

Artificial Intelligence Multi-Mission Counter-Drone Solutions

3Q25 Results - Investor Presentation

October 2025

Investment Thesis



onal use only

A well positioned market leader in a globally surging industry, across military and civilian sectors

Deteriorating geopolitical and security situation around the globe, accelerating defence spending

Ukraine has **irreversibly brought drones and counterdrone solutions into mainstream** of conflicts

The counterdrone market saturation is small (sub 5%*) - US\$60bn Total Addressable Market

- The "drone problem" is new (largely since when the Ukraine War started in 2022) and evolving
- Civilian market is a US\$28bn TAM opportunity in the event of a "drone 9/11", rapid adoption is likely

Traditional defence primes are not well positioned - need cost effective, rapidly evolving solutions

DroneShield is the only pure-play counterdrone publicly listed company in the world

[We need]... more Al in everything ... more counter UAS.

Peter Hegseth, U.S. Secretary of War (Sep 30, 2025)

We need to strengthen our ... anti-drone capabilities ... a European network of anti-drone measures..."

Mette Frederiksen, Danish Prime Minister (Oct 3, 2025) The drone wall initiative is timely and necessary

NATO Secretary General Mark Rutte (Sep 30, 2025)

3Q25 Summary



Significant Performance Acceleration

A\$	3Q2025	3Q2024	QoQ Growth	Comment
Revenue	92.9m	7.8m	▲ 1,091%	 All-time high revenue quarter 2Q25 second highest revenue quarter at \$38.8m Committed revenues YTD2025 of 193.1m (vs \$57m for all of 2024)
Cash Receipts	77.4m	9.1m	▲751%	 All-time high cash receipt quarter 4Q23 second highest cash receipt quarter at \$47.9m
SaaS Revenues	3.5m	0.7m	▲ 400%	 Expected to keep rising in dollars and percentages All new products to carry one or multiple SaaS SaaS is critical due to the changes in drone technology As the hardware becomes more open-ended, software is expected to play an increasing role SentryCiv, a subscription-only product for the civilian sector, has been released. The price structure is cashflow positive from day 1 Expecting the civilian sector to reach up to 50% of revenue over next 5 years, and subscription products to be a central part
Operating Cashflow	20.1m	(19.4m)	▲ 204%	 Targeting to be consistently operating cashflow positive and profitable moving forward

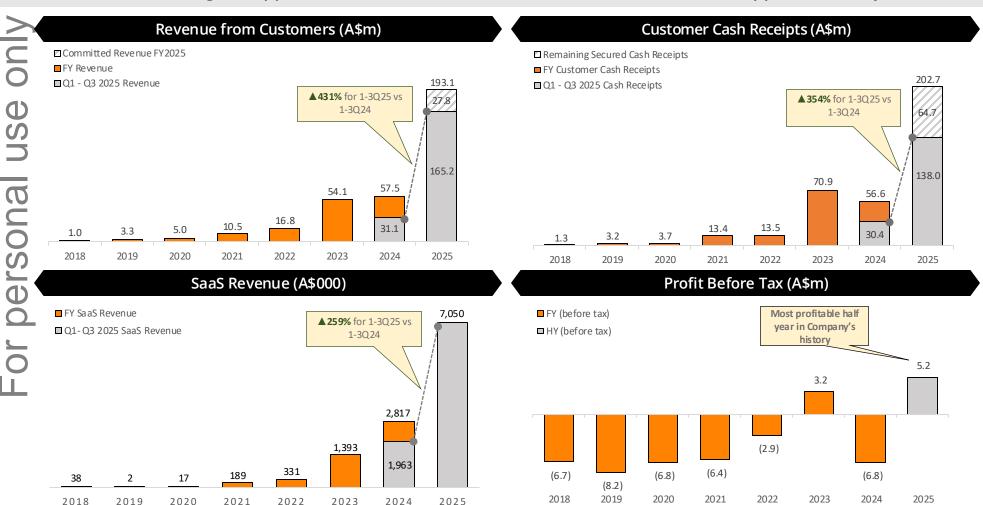
Notes:

- Committed Revenues as at October 2025.
- 2. YTD 2025 results are preliminary estimates. The audited results are due in February 2026, as part of the 2025 Annual Report.

Delivering Growth in Revenue and Earnings



DRO expects to benefit from operational leverage moving forward
The Gross Profit margin is approx. 65%. The current fixed cash cost of the business is approx. \$100m/year



Key Highlights



Record performance across all key metrics

Robust financial performance



1Q-3Q 2025 revenue

- Up **431%** (vs. 2024)
 - Highest revenue year to date

Executing on material pipeline



A\$2.55bn

Pipeline October 2025

 300+ diverse pipeline across geographies, customers, products and stages of maturity

Positioned to win and scale



330

World-class engineers

- A well resourced, highly agile team
- · Cat-and-mouse game with drone tech



A\$5.2m

HY2025 Profit Before Tax

Most profitable Half Annual period to date



307

2025 / 2026 projects in pipeline

Up significantly vs. 2024



A\$50m+

R&D spend annually

 Continuous investment in hardware and Al software to combat latest drone threats



A\$193.1m

YTD2025 secured revenues

Strong growth vs A\$57.5m for all of 2024



5

Projects over \$100m each

- 17 deals over \$30m each
- The largest opportunity is \$800m



A\$235.2m

Cash balance (14 Oct 2025)

 Significant cash balance provides flexibility and supports ongoing investment

Sales Pipeline at \$2.55bn (as of Oct 2025)



300+ diverse pipeline across geographies, customers, products and stages of maturity of the deals.

Corresponds to approximately end of 2026. Civilian customers are starting to demonstrate interest as well.



\$715m / 118 projects

- Sales YTD: A\$25.5m (15% YTD revenue)
- Trump's "Big Beautiful Bill" expected to drive counterdrone budgets
- DRO is undergoing steps for the SSA to perform classified defence contracts



\$1.15bn / 66 projects

- Sales YTD: A\$71.1m (42% YTD revenue)
- <u>EUR800bn Re-Arm Europe Plan</u> / Defence Readiness Roadmap 2030
- Setting up a European manufacturing and regional sales hubs



\$15m / 3 projects

- Sales YTD: A\$3.9m (2% YTD revenue)
- Working via BT (British Telecom)
- Received NPSA certification for DroneSentry
- DroneSentry-X integrated into Leonardo UK's FalconShield system



\$63m / 12 projects

- Sales YTD: A\$9.3m (5% YTD revenue)
- Recent new 2-year \$11.7m EW contract
- DRO included in Phase 1 LAND156 win
- \$1.3bn L156 C-UAS spend, DRO well positioned



\$468m / 33 projects

- Sales YTD: A\$39.8m (23% YTD revenue)
- Several key Governments seeking to protect against the threat of small Chinese drones



2

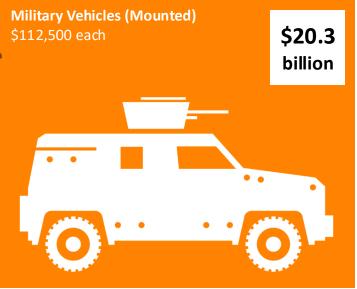
\$139m / 75 projects

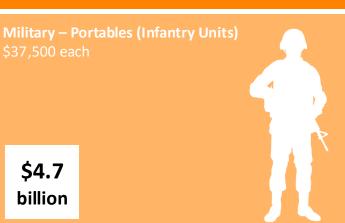
- Sales YTD: A\$20.7m (12% YTD revenue)
- On the ground sales staff in Mexico and UAE, supported by distributors
- LATAM (Mexico, Colombia) a key driver

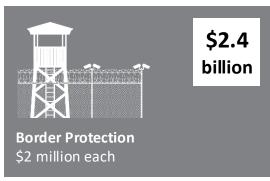
US\$35bn+ Total Addressable Military Market

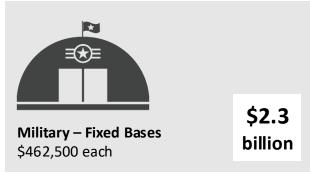




















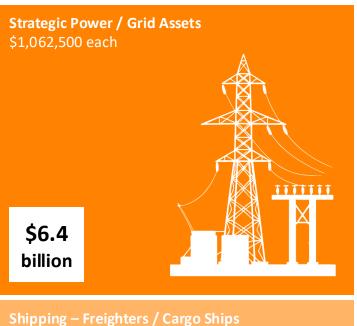




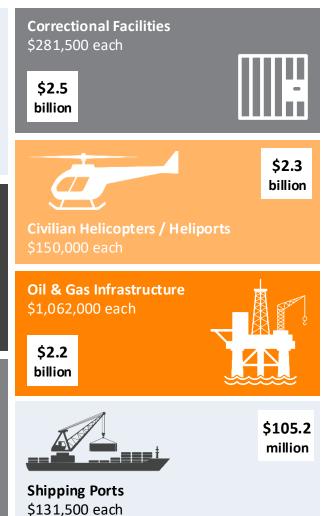
US\$28bn+ Total Addressable Civilian Market











\$4.3

billion

use only For persona

Unmatched End-to-End Counter-Drone Solutions Worldwide...



Complete multi-mission counter-drone solutions with the best product for every scenario

Dismounted







On-The-Move & Fixed Site





RfPatrol

- Mk2: Portable, body-worn drone RF detection
- Mk2 Wideband (WB): Enhanced to perform against modern emerging threats
- Upfront hardware purchase, plus recommended SaaS

DroneGuns

- Mk4: Lightweight and compact
- Tactical: Designed for two hand operation and long-range defeat
- Upfront hardware purchase (future gen to also have SaaS)

Drone Sentry

- DroneSentry-X Mk2 as the foundation plus optional add-ons
- Includes optical, radar, radio frequency, acoustic, cyber, edge computing and software systems
- Long range automated situational awareness, monitoring and threat response of local airspace activity
- Real time alerts, analytics and reporting through DroneSentry-C2 software
- Upfront hardware purchase, plus recommended SaaS

SentryCiv

- Civilian
- SaaS only
- Cost effective
- Pricing cashflow positive for DRO from day 1



personal use only

...And Proprietary AI-based SaaS and Software R&D Contracts



Quarterly proprietary SaaS, completed by third party SaaS on integrated radar solutions

The goal is 10,000's of hardware pieces globally, each with multiple SaaS, with 30-40% of revenue in SaaS

RFAI (detection)







RFAI-ATK (defeat)



Next Gen Portable Defeat



- Trial deployments 4Q2025
- Paid subscription 2026 onwards

DroneSentry-C2





DroneSentry-C2 Tactical





DroneOptID (own SaaS module)







More models coming

Third Party Sensor SaaS







More coming

Future Additional SaaS Modules

SFAI (sensor fusion engine) for third party C2s

Expansion of Access Portal Features

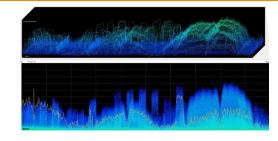
Sentry-Civ





- Pure subscription pricing
- Price structure designed to be cashflow positive from day 1

Electronic Warfare & Signals Intelligence



Recognition of never seen before threats in multiple domains

- Currently on a further, \$11.7m contract Further contracts expected
- Synergetic with the counterdrone business

Will our technology continue to work against drones?



A large and agile team, combining counterdrone technology, expertise, relationships and reputation

RF to remain core drone technology	 DRO believes that radiofrequency will remain the core sensor and effector mechanism as the drones evolve* Non-RF drones are catered for by ability to integrate other technologies, as the solutions will differ across scenarios
Sensor maker and integrator	 Where the customer has "detect all drones no matter what they could be" requirements and a sufficient budget, DRO acts as an integrator, adding third party sensors and effectors into a single system package (customers do not wish to buy "lots of boxes" and therefore rely on an integrator) Over time, DRO may add some of these alternative detection and defeat technologies into its own portfolio For example, can consider adding sonar when underwater drone threats start to proliferate
Ongoing counterdrone nnovation is key	 Several next generation hardware/software products due for 2026 release and beyond DRO's edge driven by a multiple differentiators: Technical: arguably largest and highly agile counterdrone engineering team globally, extensive and growing counterdrone AI datasets Commercial: close trusted collaborations with customers, brand name, certifications
Drone tech innovation is a positive	 There is a substantial investment by drone manufacturers (especially Chinese) to make jamming-resistant drones This is both a threat, and an opportunity to maintain high product gross margins through innovation, and stops the C-UxS industry from becoming commoditised

^{*} According to field intelligence information received by DroneShield and customer discussions

Will our technology continue to work against drones? (continued)



Understanding market trends and the "ground truths" about them, remains key

What about fibre-optic drones?	 Use of multi-sensor systems such as DroneShield's DroneSentry, including with multiple detection modalities (radar, acoustic, camera etc) and defeat (lasers, high-powered microwaves) are considered best approach for such drones Drones controlled by fibre-optic cables have limitations of use*, including entanglement of the lines to each other and buildings/trees, the drone being tangled onto itself (especially in adverse weather conditions), snapping the cable is flying quickly, as well as the weight of the cables
What aboutautonomous drones?	 The nature of drone missions (precision reconnaissance and strike capability) requires "human in the loop" (and the need for a pilot to control the drone), reinforced by the current trend of First Person View (FPV) drones, which DRO can detect, track and defeat When doing surveillance, the need for timely information is critical - autonomous drones generally need to return to their pilots and have the video downloaded - this means the information is 1-2 hours old. In most cases this is too long
What about GPS-guided drones?	 Drones using way-point navigation ("GPS-guided drones"), do not appear to provide sufficiently accurate and precise satellite navigation in warzones such as Ukraine, where GNSS jamming and spoofing are common across wide areas For outside of warzones, GNSS suppression capability is able to disrupt way-point navigation of the drones (where lawful for the customer to deploy)
Can't I just shoot down a drone with a gun?	 It's difficult to target very fast-moving small objects with bullets, especially for a multi-direction swarm attack Drones often fly very high and then dive down, making it even more difficult Remote Weapon Stations have a narrower market applicability, generally to warzones, and subject to technical, export control and collateral damage limitations*

 $^{*\} According\ to\ field\ intelligence\ information\ received\ by\ Drone Shield\ and\ customer\ discussions$

nal Derso **Commercial differentiators**

Our Competitive Differentiators



Technical differentiators



Global pioneer at the forefront counterdrone technology



Fully in-house development and manufacturing capabilities (except radar and camera)



330 world class engineers



\$50m+/year of R&D investment



Market leading, differentiated Al technology



Substantial and growing proprietary global Al drone database



Dedicated data engineering team



Al-powered SaaS solutions poised to be significant proportion of total revenue



Trusted partner and global reputation



Global presence in 70+ countries



Strong relationships and history of R&D collaboration with blue chip customers



Track record of repeat orders



Complete product and integration



End-to-end offering across dismounted and fixed/OTM portfolio



Integrated hardware and software solutions



Well-positioned to maximise wallet share

Competitive Positioning



- DRO is the global market leader in each of its key segments, underpinned by its commercial and technical differentiators. Competitors include*:
 - Handheld detection: MyDefence (Denmark) and DZYNE (USA)
 - Handheld defeat solutions: MyDefence (Denmark), SteelRock (UK) and DZYNE (USA)
 - On the move detection ad defeat: AeroVironment (USA)
 - Fixed site solutions and command-and-control systems: Dedrone (part of Axon) (USA), Anduril (a higher cost and ITAR restricted solution) (USA)
- Traditional defence and security primes are considered <u>customers rather than competitors</u>, and DroneShield works with primes where appropriate to offer combined solutions
- Chinese and Russian systems would not be considered by the key Western customers of DRO
- Number of competitors have undergone significant consolidation in the last several years
- DRO is the only publicly listed pure-play C-UAS company in the world

Manufacturing Capacity Expansion



Expansion from the current \$500m p.a. to \$2.4bn p.a. in production capacity by end of 2026

New own 3,000sqm production facility in Sydney

- Substantial upgrade from 400sqm of floorspace of the current production facility
- The manufacturing is to assembly of items made by supply chain to DRO's specifications, so the expansion capex is not significant
- The annual increase in lease payments from taking the dedicated own manufacturing facility and the expansion of the headquarters, is \$2.3m/year, plus \$3m for the fitout net of incentives

Addition of 2,500sqm to the R&D area in the DRO headquarters by early 2026, for engineering and lab space, resulting in a 5,530sqm total R&D area



DroneShield Sydney warehouse. DroneShield combines own production alongside of two contract manufacturers in Australia

- The expansion in Australia is concurrent with DRO's European and US outsourced manufacturing initiatives, against the backdrop of record global demand
 - European contract manufacturing to come online in early 2026
 - US assembly to come online around mid 2026

Inventory Strategy



The objective is to maintain sufficient inventory to minimise delivery timeframes, while reducing the risk of tech obsolescence

DRO is well placed to deliver on short notice, with \$82m of inventory by book value as at 30 Sep 2025, including completed and in-progress units – the sale value is substantially higher

- \$27m in completed inventory and \$55m in raw inventory (long lead items etc)
- \$27m book value = approx \$81m sale value
- Inventory value is projected to remain similar
- Technology obsolescence is managed by providing quarterly AI software updates to a number of products, and forecasting inventory requirements
- The reason for the level of inventory and why the stock is not "built to order" is due to the hardware's sophisticated componentry, which enables strong margins and differentiation, coupled with procurement and production lead times of 3–4 months. This ensures readiness to meet customer demands for immediate delivery



DroneShield Sydney warehouse

 Multiple warehouses around the world matter in the event of emergencies

Executing on our Strategic Priorities



Leveraging our established and scalable platform to execute on numerous and highly actionable growth levers

2025-2026

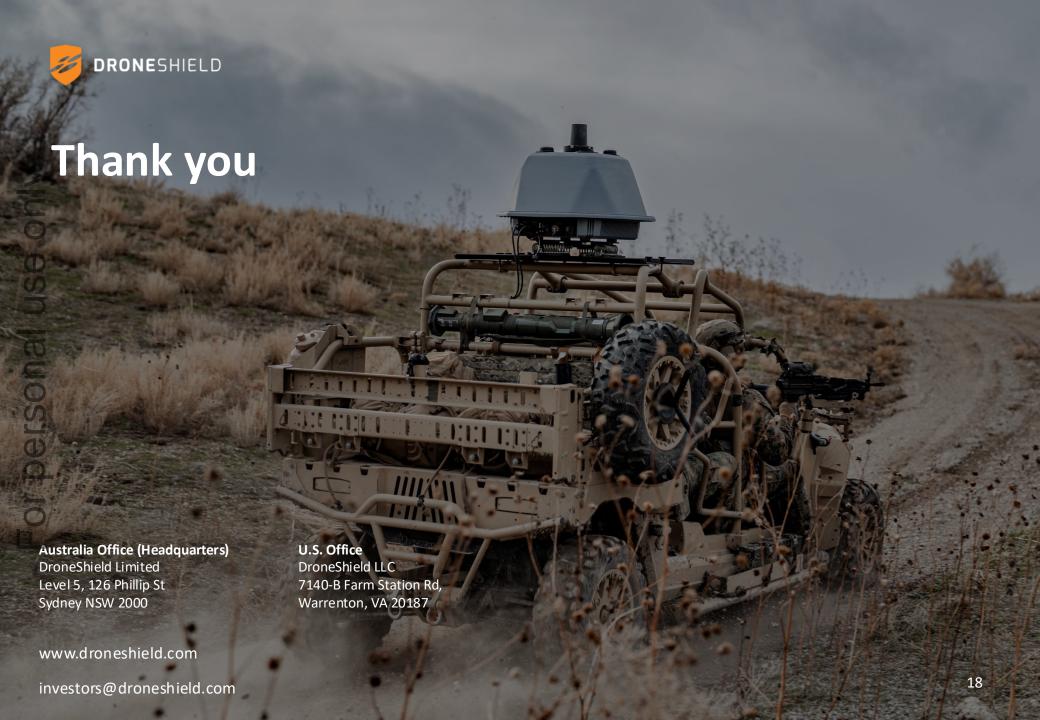
- Launch of next gen hardware across product families
- Continuing to sell into a nascent, very low saturation C-UxS market
- Grow SaaS revenue through new products and additional SaaS options on existing products
- Expand wallet share by embedding more solutions to customers
- Establish European manufacturing and regional sales hub facility
- Establish US manufacturing hub
- Initial material sales within the civilian sector, underpinned by increase in drone threat and evolving legislation to enable counterdrone purchases in this sector

2027-2028

- Grow pipeline by 100%+ to \$5bn
- Roll-out of Al software to all hardware and SaaS subscriptions
- Substantial amount of sales are driven off system (as opposed to product) sales, and from "whole of lifecycle" sales (true partner to the customer as opposed to a vendor)
- Ongoing feature enhancement and subsequent commercialisation of Access Portal
- Expand EW capabilities/contracts and broader distribution opportunities

2029+

- Significant revenue from SaaS, long term counterdrone contracts and FW contracts
- Significant annual revenue from customers revamping hardware purchased 3-5 years earlier
- Increase penetration in existing markets (including civilian markets) and a substantial amount of revenues from replacement of hardware
- Regional manufacturing and regional sales hubs in Middle East and South America





or personal use only



APPENDICES
Other Information

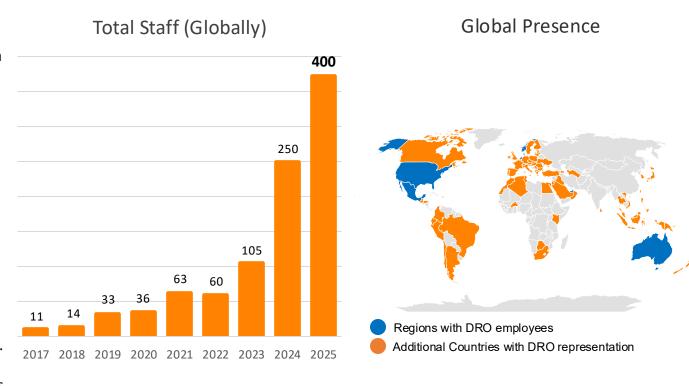
A Global Company



DroneShield is a significantly larger business today with 400 staff, up from 11 in 2017

DroneShield's Rapid Transformation

- **2017:** Employed 11 staff, focused on early product launches and initial sales
- 2018-2019: Staff-growth to focus on product launches and broadening partnerships
- 2020-2022: Additional engineers hired to execute on product roadmap strategy. Sales team built a diverse contract base across the US, UK, EU and Australia
- **2023-present:** Focused on product evolution and AI firmware upgrades. Sales team bolstered, delivering several multi-million dollar contracts globally and \$2.34bn pipeline¹
- 2026: Targeting 500 staff including 400+ engineers



Detection Technologies



DRO uses multi-sensor drone detection for optimal results, unaffected by time of day or weather. DRO is an integrator as well as sensor maker, meaning it combines its own and 3rd party solutions

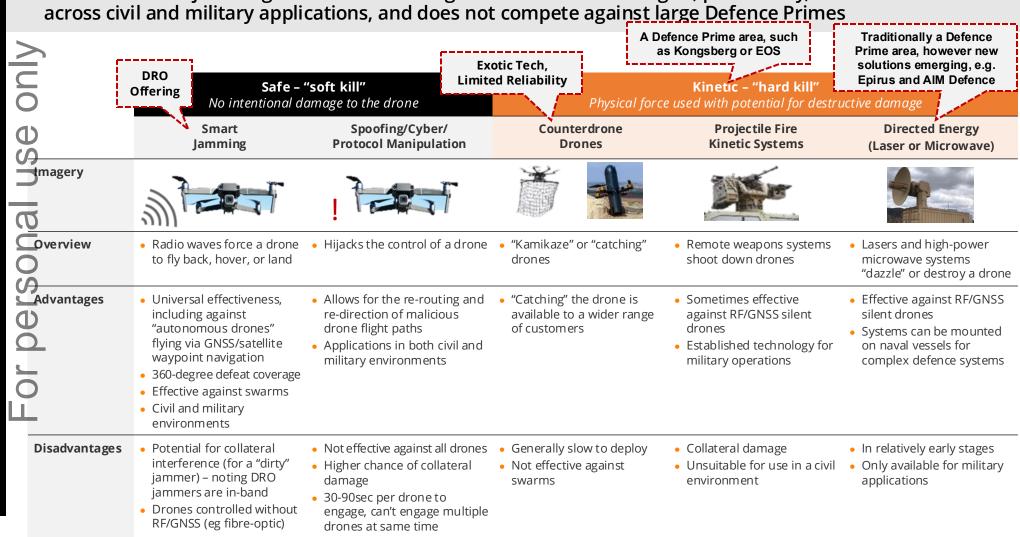
use only	Imagery	Radio Frequency	Radar*	Cameras*	Acoustic*
onal	Overview	 Foundational layer Detects drone comms protocols (via conventional RF library or an Al engine) 	Motion tracker - emits signals which are then reflected back to the radar by targets	 Electro-Optical (EO), Infrared (IR) and Thermal Video analytics and image capture identification of drone activity 	 Compares noise of drone blades or motor to a database of acoustic signatures
-or person	Advantages	 No interference with other sensors Tracks multiple targets Passive – cannot be "seen" Low false alarm rate Direction-finding capability Long ranges Cost effective 	 Picks up drones without RF emissions Tracks multiple targets 	 Best used for verification, classification and tracking of a target detected by other sensors Potential identification of payloads Provides "eye on target" 	 Passive, cost effective Supporting sensor, filling gaps from other sensors
	Disadvantages	 Doesn't pick up RF-silent drones Requires firmware updates 	 False alarms (birds etc) Is "seen" as emits energy (passive radars are early stage) Longer range detection is expensive Struggles with hovering drones 	 Not well suited for detection on its own due to field-of-view vs distance trade-off Short ranges 	 Short range False alarms Cannot accurately locate or track Requires signature database updates

^{*} Third party hardware, integrated into DRO combined multi-sensor solution, with differentiated offering via Al-powered software layers

Defeat Technologies



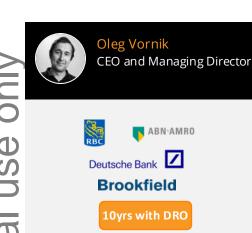
DRO uses smart jamming which has advantages over other technologies, particularly, in its use



or personal

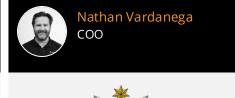
Visionary Team of Industry Veterans with Deep Industry Experience











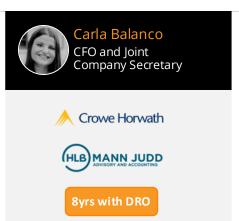












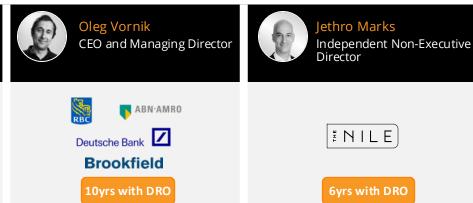


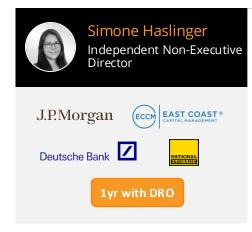


Experienced Board











In addition, DroneShield has a Board of Advisors, consisting of senior ex-military officers in the US, Europe and Australia

Capital Structure



	Capital Structure (36,500 shareholders)	
>	DRO Shares on Issue (a single tier of common stock voting structure)	874,718,854
	DRO Options on Issue ¹	56,193,361
	Fully Diluted Shares on Issue	930,912,215
5	Fully Diluted Equity Value ²	\$4,272.8m
	Cash (as of 14 October 2025) ³	\$235.2m
りつ	Debt	-
5	Fully Diluted Enterprise Value	\$4,037.6m
	¹ Options issued at various strike price and maturities	

 $^{^3}$ Meaningful cash balance allows for ongoing investment to enable growth in a rapidly changing sector, attracting employees, considering acquisitions and allowing long-term planning

Director and Employee Shareholdings			
Oleg Vornik, CEO and Managing Director	15,709,361 options	1.69%	
Peter James, Independent Non-Executive Chairman	935,345 shares 3,000,000 options	0.42%	
Jethro Marks, Independent Non-Executive Director	1,500,000 options	0.16%	
Simone Haslinger, Independent Non-Executive Director	nil	nil	
Richard Joffe, Independent Non-Executive Director	nil	nil	
Other Employees	9,918,183 shares 36,064,000 options	4.94%	

Research Coverage







Substantial Holders (over 5%)

Vanguard Group (27 Dec 2024)	47,669,725	5.45%
Fidelity Management and Research (8 Oct 2025)	74,459,799	8.51%
State Street Corporation (7 Oct 2025)	56,148,873	6.42%

As per ASX filings

Known Index Inclusions

S&P ASX200
S&P All Ords
Global X Defence Tech ETF
Mirae Asset Defence Tech Index
FactSet Global Aerospace Index
S&P Atlas Security, Defence, and Operational Support Index
S&P Developed BMI Select Aerospace & Defence 35/20 Capped
MSCI Global Small Cap Asia Pacific Australia Index

² At \$4.59 per share as of 17 October 2025

Important Notices and Disclaimer



This presentation has been prepared by DroneShield Limited ACN 608 915 859 ("**DroneShield**" or "**Company**"). This presentation contains summary information about DroneShield and its associated entities, and their activities current as at the date of this presentation. The information contained in thispresentation is for information purposes only and is provided as at the date of this presentation (unless otherwise stated). It should be read in conjunction withDroneShield's most recent financial report and other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("**ASX**"), which are available at www.asx.com.au under the Company's ticker code (ASX:DRO).

Not an offer

This presentation is for information purposes only and does not constitute or form any part of any offer or invitation to sel or issue, or any solicitation of any offer to purchase or subscribe for, any securities in the Company in any jurisdiction. This presentation and its contents must not be distributed, transmitted or viewed by any person in any jurisdiction where the distribution, transmission or viewing of this document would be unlawful under the securities or other laws of that or any other jurisdiction.

Not investment advice

This presentation is for information purposes and does not constitute investment or financial product advice (nor taxation, accounting, or legal advice), is not a recommendation to acquire or dispose of DroneShield's shares or other securities and is not intended to be used or relied upon as the basis for making an investment decision. In preparing and providing this presentation, DroneShield has not considered the investment objectives, financial position or needs of any particular recipients.

Future performance

This presentation may contain forward-looking statements. Forward-looking statements can generally be identified by the use of words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance or outlook on, plans, strategies, management objectives, sales and financial performance are also forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are outside the control of DroneShield. No representation is made or will be made that any forward-looking statements will be achieved or will prove to be correct. As such, undue reliance should not be placed on any forward-looking statement. Forward-looking statements are based on information available to DroneShield as at the date of this presentation. Circumstances may change and DroneShield assumes no obligation to update such statements.

Past performance

Past performance information (including past share price performance of Drone Shield and historical financial information) included in this presentation is given for illustrative purposes only and is not a guarantee of, and is not necessarily a guide to, future performance.

Disclaimer

No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation. DroneShield does not represent or warrant that this presentation is complete, free from errors, omissions, or misrepresentations or that it contains all material information about DroneShield or which a prospective investor or purchaser may require in evaluating a possible investment in DroneShield or an acquisition or other dealing in shares.

To the maximum extent permitted by law, DroneShield expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any direct, endirect, consequential or contingent loss or damage arising from the use of information contained in this presentation including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom.

Statements made in this presentation are made only at the date of the presentation. DroneShield is under no obligation to update this presentation. The information in this presentation remains subject to change by DroneShield without notice to you.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing, or reviewing this presentation, you acknowledge and agree to the terms set out in this 'Important Notices and Disclaimer'.