26 August 2026 **ASX Announcement**

1H 2026 Results: Sustained Growth and Investing for Scale

DroneShield Limited (ASX:DRO) (DroneShield or the **Company)** is pleased to announce its financial results for the six months ended 30 June 2026 (**1H 2026**), delivering record first-half revenue as the Company expands its end-user base. The period also saw important organisational investments to support the Company's entry into the next phase of counter-drone evolution, which requires next-generation solutions, expanded production capacity, and increased operational scale.

Financial Highlights

Headline elements of 1H 2026 results include:

- **Record first-half revenue of $125.8 million**, up 74% on the prior corresponding period to 30 June 2025 (**PCP**).
- **Recurring revenue of $11.5 million**, up 229% on PCP, supported by a growing installed base of 4,100 software-enabled devices globally.
- **Underlying[1] EBITDA loss of $12.4 million** (compared with $8.0 million profit in PCP), reflecting a period of planned investment in production capacity, product development, organisational systems and management capability to support larger global operations.
- **Statutory loss after tax of $32.2 million** (compared with $2.1 million profit after tax in PCP), after Individually Significant Items[1] of $15 million.
- **Cash and term deposits of $180.0 million** as at 30 June 2026 (compared with $210.6 million as at 31 December 2025), with **no debt**.

Operational Highlights

The first half of 2026 saw DroneShield's non-military government and commercial segment continue to expand, representing 15% of 1H 2026 revenue. This is consistent with the growing awareness of drone threats occurring around major events, airports, critical infrastructure, public venues and commercial assets. During the FIFA World Cup 2026™, DroneShield supported public safety and airspace security operations across seven multi-site drone detection deployments in Kansas City, where 184 detections were identified and 48 unauthorised drones were seized in operations.

In early 2026 the Company completed the relocation to its new 3,000 square metre production facility and implemented new ERP and sales systems to support continued growth. DroneShield produced its first European-manufactured hardware in June 2026, demonstrating a commitment to support European demand through in-region manufacturing capability. There has also been an important investment in longer lead-time components to increase readiness for future orders and provide shorter delivery cycles to end-users.

[1] Underlying EBITDA is before Individually Significant Items of non-cash share-based payment expense ($3.7 million), and non-recurring items of business disruption and continuity costs ($8.7 million), and system implementation costs ($2.6 million).

For personal use only

The half year saw DroneShield continue to expand its partnership ecosystem, announcing memoranda of understanding and collaborations with Intelic, Origin Robotics, Overland AI, Terma, Airspace Link, Parsons and Defenture. These partnerships strengthen DroneShield's strategy of a multi-layered counter-drone ecosystem, combining sensing, electronic warfare, command-and-control, autonomous platforms, mobile deployment and airspace management.

At a corporate and executive level, there has been a deliberate expansion in DroneShield's organisational functions and capabilities to provide deeper experience and broader support across the Company in advance of the next phase of growth.

DroneShield continues to assist ASIC in relation to an investigation into ASX announcements and trading activity during November 2025. It is not clear what action, if any, may result from this.

FY2026 and Outlook

DroneShield continues to scale its commercial, operational and technology platforms in preparation for its next-generation solutions roadmap. This commenced in July 2026 with DroneShield unveiling RfAI-3, its RF intelligence software engine, and launching RfRecon, its flagship next-generation hardware product.

These launches mark the start of the next phase in DroneShield's product roadmap. Scaled production of RfRecon is expected to commence in H2 2026, with first deliveries targeted by the end of 2026. Further next-generation hardware releases are planned through 2027.

Importantly the Company has seen continued momentum in FY2026 Committed Revenue[2]:

- **FY2026 Committed Revenue:** $240 million as at 21 August 2026, which
    - compares with $176 million as at August 2025
    - represents 111% of FY2025 total revenue
    - represents 89% to 96% of FY2026 revenue outlook
- **FY2026 revenue outlook[3]** reaffirmed at $250 million to $270 million, representing growth of 15% to 25% on FY2025.
- **Committed Revenue for FY2027 and beyond** is $43 million, with a mix of committed hardware, software, warranty and other services revenue.
- **Priorities in 2H 2026** include delivering the balance of FY2026 revenue outlook, strengthening gross margin, shipping first RfRecon units, building the recurring revenue base through more active software-enabled devices, and advancing commercial opportunities.

Results Commentary

DroneShield CEO and Managing Director Angus Bean said:

> *"These results demonstrate that DroneShield continues to convert global demand into growing revenue. We've achieved significant momentum while scaling operations to meet end-user demand, during a structured leadership transition.*

---

[2] Committed Revenue as at 21 August 2026 is the value of hardware, services, warranties and subscriptions delivered and scheduled for delivery within the period, based on confirmed purchase orders and prevailing exchange rates when reported.

[3] Based on FY2026 Committed Revenue and expected deliveries in 2H 2026.

The increasing installed base of our software-enabled devices, our operational work supporting major public safety environments and the promising early interest in RfRecon, all demonstrate the opportunities ahead for DroneShield.

The Company used the first half to deliberately invest in resources across the business, particularly in production capacity, management capability, operational systems and governance processes. We believe these to be necessary investments to make now, ahead of the expectation of larger revenue, a growing installed base, increasing global customer activity and more complex operational requirements.

Commencing with RfAI-3 and RfRecon, the rollout of our next-generation AI-enabled products is a defining evolution in our counter-drone solutions. This is the start of a very exciting product roadmap which has been years in the planning. This is central to DroneShield's future and our ability to deliver sustained growth and long-term value to our shareholders."

DroneShield Chairman Hamish McLennan said:

"DroneShield is operating in a market where the strategic importance of counter-drone capability continues to increase. This Board's priority is to ensure the Company has the governance, leadership, infrastructure and capital discipline required to match the scale of the opportunity.

The first half included important steps in board and executive renewal, governance uplift and operating maturity. Angus and the leadership team have moved quickly to assess the organisation, focus on the areas that matter most, and position DroneShield for its next phase of growth.

DroneShield is a global defence technology platform. The Board is focused on supporting management to deliver sustainable growth, strengthen investor confidence and continue building a company of significance on the global counter-drone stage."

Investor Webinar

The Company will host an investor briefing commencing at 9:00am AEST on Thursday 27 August 2026. Presentation material for the Investor Webinar accompanies this announcement. Questions can be submitted live during the briefing or via email: investors@droneshield.com.

The registration link for the Investor Webinar is:
https://zoom.us/webinar/register/WN_ivpUVK4qTAOz2y95oQgb5w#/registration

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

Investor Enquiries:
Joshua Bolot, Director of Investor Relations & Strategy
E: investors@droneshield.com
P: +61 2 8240 7631

Media Enquiries:
E: media@droneshield.com

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.

ENDS

For more information and to learn more about DroneShield:

Follow us		Get Updates	Visit our website
LinkedIn	X	Subscribe	DroneShield.com