Update Summary

Entity name

PARAZERO LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

Tuesday March 24, 2020

Reason for update to a previous announcement

The previous announcement stated that the issue of the securities on conversion of the convertible notes was subject to shareholder approval by way of a general meeting, which was incorrect. The Company has sufficient capacity of LR 7.1 and it should have been noted that the conversion of convertible notes was within this capacity.

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

PARAZERO LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

Registration Number

ACN

618678701

1.3 ASX issuer code

PRZ

1.4 The announcement is

☑ Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

The previous announcement stated that the issue of the securities on conversion of the convertible notes was subject to shareholder approval by way of a general meeting, which was incorrect. The Company has sufficient capacity of LR 7.1 and it should have been noted that the conversion of convertible notes was within this capacity.

1.4b Date of previous announcement(s) to this update

Wednesday March 18, 2020

1.5 Date of this announcement

Tuesday March 24, 2020

1.6 The Proposed issue is:

☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

✓ No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)? New class

Will the proposed issue of this +security include an offer of attaching +securities? ✓ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from Will the entity be seeking quotation ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1? ☑ No

of the 'new' class of +securities on ASX?

☑ No

ASX +Security Code +Security Description

New class-code to be confirmed

Convertible Notes with an aggregate value of AU\$170,000

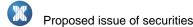
+Security Type

Convertible Debt Securities

Maximum Number of +securities proposed to be issued

170,000

Reason for the update of 'Maximum Number of +securities proposed to be issued'



Purpose of the issue

Funds will be applied towards corporate overheads and operational overheads.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

What is the issue price per

+security?

AUD - Australian Dollar

AUD 1.00000

Will all the +securities issued in this class rank equally in all respects from their issue date?

☑ No

Oversubscription & Scale back details

May a scale back be applied to this event?

☑ No

If some of the issued +securities do not rank equally

Is the actual date from which the +securities will rank equally (non-ranking end date) known?

☑ No

Provide the estimated non-ranking end period

The non-ranking period ends on the later of a repayment date of 3 August 2020 or any other date agreed between the Company and the Subscriber.

Please state the extent to which the +securities do not rank equally:

- In relation to the next dividend, distribution or interest payment; or
- For any other reason

The securities are convertible debt securities which if approved by shareholders by way of general meeting and if converted will amount to a total of 3,116,667 ordinary fully paid shares when the allotted and issued shares will rank equally in all respects with the ordinary fully paid shares on issue. The convertible notes do not entitle the holder to participate in the next dividend payment.

Convertible Debt +Securities details

These securities are: Type of security

Convertible Corporate Bond

+Security Currency Face Value AUD - Australian Dollar AUD 1.0000

Interest Rate Type

Zero Coupon

Frequency of Coupon/Interest Payments Per Year

No Payments

s128F of the Income Tax Assessment Act status applicable to the security

Not applicable

Is the security Perpetual (ie. No maturity)?

ⓒ No

Maturity Date

Monday August 3, 2020

Is the Security Subordinated?

☑ No

Is the Security Secured?

☑ No

Select other features applicable to the security

Redeemable

Is a First Trigger Date on which conversion, redemption, call or put can occur (whichever is first) applicable?

ℰ No

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of +security

PRZ: ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities

Part 7C - Timetable

7C.1 Proposed +issue date

Monday August 3, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

☑ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

✓ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

3,116,667

	7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)? ☑ No
	7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue? ⊗ No
	7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules? ⊗ No
	7D.4 Will any of the +securities to be issued be subject to +voluntary escrow? ⊗ No
Part	7E - Fees and expenses
	7E.1 Will there be a lead manager or broker to the proposed issue? ⊗ No
	7E.2 Is the proposed issue to be underwritten? ⊗ No
	7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue
Part	7F - Further Information
	7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds? ⊗ No
	7F.2 Any other information the entity wishes to provide about the proposed issue