coalition Air Base in Iraq

By Edward Yeranian
May 08, 2021 01:54 PM

Drugs and weapons were given to the windows of the Donacona prison

Drone activity at Augusta Correctional Center in Craigsville causes lockdowns

$6bn Total Addressable Market by 2026

Increasing drone use is driving demand for counterdrone technology across a number of sectors

Military

Government Facilities

Law Enforcement

Protective Details

Airports

Stadiums

Commercial Venues

Energy Production

High Profile Events

Shipping / LNG Ports

Rescue / Fire Response

Correctional Facilities

ersonal use only

What do DroneShield's counterdrone products do?

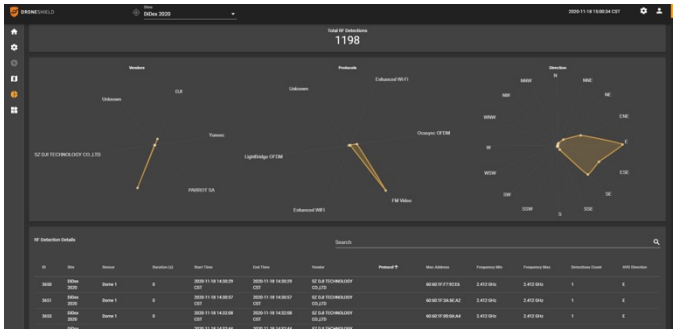
ersonal use only

Step 1

Detect

Step 2

Assess



Step 3

Respond

DroneShield Capability Overview

Rapidly evolving capabilities in response to customer requirements

Hardware with Embedded Software and Associated Services

Dismounted & Body-Worn Counterdrone Solutions

DroneGun

DroneGun Tactical

RfPatrol

DroneNode

Vehicle / Ship / Fixed Site Counterdrone Solutions

DroneSentry-X

DroneCannon RW

RfZero

DroneSentry

Training and Simulation

DroneSim

Location Sensing

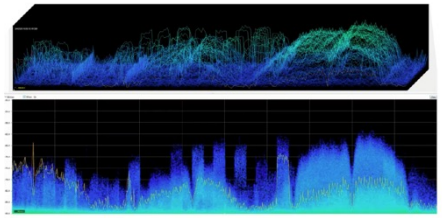
CompassOne

Underwater detection

SonarOne

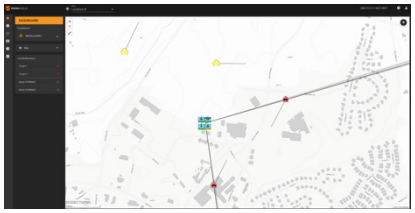
Subscription and R&D Based Software

Electronic Warfare and Signals Intelligence



R&D Contracts

C2 and Universal Tracking Platforms (UTPs)



DroneSentry-C2

Optical Detection and Tracking AI

DroneOptID

ercial use only

DroneShield's competitive counterdrone advantage?

personal use only

Market leading technology...

- ✓ Multi-sensor detection, ID and tracking
- ✓ Best-in-breed detection range
- ✓ Best-in-breed defeat range

...across multiple platforms...

- ✓ Body-worn
- ✓ Vehicle/Ship mounted
- ✓ Fixed site

...underpinned by DroneShield software...

- ✓ Proprietary software integrated across product suite
- ✓ Difficult to replicate
- ✓ Experienced development team for ongoing upgrades and development

... and backed by high barriers to entry

- ✓ Established global channels
- ✓ Established relationships with global defence clients
- ✓ World-class talent with leading product design and R&D capabilities

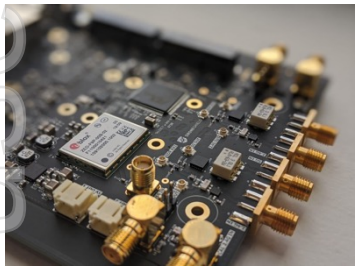
Strategy | Continue Leadership in Counterdrone, Grow Adjacent Capabilities and SaaS

Three-part Strategy

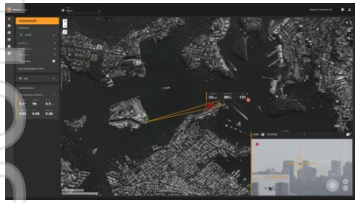
Continue Leadership in the Counterdrone Sector

- The counterdrone market is growing rapidly, especially in the US
- DroneShield is well positioned as the industry pioneer, with on-the-ground US team, and Australia being part of the Five Eye intelligence alliance (US, UK, Australia, NZ and Canada)

Grow Adjacent Capabilities



- **Electronic Warfare** (EW): currently delivering on the second, $3.8m contract with the Australian Defence Force
  - EW includes obtaining intelligence of the radiofrequency signals on the battlefield and applying directed energy to jam, degrade, disrupt or neutralise an adversary capability
- **Command-and-Control and Tracking Systems:** providing a central display/control for numerous assets deployed in the field by military, law enforcement and Government agencies
- **Optical Detection and Tracking**: using proprietary AI algorithms to enhance optical/thermal camera capabilities to detect, identify and track objects for military, law enforcement, Government, airport and prisons



Grow SaaS (Software as a Service) element

- Existing counterdrone detection products include a meaningful ongoing subscription, which will continue to grow with the number of deployed devices in the field – DroneShield provides quarterly software updates
- Adjacent capabilities are purely or mostly software based, either with subscription or longer term R&D cashflows (including counterdrone training and simulation market)

ersonal Use only

1H21 Results | Key Highlights

- ✓ **HY21 Revenue up 87% on HY20, at $6.7m**
- ✓ **HY21 cash receipts up 600% on HY20, at $9.1m***
- ✓ **Rapidly narrowing HY21 losses, 61% down on HY20, at $450k**
- ✓ **$14m cash on hand (as at 30 June 2021), no debt or convertibles**
- ✓ **$10m in inventory (by sale value) on hand for quick delivery and to mitigate supply disruptions**

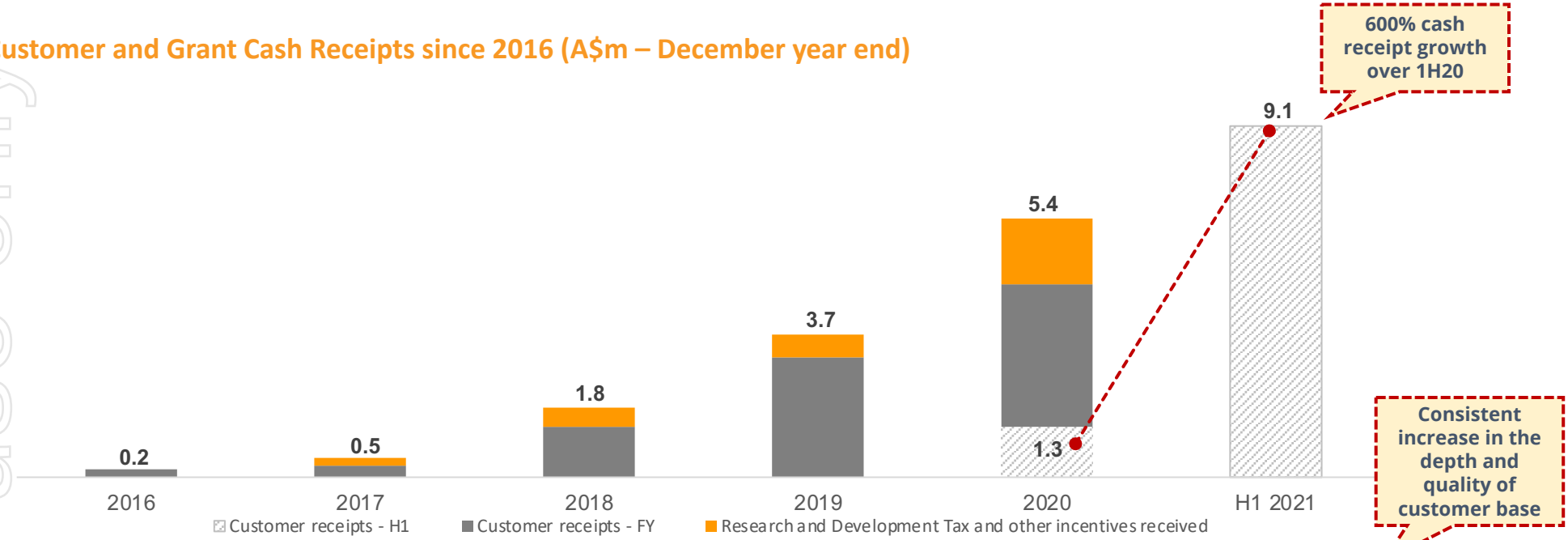
** Difference between revenue and cash receipts is due to revenue recognition standards. The revenue is recognised when the goods or services are delivered to customers. The difference in this period is primarily driven by an order delivered in 2020 to the Middle East, with subsequent payment received in 2021, as well as deposits received on contracts to be delivered*

Personal use only

600% Customer and Grant Cash Receipt Growth on 1H20

Since 2016, DroneShield's total revenue has grown materially each year, with 2021 shaping as the pivotal year

Customer and Grant Cash Receipts since 2016 (A$m – December year end)



Selected customers in period

Note: $1.1m R&D Tax Incentive Grant was received in August 2021

personal use only

Continued Rapid Growth in 2H21

- ✓ **$190m sales pipeline to Dec 2022, with growing focus towards the more business-transparent Australian and the US customer base. Rising repeat sales accounting for majority of cash receipts**
- ✓ **$3.8m contract with the Australian Department of Defence in Electronic Warfare/Signals Intelligence**
- ✓ **Favourable macro environment, with rising counterdrone expenditure globally, and ongoing increases in local defence capability by the Australian Government ($270bn in next 10 years)**
- ✓ **Entry into Training and Simulation market with DroneSim, into Navigation market with CompassOne, and underwater threat detection market with SonarOne**
- ✓ **Team of 60 staff across Australia, US and the UK. Additional hiring continuing opportunistically**

ersonal use only

Contact details

Email: info@droneshield.com

Sydney, NSW (Headquarters)

Level 5, 126 Phillip St
Sydney, NSW 2000
Australia

Phone: +61 2 9995 7280

Warrenton, Virginia

7140-B Farm Station Rd,
Warrenton, VA 20187
USA

Phone: +1 (540) 215-8383

ersonal use only

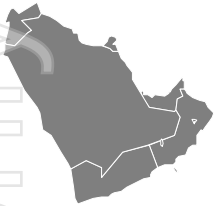
ersonal use only

DRONESHIELD

Appendices

Strong Cash Receipts Pipeline of $190m to Dec 2022

DroneShield maintains a significant and geographically diversified near term high conviction revenue pipeline



Middle East

Pipeline: $73m

- Awarded preferred bidder status for two major Government orders, awaiting execution of contract with customer

Europe

Pipeline: $43m

- Sales to a major European army and contracted EU Police 4 year framework agreement for DroneGun Tactical units
- Airport and prison opportunities

USA

Pipeline: $38m

- Multiple military/Govt agency order discussions
- Initial purchases across wide range of Govt agencies and successful trials completed

Australia

Pipeline: $15m

- Orders and R&D contracts with Department of Defence and intelligence agencies

United Kingdom

Pipeline: $8m

- Sales associated with the partnership with BT
- Primarily Ministry of Defence focused

Other

Pipeline: $10m

- Diverse range of geographic and product opportunities

- The pipeline includes existing defined sales opportunities at various stages of maturity
- The opportunities are unweighted, and measured as expected cash receipts to December 2022

Notes: Quoted in Australian dollars. AUD.USD FX rate at 0.71, AUD.EUR FX rate at 0.61, AUD.GBP FX rate at 0.52
Necessarily, not all, and there can be no assurance that any, of the Company's sales opportunities will result in sales

ersonal use only

Rapidly Growing Electronic Warfare Contracts in Hand

- Electronic Warfare (EW) / Signals Intelligence (SIGINT) area has a number of technology overlaps with counter-drone, as drones utilise radiofrequency spectrum in an increasingly complex and encrypted manner
- EW/SIGINT is generally the domain of Defence Primes, however Governments support specialized smaller firms to promote sovereign capability and encourage disruptive technologies
- DroneShield has received its first EW contract of approximately $600k in December 2020 with Australian Department of Defence, followed by a $3.8 million 2 year contract received in June 2021
- Additional, and larger, follow-on contracts, are targeted for the near term, as DroneShield demonstrates being successful on the projects
- Demand for smart EW technologies from sovereign providers (eliminating "backdoor code" concerns by the customer) for spectrum dominance are rapidly growing, and are an essential part of modern warfare
- There is minimal Australian based competition with suitable capabilities, for this high-end work

ersonal use only

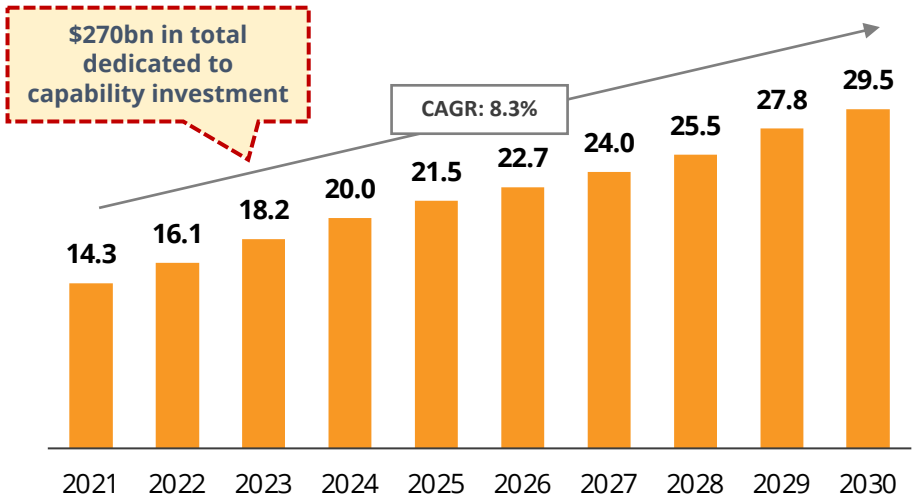
Australian Government is committed to building home-grown defence sector

The Australian Government's defence spending commitment presents a large opportunity for the sector

Overview

- Australia has 12th largest defence budget spend globally, which is very substantial for its 25m population
- $270bn of funding allocated towards "capability investment" over the next 10 years, covering a broad suite of military domains across both acquisitions ($220bn) and future sustainment ($50bn)
- Electronic Warfare, Signals Intelligence and AI (key areas for DroneShield, utilised on their own and inside counterdrone technologies) are explicitly declared as priority areas for homegrown defence sector by the Australian Government

Capability investment funding profile (A$bn)



DroneShield CEO Oleg Vornik with the Australian Minister for Defence Industry, Hon Melissa Price

ersonal use only

Defeat and mitigation solutions in the counter-drone market

DroneShield defeat solutions utilise radio frequency jamming as the core safe defeat component which has advantages over other technologies, particularly, in its use across civil and military applications

	Safe – "soft kill"		Kinetic – "hard kill"		
DRO offering	**RF jamming**	**Spoofing**	**Counter-drone drones**	**Projectile fire kinetic systems**	**Directed energy**
Impact	No intentional damage to the drone		Physical force used with potential for destructive damage		
Imagery					
Overview	• Radio waves are used to force a drone into emergency protocols - causing it to fly back to its starting point, hover, or land	• Protocol manipulation technology allowing the control of a drone to be "hacked" by a third party	• "Kamikaze" or "catching" drones are used to neutralise a drone threat	• Use of remote weapons systems with integrated weapon platforms to shoot down drones	• Use of lasers and high-power microwave systems to "dazzle" or destroy a drone
Advantages	✓ Universal effectiveness against drones ✓ 360 degree defeat coverage ✓ Effective against swarms ✓ Applications in both civil and military environments	✓ Allows for the re-routing and re-direction of malicious drone flight paths ✓ Applications in both civil and military environments	✓ "Catching" the drone can provide information about its flight path / controller and effectively neutralise the drone	✓ Established technology that has been used on military operations ✓ Destructive outcome neutralises any drone threat	✓ "Game changer" in military applications ✓ Effective against highly advanced drones ✓ Systems can be mounted on naval vessels for complex defence systems
Disadvantages	× Potential for collateral interference (if using a "dirty" jammer)	× Not effective against all drones × Higher chance of collateral damage	× Generally slow to deploy × Not effective against swarms	× Risk of collateral damage × Unsuitable for use in a civil environment	× Technology still in infancy and only available for military applications

ersonal use only

Counterdrone detection solutions offered by DroneShield

DroneShield detection solutions utilise layered technology to create highly capable counterdrone systems

	Radio frequency	Radar	Cameras[1]	Acoustic[2]
Imagery				
Overview	• Foundational layer of an effective counterdrone system • RF sensors provide detection capability by matching drone communication protocols to known drone RF signatures	• Systems that act as motion trackers by emitting signals which may be reflected by objects in their path • Reflected signals from the target are scattered back to the radar system	• Electro-Optical (EO), Infrared (IR) and Thermal camera detection are able to provide video analytics and image capture identification of drone activity	• Systems that are able to remove the background clutter from noise made by drone blades and / or motor and compare it to a database of acoustic signatures
Advantages	✓ No interference with other communications in operational area ✓ Low false alarm rate from a high-quality sensor ✓ Direction-finding capability ✓ Long ranges possible and cost effective	✓ Able to pick up drones without RF emissions ✓ Can utilise different technical approaches ✓ A single radar can track multiple targets	✓ Best used for verification / classification and tracking of a target detected by other sensors ✓ Provides evidence of drone intrusion ✓ Potential identification of payloads	✓ Passive, cost effective ✓ Great as supporting/secondary sensor, using acoustic spectrum to fill detection gaps from other sensors
Disadvantages	× Doesn't pick up RF-silent drones × Requires regular firmware updates	× Prone to false alarms despite filters × Longer range drone detection is usually expensive, large size and / or compliance restricted	× Not well suited for detection due to field-of-view vs distance trade-off × Relatively shorter ranges (camera hardware dependent)	× Short detection distances, prone to false alarms × Cannot identify precise location or pinpoint track × Requires regular signature database updates

Source: Company filings and presentations.
1. Camera technology is provided by DroneShield through partnership agreements with Bosch, Silent Sentinel and Trakka Systems.
2. Acoustic technology is provided by DroneShield through a partnership agreement with Squarehead.

ersonal use only

Benefits and applications of safe, layered, counterdrone systems over kinetic systems

Safe counterdrone systems have many advantages over kinetic counter-drone systems, which are only practical for deployment in war-like scenarios

ersonal use only

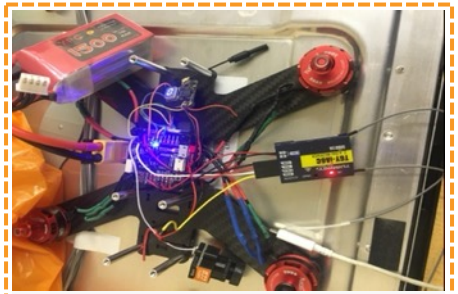
Avoidance of collateral damage

- DroneShield safe defeat solutions force drones to pre-set emergency protocols causing the drone to fly back to its starting point, hover, or land, allowing for the safe defeat of drones
- Alternatively, kinetic solutions could see a destroyed drone fall on crowds of people or inflict "friendly fire" from fired ammunition

Evidence for legal prosecution

- A drone which has been forced to land can be collected by local law enforcement to track the whereabouts of its controller
- As drones are usually accompanied by an image recording device, this can be used as legal evidence to prosecute offenders

Intelligence gathering



- Drones can often carry sensitive instruments or technology
- When forced to land, this technology can be exploited by military personnel to aid in intelligence gathering operations

Multi-platform with scale benefits

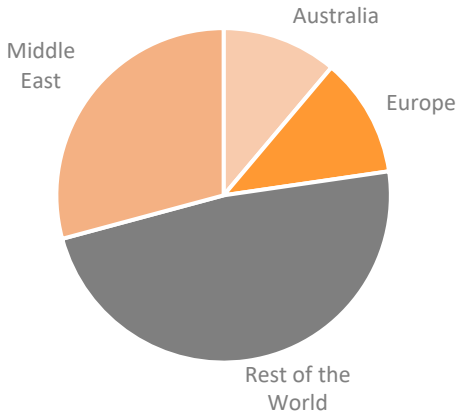
- Safe solutions can be carried on-the-man, mounted on light skinned vehicles and provide continuous passive protection unconstrained by ammunition stores
- Kinetic counter-drone solutions are often mounted on heavy, remote weapon stations and constrained by magazine depth

Increasing Predictability of Cash Receipts via Balancing Geographies

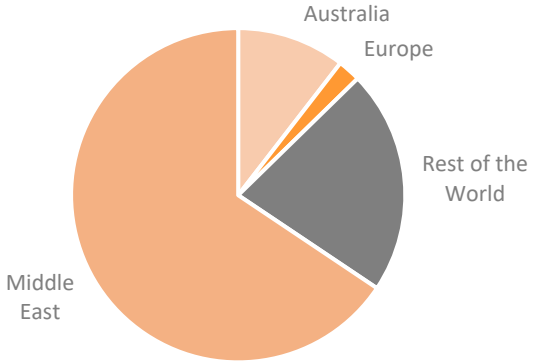
Increasing focus towards the more business-transparent Australian and the US customer base, with deep track record of successfully conducting business (and being paid) in the Middle East

ersonal use only

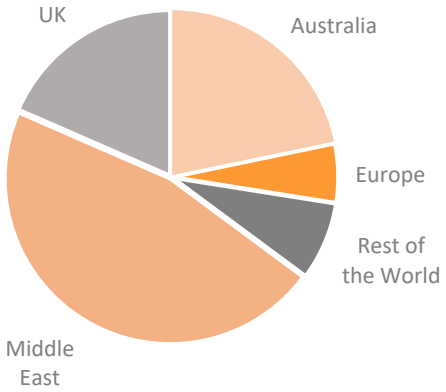
Cash Receipts in 2017



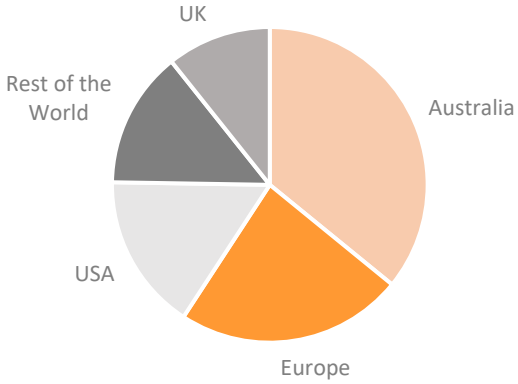
Cash Receipts in 2018



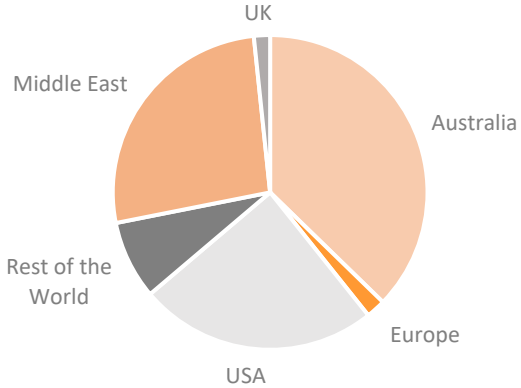
Cash Receipts in 2019



Cash Receipts in 2020

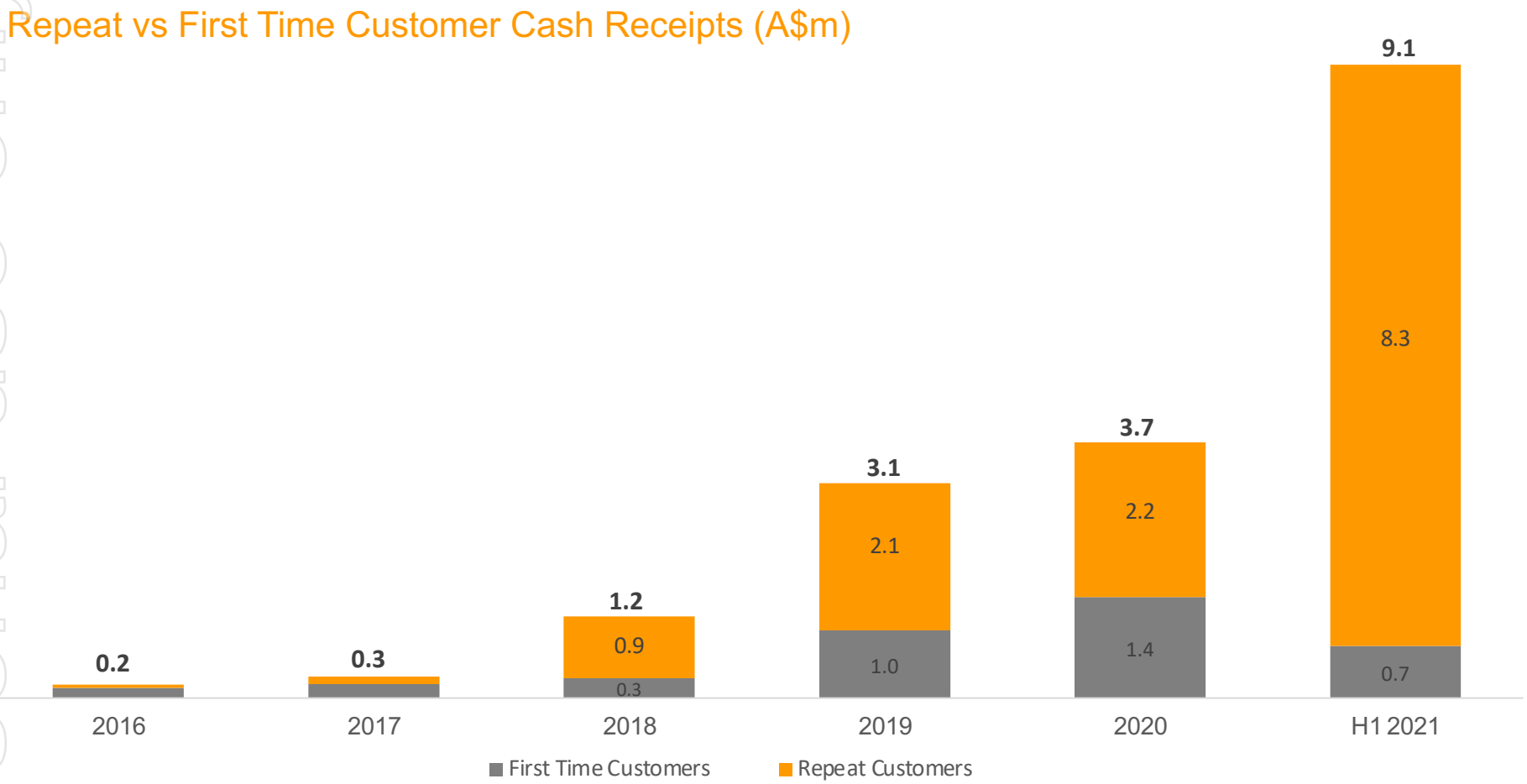


Cash Receipts in 1H21



Increasing Predictability of Cash Receipts via Growing Repeat Business

Defence and Government Agencies often have a long acquisition cycle to first purchase, but are loyal and collaborative customers, once on board. DroneShield has been increasing its repeat customer business

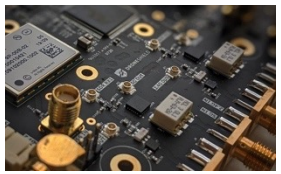


ersonal use only

Continuous Significant Momentum

- **DroneShield LLC Incorporated** (January 2014)
- **First Acoustic Sensor Sold** (February 2014)
- **DroneShield Limited incorporated** (September 2015)
- **DroneShield Limited IPO** (June 2016)
- **DroneShield Limited IPO** (June 2016)
- **DroneGun MKI Launched** (November 2016)
- **DroneSentinel Launched** (July 2017)
- **DroneSentry Launched** (July 2017)
- **First DroneSentinel Demo** (October 2017)
- **DroneGun MKII Launched** (September 2017)
- **$3.2m Order with Saudi MoD** (June 2018)
- **DroneGun Tactical Launched** (February 2018)
- **RfPatrol MKI Launched** (April 2019)
- **DroneGun MKIII Launched** (July 2019)
- **$9.55m Capital Raise** (August 2019)
- **RfZero Launched** (August 2019)

- **Partnership with British Telecom** (September 2019)
- **Australian DoD Purchases RfPatrol** (October 2019)
- **DroneSentry-X Launched** (November 2019)
- **Initial US Agency order** (March 2020)
- **RfPatrol MKII Launched** (April 2020)
- **USAF Grand Forks order** (July 2020)
- **US ARFL C2 funding,** (September 2020)
- **$17m capital raise** (September 2020)
- **Government Agency DroneGun Tactical order** (October 2020)
- **Swiss Airport Deployment** (December 2020)
- **RFAI rollout** (February 2021)
- **Multiple Sentry-X order** (March 2021)
- **2x $1m repeat US Agency order** (March 2021)
- **US Law Enforcement order** (April 2021)
- **$3.8m Government Agency order** (June 2021)
- **Today**
- **2021 & Beyond** →



Confidential

Seasoned senior sales and engineering teams

DroneShield's experienced team carries a solid track record of delivering growth

Peter James

Independent Non-Executive Chairman

- Peter joined DroneShield's Board of Directors in April 2016
- Over 30 years of experience in the Technology, Telecommunications and Media Industries
- Chairman of ASX-listed companies including Macquarie Telecom and Nearmap

Oleg Vornik

CEO and Managing Director

- Oleg joined DroneShield in 2015, and the Board of Directors in January 2017
- Responsible for overseeing DroneShield's market strategy
- Senior executive experience includes Royal Bank of Canada, Brookfield, Deutsche Bank and ABN AMRO

Jethro Marks

Independent Non-Executive Director

- Jethro joined DroneShield's Board of Directors in January 2020
- CEO and co-founder of the Mercury Retail Group
- Extensive commercial experience in successfully scaling a multinational business

Carla Balanco

CFO and Company Secretary

- Carla joined DroneShield in mid-2018
- Instrumental in scaling the company's financial management systems
- Experience working in Chartered, Commercial and Business Development roles

Red McClintock

Sales Director

- Red served 23 years as an officer in the Royal Australian Navy
- Prior to joining DroneShield, Red worked for five years with BAE Systems as a Business Development and Account Manager

Katherine Stapels

General Counsel

- Kat started her legal career in litigation and moved to an in-house role in 2018
- Kat's previous in-house experience includes manufacture and supply of complex Australian defence technologies
- Registered practitioner of the High Court of Australia

Angus Bean

Chief Technology Officer

- Angus joined DroneShield in early 2016
- Merges the fields of mechanical hardware, electronics, software, digital interface and technology
- Experience as the development lead for Australia's largest industrial design and engineering consultancy

John Wood

Sales Director

- John served in the British Army in Angola, Namibia, Northern Ireland and the Gulf before joining the UK Special Forces
- Co-founder of a global security business
- Owned a tech business supplying specialist operational equipment to the British Army

Hedley Boyd-Moss

Vice President, Engineering

- 30 years of global RF and Electronic engineering
- Working knowledge of regulatory compliance standards
- Specialist knowledge in areas such as antenna manufacturing and RF communication modulation techniques

Matt McCrann

Vice President, Sales

- Experienced business development executive
- Over 15 years of experience in the Defense and National Security sector
- Served in the US Navy as an Intelligence Analyst and a member of NSA/CSS's Cryptologic Direct Support Element

Lyle Halliday

Chief Operating Officer

- Lyle is an experienced Systems Engineer with a background in medical device product development
- Responsible for implementation of processes to ensure customer expectations
- Engineering experience spans electrical, mechanical, manufacturing and software

Carl Norman

Embedded Product Engineer

- Carl is an experienced embedded product engineer who joined DroneShield early in 2019
- Over 25 years of experience in electronic product design, manufacturing and project management
- Background in RF products, analogue, embedded and high speed digital systems

personal use only

Capital Structure

Enterprise Value (A$)		
DRO Shares	20c / share[1]	$83.6m[2]
Cash	As at 30 June 2021	$14.2m
Debt	As at 30 June 2021	nil
Enterprise Value		$69.4m

[1] Shareprice as at 13 September 2021. 418,226,152 ordinary shares outstanding at the date
[2] Excluding unlisted options. 24,115,834 unlisted options outstanding as at 13 September 2021

Substantial Shareholders		
Beta Gamma Pty Ltd	21,500,000 shares	5.14%

Director and Employee Shareholdings		
Oleg Vornik, CEO and Managing Director	16,770,022 shares 1,250,000 options[2]	4.01%[1]
Peter James, Independent Non-Executive Chairman	10,052,522 shares 662,500 options[2]	2.40%[1]
Jethro Marks, Non-Executive Director	583,333 shares 166,667 options[2]	0.14%[1]
Other Employees	10,188,954 shares 5,866,667 options[2]	2.44%[1]

[1] Based on the shares held and excluding options
[2] Options issued at various strike price and maturities. For full information please refer to ASX releases

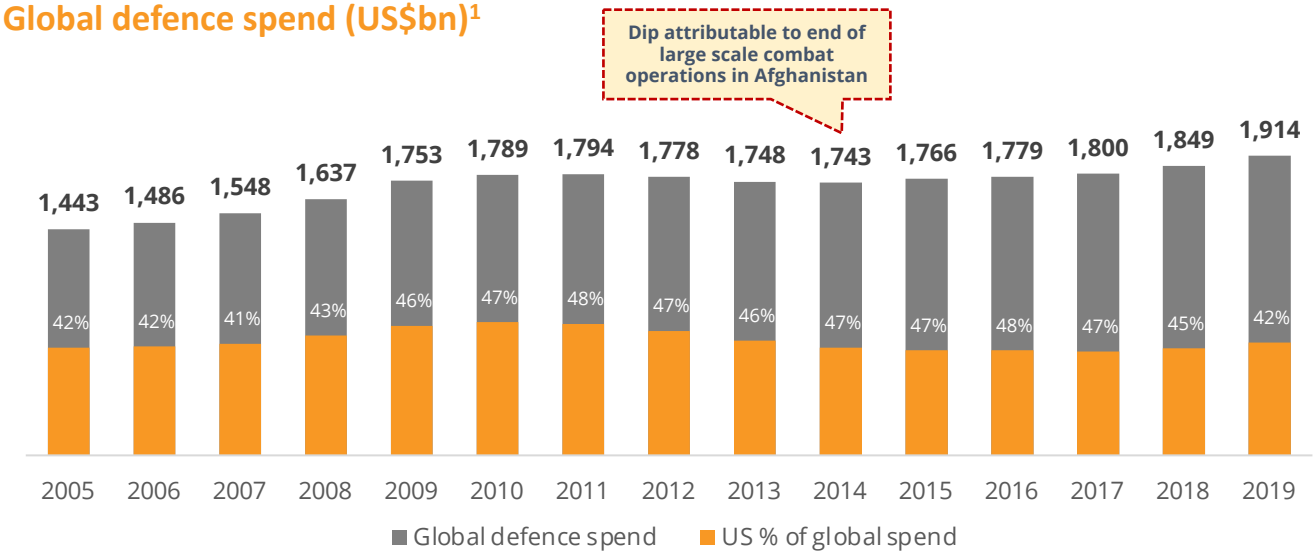
ersonal use only

Global defence spending continues to rise

Overview

- Global military spending in 2019 represented 2.2% of GDP
- Total military spend is primarily attributed to the United States, which grew by 5.3% to total of US$732bn in 2019
- The global increase in spending is predominately attributed to increased tensions and risk of conflict between nation states
- In 2019 China and India were, respectively, the second and third-largest military spenders in the world

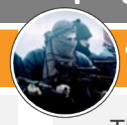
Global defence spend (US$bn)[1]



Hybrid warfare is shaping modern conflict and DroneShield is positioning to be a leader in this space

High intensity conflict

- Strike weapons with enhanced lethality are a core focus of future military doctrine
- Increased defence budgets are being utilised to develop and procure these systems
- Relevant counter-measures are also a core focus



"Grey zone" activities

- The lines of conflict are being blurred with military action undertaken in a covert nature
- Facilitated by technological advancements
- Infrastructure and services are significant strategic targets

Artificial intelligence

- Processing large amounts of data quickly and accurately to support military decision making represents a key technological focus for nations
- Artificial intelligence systems will provide decision overmatch capacity in conflict scenarios

DRONESHIELD

- ✓ Counter-measures for pervasive drone technology with applications across multiple mission profiles
- ✓ Safe nature makes products highly suitable for "grey zone" activities

Source: Australian Government - Defence Strategic Update, Stockholm International Peace Research Institute.

ersonal use only

Disclaimer

ersonal use only

These presentation materials (the Presentation Materials) are confidential and have been prepared by DroneShield Limited (Company). By receiving the Presentation Materials, you acknowledge and represent to the Company that you have read, understood and accepted the terms of this disclaimer. It is the responsibility of all recipients of these Presentation Materials to obtain all necessary approvals to receive these Presentation Materials and receipt of the Presentation Materials will be taken by the Company to constitute a representation and warranty that all relevant approvals have been obtained.

NOT AN OFFER

These Presentation Materials are for information purposes only. The Presentation Materials do not comprise a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or any other law. The Presentation Materials also do not constitute or form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied upon in connection therewith or act as any inducement to enter into any contract or commitment with respect to securities. In particular, these Presentation Materials do not constitute an offer to sell or a solicitation to buy, securities in the United States of America.

NOT INVESTMENT ADVICE

The Presentation Materials are not investment or financial product advice (nor tax, accounting or legal advice) and are not intended to be used for the basis of making an investment decision. Recipients should obtain their own advice before making any investment decision.

SUMMARY INFORMATION

The Presentation Materials do not purport to be all inclusive or to contain all information about the Company or any of the assets, current or future, of the Company.

The Presentation Materials contain summary information about the Company and its activities which is current as at the date of the Presentation Materials. The information in the Presentation Materials is of a general nature and does not purport to contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement or other offering document prepared in accordance with the requirements of Australian law or the laws of any other jurisdiction, including the United States of America.

The Company does not undertake to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Disclaimer

FORWARD LOOKING STATEMENTS

Certain statements contained in the Presentation Materials, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:

a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and

c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements.

All forward looking statements contained in the Presentation Materials are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

NO LIABILITY

The Company has prepared the Presentation Materials based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the Presentation Materials. To the maximum extent permitted by law, the Company, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Commonwealth of Australia)and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation Materials or its contents or otherwise arising in connection with it.

ersonal use only