

25 November 2022

ASX RELEASE

DroneShield and XRG Partner for Extended Reality Training

DroneShield Ltd (ASX:DRO) (**DroneShield** or the **Company**) is pleased to advise it has teamed with xReality Group Ltd (ASX:XRG) (XRG) to provide eXtended Reality (XR) based counterdrone/C-UAS training solutions.

XR includes Virtual Reality (VR), Augmented Reality (AR) and Mixed Reality (MR). It combines physical and digital simulation across the enterprise, defence and consumer markets.

The XR category for military and law enforcement is growing rapidly with the market predicted to grow US\$16bn in 2027¹.

XRG's subsidiary "Operator Tactical Solutions" develops immersive planning, rehearsal and training solutions for the military and law enforcement markets, across local and international markets. XRG is led by Wayne Jones, who prior to establishing XRG was a highly decorated Patrol Commander with the Special Air Service Regiment. Additional information about XRG can be found at <https://xrgroup.com.au/>.

As part of the launch, XRG will be promoting the training solution at the I/ITSEC 2022 Exhibition in Orlando Florida, taking place November 28th – December 2nd. Additional information about the event can be found at <https://www.iitsec.org/>.

A video showing some of the highlights of the XR-based counter-UAS solutions can be seen here:



Video: XRG DroneShield C-UAS training video reel

¹ <https://www.marketwatch.com/press-release/police-and-military-simulation-training-market-revenue-continues-to-dominate-with-452-cagr-globally-to-2027-118-report-pages-2022-09-28>

DroneShield CEO, Oleg Vornik, commented: “As the counterdrone industry continues to rapidly grow and develop, evidenced by significant use of small drones by both side in the Ukraine war, there is an emergent need for counterdrone tactics and training packages for the system operators. As the global leader in the C-UAS sector, DroneShield is well placed to provide the training.”

“We are excited to partner with XRG, who have deep experience in defence and law enforcement eXtended Reality training, and work in partnership with our customers to tailor design packages to meet their operational requirements.”

XRG CEO, Wayne Jones, added: “Today’s battlefield is evolving quickly making it difficult for front line defenders to be prepared for all situations. Operator’s solutions are enabling defence and law enforcement to rapidly train for these new situations in realistic, virtual environments. We are pleased to be able to add cutting-edge XR-based Counter Drone training programs to Operator’s product offering, in partnership with the C-UAS market leader, DroneShield.”

While the dollar amount of expected sales cannot be quantified at this time, it is expected to be material, and the Company will provide further guidance when available.

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

Further Information

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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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