

ASX ANNOUNCEMENT

Family Zone Cyber Safety Limited

ASX:FZO ("Family Zone" or the "Company")



Our mission is to protect & support every child's digital journey.

RETAIL ENTITLEMENT OFFER DOCUMENTS SENT TO SHAREHOLDERS

Family Zone confirms the following documents are being despatched to Shareholders today in respect to the retail component of its accelerated non-renounceable pro-rata entitlement offer (**Retail Entitlement Offer**):

- The Retail Entitlement Offer Document lodged with ASX on 6 August 2021 and personalised Entitlement and Acceptance Form will be sent to Eligible Retail Shareholders; and
- The attached Notification Letter will be sent to Ineligible Retail Shareholders.

Eligible Retail Shareholders are invited to subscribe for 5 new Shares for every 16 existing Shares held at the Record Date at a price of \$0.55 each. The Retail Entitlement Offer opens today Wednesday, 11 August 2021 and will close at 5:00pm (AWST) on Friday 20 August 2021.

Please refer to the ASX announcements on 6 August 2021 for further details in respect to the Entitlement Offer including the Retail Entitlement Offer Document.

This announcement was made on Wednesday 11 August 2021 and was authorised by the Board of Family Zone Cyber Safety Limited.



About Family Zone

Family Zone, **supporting and protecting every child's digital journey**, is an ASX-listed technology company and an emerging leader in the fast growing global cyber safety industry. Family Zone's unique innovation is its patented cyber safety ecosystem, a platform enabling a world-first collaboration between schools, parents and cyber safety educators. Family Zone's unique approach is delivering rapid growth in the education sector, as well as through direct sales and scalable reseller arrangements with telco providers.

To learn more about the Family Zone platform and the Company please visit www.familyzone.com.

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End



11 August 2021

Dear Shareholder

Notice to Ineligible Retail Shareholders of Accelerated Non-Renounceable Pro Rata Entitlement Offer

We write to you as the registered holder of shares in Family Zone Cyber Safety Limited (ASX:FZO) (**Family Zone** or the **Company**) as at today's date whose registered address is outside of the Eligible Countries (as defined below).

Entitlement Offer

As advised in the Company's recent ASX announcement on 6 August 2021 and as detailed in the entitlement offer document lodged by the Company with the ASX on 6 August 2021 (**Retail Entitlement Offer Document**), the Company is undertaking a fully underwritten, accelerated non-renounceable pro-rata entitlement offer to eligible Shareholders of new ordinary fully paid shares in the Company (New Shares) at an issue price of \$0.55 per New Share and on the basis of 5 New Share for every 16 Shares held at the Record Date of 9 August 2021 at 5.00pm (WST) (**Entitlement Offer**).

Where the determination of the entitlement of any eligible Shareholder results in a fraction of a New Share, such fraction will be rounded down to the nearest whole New Share. No Shareholder approval is required for the Entitlement Offer.

The Entitlement Offer has an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

This letter is being sent to you as an Ineligible Retail Shareholder (defined below) under the retail component under the Entitlement Offer. The Retail Entitlement Offer Document relates to the retail component only.

The Retail Entitlement Offer Document has been lodged with the ASX and is available on the Company's ASX platform at the ASX website (www2.asx.com.au) (ASX:FZO) and on the Company's website (www.familyzone.com).

Eligibility criteria

An Eligible Retail Shareholder is a Shareholder of the Company who:

- (a) is registered as a holder of shares in the Company as at 5.00pm (WST) on the Record Date of 9 August 2021; and
- (b) has a registered address in Australia, New Zealand, Singapore, Hong Kong and the United Kingdom (together the Eligible Countries);
- (c) was not invited to participate in the Institutional Entitlement Offer (other than as a nominee in respect of a different beneficial holding) and was not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- (d) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.



The Retail Entitlement Offer is not being extended to any Shareholder whose registered address is outside the Eligible Countries (**Ineligible Retail Shareholder**). Shareholders not satisfying the above criteria will not be eligible to participate in the Entitlement Offer.

Purpose of Entitlement Offer

The Entitlement Offer is being offered as part of the Company's ~\$146 million equity capital raising (Capital Raising). The Entitlement Offer will raise approximately \$75 million (before costs) from both institutional and retail Shareholders and the balance of the funding will be raised via a placement to professional, sophisticated and institutional investors to raise approximately \$71 million (before costs).

The Retail Entitlement Offer allows the Company's retail Shareholders to participate in the Capital Raising by subscribing for New Shares at the offer price of \$0.55 per New Share which is the same price for Shares paid by institutional investors participating in the Placement and the institutional component of the Entitlement Offer.

Proceeds from the Capital Raising will be used to fund the consideration for the Company's acquisition of the Smoothwall company group, the leading provider of cyber safety solutions to the K-12 education sector in the United Kingdom. The Smoothwall acquisition represents a significant achievement which creates massive scale in Family Zone's customer base and diversifies both Family Zone's product offering and geographical reach.

Further details of the Entitlement Offer, the Capital Raising and the Company's acquisition of Smoothwall are set out in the Company's announcement and investor presentation lodged with ASX on 6 August 2021.

Effect of the Entitlement Offer

Below is a table showing the Company's expected capital structure prior to and following completion of the Capital Raising.

	Shares	Options	Performance Rights	Performance Shares
Balance as Record Date ⁽¹⁾	438,355,924	13,984,331	31,515,582	3,000,000
Placement	129,136,813	Nil	Nil	Nil
Institutional Entitlement Offer	67,461,293	Nil	Nil	Nil
Retail Entitlement Offer	69,524,933	Nil	Nil	Nil
Balance following completion of Capital Raising	704,478,963	13,984,331	31,515,582	3,000,000

(1) Includes 1,011,276 Shares issued on exercise of 1,006,276 Options and 5,000 Performance Rights and 887,534 Shares issued to employees under the Company's Employee Securities Incentive Scheme prior to the Record Date.



Timetable*

The proposed timetable of the Entitlement Offer is as follows:

Announcement of Smoothwall Acquisition and Capital Raising and lodgment of Appendix 3B	6 August 2021
Lodgment of Retail Entitlement Offer Document and s708AA notice	6 August 2021
Placement and Institutional Entitlement Offer opens	6 August 2021
Announcement of results of Placement and Institutional Entitlement Offer	9 August 2021
Trading halt lifted and trading resumes on an "ex-entitlements" basis	9 August 2021
Record Date for Entitlement Offer	9 August 2021 (5pm AWST)
Retail Entitlement Offer opens Retail Entitlement Offer Document and Entitlement & Acceptance Form sent to Eligible Retail Shareholders	11 August 2021
DVP settlement of new Shares being issued under the Placement and Institutional Entitlement Offer and lodgment of Appendix 2A (prior to 12pm AEST)	12 August 2021
Issue of new Shares under the Placement and Institutional Entitlement Offer and commencement of trading of these new Shares	13 August 2021
Completion of Acquisition	13 August 2021
Closing Date for Retail Entitlement Offer	20 August 2021 (5pm AWST)
Announcement of results of Retail Entitlement Offer. Company to notify ASX of under subscriptions (if any)	25 August 2021
Anticipated date for issue of the New Shares under the Retail Entitlement Offer and lodgment of Appendix 2A	25 August 2021
Despatch of holding statements and commencement of trading in New Shares under the Retail Entitlement Offer	26 August 2021
Anticipated date for issue of the Shortfall Shares and lodgment of Appendix 2A	30 August 2021

* The timetable above is indicative only and may change. The Company may change any of the dates and times without notice, subject to the Corporations Act, ASX Listing Rules and applicable laws. In particular, the Company reserves the right to extend the Closing Date, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

Underwriting

The Capital Raising including the Entitlement Offer is fully underwritten by joint lead managers and underwriters, Shaw and Partners Limited and Euroz Hartleys Limited who will be paid an underwriting fee of 1.5% and a selling and management fee of 3% of the full amount underwritten. All fees and commissions due to any sub-underwriters will be paid by the joint lead managers and underwriters.



Other

The Company does not currently have a dividend policy, and no dividends have been paid by the Company since it was listed on ASX.

Purpose of this Letter

This letter is to inform you that, according to our records, you are an Ineligible Retail Shareholder for the purposes of the Retail Entitlement Offer.

Consequently you will not be able to subscribe for New Shares under the Retail Entitlement Offer and you will not be sent the Retail Entitlement Offer Document. You are not required to do anything in respect to this letter.

The Company has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to you as an Ineligible Retail Shareholder having regard to:

- (a) the number of holders in your jurisdiction;
- (b) the number and value of securities the holders in your jurisdiction would be offered; and
- (c) the cost of complying with the legal requirements and the requirements of the regulatory authorities in your jurisdiction.

For further information on the Retail Entitlement Offer and the Company:

- (a) visit the Company's website at www.familyzone.com;
- (b) refer to the Retail Entitlement Offer Document (available at www2.asx.com.au or www.familyzone.com); or
- (c) contact the Company Secretary on +61 8 9322 7600 between 8.30am and 5.00pm (WST) Monday to Friday.

On behalf of the board of Family Zone, we regret that you are not eligible to participate in the Retail Entitlement Offer but thank you for your ongoing support.

Yours Sincerely

Peter Pawlowitsch
Non-Executive Chairman