28 July 2026 **ASX Announcement**

Material Contracts, Product Release & Trading Update

DroneShield Limited (ASX:DRO) (DroneShield or the **Company)** is pleased to announce:

- it has received a package of contracts totalling $23.2 million from a reseller for delivery to a European military end-customer,
- the unveiling of a significant evolution in the counter-drone doctrine with the release of RfAI-3, the third generation of its proprietary RF detection engine, and
- a trading update ahead of the release of its financial results for the six months ended 30 June 2026 (**1H 2026**).

$23.2M in European Military Contracts

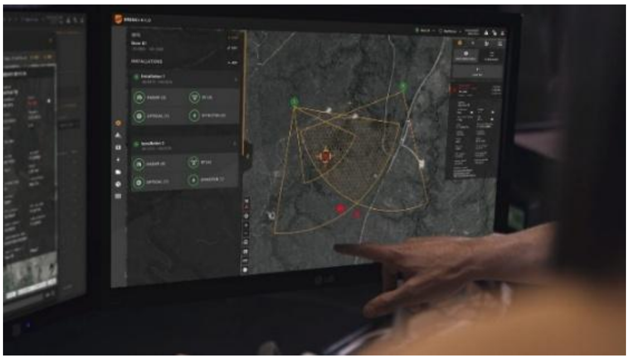
DroneShield has received a package of two contracts for the supply of vehicle-mountable counter-drone solutions, comprising hardware, subscriptions, warranties and services. DroneShield hardware is available from existing planned production, with a series of deliveries to take place across 2026. Alongside DroneShield's products, the contract requires DroneShield to purchase and deliver third-party hardware.

The aggregate value is $23.2 million, of which approximately $21 million will form part of FY2026 Committed Revenue[1], with the balance being future period subscription revenue.

The reseller is COBBS BELUX BV, one of DroneShield's long-standing resellers in the Benelux region, and is required to distribute the products to the European military end-customer. There are no obligations for additional contracts from this reseller or the end-customer.

In relation to these contracts, **CEO and Managing Director Angus Bean said**:

> *"We are pleased to continue our engagement with leading partners and end-customers in Europe, which is a key growth market for DroneShield. These awards demonstrate the strength of our regional partnerships and the relevance of DroneShield's technology in complex military environments. It also validates our continued investment in personnel, manufacturing capability and partner relationships in the region."*




Illustrative Images: DroneShield C2 and DroneSentry-X On-the-Move Deployment

DroneShield confirms that:

- It does not consider the identity of the end-customer to be information that a reasonable person would expect to have a material effect on the price or value of DroneShield's

[1] Committed Revenue is the value of hardware, services, warranties and subscriptions scheduled for delivery within the period, based on confirmed purchase orders and prevailing exchange rates when reported.

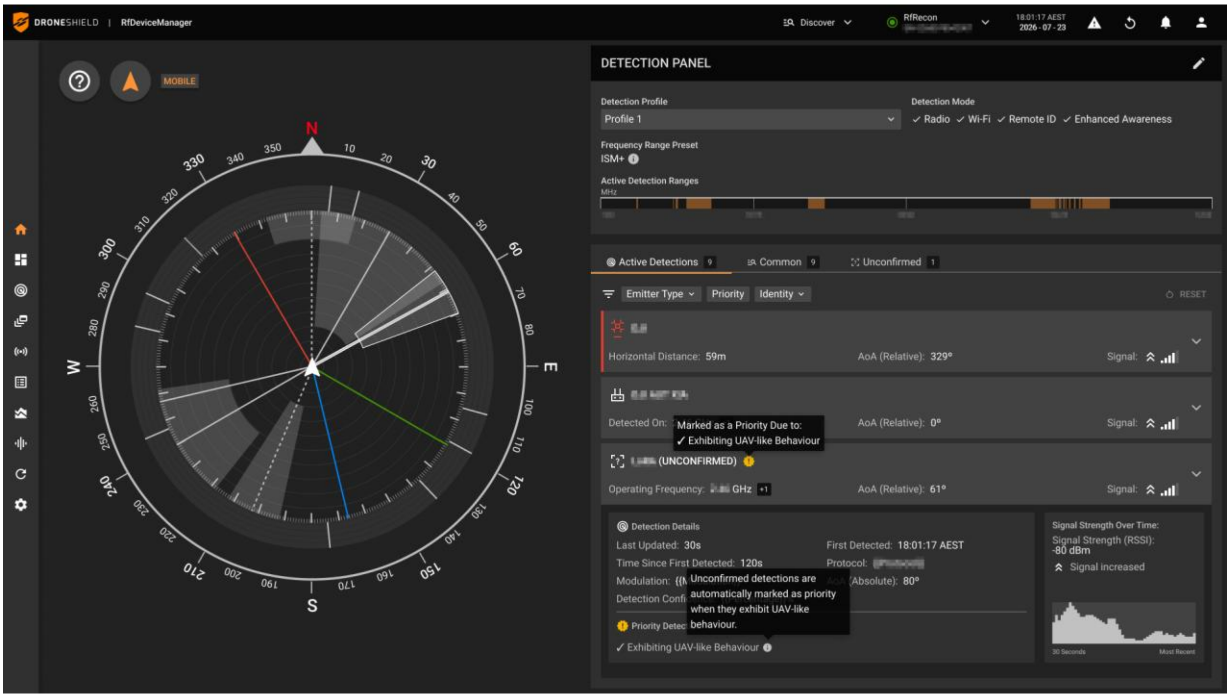
securities; and

- This announcement contains all material information relevant to assessing the impact of the contract on the price or value of DroneShield's securities and is not misleading by omission.

DroneShield Unveils RfAI-3 Wideband RF Intelligence Engine

DroneShield unveils RfAI-3 which has been developed to provide enhanced situational awareness in complex and rapidly evolving threat environments by sensing drone-related RF emissions beyond known and pre-classified emitters. It is the third generation of DroneShield's proprietary radio frequency intelligence engine for counter-drone detection, and marks a significant evolution in counter-drone doctrine.

RfAI-3 is designed to detect drones that are not present in existing RF signature libraries. Conventional RF detection relies on a classified emitter model, where an airframe must already be catalogued before it can be identified. RfAI-3 applies wideband detection to identify emissions across the spectrum, compare them against previously observed drone signatures, and generate new signatures for unknown emissions with a confidence assessment for operator review.



Caption: Visual output from RfAI-3

In relation to the release of RfAI-3, **CEO and Managing Director Angus Bean** said:

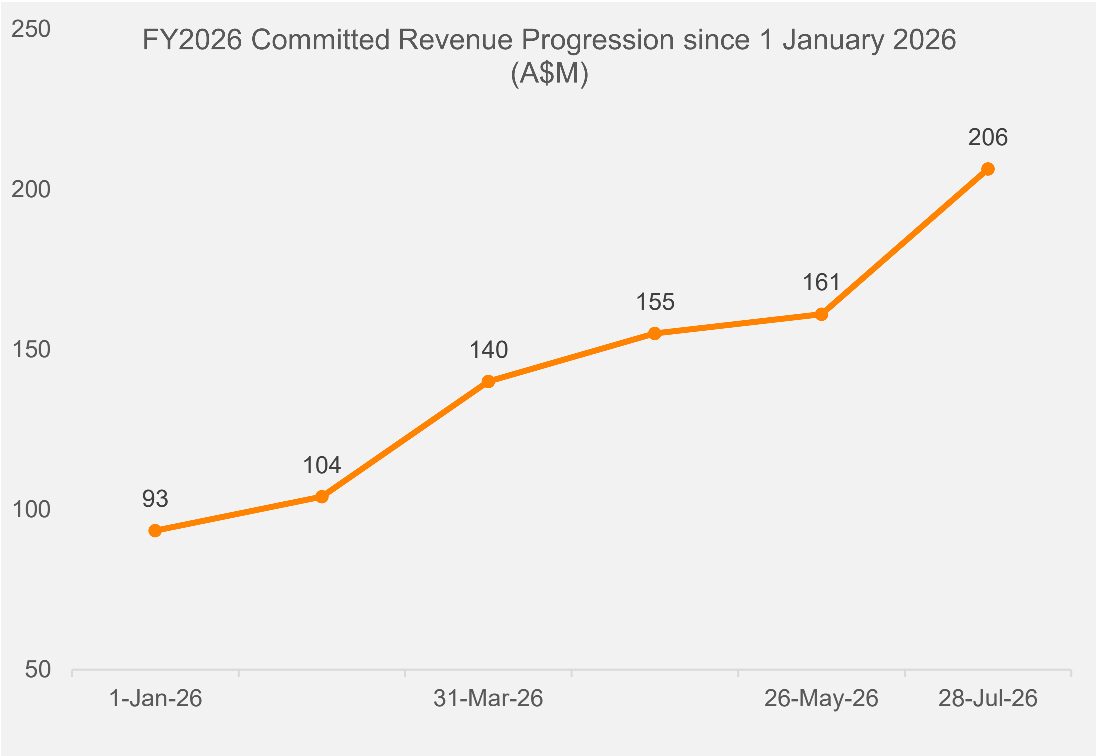
> *"The threat that matters most is the one we have not yet encountered, and by the time we encounter it a second time, it will have changed again. The world is moving to software defined radio, where waveforms can be rewritten in software and the spectrum has become a genuinely dynamic battlespace. RfAI-3 is our answer to that. Its ultra-wideband nature means we are no longer limited to detecting only what we already know, which changes the calculus for our operators and for the adversaries trying to evade them. This is the start of the next generation of DroneShield's product roadmap."*

RfAI-3 is specifically designed for DroneShield's next-generation hardware platforms, with initial releases of these expected to commence in the second half of calendar year 2026 and further releases through 2027. DroneShield's existing product lineup continues to be supported under the company's software subscription model, including ongoing delivery of expanded emitter coverage as the RF intelligence dataset grows.

1H 2026 Preliminary Results[2]

DroneShield provides the following preliminary trading update with respect to the six months ended 30 June 2026 (**1H 2026**):

- **1H 2026 Revenue** is expected to be $125.8 million, which is 74% higher than PCP[3].
- **Recurring Revenue** in the form of software, subscriptions and long-term service revenue is estimated to be $14.2M, which is 11.3% of 1H 2026 Revenue.
- **FY2026 Committed Revenue** as at 28 July 2026[4] is $206 million, of which approximately 13% is Recurring Revenue. This represents 95% of FY2025 total revenue.
- **Committed Revenue for FY2027 and beyond** is $26 million, with a mix of committed hardware, software, warranty and other services revenue.
- **1H 2026 Gross Margin** is estimated at 60%, which compares to 65% in PCP. This reduction is due to the sales mix between DroneShield solutions and third-party product hardware, currency movements, and raw material impairment identified in the relocation to the new production facility and implementation of a new ERP software system.



[2] All 1H 2026 figures are provisional and subject to end of period adjustments and review by the Company's external auditor.
[3] PCP refers to Prior Corresponding Period, being the six months ended 30 June 2025.
[4] Committed Revenue is the value of hardware, services, warranties and subscriptions scheduled for delivery within the period, based on confirmed purchase orders and prevailing exchange rates when reported.

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Trading Update

Based on FY2026 Committed Revenue and orders to be received in the balance of the year, DroneShield now expects that total revenue in FY2026 will be in the range of $250M to $270M, which is 15% to 25% higher than that of FY2025.

Orders secured in the balance of 2026, and particularly ones in the final months of the year, are more likely to form part of Committed Revenue in FY2027 and beyond.

The business targets a blended gross margin of around 65%, which will be supported in the second half by the impending launch of its own next generation hardware and increasing subscription revenue.

This assessment does not contemplate the potential for additional orders not currently tracked in the qualified opportunity pipeline. Such contracts can arise and be delivered at short notice.

Statements are predicated on the Company's current assessment of the profile of key external factors that will impact the Company's financial performance, including economic conditions and geopolitical considerations.

In relation to the Trading Update, **CEO and Managing Director Angus Bean said**:

> *"The first half of 2026 has been an important period for DroneShield. We have converted global customer demand into revenue, deepened engagement with defence and government customers, and continued to scale the business at pace while executing a structured leadership transition.*
>
> *As at 28 July 2026, committed revenue for this calendar year is $206m, which is already near the record revenue delivered across the whole of 2025, and there is still five months of the year to run. This is powerful validation of the relevance of our solutions, the quality of our people, and the strategy we are executing.*
>
> *Following the leadership transition in April, we completed a detailed assessment of the organisation, focused on sustaining high revenue growth alongside disciplined cost management and operational resilience. That work validated where we are already operating at scale, and equally importantly, gave us a clear view of the capabilities we need to build out to support the next phase of growth.*
>
> *We are investing from a position of strength. We continue to invest deliberately in R&D, sales capability, systems and operations, and to fund the working capital that growth at this pace requires. This plan underpins our growth trajectory and positions the business to deliver sustainable long-term returns.*
>
> *We have also commenced the rollout of our next-generation product roadmap, the most significant product cycle in our history, which we expect to begin contributing from 2027. Innovation remains core to our mission of leading the world in intelligent counter-drone technology, and we enter the second half with strong momentum and conviction in the opportunity ahead."*

DRONESHIELD

1H 2026 Reporting

The Company plans to release its 1H 2026 results on Wednesday 26 August.

An investor call is scheduled for 9:00am AEST on Thursday 27 August.

The registration link is:
https://zoom.us/webinar/register/WN_ivpUVK4qTAOz2y95oQgb5w#/registration

This announcement has been approved for release to the ASX by the Board.

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About DroneShield Limited

DroneShield (ASX:DRO) is a global leader in AI-powered counter-drone and uncrewed, autonomous systems defence. We develop and deploy interoperable sensing, electronic warfare and command-and-control solutions that detect, track, identify and defeat drone threats across fixed-site, dismounted and on-the-move operations. Trusted by military, government, law enforcement, critical infrastructure and commercial customers and active globally, DroneShield combines operationally proven technology with continuous R&D and AI-software driven innovation. We master complexity to protect the people, places and assets that matter.

Forward-Looking Statements Disclaimer

This material 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 material. Circumstances may change and DroneShield assumes no obligation to update such statements.

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