

COMPLETION OF ACQUISITION AND PUBLIC OFFER

Parazero Limited (ACN 618 678 701) (previously Diverse Security Needs Limited) (**Company**) provides the following confirmations to satisfy conditions for the quotation of the Company's securities on ASX.

Unless otherwise stated, capitalised terms not defined in this announcement have the meaning given in the Prospectus (defined below).

Completion of Public Offer

The Company confirms that all conditions to the offer under the replacement prospectus dated 30 April 2018 (**Prospectus**) (**Public Offer**) have been satisfied. The Company raised a total of \$5,000,000 under the Prospectus and accordingly it has issued 25,000,000 fully paid ordinary shares (**Shares**) at \$0.20 per Share under the Public Offer.

Completion of Acquisition of Parazero Israel

The Company is pleased to advise the acquisition of 100% of the issued capital of Parazero Ltd, a company incorporated in Israel (Israel Registrar of Companies ID No.51-493282-1) (**Parazero Israel**) has been completed following satisfaction of the conditions precedent (**Acquisition**).

Issue of securities

In addition to the securities issued pursuant to the Public Offer, the Company has also issued the following securities as contemplated in the Prospectus:

- (a) 51,580,391 Shares issued to the Parazero Israel shareholders under the Acquisition;
- (b) 8,419,609 Replacement Options issued to various employees of Parazero Israel under the Acquisition;
- (c) 55,000,000 Performance Options issued under the Company's employee share option plan subject to the achievement of various vesting conditions under the Acquisition;
- (d) 8,750,000 Shares issued to holders of the Convertible Loans in the Company in satisfaction of all debts in relation to the Convertible Loans; and
- (e) 4,000,000 Broker Options issued to various parties.

Cleansing Offer

Following the issue of the securities to complete the Acquisition of Parazero Israel, the Cleansing Offer referred to in the Prospectus has now been closed and the Company has resolved not to issue the 1,000 Shares offered.

Resignation of Directors and appointment of new Directors

As contemplated in the Prospectus, Howard Digby has resigned as a Director of the Company. In addition, Eden Attias and Dan Arazi have been appointed as Directors.

Profiles and histories of the background of each of these new Directors are set out in the Prospectus.

Change of name

The Company has changed its name from Diverse Security Needs Limited to Parazero Limited.

Updated use of funds table

In accordance with the conditions of the ASX listing approval, the Company provides the following updated use of funds table based on funds received under the Offer:

	Subscription A(\$)	Percentage (%)
Existing cash reserves	\$80,000	
Funds raised from the Offer	\$5,000,000	
TOTAL	5,080,000	100%
Research and development	1,706,964	33.3%
Sales and marketing	1,437,466	28.3%
Unallocated working capital and others	1,339,670	26.4%
Expenses of the Offer	595,900	11.7%
TOTAL	5,080,000	100.0%

ASX Waivers

ASX has provided that the Company be granted the following waivers:

- (a) A waiver from Listing Rule 1.1 Condition 12 to permit the Company to have on issue 8,687,886 Replacement Options exercisable at \$0.0027 expiring on the date that is 5 years from the date of issue on the condition that the terms and conditions of the Replacement Options are clearly disclosed in the Prospectus.
- (b) A waiver from listing rule 9.1.3 to the extent necessary to apply the restrictions in clauses 1 and 2 of Appendix 9B (as applicable) to the shares of the Company issued to the Parazero shareholders on condition that the Company acquires 100% of the share capital of Parazero Israel and the entire business of Parazero Israel being acquired by the Company as follows:
 - (i) The shares issued to the Parazero shareholders who subscribed cash for their shares in Parazero Israel are treated as being held by related or unrelated seed capitalists (as appropriate) of Parazero Israel.
 - (ii) Cash formula relief is applicable to the shares that are held by the Parazero shareholders who subscribed directly for their shares in Parazero Israel for cash consideration.
 - (iii) For the purpose of determining the length of the escrow period for the shares held by related parties or promoters Parazero shareholders which are subject to 24 months escrow, the 24 month escrow period will begin on the date of the official quotation of the Company's securities.
 - (iv) Apply 12 months escrow and cash formula relief pursuant to Clause 2 of Appendix 9B to the unrelated Parazero shareholders who paid cash for

their shares in Parazero Israel and back date the escrow period to the date the cash was paid into Parazero Israel.