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DroneShield Limited (DRO) - Launch of Drone Jammer (DroneGun) - Spec Buy

Hot off the Press
Industrials Research



DroneShield Limited (DRO) \$0.195

Recommendation: Spec Buy

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Event

- DroneShield Limited (DRO) has completed development and launched its drone jammer (DroneGun) product.
- The DroneGun is a rifle-style handheld jammer device, which is effective at the standard frequencies of consumer and commercial drones globally (2.4Ghz and 5.8Ghz frequencies)
- The product is being marketed through the Company's existing network of distributors in 35 countries, where legal.

Impact

- A highly positive announcement for DRO, which rounds out its product suite.
- The addition of the DroneGun countermeasure technology is highly synergetic to the DroneShield detection technology, and creates a comprehensive drone security system of first-class detection and mitigation.
- However, the product can only be sold into markets where it is legal to use jammers on drones. We note that it is not legal, nor authorized, in the USA (except for Federal Government agencies).
- This is the first near-term catalyst achieved for DRO. Additional identifiable near and medium term catalysts for DRO include: additional detection products; the first full installation; changes in drone regulation and laws and; specific global events involving drones (eg terrorism) which may see drones and drone safety become more prominent in the media.
- We maintain our Spec Buy recommendation and target price of \$0.77/sh.

Disclosure: Patersons Securities Limited acted as Lead Manager to the Initial Public Offering of DroneShield Limited that raised \$7.0m at \$0.20 per share in June 2016. It was paid a fee for this service.



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