

27 August 2025

ASX Announcement

1H25 Results – Surging Revenue and Profitability

- All-time record 1H25 results across all key metrics: revenue of \$72.3 million, customer cash receipts of \$60.7million, and profit after tax of \$2.1 million
- Revenue growth of 210%, customer cash receipts growth of 185% (vs 1H2024)
- Strong 2H2025 momentum, with \$114.4m million of 2025 YTD recognised revenue and \$100.9 million cash receipts (as at 14 August 2025), pointing to an exceptional 2025
- DroneShield's AI-based Product & Technology strategy continues to drive immediate user value while positioning the company to realise its long-term technical ambitions
- Strong capability growth, with an increase across the engineering team, opening of the European sales office, and work under way to increase annual production capacity close to 5x to \$2.4 billion
- The outlook for counterdrone sales continues to be strong, with negligible market saturation and rapidly growing customer demand globally.

DroneShield Ltd (ASX:DRO) (DroneShield or the Company) is pleased to release its 1H25 results today, reporting an all-time record revenue and profitability. Additionally, the Company is showing strong momentum at the start of 2H25, shaping into an exceptional 2025.

Financial Highlights

Metric	1H2025	1H2024	Change
Revenue	\$72.3m	\$23.3m	Up 210%
Customer Cash Receipts	\$60.7m	\$21.3m	Up 185%
EBITDA	\$5.2m	(\$4.9m)	Up \$10.1m
Profit After Tax	\$2.1m	(\$4.8m)	Up \$6.9m
Operating Cashflow	(\$8.7m)	(\$30.2m)	Up \$21.5m
Cash and Term Deposit Balance	\$203.8m	\$134.3m	Up \$69.5m

The Company is seeing significant ongoing momentum, including a \$61.6 million contract received on 25 June, the largest in company history, due for full delivery by the end of August.

The 2H2025 has had a strong start - \$42.1 million of revenue and \$40.2 million of cash receipts just alone for the month of July and first half of August, for the total of \$114.4 million revenue and \$100.9 million customer cash receipts for YTD to 14 August.

The secured FY2025 revenue stands at an exceptional \$176.3 million¹. With a strong amount of inventory on hand, the Company expects to fully deliver (and recognise revenue for) most purchase orders received prior to November-December.

“This performance reflects the strength of our product portfolio, the agility of our operations, and the rapidly growing market for counterdrone solutions,” said **Oleg Vornik**, CEO of DroneShield. **“We’re proud to be delivering cutting-edge technology at scale while expanding our footprint across key international markets.”**

¹ As at 22 July 2025

AI-based Product & Technology Strategy

- The Company continues to advance its portfolio of AI-driven solutions, including:
 - **RFAI-2** – DroneShield’s current detection model continues to perform strongly, with a significant update scheduled for release in October 2025, that grows the number of detectable drone emission formats
 - **RFAI-3** – the Company is on track to launch its next-generation AI drone detection model in mid-2026, delivering substantial improvements in performance, advanced capabilities, and greater customisation options
 - **RFAI-ATK** – the Company is preparing to deliver a major 4Q25 software update in October 2025, featuring enhancements to the RFAI-ATK electronic defeat model, that includes the ability to specifically target certain drone threats
 - **SFAI & DroneOptID** – the DroneSentry-C2 platform will be enhanced by model updates to the SFAI (Sensor Fusion AI Engine) and DroneOptID (AI-based Computer Vision Classifier and Optical Tracker) in the final quarter of 2025
- **SaaS Subscriptions** continue to provide customers with advanced features while growing the Company’s recurring revenue stream.
 - Strong 1Q25 and 2Q25 updates successfully deployed to the 1,600+ unit fleet of AI-enabled DRO devices globally via the secure DroneShield Access Portal
- **Iterative Hardware Upgrades** – DroneShield deployed hardware updates to all three of its primary platforms (RfPatrol, DroneGun and DroneSentry-X) in 1H25, utilising its vertically integrated engineering and manufacturing strategy to respond quickly to end user needs.

“Informed by operator requirements and evolving industry trends, DroneShield has refined its Product & Technology roadmap to **balance near-term enhancements with sustained investment in R&D and strategic partnerships**. This approach positions the Company to maintain and strengthen its leadership in counter-uncrewed systems technology,” said **Angus Bean**, Chief Product & Technology Officer.

Increasing Geographical & Product Diversification

- Fixed site solutions now account for 61% of revenue, up from 19% in FY2024
- Strong traction globally – while US remains a critical market, its revenue contribution of 20% is now well balanced with other regions, including Europe (16%) and Asia Pacific (27%)
- Subscription revenue, while only 5% of the total, is expected to grow with the launch of SentryCiv, a dedicated civilian-sector offering, as well all of the upcoming DroneShield products having one or multiple facilities of AI-enabled software engines.

Strategic Investments & Operational Scale

- DroneShield is expanding its infrastructure and innovation to support its growth trajectory. This is done substantively via contract manufacturing, minimising the amount of upfront as well as ongoing cost, while enabling output capacity:
 - Scaling manufacturing capacity from \$500 million to \$2.4 billion per annum (by sales value of the product) by the end of 2026, across Australia, Europe, and the U.S.
- Scaling the employee base (across engineering, sales and operations) from 250 at the end of last year to over 370 today, and growing, to support the next phase of the Company.

DroneShield’s continued investment in scalable technology, global partnerships, and customer-centric innovation positions the Group for sustained growth and leadership in the counterdrone sector.

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

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About DroneShield Limited

DroneShield (ASX:DRO) provides Artificial Intelligence based platforms for protection against advanced threats such as drones and autonomous systems. We offer customers bespoke counterdrone (or counter-UAS) and electronic warfare solutions and off-the-shelf products designed to suit a variety of terrestrial, maritime or airborne platforms. Our customers include military, intelligence community, Government, law enforcement, critical infrastructure, and airports.

To learn more about DroneShield click here: www.dronesield.com/about

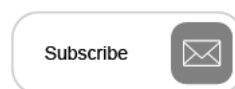
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