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Artificial Intelligence For Multi-Mission C-UxS

Equity Capital Raising Presentation (ASX:DRO)

1 August 2024

Not for release to US wire services or distribution in the United States



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Contents

1	Accelerating & Expanding R&D Investment	6
2	DRO Overview & Results	11
3	Capital Raising	17
4	Risk Factors	21
5	International Offer Restrictions	27
6	Placement Agreement summary	31
A	Other information	34



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Summary



DRO Overview	<ul style="list-style-type: none">• DRO provides world-leading Artificial Intelligence platforms for protection against drones• Hardware and software to detect and safely neutralise small drones used for warfare, terrorism, contraband delivery, and airport disruptions• DRO's market leading software, hardware and engineering capabilities provide the platform opportunity to entrench its market leadership and facilitate future growth
Pipeline & Growth Opportunity	<ul style="list-style-type: none">• Deep and high-quality sales pipeline of >\$1.1 billion has doubled in the past 3 months, with \$28 million of contracted sales orders currently being fulfilled• Given DRO's unique counterdrone (C-UxS) engineering experience, market leading position and unparalleled insights on industry dynamics and the future requirements of tier 1 military customers, there is presently an opportunity to accelerate and enhance its AI software infrastructure and hardware capabilities
Investment in R&D to Accelerate Growth	<ul style="list-style-type: none">• DRO is undertaking this Capital Raise to support the implementation and extension of its R&D programs• Extending R&D into new products and new generations of existing products will:<ul style="list-style-type: none">– Entrench DRO's position as the market leader in the rapidly expanding C-UxS market– Enable DRO to expand into new markets and products as the drone and counterdrone warfare evolves– Expand gross profit margins as the revenue mix shifts toward AI enabled software solutions supported by DRO's market leading hardware solutions– Accelerate SaaS revenues
Capital Raising	<ul style="list-style-type: none">• DRO has raised \$120 million via a fully underwritten share placement to institutional investors (Placement) (refer to page 18 for more detail)• Proceeds will be used to fund the development of priority R&D programs as well as strategic bolt-on acquisitions to accelerate the development of DRO new products & software capabilities to meet high demand from its global tier 1 customer base

The Changing Landscape of Warfare



Technology in warfare is advancing rapidly, making it crucial to stay at the cutting edge to maintain military superiority

Role of Technology in Modern Warfare	<ul style="list-style-type: none">• Advanced technology is crucial for maintaining military superiority – the integration of sophisticated systems enhances operational capabilities and strategic positioning during conflicts• Demand for smart electronic warfare technologies to jam, degrade, disrupt or neutralise an adversary capabilities are rapidly growing and are an essential part of modern warfare• Modern militaries are investing heavily in electronic countermeasures to protect their systems from enemy interference and attacks
Artificial intelligence in Warfare	<ul style="list-style-type: none">• AI systems are transforming the character of warfare by making it faster, more precise and less reliant on human decision making• AI systems are increasingly being used to autonomously identify and engage targets while minimising collateral damage• As AI becomes more sophisticated, its integration into military operations will only deepen, necessitating advanced countermeasures
Drone Warfare and C-UxS Systems	<ul style="list-style-type: none">• Drone warfare is rapidly evolving, with drones becoming more autonomous, versatile and capable of performing complex missions• The arms race between drone technology and counter-unmanned systems (C-UxS) is intensifying, driving the need for next generation R&D
The AI Arms Race	<ul style="list-style-type: none">• “AI begets AI”: once one military adopts AI technology, others must follow to maintain parity, leading to an accelerating arms race• Many methods employed today in modern military operations did not exist two to five years ago
DRO's Contribution	<ul style="list-style-type: none">• R&D is critical for the Next Generation of C-UxS systems to continuously evolve and detect, track and neutralise increasingly sophisticated drone threats• DRO is at the forefront of developing next generation counter drone systems underpinned by cutting-edge proprietary AI-based software• Its market leading position, unique C-UxS engineering experience and unparalleled insights on industry dynamics effectively position DRO to capitalise on the expanding R&D pipeline

A Decade of Prediction, Execution and Agility



Investment in next generation R&D will enable DroneShield to capitalise on the next phase of evolution in counter drone technology

Counter Drone Phase 1

Counter Drone Phase 2

PIONEER STAGE



Gatwick Airport Drone Incursion Event receives global coverage

COMPETITION STAGE



Russia invades Ukraine, prolific use of UAS on both sides highlights true capability potential

CONSOLIDATION STAGE



C-UxS solutions become mainstream Defence and security capability by requirement

EXPANSION STAGE



Significant rising global tensions with increased UxS development and procurement

Transitional moment

DRO ASX IPO to raise capital to productize

DRO predicts portable countermeasures with **DroneGun** release

DRO predicts portable detection with **RfPatrol** release

DRO pioneers the use of **AI/ML** to detect drones in complex RF environments

DRO predicts vehicle systems with **DroneSentry-X** release

DRO C-UAS Systems evaluated in **real-world conflict zones**, leading to larger procurements

DRO releases **next generation solutions** to capture evolved market

C-UxS solutions are **'standard'** platforms for world militaries

Significant **UAS/UxS capability uplift** due to increase in demand and investment globally

2014

2018

2022

2024

2026+

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Accelerating & Expanding R&D Investment

Unique Opportunity to Accelerate Development of DRO New Products & Software Capabilities



Expansion of DRO solution pipeline will accelerate towards a SaaS based revenue model

Opportunity

- Next-generation R&D is critical for C-UxS systems to continuously evolve and detect, track and neutralise increasingly sophisticated drone threats
- DRO is at the forefront of developing next generation counter drone systems underpinned by cutting-edge proprietary AI-based software
- Its market leading position, unique C-UxS engineering experience and unparalleled insights on industry dynamics effectively position DRO to capitalise on the expanding R&D pipeline

Approach

To further entrench DRO's market leading position the company's strategy is to:

1. **Accelerate Next-Generation Products**
 - Bringing forward the development of next generation C-UxS solutions including RfPatrol Mk3, DroneGun Mk5, NextGen DroneSentry-C2. Benefits include:
 - Enhanced capabilities meeting customer needs to drive increased adoption
 - AI enabled software to drive gross margin expansion
2. **Launch New Products** - Development of new products including C-UxS Marine and Multi-sensor C-UxS vehicle system to address emerging customer needs and open up new markets
3. **Evolve AI Capability** - Development of next generation AI driven software and infrastructure to be deployed across all DRO solutions

Outcome

- The primary focus of investment will be to further develop DRO AI software engine and integrated hardware systems.
 - Results in **multiple software subscription-based products** across all of DRO solutions, for detection and defeat
 - Ensures DRO solutions are **ready to meet the challenges of the next generation of UxS threats**

Accelerating the Development of Next Generation Products



Development of comprehensive ability to detect and counter next generations of drones

Existing Product Improvement



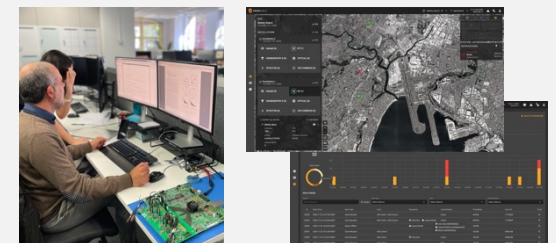
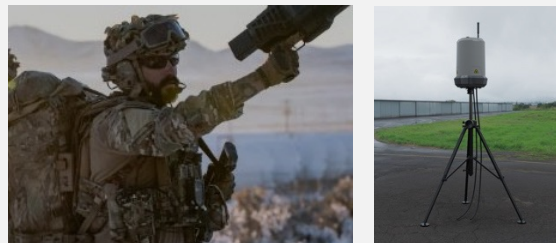
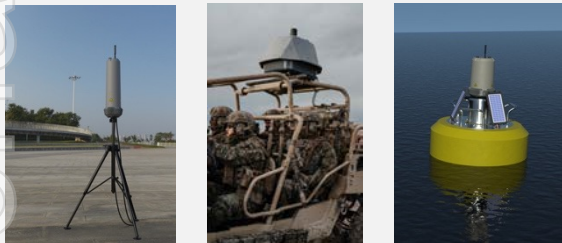
Development of AI-enabled hardware systems

- Ultra-low power, frequency agile, software defined radio (SDR) and Edge-AI platform **using AI on the edge**. Powering the next generation of dismounted & fixed-site solutions
- Offers precision disruption and larger processing capability from via **multi FGPA (Field Programmable Gate Array) chips**
- Enables the latest in digital radio technology including **ultra-wideband scanning, phased array and probabilistic AI signal detection**
- RFAI (detection) and RFAI-ATK (disruption) software technology increased performance

Next generation AI software platform development

- Next generation of RFAI and RFAI-ATK software to include **AI-based protocol aware disruption and signal spoofing capabilities**
- Solutions to focus on improving performance in **high-noise** (urban) environments and against **frequency agile threats**
- Expansion of existing **DroneSentry-C2 solution** to increase third-party sensor integrations, interoperability and performance
- **All software solutions include SaaS (Software as a Service) subscription**

New Products in Emerging Categories





DRO Proprietary AI Software Engines

Next generation, responsive approach for enhanced detection and defeat of UAS threats

Current:

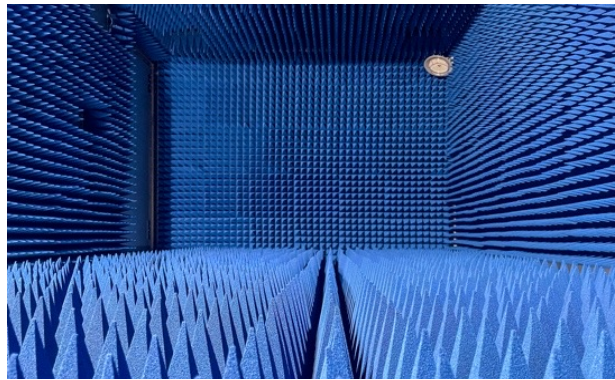
Detects drone signals via an RF library of signals

- DRO's Machine Learning and AI based detection and classification software undertakes near-real time tracking and assessment of UAS threats
- Given next-generation drones are increasingly seeking to find "out of band" frequencies to operate, DRO end-users are looking for next generation C-UxS technologies that can adapt to the changing threat profiles

NextGen:

True responsive detection and defeat

- In-house development of artificial intelligence and machine learning engines for enhanced detection, identification and response to drones in real-time without relying on a static RF library
- Cutting edge software architecture to be utilised across the full spectrum of DRO's existing and next generation products





Investment in R&D Programs to Accelerate Growth

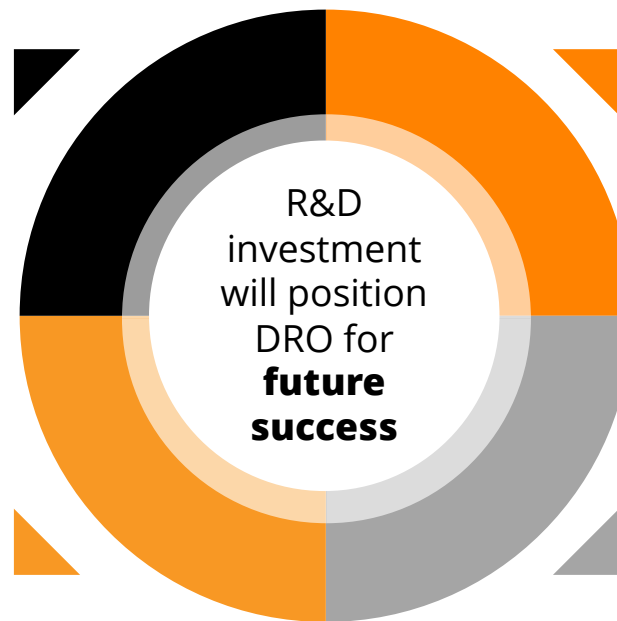
R&D activity expected to increase focus on a SaaS model driving recurring revenue

Accelerate SaaS Subscriptions

- The rapid evolution of drone technology means the software subscriptions, as well as new hardware generations, are critical for effectiveness
- DRO currently releases its AI firmware updates on a quarterly cycle, which will become more frequent in the future
- This will ultimately intensify focus on a SaaS model to drive recurring revenue through subscriptions

Further revenue acceleration through NATO Framework Agreement and similar US programs

- DRO is well placed to significantly accelerate revenue opportunities through its market-leading software capabilities via existing agreements with Governments



Incremental revenue opportunities expected from investment R&D programs

- A significant number of incremental sales over the short to medium term will be driven by DRO customers moving from older to next generations of hardware
 - Next generation versions will be at a higher price point due to increased capabilities
 - For some customers, this may also lead to CUAS-as-a-Service model, with longer term contracts which include hardware purchase and refreshes, regular software updates, installation and field support. Much like the software updates, it will ultimately reduce the lumpiness of cashflows

Gross margin uplift

- As next generation products are more closely linked to software subscriptions, DRO is expecting gross margin uplift through investment in the R&D Programs

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INCOMING GOODS

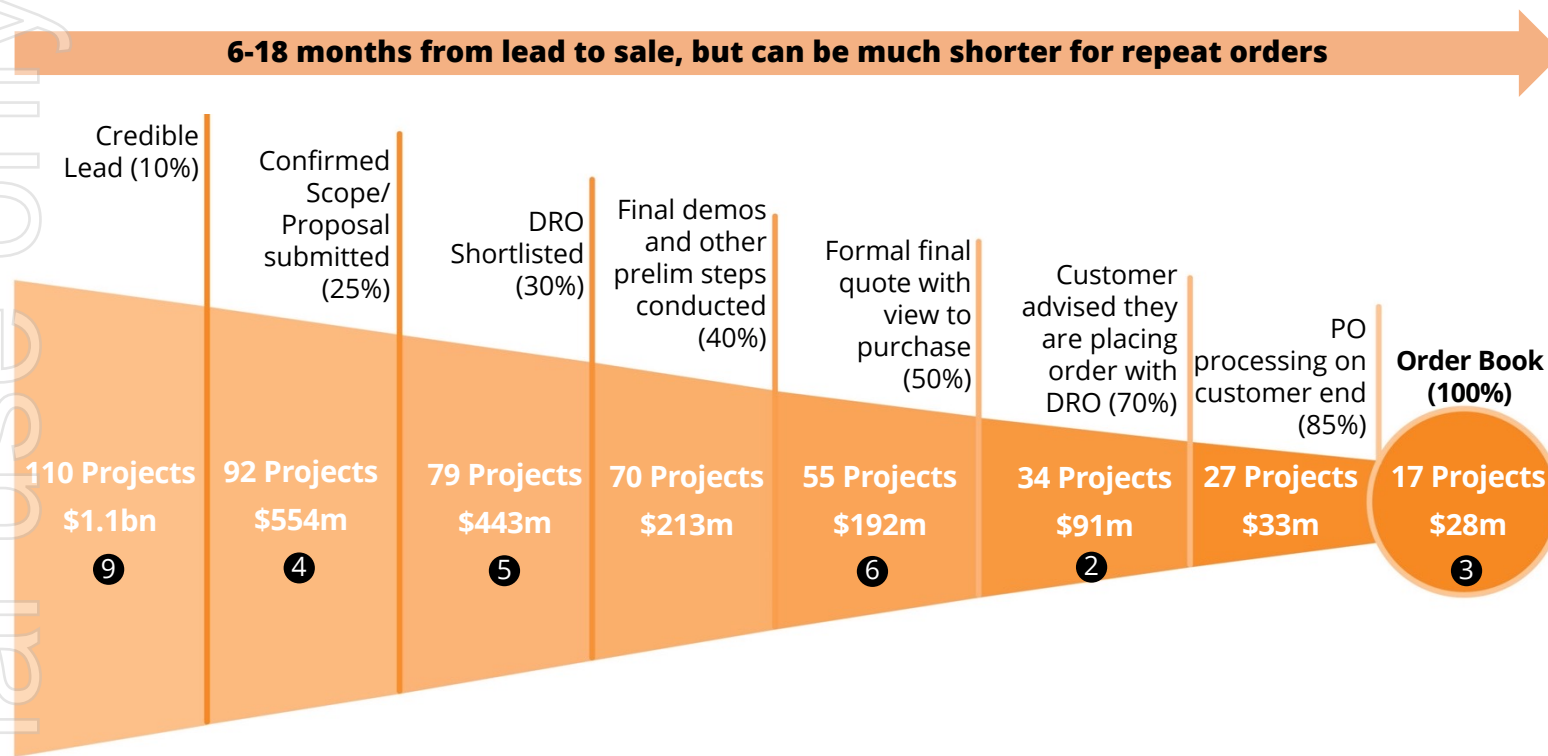
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DRO Overview & Results

Deep and High Quality \$1.1bn Government Customer Pipeline (as at 15 July 2024)



Multiple projects at each development stage improving predictability of cashflows



P-Go vs P-Win

Probability weighting on a project is a blend of

1. P-Go (deal going ahead on time, without material changes) and
2. P-Win (probability of the deal awarded to DRO vs competitor)

P-Go is managed by building proactive relationships with customers and having a large amount of projects on the go.

P-Win is generally exceptional, based on numerous product differentiators.

The pipeline does not include orders issued on short notice from repeat customers. Additionally, as time progresses, additional orders are likely to appear in the pipeline.

Graph legend
 X Denotes number of significant (\$5m+) projects at a particular stage of a funnel

Notes: The pipeline is cumulative – eg, the projects at Confirmed Scope stage are included as part of the projects at the Credible Lead stage
 Order Book = current Purchase Orders (POs), less amount already paid to DRO (eg deposit) under those Pos
 There is no assurance that any of the Company's sales opportunities will result in sales

Sales Pipelines Doubled in the last 3 months to \$1.1bn (as at 15 July 2024)



USA continues to be the major contributor to the sales, however the global pipeline is also growing rapidly



USA

\$202m / 44 projects

- Multiple military/Govt order discussions
- Well advanced on several major acquisition programs



Europe

\$156m / 22 projects

- DRO won the NATO European framework agreement in April 2024
- Rapidly growing European sales employees (supported by distributors)



United Kingdom

\$22m / 3 projects

- Sales associated with BT partnership
- Primarily Ministry of Defence focused



Australia

\$4m / 5 projects

- Execution continues on the \$10m, 2 year DoD contract
- Substantial upside, not currently in the pipeline, from Government allocating funding towards C-UAS (such as LAND156) and additional Ukraine aid



Other

\$675m / 38 projects

- Significant momentum across Asia, in response to countering China
- Middle East continues as an active focus, however conservatively small allocation in the pipeline
- Commencing on-the-ground presence shortly, supported by distributors

- 29 pipeline projects of over \$5m each
- The largest pipeline project is \$213m
- The large projects are across US, Asia (excl China), UK, West Europe Governments as end customers
- DRO expects to secure several new framework purchasing agreements, based on customer discussions

Notes: The pipeline includes existing defined sales opportunities at various stages of maturity
The opportunities are unweighted for probability
Quoted in AUD. AUD.USD FX rate at 0.68, AUD.EUR FX rate at 0.62, AUD.GBP FX rate at 0.52
There is no assurance that any of the Company's sales opportunities will result in sales

Accelerating the Business



Capital raise will enable DRO to continue to accelerate the business and expand its technical moat

- 1H24 revenues of **\$24.1 million**, up 110% on 1H23 (\$11.5 million)
 - **Highest ever first half year revenues in DRO's history**
- 1H24 customer **cash receipts of \$21.4 million**, up 40% vs 1H23 (\$15.3 million)
 - **Highest ever first half year cash receipts in DRO's history**
- The second half of the year, and especially the December quarter, have traditionally been stronger periods for DRO
- 1H24 **SaaS revenues of \$1.3 million, up 93% vs 1H23 (\$663k)**
 - SaaS growth underpinned by customers requiring Company's latest AI software engines, due to evolving drone threat
 - Additional SaaS based solutions planned for launch in the next 12 months
- **2x increase in pipeline** since 31 March 2024 to \$1.1 billion (as at 15 July 2024)*
 - Significant ramp up in Asia region, as multiple Governments are commencing C-UAS programs against Chinese drones
 - Ongoing steady rise in C-UAS demand across US and Europe
 - Drones are continuing to play a major role in the Ukraine war
 - DRO continuing to invest into ready-to-sell inventory to support this strong pipeline of high-quality customer opportunities with inventory book value of \$42 million at 30 June 2024 vs \$24 million at 31 March 2024
- Cash balance of **\$146 million** as of 30 June 2024, no debt or convertibles
 - Substantial majority of this amount earmarked for the inventory acquisition process
- \$28 million contracted backlog
- **Further expansion of DRO's Sydney facility** and its supply chain network, the manufacturing capacity is expected to increase from the current \$400 million p.a. to approx. \$500 million p.a.
- 151 team members including **114 engineers**, driving significant technology developments
- **Signed NATO Framework Agreement is expected to drive material European orders¹**



Image: RfPatrol Mk2

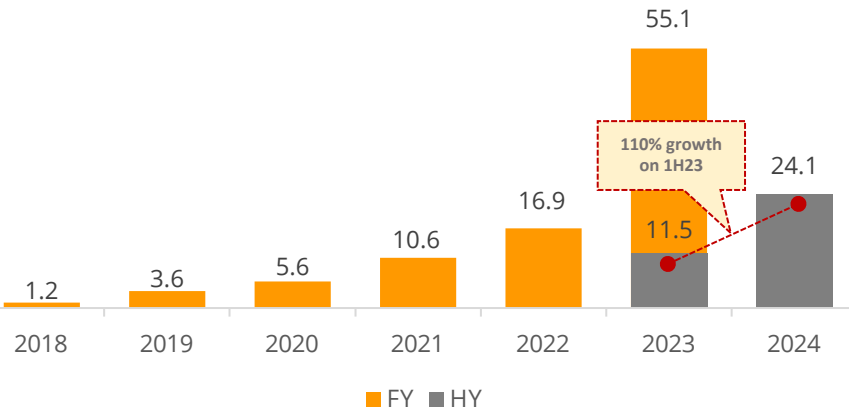
Note: 1. There is no assurance that any of the Company's sales opportunities will result in sales.

Highest First Half Revenues and Cash receipts in DRO history (\$m, Dec YE)

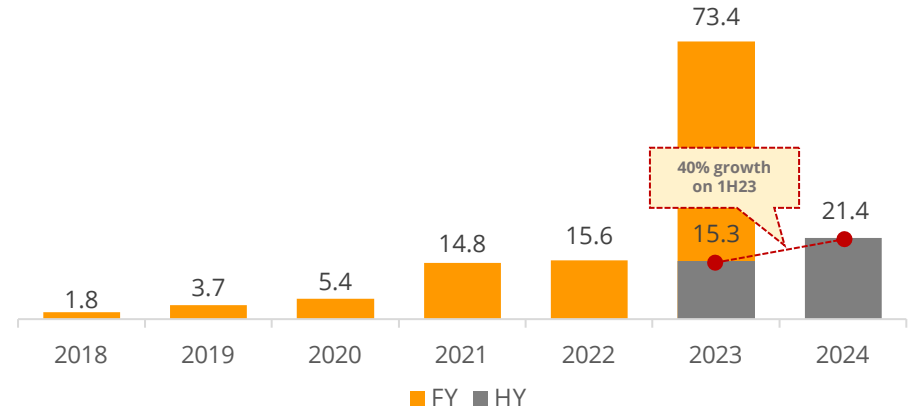


Growing use of nefarious drones and low existing market saturation are driving the growth

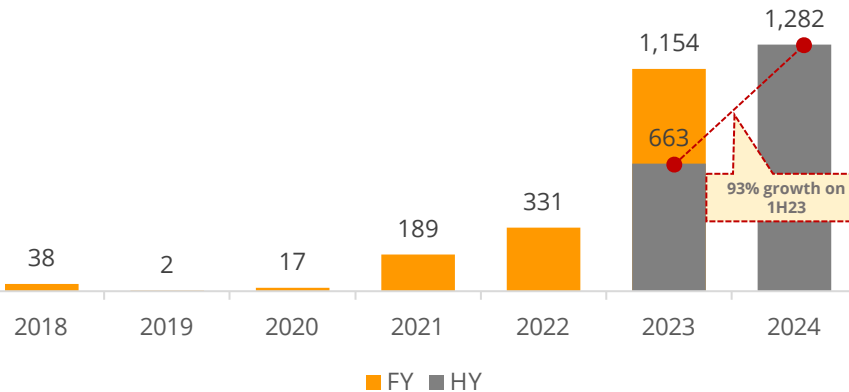
Strong Revenue Growth (A\$m)



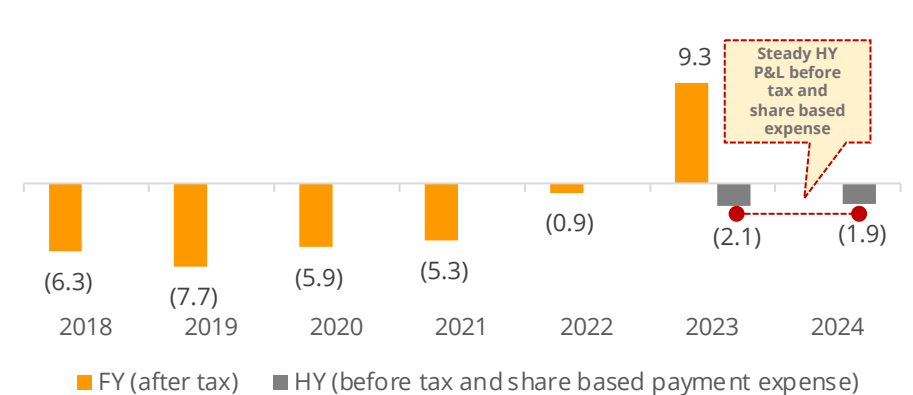
Cash Receipt Growth (Sales + Grants) (A\$m)



SaaS Revenue Growth (A\$000)



Profit and Loss (A\$m)

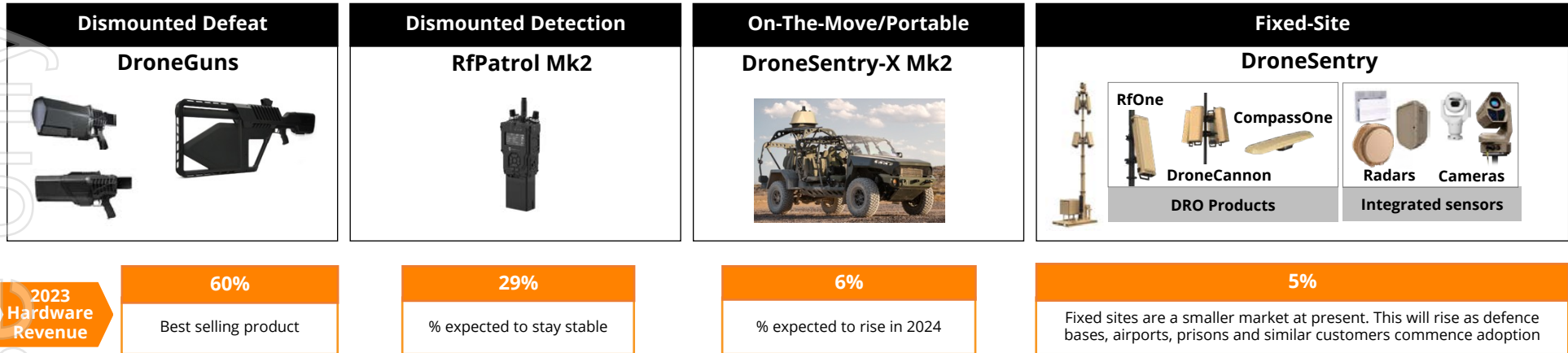


Results for 1H24 are preliminary estimates. The reviewed results are due in August 2024, as part of 2024 Half-Year Report.

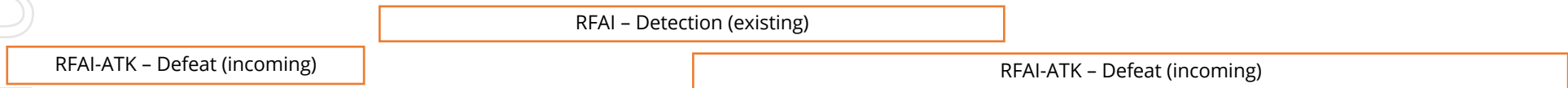
Market Pioneer in C-UAS Technology at the Forefront of Innovation



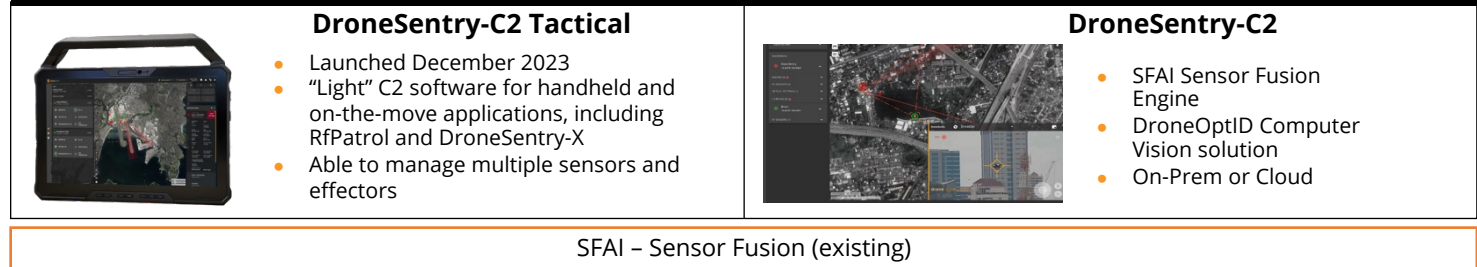
Complete Multi-Mission Counter-Drone Arsenal with the Best Product for Every Scenario



AI Engine Subscriptions (SaaS basis)



Command-and-Control Systems (SaaS basis)





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3

Capital Raising

Capital Raising Overview



DRO has raised \$120 million via a fully underwritten Placement

Placement

- Fully Underwritten Placement for \$120 million under the company's existing placement capacity per LR7.1 ("**Placement**")
- 104.3 million new fully paid ordinary shares in DRO ("**New Shares**") to be issued under the Placement, representing approximately 13.7% of DRO current shares on issue

Offer Price

- New Shares issued under the Placement will be issued at a price of \$1.15 per new share ("**Offer Price**"), representing a:
 - 17.3% discount to the last close price on 30 July 2024 of \$1.39
 - 18.9% discount to 5 trading day VWAP up to and including 30 July 2024 of \$1.42

Ranking

- All new shares issued under the Offer will rank equally with existing DRO shares from the date of issue

Joint Lead Managers & Underwriters

- Bell Potter Securities Limited ("**Bell Potter**"), Macquarie Capital (Australia) Limited ("**Macquarie**") and Shaw and Partners Limited ("**Shaw**") are acting as Joint Lead Managers and Underwriters to the Placement

Capital Raising and Use of Funds



DRO has raised \$120m to accelerate and expand its R&D investment program and to fund potential strategic technology acquisitions

Pro-forma Funding

	A\$m
Cash balance ¹	\$146.0m
Plus capital raised ²	\$120.0m
Cash balance post raise	\$266.0m
Committed inventory spend	(\$45.0m)
Expected inventory spend	(\$50.0m)
Funding for current R&D programs, additional inventory requirements and working capital	(\$51.0m)

Capital Raise Use of Funds

	A\$m
R&D	
DRO Technology Development Plan	\$90.0m
Acquisition Funding	
Strategic bolt-on acquisitions	\$20.0m
Working Capital and Offer Costs	
Working Capital and Offer Costs	\$10.0m
TOTAL	\$120.0m

Notes:

DRO reserves the right to change the funding allocations across categories, subject to market requirements.

1. Cash balance as at 30 June 2024

Offer Timetable



Indicative capital raising timetable¹

Date (AEST)

Trading Halt, Bookbuild Opens

Wednesday, 31 July 2024

Trading Halt Lifted and announcement of Capital Raising

Thursday, 1 August 2024

Settlement of Institutional Placement

Tuesday, 6 August 2024

Allotment of New Shares under Institutional Placement

Wednesday, 7 August 2024

¹ The timetable is indicative only and subject to change by the Company and Joint Lead Managers, subject to the Corporations Act and other applicable laws



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4

Risk Factors

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Key Risks (1/5)



Business Strategy Risk	The Company's growth and financial performance is dependent on its ability to successfully execute its growth strategy. If the Company fails to execute on its business strategy, its business, financial condition and results of operations could be materially and adversely affected.
Future Profitability	The Company's business requires significant expenditure on marketing, business development and personnel, and substantial capital investment in production facilities. Accordingly, the Company may not maintain profitability and, to the extent such expenditure and investment continue, may suffer a shortage of working capital.
Counterparty Risk	The Company conducts a significant proportion of its business with customers outside of Australia. Risk arises from the Company's restricted ability and the cost of recovering payments in foreign jurisdictions. The Company mitigates this risk by generally requiring substantial or full payment prior to shipment of goods (with some exceptions of highly trusted customers, such as US Government agencies). However late payments, cancelled orders and bad debts may still occur.
Supply	The Company may experience delivery delays if its contract manufacturers fail to deliver products as agreed. The Company's products are manufactured by several key contract manufacturers, as well as (on a smaller scale, and for several product lines) the Company's facility. Any operational issues that impact manufacturers may affect the delivery of the Company's products. The Company depends on the contract manufacturers to adjust operations according to demand for each product to ensure no backlog in production. Risk arises from an undiversified set of key manufacturers, which may cause delays in delivery if a contracted manufacturer fails to deliver as agreed until the issue is resolved or a new contracted manufacturer is organised.
Government Contracts	<p>A portion of the Company's revenues may depend on the Company's ability to do business with the U.S. as well as foreign governments and their various agencies, whether directly or indirectly. Such customers may:</p> <ul style="list-style-type: none">• award or terminate contracts at their convenience;• terminate, reduce or modify contracts or subcontracts if its requirements or budgetary constraints change;• cancel multi-year contracts and related orders if funds become unavailable;• shift their spending priorities;• adjust contract costs and fees on the basis of audits done by its agencies;• use and practice intellectual property developed in the performance of a government contract or subcontract;• claim rights to intellectual property not properly protected pursuant to applicable contract terms;• seek penalties and fines exceeding the value of a contract for contract activity that results in the submission of a false claim to the government;• debar the Company or its subsidiaries because of legal and other actions undertaken by or against the Company or its subsidiaries, the Company's officers, directors, shareholders, employees and affiliates, or convictions of the Company's officers, directors, shareholders, employees or affiliates; and• inquire about and investigate business practices and audit compliance with applicable rules and regulations.

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Key Risks (2/5)



Product Liability	When developing and manufacturing new products, defects may arise in the Company's initial releases of the products. Defects could expose the Company to product liability claims or litigation, resulting in monetary damages being awarded against the Company. The Company uses contractual clauses to limit such risk; however, not all customers accept these standard clauses. Additionally, the Company has obtained insurance to limit this risk; however, liability from a defect could exceed the Company's insurance coverage.
Litigation	The Company is exposed to possible litigation risks including, but not limited to, intellectual property infringement claims, vendor and customer contractual and common law claims, environmental claims, occupational health and safety claims, and employee claims. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.
Government Legislation	Any material adverse changes in government policies or legislation of Australia or any other country where the Company may acquire or operate economic interests may affect the viability and profitability of the Company. Also, some of the Company's products are highly regulated and may be affected by regulatory changes where its suppliers are located, or where it manufactures or it sells the products.
Data Loss, Theft or Corruption	The Company stores data in its own systems and networks and also with a variety of third-party service providers. Exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure, which may lead to a decrease in the number of customers.
Foreign Exchange	The Company will be operating in a variety of jurisdictions (both its customer and its supply chain), including the United States of America and Australia. Consequently, fluctuations in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency gain or loss. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company. Outside of Australia, the Company uses USD pricing for most of its products. Company's expenditure is mostly a mixture of AUD and USD.
Accounting Standards and Tax Laws	The Company operates in multiple jurisdictions with varied tax and reporting regimes. The Company is exposed to the risk of changes to accounting standards, applicable laws or their interpretation which may have a negative effect on the Company, its investments or returns to Shareholders including the risk of non-compliance with reporting or other legal obligations. Any change to the rate of company income tax in jurisdictions in which the Company operates will impact on shareholder returns.

Key Risks (3/5)



Insurance Coverage	The Company faces various risks in conducting its business and may lack or may not be reasonably able to obtain adequate insurance coverage. The Company has arranged and maintains insurance coverage for its employees (such as health insurance policies for some of its overseas employees, travel insurance, and workers compensation), public liability, professional indemnity, cyber liability, product liability, motor vehicle, marine cargo, Directors & Officers, and general liability covering office and contents; however, it does not currently maintain intellectual property or business interruption insurance. The Company will continue to need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected, including a material adverse effect on the business, financial condition and results of the Company. Additionally, any claim may cause the Company's premiums to rise or the Company to be uninsurable after the relevant policy period.
Disputes	The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.
Strategies	There are no limits on strategies that the Company may pursue. The strategy may evolve over time for reasons including but not limited to, market developments and trends, technical challenges, the emergence of new or enhanced technology, changing regulation and/or industry practice. As a result, the strategy, approaches, markets and products at present may not reflect the strategies, approaches, markets and products relevant to, or pursued by, the Company in the future. Further, a change in strategy may involve material and as yet unanticipated risks.
Research and Development and Technical Risk	The Company's products are the subject of continuous research and development and need to be substantially developed further in order to enable the Company to sell and subsequently support the products, and to meaningfully improve the products' usability, scalability, efficiency, and accuracy. There are no guarantees that the Company will be able to undertake such research and development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Company's results and viability.
Technology Risk	The Company's market involves rapidly evolving products and technological change. To succeed, the Company will need to research, develop, design, manufacture, assemble, test, market and support substantial enhancements to its existing products and new products, on a timely and cost-effective basis. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. The Company cannot ensure that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products and technologies developed by others may render the Company's products and systems obsolete or non-competitive.

Key Risks (4/5)



Additional Requirements for Capital

The current funds held by the Company and to be raised under the Placement are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates to effectively implement its business and operations plans, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, or to meet any unanticipated liabilities or expenses which the Company may incur. The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programs and could otherwise impact adversely on the Company's operations, financial performance and financial position. Any additional finance may not be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to shareholders.

Financial Environment

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its assets. Factors which contribute to that general economic climate include:

- contractions in the world economy or increases in rates of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- international currency fluctuations and changes in interest rates;
- the demand for and supply of capital and finance;
- changes in government legislation and regulatory policy, including with regard to rates and types of taxation; and
- domestic and international economic and political conditions.

Additionally, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism, pandemics, political instability, or other illegal acts.

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Key Risks (5/5)



Intellectual Property Rights

A substantial part of the Company's commercial success is dependent on its ability to establish and protect its intellectual property, maintain trade secret protection, and operate without infringing third party rights. There can be no guarantee that the Company's patents are enforceable or that new patent applications will be granted in any jurisdiction. The commercial value of its intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of its intellectual property, or that any of the projects that may arise will have commercial applications. It is possible that third parties may assert intellectual property infringement, unfair competition or like claims regarding copyright, design, trade secret, patent, or other intellectual property rights. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation will be potentially significant and may divert management's attention from normal commercial operations. Additionally, securing rights to or developing technologies complementing the Company's existing intellectual property will also play an important part in the commercial success of the Company. There is no guarantee that such rights can be secured or such technologies can be developed.

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5

International Offer Restrictions



International Offer Restrictions (1/3)

Cayman Islands

This document may be distributed, and the New Shares may be offered and sold, only from outside the Cayman Islands to institutional and professional investors in the Cayman Islands. No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.



International Offer Restrictions (2/3)

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the “FMC Act”).

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



International Offer Restrictions (3/3)

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.



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6

Placement Agreement summary





Placement Agreement summary (1/2)

DRO has entered into an underwriting agreement with the Joint Lead Managers in respect of the Placement (**Placement Agreement**). The Placement Agreement contains representations and warranties and indemnities in favour of the Joint Lead Managers. Details of the fees payable to the Joint Lead Managers are included in the Appendix 3B released to ASX on the date of this Presentation. A Joint Lead Manager may terminate its obligations under the Placement Agreement where:

- (a) any of the following occur:
- (i) DRO fails to perform or observe any of its obligations under the Placement Agreement;
 - (ii) a representation or warranty made or given by DRO under the Placement Agreement is or becomes misleading or deceptive, or is not true or correct;
 - (iii) a certificate which is required to be furnished by DRO under the Placement Agreement when given is untrue, incorrect or misleading or deceptive;
 - (iv) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or the Reserve Bank of Australia, or a governmental authority adopts or announces a policy which affects or regulates the Placement or its settlement or the issue or taxation treatment of the Placement Shares, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or governmental authority that such a law or regulation will be introduced or policy adopted (as the case may be);
 - (v) a change to the CEO or the CFO or the board of directors of DRO occurs;
 - (vi) there is an outbreak or a major escalation of hostilities (whether war is declared or not) involving any one or more of Australia, New Zealand, the United Kingdom, any member state of the European Union, the United States, Russia, Ukraine, Israel, Iran or the People's Republic of China or the declaration by any of these countries of a national emergency or war, or a significant terrorist attack is perpetrated in any of those countries or any diplomatic, military, commercial or political establishment of any of these countries;
 - (vii) a general moratorium on commercial banking activities in Australia, New Zealand, the U.S or the People's Republic of China is declared by the relevant central banking authority in any of those jurisdictions or there is a disruption in commercial banking or security settlement or clearance services in any of those jurisdictions;
 - (viii) trading in all securities quoted or listed on the ASX, the London Stock Exchange, the Hong Kong Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect;
 - (ix) there is an adverse change or disruption to the existing financial markets, political or economic conditions of Australia, New Zealand the United Kingdom, the United States or the People's Republic of China, or any change in national or international political, financial or economic conditions; or
 - (x) any adverse change occurs, or there is a development involving a prospective adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of DRO and the Group (insofar as the position in relation to an entity in the Group affects the overall position of DRO), including any adverse change, or there is a development involving a prospective adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of DRO or the Group from those respectively disclosed in the documents issued or published by or on behalf of (with its prior approval) DRO in respect of, or relating to, the Placement, including this Presentation and the accompanying ASX announcement (**Placement Documents**),

and the Joint Lead Manager has reasonable grounds to believe and does believe that such event (i) has had, or is likely to have, a material adverse effect on the outcome or success or settlement of the Placement or the ability of the Joint Lead Managers to market, or promote or settle the Placement or (ii) could give rise to or result in a contravention or involvement in a contravention by the Joint Lead Manager or one of its affiliates under the Corporations Act 2001 (Cth) (**Corporations Act**) or any applicable law;



Placement Agreement summary (1/2)

- (b) ASIC
 - (i) makes an application for an order under Part 9.5 of the Corporations Act in relation to the Placement;
 - (ii) commences, or gives notice of its intention to commence, any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Placement; or
 - (iii) otherwise issues proceedings in relation to the Placement or commences any formal inquiry or investigation into the Placement;
- (c) the S&P/ASX 300 Index is, at the close of trading on any day from entry into the Placement Agreement to (and including) 4.00pm on the date of settlement of the Placement, at a level that is 10% or more below its level as at the close of trading on the last trading day immediately prior to the date of the Placement Agreement;
- (d) ASX announces that DRO will be removed from the Official List or the Shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation (which, for the avoidance of doubt, does not include a trading halt requested to facilitate the Placement);
- (e) ASX notifies DRO or a Joint Lead Manager that unconditional approval (or approval conditional only on customary conditions which are acceptable to the Joint Lead Managers, acting reasonably) will not be granted to the official quotation of all of the Placement Shares on ASX;
- (f) DRO withdraws the Placement;
- (g) any event specified in the timetable set out in the Placement Agreement is delayed for more than one Business Day without the prior approval of the Joint Lead Managers;
- (h) a certificate which is required to be furnished by DRO under the Placement Agreement is not furnished when required;
- (i) a Placement Document includes content that is or becomes untrue, inaccurate, misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission);
 - (i) in relation to the announcement released in conjunction with this Presentation, in any respect; or
 - (ii) in relation to any other Placement Document, in a material respect;
- (j) a member of the Group that is material in the context of the business of the Group is or becomes insolvent or there is an act or omission which is likely to result in such member of the Group becoming insolvent;
- (k) a director of DRO:
 - (i) is charged with an indictable offence or any regulatory body commences any public action against the director or announces that it intends to take any such action; or
 - (ii) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;
- (l) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental authority which makes it illegal for a Joint Lead Manager to satisfy or prevents or materially delays the Joint Lead Managers from performing an obligation under the Placement Agreement; or
- (m) DRO or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Placement.

If a Joint Lead Manager terminates its obligations under the Placement Agreement, that Joint Lead Manager will not be obliged to perform any of its obligations that remain to be performed. Termination of the Placement Agreement could have an adverse impact on the amount of proceeds raised under the Placement.



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APPENDICES

Other information

How a Counterdrone System Works



DRO Performs all steps of the Process

Step 1

Step 2

Step 3

Step 4



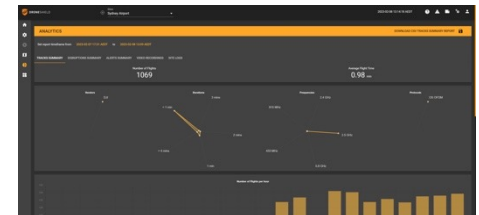
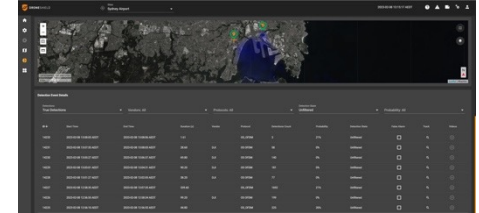
Bespoke sensor solutions provide optimal **Detection** and **Identification** of UAS threats



Machine Learning and AI based detection and classification software is used to undertake near-real time tracking and **assessment** of drones and UAS threats



Respond / defeat technologies offer solutions for the controlled management of UAS threats



Review by visualizing event data and recorded information to harden systems and procedures against future threats



DRO "Secret Sauce"

C-UAS pioneer, full in-house suite of multi-mission products, culture of innovation and deep channels to market

Market leading, differentiated AI technology



All hardware (except radar and camera) developed and made in-house (with outsourced manufacturing to DRO's specifications for large batches)



All SaaS software, including AI engines for RF sensors, cameras, sensorfusion and EW work, done in-house



100+ world class in-house hardware and software engineers (out of team of 150)

Global pioneer with strong team and brand



The original counter-drone pioneer, with a strong global brand and reputation for innovation and quality



Experienced in-house sales team (complemented by global distributor network)

Complete product, integration and geographic coverage



Body-worn, vehicle/ship and fixed site systems



Integrator and sensor maker – integrating 3rd party sensors/actuators, and have its sensors integrated into larger systems



Global presence in around 70 countries via experienced and trained distributor network



Mature technology development roadmap, ensuring solutions adapt to counterdrone market shifts

Numerous other differentiators



Substantial and growing in-house AI databases for RF, sensorfusion and optical/thermal AI



Deep sales pipeline and relationships with end users and channel partners, following multi-year nurturing and growth







Security clearances, certifications, NATO Stock Numbers, Non-ITAR solutions

Counterdrone Detection Solutions



DRO uses Multi-sensor Drone Detection for Optimal Results, Unaffected by time of Day or Weather







	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 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 locate or track Requires signature database updates

* Third party hardware, integrated into DRO combined multi-sensor solution, with differentiated offering via AI-powered software layers

Counterdrone Defeat Solutions



DRO uses smart jamming which has advantages over other technologies, particularly, in its use across civil and military applications, and does not compete against large Defence Primes

	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	Spoofing/Cyber/ Protocol Manipulation	Counter-Drone Drones	Projectile Fire Kinetic Systems	Directed Energy (Laser or Microwave)	
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"> Lasers and high-power microwave systems "dazzle" or destroy a drone 	
Advantages	<ul style="list-style-type: none"> Universal effectiveness 360-degree defeat coverage Effective against swarms Civil and military environments 	<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"> Effective against Govt-grade drones Established technology for military operations 	<ul style="list-style-type: none"> Effective against Govt-grade drones Systems can be mounted on naval vessels for complex defence systems 	
Disadvantages	<ul style="list-style-type: none"> Potential for collateral interference (for a "dirty" jammer) 	<ul style="list-style-type: none"> Not effective against all drones Higher chance of collateral damage 30-90sec per drone to engage, can't engage multiple drones same time 	<ul style="list-style-type: none"> Generally slow to deploy Not effective against swarms 	<ul style="list-style-type: none"> Collateral damage Unsuitable for use in a civil environment 	<ul style="list-style-type: none"> In early stages Only available for military applications 	

Leading Technology Utilising Exceptional Market Intelligence



Origin										
Integrator	✓	✓	✓	✓	✓	-	✓	-	-	-
DETECT										
Dismounted	✓	-	-	-	-	-	✓	-	-	-
Vehicle	✓	-	✓	-	-	-	✓	✓	✓	✓
Fixed Site	✓	✓	✓	-	✓	-	✓	✓	✓	✓
DEFEAT										
Dismounted	✓	-	-	✓	✓	✓	✓	-	-	-
Vehicle	✓	-	-	-	-	-	✓	✓	-	✓
Fixed Site	✓	✓	-	✓	-	-	✓	✓	✓	✓
COMMENTARY										
Platform information	<ul style="list-style-type: none"> ✓ Integrator via its Lattice platform 	<ul style="list-style-type: none"> Substantially an integrator Acquired AVT, a smaller integrator 	<ul style="list-style-type: none"> Roll up by Highlander Partners of Liteye, Black Sage and Radio Hill (in Feb 24) Integrator/C2 supplier, and handheld disruptors 	<ul style="list-style-type: none"> Announced to be acquired by Axon in May 2024 Focus on law enforcement Acquired Aerial Armor Jan 23 	<ul style="list-style-type: none"> Handheld Dronekiller jammer gun Lacks a full product suite 	<ul style="list-style-type: none"> Lower performance vs DRO European customer focus Defeat is on-the-body, creating potential issues Acquired by Bridgepoint in June 2024 	<ul style="list-style-type: none"> RF detect-and-defeat (via Citadel purchase) LOCUST laser defeat Acquired Verus Mar 23 	<ul style="list-style-type: none"> Offer an expensive, competing product to DroneSentry 	<ul style="list-style-type: none"> Protocol manipulation – similar legal restrictions to jamming, less reliability, no swarm protection 	

- ✓ Most extensive product range from handheld to fixed-site solutions
- ✓ Large IP portfolio and robust AI capabilities
- ✓ Battle-tested, superior performance
- ✓ The only publicly listed pure-play C-UAS company in the world

Note: Competitor analysis based on publicly available information. Excludes Russian and Chinese systems

Geopolitical Environment Providing Market Tailwinds



- Increased expenditure by Western Governments in response to small drones being used in virtually all conflicts globally
 - NATO members bordering Russia reported to be considering a “drone wall”¹
 - Iran’s recent attack on Israel reportedly using over 100 drones²
 - US DoD authorised 2024 budget of over US\$840bn, a record peacetime amount³
 - Over US\$400m in 2025 US DoD budget sought for counterdrone solutions specifically, as well as US\$500m in additional 2024 funding⁴
 - Poland has announced a record 2025 Defence budget at 5% of GDP⁵
 - Australia setting the current year Defence budget to \$53bn, with annual Defence spending almost doubling over the next ten years to \$100 billion in the financial year 2033-34, reflecting global uncertainty and tensions and ongoing priority on spending locally⁶
- Record Defence and Security budgets, combined with a demonstrated use of drones in conflicts worldwide for payload delivery, directing artillery strikes, collecting field intelligence and general use⁷, has put increasing focus on both drone and counterdrone systems for all major militaries
- Increasing global tensions and use of drones across hot zones, including Ukraine⁸, Hamas attack on Israel², and in the Armenia/Azerbaijan⁹ ongoing conflict
- DRO products have been acquired by US DoD as well as European NATO countries (winning the NATO Framework Agreement in April 2024¹⁰), and based in Australia and US, hence well positioned to supply to Western allies
- Drones used in terrorism, such as in attempted assassination of Donald Trump in July 2024¹¹
- Combined, these factors are expected to lead to meaningful and consistent order flow for DRO across near and medium term



1 <https://www.barrons.com/news/nato-members-bordering-russia-to-build-drone-wall-lithuania-4e963ecf>

2 <https://www.reuters.com/world/middle-east/iran-launches-drone-attack-israel-expected-unfold-over-hours-2024-04-13/>

3 https://www.armed-services.senate.gov/imo/media/doc/fy24_ndaa_conference_executive_summary1.pdf

4 <https://defensescoop.com/2024/03/11/army-counter-drone-systems-funding-fiscal-2025/>

5 <https://www.armyrecognition.com/news/army-news/army-news-2024/preparing-for-war-poland-to-increase-military-spending-to-5-of-gdp>

6 <https://www.minister.defence.gov.au/speeches/2024-04-17/launch-national-defence-strategy-and-integrated-investment-program>

7 <https://www.reuters.com/graphics/UKRAINE-CRISIS/DRONES/dwpkeyjwkp/>

8 <https://www.bbc.com/news/world-us-canada-68747752>

9 <https://www.csis.org/analysis/air-and-missile-war-nagorno-karabakh-lessons-future-strike-and-defense>

10 <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02796283-2A1518023&v=4015c7b87631faf94ecd96975272ff9ad5cb14c3>

11 <https://www.wsi.com/politics/national-security/trump-gunman-flew-drone-over-rally-site-hours-before-attempted-assassination-2d0e2e1a>

Counter-Drone Solutions Across Military & Civilian Sectors



The Rapid Proliferation of Drones has Escalated the Potential for Disruptive Incidents



Payload Delivery



Intel Gathering



Swarms



Nuisance Activity



Cyber Attacks

Commercial Airspace



Deepening the Demand for Robust Countermeasures, Positions DRO for Sector-wide Market Capture with its Sophisticated, Proprietary C-UAS Solutions

Growing Counter-Drone Applications Across End Markets

Military



Government Facilities



Law Enforcement



Protective Details



Airports



Stadiums



Commercial Venues



Energy Production



High Profile Events



Shipping / LNG Ports



Rescue / Fire Response



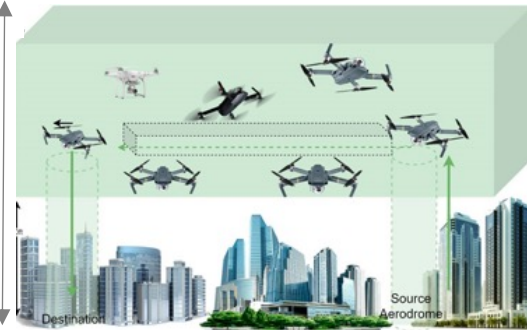
Correctional Facilities



UAM Corridor



Low-Level Airspace

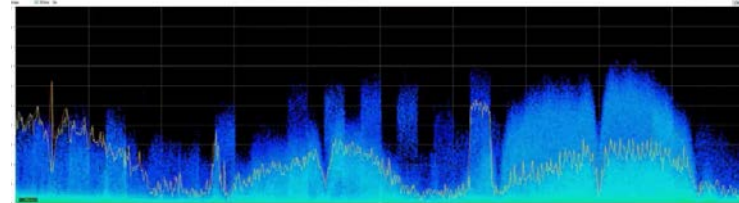
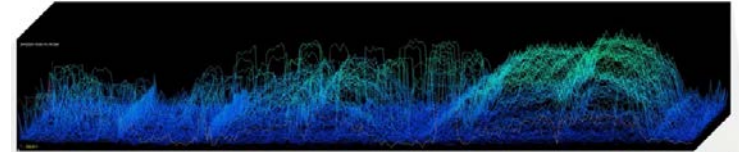




Artificial Intelligence in Electronic Warfare

DRO is Favourably Exposed to the Fast-growing Electronic Warfare Business Segment







- **Electronic warfare (EW)** is any action involving the use of the electromagnetic spectrum (EM spectrum) or directed energy to control the spectrum, attack an enemy, or impede enemy assaults
- The purpose of electronic warfare is to deny the opponent the advantage of - and ensure friendly unimpeded access to - the EM spectrum
- Demand for smart EW technologies to jam, degrade, disrupt or neutralise an adversary capability are rapidly growing and are an essential part of modern warfare
- Given the overlap with DRO's counter-drone AI technology and the minimal Australian based competition in EW technology, DRO well positioned to grow in this area
- In July 2023, DRO received a \$9.9 million, 2-year R&D contract with the Five Eyes Department of Defence
- Additional, and larger, contracts are expected based on customer discussions, as DRO builds up its AI capabilities in the EW and Signals Intelligence arena



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Visionary Team of Industry Veterans with Deep Industry Experience



 <p>Peter James Independent Non-Executive Chairman</p>	 <p>Oleg Vornik CEO and Managing Director</p>	 <p>Jethro Marks Independent Non-Executive Director</p>	 <p>Carla Balanco CFO and Joint Company Secretary</p>	 <p>Red McClintock Sales Director</p>	 <p>Tom Branstetter U.S. Director of Business Development</p>
  	   		 		 

Majority of the DRO senior team has been with the business for most of its history, delivering rapid growth.

 <p>Angus Bean Chief Technology Officer</p>	 <p>Lawrence Marychurch Vice President, Design</p>	 <p>Paul Cenoz General Counsel & Joint Company Secretary</p>	 <p>Matt McCrann U.S. CEO</p>	 <p>Raffael Battner Operations Manager</p>	 <p>Carl Norman Vice President, Embedded Systems</p>
		   	  	 	       

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Capital Structure (pre Placement shares issued)



Capital Structure (approximately 22,000 shareholders)

DRO Shares on Issue	762,550,390
DRO Options on Issue ¹	56,144,000
Fully Diluted Shares on Issue	818,694,390
Fully Diluted Equity Value ²	\$1,138.0m
Cash (as at 30 June 2024)	\$145.5m
Debt	-
Fully Diluted Enterprise Value	\$993.0m

1 Options issued at various strike price and maturities

2 At \$1.39 per share as at 30 July 2024

Director and Employee Shareholdings

Oleg Vornik, CEO and Managing Director	15,000,000 options	1.83%
Peter James, Independent Non-Executive Chairman	935,345 shares 3,000,000 options	0.48%
Jethro Marks, Independent Non-Executive Director	1,500,000 options	0.18%
Other Employees	9,835,167 shares 35,844,000 options	5.58%

Notes: Options and shares held by 66 employees

Research Coverage

BELL POTTER

Shaw
and
Partners

henslow
AN OAKLINS MEMBER FIRM

sequoia
FINANCIAL GROUP



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