

PARAZERO LAUNCHES NON-RENOUNCEABLE ENTITLEMENT OFFER

- Non-renounceable entitlement offer to raise up to a total of \$2.93 million (before costs)
- Offer to open to eligible shareholders to subscribe for 1 new share for every 3 ordinary shares at an issue price \$0.10 a share
- Funding will boost working capital, strengthen the balance sheet and support marketing and sales capabilities ahead of the global launch of the consumer drone-safety solution

Drone Safety Systems company, ParaZero Limited **ASX: PRZ (ParaZero or Company)**, advises that it intends to undertake a non-renounceable entitlement offer to raise up to A\$2.93m (before costs) through a one (1) for three (3) offer issuing up to a maximum of 29,276,948 ordinary fully paid shares (**New Shares**) at \$0.10 per New Share (**Entitlement Offer**).

The Entitlement Offer is partially underwritten by Baillieu Ltd (**Underwriter**), who has agreed to subscribe for up to 8,000,000 New Shares.

The Entitlement Offer will be made by way of an offer document under Section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus needs to be prepared (**Offer Document**).

A copy of the offer Document was lodged with ASX today and is available on the ASX website at www.asx.com.au. All Eligible Shareholders will shortly receive a copy of the Offer Document, which includes a personalised application form.

The New Shares under the Entitlement Offer will rank equally with existing ordinary fully paid shares on issue. An Appendix 3B in relation to the Entitlement Offer and a notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) will be lodged with the ASX Market Announcements Platform.

The funds raised by the Entitlement Offer, together with ParaZero's existing cash reserves will primarily be used to provide the Company with working capital to bolster its sales and marketing efforts ahead of the global launch of its consumer drone safety solution and to progress the Company to cash flow break-even.

Commenting on the Entitlement Offer, ParaZero's CEO, Eden Attias, said *"We are fast approaching the launch of consumer safety solution and marketing will play a key role in driving awareness and sales of the product among drone users. I am therefore delighted that we are able to strengthen our balance sheet with additional capital to assist us in implementing our sales and marketing initiatives and to welcome new shareholders to the register."*

Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Rights Issue	24 December 2018
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX. Notice provided to Option holders.	24 December 2018
Notice sent to Shareholders	27 December 2018
Ex-date	28 December 2018
Record Date for determining Entitlements	31 December 2018
Despatch of Offer Document to Eligible Shareholders, Company announces this has been completed and Offer Opening Date	4 January 2019
Closing Date*	21 January 2019
Shares quoted on a deferred settlement basis	22 January 2019
ASX notified of under subscriptions	24 January 2019
Issue date/Shares entered into Shareholders' security holdings	29 January 2019
Dispatch of holding statements	30 January 2019
Quotation of Shares issued under the Offer	30 January 2019

This timetable is indicative only. The Company reserves the right to amend this indicative timetable at any time, subject to the *Corporations Act 2001* (Cth) and the Listing Rules.

In particular, subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

No offer will be made to shareholders with a registered address outside Australia or New Zealand. Refer to the Offer Document for further details.

Further Information

The Offer Document will be lodged with ASX and eligible shareholders will be sent further details about the Entitlement Offer via a shareholder letter on or around 27 December 2018.

-ENDS-

For more information, please contact:

Corporate Enquiries

Stephen Buckley
Company Secretary
+61 (0)8 6189 1155

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.

Not for Distribution in the United States

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act 1933 or an exemption from registration.