



H1 FY26 Presentation

2 March 2026

Company Overview

- HighCom is an Australian-based, global, specialist defence company that provides personnel protective systems and products to the government, law-enforcement, military, space and commercial sectors.
- The business is structured into two divisions:
 - **HighCom Armour**, which designs, manufactures and supplies advanced ballistic protection (body-Armour, ballistic helmets, shields & composite Armours) for aligned military, law-enforcement and first-responder customers globally, known for its product performance and XTclave light weight Armour solutions;
 - **HighCom Technology**, a specialist technology integrator which supplies and maintains small/ medium, uncrewed, aerial systems (S/MUAS), counter, unmanned, aerial systems (CUAS) plus program/project engineering, system integration, maintenance & logistics support for the ADF and other aligned regional militaries.

Positioned for growth

- Strong strategic foundations now in place, supported by the shift toward differentiated US-produced product strategy and a refreshed management team. Execution of the plan is well underway.
- Major operational and business decisions completed, sharpening focus and strengthening performance.
- With the capability, pipeline and structure now established, the forward view is positive for growth.

H2 FY26

- The procurement and funding pause resulting from the US Government shutdown has delayed new and renewed government contracts, impacting financial performance in H1 FY26. Delayed funding has now been distributed, Highcom expects procurement activities to resume more normal levels, after effective re-start during H2 FY26.
- HighCom channel and product strategy is focused on delivering new product lines, added capacity and improved business performance through product differentiation and the build out of annuity stream services.
- **The Company expects a 100 to 150 percent uplift in H2 FY26 revenue relative to H1 FY26 while also expecting to H2 return to breakeven or profitability*.**

* Dependent on:

1. the timing of a large technology order and product shipped that is internally forecast for June 2026
2. timing of order recovery from the US Government shutdown
3. assumed USD to AUD exchange rate of 0.65.

Business Highlights

HighCom Group's proprietary technology, trusted defence relationships and global reach, position the company to capture greater market share in the growing global armour and counter-drone markets

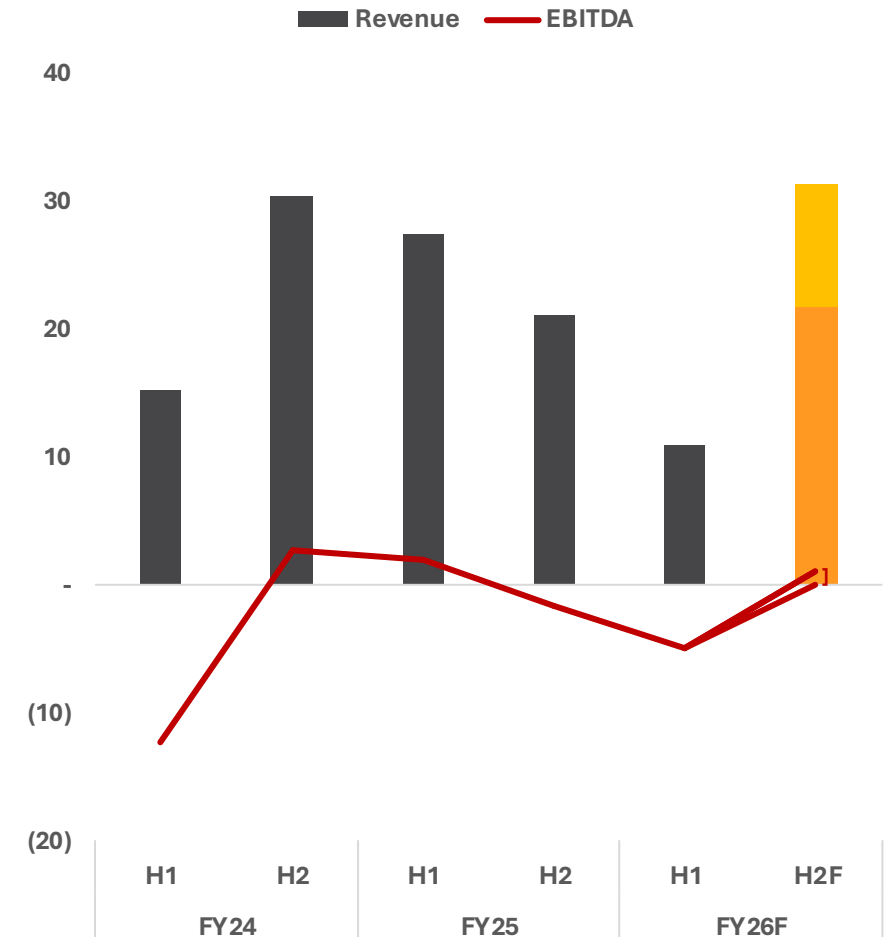
1	Proprietary XTclave technology - A patented process that produces ultralight, thin and strong ballistic products with complex curvatures, giving HighCom a unique technical edge in armour performance acknowledged by our key client base
2	Unlocking growth, improving margins, driving innovation and production efficiencies – Channel, product and production optimisation that positions the business for sustained performance improvement through higher value, differentiated products sold through more effective sales channels.
3	Strong government and defense relationships - Includes a Cooperative Research and Development Agreement (CRADA) with the US Army Development Command, long-term contracts and supply panel placements with the Australian Department of Defence positioning the company as a trusted partner
4	Integrated solutions offering - Beyond products, HighCom provides technology integration, engineering, training, maintenance and logistics services, aligning with defense and law enforcement customers' preference for bundled, long term support contracts
5	Diversified global presence - Operations and sales spanning the US, LATAM, Australia, Europe and other targeted international markets, supported by sales and significant partner networks, direct agency sales and e-commerce channels.
6	R&D pipeline developing new armour & technology products - New products and technology solutions are now in the market with more releases to follow, targeting Tier-1 military and law enforcement buyers. These are all to be manufactured with XTclave technology or assembled by our technology integration teams
7	Product differentiation - First two XTclave products passed independent testing to NIJ 7. Highcom Technology appointed to CUAS panel for Dept of Defence, first tethered drone order received, refreshed AV agreement supporting further product expansion.

H1 Update & Outlook - AUD

- The Company reported H1 revenue of \$10.9 million and an EBITDA loss of \$5.4 million.
- The weaker result was driven by the US Government shutdown, tariff-related uncertainty in the US market
- Note that a tax expense related to 2022 and 2023 years for the US business of \$686k is contained in the NPAT
- EBITDA of (\$5.4m) was within mid range of the guidance of (\$5.0m) to (\$5.8m), despite the currency impact of \$231,906 due to a strengthening AUD against the USD.
- Government and industry customers have advised they are preparing for a return to more normal market conditions in the near/medium term.
- Our area of focus in the US armour market is now funded (post the government shutdown) and funds are in the hands of end purchasers.
- **As a result, the Company expects a 100 to 150 percent uplift in H2 revenue vs H1, supporting a return to breakeven or profitability in H2*.**

*** Dependent on:**

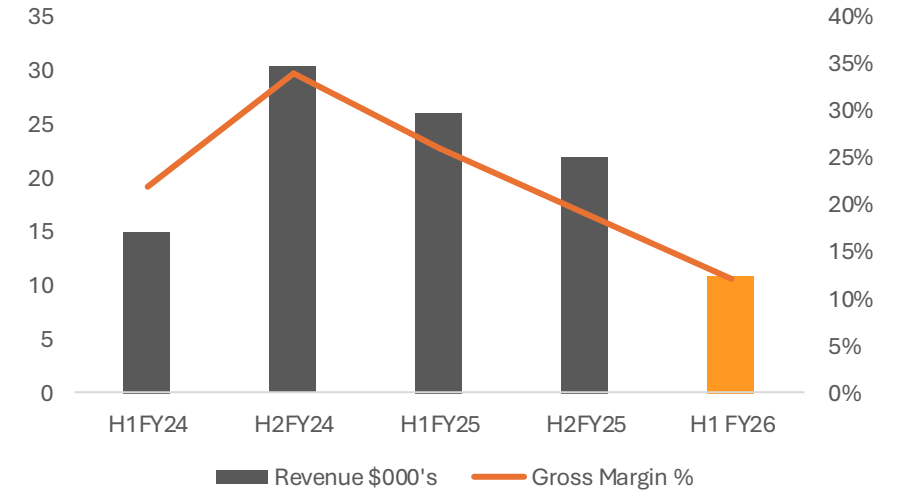
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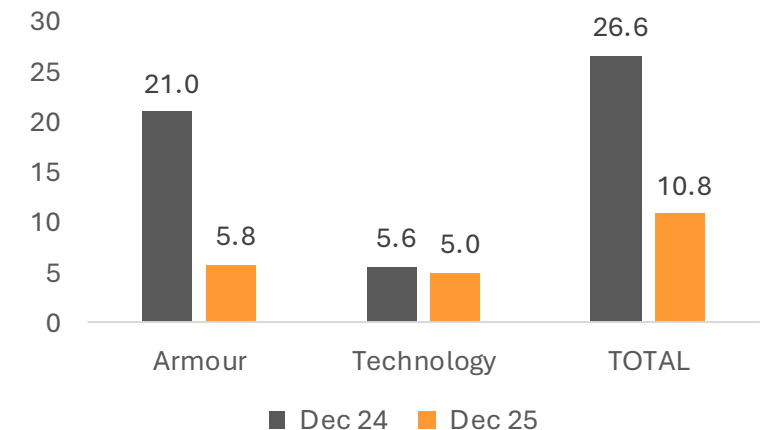
H1 Update & Outlook - AUD

- The impact of the US Government shutdown and tariff related uncertainty has had a significant impact on H1 Armour revenue, when compared to H1 FY25 at December 2024.
- The Technology business has performed as expected at both the revenue and EBITDA levels.
- Significant production streamlining and cost reduction opportunities exist in the Columbus facility and are in plan for implementation commencing FY27.
- The company remains focused on product differentiation, execution, delivery, and strengthening recurring revenue streams.
- HighCom is well positioned to deliver further sustained growth with investments in advanced manufacturing, channel optimisation, proprietary XTclave technology and emerging technology integration opportunities which will drive margin expansion and grow revenue streams.
- With strong government and defence relationships and a diversified global presence, the Company expects to capitalise on these initiatives and deliver improved financial performance from FY27 onwards.

Group Revenue & Gross Margin %

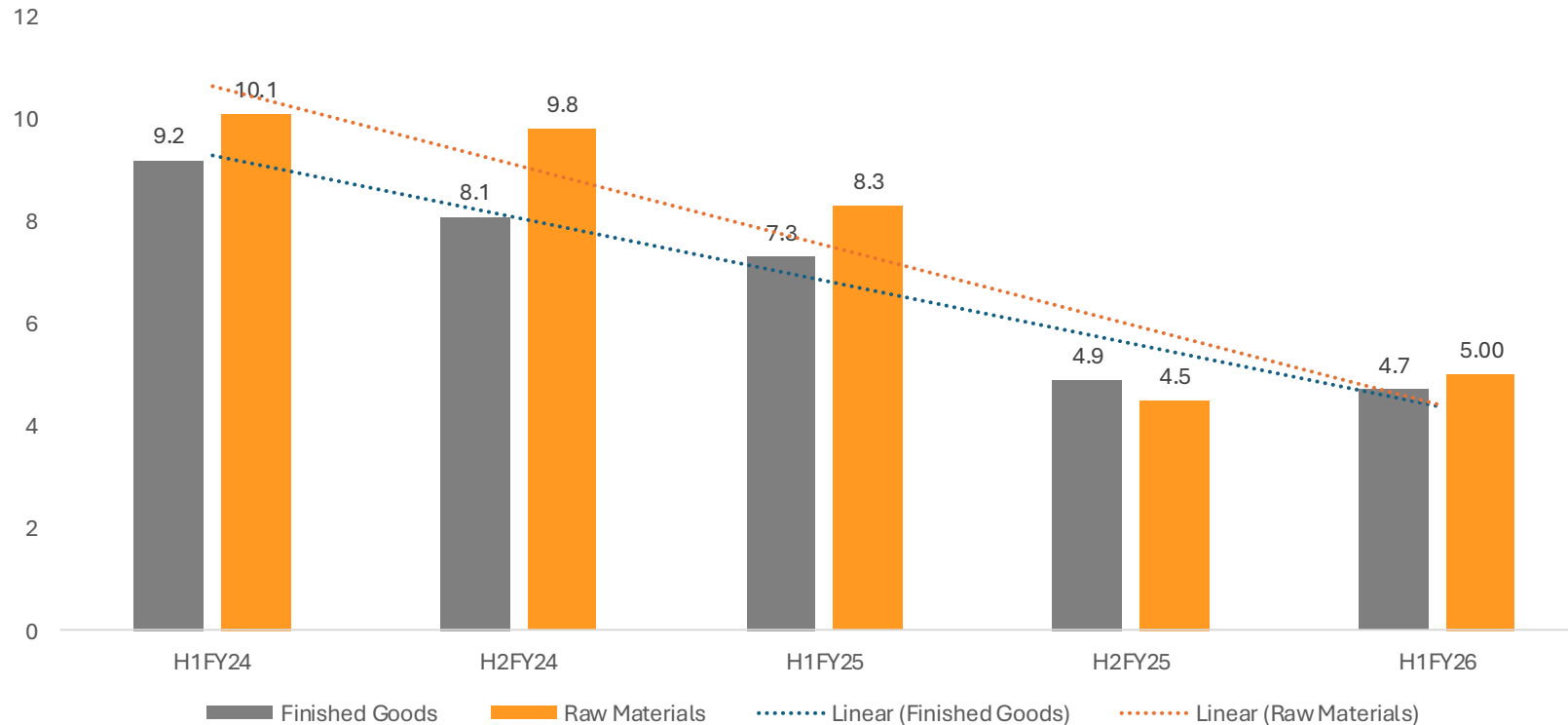


Divisional Revenue



Inventory Management - USD

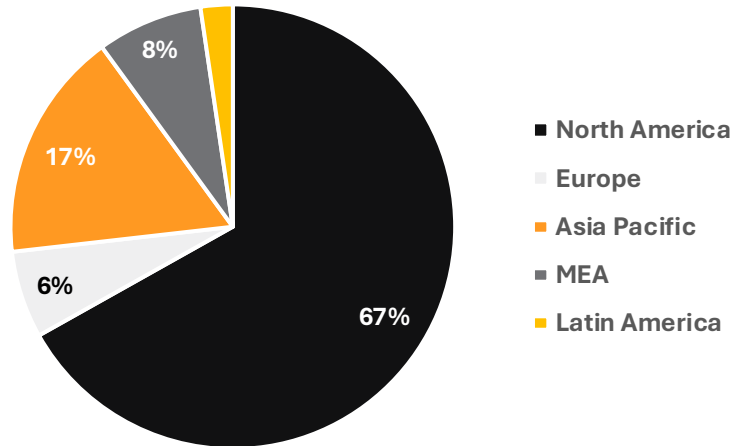
Highcom Armour Finished Goods & Raw Material US\$, exc. impairment



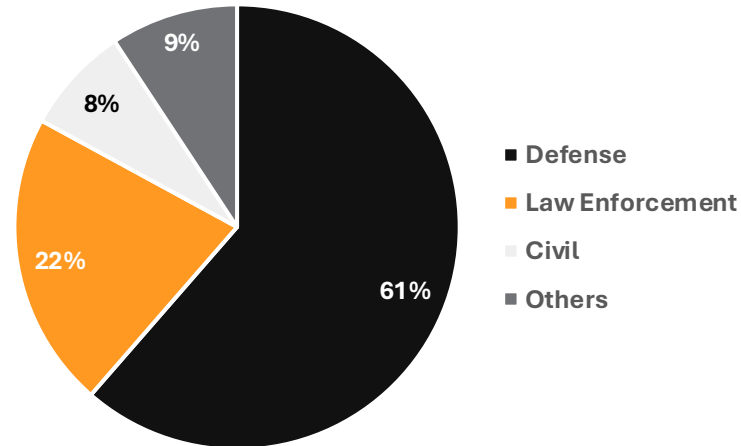
- Total inventory at 31 December US\$8.4m including impairment
- H1 FY26 converted US\$1.1m of inventory into cash
- Inventory that has been previously impaired has been reversed to the value of US\$580k
- New impairment of US\$655k written down associated with a delayed bid opportunity
- Materials for new product development

Ballistic Protection Market

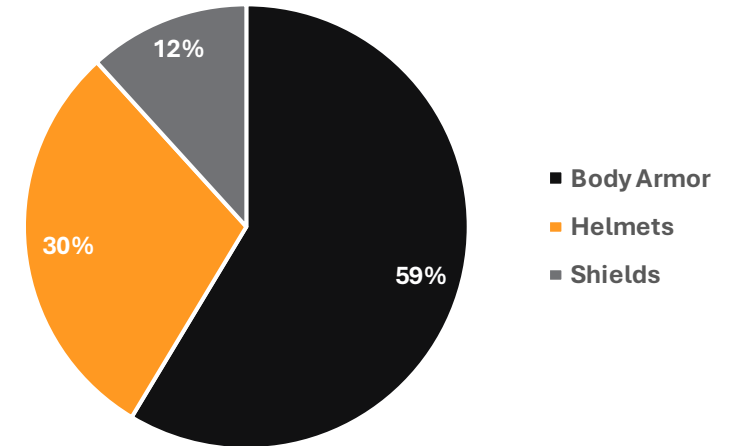
By Region



By Application



By Product Type



- North America remains the core demand area, over 67% percent of global spend, while emerging regions continue to build momentum.
- Defence applications also dominate the market with more than half of total demand, supported by steady growth in law enforcement and civil segments.
- Body Armour is the largest product category at close to sixty percent of the market, with helmets and shields providing consistent secondary demand across both military and police customers.
- Strong market tailwinds emerging.

Source: DataIntel

Divisions and Drivers

HighCom Armour

Characteristics

- Proprietary XTclave process creating lighter, stronger ballistic armour
- Focused product suite – body armour, helmets, shields and plates
- ISO-Certified US manufacturing base with full in-house R&D and testing

Drivers

- Rising defence and law-enforcement modernisation spend
- Demand for advanced lightweight composites in ballistic protection
- Expansion into North American and Indo-Pacific procurement programs

HighCom Technology

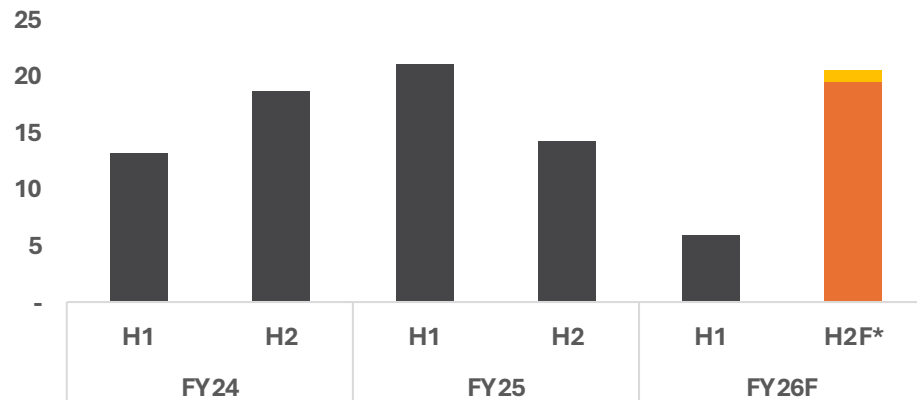
Characteristics

- Integrator of C-UAS and UAS systems with sensor fusion and software control
- High value AeroVironment partnership for small and medium UAS platforms
- Proven delivery through Project L156 and growing defence client base

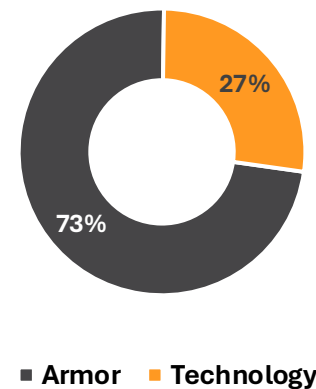
Drivers

- Global escalation of drone and counter-drone security needs
- Defence push toward networked battlefield systems
- Opportunity for cross-selling within existing Armour and defence channels

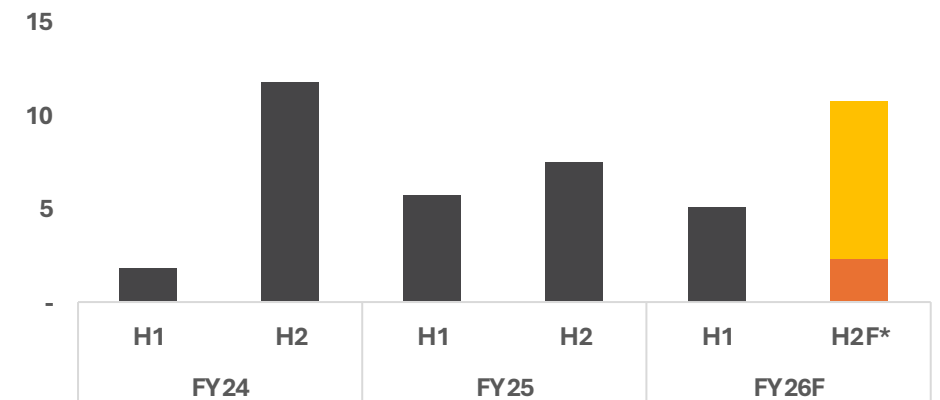
Armour Revenue (A\$m)



FY25 Revenue by Division



Technology Revenue (A\$m)



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What is the XTclave Advantage?

Traditional methods

The Leading Edge

Oven

Axial Press

XTclave



Good

- HighCom Armour currently use ovens to produce high volume, high quality, but low-cost ballistic plates
- These plates are heavier and thicker.
- Prime market is Military bulk orders such as Ukraine.

Better

- HighCom Armour currently use pressing to produce high quality ballistic plates at mid-range cost. If a ceramic plate is required, a second step into an autoclave needs to occur during manufacture.
- These plates are lighter and thinner.
- Prime market is law enforcement & first responders.

Best

- XTclave is HighCom's proprietary ultra-high isostatic pressure consolidation technology, purpose-built for advanced composite manufacturing.
- One-step process that can combine ceramics with composites in a single process. It also allows for the manufacture of complex curvatures and geometries.
- XTclave enables the production of next-generation composite components that are lighter, thinner, stronger and tougher than oven or press plates.
- Prime market is Special forces and Specialised Law enforcement (FBI, Secret Service, etc)

What is HighCom Technology Advantage

HighCom Technology has transitioned from a product-centric approach to a solutions-driven, technology integrator. This strategic shift positions the business to capture emerging opportunities in a rapidly evolving security landscape where co-design, interoperability and sustained support are essential.

Business Model

- Designing and delivering integrated solutions that combine the best available global innovation with deep technical expertise
- Recurring revenue through managed services, sustainment and long-term support
- A multi-technology ecosystem that is scalable, interoperable and future-ready
- Technology independence selecting the best global systems for each mission
- Long-term customer partnerships built around evolving operational needs

Benefits

- More predictable margins and reduced exposure to procurement cycles
- Stronger competitive position through innovation and integration capability
- Scalable model that supports expansion into new markets and sectors
- Creates durable, long-term value for customers and shareholders



As a trusted system integrator, HighCom designs, procures, integrates and sustains world-leading technologies for defence, border security, law enforcement and other critical sectors. We combine global innovation with in-house expertise to deliver solutions that meet the most demanding operational requirements.

This transformation positions HighCom for accelerated growth, stronger margins and sustainable shareholder returns.

Company Outlook

US Government Shutdown	<ul style="list-style-type: none"> • Pricing momentum and sales activity increased through February, with strong customer interest in HighCom armour products. • Shot Show engagement levels were very positive and materially higher than January 2025.
Channel / Product Strategy	<ul style="list-style-type: none"> • Expanded direct sales footprint across five US geographies, increasing reach, revenue, and margin capture. • Strong customer engagement across new and existing products, with positive momentum following Shot Show. • First two new XTclave products passed through independent NIJ7 framework testing and more to follow over CY2026, with early demand building.
Technology	<ul style="list-style-type: none"> • Increasingly recognised as a trusted provider of expanded drone solutions and associated support services as a technology integrator. • Growing role as a technology integrator, opening new and recurring revenue streams. • Improved leverage of existing technology partnerships and the development of new partnerships to expand systems integration opportunities. • Appointed to CUAS panel for Dept of Defence, first tethered drone order, extended AV product range representation.
Improved Margins	<ul style="list-style-type: none"> • Margin expansion driven by product-level pricing differentiation and ongoing production streamlining initiatives. • Higher volumes expected to deliver additional fixed-cost leverage, supporting a stronger bottom line.
Future Capacity	<ul style="list-style-type: none"> • XTclave has capacity to support multi-shift operations and 7-day work weeks to meet future demand. • Opportunities to outsource select secondary workstreams to improve efficiency, while insourcing and vertically integrating core processes to drive capacity and production efficiency.
Guidance*	<ul style="list-style-type: none"> • The Company expects a 100 to 150 percent uplift in H2 FY26 revenue relative to H1 FY26. • H2 FY26 is also expected to return to breakeven or profitability.

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Shot Show January 2026



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\$ references in AUD unless noted.

This ASX announcement has been authorised for release by the Board.

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