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ASX RELEASE

Significant Production and Operations Ramp Up

DroneShield Ltd (ASX:DRO) (**DroneShield** or the **Company**) has undertaken a significant production and operations ramp up following completion of its [most recent capital raise](#) in March.

The Company has \$67 million (by sale value, rather than cost) across its [counterdrone products](#) under production, due for completion in stages across the 2023 calendar year.

The 2022 calendar year cash receipts were \$15.7 million. For 2023 year to date, the Company has received \$13.9 million, with over \$2 million expected to be received via R&D Tax Incentive in 3Q23.

DroneShield CEO, Oleg Vornik, commented: "There are two elements to significantly scaling up our revenues. One is sales, which the team continues making an outstanding effort on, with existing committed purchase orders of approximately \$18 million, and working on a number of near term anticipated large projects, targeting another record year by a significant margin."

"The other element is having inventory for sale, which is a significant task given the complex nature of the products we offer, and long lead times on many of the components. The majority of our customers require deliveries within a short timeframe of the order due to urgent operational requirements."

"Scaling the production, operations and deployment processes from dozens into hundreds of units across multiple complex products, simultaneously, is a challenging task, and the team has been focussing on transformation to a significantly larger scale of running the business. This involves scaling the processes within DroneShield, and working with our supply chain partners."

\$67 million consists almost entirely of products without near to medium term plans for subsequent hardware releases, to minimise risk of hardware obsolescence. All DroneShield products except for DroneGuns receive quarterly firmware updates via SaaS, ensuring their relevance as both the drones and counterdrone technologies continue to evolve.



Image: DroneGun Mk4™ counterdrone handheld system

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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