



Announcement Summary

Entity name

PARAZERO LIMITED

Announcement Type

New announcement

Date of this announcement

Tuesday October 13, 2020

The Proposed issue is:

☒ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Performance Shares	45,000,000
PRZ	ORDINARY FULLY PAID	361,718,632

Proposed +issue date

Tuesday December 8, 2020

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

ACN

Registration Number

618678701

1.3 ASX issuer code

PRZ

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

Tuesday October 13, 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

☒ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Thursday December 3, 2020	☒ Estimated	

Comments

On 13 October 2020, ParaZero announced it had entered into a share sale agreement to acquire 100% of the issued capital of Delta Drone South Africa from French listed entity Delta Drone SA. The transaction summary and indicative timetable is disclosed in the announcement.

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)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

PRZ : ORDINARY FULLY PAID

Number of +securities proposed to be issued

203,512,750

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

Subject to holder approval, the Company will issue Consideration Shares to Delta Drone SA in accordance with the Share Sale Agreement for the acquisition of Delta Drone South Africa. See ASX announcement of 13 October 2020.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

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)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

PRZ : ORDINARY FULLY PAID

Number of +securities proposed to be issued

125,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.04000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes



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)?
☒ Existing class

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

Details of +securities proposed to be issued

ASX +security code and description

PRZ : ORDINARY FULLY PAID

Number of +securities proposed to be issued

27,205,882

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
☒ No

Please describe the consideration being provided for the +securities

Subject to holder approval, the Company will issue 27,205,882 Conversion Shares to Delta Drone SA upon conversion of an aggregate AUD1,000,000 in Convertible Notes. The Company had previously announced the issue of AUD500,000 Convertible Notes at a conversion price of AUD0.04 on 29 June 2020 and AUD500,000 Convertible Notes at a conversion price of AUD0.034 on 24 August 2020. See ASX announcement of 13 October 2020.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

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)?
☒ Existing class

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

Details of +securities proposed to be issued

ASX +security code and description

PRZ : ORDINARY FULLY PAID



Number of +securities proposed to be issued

6,000,000

Offer price details**Are the +securities proposed to be issued being issued for a cash consideration?**

☒ No

Please describe the consideration being provided for the +securities

The Company has agreed to issue 6,000,000 Shares to Cukierman & Co Investment House Ltd (CIH) upon relisting in consideration for CIH having introduced the Company and DDSA to one another which has resulted in the Proposed Transaction. See ASX announcement of 13 October 2020.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities**Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?**

☒ Yes

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 ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

☒ Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

☒ No

ASX +security code

New class-code to be confirmed

+Security description

Performance Shares

+Security type

Performance shares/units

Number of +securities proposed to be issued

45,000,000



Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

Subject to holder approval, the 45,000,000 Performance Shares will be issued to Delta Drone SA in accordance with the Share Sale Agreement for the acquisition of Delta Drone South Africa. See ASX announcement of 13 October 2020. Further details on the Performance Shares will be disclosed in the Notice of Meeting to be sent to holders on or around 2 November 2020.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

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

☒ Yes

Performance shares/units details

+Security currency

AUD - Australian Dollar

Will there be CDIs issued over the +securities?

☒ No

Is it a partly paid class of +security?

☒ No

Is it a stapled +security?

☒ No

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

See ASX announcement of 13 October 2020. Further details will be provided in the Notice of Meeting to be sent to holders on or around 2 November 2020.

Part 7C - Timetable

7C.1 Proposed +issue date

Tuesday December 8, 2020



Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire 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?

6,000,000 Shares to Cukierman & Co Investment House Ltd (CIH) upon relisting in consideration for CIH having introduced the Company and DDSA to one another which has resulted in the Proposed Transaction.

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 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?

☒ Yes

7D.3a Please enter, the number and +class of the +restricted securities and the date from which they will cease to be +restricted securities

Some shares may be subject to escrow which will be determined as part of the relisting process and announced to the market at that time.

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?

☒ Yes

7E.1a Who is the lead manager/broker?

Baker Young Limited

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

The Company will pay Baker Young a lead manager fee of 2% of the total funds raised under the Proposed Capital Raising, an advisor handling fee of 4% of the total funds raised under the Proposed Capital Raising and a discretionary success fee.

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

The Company^٧s has appointed Nero Capital as corporate adviser in connection with the Proposed Transaction. The Company will pay Nero Capital a fee of 1% of the total funds raised under the Proposed Capital Raising and a monthly retainer of \$5,000. The Company has also agreed to issue 6,000,000 Shares to Cukierman & Co Investment House Ltd (٧CIH٧) upon relisting in consideration for CIH having introduced the Company and DDSA to one another which has resulted in the Proposed Transaction.

Part 7F - Further Information**7F.01 The purpose(s) for which the entity is issuing the securities**

Please refer to the Company's ASX announcement of 13 October 2020 in connection with the proposed acquisition of Delta Drone South Africa.

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

The Proposed Transaction will amount to a significant change in the nature and scale of the Company^٧s current activities and as such, the Company is required to obtain approval from its shareholders and re-comply with Chapters 1 and 2 of the ASX Listing Rules. See ASX announcement of 13 October 2020.