



1 June 2017

ASX RELEASE

Share Purchase Plan (SPP)

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Dear Shareholder,

Share Purchase Plan

Your board is writing to you today with an offer to participate in a Share Purchase Plan ("SPP" or "Plan") which entitles Eligible Shareholders (defined below) to purchase new shares in DroneShield Limited ("DRO" or the "Company" or "DroneShield") up to the value of \$15,000.

The Company is pleased to confirm that Patersons Securities Limited ("Underwriter") has agreed to underwrite the SPP to the amount of \$1,000,000, subject to standard terms and conditions. The Underwriter has also agreed to act as the lead manager to the SPP. If total applications in the SPP exceed the \$1,000,000 to be raised under the SPP, the directors of the Company may, in their absolute discretion, accept or scale-back all applications on an equitable basis. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

The Board believes that the funds from the SPP will enable the Company to further scale in the rapidly growing drone countermeasures market.

Progress to Date

The Company has made substantial progress since its IPO in mid-2016. This includes the following.

- The Company has expanded its in-house sales and marketing team, and the global distributor base, which now stands at approximately 100 distributors in 50 countries.
- Utilising its expanded sales and distributor force, DroneShield made a number of early stage sales, including:
 - test sales for use by a Middle Eastern military and a G7 military;
 - a sale for use by the Prime Ministry of Turkey;
 - a sale for use by the national security agency of a country in Asia;
 - sales to security integrators;
 - deployment with the Swiss Police at the World Economic Forum in Davos in January 2017; and
 - a sale to protect a multi-hundred million dollar marine asset.
- For the third year running, DroneShield provided anti-drone security at the 2017 Boston Marathon.
- The overall government and civil infrastructure demand for drone detection and mitigation products continues to increase, against the backdrop of nearly a daily barrage of news about drone threats. This year, governments have commenced substantial budget allocations to drone detection and countermeasures in their budgets. These budget allocations are driven by a number of drone-related threats, including:

- ISIS, other terrorist organisations and rogue nations increasingly deploying consumer drones to conduct warfare and terrorism,
 - U.S. and other militaries actively looking to deploy drone detection and countermeasures, with a particular concern about drone swarming attacks,
 - Increasing drone related airport and plane incidents,
 - Growing drone contraband deliveries into prisons and across borders,
 - Threats to critical infrastructure such as nuclear power stations and electricity grids, and
 - Personal privacy invasion.
- Consequently, the Company has conducted numerous customer demonstrations and trials, positioning towards commencement of larger sales. The Company is now in a number of bid and other sales processes with a range of customers, including a number of governmental customers globally. Customer requirements vary, and some include the need for integration of multiple detection and defeat methods into the Company's products.
 - In response to customer requirements, in late November 2016, DroneShield launched DroneGun, a tactical drone jammer, which added an effective drone countermeasure to DroneShield's suite of drone detection products. This new product has positioned DroneShield as the only company in the world offering both drone detection and handheld rifle-style tactical drone countermeasures. The media and potential customers expressed substantial interest in DroneGun, and DroneShield achieved the first full-priced sale within days of the product release.
 - Consistent with the requirements of potential end-users, DroneShield continued its product development activities, commencing the development of DroneSentry, an anti-swarming product in early 2017, as well as launching WideAlert, a near range/wide arc detection product.
 - The Company's strategy of positioning itself as a prime counterdrone security integrator, with a multi-product multi-sensor detect and defeat capability required an expansion of its technology team. This included an appointment of a US Chief Technology Officer who joined the Company from a substantially larger prime defence contractor in May 2017.

Funds raised under the SPP will be used towards the following.

- Further development of the Company's existing drone security products to meet specific customer requirements (such as portable carried detection units and others).
- Development and integration of additional detection and countermeasure technologies, to enable the Company to be a prime counterdrone integrator to militaries, civil infrastructure and other customers.
- Rollout of new products, such as DroneSentry (with an integrated detect and defeat capability).
- Expansion of the Company's sales and marketing effort globally.
- Potentially taking advantage of licensing and M&A opportunities in the Company's industry that may present themselves in the future.
- General working capital.

All of the directors intend to participate personally in the SPP as a sign of confidence in the Company.

Please refer to the Company's ASX platform (ASX:DRO) or www.droneshield.com for further details with respect to the Company's operations. The Company's most recent investor presentation is enclosed as an attachment.

Your continuing support is greatly appreciated.

On behalf of your Board



Peter James
Non-Executive Chairman

DRONESHIELD LIMITED SHARE PURCHASE PLAN – TERMS AND CONDITIONS

1. Offer

Under the Plan, Eligible Shareholders (defined below) are offered the opportunity to participate in the Plan to apply for parcels valued at \$500, \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000 of fully paid ordinary shares in the capital of the Company (“Shares”) pursuant to these Terms and Conditions (“Offer”). Please read these Terms and Conditions carefully, as Eligible Shareholders (defined below) will be bound by them by participating in the Plan. All Shares issued under the Offer will rank equally with existing Shares from the date of issue, and carry the same voting rights, dividend rights and other entitlements as existing Shares. All amounts referred to in these Terms and Conditions are in Australian dollars.

2. Participation in the Plan

Shareholders who are entered in the register of members at 7:00pm (Sydney time) on 31 May 2017 (“Record Date”) and who have a registered address in Australia or New Zealand (“Eligible Shareholders”) may apply to participate in the Offer in accordance with this Plan. The following rules apply to participation by Eligible Shareholders in the Plan:

- a) **Single holders** – If you are the registered holder of Shares, but you receive more than one Offer under the Plan (for example, due to multiple registered holdings), you may only apply for up to a maximum amount of \$15,000 worth of Shares.
- b) **Joint holders** – If you are recorded with one or more persons as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of the Plan. Joint holders are only entitled to participate in the Plan in respect of that single holding. If the same joint holders receive more than one Offer under the Plan due to multiple identical holdings, the joint holders may only apply for up to one maximum amount of \$15,000 worth of Shares.
- c) **Custodians and nominees** – If you are an Eligible Shareholder who holds Shares as a custodian, trustee or nominee (within the definition of ‘custodian’ in Australian Securities and Investments Commission (“ASIC”) Class Order 09/425) (“Custodian”) or in any more specific relief granted to DRO in relation to this Offer, and hold Shares on behalf of one or more persons (beneficiaries), this Offer is made to you and you have the discretion whether to extend this Offer to the beneficiaries on whose behalf you hold Shares. You may apply for up to a maximum amount of \$15,000 worth of Shares in respect of each beneficiary, however, DRO will not issue Shares under the Plan to you unless you certify the following in writing to DRO:
 - i. that you hold the Shares on behalf of one or more persons (each a “participating beneficiary”) on the Record Date who have subsequently instructed you to apply for Shares on their behalf under the Plan;
 - ii. the number of participating beneficiaries;
 - iii. the name and address of each participating beneficiary;
 - iv. the number of Shares that you hold on behalf of each participating beneficiary;
 - v. the number and dollar amount of Shares which each participating beneficiary has instructed you to apply for on their behalf;
 - vi. there are no participating beneficiaries in respect of which the total of the aggregate application price for the following exceeds \$15,000:

- A. the Shares applied for by you on behalf of a participating beneficiary under the Plan; and;
- B. any Shares issued to you in the 12 months before the application as a result of an instruction given by a participating beneficiary to you to apply for Shares on their behalf under an arrangement similar to the Plan;
- vii. that a copy of the Plan was given to each beneficiary; and
- viii. where you hold Shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed Custodian.

Custodians should request a custodian certificate when making an application on behalf of participating beneficiaries ("**Custodian Certificate**"). To request a Custodian Certificate, and if you would like further information on how to apply, you should contact our share registry Automic Registry Services ("**Share Registry**") on 1300 288 664.

- d) Participation – Applications under the Plan may only be made in the following amounts:

Total \$
\$500
\$1,000
\$2,500
\$5,000
\$7,500
\$10,000
\$12,500
\$15,000

Eligible Shareholders who receive more than one offer under the Plan (for example, because they have more than one holding under a separate account) may apply on different Application Forms (defined below) for Shares but they are not permitted to acquire more than \$15,000 worth of Shares in aggregate. The total application price for the Shares acquired by the Eligible Shareholder on his or her own behalf, by a Custodian on his or her behalf and by a Custodian in relation to which another Custodian holds beneficial interests in the Shares on his or her behalf must not exceed \$15,000 in any 12 month period.

If you apply for Shares under the Plan, you are applying for a certain value of Shares at the Offer Price (defined below), rather than a certain number of Shares. Fractional Shares will not be issued and any fraction of a Share will be rounded up to the nearest whole number of Shares.

Participation in the Plan is entirely optional and is subject to these Terms and Conditions. You should seek independent advice if you are unsure whether you should participate in the Plan. The Offer of Shares under the Plan is non-renounceable which means that Eligible Shareholders cannot transfer their entitlement to purchase Shares under the Plan to another person. Eligible Shareholders who wish to take up Shares issued under the Plan agree to be bound by DRO's constitution in respect of Shares issued under the Plan.

The Application Form attached to these Terms and Conditions ("Application Form") specifies a

minimum (\$500) and maximum (\$15,000) value of Shares for which applications may be made and application may not be made for a value of Shares less than the minimum or greater than the maximum. If an Eligible Shareholder applies for:

- i. a value of Shares greater than the maximum that is provided for in the Application Form, the maximum number of Shares provided for in the Application Form will be issued and the excess amount paid will be refunded without interest; or
 - ii. a value of Shares less than the minimum that is provided for in the Application Form, no Shares will be issued under the Application Form and any amount paid will be refunded without interest.
- e) **Limit** – If total applications exceed 30% of the number of Shares on issue at the Close Date (defined below), the directors of DRO may, in their absolute discretion, accept or scale-back all applications on an equitable basis.
- f) **Foreign offer restrictions** – This document may be prohibited from being released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any country, or to any person to whom, it would not be lawful to make such an offer or to issue this document. In particular, any securities described in this document have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the United States Securities Act of 1933 (as amended) and applicable US state securities laws. The Company reserves the right to offer Shares under this Plan to such purchasers as it may determine in the United States to the extent consistent with the aforesaid exemptions. Purchasers in the United States will not be subject to a commission in favor of the Underwriter.
- g) **New Zealand Shareholders** – The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of DRO with registered addresses in New Zealand and to whom the Offer is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

3. Application Form

Unless payment is made by using the BPAY® facility, applications to participate in the Plan must be made on the enclosed Application Form and must be received by the Share Registry (with the correct payment) no later than 7:00pm (Sydney time) on 16 June 2017. DRO reserves the right to return any payment and not issue any Shares if payment is received after that time. By returning the enclosed Application Form or by making a BPAY® payment, you agree to be bound by the Terms and Conditions of this Plan and certify that the aggregate of the application price paid by you for the Shares the subject of the Application Form or BPAY® payment, and any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf, under the Plan or under any similar arrangement operated by DRO in the 12 months prior to the date of application under the Plan, does not exceed \$15,000. Applications and payments under the Plan may not be withdrawn once they have been received. Any payment made to DRO pursuant to an application to participate in the Plan will not bear interest under any circumstances.

4. Payments by cheque, bank draft, money order or BPAY®

If payment is made using the BPAY® facility (Australian bank accounts only), there is no requirement for the Application Form to be returned. Payment must be received by no later than 2.00pm (Sydney time) on 16 June 2017. Eligible Shareholders must ensure that funds submitted through BPAY® are received by this time as their own financial institutions may implement earlier cut off times with regards to electronic payment.

Applicants should be aware that their own financial institution may implement earlier cut off times for electronic payments and should take this into consideration when making a payment via BPAY. You may also have your own limit on the amount that can be paid by BPAY. It is your responsibility to ensure that the amount you wish to pay via BPAY does not exceed your limit and is received by the Share Registry prior to the close of the Offer. If you have multiple holdings you will have multiple customer reference numbers. To ensure you receive your Shares in respect of that holding, you must use the customer reference number shown on each personalised Application Form when paying for any new Shares that you wish to apply for in respect of that holding. Shareholders who have multiple holdings must ensure they comply with the requirements in clause 2. Applications can only be made for Shares in the amounts specified on the Application Form. Please do not forward cash. Receipts for payment will not be issued. Application Forms returned by fax will not be accepted. Payments made pursuant to an application for Shares will only be accepted if your cheque, bank draft or money order is drawn, or your BPAY payment is made, in Australian currency. Cheques must be drawn on an Australian financial institution. Payments made pursuant to an application for Shares will not bear interest as against DRO under any circumstances.

5. Offer Price

The Shares under the Plan will be issued at a 20% discount to the volume-weighted average market price ("VWAP") for the Shares of DRO calculated over the last 5 days on which sales in the Shares were recorded before the Issue Date (as defined in the Indicative Timetable below) down to the nearest tenth of a cent.

The Shares of DRO are a speculative investment, and the price of the Shares might rise or fall between the date of this Offer and the date the Shares are issued. This means that the price paid for a Share under the Plan may be greater or less than the price of Shares at the time they are issued to Eligible Shareholders and affect the actual number of Shares to be issued to each applicant pursuant to the Plan.

6. Shares to be Issued

Shares issued under the Plan will rank equally in all respects with existing Shares of DRO. Promptly after issue, application will be made by for Shares issued under the Plan to be listed for quotation on the official list of the Australian Securities Exchange. Transaction Confirmation Statements will be despatched to the Issuer Sponsored and CHESS participants for Shares issued under the Plan. No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders for their application for, or issue of, Shares under the Plan. This Offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425, which grants relief from the requirement to prepare a prospectus for the offer of shares under the share purchase plans.

The maximum number of Shares to be issued under the Plan is limited by the ASX Listing Rules to a maximum of 30% of the number of Shares on issue on the Close Date.

At the date of this invitation the number of Shares on issue is 139,150,997, therefore the maximum number of Shares that may be issued under the Plan is 41,745,299 Shares.

7. Underwriting

The Offer is underwritten by Patersons Securities Limited (ABN 69 008 896 311) ("Underwriter") to the value of \$1,000,000 ("Underwritten Amount"). In the event that Eligible Shareholders do not subscribe for Shares under the Plan to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will,

subject to the terms of the underwriting agreement, be placed to nominees of the Underwriter at its direction. The underwriting agreement contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by either party.

In addition to the Underwritten Amount, DRO may, in consultation with the Underwriter, elect to undertake a placement of additional shares at the same price as the Offer of Shares under the Plan ("Top-Up Placement"). The maximum number Shares that may be issued under the Top-Up Placement is equal to the Company's placement capacity under Listing Rules 7.1 and 7.1A which is currently 34,787,748 Shares.

The Underwriter will be entitled to a fee of 6% of the funds raised under the SPP and the amount raised in the Top-Up Placement.

The Company may exercise the right to terminate the capital raising and underwriting agreement at its discretion. If the capital raising or underwriting agreement is terminated by the Company without cause, the Company has agreed to pay a termination fee of \$10,000 to the Underwriter.

8. DRO's discretion with regard to application

DRO may accept or reject any application under the Plan at its discretion. When determining if an application is to be accepted or rejected, or the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an applicant's shareholding, the extent to which Eligible Shareholders have sold or bought additional shares after the Record Date and the date an application was made.

Without limiting the above, DRO may issue to any person fewer Shares than the person applied for under the Plan if the issue of Shares applied for would contravene any applicable law or the Listing Rules of ASX. If DRO rejects or scales-back an application or purported application, DRO will promptly return to the shareholder the relevant application monies, without interest.

9. Modification and termination of the SPP

The Company may modify or terminate the Plan at any time.

The Company will notify ASX of any modifications to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

10. Variations, Waivers and Resolution of Disputes

The Plan is governed by the law in force in New South Wales and DRO reserves the right to:

- a) vary the Closing Date (as defined in the Indicative Timetable below) (including closing the Offer early) and Issue Date for Shares under the Plan;
- b) waive compliance with any of these Terms and Conditions;
- c) refuse to issue Shares where it believes there has been a breach of the Terms and Conditions of this Plan;
- d) amend or vary these Terms and Conditions or suspend or terminate the Plan at any time (In the event the Plan is terminated before the issue of Shares, all application monies will be returned to you, without interest as soon as practicable.);

- e) scale back applications; and
- f) settle in any manner it thinks fit any disputes or anomalies which may arise in connection with the Plan. Any determinations by DRO will be binding on all Eligible Shareholders and other persons to whom the determination relates.

DRO's rights may be exercised by the board of DRO or any delegate thereof.

11. Applications and Notices

Applications and notices given to DRO for the Plan must be in writing and in such form as DRO may from time to time require. Such applications and notices will be effective on receipt by DRO subject to:

- a) these Terms and Conditions; and
- b) in the case of applications, acceptance by DRO before the Closing Date (as defined in the Indicative Timetable below).

12. Raising Amount and Scale Back

Under the Offer, DRO seeks to raise a minimum of \$1,000,000. Notwithstanding this, DRO reserves absolute discretion regarding the amount raised under the SPP.

In the event of an oversubscription by the Closing Date the directors of DRO may, in their absolute discretion, accept or scale-back all applications on an equitable basis.

If applications under the Plan are received in excess of \$1,000,000, DRO retains the discretion to issue more Shares to satisfy all or part of such applications, subject to the maximum number of Shares to be issued under the Plan not exceeding 30% of the Shares on issue on the Closing Date. If DRO rejects or scales-back an application or purported application, DRO will promptly return to the shareholder the relevant application monies, without interest.

13. Indicative Timetable

Event	Date
Record Date (7.00pm Sydney time)	31 May 2017
Announcement of the Plan	1 June 2017
Opening Date	2 June 2017
Closing Date	16 June 2017
Issue of Shares under the Plan and dispatch of Holding Statements	21 June 2017
Shares issued under the Plan commence trading on ASX	23 June 2017

These dates are indicative only. DRO may vary the dates and times of the Offer without notice. DRO reserves the right to close the Plan early. Accordingly, Eligible Shareholders wishing to subscribe under the Offer are encouraged to submit their application Forms as early as possible.

14. Questions

If you have any questions, please contact DRO's share registry, Automic Registry Services on 1300 288 664.

ENDS



DRONESHIELD



Drone security systems | A first-mover in a nascent global industry | Sydney, Australia and Virginia, USA

ASX:DRO (shares) and ASX:DROO (options)

Investor Presentation | June 2017

COMPANY OVERVIEW



Global Leader in Drone Security Technology	<ul style="list-style-type: none">▶ An established player in the market; U.S. and international sales commenced in 2014▶ Sells both drone detection and drone countermeasure products▶ Effective, passive and cost-effective acoustic detection technology (up to 1km range)▶ Countermeasures - universal RF and GPS jamming▶ No export restrictions and the detection product is legal for any type of customer▶ An experienced board and management team
Limited Competition	<ul style="list-style-type: none">▶ A large number of recent entrants into the drone security market, however competition is largely “vapourware” – development concept or prototype phase only▶ Defence “primes” offer a substantially more expensive product and are often ITAR/export controlled, limiting their customer reach▶ DroneShield’s are stand-alone products, affordable by government and commercial users▶ Also able to “sub-contract” to defense primes as the unique technology (acoustics) complements their technology, which is typically radar, RF or camera
Large Market	<ul style="list-style-type: none">▶ Significant and fast growing consumer and commercial drone industry is creating a need for drone security products▶ Frequency of incidents accelerating by day▶ ISIS weaponising drones to conduct terrorism in Middle East, as well as utilizing drones to film terrorist acts more generally▶ Hundreds of thousands of potential customer installations, with a US\$12 billion+ addressable market
Unique Exposure to Drone Security Sector	<ul style="list-style-type: none">▶ DroneShield is one of only two pure-play publicly listed companies globally in the drone security space

COMPANY OVERVIEW (CONTINUED)



High Profile Customer Relations and Extensive Pipeline

- ▶ Recent detection product sales included Turkey Prime Minister's Office and a national security agency of a major Asian country
- ▶ Recent countermeasure product revenues from Swiss police (protecting the 2017 World Economic Forum in Davos) and a multi-hundred million dollar maritime asset
- ▶ Third year working with Boston Police Department protecting Boston Marathon

Board and Advisory Board Calibre

- ▶ U.S. and allied defence market are one of the key markets going forward
- ▶ U.S. Navy Admiral Jay Cohen (Ret) (DroneShield's Advisory Board), former Chief of Naval Research (Chief Technology Officer) of the United States Department of the Navy, and United States Department of Homeland Security Undersecretary for Science and Technology, has been reported to have met with the then President-Elect Donald Trump and his transition team at the Trump Tower on December 2, 2016 (in his personal capacity)
- ▶ Dr Samantha Ravich (DroneShield's Board of Directors) held a number of key positions previously including former Deputy National Security Advisor to Vice-President Cheney
- ▶ Former Australian Minister for Defence and U.K. Head of Land Army both Advisory Board Members

Substantial Media Coverage Reinforcing Brand Leadership

- ▶ DroneGun appearing on the NBC's Today show a day ahead of presidential inauguration
- ▶ DroneGun launch at the end of 2016 - hundreds of media articles on DroneShield and DroneGun published globally
- ▶ DroneShield's promotional video received over 1.3 million views within first month

PROBLEM



- ▶ Affordable consumer drones are popular but they present unique and frequent threats to privacy, physical security, and public safety in a range of environments including industrial and critical infrastructure, prisons, government facilities, airports, outdoor events and venues, military, homeland security, real assets and executive protection.
- ▶ Commercially-available drones can cost between **US\$30 and US\$30,000**, are **legally available** at conventional retailers and online, and can be lawfully flown in the U.S. and most major countries.
- ▶ **1 million commercial drones** are estimated to have been sold in 2015, and 12 million to be operating by 2020. Commercial drone market is estimated at US\$7 billion in 2015 and projected to grow to US\$12 billion by 2023. Defence and security drone market estimated at US\$5.9 billion in 2015 and projected at US\$11.1 billion by 2024.
- ▶ Commercially-available drones have:
 - **threatened commercial aircraft**,
 - breached security at airports, outdoor sporting facilities, national borders, public events, etc.,
 - **breached security of VIPs/executives/political figures**,
 - conducted surveillance of government facilities and private figures,
 - been **repurposed for terrorism**,
 - been used for industrial espionage,
 - smuggled drugs into prisons, and
 - conducted warfare in conflict zones.
- ▶ Governments and owners of infrastructure and other real assets are **acutely aware of the threat**.
- ▶ There are few **cost-effective detection and defence solutions**.



THREAT EXAMPLES



UK should prepare for use of drones in terrorist attacks, says thinktank

Power stations, summits and the PM's car are all potential targets for unmanned aerial vehicles carrying explosives, says Remote Control project



Fears ISIS could use drones packed with explosives to attack crowds



US Forces Shoot Down ISIS Drone

American forces bomb an unmanned aircraft piloted by Islamic State terrorists near Fallujah.

By Arutz Sheva Staff

First Publish: 3/18/2015, 8:53 PM / Last Update

ISIS Is Reportedly Packing Drones With Explosives

Now

Pictures on Facebook are purported to be a small explosive shot down by Kurdish forces.



RCMP warned Ottawa last year of possible drone terror threat

Mounties warn the federal government that unmanned aerial vehicles pose a terrorism threat to critical infrastructure in Canada.



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Small drone crashes near White House despite ban against flights in D.C.

Drone with radioactive material found on Japanese Prime Minister's roof

By Will Ripley, CNN
Updated 2:47 PM ET, Wed April 22, 2015 | Video Source: CNN



Mirror

Criminals using drone to smuggle record quantity of drugs to prisoners crash it inside jail after losing control



Dubai airport grounds flights for 30 minutes over drone

Published time: 28-Sep, 2016 15:03

INDEPENDENT News Voices Culture Lifestyle Tech Sport

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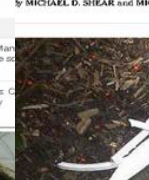
Terrorists could use drone bombs to attack nuclear power stations, experts warn

Report recommends a licensing system for drones, using lasers and radio jammers to defend potential targets

Ian Johnston | Sunday 10 January 2016 | 50 comments

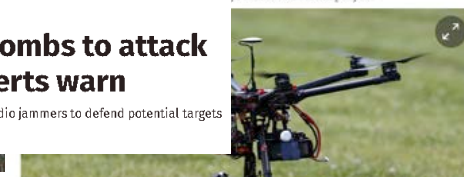


by MICHAEL D. SHEAR and MICHAEL D. SHEAR



UK should prepare for use of drones in terrorist attacks, says thinktank

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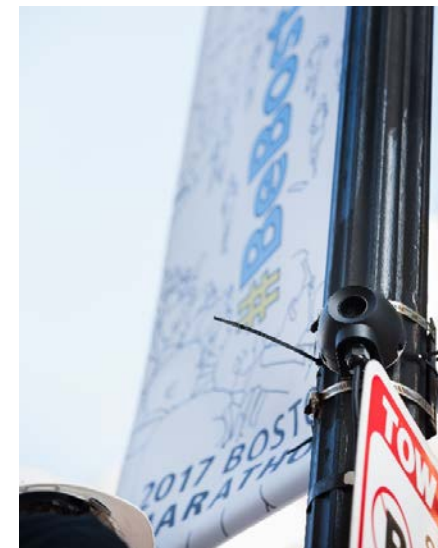


OUR SOLUTION – DETECTION AND COUNTERMEASURES



Detection

- ▶ **Detects drones** and provides **real-time alerts** and **digital evidence** collection.
- ▶ **Proprietary acoustic hardware** and **software**.
- ▶ A **cost-effective** solution, and one of very few available to commercial users in the market globally.
- ▶ **Software as a Service (SaaS) pricing model** which includes hardware and secures **recurring revenue** stream for the life of the installation.
- ▶ **High detection rates** vs other methods, and **low profile** system.
- ▶ **Distribution channels** focus on third party security integrators and distributors.
- ▶ **Easy integration** with existing security systems.



WideAlert product at Boston Marathon

Countermeasures

- ▶ DroneGun - tactical drone **jammer**.
- ▶ **Portable** solution that can be carried by a single person.
- ▶ **Effective** countermeasure against drones up to 2km away.
- ▶ The drone **safely** returns to its starting point or descends vertically on the spot – does not drop uncontrollably.



DroneGun deployed by the Swiss Police in Davos

DRONESHIELD PRODUCTS



DroneGun

- ▶ Portable tactical drone jammer



WideAlert

- ▶ 180 degree wide angle near-range detection



FarAlert

- ▶ Long-range (up to 1km) drone detection with precise sector positioning (30 degree cone)



DroneSentry (in Development)

- ▶ Integrated detection and countermeasure system (includes drone swarm defence)



OUR MARKET



- ▶ Addressable civil detection **market of over US\$12 billion** (plus the military and law enforcement markets and the countermeasure market). **Hundreds of thousands of potential customer facilities for the detection products alone** worldwide in need of 2 - 100 units per installation, including:



- ▶ Vast majority of **real asset perimeters** are currently unprotected (the land perimeter is a fraction of the overall **three-dimensional exposure** to threats, and threats are increasingly coming from the air).
- ▶ Drone market growth: **12 million operational drones** expected by 2020.
- ▶ **Other infrastructure, defense installations, national borders, secured sites, manufacturing plants, real estate assets, public events and executive protection.**
- ▶ Countermeasures (DroneGun) are legal to use by federal agencies in the U.S. and foreign governments.
- ▶ A number of countries allow jammer deployment by non-government entities.

DRONESHIELD'S DETECTION TECHNOLOGY – COMPETITIVE ADVANTAGES



▶ **Non-Line of Sight Detection.**

- Detects drones behind objects.

▶ **Night-Time Detection.**

▶ **Low Flight Detection.**

- Trees, buildings and other objects make camera based solutions very difficult vs a blue sky.
- Drones generally fly over prisons very low, barely over the fence lines.

▶ **Detection Range.**

- Up to 1km detection vs <100m for a camera.
- Long range capability (5-10km) radar can be “blind” at near distances (sub few hundred meters).

▶ **Effective Coverage Area.**

- Camera based systems are limited to their field of view, currently about 120 degrees horizontally and less vertically (often 90 degrees for radar).
- If the drone is a few meters above their sensor, but outside the field of view, those technologies will not detect it.

▶ **False Alarms.**

- Camera, radar, RF, and thermal based systems tend to have challenges dealing with other moving objects in the air such as birds, insects, leaves and even the clouds which carry water and generate heat signatures in the background.

DRONESHIELD'S COUNTERMEASURE TECHNOLOGY – COMPETITIVE ADVANTAGES



▶ **Universally Targets a Wide Range of Drones.**

- Effective against drones operating at 2.4Ghz, 5.8Ghz and GPS/Glonass – over 99% of drones on the market today.
- Unlike cyber systems, does not require a separate “hack” program for each individual drone type.

▶ **Safe Countermeasure.**

- Directs the drone to fly back to its starting point or land vertically on the spot in a controller manner.
- The drone does not drop down – unlike kinetic or net-based systems, which could create casualties and/or property damage if the drone is carrying a dangerous substance or falls on a person or an object .

▶ **Does not rely on an “arms race” with drone manufacturers.**

- Unlike cyber-based systems, does not seek to decrypt the connection between the drone and the pilot and take control of the drone.
- Recent drone connection technologies such as LightBridge used by DJI Phantom 4 are difficult to “hack” and are expected to continue to grow in sophistication.

▶ **Portable – can be easily carried by a single person.**

▶ **Long Range.**

- Over 2km effective range.

▶ **Gun shape.**

- Greater appeal to law enforcement and security than a “box with antennas”.
- Directional jamming is more effective/long range than omnidirectional jammers.
- Does not create an unnecessary jamming in a 360 degree coverage, unlike an omnidirectional jammer.

DRONESHIELD POSITIONING VS COMPETITORS



- ▶ Despite a large number of claims of entrants into the drone security sector, **genuine competition is very limited.**
- ▶ Much of the purported **competition** is “**vaporware**” – concepts-only or prototypes.
 - DroneShield is currently shipping product.
 - Recently announced product launches are just that – product launches. DroneShield launched its currently available products previously and has a substantial marketing and distribution network lead in the industry.
- ▶ **Not competing with prime defence contractors, substantially price-effective.**
 - DroneShield’s products are materially cheaper than most competing detection products that are being marketed and are in fact capable of being delivered.
 - Particularly, systems being marketed by larger defence contractors.
 - DroneShield’s subscription pricing model further reduces a customer’s capital outlay upfront and provides an additional incentive to adopt the product.
 - DroneShield’s unique acoustic technology is well positioned to sub-contract to the primes.
- ▶ DroneShield is one of the very few providers of **both detection and countermeasures.**
 - Most purportedly competing products, prototypes and ideas provide one but not the other.
 - The effectiveness of detection is limited without countermeasures, and
 - Countermeasures cannot be deployed in most circumstances without drones having first been detected.

DRONESHIELD POSITIONING VS COMPETITORS (CONTINUED)



▶ **Acoustics is a superior technology.**

- RF detection: legal issues (unlawful to interfere with drones for non-federal users in the U.S.), active system, ineffective on certain types of drones (autopilot), high false alarms (routers, walkie-talkies, etc).
- Camera: near range (sub 100m), line of sight only, moving background (cars) create inaccuracies.
- Radar: often cannot detect near range, line of sight only, drones provide poor reflectivity for detection, active system, can be substantially more expensive.
- DroneShield's products consistently beat the limited competition in head to head trials in technical and operational terms (such as range, effectiveness, low profile, convenience, deployability, false alarm rates).
- DroneShield's products are not time of day or season-dependent, do not rely on line of sight or visibility, are passive to the environment, and cover major commercial drone models (including frequency hoppers).

▶ **DroneGun** provides a universal and safe way of defeating drones, and can be easily carried by one person.

▶ **Global distributor network and brand recognition.**

- DroneShield's 100 distributors in over 50 countries provide substantial marketing and sector intelligence.
- We are positioned as the global brand leader in the drone security space, seeing momentum which is continuing to drive strong interest from additional direct and local distribution partners worldwide.

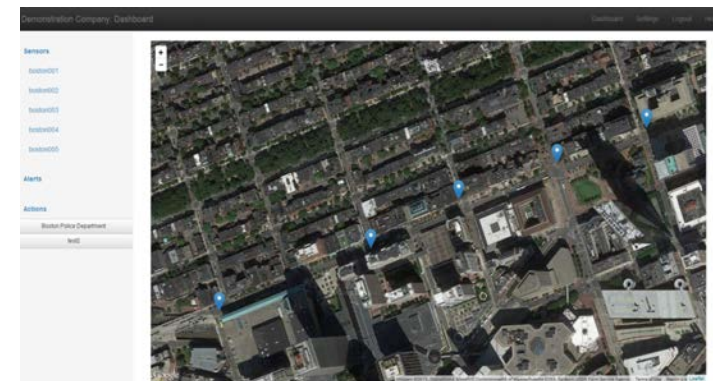
▶ **DroneShield is an Australian company with meaningful U.S. operations and majority U.S. owners.**

- A positive factor in the decision-making process by allied country users, especially government users.
- Many defence-related products developed in the U.S. are subject to U.S. export restrictions/ITAR. DroneShield's products are not.

AN EXAMPLE OF CURRENT DEPLOYMENT – BOSTON MARATHON



- ▶ 2015-2017 Boston Marathons.
 - Threat: Hobbyist Drones, Media Drones, and Terrorism.
 - Noisy urban environment.
 - Finish line area located with VIP booths and site of 2013 terrorist attack.
- ▶ Rapid Installation and Cloud-Based Monitoring.
 - Sensors mounted on lamp posts.
 - Battery-powered with cloud-based processing.
 - Email distribution list to Boston Police Department.
- ▶ Immediate response by Boston Police Department and follow-on prosecution by FAA if needed.



CAPITAL STRUCTURE



CAPITAL STRUCTURE



DroneShield raised A\$7 million on the ASX in June 2016, in an oversubscribed offer, through the issue of 35 million shares at A\$0.20 per share:

Shareholders	Shares (ASX:DRO)	Listed Options (ASX:DROO)	Performance Shares and Unlisted Options
Shareholders	139,250,996 ¹	30,749,004 ¹	45,000,000
Options issued to Directors, Management and Advisory Board, and Lead Manager	-	-	27,550,000
Total	139,250,996	30,749,004	72,550,000

Enterprise Value

DRO shares ¹	A\$0.33 / share	A\$46m
DROO options ¹	A\$0.12c / option	A\$3.7m
Cash	As at 31 Mar 2017	(A\$3.1m)
Debt	As at 31 Mar 2017	nil
Enterprise Value	Excluding unlisted options	A\$47m

Notes:

¹ As at 29 May 2017



DroneShield detection system at a prison facility

RECENT KEY DEVELOPMENTS



RECENT KEY DEVELOPMENTS – DRONEGUN LAUNCH



- ▶ In late November 2016, DroneShield launched DroneGun, a tactical drone jammer.
 - Added an effective drone countermeasure to DroneShield's suite of drone detection products.
 - Positioned DroneShield as the only company in the world offering both drone detection and handheld rifle-style tactical drone countermeasures.
- ▶ DroneShield achieved the first full-priced sale within days of the product release.
 - Hundreds of media articles on DroneShield and DroneGun were published globally.
 - DroneShield's promotional video of the product received over 1.3 million views within first month.
- ▶ The Defence Ministry of a Middle Eastern country and a G7 military acquired a DroneGun test unit and is understood to be conducting testing of the product.



Images: DroneGun deployed at the World Economic Forum in Davos in 2017 by the Swiss Police

RECENT KEY DEVELOPMENTS – PRODUCT SALES AND EMERGING THREATS



- ▶ In late December 2016, DroneShield achieved high profile, full-price sales of its detection systems, including
 - a substantial sale to the office of Prime Minister of Republic of Turkey, and
 - a sale to a national security agency of a country in Asia.
- ▶ The overall government and civil infrastructure demand for drone detection and mitigation products continues to increase.
 - Nearly daily barrage of news about drone threats.



Image: DroneShield's Long Range product



Image: Footage of what is reported to be ISIS' world-first drone bomber



Image: DroneShield at the ISC West conference (5-7 April 2017)

RECENT KEY DEVELOPMENTS – GOVERNMENT PROCUREMENT PROCESSES



- ▶ DroneShield and its distributors commenced their participation in a number of government procurement processes, the outcome of which is expected be determined in calendar year 2017.



Image: Recent DroneShield demonstration to Special Forces of a European country (April 2017)

RECENT KEY DEVELOPMENTS – ADVISORY BOARD



- ▶ DroneShield continued its engagement with key decision-makers and regulators, utilising, among other things, its high-profile advisory board.
- ▶ The calibre of DroneShield's Advisory Board was underscored by the fact that its Advisory Board member Rear Admiral Jay Cohen US Navy (Ret):
 - the former Chief of Naval Research (Chief Technology Officer) of the United States Department of the Navy, and later
 - United States Department of Homeland Security (DHS) Undersecretary for Science and Technology,was reported by the press as having met (in his personal capacity, unrelated to the Company) with the then President-Elect Donald Trump and his transition team at Trump Tower on December 2, 2016.

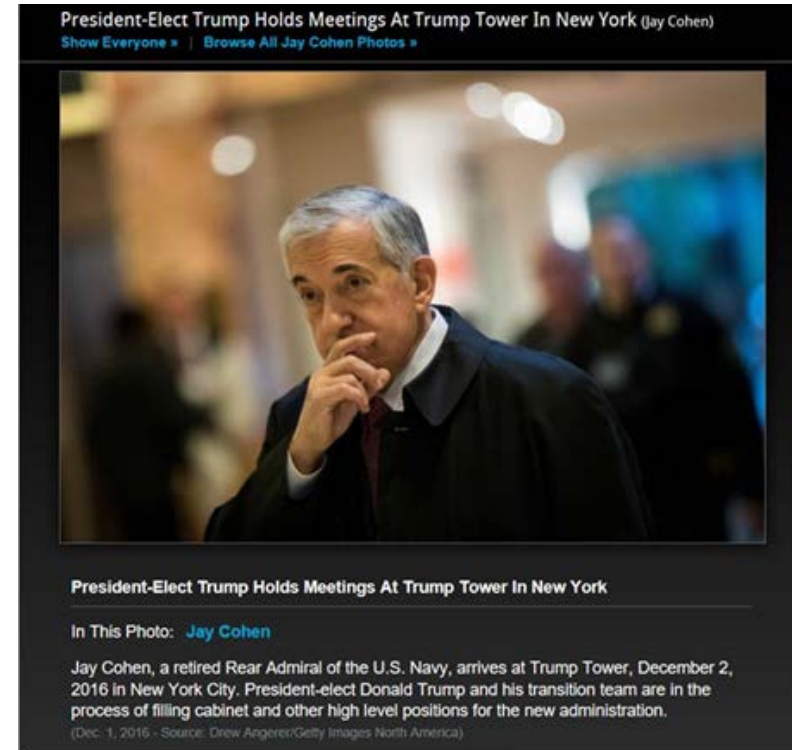


Image: Admiral Jay Cohen (Ret) (DroneShield Advisory Board) at Trump Tower in New York awaiting meeting President-Elect Donald Trump

- ▶ In addition to Admiral Cohen, following the presidential election of Donald Trump, Dr. Samantha Ravich, DroneShield's director, participated in the Presidential transition as a member of the Presidential Transition Team.

RECENT KEY DEVELOPMENTS – MEDIA



- ▶ Among hundreds of press reports on DroneShield was a report on NBC News' Today show.
 - made the day before President Trump's inauguration,
 - described the danger that drones could pose to crowds and dignitaries at the inauguration,
 - profiled DroneShield, and
 - referenced the fact that the United States Secret Service had deployed secret drone countermeasures at the inauguration.
- ▶ DroneShield has also recently appeared on CBS, Fox News, Reuters, Inc and other prominent channels.



Images: DroneGun as appearing on US National Channels NBC and CBS



Image: DroneShield CEO and Managing Director Oleg Vornik interviewed on the national US TV channel FOX News, covering drone threats (April 2017)

RECENT KEY DEVELOPMENTS – PRODUCT DEVELOPMENT ACTIVITIES



- ▶ Consistent with the requirements of potential end-users, DroneShield continued its product development activities
 - commenced the development of DroneSentry, an anti-swarming product.

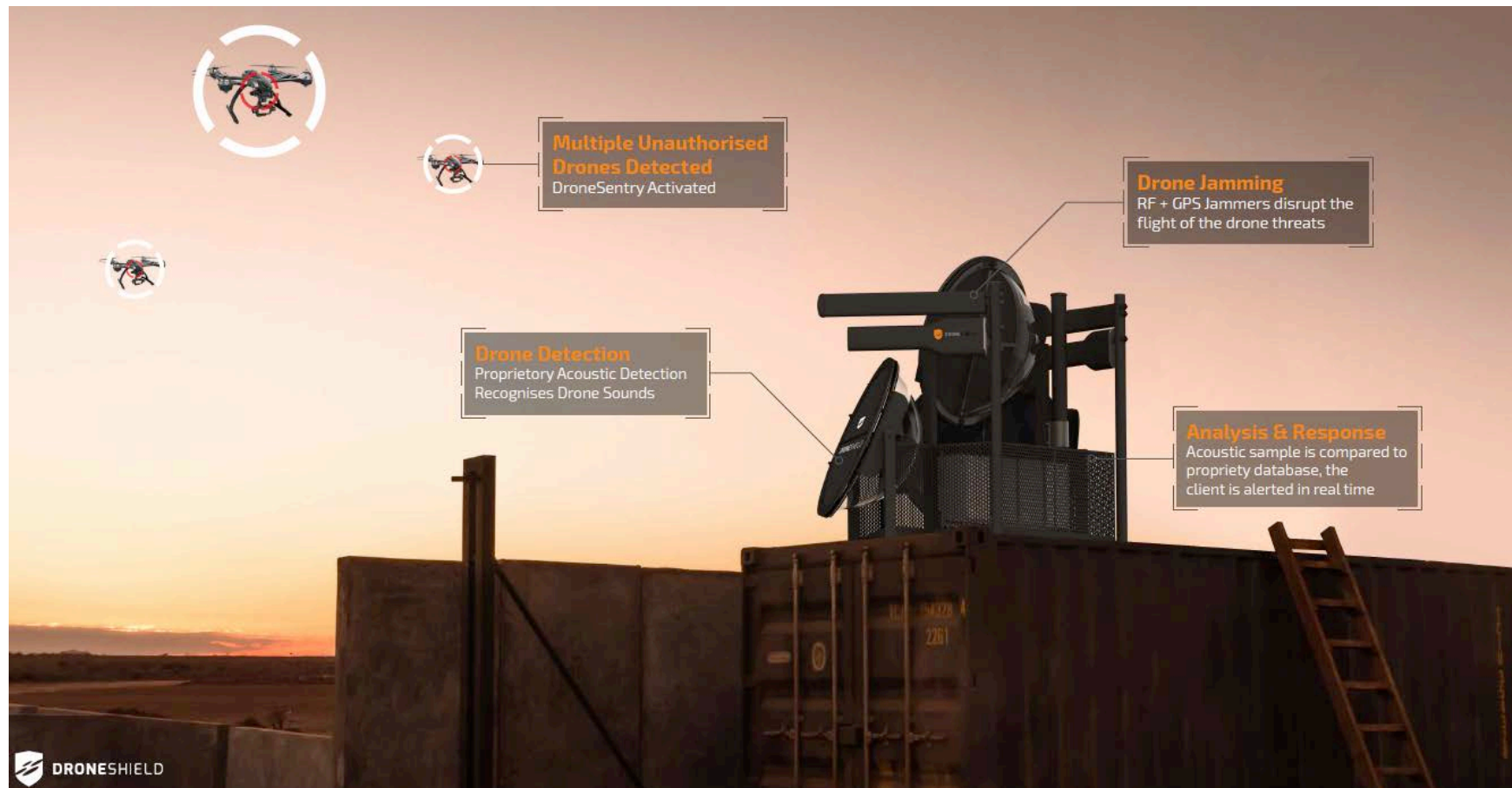


Image: DroneShield's DroneSentry product (artist's rendering)



- ▶ On 15 March 2017, the Australian Transport Safety Bureau released a report titled “Safety Of Remotely Piloted Aircraft Systems (drones)”.
 - The press reported that this report stated that between 2012 and 2016, there were about 180 incidents of drones being too close to aircraft and illustrated the recent growth in this problem by stating that more than 60 per cent of all reported encounters — 108 incidents — happened in 2016.
 - The report was also reported to have stated that statistical models forecast a 75 per cent rise in the number of near encounters in 2017 and that most incidents happened in capital cities and almost all were above the allowed altitude for drones of 400ft (122m).
- ▶ Similarly, the US FAA stated that between February 2016 and September 2016, pilots, air traffic control, law enforcement and members of the public reported possibly spotting 1,274 drones flying near air traffic control facilities — up from 874 during the same period in 2015.
- ▶ In late March, Australian aviation authorities were reported to be investigating claims a drone came dangerously close to a Singapore Airlines Airbus 350 plane as it flew above the Swan River in Perth.
- ▶ Another complaint was made by a Virgin pilot, after a drone reportedly came within 100 metres of the pilot’s aircraft as it approached Canberra.



Image: Prince William’s air ambulance was reported to have come within half a second of a catastrophic mid-air collision with a drone (March 2017)

ENVIRONMENT (CONTINUED)



- ▶ ISIS continued to utilise off-the shelf drones as time bombs in both Iraq and Syria, escalating these tactics in areas in which they had come under attack by the coalition forces. These attacks are reported to have prompted the US military to step up its assessment of anti-drone technologies.
- ▶ On 13 February 2017, the high profile intelligence analytics firm Stratfor, in its report on drone terror threats, under the heading Preparing for the Inevitable stated that it was only a matter of time before an Islamic State supporter attempted a drone attack in the West.
- ▶ The shortcomings of the defense systems previously utilized by the Western militaries, against the growing drone threat, were illustrated by General David Perkins, the head of the United States Army Training and Doctrine Command, who told the audience at an Association of the US Army event, that one of the US allies had successfully used a US\$3.4 million Patriot missile to destroy a quadcopter drone estimated to cost \$200.
- ▶ The Office of the US Secretary of Defense was reported as having stated on March 22, 2017 that the upcoming budget proposal for fiscal year 2018 would include "significant" increases for counter-drone technology.



Image: The wreckage of a crashed drone is seen on a mountain on April 6, 2014 in Samcheok, South Korea. Three drones, believed to be North Korean, have been found in South Korea. North Korea is reportedly in possession of about 1,000 drones that can carry a deadly payload, according to a South Korean state-run think-tank.

APPENDICES





Oleg Vornik, Chief Executive Officer and Managing Director



An experienced financier with investment banking and treasury experience at the Royal Bank of Canada, Leighton Contractors, Brookfield, Deutsche Bank and ABN AMRO.

Mr. Vornik was the Chief Financial Officer of DroneShield prior to the CEO and MD appointment. Prior to DroneShield, he was an investment banker with the Sydney office of the Royal Bank of Canada, and held roles with Brookfield Asset Management, Deutsche Bank and ABN AMRO in Australia and New Zealand as well as the position of a Treasurer at Leighton Contractors.

Mr. Vornik holds a BSci (Mathematics) and BCom (Hons) from University of Canterbury, New Zealand and has completed a business program with Columbia University in New York.

Claire Newey, Chief Financial Officer



An experienced Chartered Accountant with 12 years of international financial reporting, management and advisory experience, across public and private companies spanning various industries.

Prior to joining DroneShield, Ms. Newey was Group Finance Manager with GrainCorp (ASX 100). She has previously worked at Deloitte (Sydney and London) as a Director and with global chemical group Adama, as Chief Financial Officer for Switzerland and European Financial Controller.



Bill Taggart, Vice President Business Development



Mr. Taggart has an extensive experience in establishing and growing military and law enforcement products in the US and globally. Prior to his commercial career, Mr. Taggart has served in the U.S. Marine Corps for 26 years.

Mr. Taggart was previously a Director at Colt's Manufacturing Company and Director (Military and Law Enforcement) at Trijicon, Inc. where he was responsible for all domestic military/government programs and all global commercial and military efforts.

During his tenure at Trijicon, Mr. Taggart grew his division from one to 17 personnel while establishing offices in four foreign countries. During Mr. Taggart's tenure, Trijicon's annual sales increased from US\$17M to US\$130M.

Josh Desmond, Vice President Sales



Mr. Desmond brings over 15 years of experience in business management, sales, and operations. Mr. Desmond has extensive experience working with law enforcement and government agencies, at the local, state, and federal levels.

Mr. Desmond's career began as a federal law enforcement officer. After a short time, he transitioned into a role within the intelligence community where he spent most his career as a targeting officer, serving TDY's in two different warzones.

After his time in the intelligence community, Mr. Desmond then worked for an organization where he was responsible for development and growth of the Public Safety vertical for over half of the United States. Most recently Mr. Desmond was the Director of Sales for a company providing innovative software and SaaS fleet management solutions serving the transportation sector.



Simon Woodward, Chief Technology Officer



A diverse engineering skillset, with leadership experience in large scale technological implementation projects across hardware and software platforms.

Mr. Woodward previously held a number of high profile technical and engineering roles in communications and banking industries in Australia and Europe. He was also the founder of several businesses including Wholesale Communications Group, which rapidly become the largest non-retail telecommunications provider in Australia before being acquired by ASX-listed M2 Group Limited (ASX:MTU). Simon's previous projects included leading the architecture and implementation of a nation-wide telecommunication network across the challenging landscape of the Solomon Islands, and development and support of large scale transactional processing engines handling billions of records a day. Simon has studied Material Engineering, Physics, IT and Computer Science at the University of Wollongong. Simon is certified in PRINCE2 project management.

Anand Sundaraj, Company Secretary



Mr. Sundaraj is a Principal and Solicitor Director of Whittens & McKeough Lawyers and Consultants, with prior positions at law firms Allen & Overy, King & Wood Mallesons and Herbert Smith Freehills as well as for global investment bank Credit Suisse. He is the company secretary of several ASX listed companies.

Anand specializes in mergers & acquisitions and capital raisings for both publicly listed and privately held entities. He also advises on funds management and general securities law matters including ASX Listing Rules compliance.

Prior to joining Whittens, Anand worked for international law firms Allen & Overy, King & Wood Mallesons and Herbert Smith Freehills as well as for global investment bank Credit Suisse.

Anand is the author of "Listed Companies: ASX Listing Rules" in Australian Corporation Practice, published by LexisNexis Butterworths.



Peter James, Independent Non-Executive Chairman



Mr. James has over 30 years' experience in the Technology, Telecommunications and Media Industries, and has extensive experience as Chair, Non-Executive Director and Chief Executive Officer across a range of publicly listed and private companies. He is currently Chair of ASX-listed companies Macquarie Telecom and nearmap.

Mr. James has recently completed 12 years as a Non-Executive Director for ASX-listed iiNet, Australia's second largest DSL Internet Services Provider, chairing iiNet's Strategy and Innovation Committee. iiNet was recently been acquired by TPG Telecom for AUD \$1.56b.

He travels extensively reviewing innovation and consumer trends primarily in the US and also Asia and he is a successful investor in a number of Digital Media, e-commerce and Technology businesses in Australia and the US.

Mr. James is an experienced business leader with significant strategic and operational expertise. He is a Fellow of the Australian Institute of Company Directors, a Member of the Australian Computer Society and holds a BA Degree with Majors in Computer Science and Business.

Oleg Vornik, Chief Executive Officer and Managing Director



An experienced financier with investment banking and treasury experience at the Royal Bank of Canada, Leighton Contractors, Brookfield, Deutsche Bank and ABN AMRO.

Mr. Vornik was the Chief Financial Officer of DroneShield prior to the CEO and MD appointment. Prior to DroneShield, he was an investment banker with the Sydney office of the Royal Bank of Canada, and held roles with Brookfield Asset Management, Deutsche Bank and ABN AMRO in Australia and New Zealand as well as the position of a Treasurer at Leighton Contractors.

Mr. Vornik holds a BSci (Mathematics) and BCom (Hons) from University of Canterbury, New Zealand and has completed a business program with Columbia University in New York.

BIOGRAPHIES | DRONESHIELD BOARD



Dr. Samantha Ravich, Independent Non-Executive Director



Dr. Samantha Ravich is the former Deputy National Security Advisor for Vice President Cheney and served in the White House for 5½ years where she was the Vice President’s representative on Asian and Middle East Affairs as well as on Counter-Terrorism and Counter-Proliferation. Dr. Ravich was an early angel investor in DroneShield.

Following her time at the White House, Dr. Ravich was the Republican Co-Chair of the Congressionally-mandated National Commission for Review of Research and Development Programs in the United States Intelligence Community. Dr. Ravich is now the CEO of A2P, a social data analytics firm, as well as the Principal Investigator on the recently released monograph, “Cyber-Enabled Economic Warfare: An Evolving Challenge.” She also serves as an advisor to The Chertoff Group and Freedom Capital Investment Management. She received her Ph.D. in Policy Analysis from the RAND Graduate School and her MCP/BSE from the University of Pennsylvania/Wharton School. Her book, “Marketization and Democracy: East Asian Experiences,” (Cambridge University Press) is used as a basic textbook in international economics, political science, and Asian studies college courses. Ravich is member of the Council on Foreign Relations, serves as an advisor to the US Intelligence Community. Dr. Ravich is a frequent keynote speaker on international security, cyber, and the future of intelligence.

Robert Clisdell, Non-Executive Director



Mr. Clisdell is based in Sydney and is the Vice-President at Bergen Capital (Australia) Ltd, an affiliate of the Company's largest shareholder.

Prior to Bergen, Mr. Clisdell led the middle market corporate advisory practice for Credit Suisse's Private Bank in Melbourne. Prior to Credit Suisse, Mr. Clisdell was an M&A banker with Caliburn Partnership (now Greenhill & Co.) in Sydney, and worked in Equity Capital Markets at Ord Minnett Corporate Finance. Mr Clisdell began his career with Arthur Anderson and qualified as a Chartered Accountant in 2005. He holds a Bachelor of Commerce from the University of Sydney and a Graduate Diploma in Applied Finance from FINSIA.



Hon. Jay M. Cohen, Rear Admiral, United States Navy (Ret.), Member



Admiral Jay M. Cohen is a former Chief of Naval Research (United States Navy) and has served as the Department of the Navy Chief Technology Officer.

Admiral Cohen is a graduate of the United States Naval Academy and holds a joint Ocean Engineering degree from Massachusetts Institute of Technology (MIT) and Woods Hole Oceanographic Institution and Master of Science in Marine Engineering and Naval Architecture from MIT. Earlier in his career, he commanded USS Hyman G. Rickover and served on the U.S. Atlantic Fleet before commanding the submarine tender USS L.Y Spear including a deployment to the Persian Gulf in support of Operation Desert Storm.

Admiral Cohen was promoted to the rank of Rear Admiral in 1997 and reported to the Joint Staff as Deputy Director for Operations responsible to the President and Department of Defense leaders for strategic weapons release authority. In June 2000, he became the 20th Chief of Naval Research. He served during the war as the Department of the Navy Chief Technology Officer, responsible for the \$2B+/year Navy and Marine Corps Science and Technology (S&T) Program. Unanimously confirmed by the US Senate, he was sworn in as Under Secretary for Science & Technology at the Department of Homeland Security in 2006. Since leaving government, Admiral Cohen serves on corporate boards and is an independent consultant for science and technology in support of U.S. and international defence, homeland security and energy issues and solutions.

Carol A. Haave, Member



Carol A. Haave is the former Assistant Secretary for International Affairs at the Department of Homeland Security and the former Deputy Undersecretary of Defence for Counterintelligence and Security.

She has more than 25 years of working directly with cabinet-level officials providing defence, security, intelligence, counterintelligence and technology advice, and is noted for adapting commercial technology and innovative programs to benefit the military and security officials involved in conflict situations. Responsible for Homeland Security's relationships with all foreign countries, Ms. Haave was directly involved in successful efforts to identify, disrupt and respond to terrorist and other security threats to the United States and its forces. She was the Operations Manager for a \$125 million/year program that built a commercial communications, command and control, and information management system deployed to 33 sites throughout Europe to include Bosnia, along with the first deployment of the Predator UAV that ensured military leaders were privy to the same operational information and intelligence simultaneously.

As a senior Homeland Security official, Ms. Haave has significant experience with U.S. Borders, Customs and all Homeland Security departments. As a senior official at Defence and Homeland Security, she developed and maintains significant international contacts. Carol has over a decade of DARPA experience, including technology transition and information management. She has served as a Management Analyst at NASA and an Inspector at Summa Corporation.



Lieutenant General Robin Brims (Ret.) CB CBE DSO, Member



General Brims became Commander of the UK Field Army in 2005. He deployed to Baghdad in 2005 to be the Deputy to the Coalition Commander General George Casey.

Earlier in his career, General Brims was Chief of Staff at Headquarters Northern Ireland and Director Army Plans and Resources in UK Ministry of Defence. In 2000 he was appointed Commander of the Multi-national Division (South West) in Bosnia and in 2001 became General Officer Commanding 1st (UK) Armoured Division which took part in the invasion of Iraq. For his service in Iraq he was awarded the Distinguished Service Order. On leaving Iraq became Deputy Chief of Joint Operations at UK's Permanent Joint Headquarters, before becoming Commander of the UK Field Army in 2005 and deploying to Baghdad for most of 2005 to be the Deputy to the Coalition Commander, General George Casey. On retirement in 2007 he became Rector (Vice-Chancellor) of the University of Kurdistan-Hawler in Northern Iraq. His task was to reorganize the University to make it fit international standards. He handed over to an academic in late 2009 and returned to live in UK. He was appointed Chairman North of England Reserve Forces and Cadets Association in April 2010, and Chairman Council of RFCAs in December 2011. In 2012 he was appointed by the UK Secretary of State for Defence to be Chairman of the External Scrutiny Team which is tasked with reporting on the UK MOD's plan to expand the Reserves.

Robert Hill, AC, Member

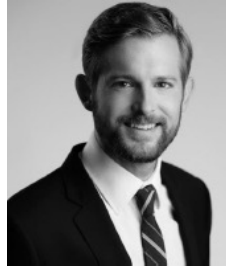


Mr. Hill is a former Australian Minister for Defence.

He was a member of the Australian Senate from 1981 to 2006, representing South Australia. He was educated at the University of Adelaide and the London School of Economics, where he gained a Master's degree in Law. Mr. Hill was Leader of the Government in the Australian Senate from March 1996 until his resignation in January 2006. He was Australian Minister for the Environment 1996-98, Minister for the Environment and Heritage 1998-2001 and Minister for Defence from November 2001 to January 2006. In July 2005 the Coalition parties took control of the Australian Senate and Mr. Hill became the first Government Leader in the Senate since 1981 to command a majority in the chamber. In January 2006 he announced his resignation from the Parliament. Mr. Hill was Australian Ambassador to the United Nations for Australia from 2006 - 2009. In July 2009, he was appointed by Prime Minister Kevin Rudd as Chairman of the Australian Carbon Trust. In June 2012, he was awarded a Companion of the Order of Australia.



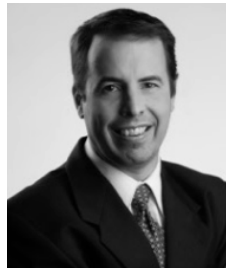
John Franklin, Chief Scientific Officer



Mr. Franklin holds a M.Sc. in Applied and Computational Math from Johns Hopkins University.

Previously, he was a member of the research staff at the Air and Missile Defense Sector at Johns Hopkins University Applied Physics Laboratory, and Adjunct Research Associate (Science and Technology Division) at the Institute for Defense Analyses.

Dr. Brian Hearing, Vice President (Research & Development)



Most recently prior to DroneShield, Dr. Hearing worked for the Office of Director of National Intelligence as a staff member at the National Commission for Review of R&D Programs of the United States Intelligence Community and Deputy Director (Intelligence, Surveillance and Reconnaissance) at the United States National Geospatial-Intelligence Agency.

Prior to that, he worked as Program Manager – Sensors Systems Business Unit at BBN Technologies (now Raytheon) and Program Manager – Strategic Technology Office at Defense Advanced Research Projects Agency (DARPA). Dr. Hearing holds a Ph.D. from Massachusetts Institute of Technology and has authored or co-authored over 25 classified and unclassified papers and documents, including:

- DARPA/STO BAA 07-52, “Scalable Network Monitoring,” FedBizOpps.gov, 2007,
- DARPA/ATO BAA 06-16, “Strategically Hardened Facility Defeat,” FedBizOpps.gov, 2006,
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- B. Hearing, V. Andrews, J. Biddle, J. Buxé, O. Oberg, A. Stone, J. Teichman, “Error Propagation in Biomolecular Computation Processes,” IDA Document D-3023, 2004,
- Co-author, “Energy Storage for Pulsed-Power in Future Military Systems,” JASON Report JSR-03-135, 2003,
- Co-author, “Tactical Infrasound,” JASON Report JSR-03-520, 2003,
- Co-author, “Cruise Missile Defense,” JASON Report JSR-03-140, 2003, and
- B. Hearing and T. Schilling, “Issues in ABL Lethality,” IDA Document D-2704, 2001.

IMPORTANT CAUTIONARY NOTE



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