

29 May 2026

ASX Announcement

2026 Chairman's Address to Annual General Meeting

Good morning, ladies and gentlemen. My name is Peter James. I am the Independent Non-Executive Chairman of DroneShield Limited, a position I've had the honour of holding for 10 years. On behalf of the Board, it is my pleasure to welcome you to the 2026 Annual General Meeting.

It is now 10:00am and there being a quorum present, I declare the meeting open for business.

In attendance are the following Independent Non-Executives Directors:

- Jethro Marks;
- Richard Joffe;
- Simone Haslinger; and
- Hamish McLennan, who joined the Board on 1 May 2026 and will be taking on the role of Chairman at the conclusion of this meeting.

We also have Angus Bean, who became Chief Executive Officer and Managing Director on 8 April 2026.

Also present today are:

- General Counsel and Joint Company Secretary Paul Cenoz; and
- the Company's auditor, Nicholas Guest of HLB Mann Judd.

The agenda for today's meeting is as follows:

- I will first set out administrative matters and asking questions during the meeting;
- We will then move to the Chairman's Address;
- CEO and Managing Director Angus Bean will then provide an update on the business;
- Following which, we will proceed to the more formal matters as set out in the Notice of Meeting. This includes an opportunity for questions relating to each resolution from the floor and those online; and
- Once the proceedings are completed, formally close the meeting.

I am pleased to present to you today my review of 2025 and 2026 year to date, and an overview of DroneShield's prospects going forward.

Following a successful 2024, the 2025 financial year saw continued momentum, with record results across a range of metrics driven by the fundamentals of counter-drone solutions being adopted by a wide range of customers.

Highlights for 2025 include:

- \$216.5m in revenue – a 276% increase from FY2024, continuing the trend of achieving record revenues in every year of our existence.
- \$11.6m in SaaS revenue – a 312% increase from FY2024.
- \$36.5 million in Underlying EBITDA, which is a healthy 17% margin, and compares to a loss of (\$4.0) million in FY2024.
- \$3.5m in statutory profit after tax, compared to a loss of (\$1.3) million in FY2024, demonstrating strong momentum toward sustainable profit outcomes.
- \$210m cash and term deposits as at 31 December 2025.

- And during the year, the Company entered the S&P/ASX200 in September 2025, with inclusion in other leading indices in the global Defence Tech sector.

As announced in April, this growth has continued into FY2026 and for the quarter ended 31 March 2026:

- Q1 Revenue of \$74 million, our 2nd highest quarter on record.
- Q1 Customer Cash Receipts of \$77 million, our highest quarter on record.
- Q1 Net Cash Flow from Operations of \$24.1 million, which is the fourth consecutive quarter of positive cash flows.
- With this, we have received ASX confirmation that we are no longer required to lodge quarterly activities 4C reporting.

Since the last AGM, drone warfare has continued to rise. Russia's illegal invasion of Ukraine has entered its fifth year and the Middle East conflict has escalated significantly. The world across both military and civilian realms is paying close attention to the ever-growing threat posed by drones.

For over a decade DroneShield has been a leader in the counter-drone market. It has continuously invested in leading R&D, deployed thousands of devices in the field, collected a wealth of real-world evidence in over 70 countries. We have established long-standing relationships with our end-users which help shape future product development, understand market trends and respond to new and emerging drone threats. In his roles as Chief Technology Officer and Chief Product Officer Angus Bean has been at the forefront of this strategy, and I know he will talk more about this later this morning.

In 2025, one of our largest markets was Europe and the United Kingdom. Generating 45 percent of our total revenue for the year, European nations understand the severity of the drone threat. In June 2025, DroneShield received its largest contract in history, greater than the entire 2024 revenue. Totalling \$61.6 million, the package of three standalone follow-on contracts for a European military demonstrated the scale of defence investment in the region.

The ReArm Europe Plan / Readiness 2030 outlined a new approach to defence investment for EU members. The establishment of DroneShield's European Headquarters in Amsterdam in March marked a significant step in our long-term commitment to the region and has allowed us to grow our operational presence in the area. We've also launched our European manufacturing footprint and we're continuing to grow our primarily EU-based supply line. Leading the European Office, is Louis Gamarra, our Chief Commercial Officer, responsible for our global team of Commercial Directors.

In the United States which saw 14 percent of revenue in 2025, the passage of the Safer Skies Act in December 2025 was a significant expansion of C-UAS authority to over 17,500 state and local law enforcement agencies. This legislation provides a pathway for relevant agencies to detect, track and mitigate drone threats to people, facilities, critical infrastructure, large public events and correctional facilities. It's created new sales opportunities for DroneShield, some which have already come to fruition, such as those for the 2026 FIFA World Cup and America's 250 year celebrations. We are pleased to have had Ray Fitzgerald join as President of DroneShield LLC to help lead this continued growth.

Australia represented 5 percent of 2025 revenue, against a backdrop where Australia's military spending is approximately 1.5 percent of global military spending excluding Russia and China. DroneShield has been selected for the Australian Government's Project LAND 156 C-sUAS Services Standing Offer Panel. LAND 156 is the signature counter-drone capabilities program for the Australian Defence Force and DroneShield's selection as a supplier streamlines procurement opportunities after suitable assessment. The 2026 National Defence and Integrated Investment Program was released in April, signalling a clear focus on building sovereign resilience and an increase in defence spending.

The company has continued to grow significantly since my last address. DroneShield's team grown from 250 to approximately 520 employees across 7 countries, with over 70 percent of our Australian workforce being engineers, product developers and technicians.

We have also significantly scaled production capacity. In January, production was moved to a new 3000sqm facility in Sydney. This is a significant upgrade from our previous 400sqm site. It greatly increases our manufacturing capacity and has allowed for more space for R&D at our headquarters. We also opened a dedicated R&D facility in South Australia. Overseas we commenced manufacturing capabilities in Europe, and anticipate doing the same in the United States.

On the technology front, R&D investment remains crucial to DroneShield's success. Drone technology continues to rapidly evolve, and counter-drone system developers remain in a 'cat and mouse' game with drone manufacturers. To stay ahead of the pack, our world-class engineering team roll out quarterly updates to Ai-enabled products, ensuring our solutions stay current and effective while driving growth in our recurring revenue base.

There is wide-spread recognition that multi-layered solutions are critical in effective counter-drone protection. With its powerful DroneSentry operating system, DroneShield is exceptionally well positioned to provide the foundations of this multi-layered solution. Together with our own detect and defeat products, DroneShield has quickly accumulated a growing number of interoperable solutions from proven partners around the world. For other counter-drone layers, such as radars, interceptor drones or laser solutions, DroneShield has been and will continue to establish partnerships with reputable providers to ensure the entire counter-UxS ecosystem can be delivered to end-users.

Not only has the counter-drone market matured, but its demand and use cases have grown significantly. In October 2025, DroneShield released its Counter-Uncrewed Systems research that found the total addressable market for counter-drone technologies to be over US\$63 billion in value. I have no doubt it has grown since. At that time 44 percent attributed to the civilian sector. In just a manner of years, governments have realised that every major sector depends on airspace integrity. Counter-drone solutions are no longer a niche military capability, and the civilian market demand demonstrates this. We are seeing interest and application across a wide variety of industries and use cases, across Local and Commercial segments, which includes scenarios in transportation hubs, public safety arenas, critical infrastructure, commercial environments and specialist situations.

At the end of 2025, DroneShield's Board established an Independent Board Committee which commissioned a Corporate Governance Review conducted by Herbert Smith Freehills Kramer resulting in various measures to bring the Company's governance standards in line with best practice for ASX200 companies. These measures were announced to the market in December 2025 and February 2026, and included the adoption of enhanced Trading and Continuous Disclosure policies, establishing a Disclosure Committee, including a "front page" test for all employee trading, clarifying blackout periods and approval processes, and adopting a Minimum Shareholding Policy for directors and senior executives, and the search for additional independent Non-Executive Directors, which resulted in the appointment of Mr Hamish McLennan who is here today.

Earlier this month the Company announced it received a notice from ASIC requiring it to provide reasonable assistance in connection with an investigation relating to the events in November 2025. The Company will cooperate fully with the investigation. There is nothing further we can say at this stage given it is an ongoing investigation.

As announced in early April, this is my last AGM with DroneShield. It has been an honour to serve as Chairman since before DroneShield's Initial Public Offering in 2016 and after a decade in the role I feel it's the right time to retire from the position and I am not standing for re-election at this

AGM. Hamish McLennan has joined the Board as Independent Non-Executive Director and Chairman-Elect.

Hamish is an experienced executive and board director across private and public organisations with a strong focus on building companies and driving superior corporate governance. He brings extensive experience leading global organisations across media, marketing and corporate strategy and I look forward to seeing his contribution to DroneShield in its next phase of growth.

While he is not here today, I would like to take this opportunity to thank Oleg Vornik, who started as the first ever DroneShield employee, and then held the role as Chief Executive Officer and Managing Director for more than 10 years. Under Oleg's leadership, DroneShield transformed from a start-up into a global leader in the counter-drone industry. Oleg has devoted himself to DroneShield for 11 years and I know he's enjoyed reconnecting with family and friends in recent months.

I know that in handing over our roles for this next stage of the company's growth, it is done with the confidence that the positioning and opportunity ahead for DroneShield is stronger than ever.

From its embryonic state in the lead up to its IPO and listing on ASX in 2016, through the record results it is still achieving today, it has been a wonderful journey and it is with pride that I acknowledge the success of the Company and many of the DroneShield pioneers who are still with the business. DroneShield has already achieved so much and in the process demonstrated to the world the talent and ability that is present in Australia in solving global problems.

There is confidence that with our sixth employee and product visionary in Angus Bean as Chief Executive Officer and Managing Director, alongside Hamish McLennan's seasoned experience to lead the Board, there will be very exciting times ahead for the Company, and I wish them only continued success in this regard.

I would sincerely like to thank our Board of Directors, Angus and his executive team for their hard work and efforts. We appreciate the invaluable contribution of our loyal and dedicated employees, my fellow shareholders, our global network of distributors and of course the tremendous support of our end-users who rely on DroneShield to protect people, places and assets that matter from the ever-growing threat from drones.

This announcement has been approved for release to the ASX by the Chairman on behalf of 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 solutions 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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