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DroneShield receives commitments for $9.55 million placement

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DroneShield Limited (**"DRO"** or the **"Company"**) is pleased to announce it has received commitments from institutional, professional and sophisticated investors to raise $9,550,000 via a placement of 47,750,000 ordinary fully paid shares at an issue price of $0.20 per share ("**Placement**"). The new shares will be issued utilising the Company's existing placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A. The issue price under the Placement represents a 33.3% discount to last close, 23.2% discount to the 5 day volume weighted average price ("**VWAP**"), and 18.8% discount to the 10 day VWAP prior to the date of this announcement.

Peloton Capital Pty Limited ("**Peloton**") is acting as Lead Manager to the Placement and received strong demand from new and existing institutional, professional and sophisticated investors. Brentbridge Capital Pty Limited is acting as the co-Manager to the Placement, alongside Peloton.

Peter James, the Company's Chairman, said "We are pleased to see strong investor support with demand for the placement in excess of the funds the Company sought to raise. We welcome the new investors, including several large institutions, onto our register. As the Company is now well positioned on the cusp of transformational growth, the new capital will be deployed to ensure we can secure and deliver on the new contract wins".

Net proceeds from the Placement will be used to fund:
- bonding requirements for new contracts (where required) , as they are secured;
- further development and integration of detection and countermeasure technologies, consistent with end-user requirements;
- an increase in stock levels (detection and countermeasure products);
- an increase in manufacturing capabilities;
- expansion of the Company's sales and marketing effort globally; and
- general working capital.

Oleg Vornik, DroneShield's Chief Executive Officer, commented: "Following three consecutive record quarters, we are excited about the near term significant contract opportunities in front of us. The proceeds from this placement will allow DroneShield to take advantage of these opportunities through meeting the requisite bonding, scale of manufacturing, and global business development resourcing requirements".

Under the terms of the Placement, Peloton will receive a commission on the funds raised, as well as an aggregate of 10,000,000 unlisted options (which expire on 5 August 2022 with an exercise price of $0.40) (the "**Options**"). The issue of the 10,000,000 Options is subject to shareholder approval, which will be sought at the next shareholders' meeting.

Completion of the Placement is expected to occur on 7 August 2019 upon which the Company will release a further announcement.

Further Information

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About DroneShield Limited

Based in Sydney (Australia), Virginia and Washington DC (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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