

Epirus Invests \$3.7 million in DroneShield

DroneShield Ltd (ASX:DRO) (**DroneShield** or the **Company**) is pleased to advise it has received a binding commitment from Epirus, Inc (**Epirus**) to raise \$3.7 million (corresponding to approximately US\$2.5 million), via a placement of 18,500,000 fully paid ordinary shares in the Company (**Shares**) at \$0.20 per Share (**Placement**). This represents a discount of 2.4% to the last closing price of 20.5c per Share. The Placement will result in Epirus acquiring an approximate 4.1% Shareholding interest in DroneShield.

The Shares are expected to be issued under the Placement on around 22 November 2022 using the Company's existing available placement capacity under ASX Listing Rule 7.1 (64,881,298 Shares) and will rank pari passu with the existing Shares in the Company.

Epirus is a high-growth U.S. technology company developing software-defined directed energy systems that enable unprecedented counter-electronics effects and power management solutions to optimize power efficiency in defense and commercial applications. This includes the Leonidas™ solid-state, software-defined high-power microwave (**HPM**) technology to enable unmatched counter-electronics effects for a range of use cases. Additional information about Epirus can be found at <https://www.epirusinc.com>. Epirus was founded in California in 2018 and has raised approximately US\$300 million (approximately A\$450 million) in funding since inception.

Use of Funds

Net proceeds raised from the Placement are currently intended to be used to fund:

- The scaling up of ready inventory and long lead items, to rapidly fulfil anticipated orders
- The continuation of the scaling up of engineering and operations to support current momentum
- General working capital.

Indicative Timetable

The timetable for the Placement below is indicative only and subject to change. All times below are Sydney, Australia time.

Announcement of Placement and lodgement of Appendix 3B	17 November 2022
Issue of Shares under Placement, lodgement of Appendix 2A and Cleansing Notice	22 November 2022
Quotation on ASX of Placement shares	23 November 2022

DroneShield CEO, Oleg Vornik, commented: "We welcome Epirus to our investor register. There are significant complementary areas between our companies, including combining DroneShield's drone detection and soft defeat systems, with Epirus' hard defeat solutions."

Epirus CFO, Ken Bedingfield, added: "We are excited to undertake this investment, as we have been watching the rise of militarized drone usage in battlefield for some time. Strengthening our partner ecosystem accelerates opportunities to field innovative solutions to areas with the most pressing needs."

DroneShield has achieved a number of project wins in the last couple of months, including being

recommended by the Joint Counter-small Unmanned Aircraft Systems Office (JCO) for deployment across US Department of Defense (DoD) bases within the Science Applications International Corporation (SAIC) consortium, a win of Small Business Innovation Research (SBIR) project for the US DoD with Quantum Research International, and various deployments with the US Army, European Government customers, a first US airport deployment, appointment to the Australian Department of Defence Intelligence, Surveillance, Reconnaissance and Electronic Warfare Standing Offer Panel, and most recently the \$1 million international Government order for its DroneSentry-X™ units.



Image: DroneShield DroneSentry™ 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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