



Image: Demonstration of DroneShield's command-and-control platform, DroneSentry-C2, in Finland

Multi-Mission Artificial Intelligence Counter-Drone Solutions

FY2025 Results Investor Presentation

25 February 2026

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FY2025 Highlights



FY2025 saw record performance across all key metrics, and provides the foundation for continued strength into FY2026

Robust financial performance



A\$216.5m

2025 Revenue from Customers

- Record high. Up 276% on 2024
- YTD2026 Committed Revenue A\$104m

Executing on material pipeline



A\$2.3bn

Pipeline February 2026

- Various stages of maturity, with encouraging near-term prospects for 2026 delivery

Positioned to win and scale



460

Employees in 7 countries

- Well-resourced with on the ground team
- Distributors in all major West-allied countries



A\$33.3m

Underlying PBT

- Record high
- 15% underlying profit margin



295

Deals in pipeline

- Significant project diversity across 50 countries



A\$70m+

R&D spend annually

- Continuous investment in hardware and AI software to combat latest drone threats



A\$15.9m

Net Cash from Operations

- 3 consecutive quarters of positive net operating cash flow



18

Deals over \$30m each

- Diversity in deal size and volumes
- 36 deals over \$10m, largest being A\$750m



A\$209.4m

Cash balance

- Significant cash balance provides flexibility and supports ongoing investment

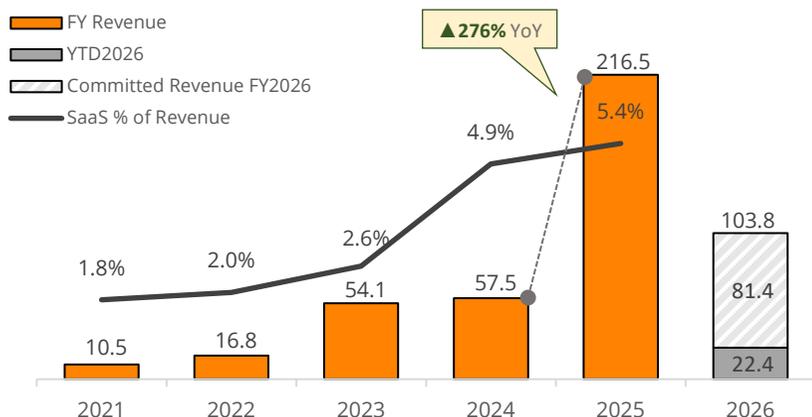
Pipeline is probability-unweighted and includes existing sales opportunities at various maturities. No assurance that any of the Company's opportunities will result in sales. Largest opportunity previously reported as A\$800m, with change arising from FX movements. FY2025 Audited Financial Statements. FY2025 Underlying PBT is before individually significant items of finished goods inventory impairment of \$8.5m (one-off) and share based payment expense of \$23.5m (non-cash). FY2025 Statutory PBT is \$1.3m and Statutory NPAT is \$3.5m. See Appendix for further details. Cash balance as at 1 January 2026 comprises cash, cash equivalents and short-term term deposits. YTD2026 is unaudited and derived from management estimates.

Record 2025 with strong momentum into 2026

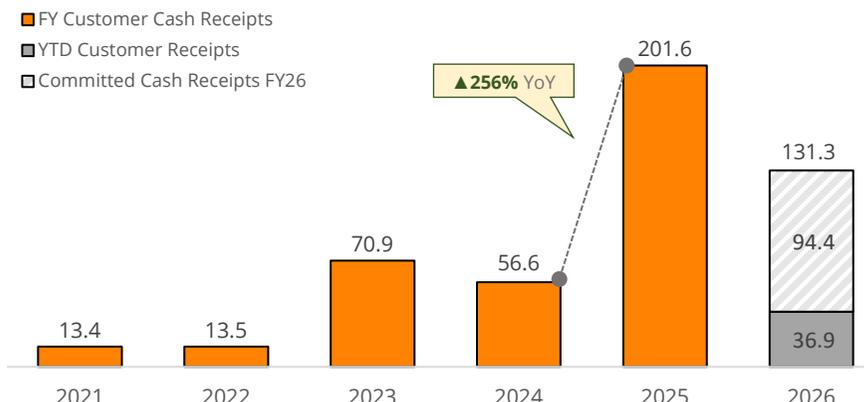


Off the back of a pivotal year in 2025, DroneShield expects to continue to benefit from the operational leverage moving forward. Annualised fixed costs are estimated at \$150m

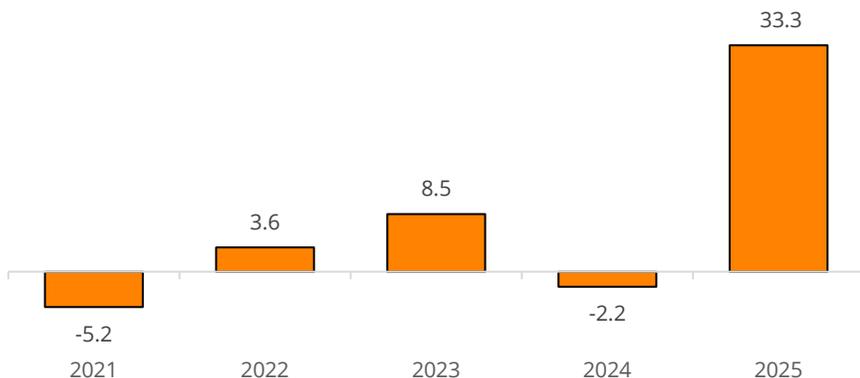
Revenue from Customers (A\$m)



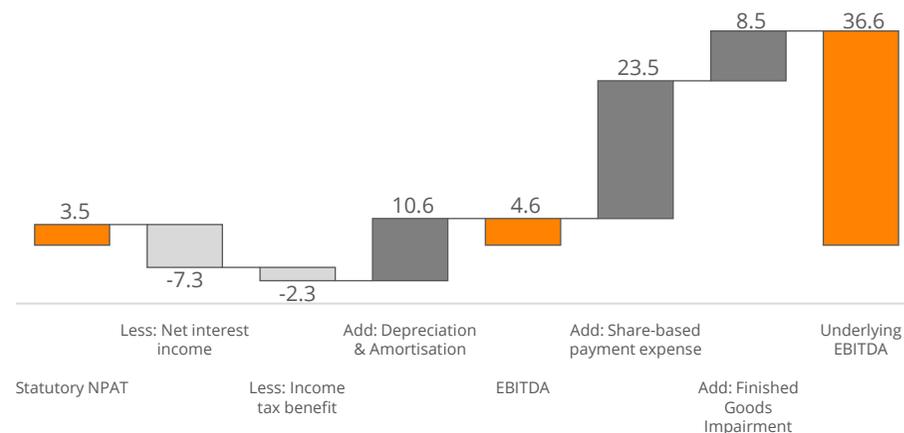
Customer Cash Receipts (A\$m)



Underlying Profit Before Tax (A\$m)



Statutory NPAT to EBITDA to Underlying EBITDA (A\$m)



Notes: \$150m in annualised fixed costs is based on monthly rate from Dec 2025. Actual fixed expense for FY2025 was lower, with the monthly cost increasing as headcount grew. Committed SaaS revenue is currently 27.2% of FY2026 Committed Revenue. FY2025 Audited Financial Statements. Customer Cash Receipts in 2026 includes \$22m received from 2025 revenue, and \$8m for revenue to be recognised in 2027. FY2025 Underlying PBT is before Individually Significant Items of finished goods impairment (\$8.5m) and non-cash share-based payment expense (\$23.5m). FY2025 Statutory NPBT is \$1.3m. See Appendix for further details.

Sales Pipeline at \$2.3bn (as of Feb 2026)



Diverse pipeline across geographies, customers, products and stages of maturity, providing good line of sight for continued growth through 2026. Combined use of in-country personal and local distribution partners showing returns



USA

\$283m / 112 projects

- **2025 Sales:** \$30m (14% revenue)
- Trump proposing \$1.5tn defense budget (up from \$1tn for FY26) for 2027
- Streamlining defense acquisition, including Joint Interagency Task Force 401 (JITAF401)
- The new DHS Program Executive Office with US\$1.5bn C-UAS contract vehicle
- FIFA World Cup driving funds and urgency
- Safer Skies Act for law enforcement
- DRO included in the SHIELD US\$151bn IDIQ



Europe & UK

\$1.2bn / 78 projects

- **2025 Sales:** \$98m (45% revenue)
- [EUR800bn Re-Arm Europe Plan](#) / Defence Readiness Roadmap 2030
- Setting up a European manufacturing (initially in a single, followed by multiple EU countries) and regional sales hubs
- UK: Working via BT; DroneSentry-X working with Leonardo UK's FalconShield system



Asia (excl China)

\$481m / 28 projects

- **2025 Sales:** \$46m (21% revenue)
- Several key Governments seeking to protect against the threat of small Chinese drones
- Demand continues to accelerate, especially fixed base DroneSentry protection



Australia

\$47m / 11 projects

- **2025 Sales:** \$11m (5% revenue)
- \$1.3bn L156 C-UAS spend, DRO selected on the LoE3 panel in January 2026 and already received work under LoE2
- Jan 2026: the Defence Amendment (Counter-UXS Measures) Regulations 2025

LATAM, MENA & Other

\$291m / 66 projects

- **2025 Sales:** \$32m (15% revenue)
- On the ground sales staff in Mexico and UAE, supported by distributors

KEY MOVEMENTS SINCE LAST REPORT

- Last reported \$2.1bn in January 2026
- Net additions of \$259m, substantively driven by Asia-Pacific
- Currency movement of -\$87m with majority of projects priced in USD and EUR

Inventory Update



Focus on maintaining sufficient inventory across various states to meet expected delivery timeframes, with new ERP and process improvements to assist

- Inventories of \$79m as at 31 December 2025
 - \$26m in finished goods (~\$73m in sales value)
 - \$53m in raw inventory, mostly longer lead time inputs
- Thorough review as part of transition to a new enterprise resource planning (**ERP**) system and preparation for move to new 3,000 sqm manufacturing facility in Sydney (completed January 2026)
- FY2025 inventory impairment of \$10.3m:
 - \$8.5m in finished goods: Earlier model DroneGuns with customer demand moving to latest version of DroneGun Mk4 and rapid sales uptake of these during 2024 and 2025. Once-off individually significant item for Underlying EBITDA and Underlying PBT
 - \$1.8m in raw materials: Tighter procedures implemented to improve tracking and data quality (FY2024: \$0.6m)
- New ERP system and process improvements brings tighter coordination between sales, warehouse, procurement and finance, with focus on focused working capital, reduced wastage and ability to meet delivery targets for clients' immediate needs
- Multiple warehouses around the world matter in the event of emergencies



Image: DroneShield Sydney warehouse

Manufacturing Capacity Expansion



Expansion towards \$2.4bn p.a. in production capacity by end of 2026

- New 3,000sqm production facility in Sydney
 - Substantial upgrade from 400sqm of floorspace of the previous production facility
 - The manufacturing is to assemble 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 company's headquarters by early 2026, for engineering and lab space, resulting in a 5,530sqm total R&D area
- Australia expansion is concurrent with DRO's European and US outsourced manufacturing initiatives, against the backdrop of record global demand and ability to offer in-region capabilities and capacity
 - European contract manufacturing to come online in H1 2026
 - U.S. assembly to come online in H2 2026



Images: DroneShield Sydney production facility and warehouse.

Unmatched End-to-End Counter-Drone Solutions Offering



Current gen products continue to sell well, as the company aims to launch a number of next-gen hardware solutions over late 2026 and 2027, including full spectrum customisable sovereign solutions

Dismounted

On-The-Move & Fixed Site

Detect



RfPatrol

- Quarterly SaaS-based software updates to keep up with the threat
- Over 2,700 deployed globally



DroneGuns

- Upfront hardware purchase (future gen jammers to also have SaaS)
- Over 1,500 deployed globally
- DroneGun Mk4: Lightweight and compact

DroneSentry

- Over 200 deployed globally
- 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 via DroneSentry-C2 software
- Upfront hardware purchase, plus recommended SaaS

SentryCiv

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



2025 hardware revenue %



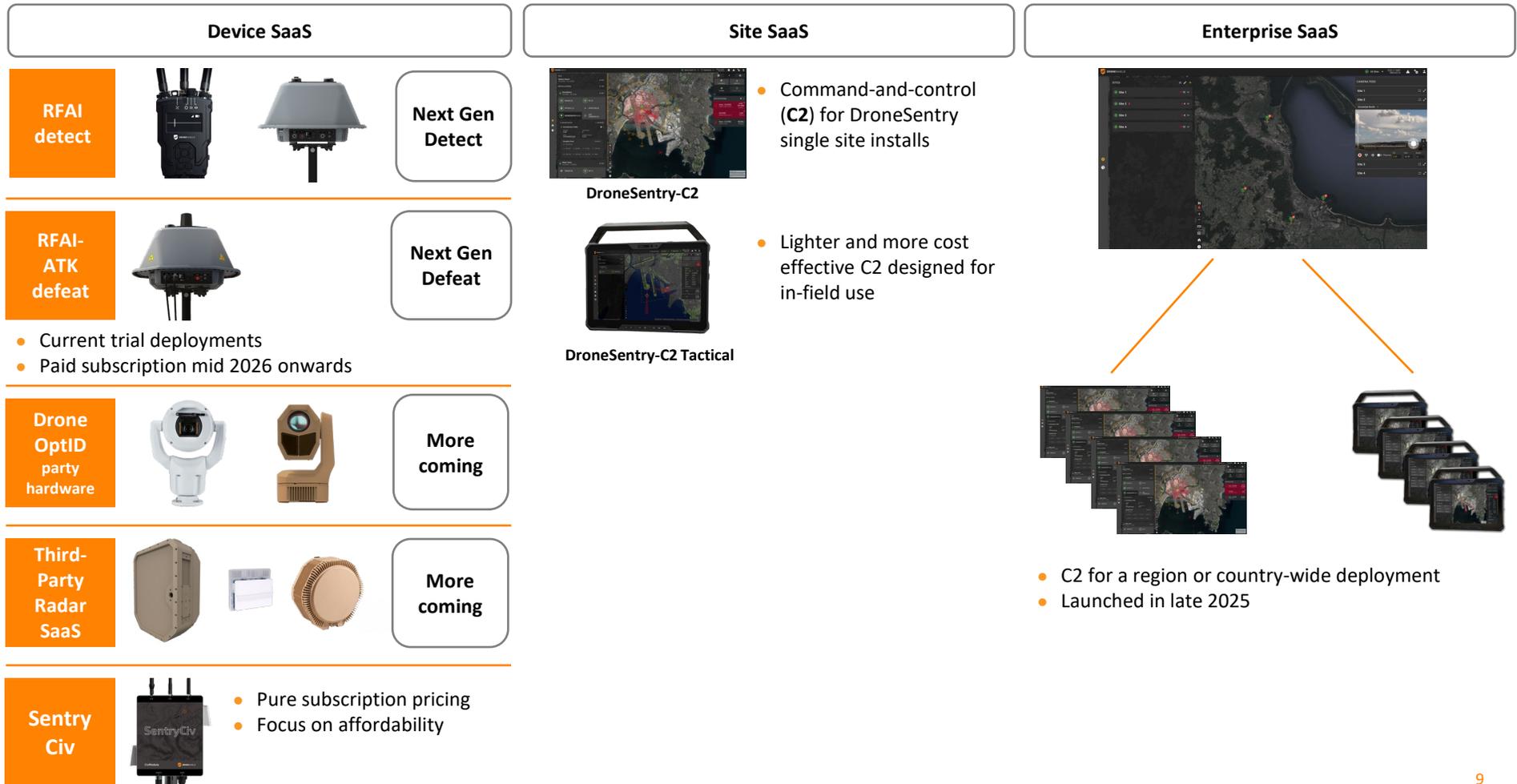
AI-powered solutions

Proprietary AI-based SaaS and Software R&D Contracts



Quarterly proprietary SaaS, complemented by third party SaaS on radar solutions

The goal is 10,000s of hardware pieces globally, each with multiple SaaS, targeting 30%+ of revenue in SaaS by 2030



Our Competitive Differentiators



Technical differentiators



Global pioneer at the forefront of counter-drone technology



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



350+ world-class engineers



\$70m+/year of R&D investment



Market leading, differentiated AI technology



Substantial and growing proprietary global AI drone signal database



Dedicated data engineering team



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

Commercial differentiators



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 deliverables



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



Interoperable hardware and software solutions



Well-positioned to maximise wallet share

DroneShield's Competitive Positioning



- DroneShield is the **only publicly listed pure-play C-UxS company** in the world
- DroneShield is a **global market leader in each of its key C-UxS segments**, underpinned by its commercial and technical differentiators
- It has a **large IP portfolio and robust AI capabilities**, coupled with **battle-tested, superior performance**
- **No competitor offers the breadth of DroneShield's counter-drone detect and defeat solutions across mobile, vehicle and fixed site settings**, with competitors within segments including*:
 - Handheld detection: MyDefence (Denmark) and DZYNE (USA)
 - Handheld defeat: MyDefence (Denmark), SteelRock (UK) and DZYNE (USA)
 - On the move detection and defeat: AeroVironment (USA)
 - Fixed site solutions and command-and-control systems: Dedrone (part of Axon) (USA), Anduril (a higher cost and strictly military solution) (USA))
- **Traditional defence and security primes are considered customers rather than competitors**, and DroneShield works with primes where appropriate to offer combined solutions

* According to field intelligence information received by DroneShield and customer discussions. Excludes Russian and Chinese systems, which would not be considered by the key Western customers of the company

Corporate Governance Update



Continuing DroneShield's growth and maturity as an S&P/ASX200 company

- As the company continues its growth, entering S&P/ASX200 in September 2025, it is also rapidly scaling its processes including corporate governance systems
- **The Company recently added senior personnel who bring enhanced operational maturity**, including Head of People & Performance (Nov 25), Director of Investor Relations & Strategy (Jan 26) and Chief Operating Officer (Feb 26)
- On 22 December 2025, the company announced a Corporate Governance review update, including the intention to establish a minimum shareholding policy (MSP) for Directors and senior management, appoint an additional Non-Executive Director, a review of the executive remuneration framework, and general process improvements
- Herbert Smith Freehills Kramer have advised on **best practice trading and continuous disclosure policies, which have now been adopted by the Board**, with a summary below:

Trading Policy	Disclosure Policy	Minimum Shareholding Policy
<ul style="list-style-type: none"> • Uplifted trading policy to ASX200 standards • For ALL employees: <ul style="list-style-type: none"> • Front Page Test: <i>How would it look?</i> • No hedging, no margin loans, no speculative trading • For Restricted Persons, which includes Directors, CEO, Senior Executives and Nominated Employees, greater detail on: <ul style="list-style-type: none"> • Blackout periods • Written approvals to trade • Time periods to trade and reporting 	<ul style="list-style-type: none"> • Greater detail on disclosure thresholds and process • Formalisation of a Disclosure Committee (of executives) which will liaise with Chairman, and/or seek Board approvals, prior to announcements • Increased specifications on authorised spokespersons, communication blackout periods, investor and analyst briefings and other market monitoring 	<ul style="list-style-type: none"> • Within 3 years, minimum shareholdings for: <ul style="list-style-type: none"> • CEO: 200% of annual fixed remuneration • CFO and Other Executives: 50% of annual fixed remuneration • Non-Executive Directors: 100% of annual base fees

Executing on our Measurable Strategic Priorities



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

2026-2027

- 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**, based on increases in drone threat and evolving legislation
- **Tighten process and systems** to meet the scale and outlook of the company
- Opportunistic M&A where it brings **additional C-UxS capabilities with aligned outcomes**

2028-2029

- **Grow sales pipeline to \$5bn**
- **Roll-out of AI 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

2030+

- **Target revenue of \$1bn p.a.**
- **Significant revenue from SaaS**, long term counter-drone contracts and EW 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**

Thank you

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APPENDICES

Other Information

Image: DroneShield's production warehouse facility in Sydney

Reconciliation of Statutory to Underlying metrics



DroneShield has no debt (\$209m cash) and a low capex base, resulting in high conversion of Underlying EBITDA to Underlying PBT

A\$000	2025	2024
Statutory profit/(loss) after income tax	3,521	(1,320)
Less: Income tax benefit	(2,270)	(5,466)
Add: Interest expense	633	459
Less: Interest income	(7,966)	(5,913)
Add: Depreciation	8,307	3,349
Add: Amortisation	2,272	268
EBITDA	4,497	(8,623)
Add: Share-based payment expense	23,511	4,647
Add: Finished goods inventory impairment	8,500	-
Underlying EBITDA	36,508	(3,976)

Statutory profit/(loss) after income tax	3,521	(1,320)
Less: Income tax benefit	(2,270)	(5,466)
Statutory profit/(loss) before income tax ('PBT')	1,251	(6,786)
Add: Share-based payment expense	23,511	4,647
Add: Finished goods inventory impairment	8,500	-
Underlying PBT	33,262	(2,139)

Individually Significant Items

- *Share-based payment expense*: Non-cash item. Unusually high in FY2025 as several tranches of performance options vested in a short amount of time, due to the rapid business growth. Future performance options have staggered targets, each with a two-stage vesting schedule (50% at milestone and 50% 12 months later). Profile is expected to be more gradual in future periods.
- *Finished goods inventory impairment*: Earlier model DroneGuns with customer demand moving to latest version of DroneGun Mk4 (launched April 2023) and rapid sales uptake of these during 2024 and 2025.

Investment Thesis



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 counter-drone solutions into mainstream** of conflicts
- **With over US\$60bn Total Addressable Market**, the counter-drone **market saturation is small** (sub 5%*)
 - The “drone problem” is new (largely since when the Ukraine War started in 2022) and rapidly evolving
 - Civilian market is a US\$28bn TAM opportunity – Safer Skies Act as well as DHS Program Executive Office for Unmanned Aircraft Systems and Counter-Unmanned Aircraft Systems are expected to start driving adoption in the US
- **Traditional defence primes are not well positioned** - need cost effective, rapidly evolving solutions
- DroneShield is the **only pure-play counter-drone publicly listed company** in the world

[We need]... more AI 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)

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

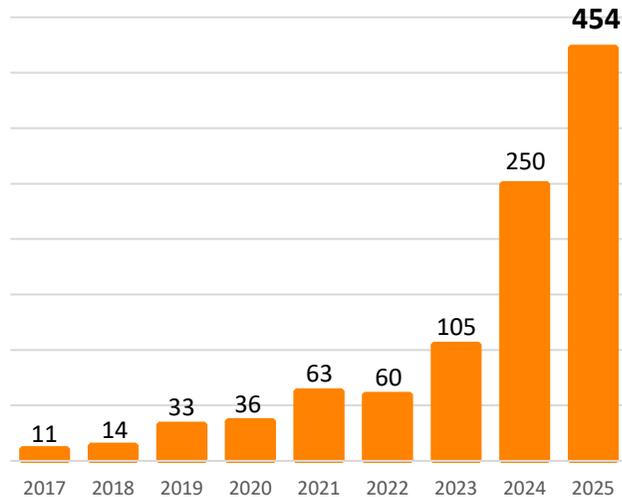
A Global Company



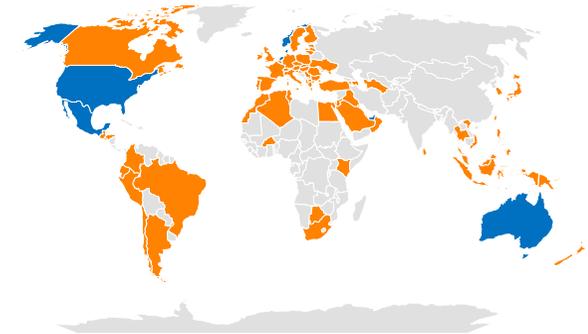
Since its formation in 2014, DroneShield has grown significantly and currently has over 460 staff across 7 countries, and product representation in over 70 countries

- **2014:** Founded by two US scientists developing acoustic detection technology to identify drones
- **2016:** Listed on ASX
- **2017:** Early product launches and initial sales with 11 staff
- **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
- **2023-2025:** Focused on product evolution and AI firmware upgrades. Sales team bolstered, delivering several multi-million dollar contracts globally and developing deep sales pipeline. Enhanced geographic footprint with distribution representation

Employees (Globally)

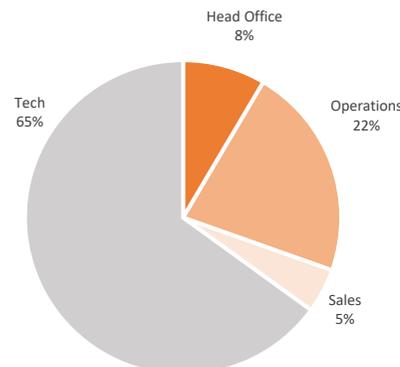


Global Presence

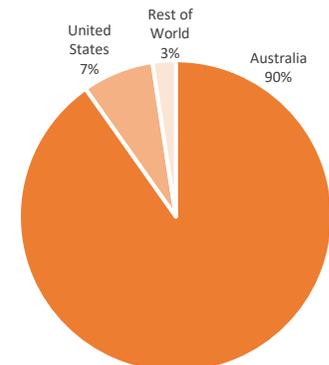


- Regions with DroneShield employees
- Additional Countries with DroneShield representation

Employees by function



Employees by location



Head Office comprises Executive, Finance, Legal & HR. Engineering resides in both Tech and Operations

Seasoned leadership team with deep sector experience



 <p>Oleg Vornik CEO and Managing Director</p>  <p>10 yrs with DRO</p>	 <p>Angus Bean Chief Product Officer</p>  <p>9 yrs with DRO</p>	 <p>Carla Balanco CFO & Joint Company Secretary</p>  <p>8 yrs with DRO</p>	 <p>Louis Gamarra Chief Commercial Officer</p>  <p>2 yrs with DRO</p>
 <p>Nathan Vardanega Chief Delivery Officer</p>  <p>2 yrs with DRO</p>	 <p>Angus Harris Chief Technology Officer</p>  <p>1 yr with DRO</p>	 <p>Paul Cenoz General Counsel & Joint Company Secretary</p>  <p>3 yrs with DRO</p>	 <p>Sasha Biskup Chief Information Security Officer</p>  <p>1 yr with DRO</p>
 <p>Tom Branstetter Vice President, Business Development and Sales</p>  <p>6 yrs with DRO</p>	 <p>Michael Powell Chief Operating Officer</p>  <p><1 yr with DRO</p>	 <p>Lauren Ratcliffe Head of People & Performance</p>  <p><1 yr with DRO</p>	 <p>Joshua Bolot Director of Investor Relations & Strategy</p>  <p><1 yr with DRO</p>

US\$35bn+ Total Addressable Military Market



Military Vehicles (Mounted)
\$112,500 each

\$20.3 billion



\$2.4 billion

Border Protection
\$2 million each



\$2.3 billion

Military – Fixed Bases
\$462,500 each

Government Facilities – Fixed Sites
\$281,500 each

\$1.8 billion



Military Helicopters
\$75,000 each

\$1.4 billion



Military – Portables (Infantry Units)
\$37,500 each

\$4.7 billion



Protective Security / VIP
\$281,500 each

\$732 million



Law Enforcement – Portables
\$281,500 each

\$550 million



Intelligence Facilities (SCIFs)
\$312,500 each

\$625 million



Naval Vessels (Combat Units)
\$131,500 each

\$61.8 million



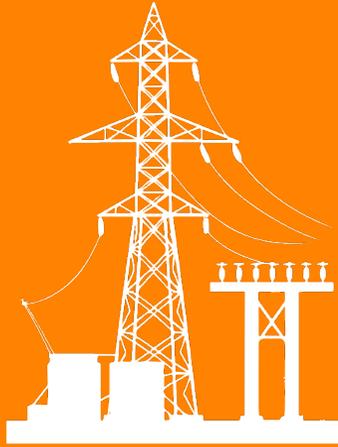
¹ <https://www.dronesshield.com/counterdrone-market>

US\$28bn+ Total Addressable Civilian Market



Strategic Power / Grid Assets

\$1,062,500 each



\$6.4 billion

Data Centres (Tier III/IV+)

\$312,500 each



\$3.8 billion

Correctional Facilities

\$281,500 each



\$2.5 billion

Stadiums / Events

\$512,500 each



\$3.6 billion



\$2.3 billion

Civilian Helicopters / Heliports

\$150,000 each

Oil & Gas Infrastructure

\$1,062,000 each



\$2.2 billion

Shipping – Freighters / Cargo Ships

\$131,500 each



\$4.3 billion

Airports

\$1,062,500 each



\$3.2 billion



\$105.2 million

Shipping Ports

\$131,500 each

¹ <https://www.dronesshield.com/counterdrone-market>

Detection Technologies



DroneShield uses multi-sensor drone detection for optimal results, unaffected by time of day or weather. It offers its own manufactured sensors, as well as being interoperable with third party solutions

	Radio Frequency	Radar*	Cameras*	Acoustic*
Imagery				
Overview	<ul style="list-style-type: none"> Foundational layer Detects drone comms protocols (via conventional RF library or an AI engine) 	<ul style="list-style-type: none"> Motion tracker - emits signals which are then reflected back to the radar by targets 	<ul style="list-style-type: none"> Electro-Optical (EO), Infrared (IR) and Thermal Video analytics and image capture identification of drone activity 	<ul style="list-style-type: none"> Compares noise of drone blades or motor to a database of acoustic signatures
Advantages	<ul style="list-style-type: none"> No interference with other sensors Tracks multiple targets Passive – cannot be “seen” Low false alarm rate Direction-finding capability Long ranges Cost effective 	<ul style="list-style-type: none"> Picks up drones without RF emissions Tracks multiple targets 	<ul style="list-style-type: none"> Best used for verification, classification and tracking of a target detected by other sensors Potential identification of payloads Provides “eye on target” 	<ul style="list-style-type: none"> Passive, cost effective Supporting sensor, filling gaps from other sensors
Disadvantages	<ul style="list-style-type: none"> Doesn’t pick up RF-silent drones Requires firmware updates 	<ul style="list-style-type: none"> False alarms (birds etc) Is “seen” as emits energy (passive radars are early stage) Longer range detection is expensive Struggles with hovering drones 	<ul style="list-style-type: none"> Not well suited for detection on its own due to field-of-view vs distance trade-off Short ranges 	<ul style="list-style-type: none"> Short range False alarms Cannot accurately locate or track Requires signature database updates

* Third party hardware, interoperable as DroneShield combines multi-sensor solution, with differentiated offering via AI-powered software layers

Defeat Technologies



DroneShield uses smart jamming which has advantages over other technologies, as well as being interoperable third party technologies as part of its DroneSentry-C2 command-and-control software

	Safe – “soft kill” <i>No intentional damage to the drone</i>		Kinetic – “hard kill” <i>Physical force used with potential for destructive damage</i>		
	Smart Jamming	Protocol Manipulation	Interceptor Drones	Projectile Fire Kinetic Systems	Directed Energy (Laser or HP Microwave)
DroneShield Offering	DroneShield is able to offer as an inter-operated solution		A Defence Prime area, such as Kongsberg or EOS		Traditionally a Defence Prime area, however new solutions emerging, e.g. Epirus and AIM Defence
Imagery					
Overview	<ul style="list-style-type: none"> Radio waves force a drone to fly back, hover, or land 	<ul style="list-style-type: none"> Hijacks the control of a drone 	<ul style="list-style-type: none"> “Kamikaze” or “catching” drones 	<ul style="list-style-type: none"> Remote weapons systems shoot down drones 	<ul style="list-style-type: none"> “Dazzle” or destroy a drone
Advantages	<ul style="list-style-type: none"> Universal effectiveness, incl “autonomous drones” flying via GNSS 360-degree defeat coverage Effective against swarms 	<ul style="list-style-type: none"> Allows for the re-routing and re-direction of malicious drone flight paths Applications in both civil and military environments 	<ul style="list-style-type: none"> “Catching” the drone is available to a wider range of customers 	<ul style="list-style-type: none"> Sometimes effective against RF/GNSS silent drones Established technology for military operations 	<ul style="list-style-type: none"> Effective against RF/GNSS silent drones Systems can be mounted on naval vessels for complex defence systems
Military and civilian markets	✓	✓	✓	✗	✗
Instantly engages swarms	✓	✗	✗	✗	✗
Max range	10km+	5km	Several km	Several km	Several km
Upfront Cost	\$\$	\$\$	\$	\$\$\$	\$\$\$\$\$
Operating Cost	\$	\$	\$\$\$\$	\$\$	\$\$

U.S. Law Enforcement C-UAS Market Assessment



“Safer Skies” provides state and local law enforcement with the legal pathway to counter drones, offering the potential to be a major driver of products such as RfPatrol, DroneGun and DroneSentry-X based on their design and pricing

What is the Act?	<ul style="list-style-type: none">• The U.S. Safer Skies Act (incorporated into the Fiscal Year 2026 National Defense Authorization Act (FY26 NDAA), signed into law on Dec 18, 2025) is a significant expansion of C-UAS authority to State, Local, Tribal, and Territorial (SLTT) law enforcement and correctional agencies in the United States• This legislation provides a pathway for SLTT entities to detect, track, and mitigate credible drone threats to people, facilities, critical infrastructure, large public events, and correctional facilities
What is the opportunity for DroneShield?	<ul style="list-style-type: none">• Agencies: Approximately 17,500-18,000 SLTT agencies• Sworn Officers: ~600,000-788,000 full-time equivalents (conservative midpoint used: ~700,000-750,000 SLTT sworn officers, based on trends from Bureau of Justice Statistics and FBI Universal Crime Reporting (UCR) data - excludes federal)• Vehicles: Conservative estimate ~500,000-700,000 SLTT law enforcement vehicles (based on ~0.6-0.7 vehicles per sworn officer, accounting for shared/specialised fleets. Market reports cite fleets exceeding 700,000 in some analyses)• Deployment Focus: Larger agencies (7% with >100 officers) control ~64% of personnel and are primary adopters for specialist C-UAS tools (e.g., SWAT, task forces, border/prison units)• Total Estimated SLTT TAM: ~\$2.5–\$3.2 billion+ across core products (portables/handhelds ~\$870M–\$930M+ alone)
Next steps	<ul style="list-style-type: none">• Mandatory FBI-managed training and certification will be through the National Counter-UAS Training Center (NCUTC) at Redstone Arsenal, Huntsville, Alabama. The centre opened with its first graduating class in November 2025• Current course capacity is limited to 15-20 personnel per course due to resourcing constraints in this early post-legislation phase but capacity is expected to increase as the program scales to meet demand, particularly ahead of high-profile events like the 2026 FIFA World Cup (June-July 2026)• Grants such as the Federal Emergency Management Agency (FEMA) \$500M C-UAS program over FY26–FY27 will assist

Will our technology continue to work against drones?



A large and agile team, combining counter-drone technology, expertise, relationships and reputation

RF to remain core drone technology	<ul style="list-style-type: none">● DroneShield believes that radiofrequency will remain the core sensor and effector mechanism as the drones evolve*● Non-RF drones are catered for by ability to be interoperable with other technologies, as the solutions will differ across scenarios
Sensor maker, and also interoperable with third party solutions	<ul style="list-style-type: none">● Where the customer has “detect all drones no matter what they could be” requirements and a sufficient budget, the company can add third party sensors and effectors into a single system package (customers do not wish to buy “lots of boxes” and therefore rely on DroneShield for a solution)● Over time, DroneShield may add some of these alternative detection and defeat technologies into its own portfolio<ul style="list-style-type: none">● For example, can consider adding sonar when underwater drone threats start to proliferate
Ongoing counterdrone innovation is key	<ul style="list-style-type: none">● Several next generation hardware/software products due for 2026 release and beyond● DRO’s edge driven by a multiple differentiators:<ul style="list-style-type: none">● Technical: arguably largest and highly agile counter-drone engineering team globally, extensive and growing counter-drone AI datasets● Commercial: close trusted collaborations with customers, brand name, certifications
Drone tech innovation is a positive	<ul style="list-style-type: none">● 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?	<ul style="list-style-type: none">• 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 when flying quickly, as well as the weight of the cables
What about autonomous drones?	<ul style="list-style-type: none">• 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 DroneShield 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?	<ul style="list-style-type: none">• 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?	<ul style="list-style-type: none">• 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 DroneShield and customer discussions