Okay, today I'm delighted to welcome back Oleg Vak from,
uh, drone Shield for those new to the Story,
drone Shield is a global leader in counter drone technology,
develops hardware
and AI driven software platforms that detect track
and defeat hostile and unauthorized drones.
Uh, their solutions are used by governments,
by military operations,
but also in the civilian space as well.
So think of anything from a military base to an airport
to stadiums, uh, prisons, that kind of thing.
Uh, and this is, if you've been watching the news,
of course, you know that this is a market
that is expanding rapidly.
The use of drones in, in modern, uh, conflict
and security incidents has made counter drone capabilities
really a strategic priority for any players in that space.
And, uh, look, drone shield's really been at the forefront
of that for over a decade now.
Um, I was just saying to Olag, we've spoken, uh, before,
but it's a been a long time between drinks.
The first time was in, uh, October of 2022,
and then in August of 2023.
A lot has happened since then.
Uh, the share prices has moved a lot,
but I, I suppose the, um, uh, the thing that we like
to focus on is underneath that you've seen a business
that has continued to scale extremely well.
Uh, if you saw the more, uh, recent results for, uh,

first half of FY 25,
we saw a 210% increase in revenue,
now over $72 million.
And, uh, the company's in profit, a pretax profit, the best,
uh, profit the company has ever delivered, in fact
of over $5 million in the first half as well.
So that's very encouraging.
And, uh, for those that like to sort of look ahead,
we've got a, a very solid, uh, sales pipeline as well.
So everything seems to be going really well for the company,
and it's, it's a perfect time for us
to catch up again with Olag.
Just a quick reminder that, um,
if you do have any questions, uh, you can use
that Slido link and, um, we'll get
to them in, in due course.
And of course, please remember, none
of this is financial advice.
So, uh, Ole good to see you again.
Likewise. Thank you, Andrew.
Uh, congratulations on the momentum,
I suppose is the first thing I, I should say, it's been,
the market's been a a as, as is always the case, a pretty
volatile place since we last chatted, but,
but things seem to be going pretty well.
Well, we're seeing ongoing adoption
of counter drone technologies around the world, Andrew, and,
and this is, uh, of course now underscored

by everything going on in Europe in terms
of the drone flights.
But, but really, uh, there's been also a lot of
momentum more generally.
So Ukraine has kicked off, uh, a lot of
focus on counter drone technologies.
Yeah. And, and militaries, unfortunately, being, uh,
government agencies have taken a long time for, uh, for
that market, uh, adoption.
And we started seeing first multimillion dollar contracts
then, uh, contracts, like the $62 million European order,
um, and, and now, uh,
that low market situation.
So nobody really had anything when Ukraine
started three years ago.
Hmm. Uh, is really starting to, uh, kick in.
And you also mentioned during your introduction, thank you,
about the civilian sector.
Yep. So the, uh, the airports, uh,
data centers, energy infrastructure, so all
of those customers are starting to display interest.
And I think while civilians have been slow to start, once
that, uh, once that goes, it'll be, uh, really quick.
Yeah. Yeah. I mean, it, it is so often a case
with pioneering technologies of, um, very fond of the phrase
of gradually then, then suddenly.
And I, I was reviewing our,
our chat from over two years ago now,
and I know one of the challenges that you were sort

of talking about then was just trying to sort of, um,
establish yourself as, you know, a credible partner
to some of these organizations.
And as you just sort of said then, a lot
of companies are very sort of clients, I should say, sort
of slow to move, and they sort of look for that sort
of social proof, you know, be, no one wants
to be the first sort of to act.
Now, I, I, I suppose a war sort
of sharpens the pencils on a lot of things as well.
But as you are, as you are, um, have been behind the curtain
with a lot of these big players, particularly
with the US military
and stuff, is that helping with the brand recognition,
not just in terms of drones writ large,
but particularly with drone shield?
So when the, your sales team knocks on the door now,
is it a, is it a much more receptive, um, uh, audience?
For sure. We are pretty well known in our space.
Counter drone is, uh, obviously somewhat of an niche,
niche space, but I'd say anybody who's looking at drone
detection defeat would have drone shield as, as one
of their, uh, top several brands.
And we do have competition, everybody does.
But we find that there is nobody quite as, uh,
UBI ubiquitous.
Uh, so right across geographies, product segments, uh,
so handheld solutions on the move, fixed side solutions, uh,

product maker integrate and so on.
And that is, that is helping, uh,
and customers are getting more educated,
which is really helpful in terms of shortening sales cycles.
So maybe five years ago when somebody would reach out to us,
like a military government agency would often be their very
first time buying system,
which would mean about a maybe a two year sales cycle
by the time the customer figured out what
to expect from a system, how they should deploy it,
how to even get the budget.
Because if you've never purchased a particular technology
before, where, where do you, where do you go inside
of your chain of command?
How do you, uh, how do you apply for it?
And now we're seeing customers, uh,
largely just scaling up from
smaller purchases than done before.
So they're confident, they know what
to expect, they know what they want.
They know how to get the money inside of their businesses
outside of the organization.
So everything is just happening at much faster cadence.
Yeah. Uh, I, I suppose also too,
they're seeing firsthand the, um, the,
the proposition, uh, on the ground as well.
So it's sort of all good
and well to sort of say, Hey, you might
need this, this might be handy.

But I suppose when, when, uh,
people in the field are using it
and are using it to great effect, that that sort
of helps things as well.
Do you, do you find that there, it's gone from more
of a sort of a, a having to make the case, uh,
you know, initially that, Hey, this might be useful
for you guys, to them very much demanding it
and saying, no, we need this and we, and we need it now.
Yeah, very much so. There's a huge sense of urgency
and, uh, also sense of how quickly can you deliver, which is
where, yeah, our, uh, uh, $80 million inventory
by book value, so obviously much higher by sale value is Mm.
Uh, so about quarter of a billion dollars
by sale value is really, really coming in.
And what a lot of our customers have been burned in the past
with other technologies is, uh, they go their go to vendor
and the vendor can deliver, say, five systems,
but when it comes to 500, they really struggle.
So, for example, fact that we could deliver the $62 million
order to Europeans in a space of two months, uh,
because of that inventory was really helpful.
And that is also driving our expansion from 500 million a
year in production capacity
to 2.4 billion in gradual increases by end of next year
as we open our European US manufacturing, uh,
significantly expanding Australian manufacturing
and a lot of it, by the way,

done on contract manufacturing basis.
So the amount of CapEx involved
from our end is pretty minimal.
Yeah. Yeah. That's really nice.
We should probably take a step back here and, and,
and let's talk a little bit about, if we can sort of the,
the business model per se.
'cause we've obviously got a hardware component.
We've got a software component,
there's a subscription component to all of it for those
that aren't familiar with how, how the business works.
And I know a lot of people go, okay, you sell,
you sell counter drone technologies.
How does the business actually function?
What does the structure there look like?
So I think a lot of people think drone shield sells drone
guns, and we're sort of a victim of the success and, and,
and great branding of Drone Gun as, as essentially
what really made the whole sector famous.
But it's actually our most basic technology,
even though we still sell a lot of them today,
and we'll continue to do so.
Yeah, the, the business does hardware
and software today, it's about 95% hardware, 5% software.
But we are doing a lot
of work moving towards our target of 30 to 40%
of revenue being in software in SaaS
over the next five years.
And the way we do this is several things.

Uh, so one,
we have several call them legacy product five drone guns,
which do not receive software updates,
because at the time when we released them,
there was no real need for it.
But now every product going forward has SaaS attached to it
for RF patrols, for example.
Uh, it's roughly 10% of the upfront purchase price.
And in there's Drone Century, which receives that.
Then earlier, um, so about a week ago, we have, uh,
released our latest quarterly embedded firmware release,
which is basically SaaS, uh, saying
that we created a new product called RFAI attack, which is
AI enabled Defeat solution.
Uh, so that will go into all
of our software defined drone defeat products going forward,
uh, and, uh, initially in, uh, drone Century eggs,
but eventually in the successor to the, uh, drone gun when,
uh, when we release that.
So, uh, so yeah, the, the, the focus is on getting to 30
to 40% of revenue in SaaS
within the next five years.
And of course, in the backdrop,
the revenues themselves growing significantly.
While we don't issue guidance, uh, as
of last published numbers, uh, back in August,
we had about 176 million locked in revenues versus
57 million all of last year.

And, and we're about to release our
September quarter results, which will give an
update on that amount.
So we we're excited about, uh, that investor release.
Uh, so the products themselves, there's about 10 of them.
Uh, I across the detection defeat families
of handheld on the move and fixed side solutions.
And the on the move and fixed side solutions also include
other SaaS products like the command
and control system, which stitches together various sensors,
uh, other AI enabled solutions like Drone Op id, which is AI
enabled, uh, computer vision software.
So while we don't make cameras, plenty
of people make great cameras, we do software behind it
that can detect and, and track drones.
Uh, so yeah, a lot of folks, so the businesses on that sort
of software enablement now, I'd say that the,
the complexity lies in both hardware
and software, especially when you think about AI on edge.
So I think a lot of people when they think of ai, they think
of chat, GPT, which is your lms
or large language models, which is connecting to large, um,
server farms in the cloud.
And while it's, it's exceptionally difficult to do, I'm not,
I'm not, uh, making it sound simple,
it's actually much harder to do AI on edge.
Why? Because if you are deploying kits,
say on a bellfield in Ukraine, you don't have luxury
of always being connected to the internet.

And, and same thing goes to a lot of other customers.
So now you're creating hardware that needs
to run very complex software engines
that all sit right in the palm of your hand.
Uh, so the amount of complexity on hardware
and software front, but also the mode for the business
because of that is quite significant.
Yeah. What would you say is the more challenging part from
the r and d perspective?
Is it the, the hardware component or the software component?
And where, where does the, um, the focus
for drone shield, like,
So it really fuse in our minds when you think about our
largest engineering team,
which is called radio frequency embedded team,
or just embedded, uh, engineers,
I'd say they probably would consider themselves,
if you ask them hardware engineers, but truly they're both.
Yeah. Because by the time you're programming circuit boards,
you are operating at such low level of hardware, so
to speak, as opposed to high level when you're programming,
for example, like a Windows interface, uh, it,
it's really one and the same, the hardware
and software in terms of, of how you, how you design it.
Uh, I'd almost compare it, I suppose maybe, maybe
to manual versus automatic car where you're much more closer
to the metal, um, when you,
when you're doing your embedded hardware coating,

and then you're doing things like
waveform designs are looking at antennas
that can scan enormous amount of bandwidth.
Uh, so drones have no way to hide.
Uh, so, so I'll really say it's a 50 50 between hardware
and software now over the years.
So looking into the future,
I would say this would become more of a software defined
business because, so we're essentially competing against the
Chinese government, plus Iranians, Russians,
and so on, but the Chinese are the best.
Mm-hmm. Mm-hmm. And, and, uh,
while they're great at innovation when it comes
to small drones, and,
and by the way, I think a lot of people think of Chinese
as copiers, and in some other things they have been,
but for small drones, they're 100% innovators.
And at the, at the, uh, front
of the field ing making the best products, uh, you think
of DJI and Autel probably being two greatest small drone
companies in the world and both, uh, or, or Chinese.
And, you know, you buy a, uh, Autel drone
for $20,000, uh, at, uh, you know,
your local electronic store, expensive by $20,000 in scheme
of things is, is still, uh, relatively not much compared to
what military drones would cost classically speaking.
Mm-hmm. And that would have, uh, software techniques inside
of it that five years ago would be clar
classified military secret.

And you know, now you can buy it for your child.
It is pretty insane. So, yeah, I think, uh, so,
so Chinese will continue to innovate, which is great,
because what we say is that if they stop,
which I don't think they ever would,
because the cat mouse game, uh, yeah.
Then the counter drone industry gets commoditized
and it, uh, you know, the gross margins will collapse.
So that, that's how advantage keeping up with innovation
that the other side is doing.
Um, mm. But, but I'd say it,
it will come a time on the hardware front where
drones will hit the limits of physics, where there's only
so much you can do on the, on the hardware front.
And at that point, a lot of our innovation will become more
software defined, uh,
where the hardware will become basically as flexible as
all the physics allow it to.
But I mean, you look at innovation and computing and,
and that can continue to generate more
and more advanced hardware.
So I don't think it's gonna happen
anytime in the immediate future. Yeah.
Uh, speaking of r
and d, I know that's also a revenue stream
for you guys, I believe.
So it was more of a, from a, a, a contract basis.
Can you tell us a bit about that side of the business?

So about maybe five, six years ago, we started doing work
for a five I, um, meaning Australia, uk,
US Canada, New Zealand, uh, department of Defense to do
electronic warfare work, basically about detection
of never seen before signals.
And this is outside of drones,
but, uh, our
AI software is fairly agnostic in terms of what kind
of signals it can pick up.
Mm. And a lot of it is strictly for that project.
So in terms of the, you know, the, the,
the work is specifically for that customer.
And, and I think over time we can do more
of our electronic warfare for other customers.
We're doing an 11.7 million two year contract with a batch
of, uh, two year contracts leading us up to now.
But I think when that ends, it'll be a,
a much bigger follow up contract
as finally the software goes behind, uh, past just the r
and d phase and more actually being deployed
on the customer's platforms, on the customer's assets.
Mm-hmm. Uh, but a lot of the learning, I guess,
ideas in the, in the heads of our engineers
get transplanted into our counter drone space fairly,
fairly directly because our AI detection for never seen
before, drones is exactly that.
So how do you, how do you create algorithms
that can pick up essentially needles in
haystacks that you've never seen before?

It may not be a needle, it can be a button,
but you still pick it up because, you know, it's a drone.
Um, and Mm. And,
and so very serge, uh, even even though
that EEW work is small, so 12 million over two years,
it really puts a lot of core capabilities into our,
uh, mainstream work of Canada. Yeah.
Um, one, one of the things
that really made my ears pick up when we,
we last chatted was just, um, the, the requirements
that need to be satisfied
before you can sell to some of these, uh, large military,
um, uh, outfits, the US in particular, you,
you need the proper authorizations.
And, and I guess I think everyone agree
that's some difficult to get,
but a pretty nice moat once, once you get it.
Can you elaborate on that for those that are new to it?
So, for example, I come up in my garage with a technology
that's fantastic, perhaps even better than
what you guys have got.
Um, I just can't knock on the door
and start selling, uh, anytime soon.
Can can you walk us through what's, um,
uh, the situation there?
Yeah. So I think a lot, there's a lot of people out there
who think that selling to the military's money
for jam and, uh mm-hmm.

You basically just get in and start selling.
But just like you said, Andrew,
it's not like you can Google, for example, um, US Department
of Defense, uh, you know, purchasing department,
and there's like a little email and a phone number,
and you call them and they start
placing purchase orders, right?
So the, the, the purchasing process, just like everything
with militaries is deliberately, well,
I'd say somewhat is deliberate, somewhat is,
it's probably just how it is
with the government department is, is, is, uh, very obscure.
Yeah. And a lot of it is also based over a
long timeframe of relationships.
Mm. So militaries tend to form trusted bonds
with their vendors, and then they communicate a lot
of feedback back to the vendors.
So when you sell B two G,
so essentially business to government mm-hmm.
Um, that you, you, you,
you form these very long term trusted relationships,
which is why, which is why it's so hard to disrupt it.
So it's not like, say for example,
you sell into consumer market
and, uh, uh, it's a lot more of a, uh,
transactional relationship, say between you
and, uh, an apple when you're buying an iPhone.
Yeah. Uh, so, so it, it took us
few years to get in.

Uh, and some of it is f hiring the right salespeople, some
of it being in front of the customer when
the opportunity opens.
Uh, so for example, uh, we were there
because we're essentially first movers.
So starting 10, 11 years ago, as a lot
of our customers just started looking at counter
drone for the very first time.
And, and so we're there during these extended trials
and certifications, uh, sign-offs, uh,
smaller purchase orders, larger purchase orders,
and once you are in, uh, you really need to mess up
for the customer to move away from you
because it's just as painful for them to find somebody else,
a new vendor as it is for you to crack into, uh,
into that system.
Uh, so yeah, it, it, it's very difficult.
But at then, at the same time, even if you look at
established MI military vendors like say Lockheed Martin,
and sometimes you get question, well,
what happens if tomorrow Lockheed decides
to invest a billion dollars
and really get cracking on the counter drone game?
Mm-hmm. They're not really well fitted in terms
of their business model for dealing in counter drone,
because you think of the nature of the industry.
So drones are cheap, uh, by military standards, and,
and so the counter drone systems need to be cheap as well.

So if you think about, if you think about, so, you know,
our gear costs tens
or hundreds, thousands of, of those per system.
Mm-hmm. Uh, now if you go to somebody like Loki or Raytheon
and say, Hey, I, I'm looking to develop something that,
or you need to develop something that needs
to have hardware refreshers every three to four years,
because that's just what the nature
of drones technology dictates itself.
You need to have software that, uh, needs
to be updated every three months.
That will be pretty cheap.
And then, by the way, you need to develop on your own dime.
So military primes love working on a cost plus basis
with the government customers,
because that's a great business model.
You get to have cost and time overruns
and you know, you're making even more profit
than if you'd be running on time.
Uh, and, and you, you give that business model to,
to a defense prime, and they say, you know what?
No, thanks. We're good. We'll keep making missiles.
Uh, and, and to
Tomahawk missiles are far more profitable, I guess. Oh, a
Hundred percent. A hundred percent.
Uh, so as a result, uh, most
of our competition tends
to be mid-tier private equity backed, um, businesses, mostly
American, but also some, uh, European.

Mm-hmm. And, and we expect the trend to continue
as the industry gets large.
I mean, it's possible that some of the primes will decide
to get into that sector by acquisition,
but to get in there organically,
I'd say it would be very difficult for them.
Yeah. Um, one of the things
that I really notice at the latest set of resolve, mean,
it's hard not to notice, of course, but,
but this big pivot to, to a, a nice profit here.
And, and, and one of the, um, challenges, I mean, these are
of, of all the challenges you have as running a business,
this is the best kind of challenge to have, mind you.
But you, you've got, uh, a product, uh,
you've got a first mover advantage.
You've got a lot of traction and sales are flying.
Uh, but as you say, you know, you need to make sure
that you've got the production capability.
You've gotta make sure that there is enough r
and d to say, current, you've got to, um, ramp up all
of the, so sales are, are flying, but,
but the costs need to ramp up, uh, a as well.
Uh, and as you say, in a very fast moving sort of space.
So it's interesting to sort of see the business go from,
gosh, what was it?
You know, I think 11 staff when you, when you first started
to, to now just sort of shy of around 200 or so, uh,
and revenue of course going, going through the roof.

Do you reckon that you're on a, a a, a,
you're in a situation now where, I mean,
there'll always be unique, unique circumstances, uh,
but where you'll largely be internally funded in, in terms
that you'll be able to continue to develop and enhance
and grow, but to do so just from the cash flows
that are being generated by the business,
That's our target.
So we had a very clear message from our shareholders
that they want us to be cashflow positive and profitable,
and that is what we're targeting moving forward.
If and all the information is, look, it's out there in,
in, in the public domain.
So if, let's say we did, as an example,
$200 million in revenue year, um,
we have historically operated on 65% margin gross margin.
So that will give you roughly 300, sorry, on 200 million
of revenue that gets you about 130 million of gross profit,
uh, the fixed cost base of the business.
If you look at our last four Cs,
roughly a hundred million dollars.
Mm-hmm. So that will get you roughly about, uh, 30 million
of cash EBITDA type number.
Mm-hmm. And, uh, the,
the largest non-cash component historically, in terms
of expenses has been stock payments to employees mm-hmm.
To align, uh, employees with, uh, investor interest.
And, um, that historically has been about 10 million bucks.
So that will get you about 20 million of profit

before tax, um,
assuming now one-offs on the 200 million of, of revenue,
which is about a 10%, uh, profit margin.
Now, if, for example, you happen to double your revenues,
uh, that will get you to 400 million of revenue,
assuming same gross profit margins, about 260 million
of gross profit.
Uh, but I, I think we are now getting to the point of
that operational leverage where for doubling of the profit,
you think about what's making our cost base,
which is most engineers, we'll continue scaling.
I mean, we're sitting at about 400 employees today out of
that, about 300 give or take engineers.
Right. Uh, and,
and that might increase, let's say an example, maybe 30%,
but that will still generate, give
or take maybe about a hundred million of profit
before tax on 400 million of revenues,
which is about 25%, uh, profit margin.
So you're seeing that operational leverage really step up
from 10 to 25% as your double your revenues and, and so on.
So, and, and that is basically because r
and d is a key part of our expenditure, and also
because of contract manufacturing.
So as we expand mm-hmm.
We're not looking to, you know, double, triple our workforce
because it just makes a lot more sense to offload
to other people when it comes to contract manufacturing.

Yeah, nice. I mean, it's, it's so, it's
so wonderful when you, when you see that,
that operational leverage kick in.
Um, now all that said
and done, um, I'm sure you know, you know,
investors can be very fickle, you know, it, it, it,
sometimes they'll be saying, oh, ag we want revenue.
And then they'll say, no, we want free cash flow,
and now we want this.
And, and, you know,
I I say it from the perspective of an investor.
I don't think investors really know what's
best a lot of the time.
And, and really it's just make the share price go up.
Um, but, uh, if,
if you had your druthers, would you, would you prefer
to be able to spend more,
or do you think some of this,
the current investor sentiment is to a degree
limiting the growth potential?
And I, I say this because I think that
at least within our group, we're pretty practically minded,
and we understand that it's not
so much about the cash flows in any one particular year,
but on the long-term return on invested capital.
In other words, if DroneShield has an opportunity
to invest hundreds and hundreds of millions of dollars
and get a very attractive long-term return,
that would be a good thing, even if it meant, you know,

a few, a few more years of loss.
Uh, so I'm not trying to lead the question too much here,
but I'm, I'm, I'm, I'm trying to get at, at a sense of,
do you feel as though this would be the path that you,
would, you, you would otherwise be happy to take anyway?
Or, or in trying to placate the whims of, of, of, uh,
investors that it is sort of limiting the, the growth
that you would otherwise like
or believe that you could achieve?
There's no, there's no limiting.
So we've grown from 250, uh, people as of December last year
to 400 now and still growing.
Right? Right. That's a huge increase.
If you think about the cost base,
if you think about just sheer growth across the business,
uh, we wanna make sure that as we scale,
we're actually increasing the average quality
of our employee base, not reducing it.
Mm. Yeah. I think there's a strong temptation just to,
to sort of put bums on seats in some companies and,
and just get growth for the sake of it.
But, um, and look, I think honestly, it's much harder
to hire 50 good engineers and five good engineers, right?
Yeah. Uh, and, and then as you,
as the company becomes bigger,
processes become more complicated.
So, you know, it's no longer 10 people sitting
around the table just spitballing ideas.

So you want to be careful how you grow not to not
to do things which are nonsensical, right?
Yeah. So we're very, we're, we're, we're very minded.
I mean, you know, we're, uh,
obviously are equity incentivized as well, uh, not
to do things which just make no sense from a
long-term perspective.
And, uh,
and so for example, on acquisition front,
we looked at several acquisitions over the last several
years, which, which could have made potential sense.
But as we did more due diligence,
we realized this was not the great thing.
Another the best thing for us.
And, and also mindful that often as you acquire businesses,
the target actually ends up getting the better
outcome than the acquirer.
Um, as you know, you, you basically shower them with money,
and then the founders walk away
and you know, then what whatever you got left is
as, as they acquirers.
So we haven't made acquisition, not
because I guess, of lack of effort, but just
because we have been exceptionally disciplined
and want to make sure for acquisitions, we get it right,
just like we do with the staff and the CapEx.
And look, we are, we are very, uh, very focused on, on
making sure we're not wasteful.
Uh, so yes, no, we, we, we, we are not, um,

we are not feeling well restricted.
Uh, it is just naturally,
if you wanna hire the best engineers, the best salespeople,
the best operational guys, there's only
so fast you can grow without dropping your standards.
Yeah. Yep. That's a great, that is a great answer.
I, I love that. Um, speaking of acquisitions, what,
what would be the capabilities that you would look
to acquire if you could,
just from a hypothetical standpoint,
when you look at the current business
and you go, gosh, this is where we're limited,
an acquisition could, could really accelerate, uh,
our efforts in a, in a particular area.
What are, what are the characteristics you're looking
for in an ideal acquisition?
If, if one was to come along?
I don't think we're limited in anything.
And I think if we don't come across anything foreseeable
future, the business would be totally fine
and really well positioned to continue growing.
But if I'd have my perfect list in a sense that, you know,
what could possibly make us even stronger?
So I, I, I think the future of sensing, so drone detection,
so I'm separating detection
and defeat is kind of two separate branches.
Yeah. Uh, so, uh, I think the future
of drone sensing is very much about passive technologies,

meaning technologies that don't radiate energy.
Because when you radiate energy, you give away your location
to skilled adversary.
Now, if you're protecting an airport, doesn't really matter.
I mean, although at airports,
they don't really want emitting sensors anyways,
because that could potentially mess up
with whatever else they got going on.
Yeah. Like other radars.
Um, but if you're, for example, in Ukraine
and you are using any sort of pass, sorry,
any active sensor, like an active radar, you are
actively transmitting your location
to the other side, to the Russian.
So we'll then basically send artillery strikes
or other means of having a go at you,
and you really don't want to be
disclosing your location like that.
So in that sense,
our radio frequency technology is really good
because it's completely passive,
so it doesn't give away its location.
But say if we want to also add a radar today,
we use active radars from third parties,
and we do some software behind it as well.
And, and that wouldn't really work in a, in a sort
of an active war setting for, for the reason I mentioned.
So passive radars are a new technology.
There are a couple of companies which are out there.

Uh, there's been none that we came across that would work
for DroneShield as it stands today,
but we are continuing to look at it.
And so what, what passive radars are is instead
of radiating energy and basically
that energy bouncing against airplanes
or other things in the air, and then you,
you tracking those objects, you are
using background illumination.
So things like, uh, terrestrial network, cell phone towers,
and how that background illumination interacts
with objects in the air.
Mm-hmm. And then you are, uh,
tracking objects without basically using any
of your own energy in the process.
It's a really cool technology.
And I think, uh, future
of rated technologies very much about passive.
Now, it has a lot of, a lot
of limitations as it stands today.
So I don't think it's gonna be technology that will overtake
active radar anytime soon.
But, but like, as I think about a 10 year horizon, uh,
I'm really excited about that mm-hmm.
When it comes to drone defeat.
So we think jamming, which is what we do today,
is a really good technology.
It's, it's non hurtful for humans. It works against swarms.

People talked about fiber optic drones and,
and AI drones and all that.
But I think honestly, a lot of it is aberration
and jamming is very much what you'd use for vast majority
of the threats out there.
And, and for kinetics, look,
kinetics have a lot of limitations.
I don't think bullets work well against drones.
So I've been at, uh, military ranges in the US
where trained soldiers would not be able
to shoot a drone even 30 meters away
because it's flying at a hundred meters,
a hundred kilometers an hour.
And you know, then there are 10 of them, 10
of them approaching you from different angles.
So, you know, by the time you shoot one
or two, the hours will be over the top of you.
Yeah. So you really need technology that's one affordable.
So back to that costless symmetry point.
So you can't have $10 million laser d uh,
defeating $200 drone,
because I mean, you might do it for a nuclear missile silo,
but you're not gonna have Yeah.
Wide rollouts. You have to have technology that's
effective against warm,
so it impacts an area not drawn kind of one by one.
Mm-hmm. And,
and also technology that ideally you can deploy
geographically across number of of countries.

So it can be very heavy usar technology.
So that on the defeat front, that really brings me to
high power microwaves,
which is essentially a real life version of
what you see in the Matrix movie.
You're sending like a shock wave.
It fries, electrics, anything that moves in front of it,
fries a circuit board harmless for humans.
Um, there's a great company in the US that we partner
with called, um, Californian Business.
Uh, but, um, there are, there are a couple
of limitations there.
One, it's a very restricted US archetype technology,
which means that it'll be, um, largely restricted
to the US markets and maybe over time to allies, but,
but still very, very restricted.
And secondly, today it's still a very expensive technology,
so we're talking well in the millions.
Mm-hmm. Um, but, but I think if there was a way
to develop a very cost effective
HPM high power microwave
that you could potentially deploy across dozens of countries
around the world, that could very much be a future of the,
um, future of the defeat.
Along alongside of jamming,
because you still, um, want
to be using jamming for a lot of situations.
I, I'll put this question to you, one that's come

through from our audience only

because you, you just, you briefly touched on it there,

the question referring to, uh,

a current drone field drone shield systems effective against

fiber optic drones, which

of course do not emit an RF signal.

Can you just elaborate on that

for the purposes of that question?

Sure. Um, so I'm planning to, to, to actually

speak more about in my invest presentations.

I previously done a lot

of the writeup about this in my four Cs.

So if you look at the last couple four Cs, uh,

you see a few paragraphs on that.

So I think fiber optics is a very, very limiting technology,

as much airtime as it got in the press in the Ukraine war.

So think about the practicalities of it.

You have a small drone, uh,

trailing a 10 kilometer fishing line behind.

Mm-hmm. So the likelihood of use,

you might be the best drone pilot in the world,

but the likelihood of you snagging that line around trees,

buildings, other lines, even itself, the drone itself

as it tries to do a maneuver is quite significant.

You go too quickly, you'll snap the line. So, yeah.

Uh, Ukraine has topology of wide open fields.

Uh, so that works quite well in that situation in even,

not always, but in some cases.

But still, for reasons I mentioned not great.

Um, anecdotally, so we we're deployed in South America
as well, protecting Colombian and Mexican governments.
What we're hearing is that the South American
drug cartels have been embedding their gang members on both
sides of the Ukraine conflict.
And they've been learning the kind
of like work experience, so to speak.
Wow. And, uh, and they've been, uh,
learning the latest techniques
and taking all of it back home against our customers.
And, and, uh,
and one thing they don't seem
to be doing is taking back the fiber optic drones
as they're saying, look in our
environment, and now it's apology.
This would never work. It would just snag the cable
and everything else in the field.
Mm-hmm. Um, yeah.
So, so, uh, I mean, this said, so
because we embed radars inside
of our detection technologies,
radars will pick anything that moves.
So it will, the radars inside of our systems will pick, uh,
fiber optic drones as well as AI drones,
and anything else you can think of.
Mm. Uh, that's RF silent. Uh, and then for the defeat, yeah.
I mean, you'll need to use something like a high microwave
to the extent that the system has it.

Yeah. Um, let's touch, uh, a bit on the, the competition.
Not that I, I, I want to focus on it too much
because, uh, I, I do think, um, it, we as investors can,
can OO overrate the significance of that.
But you know, it, it's unavoidable in a industry
and a sector that is, that is rapidly growing, it's going
to attract a lot of capital, it's going to attract a lot
of new entrants.
Um, how are you dealing with that threat?
And is it just a matter of just, you know, continuing to do
what you do and focusing on delivering the best product?
Or are, are there, are there has, has the, the increasing,
um, uh, competitive dynamics sort of altered,
altered the strategy in any way?
I actually think the counter drone sector is
consolidated, if anything.
So, okay. Before, before this session, Andrew, you
and I briefly talked about me going to DSCI in London.
Yes. Uh, and the largest defense show in the world.
The great opportunity to see the latest trends and, um, and,
and meet with customers.
And we're certainly seeing proliferation
of drones themselves, uh,
because you have relatively low barriers to entry.
Seems like everybody's having a drone. Mm-hmm.
But counter drone is actually a much harder industry
because you think of the nature of the two industries.
So a drone can be considered like a Lego piece.
You have multiple bits.

Uh, so you might have the body of the drone,
the communications module, your flying mechanism and,
and camera and payload and so on.
Um, and, and you can really do rapid experimentation
and see what works and finding kind of poles
and enemies, uh, defenses, which is what Ukrainians
and also Russians actually been been doing and,
and becoming good at it.
But counter drone is an entirely different dynamic.
It's much more keen to traditional electronic warfare
industry where it's almost like pharmaceutical development.
You need very large teams of engineers
driving progress over years.
Uh, and unlike the, unlike the psychology of drones,
which is, let me try lots of stuff
and see, see what succeeds.
Yeah. You are, you are instead having defensive mentality,
which is, how do I build a such a comprehensive system
that nothing gets through, right?
Mm mm And, and, and this is again, much harder.
So, um, so I would kind of say to anybody who wants
to get in the industry, you know,
give it a crack, have a go.
See how difficult it is. Yeah.
And, and, and so if anything, we've been seeing a lot
of consolidations, acquisitions.
If you look at the competitive slide in our invest
presentation, several of our competitors are there

as they basically became amalgamation of three
or four other smaller competitors.
And this is just over the course
of the last 12 to 18 months.
And I think if anything, this trend will, will continue just
because the level of science needed, the level
of engineering teams needed, uh, is insane.
Like, you can be a five person drone company
and actually do some pretty amazing work.
Yeah. While for the counter drone business,
unless you have hundreds of engineers working
with high cadence, a lot of input from the field, from,
from the battlefield, from the customers, a lot of, um,
software, uh, a lot of data flowing.
'cause this is very much a data game.
Now, if you're playing AI space, the, the barriers
to ensure are just so high.
So, so now I think for us,
it's just a scale game at this point
where we continue deploy to more customers,
continue following trends closely.
I mean, look, it, it's possible
that there will be step changes in trends.
So for about, and we're very, very mindful of that.
So maybe about five years ago, we became concerned
that there was gonna be a rapid increase
towards underwater drones.
So UUVs. Mm-hmm.
And so we partnered with a, um, with a sonar business

as means of basically quickly getting into that space,
integrated that sonar product into
our command and control system.
Our drone century started offering that.
And, and guess what? You know, we, we,
despite our best expectation, you know,
haven't really sold any sonar products
because in fact, underwater drones is not quite a thing
yet in terms of mass deployed, uh, underwater drones fine.
But, but you know, same thing, like for example,
people talk about drones, um, drones with, uh, cellular,
uh, sim cards in them.
And, uh, you know, we, we've been seeing this now in,
in Eastern Europe where there are Russian drones
that crashed in Poland,
and we have a number of systems deployed in Poland
that had polish sim cards inside of them.
I mean, that, that can be thankfully
regulated fairly well on the government side
by basically just making changes of
how your cellular towers work.
'cause you're relying on cellular towers.
You're basically saying, I'm not gonna allow any, uh,
any fast moving flying cell phone to continue
to function, but, you know mm-hmm.
It's a threat. And, and we are,
we are working on technologies to, to deal
with essentially flying cell phones, carrying grenades.

Um, but, but I think, again, very, very
high entry cost at this point, just in terms of accumulating
that knowledge and being able to move quickly.
Um, one of the other things I wanted to ask you about,
I like was the, the sales pipeline.
Um, reviewing our conversation from a couple of years ago,
you know, it, it seemed at the time, it's like, gosh,
that's a big sales pipeline.
And, and you know, you know,
ambitions can be one thing, reality is another.
But it proved to be exactly on point.
And it's hard not to notice in the latest presentation.
It's like, well, the sales pipeline now is over
$2.3 billion.
It's more than doubled where it was last year.
And you've got, uh,
an aspiration you've put out there in the market for, um,
uh, over $5 billion by 27, 28.
Can you, can you talk more about, um, the nature
of that pipeline?
How it builds, how you think about potential
conversion with all of that?
Just, just so the spreadsheet jockeys amongst us can, uh,
have a little bit of a play with some numbers.
So you think of historical conversions, um,
roughly one in five has been a thing.
So I mean, this year, say we happened to do roughly
200 million and,
and you know, if you look at some, some

of the earlier pipelines
before that, it was about a billion,
like you said, pipeline doubled.
Yeah. Over the last 12 months,
we'll roughly get to that sort of answer.
And so, uh, a pipeline starts when a credible lead enters,
which is a customer, a credible customer could be somebody
who placed orders with us before,
or could be an end customer with credibility.
Like say, US Army procurement, uh, team would get in touch
with our sales team
and say, Hey, we're looking to buy a counter drone system,
and at this point, still not sure exactly when,
whether we will get the budget, what kind of system we need
and, and so on.
And so at that point, it becomes a credible lead.
And then as parameters get confirmed, for example,
the customer gets the budget approved, they confirm
that there's gonna be a, a drone shield, uh, solution,
what kind of solution it is, how many units, the timing, all
of that rises
and pro makes opportunity rise in probability all the way
to the purchase order when it becomes a hundred percent
confirmed lead.
Mm-hmm. The, the, the, the pipeline,
essentially my mind separated between PGO and P win.
Uh, so pgo, which is the biggest threat to the pipeline,
which is you're dealing with government agents and,

and, um, the, the customer saying, okay, well maybe, uh,
the, the opportunity gets delayed,
my budget gets pulled, I change my mind.
I, you know mm-hmm. Instead, I want
to focus on buying maybe drones themselves
or, or, or something else.
So things just slide or every once in a while cancel.
So that's the p go probability
of the project actually going ahead.
And then there is P win,
which we're actually is concerned about, which is, uh,
somebody else getting the project
as opposed to drone shield.
And most projects are actually
warded on a sole source basis.
There's this myth that if government does, procurement has
to be tendered, which is not true for defense
because for national security reasons.
Mm. That's actually not the case.
Because, uh, the problem is if you are, for example,
US Army customer, and you're putting a tender out saying,
Hey, I'm looking for a system
that can detect drones five kilometers away.
If you are a Russian Chinese drone maker, you will then say,
right, I'm gonna develop a drone
that can perform its surveillance from six kilometers away,
and, uh, I gonna just not be noticed by, by the system.
So because of that, that the, the customers tend to tend
to be very, uh, sensitive about any sort of public tendering

unless they absolutely have to in, in, um,

Makes sense. Uh,

And, and yeah. And so most

of our projects actually sole source awarded,

even though the customer may, at some point, of course,

they would evaluate, uh, multiple, multiple systems.

Mm-hmm. Uh, and so, so the way we mitigate the, the risk

of the PGO is sheer diversity of the pipeline.

Mm-hmm. So you have about 300 projects

that diversify across geographies, products, customers,

stages of maturity.

And so while I usually have no real sense

when the next kind of two

or three, uh, which specific next two

or three projects will land as, as sales just

through the sheer numbers, and we review sales pipeline

every week with our entire sales team,

we have reasonably high confidence,

especially backed by all the macro factors.

So defense budgets increasing mm-hmm.

Uh, drones and counter drone being key

part of future defense.

And even if tomorrow there's peace in Ukraine, which,

you know, we are hoping for mm-hmm.

The, the law market situation in defense

and basically zero situation in the civilian sector means

that the, the customers will continue buying.

And in fact, military planners as well

as the security agencies civilian, um,
in the civilian market want to buy during the peace time,
not during the war time, so to speak,
because the, the, their function is deterrence.
Like what you want, your, your success
as a military planner is having your ducks in a row.
You have your, you have all your kit,
your deterring the enemy, and the war doesn't even start.
Like, if you're in a situation where you're in the middle
of the war, you're procuring as the war happens,
you'll have essentially failed.
Yes. Yeah. I, I'm,
I'm pretty sure Sun Sue would've written about
that if had he been born at a, at a later time.
Um, I was also gonna ask you about lumpiness.
'cause I know particularly in our first conversation,
it was going back a while now that there was this, you know,
as a smaller entity, these big contracts may come and go
and sort of, it can, it could account
for a little bit of lumpiness.
But given what you just said there,
and there's, there's probably not a lot to elaborate on.
The sheer diversity, uh, of
that sales pipeline probably mitigates
that lumpiness factor as well.
And I think, we'll, the, the pipeline will continue
as our customers are continuing
to accelerate their, their need, right?
So they're all saying, Hey, we now have the money, um, with,

with everything that's going on, like for example,
in Europe, I don't think any
of our customers have budgetary issues right now with
how much is being allocated to them.
Mm-hmm. We've done our homework,
we've done all the compliance certifications, et cetera.
And for most of 'em, it's literally just buying more of
what they have already purchased before.
Like I'd say over 90% of our customers would be repeat,
uh, repeat purchases.
Does that make the onboarding and, and training?
I suppose it does, it makes it a lot easier.
You've already done that component, right?
Uh, look, you're deploying at scale.
Everything at scale hurts, right?
So, you know, one thing is to train 10 people,
another thing is to train a hundred.
Right? Uh, so we, we are being very mindful how to further
institutionalize a lot of these things
and always continuing to improve the quality of our
training manuals, our approach to training the,
the deployments train the trainer, uh mm-hmm.
So, so all of that is all, all of that is becoming more
and more sort of scale friendly.
Yeah. Is that something
that I guess is a bit of a focus as well?
There's, there's, there's effectiveness of the systems,
um, on paper.

Um, but there's also the effectiveness in a, you know,
a live conflict environment, people new to the front line.
So I, I, I guess his ease of use has to be right up there.
It's no, it's no good if it's sort of like,
it's really good if you've spent eight years of deep focus
and study to sort of use this, but also if it's a plug
and play, and I can take it out of the box
and, you know, be, be ready to, to, to pretty much go, uh,
you know, from the get go is a, is a big thing.
Is that a, is that an emphasis for the, for the company?
A hundred percent. So you design your systems a bit like,
uh, an iPhone, right.
And that's what I said to my guys is like,
you shouldn't need to read manuals.
But, but often for a lot of our customers,
it's even less about how to use a product specifically,
but more about what to expect
and what to look for in the counter drone setting.
So maybe better analogy would be not so much
if you are an experienced, uh, iPhone user
or cell phone user, be able to grab a phone
and not need instruction.
But if you never use a cell phone in your life, yeah.
How do you, how do you train a person
and what to expect, uh, from, from a cell phone, you know?
Yeah. Uh, so, so you, you try to teach kind
of basic tactics.
What is, what is possible, what exists
that analytics matter?

Like, like for example, what you try to teach to a lot
of your civilian customers is if you're a prison,
don't worry about jamming the drone,
we can often indicate the location of the pilot.
So then you send security
and you arrest the pilot of the drone.
And so a lot of customers,
for example, how you focus, right?
I wanna just take down the drone. It's like, no, no, no.
I mean, you can, but it's actually more effective to,
to detain the pilot.
Yes, yes. Um, uh, you mentioned
before of, of the, the ramping up of, of the manufacturing,
uh, capacity, uh, and the rest of it.
Um, and it, it really, it really seems something
that the company has done very well
as it's sort of scaled up.
Uh, you, you also mentioned of the, the, uh, great amount
of inventory that you have on hand in anticipation
of orders that come through.
Um, and the scale that you're sort of looking to get to is,
um, uh, I guess what I'm saying is
what's the current bottleneck for the business?
And this would be the best problem in the world to have,
but if all of a sudden you find
that you get 100% conversion on the sales pipeline,
you know, what, what's sort of the limiting factors
that you're sort of facing there,

and how do you balance, I guess, more to the point,
how do you balance making sure
that you can deliver quickly without
overextending that capacity?
Well, if we convert our entire $2 billion pipeline
to sales tomorrow, I mean, we're gradually increasing the,
the manufacturing capacity from 500 million to 2.4 billion,
which should be, should be done by end of 26.
Okay. Uh, so this will, will take, I mean,
today the way it kind of roughly works is if you get a
couple million dollar order,
you'll deliver it pretty much same week.
Um, if you are getting a $62 million order like we did
with the Europeans, you'll deliver it within the same
quarter, give or take,
depending on where in the quarter you are.
Uh, and if you, if you're getting like, say, two,
$300 million order,
that will probably take you about six months.
Uh, and you'll deliver it in batches. Yeah.
Uh, in terms of the, in terms of the bottlenecks,
I don't think there's any specific thing.
It's, it's all the basic things you think about.
So you
or your contract manufacturers just basically needing
to make sure they have the, the space,
the people, your supply chain.
So we don't make, uh, we don't, we, we don't do, we,
we don't do highly, let's call it kind of industrial parts

of our production chain.
So we would rely on what is largely Australian supply chain
for things like CNC machining and metal bending
or metal fabrication, um, and,
and other like 3D printing, plastics, injection molding.
So, uh, so the supply chain has been scaling,
and that's one of our great pride points that Yeah.
Businesses that have been largely all, all across Australia.
Like for example, our RF patrol is about
85% Australian content.
The other 15% is mostly US content.
Uh, a lot of these companies have largely scaled with us
as we, as we grew.
Some of them are larger, some are smaller,
but for most things, we have two
or three suppliers just to make sure we have
that capacity and mitigate risk.
Yeah. So all, all, all of that is scaling up as we speak now
but no, there's no one specific bottleneck.
It's basically just getting as many smart people
through the door as we can find across
the relevant disciplines.
We have about a hundred open positions
for the 400 people in, in the business today.
Uh, so yeah, it's just, it's just scale is no one thing.
Yeah. Great. I, I did have a question come
through earlier on, um, uh,
the potential need for capital raising.

We've addressed that, Stu, so I won't,
I won't go back there.
Um, what I might do as we sort of get towards the end
of this, Oleg, is just ask you about some of the,
the risks in, in, in, at least from your perspective.
What, what do you see as the, perhaps the challenges of the,
is the better way to sort of put it as, as, you know,
demand keeps, uh, increasing and you guys keep scaling.
What are the kind of things that sort
of keep you awake at night?
Listen, I, I, I get asked the question a lot
and what I say, I sleep pretty well.
So I've been in this company for about 10 years now,
and for a lot of that 10 years, I have been
living on three
to six month cash runway at any
given particular point in time.
And when you'll close your doors,
unless you do a capital raise within three or six months
because you're not really making any revenue, uh,
once you go through that, there's not really much
that can stress you.
Yes. Uh, and so no, look, I, uh, I'm excited about
the scaling and, and seeing the,
the quality of the people.
That's probably the thing that excites me the
most out of all things in the business.
Just seeing the development of the people that come
through into the organization, kind of

what they are when they start and, and as the,
and they're rapidly develop as we give a lot
of growth opportunities to the people inside the company.
Uh, so, so no, I mean,
I don't think we're gonna see huge step change in
drone technology itself.
And even if there would be, we are ready to change with it.
Uh, those that have been following us since the IPO would
remember, we actually listed as an acoustics based drone
detection company, and then we change to radio frequency.
So we'll change if we have to,
but I genuinely believe that radio frequency
and drones is a bit like cars and wheels,
and that there's so much invested in the road infrastructure
and the rules that while people have been talking about
flying cars for decades now, uh,
probably ever since Flintstones, uh, we're not gonna,
we're not gonna see flying cars in our lifetime.
Um, maybe drones, but not flying cars.
Uh, so, so RF I think will continue being backbone
of drones, even though alternative tech like fiber optics
and AI and all that will continue being around the fringes.
Uh, so, so no, I think, I think it's just about continuing
to execute, which is what we're doing day to day.
Well, a actually, speaking of, of the questions
that you get, what, what are, I'll ask this in two parts.
What are the questions that you get asked all the time from
the fundee and the institutional sectors

that you just think, guys, you,
you're missing the point here.
Um, and what are the questions that no one asks
that you kind of think, isn't it odd
that no one asks me about this?
Uh, common questions would be, well,
what happens if Ukraine war stops tomorrow doesn't
basically seize your business?
And then I give explanation we covered earlier, which is
that military planners actually prefer to buy
during peace time.
I do get the fiber optic question a lot. Mm.
And I guess a fair question, if you don't really understand
the industry, and I give same answer as,
as we had earlier in this session, the bit
that I get a lot less is about civilian applications is I
think a lot of people just really think of us
as a seller to the militaries.
And I think over the next five years, maybe five
to 10 years, our revenue mix will really change 50 50 as
military civilian, as I personally think
that civilian opportunity is as great as the military, uh,
opportunity once it gets troll.
Because if you think of nature of acquisitions,
defense customers tend to hold cards very close
to their chest, even with their allies,
while if you are in airport, like, why would you
not disclose everything, you know, to another airport,
you're not competing against them.

And same thing for prisons and so on.
So I think once that civilian, uh, snowball starts to roll,
it will, it will go really quickly.
Uh, so that, that's probably one thing
that people don't really ask enough about.
Yeah. Um, I've run through all my questions.
We've got no more coming through.
Uh, is is there anything i i, we didn't cover
that you would've liked to cover?
No, that's been really, uh, comprehensive.
Thank you, Andrew. I mean, maybe one last thing is,
and this is, I mean, something
that I probably think less about
and I think more about the operations.
So I think as a business, as we're growing,
we're becoming a more
and more institutionalized by our shareholder base.
And I welcome that as a, as a larger business.
Uh, so when I was, uh, when I was in London as we're talking
before this session, I was really excited to have a number
of institutional shareholder meetings and for a lot of them,
but would've been well under their radar in terms
of our size and liquidity even 12 months ago.
Mm-hmm. And now, um,
as the only counter drone company in the world in
what is a fairly topical sector,
we are right sized for them.
And I don't think a SX listing, despite of

what many people think is a deterrent.

Uh, so global funds like say Fidelity, who is our, uh,

roughly 9% shareholder through FMR, uh, for them

SX is totally fine to, to invest in.

All right. It may not be as much of a primary focus

as the US exchanges are, but it's certainly on their radar.

Yes. So, uh, I think for us seeing, uh, the,

the register moving from almost entirely retail

to being more balanced is, is something I'm,

I'm spending more time on right now.

Yeah. That's fantastic. I'll, I I'll actually ask you that

as the last question 'cause I, I'm, I'm sure it's, it,

it can be frustrating,

but, um, you know, for a while there,

particularly in the early days,

drone Shield was always labeled as a meme stock and, and,

and prob well, very much unfairly

and with the benefit of, of hindsight,

but also it, it seems fairly derogatory in the sense

that there's not a real company here,

it's just all based on vibes and all of this kind of stuff.

There's, uh, do you find as that, I guess I asked that

because of, you're talking about the institutional

shareholding, uh, increasing here.

I, is that baggage behind you, do you think now?

I like to think so. Look,

we're very visceral as a business.

If you think in terms of just emotional view, get a piece

of kit out, like drone guy

and you take a drone down, it's, uh, it's kind
of very motional, especially anything to with warfare.
Yeah. Uh, and,
and I think that's probably gave us, uh, a lot of that meme,
um, uh, background.
But it's,
and I think a lot of people thought for a long time that
detection and take down of drones, you know, drones is, I,
drones are kids toys and, you know, why would you both?
And I think that really added to it
until Ukraine war came along
and now everybody's like, right.
Not toys anymore. Uh, uh so, so, so I think, I think with
that, people are taking that a lot
more, a lot more seriously.
So, no, I think, I think we are,
we're well past the meme stage and,
and people are understanding it's a significant opportunity.
Yeah. Well, I, I'll add, um, narratives are one thing, um,
very significantly rising revenues, cash flows
and cash balances are very different thing.
And, and, uh, there's that, that's, that speaks volumes
and it's been an absolute pleasure to watch.
So, uh, we do thank you for your time
and, uh, keep up the great work and,
and we'll love to touch base again in the future.
We won't leave it two years, uh, for the next one.
Pleasure. Thank you, Andrew. Take care. Thank

You. Good luck.

Bye.