



31 October 2018

ASX RELEASE

## **\$1.855 million Credit Facility**

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**DroneShield Ltd (ASX:DRO)** ("DroneShield" or the "Company") is pleased to announce that it has entered into a non-convertible unsecured credit facility agreement (the "Agreement") with Bergen Global Yield Fund, LP (the "Investor"), an affiliate of its shareholder Long Hill Capital, LLC.

Under the agreement, the Investor will make up to A\$1,855,000 available to the Company, by way of an unsecured credit facility, which can be drawn down by the Company, in its discretion, at the rate of up to \$500,000 per month, within the next five months. The Company has not chosen to draw down any funds from the facility (and is not required to do so). In the absence of a drawdown, the facility will not attract any fees. The Company elected to put the facility in place in order to provide it with additional working capital, should such working capital be needed, in order to capitalise on the Company's sales pipeline.

If the Company elects to drawdown on the facility, interest will be payable on the amount outstanding at the rate of 12% p.a., the Company will prepay half of the interest on the balance available from the proceeds of the first draw down (and the ongoing interest payments will be reduced, effectively, to 6% per annum). In the event that the Company activates the facility, the Company will also pay an A\$113,000 fee, from the proceeds of the first drawdown. The principal amount outstanding in relation to each drawdown will be equal to 110% of the amount drawdown.

The funding is non-convertible and does not involve an issue of any equity security.

### **Further Information**

Oleg Vornik  
CEO and Managing Director  
Email: [oleg.vornik@droneshield.com](mailto:oleg.vornik@droneshield.com)  
Tel: +61 2 9995 7280

### **About DroneShield Limited**

Based in Sydney, Australia and Virginia, USA, DroneShield is a worldwide leader in drone security technology. The Company has developed pre-eminent drone security solutions that protect 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**