

DRO 2025 AGM Report

ASX code	DRO
Meeting date	Wednesday, 28 May 2025
Type of meeting	Hybrid/Physical
Monitor	Mary Curran, Marcia Moseley
Pre AGM-meeting	With Chair, Peter James, just prior to meeting

Meeting Statistics

Number of holdings represented by ASA	22
Number of shares represented by ASA	605,474
Value of shares represented by ASA	\$720,514 (@\$1.19)
Total number attending meeting	43 in person, 78 online, total 121
ASA open proxies voted	ASA voted in favour of the resolutions 2, 3, 4, and 7, and against 1, 5, 6.

Monitor Shareholding: The individuals involved in the preparation of this voting intention have shareholding in this company.

DRO DroneShield (ASX:DRO) is a publicly listed company with headquarters in Sydney, Australia and Warrenton, Virginia. DroneShield specializes in counter-UAS technology leveraging RF sensing, AI, sensor fusion, and electronic warfare. Its solutions protect military, government, law enforcement, and critical infrastructure globally, offering both custom and off-the-shelf products for land, sea, and air platforms.

See <https://www.droneshield.com/investor-relations>

Shares have had a meteoric rise from low of \$0.58 to high of \$2.72 over 12-month period.

The matters raised included:

Directors' and Management shareholdings:

- * The NEDs and CEO exercising options and immediately selling for a profit, leaving the Chairman the only Director holding shares, was raised as a concern.
- * It was accepted that selling sufficient shares to meet taxation obligations was acceptable. However, it is expected that the balance of shares resulting from the exercising of options will be retained.
- * The granting of limited recourse loans was also raised. Assurance from the Chairman that this practice has been discontinued.
- * Chairman indicated that the NEDs and CEO will be expected to retain shares following future exercising of options. Noted; that the need to observe the legal requirement re: share trading for insiders with knowledge not known to the market must be observed.
- * Chairman unwilling to mandate a share ownership policy for the Board Members. However, intends to actively encourage the Directors to acquire and hold shares.

Board size:

- * No plan to increase the size of the Board at this stage.
- * The lack of experience as NEDs of listed companies, and lack of experience of international business operations was raised. Suggested these matters be considered when next appointing an NED.

Succession Planning:

- * The issue of “key man” risk was raised, suggesting that the mentoring of a successor be included as a metric for STI assessment. The Chairman indicated this will be considered.

Remuneration report:

- * The Board will consider changing the STI to a 50/50 cash/deferred shares delivery.

Debt:

- * The Company is well capitalized, sufficient to meet the needs for now.
- * There are no plans to take on debt or raise equity at this stage.

Inventory:

- * To be able to respond to new orders quickly, the Company continues to carry a large inventory.
- * Obsolescence is not a problem, as the software can be kept updated on inventory stock.

Expansion of manufacturing into Europe.

- * The Company have increased their staff with a view to expanding manufacturing into Europe, to be closer to the European market.

Overall Impression.

- * The company is being well managed, is debt free, and very conscious of security, both in terms of recruitment of staff and the personal security of key personnel.
- * The Board are aware that as an inclusion in the ASX 300, that they need to emerge from some of the policies that were appropriate for the early stages of a growing Company.

Voting Outcomes

All the resolutions passed in the 90% however there was a 21% vote against the remuneration report.

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