



**DRONESHIELD**

# Quarterly Report

For the period ending  
30 September 2025



*Image: DroneSentry-X deployed as part of Leonardo UK Roshel FalconShield system*

**DroneShield Limited (ASX:DRO)**

ASX Release

ABN 26 608 915 859

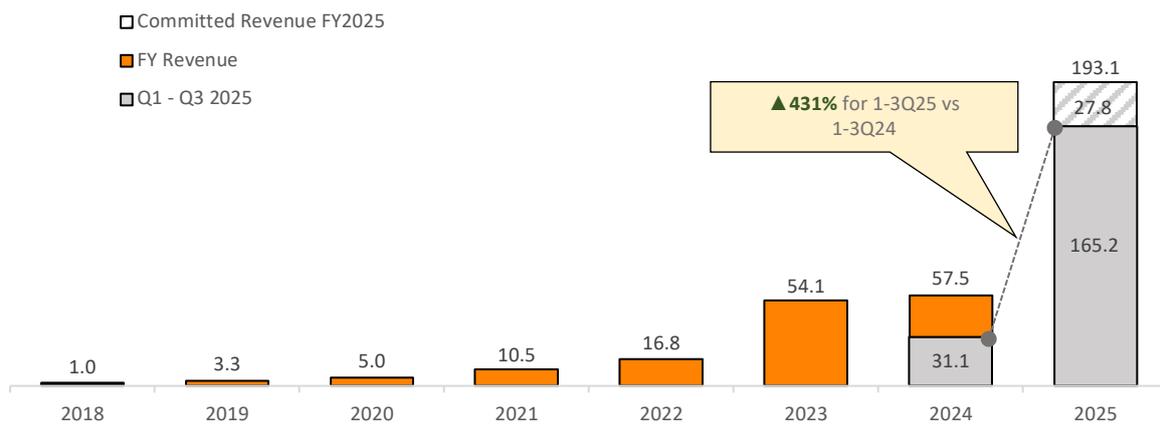
## Quarterly Activities/Appendix 4C Cash Flow Report

DroneShield Limited (ASX:DRO) (“DroneShield”, “DRO”, or the “Company”) is pleased to release its business update and Appendix 4C for the three-month period ended 30 September 2025.

The business had an exceptionally strong quarter with all-time record metrics across the board.

A\$	3Q2025	3Q2024	QoQ Growth	Comment
<b>Revenue</b>	92.9m	7.8m	▲ 1,091%	<ul style="list-style-type: none"> <li>All-time high revenue quarter</li> <li>2Q25 second highest revenue quarter at \$38.8m</li> <li><b>Committed revenues YTD2025 of 193.1m</b> (vs \$57m for all of 2024)</li> </ul>
<b>Cash Receipts</b>	77.4m	9.1m	▲ 751%	<ul style="list-style-type: none"> <li>All-time high cash receipt quarter</li> <li>4Q23 second highest cash receipt quarter at \$47.9m</li> </ul>
<b>SaaS Revenues</b>	3.5m	0.7m	▲ 400%	<ul style="list-style-type: none"> <li>Expected to keep rising in dollars and percentages</li> <li>All new products to carry one or multiple SaaS</li> <li>SaaS is critical due to the changes in drone technology</li> <li>As the hardware becomes more open-ended, software is expected to play an increasing role</li> <li>SentryCiv, a subscription-only product for the civilian sector, has been released. The price structure is cashflow positive from day 1</li> <li>Expecting the civilian sector to reach up to 50% of revenue over next 5 years, and subscription products to be a central part</li> </ul>
<b>Operating Cashflow</b>	20.1m	(19.4m)	▲ 204%	<ul style="list-style-type: none"> <li>Targeting to be consistently operating cashflow positive and profitable moving forward</li> </ul>

### Revenue from Customers (A\$m)



The substantial developments during and subsequent to the quarter include:

- [Launch of DroneSentry-C2 Enterprise SaaS](#)
- [NSPA Rating for DroneSentry](#)
- [Landmark 4Q25 AI Software Release](#)
- [Launch of South Australia R&D Facility](#)

- [Completion of delivery of the \\$62 million European contract](#)
- [\\$11.7 million DoD Research Contract](#)
- [R&D and Manufacturing Expansion](#)
- [US R&D Expansion](#)
- [Launch of SentryCiv](#)
- [Integration of Sentrycs](#)
- [Inclusion in the S&P/ASX 200 Index](#)
- [Ukraine presence expansion](#)
- [U.S. Department of Homeland Security demonstration](#)
- [Project Flytrap participation](#)
- [LAND156 Initial contract win](#)
- [Appointment of \(Ret\) Lt Col Michael J Twining as Sales Director for U.S. Air Force](#)
- [Surpassing 4,000 systems sold, with an \\$7.9 million order](#)

The Company has provided a detailed summary of the various aspects of the business in the investor presentation published concurrently with this report and being lodged with the ASX today.

### **Payments to related parties of the entity and their associates**

Board fees paid to Non-Executive Directors and salary to CEO amounted to \$383,625.

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

**For enquiries, please contact:**



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### **About DroneShield Limited**

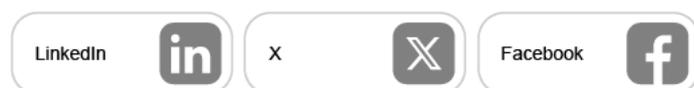
DroneShield (ASX:DRO) provides Artificial Intelligence based platforms for protection against advanced threats such as drones and autonomous systems. We offer customers bespoke counterdrone (or counter-UxS) and electronic warfare solutions and off-the-shelf products designed to suit a variety of terrestrial, 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](http://www.dronesield.com/about)

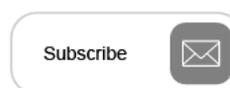
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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

DRONESHIELD LIMITED

**ABN**

26 608 915 859

**Quarter ended ("current quarter")**

30 September 2025

<b>Consolidated statement of cash flows</b>		<b>Current quarter A\$000</b>	<b>Year to date (9 months) A\$000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	77,363	138,049
1.2	Payments for		
	a) research and development	(3,143)	(7,828)
	b) product manufacturing and operating costs	(31,064)	(61,007)
	c) advertising and marketing	(6,644)	(14,993)
	d) leased assets	-	-
	e) staff costs	(11,703)	(31,433)
	f) administration and corporate costs	(5,569)	(12,140)
1.3	Dividends received	-	-
1.4	Interest received	1,611	6,315
1.5	Interest and other costs of finance paid <i>Interest paid relating to the lease liability for DroneShield's Office lease in Virginia and Sydney.</i>	(134)	(391)
1.6	Income taxes paid	(633)	(1,111)
1.7	Government grants and tax incentives	-	165
1.8	Other	5	33
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>20,089</b>	<b>15,659</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	a) entities	-	-
	b) businesses	-	-
	c) property, plant and equipment	(5,253)	(10,441)



Consolidated statement of cash flows		Current quarter A\$000	Year to date (9 months) A\$000
	d) investments	-	-
	e) intellectual property	-	-
	f) other non-current assets <i>Intangible asset from capitalisation of development costs</i>	(4,646)	(11,449)
2.2	Proceeds from disposal of:		
	a) entities	-	-
	b) businesses	-	-
	c) property, plant and equipment	-	-
	d) investments	-	-
	e) intellectual property	-	-
	f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(9,899)</b>	<b>(21,890)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	313	694
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other <i>Lease liability principal repayments relating to DroneShield's Office lease in Virginia and Sydney.</i>	(450)	187
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(137)</b>	<b>881</b>



<b>Consolidated statement of cash flows</b>		<b>Current quarter A\$000</b>	<b>Year to date (9 months) A\$000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	203,719	220,567
4.2	Net cash from / (used in) operating activities (item 1.9 above)	20,089	15,659
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,899)	(21,890)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(137)	881
4.5	Effect of movement in exchange rates on cash held	(948)	(2,393)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>212,824</b>	<b>212,824</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter A\$000</b>	<b>Previous quarter A\$000</b>
5.1	Bank balances	61,433	54,362
5.2	Call deposits	4	4
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits)	151,387	149,353
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>212,824</b>	<b>203,719</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter A\$000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1 <i>Payments to CEO and Non-Executive Directors</i>	384
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-



7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end A\$000</b>	<b>Amount drawn at quarter end A\$000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-

8.	<b>Estimated cash available for future operating activities</b>	<b>A\$000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	20,089
8.2	Cash and cash equivalents at quarter end (item 4.6)	212,824
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	<b>Total available funding (item 8.2 + item 8.3)</b>	<b>212,824</b>
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

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## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 20 October 2025

Authorised by: Board of Directors

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.