

1 September 2021 ASX RELEASE

DroneShield Enters the Sonar Market with SonarOne

DroneShield Ltd (ASX:DRO) ("DroneShield" or the "Company") is pleased to announce a material capability upgrade to its multi-domain DroneSentryTM counterdrone threat awareness and response system, via addition of SonarOneTM, cutting edge sonar detection system, for directional real time reporting of underwater threats.

SonarOneTM is a sophisticated sonar monitoring device capable of detecting and tracking hostile unmanned underwater vehicles ("UUVs") or diver intruders in protected waters. Ideal for deployment around naval vessels, harbours, and critical infrastructure, SonarOneTM is easy to install and monitor via the DroneSentry-C2TM, DroneShield's intuitive and easy to use operator interface, with no specialist sonar training required.

Oleg Vornik, DroneShield's CEO, commented, "With the inclusion of SonarOne, the DroneSentry system provides a comprehensive all-domain awareness and protection system, including Unmanned Aerial Vehicles (UAVs), Unmanned Ground Vehicles (UGVs), Unmanned Water Surface Vehicles (USVs), UUVs, and divers.

As the original counterdrone market pioneer which set the industry standards since its inception, we are pleased to continue leading the counterdrone market by offering this breakthrough unique capability to our customers globally."

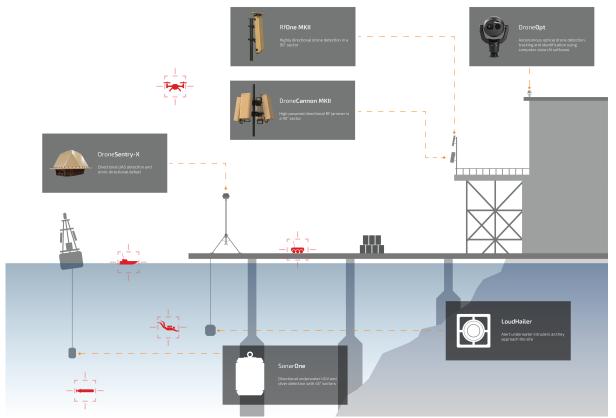


Image: overview of a harbour facility protected with the full suite of DroneShield sensors



With a substantial detection range for divers and UUVs, SonarOneTM can protect large sites with few installation points, reducing the amount of preparation required by the installer and the need for pre-existing infrastructure. With its directional capability and simultaneous tracking of multiple targets, SonarOneTM provides the operator with complete awareness of multi-directional underwater robotic and manned swarm attacks.

The product is unrestricted in deployment, meaning it can be sold, and expected to be of interest, to a wide range of customers including ports, harbours, naval bases, private yachts, residences, power stations, and various offshore platforms. SonarOneTM is available for sale now.

While the dollar amount of expected sales cannot be quantified at this time, it is expected to be material, and the Company will provide further guidance when available.

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

Further Information

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About DroneShield Limited

DroneShield (ASX:DRO) is an Australian publicly listed company with its head office in Sydney and teams in the US and UK, specialising in C-UAS, Electronic Warfare, RF sensing, Artificial Intelligence and Machine Learning, Sensor Fusion, rapid prototyping and MIL-SPEC manufacturing. Our capabilities are used to protect military, Government, law enforcement, critical infrastructure, commercial and VIPs throughout the world.

Through our team of Australian based engineers, we offer customers bespoke solutions and offthe-shelf products designed to suit a variety of terrestrial, maritime or airborne platforms. DroneShield is proudly exporting Australian capability to customers throughout the world and supporting Australia's defence, national security and other organisations protect people, critical infrastructure and vital assets.

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