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# Investor Presentation

**February 2019**

Eden Attias | CEO

# Who is ParaZero?

## A global leader in drone safety solutions

- Israel-based technology company that listed on the ASX in June 2018
- #1 leader in creating & manufacturing Drone Safety Solutions
- Its proprietary "SafeAir" system is integrated on almost any commercial and consumer drone
- SafeAir solutions protects drones, people and payload, and records flight and usage analytics
- Extensive sales & distribution network established with track record of sales

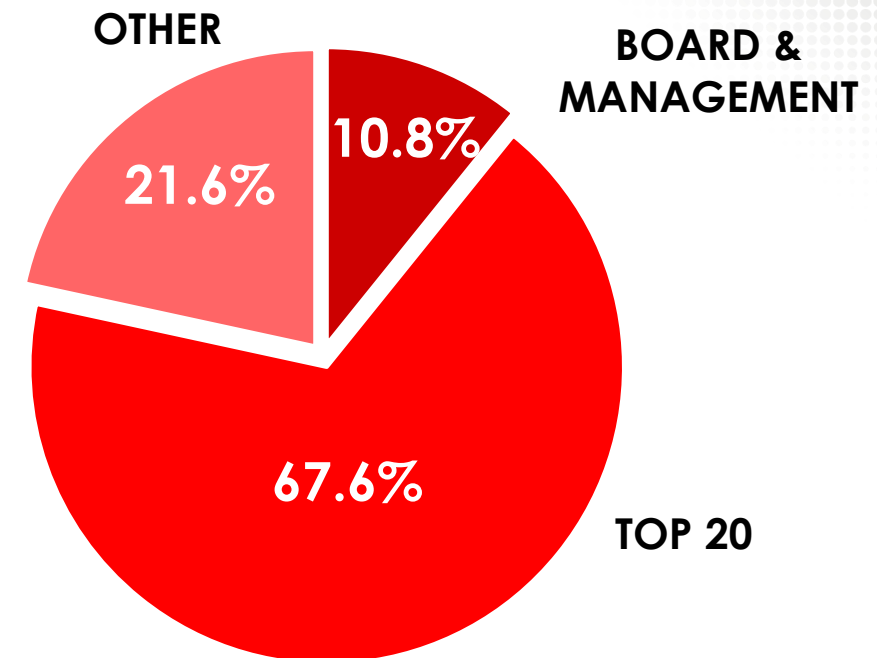


# Corporate overview

## Key information

- 01** ASX Code: PRZ
- 02** Share price: 10.5c<sup>1</sup>
- 03** Shares on issue: 96.4m
- 04** Market cap: AUD\$10.13m<sup>1</sup>
- 05** Options: 67.0m<sup>2</sup>
- 06** Cash: \$0.59m<sup>3</sup>
- 07** Q4 FY18 revenue: US\$380k

## Shareholding breakdown<sup>4</sup>



1. As at 7 February 2019

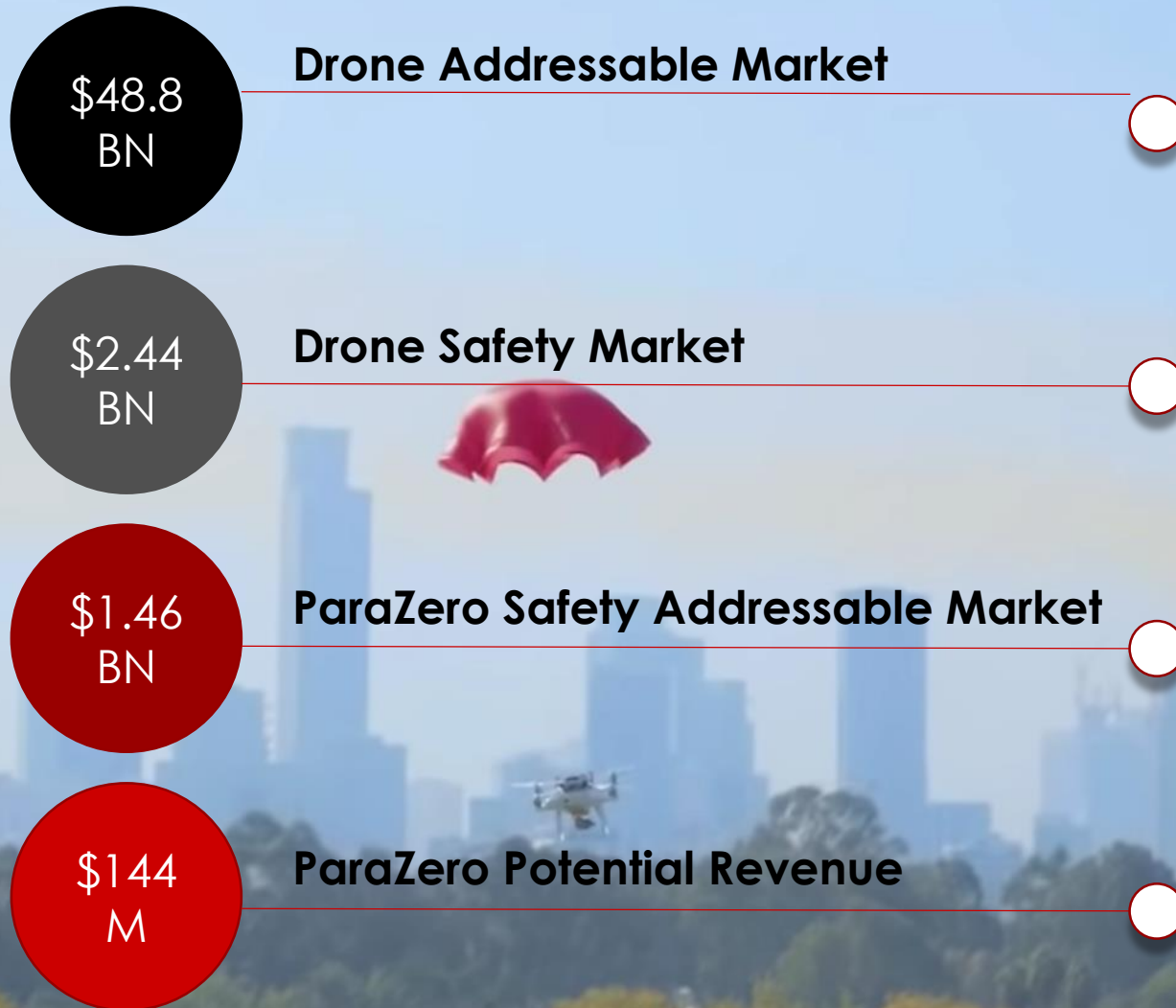
2. Including performance options

3. As at 31 Dec 2018, pre Entitlement Offer funds

4. Not Including performance options, including ESOP



# Market opportunity 2023



# Significant opportunities in both commercial and prosumer sectors



**805,000**  
shipments of  
commercial  
drones in  
2021<sup>1</sup>

- Spending of US\$13bn by 2020<sup>2</sup>
- Multiple commercial uses including in emergency services (search & rescue and firefighting), media and news coverage, construction and infrastructure inspections

**29m** shipments of  
consumer  
drones in 2021<sup>1</sup>

- Spending of US\$17bn by 2020<sup>2</sup>
- Leading manufacturer of consumer drones, DJI Technology, has a market share as high as 74%
- Drones are getting cheaper – driving mass adoption
- **“Prosumer” shipments estimated to account for around 30% of total consumer drones**

Source: 1 [Business Intelligence](#) 2. [Goldman Sachs Insights](#)

# The need for safety

- In less than 4 years, the US Federal Aviation Administration (FAA) reported nearly **5,000 incidents** of drones flying in restricted airspace or otherwise appearing to violate rules
- Regulations are restricting the drone markets full potential due to safety concerns
- The number of **reported incidents** reached a new record of **260** per month in June 2017\*
- A safety incident in any drone situation could result in **serious harm** to civilians
- Drones are often carrying a **valuable payload** that could be lost should the drone crash

\*US FAA, September 2017



# ParaZero solution: SafeAir™

- ParaZero offers commercial and consumer drone operators a suite of ready-made and custom-made drone safety solutions to protect their drone, people and its payload
- The patented technology is a combination of hardware, firmware and software developed over a number of years
- Broad product portfolio is compatible with almost every drone for all applications

## OEM

### AIROBOTICS



### SA 10



### MARTIN



### SA 30



## AFTER MARKET

### M-200



### M-600



## PROSUMER

### PHANTOM

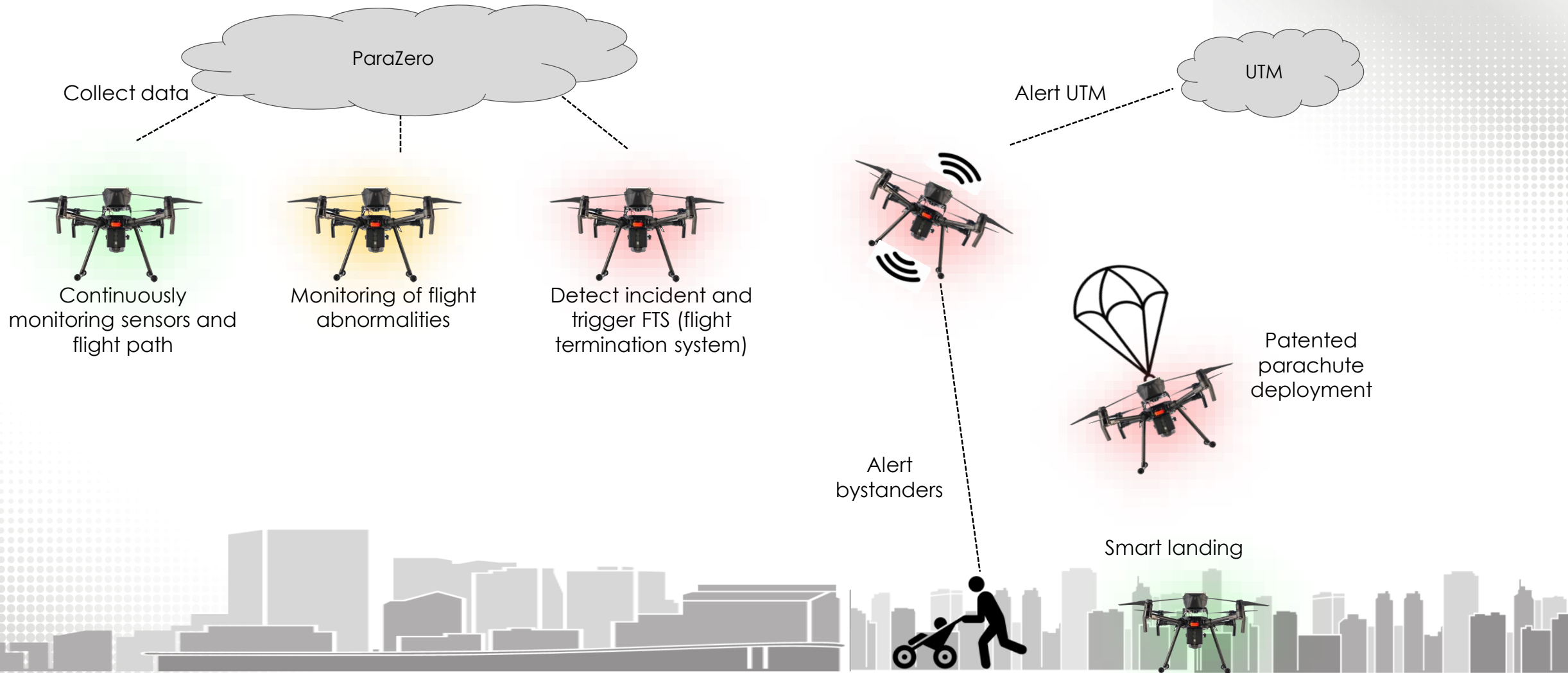


### MAVIC





# SafeAir: End to End Safety Solution



\*UTM – Unmanned Aircraft System (UAS) Traffic Management System being developed by NASA / FAA



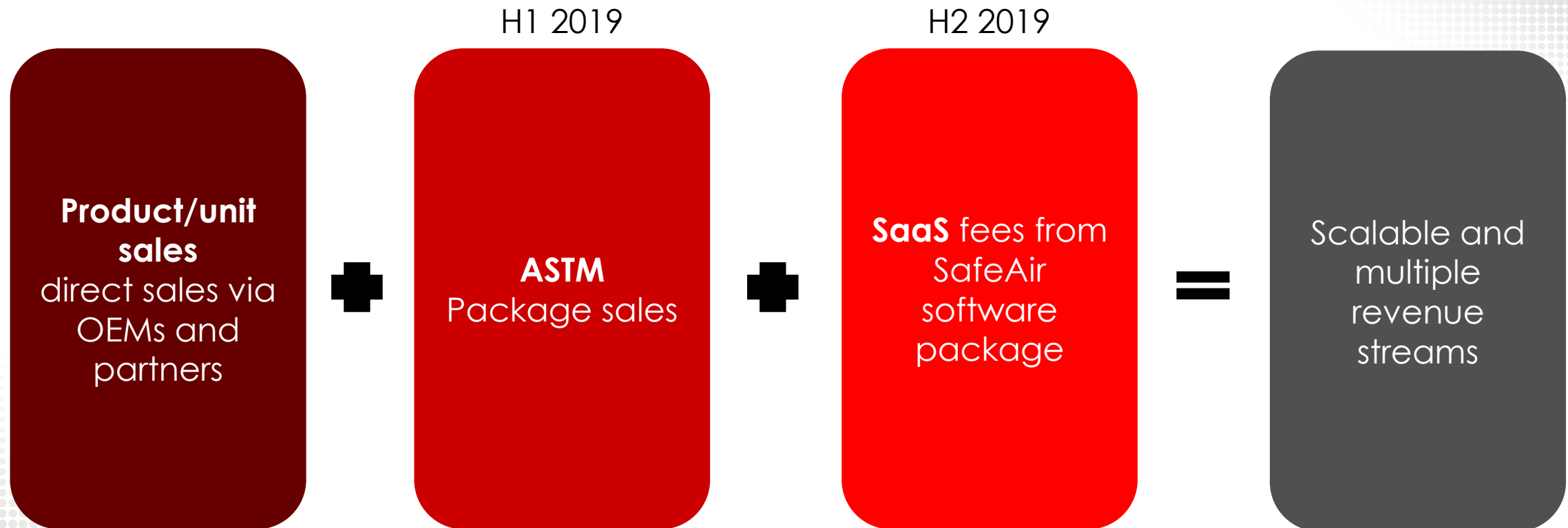
# Key advantages of ParaZero's solutions



- **Low altitude deployment** - failures can occur in take-off/landing – ParaZero's solutions have rapid deployment which are effective at any altitude
- **Records flight and usage analytics** and black box information, now a requirement in some European countries
- **Critical angle effectiveness** - the ability to deploy when the UAV goes beyond a critical roll/tilt angle is vital at low altitudes
- **Broad application use** across high-end drones through to unmanned passenger aerial vehicles
- **Compatibility** across almost all drones on the market

# ParaZero revenue model

## Multiple revenue streams



Q4 FY18 revenue of US\$380k, with expectations for continued growth

# Sales and distribution network

## ParaZero has established an extensive sales and distribution network

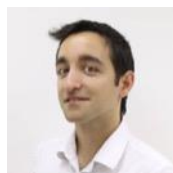
- **Direct sales to OEMs:** Tailored solutions for drone manufacturers that integrate the products into their platforms
- **Direct sales to Distributors and Retailers:** Sales of commercial and consumer safety systems, over 25 channels worldwide
- ParaZero's **E-commerce** platform for commercial systems
- **Amazon** platform for prosumer systems

# Board & key management



**(Ret.) Brig. Gen. Edén Attias**  
CEO and  
Managing Director

Brigadier General, 30+ years experience in the Israeli Air Force. During his tenure, he oversaw the move of the IAF's airlift base from Lod to the Nevatim air base and commanded the airbase, He was the Israeli Defense Attaché in Canada.



**Amir Tsaliah**  
CTO & Co-founder

Founded the world's first certified commercial drone company. Expert in electronics, mechanics, materials. 8 years experience in developing innovative technologies



**Stephen Gorenstein**  
Non-executive  
Director

Head of Jindalee Partners Melbourne with vast experience in the capital markets including equity analyst roles at both Goldman Sachs and Merrill Lynch. Formerly the Regional Head of Asia Pacific Metals and Mining at Bank of America Merrill Lynch.



**Charis Law**  
Non-executive  
Director

Australian Chartered Accountant with significant experience in commercialization and global expansion of industrial technology, leading finance and corporate development teams at Orbital Corporation Limited (ASX: OEC) and Austal Limited (ASX: ASB)



**Dani Arazi**  
Non-executive  
Director

Serial entrepreneur Israeli Chapter at 100+ Angels Club. Co-founder and executive (EVR) at Orckit Communications. Co-founder and member of the board of the ADSL Forum.



**Chris Singleton**  
Non-executive  
Director

Managing Director of Minaret Capital with vast corporate experience in marketing and design, change management, telecommunications, FMCG, resources and energy and labor hire/human capital. He has founded, developed and sold businesses across those sectors.



# Advisory Board



**Michael Huerta**  
Advisory Board

Holds over three decades of senior and executive management experience in the technology and aviation innovation industries. Former Administrator at the USA's Federal Aviation Administration. Group President of the Transportation Solutions Group of Affiliated Computer Services. Held senior positions at the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 and U.S. DOT.



**Dave Sharma**  
Advisory Board

Director and Principal at Kelly & Partners Government, Incentives and Innovation practice and has 20+ years of leadership experience focused on technology innovation in Australia. He served as Australia's ambassador to Israel., Dave was the International Relations Advisor to the Prime Minister, Advisor to the Foreign Minister and managed Australia's diplomatic presence in Africa..



**Maj. Gen. (Ret.)  
James Poss**  
Advisory Board

CEO of ISR Ideas. Founder and former Executive Director of the Alliance for System Safety of UAS (ASSURE) Federal Aviation Administration (FAA) Unmanned Aerial Systems (UAS) Center of Excellence Team. He is a 30 year US Air Force veteran with combat experience.

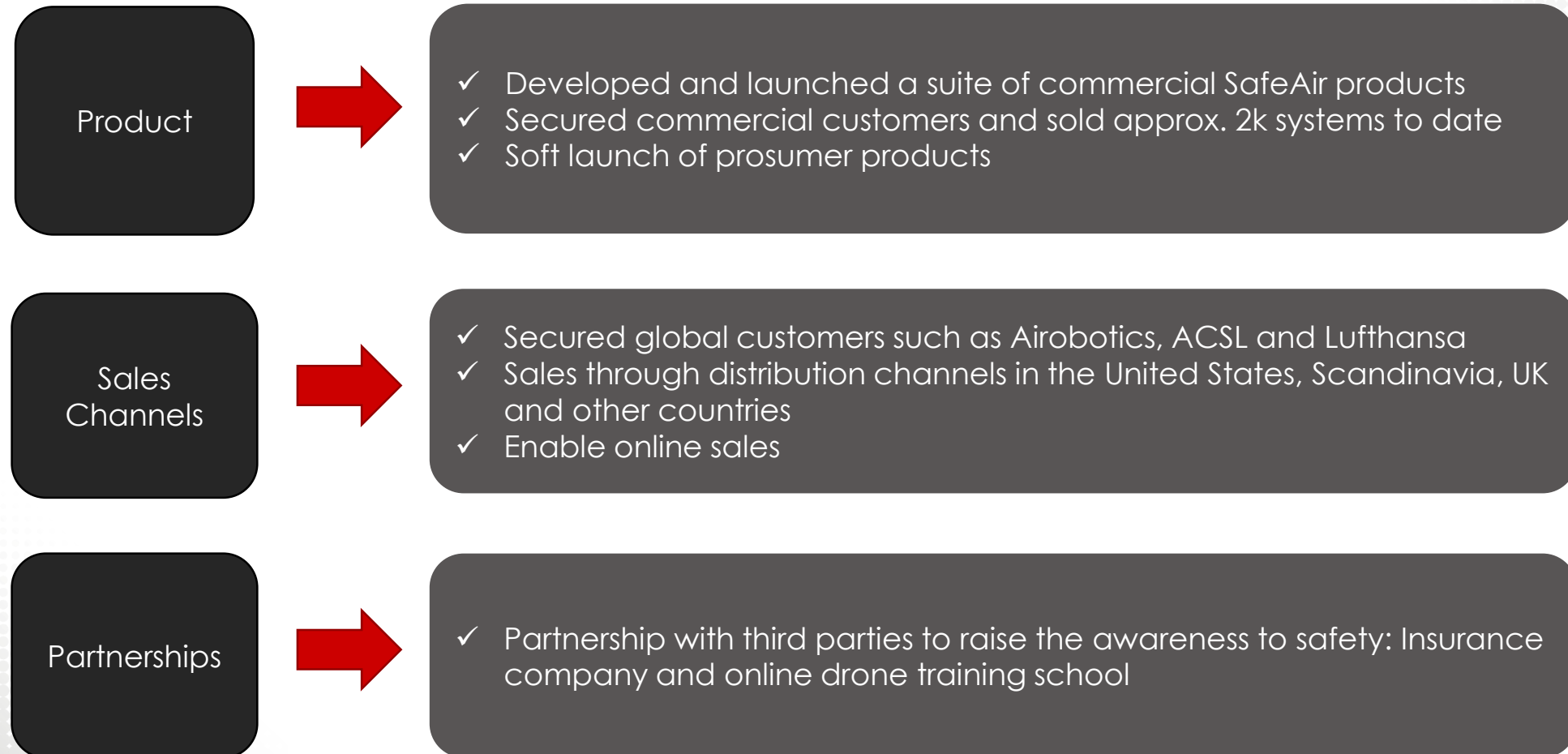


**Dr. Alon Dumanis**  
Advisory Board

Managed multi-billion dollar R&D programs, engineering, security, information technology, logistics and Acquisition, Air-Force infrastructure programs and other projects. He was a member of various notable steering committees for the Minister of Defense and the Israel Defense Forces Chief of General Staff, for national level strategy, technological road mapping and information technology.

# Major progress is being achieved

## Company executing according to plan



# Major progress is being achieved

## Market forces creating opportunities

### ASTM standard published

- Publication of standard that defines the design, development & testing of parachute systems – a major milestone for the drone industry
- ParaZero active contributor to the standard

### First ever waiver for flight over people with a parachute system

- UAS flight took place at a football game in Fargo, North Dakota to perform law enforcement and media missions
- UAS was equipped with ParaZero's SafeAir Phantom System
- Creates significant opportunities for additional flights
- A second waiver was subsequently secured for another ParaZero customer

### FAA unveils set of proposed regulations that would allow routine flights over people & at night

- Proposed regulations would dramatically expand commercial drone industry
- Drones heavier than 250g would need to meet safety requirements, such as the inclusion of a parachute
- Regulation would replace the need for waivers for certain operations
- ParaZero is the only company whose parachute system has been used in several successful waiver applications for flights over unprotected people

# Investment highlights



- **End-to-end solution** that uses cutting-edge technology, compatible with any drone or application
- **High-growth market** - 29m drone shipments expected globally in 2021<sup>1</sup> and over 300 commercial drones expected to crash every day in the US alone
- **Scalable revenue model** with multiple revenue streams
- **Led by veteran and industry professionals** with extensive backgrounds in the defense and drone sectors
- **Regulatory change** is creating a need for drone safety products

Source: 1. [BI Intelligence](#)



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# THANK YOU



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