

Diverse Security Needs Limited

(formerly Diverse Security Needs Pty Ltd)

ACN 618 678 701

**Financial statements for the period from
21 April 2017 (date of incorporation) through to
31 December 2017**

Corporate directory

Board of Directors

Dr Anton Uvarov	Non-Executive Director
Mr Howard Digby	Non-Executive Director
Ms Charis Law	Non-Executive Director

Company Secretaries

Mr Peter Webse
Mr Stephen Buckley
Dr Anton Uvarov

Principal Place of Business/Registered Office

Level 2, 50 Kings Park Road
West Perth, Western Australia 6005
Tel: +61 8 6377 8043

Postal Address

PO Box 271
West Perth, Western Australia 6872

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008

Banker

National Australia Bank
1232 Hay Street
West Perth, Western Australia 6005

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Directors' report

The directors of Diverse Security Needs Limited ("Diverse" or "the Company") present their report on Diverse for the period from 21 April 2017 (date of incorporation) through to 31 December 2017 ("the Period").

Directors

The names of the directors of the Company during or since the end of the Period are:

Dr Anton Uvarov (appointed 21 April 2017)

Mr Howard Digby (appointed 21 April 2017)

Ms Charis Law (appointed 14 March 2018)

Directors have been in office since the start of the Period to the date of this report unless otherwise stated.

Review of operations

The loss of the Company for the Period after providing for income tax, amounted to \$20. The expenditure incurred during the Period related to corporate and administration expenditure that typically accompanies the incorporation of a company.

Significant changes in state of affairs

There were no significant changes in state of affairs of the Company during the Period.

Principal activities

Diverse Security Needs Limited was incorporated on 21 April 2017 as an Australian private company for the purpose of being listed on the Australian Securities Exchange ("ASX"). On 16 February 2018, it was converted to a public unlisted company.

Events arising since the end of the Period

The Company raised a further \$612,000 via the issue of convertible notes ("Notes"), of which \$400,000 was in turn lent to Parazero Ltd. As at the date of this report, the Company had \$1,400,000 worth of Notes on issue.

The Company plans to offer 35,000,000 shares at an offer price of \$0.20 each to raise a Minimum Subscription amount of \$7,000,000 ("Offer") (before costs of the Offer) under a prospectus yet to be issued.

Other than what has been mentioned above, no matters or circumstances have arisen since the end of the reporting Period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of the Company in subsequent financial periods.

Likely developments and expected results

Likely developments in the operations of the Company and the expected results of those operations in future financial periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not subject to significant environmental regulations under a law of the Commonwealth or state or territory of Australia.

Dividends

No amounts have been paid or declared by way of dividend since the date of incorporation.

Options

No options over issued shares or interests in the Company were granted during or since the end of the Period and there were no options outstanding at the date of this report.

Indemnification and insurance of directors and officers

During the Period, the Company entered into Deeds of Indemnification with the directors and officers of the Company. However, there have been no premiums paid to insure the directors and officers of the Company. The Company will look to insure the directors and officers of the Company.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the Period.

Auditor's independence declaration

The auditor's independence declaration for the Period ended 31 December 2017 forms part of the Directors' Report and can be found on page 3.

Signed in accordance with a resolution of directors.

On behalf of the directors



Dr Anton Uvarov
Non-Executive Director
Perth, 27 March 2018

DECLARATION OF INDEPENDENCE BY MATTHEW CUTT TO THE DIRECTORS OF DIVERSE SECURITY NEEDS LIMITED

As lead auditor of Diverse Security Needs Limited for the period ended 31 December 2017 I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Matthew Cutt

Director

BDO Audit (WA) Pty Ltd

Perth, 27 March 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Diverse Security Needs Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Diverse Security Needs Limited (the Entity), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 2.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Entity in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Emphasis of matter - Basis of accounting

We draw attention to note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 2 is appropriate to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

Handwritten signature in blue ink, appearing to read 'M Cutt'.

Matthew Cutt

Director

Perth, 27 March 2018

Directors' declaration

The directors have determined that the Company was not a reporting entity as at balance sheet date and therefore, this special purpose financial report has been prepared in accordance with the accounting policies described in note 2 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 18, present fairly the financial position as at 31 December 2017 and the performance of the Company for the period ended on that date in accordance with the accounting policies outlined in note 2 to the financial statements.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.

On behalf of the directors



Dr Anton Uvarov
Non-Executive Director
Perth, 27 March 2018

Statement of profit or loss and other comprehensive income for the period from 21 April 2017 (date of incorporation) to 31 December 2017

	Note	For the period from 21 April 2017 (date of incorporation) to 31 December 2017 \$
Revenue from continuing operations		
Other income		-
Total revenue and other income		-
Corporate administration expenses	3	(20)
Loss before income tax		(20)
Income tax expense	4	-
Loss for the period		(20)
Other comprehensive income, net of income tax		-
Total comprehensive loss for the period		(20)
Loss attributable to:		
Owners of Diverse Security Needs Limited		(20)
Total comprehensive loss attributable to:		
Owners of Diverse Security Needs Limited		(20)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position as at 31 December 2017

	Note	31 Dec 2017 \$
Current assets		
Cash and cash equivalents	5	88,010
Trade and other receivables	6	100
Loan receivable	7	700,000
Total current assets		788,110
Total assets		788,110
Current liabilities		
Trade and other payables	8	30
Convertible notes	9	788,000
Total current liabilities		788,030
Total liabilities		788,030
Net assets		80
Equity		
Issued capital	10	100
Accumulated losses		(20)
Total equity		80

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity for the period from 21 April 2017 (date of incorporation) to 31 December 2017

	Issued capital \$	Accumulated losses \$	Total \$
Balance at incorporation (21 April 2017)	100	-	-
Loss for the period	-	(20)	(20)
Other comprehensive income/(loss), net of tax	-	-	-
Total comprehensive income/(loss) for the period	-	(20)	(20)
Issue of ordinary shares	-	-	-
Balance at 31 December 2017	100	(20)	80

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows for the period from 21 April 2017 (date of incorporation) to 31 December 2017

	Note	<u>For the period from 21 April 2017 (date of incorporation) to 31 December 2017</u>
Cash flows from operating activities		
Payments to suppliers		(20)
Net cash (used) in operating activities	5	<u>(20)</u>
Cash flows from financing activities		
Proceeds from convertible notes	9	788,000
Proceeds from borrowings	8	30
Loan to third party	7	<u>(700,000)</u>
Net cash provided by financing activities		<u>88,030</u>
Net increase in cash and cash equivalents		88,010
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	5	<u>88,010</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements for the period from 21 April 2017 (date of incorporation) to 31 December 2017

1. General information

The financial statements and notes thereto represent those of Diverse Security Needs Limited ("Diverse" or "the Company") for the period 21 April 2017 (date of incorporation) through to 31 December 2017 ("the Period"). The Company converted from a private to a public unlisted company on 16 February 2018.

Diverse Security Needs Limited is a company limited by shares, incorporated and domiciled in Australia. Diverse Security Needs Limited is a for-profit entity for the purpose of preparing financial statements under the Australian Accounting Standards.

2. Statement of significant accounting policies

The directors have prepared the financial statements on the basis that the Diverse Security Needs Limited ("Diverse" or "the Company") is a non-reporting entity (as at balance sheet date) because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus.

These financial statements have been prepared in accordance with the recognition and measurement requirements by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2.1 Basis of preparation

These special purpose financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

2.2 Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company incurred a net loss of \$20 and experienced net cash outflows from operations of \$20 for the period ended 31 December 2017. The Company has liabilities of \$788,110 and cash on hand of \$88,010.

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern and therefore that it will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

The directors believe that the Company will continue as a going concern for the following reasons:

- The Company plans to undertake a capital raise under a prospectus to raise \$7m (before costs);
- The only significant debts that the Company has incurred are the convertible notes and the Company is under no obligation to settle these in cash under any circumstances.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

2.3 New and amended standards adopted by the Company

The Company has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2017.

None of the amendments have had a significant impact on the Company.

2.4 Accounting standards issued but not yet effective and not been adopted early by the Company

The following new/amended accounting standards and interpretations have been issued but are not mandatory for 31 December 2017 reporting periods. They have not been adopted in preparing the financial statements.

AASB 9 '*Financial Instruments*'¹

AASB 15 '*Revenue from Contracts with Customers*'¹

AASB 2016-3 '*Amendments to Australian Accounting Standards – Clarifications to AASB 15*'¹

AASB 2016-5 '*Amendments to Australian Accounting Standards – Classification and Measurement of Share-Based Payment Transactions*'¹

Interpretation 22 '*Foreign Currency Transactions and Advance Consideration*'¹

Interpretation 23 '*Uncertainty over Income Tax Treatments*'²

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

The impact of the adoption of all of these new and revised standards and interpretations has not yet been assessed by the Company.

2.5 Significant accounting policies

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Income tax

The income tax expense/(benefit) for the Period comprises current income tax expense/(benefit) and deferred tax expense/(benefit). Current and deferred income tax expense/(benefit) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to profit or loss is the tax payable on taxable income using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the Period as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivables is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of impairment loss is recognised in the statement of comprehensive income within impairment losses – financial assets. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against impairment losses – financial assets in the statement of comprehensive income.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Contributed equity

Ordinary issued share capital is recognised at fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Financial liabilities

Convertible notes are issued by the Company and automatic conversion is contingent on completion of an initial public offering and the Company's admission to the ASX's Official List. The number of shares to be issued does not vary with changes in their fair value. The liability component of the convertible notes is recognised initially at the fair value of a similar liability that does not have an equity conversion option. Refer to note 9 for further details. Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method.

3. Expenses

	For the period 21 April 2017 to 31 December 2017 \$
<i>Corporate administration expenses</i>	
Bank charges	20
	20

4. Income tax

	As at 31 December 2017 \$
Numerical reconciliation of income tax to prima facie tax payable	
Operating loss before income tax	(20)
Tax benefit at the Australian tax rate of 27.5%	(6)
Effect of expenses that are not deductible in determining taxable income	-
Effect of unused tax losses not recognised as deferred tax assets	6
	-
	As at 31 December 2017 \$
Tax Losses	
Unused tax losses for which no deferred tax asset has been recognised	(20)
Potential tax benefit at 27.5%	6
	6

The tax benefit of tax losses and other temporary differences will only arise in the future where the Company derives sufficient net taxable income and is able to satisfy the carried forward tax loss recoupment rules. The directors believe that the likelihood of the Company achieving sufficient taxable income in the future is not probable and the tax benefit of these tax losses and other temporary differences have not been recognised.

5. Cash and cash equivalents

	As at 31 December 2017 \$
Cash at bank and on hand	88,010
Reconciliation of loss for the Period to net cash flows from operating activities	
	For the period 21 April 2017 to 31 December 2017 \$
Loss for the Period	(20)
<i>Adjustments for:</i>	
<i>Movements in working capital:</i>	
(Increase)/decrease in trade and other receivables	-
Increase/(decrease) in trade and other payables	-
Net cash outflows from operating activities	(20)

Non-cash financing and investing activities

No non-cash financing and investing activities occurred during the Period.

Financing facilities available

As at 31 December 2017, the Company had no financing facilities available. For the purposes of the statement of cash flows, cash includes cash on hand and in banks.

6. Trade and other receivables

	As at 31 December 2017 \$
Share application funds receivable	100

7. Loan receivable

	As at 31 December 2017 \$
Loan receivable	700,000

During the period ended 31 December 2017, the Company raised \$788,000 through the issue of convertible notes (refer to note 9 for further information). Of this amount raised, \$700,000 was loaned by the Company to a third party in Israel to be used for various working capital.

8. Trade and other payables

	As at 31 December 2017 \$
Loan from director (i)	30

(i) This represent funds loaned by a director to the Company to cover administration charges.

Trade and other payables are non-interest bearing liabilities stated at cost.

9. Convertible notes

	As at 31 December 2017 \$
Convertible notes	788,000

As at 31 December 2017, the Company had \$788,000 worth of convertible notes ("Notes") on issue. No interest is payable on the Notes and the Notes are unsecured.

Subject to completion of an initial public offering ("IPO") and the Company's admission to the ASX's Official List, the Notes will automatically convert into shares worth 1.25 times the funds actually received from the issue of the Notes (20% discount to the Offer issue price). If this is not completed within three (3) months of the issue of the Notes, the Notes will automatically convert into shares in Parazero Ltd ("Parazero"), an Israeli-based company at a 20% discount to the next equity investment in Parazero of at least US\$1,000,000. Parazero is a technology company that develops, manufactures and sells safety systems for unmanned aerial vehicles.

The Notes will not be repayable in cash at any time.

10. Issued capital

	As at
	31 December 2017
	\$
10,000,000 fully paid ordinary shares	100

Fully paid ordinary shares	31 December 2017	
	No.	\$
Balance at incorporation (i)	10,000,000	100
	10,000,000	100

(i) 10,000,000 incorporation shares issued on 21 April 2017 at \$0.00001 each.

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held.

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

11. Commitments

The only commitment that the Company holds is to the holders of Convertible Notes (refer to note 9 for further information). Other than this commitment, the Company has no future commitments existing as at 31 December 2017.

12. Contingencies

The directors are not aware of any contingent liabilities or assets as at 31 December 2017.

13. Events after the reporting period

- (i) The Company raised a further \$612,000 via the issue of convertible notes ("Notes"), of which \$400,000 was in turn lent to Parazero Ltd. As at the date of this report, the Company had \$1,400,000 worth of Notes on issue.
- (ii) The Company plans to offer 35,000,000 shares at an offer price of \$0.20 each to raise a Minimum Subscription amount of \$7,000,000 ("Offer") (before costs of the Offer) under a prospectus yet to be issued.

Other than what has been mentioned above, no matters or circumstances have arisen since the end of the reporting Period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of the Company in subsequent financial periods.