



# Market Announcement

10 September 2025

---

Attached for the information of the market is ASX's aware letter to DroneShield Limited (ASX:DRO) dated 2 September 2025 and DRO's responses to ASX's queries dated 5 September 2025 and 9 September 2025.

For personal use only



2 September 2025

Reference: 112203

Mr Paul Cenoz  
Joint Company Secretary  
DroneShield Limited

By email

Dear Mr Cenoz

**DroneShield Limited ('DRO'): ASX Aware Letter**

ASX refers to the following:

- A. A media release published by the Australian Government Defence Minister on 27 August 2025 titled 'Albanese Government ramps up investment in counter-drone capabilities for ADF', which stated that the Australian Government had appointed Leidos Australia as the Systems Integration Partner for Project LAND 156 in a contract valued at \$45.9 million.
- B. DRO's announcement titled 'Project LAND 156 Update' (the 'Announcement') released on the ASX Market Announcements Platform at 9:03 AM AEST on 28 August 2025 in which DRO disclosed that it had not been selected by the Australian Department of Defence as the Systems Integration Partner for Project LAND 156 (the 'Information').
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:  
*an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.*
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled 'When does an entity become aware of information?'
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

3.1A *Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

3.1A.1 *One or more of the following 5 situations applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.*

- G. The concept of 'confidentiality' detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.*

#### **Request for information**

Having regard to the above, ASX asks DRO to respond separately to each of the following questions:

1. Does DRO consider the Information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to any part of question 1 is "no", please advise the basis for that view.
3. When did DRO first become aware of the Information referred to in question 1 above?
4. If DRO first became aware of the Information referred to in question 1 before the date of the Announcement, did DRO make any announcement prior to that date which disclosed the Information? If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on:
  - 4.1 when you believe DRO was obliged to release the Information under Listing Rules 3.1 and 3.1A; and
  - 4.2 what steps DRO took to ensure that the Information was released promptly and without delay.
5. Please confirm that DRO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that DRO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DRO with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AEST Friday, 5 September 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DRO's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require DRO to request a trading halt immediately if trading in DRO's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Suspension**

---

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DRO's securities under Listing Rule 17.3.

**Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to DRO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that DRO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

**Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

---

ASX Compliance

CC: Carla Balanco, DroneShield Limited

5 September 2025

ASX Compliance  
20 Bridge Street  
Sydney NSW 2000

By email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear ASX Compliance

DroneShield Limited (**DRO**) refers to your letter dated 2 September 2025. Responses to your questions are below, and this letter uses the defined terms in your letter.

**1. Does DRO consider the Information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No.

**2. If the answer to any part of question 1 is "no", please advise the basis for that view.**

DRO regularly provides updates to the market on its sales pipeline. The sales pipeline is presented on a geographical basis.

In its most recent update released to ASX on 27 August 2025 (titled '1H25 Results Investor Presentation'), the global sales pipeline for DRO was \$2.34 billion. The global sales pipeline is comprised of numerous individual opportunities, including the Australian portion of the pipeline which incorporates various anticipated phases of the LAND 156 program (of which the Systems Integration Partner (**SIP**) is one phase) and projects outside of LAND 156 program entirely.

DRO understands that the value of the SIP contract awarded on 27 August 2025 was approximately \$45 million (over 3 years), approximately 1.92% of DRO's global sales pipeline. DRO also notes that its own internal forecast for the revenue from the SIP contract was approximately \$7 million (based on its best estimates), approximately 0.3% of DRO's global sales pipeline.

DRO does not consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities as:

- the value of the SIP contract does not represent a material proportion of DRO's global sales pipeline; and
- when providing the sales pipeline to investors, DRO discloses that the sales opportunities in the pipeline are at various stages of maturity, that the opportunities are unweighted for probability, and that there is no assurance that any of DRO's sales opportunities will result in sales.

DRO announced the outcome of the SIP package tender as it has referred to sales opportunities associated with the LAND156 program, including its tender for the SIP package, in past ASX announcements.

The designation of the Announcement as 'price sensitive' on the ASX Market Announcements Platform was an error.

**3. When did DRO first become aware of the Information referred to in question 1 above?**

DRO first became aware of the Information at approximately 12.00pm on 27 August 2025.

4. If DRO first became aware of the Information referred to in question 1 before the date of the Announcement, did DRO make any announcement prior to that date which disclosed the Information? If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on:

**4.1 When you believe DRO was obligated to release the Information under Listing Rules 3.1 and 3.1A; and**

Not applicable, DRO was not obligated to release the Information under Listing Rules 3.1 and 3.1A.

**4.2 What steps DRO took to ensure that the Information was released promptly and without delay.**

Not applicable, DRO was not obligated to release the Information under Listing Rules 3.1 and 3.1A.

5. Please confirm that DRO is in compliance with the Listing Rules and, in particular, Listing Rule 3.12.

Confirmed.

6. Please confirm that DRO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DRO with delegated authority from the board to respond to ASX on disclosure matters.

DRO confirms that its responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy by officers of DRO with delegated authority from the board to respond to the ASX on disclosure matters.

Please contact me if you wish to discuss any aspect of this letter.

Yours sincerely,  
**DroneShield Limited**



**Paul Cenoz** | General Counsel & Joint Company Secretary  
E: paul.cenoz@droneshield.com  
M: +61 44760 1333

9 September 2025

ASX Compliance  
20 Bridge Street  
Sydney NSW 2000

By email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear Renee,

DroneShield Limited (**DRO**) refers to your email dated 8 September 2025. Responses to your questions are below.

- 1. DRO's response indicates that its announcement on 28 August 2025 was incorrectly marked by the entity as 'price sensitive', and that DRO does not consider the value of the Land 156 SIP contract (approximately \$45 million over 3 years) to be material. However, ASX notes that DRO made an earlier announcement on 24 July 2025 titled 'LAND 156 – Initial Contracts Announcement', which was marked as price sensitive and disclosed that DRO had received approximately \$5 million in orders under the initial Land 156 contract awards. Could you please clarify why the 24 July announcement was considered material, while the 28 August announcement is not?**

The 24 July 2025 announcement related to a confirmed order, while the 28 August 2025 announcement related to an unsuccessful tender.

The materiality of a confirmed order is considered having regard to DRO's revenue (approx. \$72.3 million for 1H25), while the materiality of an unsuccessful tender is considered having regard to DRO's sales pipeline (\$2.34 billion as of August 2025) and DRO's disclosures in relation to the sales pipeline generally (for example that there is no assurance that any of DRO's sales opportunities will result in sales).

As noted in our response dated 5 September 2025, DRO announced the outcome of the SIP package tender as it has referred to its tender for the SIP package associated with the LAND156 program in past ASX announcements.

- 2. As the response states that the 28 August announcement was incorrectly marked as price sensitive, please confirm what arrangements DRO currently has in place to prevent such errors. If these arrangements are inadequate or not being enforced, what additional steps does DRO intend to take to ensure compliance with the Listing Rules?**

DRO has adopted a continuous disclosure policy, which provides guidance as to when information is market sensitive. DRO intends to adopt quantitative materiality guidelines for contract-related announcements to prevent future errors.

- 3. DRO's response states that the entity became aware of the information contained in its 28 August announcement at approximately 12:00pm on 27 August 2025. While ASX recognises this was a naturally volatile day in the trading of DRO's securities following the release of its results, ASX notes a distinct decrease in the price of DRO's securities at approximately 12:50pm accompanied by a notable increase in volume as per the chart below: [chart intentionally omitted] Please include an explanation as to how DRO became aware of the information (i.e. from public sources or private communications), and whether DRO is of the view that this information was confidential at the time that DRO became aware of it.**

DRO became aware of the Information at approximately 12.00pm on 27 August 2025 via a letter from the Department of Defence. DRO is of the view that the Information was confidential on receipt. DRO became aware of a Defence Connect article naming the successful tenderer shortly after 1.00pm on 27 August 2025, at which point the Information ceased to be confidential. DRO notes that trading in DRO's shares was turbulent on 27 August 2025, including as a result of the



**DRONESHIELD**

increase in the share price from the previous close immediately following the release of DRO's 1H25 results.

Please contact me if you wish to discuss any aspect of this letter.

Yours sincerely,  
**DroneShield Limited**

*Paul Cenoz*

**Paul Cenoz** | General Counsel & Joint Company Secretary  
E: paul.cenoz@droneshield.com  
M: +61 44760 1333

For personal use only