1 September 2022   **ASX RELEASE**

Record $2 million European Order

DroneShield Limited (ASX:DRO) ("DroneShield" or the "Company") is pleased to announce that it has received a $2 million order for multiple DroneSentry fixed site detect-and-defeat systems from a European Government customer. This is a record size contract for DroneShield's European market.

Substantial majority of the payment for the order is due to be received in the current September 2022 quarter, with the balance on system installation prior to end of calendar 2022.

The systems include SaaS subscriptions to DroneShield's Artificial Intelligence software engines, being RFAI^{TM} (radiofrequency sensor AI), DroneOptID^{TM} (optical computervision AI) and DroneSentry-C2^{TM} command-and-control sensor fusion engine.

Oleg Vornik, DroneShield's CEO, commented "This order continues our progression from developing the tech, to smaller sales, to repeat smaller size, to presently realizing larger contracts. There is a substantial near-term sales pipeline in place, and we are pleased to start converting it into contracts."

"This contract reinforces our position that to be a global leader in the rapidly growing counterdrone sector, a full suite of products is critical, including handheld, vehicle and fixed site offering, as we are seeing sales with separate customer sets for each of those complementary products."

Image: DroneSentry^{TM} detect-and-defeat system

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) 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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