



18 June 2019

ASX RELEASE

## R&D Grant Loan Facility

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**DroneShield Ltd** (ASX:DRO) ("DroneShield" or the "Company") advises that it has entered into an agreement (the "Agreement") with R&D Capital Partners Pty Ltd ("R&D Capital") providing the Company with the ability to receive from R&D Capital funds equivalent to the majority of the Research and Development Tax Incentive expected by the Company to be received from the Australian Government ("R&D Grant") for the period ending 31 December 2019.

The R&D Grant is a grant program of the Australian Government, the effect of which is that qualifying companies receive an effective reimbursement of their qualifying research and development expenditure from the Australian Government, with a substantial lag between the time when the expenditure is incurred and the time when the funds are received. DroneShield has received the R&D Grant in relation to its research and expenditure incurred every year since DroneShield's inception, most recently in April 2019, in the amount of approximately \$500,000, in relation to the Company's 2018 research and development activities.

DroneShield expects to receive the R&D Grant in the first half of 2020, in a larger amount. In the meantime, under the terms of the agreement, the Company has elected to draw down A\$500,000, and (provided that the Company's research and development expenditure in 2019 is expected to be greater than an agreed minimum amount) may draw down an additional amount of A\$150,000 from 30 September 2019. The funding is non-convertible, and is otherwise on terms that are typical of loans of this nature.

If the facility is drawn on, the funds are expected to be used towards the Company's research and development, sales and marketing, and general working capital.

### Further Information

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### About DroneShield Limited

Based in Sydney (Australia), Virginia and Washington DC (USA) and London (UK), DroneShield is a worldwide leader in drone security technology. The Company has developed the pre-eminent drone security solution that protects people, organisations and critical infrastructure from intrusion from drones. Its leadership brings world-class expertise in engineering and physics, combined with deep experience in defence, intelligence, and aerospace.

**ENDS**