$2.3m Middle Eastern MOD Payment Received

DroneShield Ltd (ASX:DRO) ("DroneShield" or the "Company") is pleased to announce it has received $2.3 million of the remaining due payment on a previously completed order (refer to ASX announcement 30 March 2020) to a Middle Eastern Ministry of Defence.

The payment will be included in the total customer receipts in the Appendix 4C cash flow report for this 2Q21 quarter.

Oleg Vornik, DroneShield's CEO, commented, "In addition to the material value of this cash receipt, it demonstrates several critical points.

Firstly, it shows that DroneShield is able to successfully navigate doing business in one of the most challenging yet most lucrative regions globally for Western companies, in terms of successful management of stakeholders and achieving outcomes.

Secondly, this is the completion of a repeat purchase by this end user, with the next contract expected to be a much larger amount, approximately $60–70 million, which is currently being discussed, and will be announced to the market once the contract has been mutually executed.

Thirdly, this underscores the global leadership positioning of DroneShield products, and our best-in-breed performance, as confirmed by this customer who faces daily UAS threats on their home soil, like no other customer globally."

This announcement follows on multiple recent contract wins globally announced in recent weeks, including $1.1 million Five Eyes agency repeat order announced on 7 April, US Law Enforcement Order contract announced on 6 April, and multiple DroneSentry-X[TM] orders announced on 24 March 2021.

Image: DroneShield's DroneGun Tactical[TM]

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.

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