

1H 2026 Interim Results

26 August 2026

Leading the world in
intelligent
counter-drone technology

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Overview

Leading the world in
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A Record Half, Delivered as Planned

\$125.8M

1H 2026 revenue

Record half-year revenue

Up 74% (\$72.3M in 1H 2025)

9.2%

Recurring Revenue

4,100 active software-enabled devices

\$11.5M, up 229% (\$3.5M in 1H 2025)

\$240M

FY2026 Committed Revenue¹

111% of FY2025 Revenue

\$176M at same point last year

60%

1H 2026 Gross Margin

vs 65% PCP³

Lower from product sales mix, ERP and relocation-related inventory impairment

\$180M

Cash and Term Deposits

No debt

Invested in long-lead time inventory

\$250-270M

FY2026 Revenue Outlook²

Reaffirmed range

Underpinned by Committed Revenue

Building the Company to Match the Opportunity

1 A record half, delivered

Revenue of \$125.8M (up 74% on PCP). Recurring revenue of 9.2%, over 3x that of 1H 2025.
Hardware wins the deal, software compounds the value.

2 A deliberate investment period

New production facility, ERP implementation, long-lead time inventory, and disciplined headcount growth.
Preparing for the next chapter in growth.

3 Foundations for future execution

Building diversification across revenue type, region and market segment.
Next-generation products coming online.

Counter-UxS Has Moved from Niche Capability to Core Defence Spend



Doctrine has shifted

C-UxS is not a static solution. Rapid technological advances in drones mean C-UxS solutions must evolve with multi-layered deployment.

There is no silver bullet



The threat is proven daily

Increasing reports of incursions at airports, prisons, critical infrastructure, data centres, public venues and other non-military sites around the world.

Beyond the battlefield



Budgets are structural

C-UxS is now an embedded feature of global budgets, moving from urgent operational purchases to programmatic, budgeted investment.

Spending is permanent

02

1H 2026 Highlights

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1H 2026 Financial Highlights

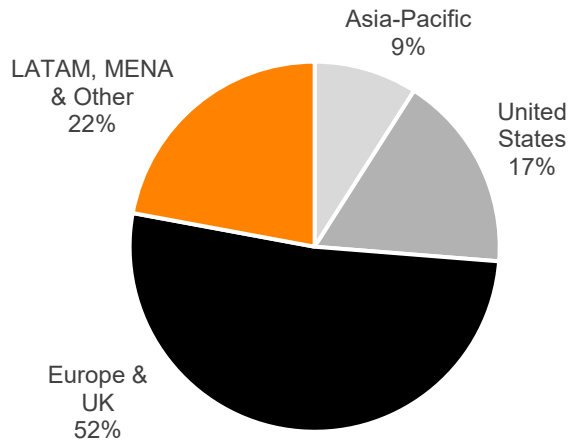
Delivered headline growth with continued investment in next generation product, people and processes

	1H 2026	1H 2025	PCP change	Commentary
Revenue	\$125.8M	\$72.3M	↑ 74%	- Strong top line growth via expanding and repeating orders - Supports FY2026 outlook range of \$250M-\$270M
Recurring Revenue¹ <i>% of Revenue</i>	\$11.5M 9.2%	\$3.5M 4.9%	↑ 229%	4,100 active software-enabled devices in the field - More devices lead to compounding effect for the future
Gross Profit <i>Gross Margin</i>	\$75.5M 60.0%	\$47.3M 65.3%	↑ 60%	1H impact from inventory impairment and 3rd party product sales - Continue to benchmark business to a 65% blended gross margin
Underlying EBITDA²	(\$12.4M)	\$8.0M	↓ 256%	- Lower gross margin and increased fixed base for scaled operations - Increased Employee, Sales & Marketing, Corporate and Systems costs
Committed Revenue³ <i>as at 1H reporting</i>	\$240.4M	\$176.3M	↑ 36%	111% of FY2025 Revenue, with 4+ months to run \$43M in Committed Revenue in FY2027 and beyond
Cash & Term Deposits	\$180.0M	\$210.5M ⁴	↓ \$30M	- Investment in working capital, R&D and PP&E - Remains debt free

1H 2026 Revenue Contribution

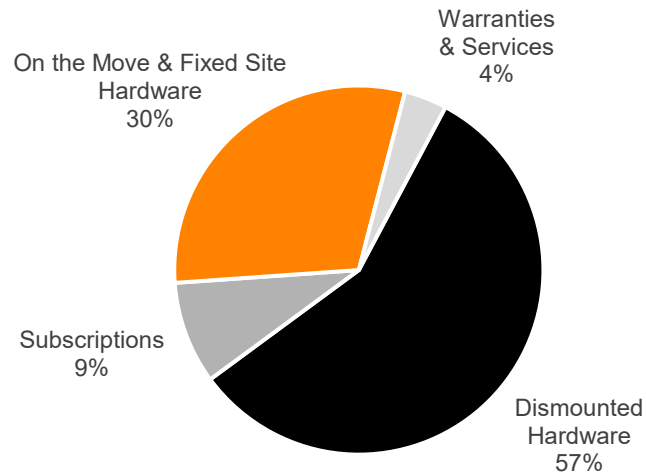
Continued focus on geographic revenue diversification, with advances in recurring subscription and non-military revenue sources

By Region



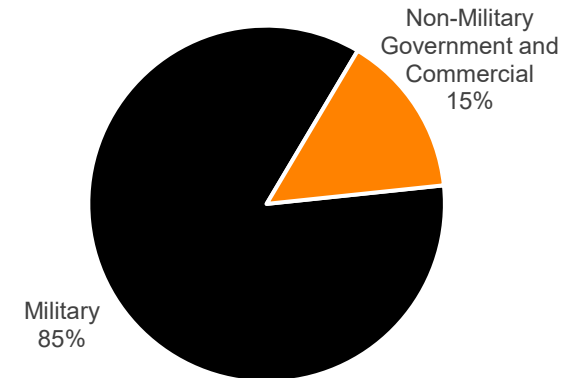
- Continued reorder and scope expansions particularly strong in UK and Europe from existing end-users
- Growing US momentum from inter-agency procurement panels
- Strong prospects rising in Asia-Pacific

By Type



- Deliberate strategy towards software-enabled devices gathers momentum
- 4,100 software-enabled devices in the field, with recurring revenue at 9.2% of revenue, and up from 4.9% in PCP

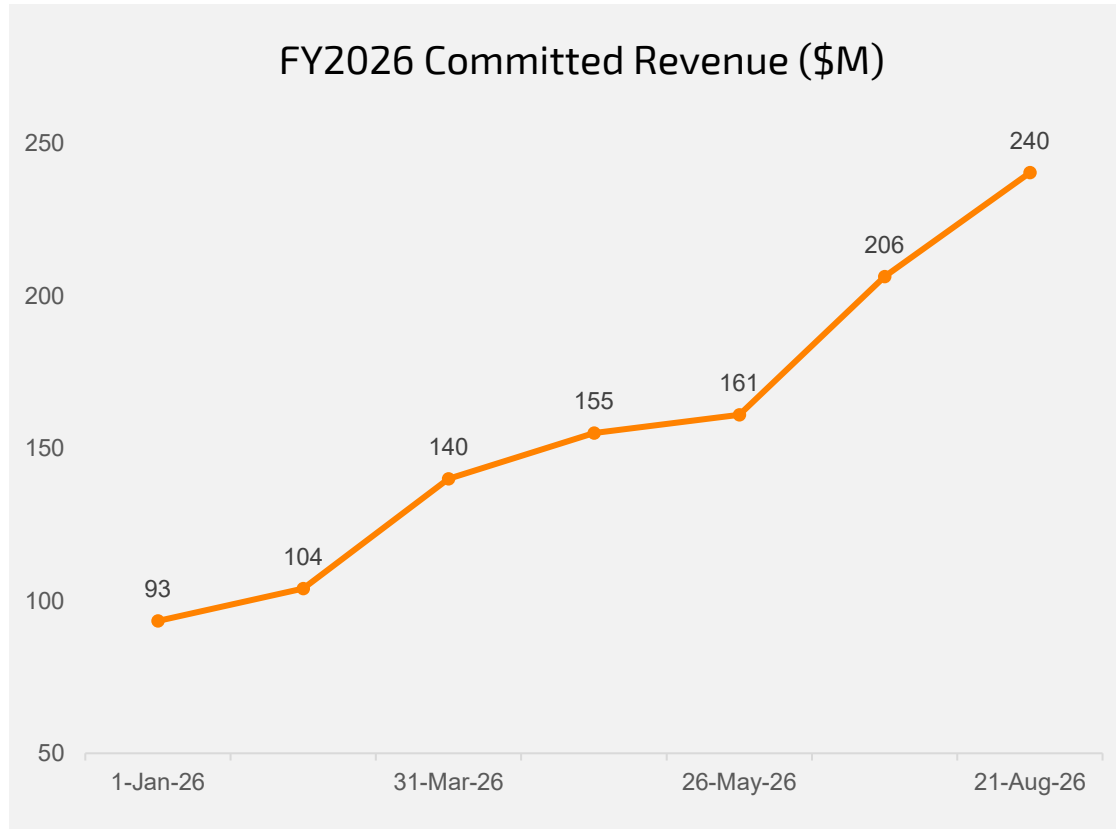
By Segment



- From a low base, increasing exposure in non-military and commercial markets
- Major events (e.g. FIFA 2026) and frequent drone incidents driving interest from airports, critical infrastructure, public safety locations and commercial assets

On Track for FY2026 Revenue Outlook

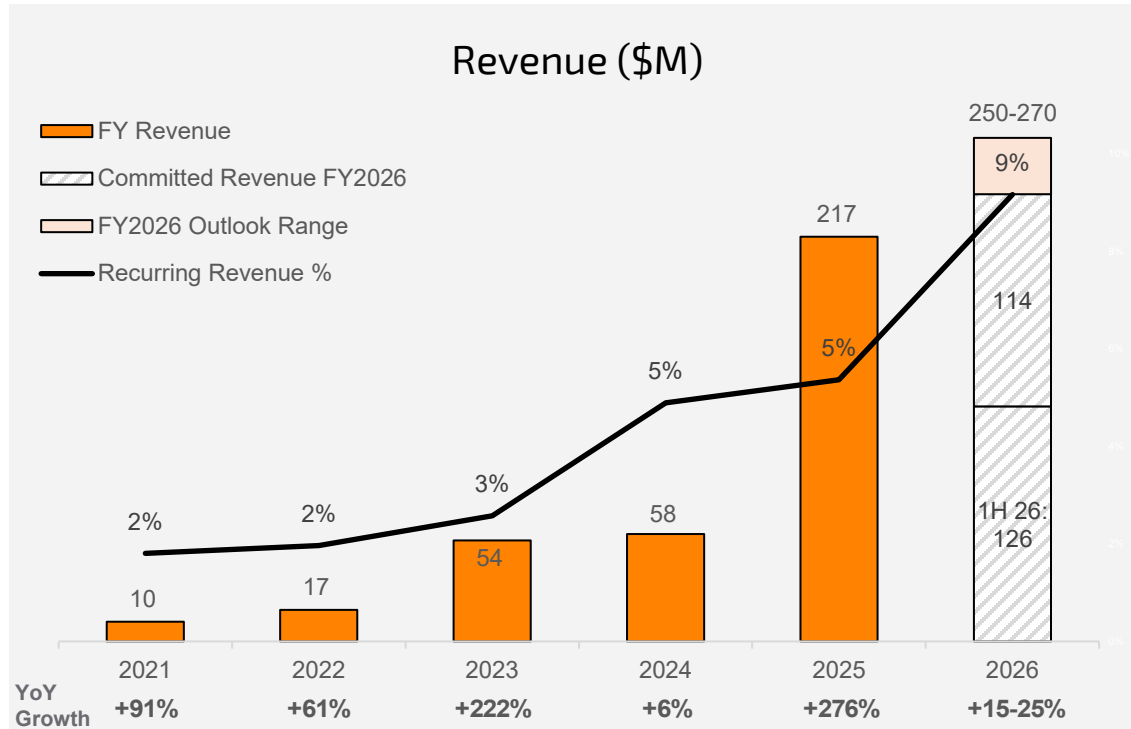
Committed Revenue of \$240M, up 36% on PCP and 89% to 96% of FY2026 Revenue Outlook



- Committed Revenue is primary evidence to demonstrate revenue outlook, with sales orders converted progressively to revenue
- Currently at \$240M for FY2026:
 - 36% up on PCP
 - 111% of Total Revenue in FY2025
 - 89% to 96% of Revenue Outlook range
 - includes 9% in Recurring Revenue
- Solid run-rate growth through repeat, reorder and expansion orders from existing end-users
- \$250-270M FY2026 revenue outlook reaffirmed
- 4+ months still to run, with orders later in year gradually building into FY2027 and beyond
- Committed Revenue for FY2027 and beyond currently at \$43M

Continuous Revenue Growth

Historic 5 Year CAGR of 113% from a very low base during a “coming of age” awareness in counter-drone



- DroneShield’s strategy is to have counter-drone solutions that match the changing technology, growing prevalence and increasing spending to protect against the threat of drones
- History demonstrates that periods of sizeable R&D investment are in advance of revenue step-changes
- 5-year 113% historic CAGR (2021-2025)
- Flagship next generation products have been launched with more releases through to the end of 2027. This is another major evolution in the Company’s solutions
- Reaffirming \$250M-\$270M outlook range, 15% to 25% growth on FY2025

Increased Expenses to Match Business Needs

In scaling, there has been an increase in key expense categories to support current and future growth

Employee Benefits

- 30 June 2026: 537 employees (vs 332 Jun-25, 482 Dec-25)
- Focus on retaining key staff and building out leadership
- Flat to low net growth in H2 via careful and considered hiring

Sales & Marketing

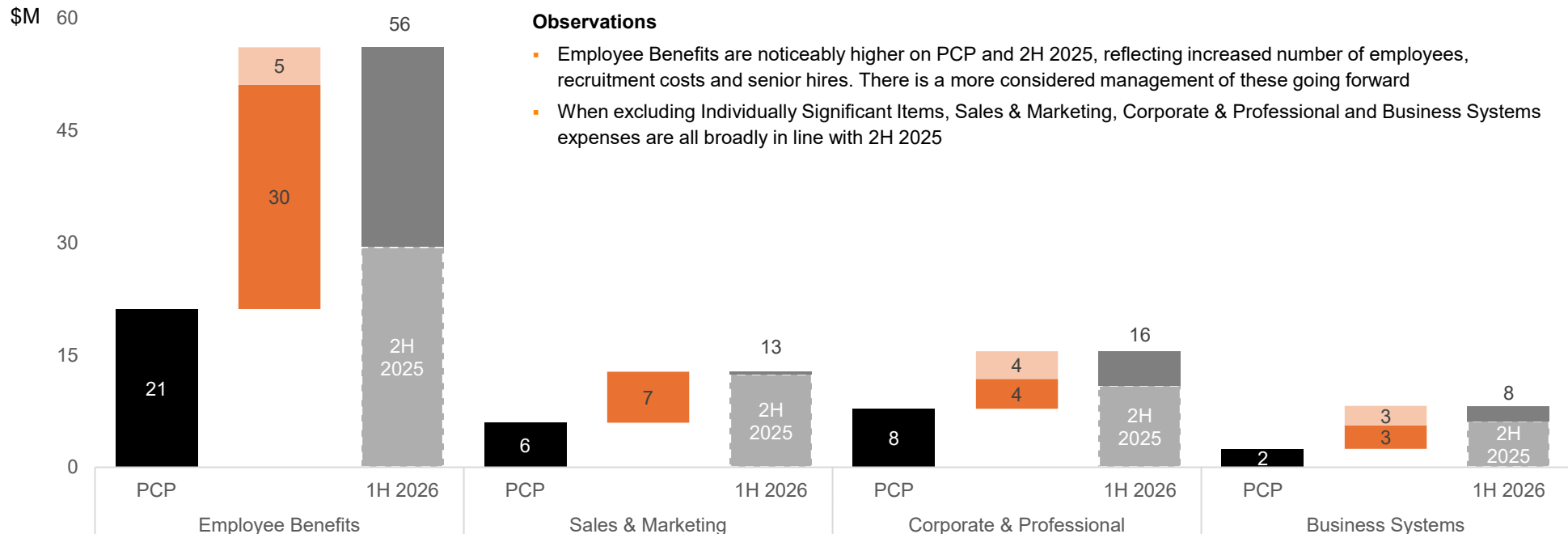
- Increased ahead of next-gen launches and commercial expansion. Moderating in 2H
- Focus now on targeted customer acquisition and channel activation

Corporate & Professional

- Additions to corporate and governance functions to support scale
- One-off disruption costs across external legal and other specialist providers

Business Systems

- Implemented ERP and sales systems in January 2026
- Process and operational benefits already evident across sales, procurement, production and finance functions



Investing Ahead of the Growth

\$180M

Cash and Term Deposits

As at 30 June 2026
No borrowings

\$85M

Inventory

Raw materials \$66M (up \$13M in 6 months),
with deliberate growth in CPU, GPU and SDR
componentry. \$19M in finished goods

\$40M

Research & Development

Spend for 1H 2026
Ongoing investment in tooling and workforce
capacity to deliver next-gen at a rapid pace



R&D and Inventory are competitive advantages

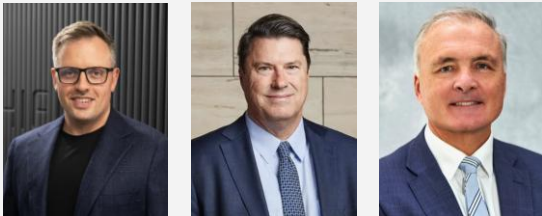
- DroneShield is a leader and R&D is critical to stay ahead of the game. **End-users need this.**
- Holding long-lead time inventory allows us to rapidly deliver counter-UxS capability. **End-users want this.**
- Efficient and deliberate design during R&D means critical items can be used across product lines. **End-users know this.**
- It is a deliberate allocation of the balance sheet. **End-users respect this.**

Maturing Governance and Structure for a Larger Company

An important 6-month period in **renewing**, **investing** and **uplifting** ahead of the next phase of growth

Renewing

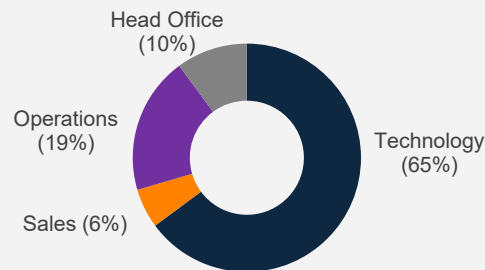
Leadership & Board



- **CEO/MD succession:** Seamless transition to Angus Bean
- **Board strengthening:** Hamish McLennan (Chairman) and Retired Rear Admiral Lee Goddard CSC

Investing

in People & Systems



- **Employees:** 537 (332 in PCP) with growth in Sales, R&D and Corporate Support
- **Systems:** Implementation of company-wide ERP and CRM software for scaled operations

Uplifting

Policies & Procedures



- **Governance policies:** Major uplift, education and adherence across the business
- **Raising standards:** Top-down strengthening of talent with alignment to high standards

03

Growth Platform

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Multi-Layered Counter-UxS Ecosystem

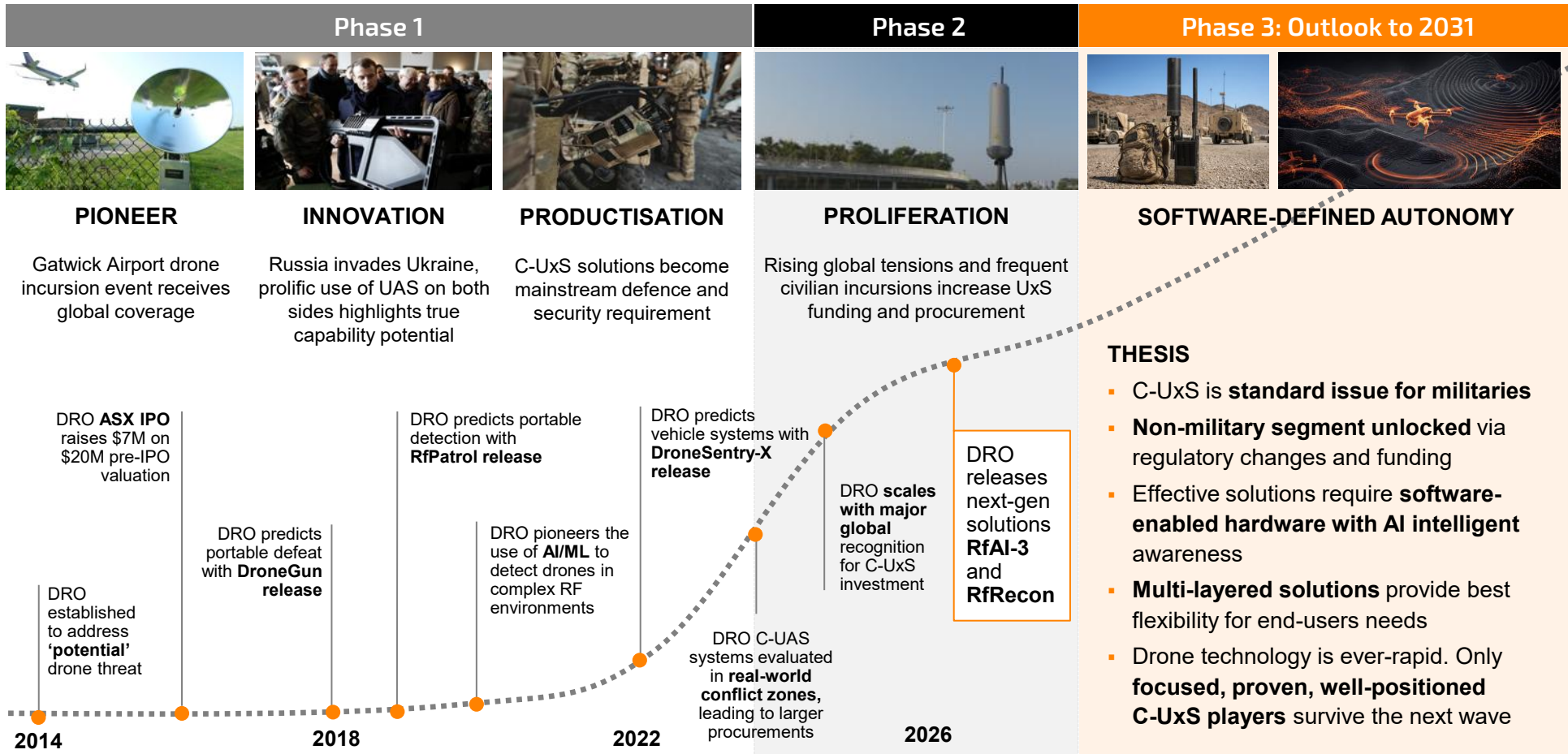
C-UxS is not a product. It's a system designed around the end-user, the area of operation, and the threat
"There is no silver bullet to protect against drones"¹

DroneShield Solutions	LAYER 1	RF Detect & Defeat DroneShield Flagship Sensors & Effectors	
	LAYER 2	DroneSentry-C2 / C2 Enterprise DroneShield Software Ecosystem	
DroneShield & Partner Solutions	LAYER 3	Core Extensions Radars / Optical Sensors / Specific Accessories & Kits	
	LAYER 4	Situational Extensions Cyber / Acoustic / Seismic / Passive Radar / Kinetic Interceptor / Cellular / Satcomm / USV/UGV	
	LAYER 5	Soft Kill & Non-Kinetic Effectors High Power Microwave / Laser	
Not Offered	LAYER 6	Hard Kill & Munitions Based Remote Weapons Stations / Explosive Interceptor / C-UAS Missile	

DroneShield uses open-source interoperable architecture, so end-users can tailor solutions to optimise to their needs. There is also an ability to add technologies as the ecosystem and solution suite expands

Entering Phase 3 of Counter-Drone Evolution

Since its inception DroneShield has been at the forefront of innovation in counter-drone thematic, investing ahead of the curve and leading the industry into the next phase. The future is no different



Launch of RfAI-3 and RfRecon

The start of the next-generation in DroneShield's solutions



RfAI-3 Platform Unveiled

3rd generation RF intelligence software engine senses emerging threats beyond catalogued signature libraries

July 2026



RfRecon Launched

Flagship next-generation hardware. Advanced discussions with Tier 1 end-users met with strong interest

August 2026



Production and Revenue

Scaled production commences with expectations of first deliveries by end of 2026

H2 2026



Full-Generation Refresh

Further hardware releases through 2027. RfAI-3 recurring revenue builds with the installed base

2027

Our Moat: Fielded Systems, Data and Sovereign Trust



Hardware

Thousands of systems deployed with end-users. Fielded systems and deployed solutions are the best reference, leading to expanding and repeat orders

6,200+

devices fielded globally



AI-Driven Software

Ten years of real-world counter-drone experience and engagement data. A unique data flywheel competitors cannot shortcut

10+ years

of proprietary threat data



Trust

Five Eyes and NATO-aligned export approvals and security accreditations. Deployed in 40+ countries, represented in 70+ countries. Trusted-supplier status is a moat measured in years, not budgets

40+ countries

Aligned supply and accreditation



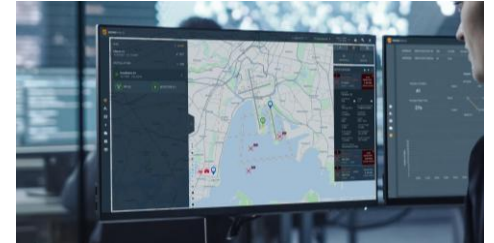
Dismounted



On-the-Move



Fixed Site



Command & Control

Governments: Unlocking Funding and Regulations

Worldwide acknowledgement of the drone threat has been met with governments unlocking significant funding and regulations

USA

- 2027 budget request: **US\$21B for munitions, C-UAS** and advanced capabilities
- JIATF401 C-UAS Marketplace platform** with US\$900M committed for 2026. **DroneShield amongst first** to have product on platform
- Safer Skies Act** unlocks 17,500 local and state law enforcement agencies, with FIFA2026 acting as beneficial case study

Europe & UK

- NATO commitment for **US\$40B in counter-drone capabilities over next 5 years**
- UK committed **£790M** to integrated air, drone and missile defence
- Increasing inbound interest for non-military applications
- Fastest growing region** with opportunities across the continent

European Opportunity

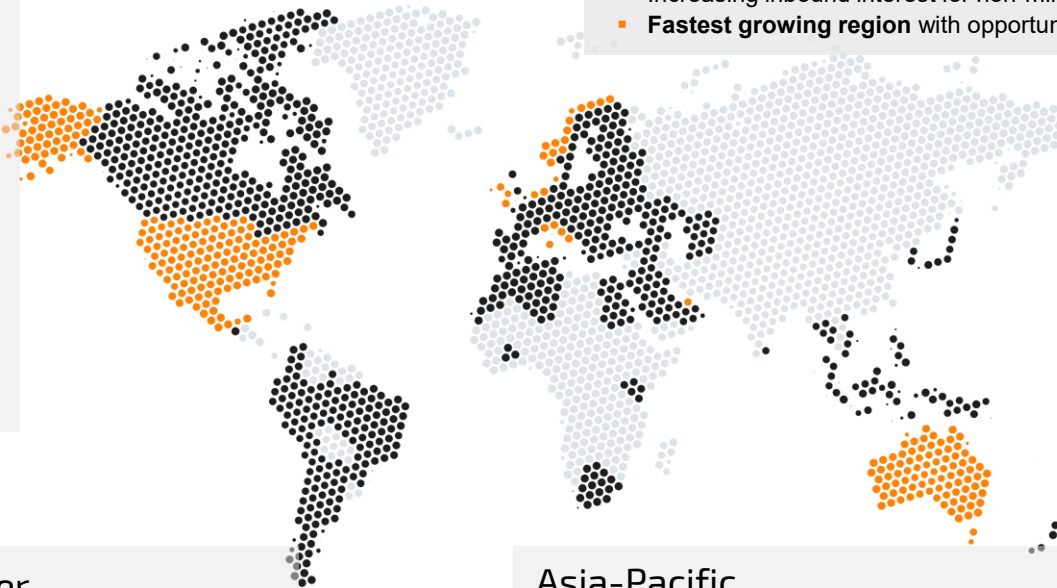
- Remains **largest program** in DroneShield's sales pipeline
- Competitive process with **down-selection expected in 2H 2026**
- Going forward **deliberate reduction in commentary** to protect sovereign, commercial and competitive sensitivities
- In future referred to as **COBBS-Anduril-Nokia consortium**

LATAM, MENA, Other

- LATAM:** Renewed & increasing political focus on narco-cartels
- MENA:** Meaningful enquiries in response to conflict, across both military & non-military arena

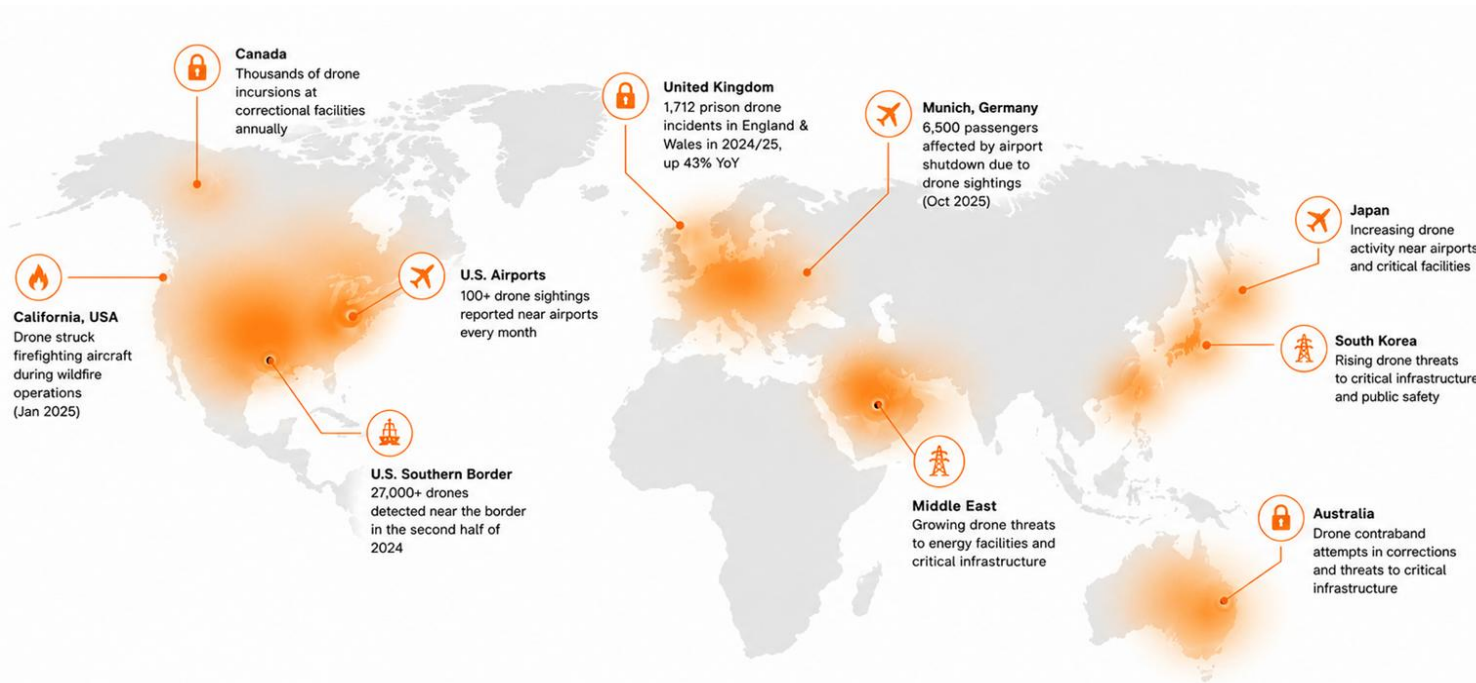
Asia-Pacific

- Asia:** ASEAN-Australia Counter-Terrorism Practical Exchange conference. Drones seen as leading threat to protect crowded spaces, vulnerable targets and critical infrastructure
- Australia:** Integrated Investment Program: Up to A\$7B allocated over 10 years for C-UAS and missile defence, with ~A\$1.5B for C-UAS



Commercial: The Imperative Beyond the Battlefield

Escalating and recurring incidents across public safety, critical infrastructure and commercial settings



"if there is one threat that keeps me up at night, it is from drones"

Jessica Tisch, NYPD Police Commissioner (February 2026)

Commercial Drone Threats

100+

Airport drone reports every month in the U.S.

3,000+

Drone incidents near U.S. airports

1,712

Prison drone incidents in England & Wales in 2024/25 up 43% YoY

27,000+

Drones detected near the U.S. southern border

04

Outlook

Leading the world in
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Five Growth Priorities for 2H 2026

1 Deliver FY2026 guidance

Growth from committed revenue, production and deliveries in-line with \$250M-270M outlook

2 Recover gross margin trajectory

Growth in H2 margin, without one-off stock impairments, and with more software

3 Ship first RfRecon

Growth in end-user interest with expectations of first deliveries by end of 2026

4 Build the recurring revenue base

Growth from more software-enabled devices deployed

5 Advance the commercial growth engine

Growth through programs, procurement portals and partnerships

DroneShield Thesis



Structural Demand

Counter-UxS is now core, multi-year funded defence spend across NATO and allied markets



Committed Revenue

\$240M FY2026 Committed Revenue underpins FY2026 revenue guidance of \$250M-\$270M



Platform Transition

RfAI-3 intelligence and RfRecon is the start of next generation to support 2027 and beyond



Balance Sheet Strength

\$180M cash, no debt. Working capital and investment in systems to support future growth



Experienced Leadership

Experienced board and strengthened executives with focus on long-term value for shareholders

APPENDIX

Australia Registered Office
DroneShield Limited
Level 5, 126 Phillip St
Sydney NSW 2000

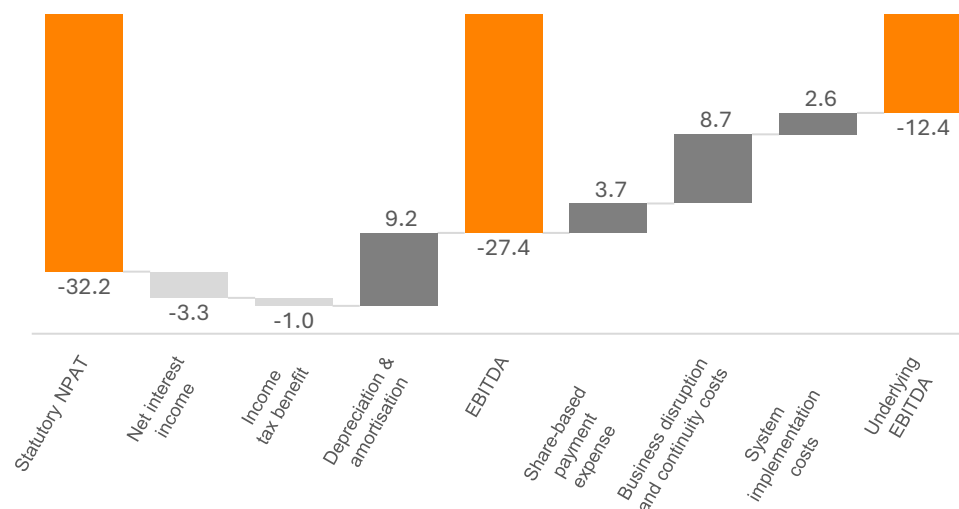
U.S. Office
DroneShield LLC
7140-B Farm Station Rd
Warrenton, VA 20187, USA

European Office
DroneShield B.V.
Herengracht 420
1017BZ Amsterdam, Netherlands

Reconciliation of Statutory to Underlying Metrics

\$'000	1H2026	1H2025	FY2025
Statutory profit/(loss) after income tax	(32,231)	2,123	3,521
Less: Income tax (benefit)/expense	(1,005)	3,078	(2,270)
Less: Net interest income	(3,313)	(3,952)	(7,333)
Add: Depreciation & Amortisation	9,152	3,999	10,579
EBITDA	(27,397)	5,248	4,497
Add: Share-based payment expense	3,673	2,719	23,511
Add: Business disruption and continuity costs	8,658	-	-
Add: System implementation costs	2,645	-	-
Add: Finished goods inventory impairment	-	-	8,500
Underlying EBITDA	(12,421)	7,967	36,508

Statutory profit/(loss) after income tax	(32,231)	2,123	3,521
Less: Income tax (benefit)/expense	(1,005)	3,078	(2,270)
Statutory profit/(loss) before income tax	(33,236)	5,201	1,251
Add: Share-based payment expense	3,673	2,719	23,511
Add: Business disruption and continuity costs	8,658	-	-
Add: System implementation costs	2,645	-	-
Add: Finished goods inventory impairment	-	-	8,500
Underlying Profit Before Tax	(18,260)	7,920	33,262



1H 2026 Individually Significant Items

- \$3.7M Share-based payments: Non-cash accounting expense for performance options under remuneration plans in current and prior years
- \$8.7M Business disruption and continuity costs: Non-operational costs relating to events of November 2025 with expenses across external legal, governance and other specialist providers, and continuity costs in maintaining workforce capability and operational effectiveness
- \$2.6M System implementation costs: Costs associated with the completion of new enterprise-wide systems implementations

FIFA World Cup 2026™ – Kansas City

DroneShield's mission: Support public safety and airspace security operations during the FIFA World Cup 2026™ in Kansas City

- Seven multi-site drone detection deployments, providing persistent airspace awareness
- Layered sensing architecture with RF detection, radars, command-and-control and dismounted mitigation
- High-profile locations with extensive media coverage
- Generated interest for local, state and commercial opportunities across North America
- Discussions already in planning for FIFA World Cup 2030

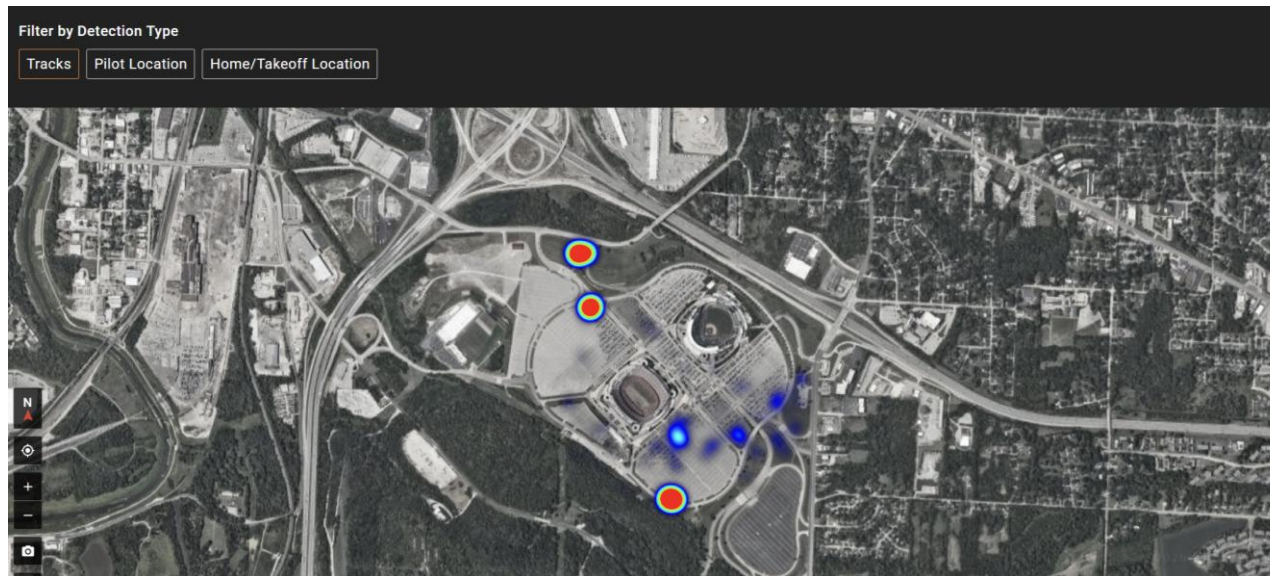


Image: DroneShield's drone detections identified several hot spots, enabling law enforcement to have greater airspace awareness

Kansas City at a Glance¹

800k Combined stadium & FIFA Fan Festival™ attendance

184 Drones/unique serial numbers detected across all deployed sites

82 Drones/unique serial numbers detected at sites nearest to World Cup stadium

48 unauthorised drones seized

7 operational deployment sites across Kansas City

6 World Cup matches

Multi-Layered Solutions in Effect

We work with end-users to define their counter-drone requirements and deliver interoperable, multi-layered solutions tailored to their environment

COMMAND-AND-CONTROL SOFTWARE



DroneSentry-C2

RF SENSOR



DroneSentry-X Mk2 (DD)
RF Sensor

RADAR SENSOR



Echodyne EchoShield
Active Radar

OPTICAL SENSOR



OpenWorks Vision Flex
EO/IR Sensor

NOVEL SENSORS AND EFFECTORS



Squarehead Discovair G2+
Acoustic Sensor



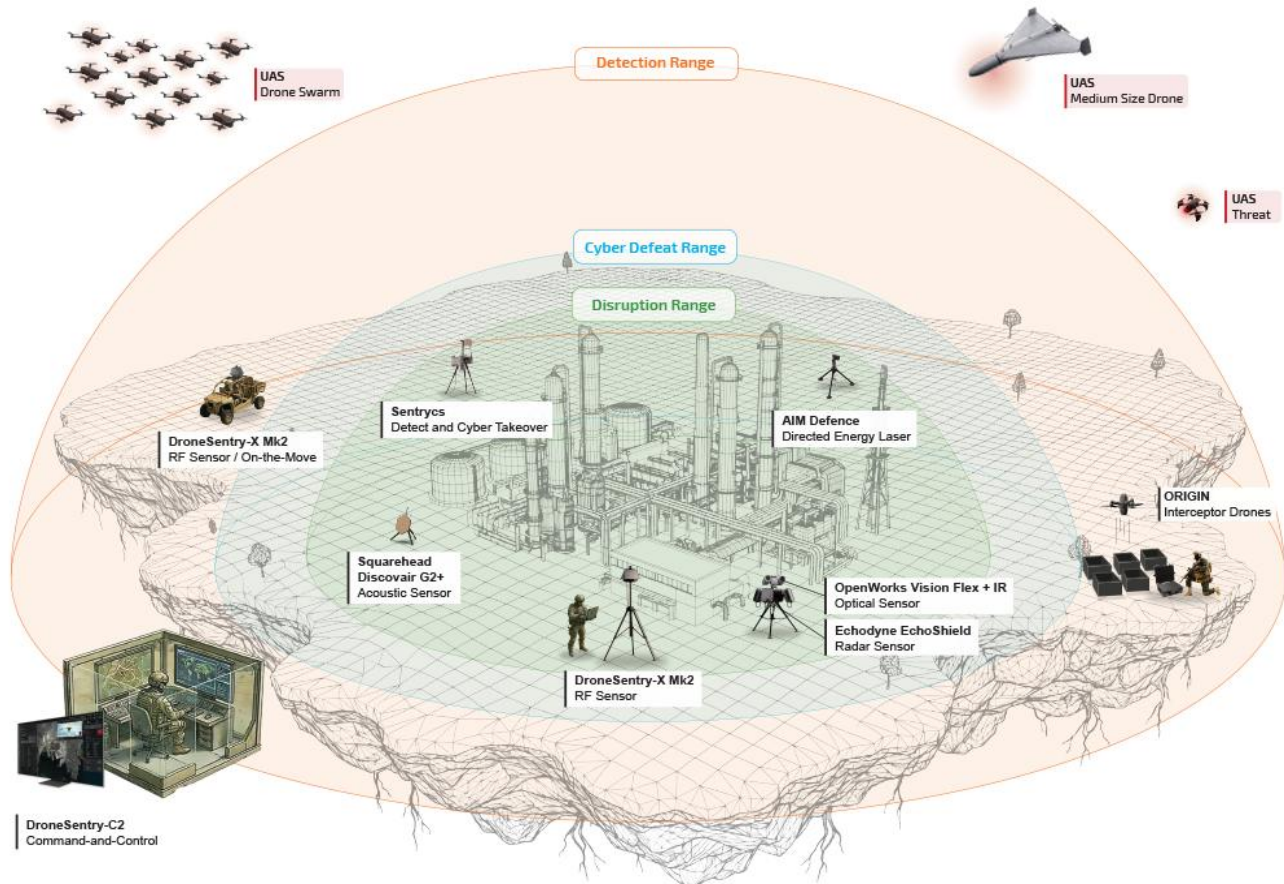
Sentrycs
Detect and Cyber Takeover



AIM Defence
Directed Energy Laser



ORIGIN
Interceptor Drones



Glossary of Terms

Key acronyms used in drone and counter-drone ecosystem

BVLOS	Beyond Visual Line of Sight	ITAR	International Traffic in Arms Regulations (U.S.)
C2	Command-and-Control (software and interface)	OTM	On The Move
C-UAS	Counter Unmanned Aerial Systems	RF	Radio Frequency
C-UxS	Counter Unmanned Systems	RfAI	Radio Frequency Artificial Intelligence
DECO	Defence Export Control Office (Australia)	UAS	Unmanned Aerial Systems
EW	Electronic Warfare	UGVs	Unmanned Ground Vehicles
FPV	First Person View	USVs	Unmanned Surface Vehicles
GNSS	Global Navigation Satellite Systems	VLOS	Visual Line of Sight