

UPDATE ON AGREEMENT WITH ACSL

Drone safety systems company **Parazero Limited (ASX: PRZ) (Parazero or Company)** announced on 25 October 2018 an agreement with Autonomous Control Systems Laboratory Ltd. (**ACSL**), a high-end drone manufacturer based in Japan.

Following ongoing discussion between the parties since entering into the agreement, the parties have now agreed to amend the original agreement. Under the amendment, ACSL will now make an initial procurement from Parazero of thirty (30) of Parazero's Pyro systems to be fulfilled this quarter, rather than what was initially announced.

This amendment will result in a small reduction in revenue in the current quarter under this contract. However, this amendment to the ordering pattern will not have any significant impact on Parazero's overall revenue for the quarter due to the receipt of additional purchase orders from other distributors which is expected to make up the shortfall.

Parazero has agreed to the amendment because it feels that this strengthens the commercial relationship between the parties as it follows ongoing discussion between the parties to adjust to each party's needs and requirements. Parazero values its relationship with ACSL and looks forward to continuing to work together and further cultivating that relationship.

Commenting on the above announcement, ParaZero's CEO, Eden Attias, said "We are thankful for the support we have received from ACSL throughout our relationship and we look forward to our continued relationship with them."

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For more information, please contact:

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About ParaZero

ParaZero (www.parazero.com) was founded in 2014 to accomplish a vision to enable the drone industry to realise its greatest potential. ParaZero offers a smart and intuitive solution to enable drone industry growth by designing, developing and providing best-in-class autonomous safety systems for commercial drones.

About ACSL

ACSL is the leading industrial drone manufacturer and solution provider in Japan. Utilising their world leading autonomous control and advanced autopilot technologies originated from the laboratory of Professor Kenzo Nonami at Chiba University since 1998, ACSL is engaged in the R&D, manufacturing, sales and building solutions for industrial and delivery drone applications. With its proprietary technologies made and developed in Japan, ACSL aims to lead to the new industrial revolution of the global skies.