



ASX Announcement

Wednesday 4 September 2019

Securities issued and cancelled

In November 2017 the Company completed the acquisition of Linewize which provided Family Zone access to an innovative school firewall, filtering platform plus classroom management tools and an established school client base in New Zealand.

The Linewize platform which was integrated into Family Zone's technology and renamed 'School Zone' has been rapidly rolled out to Family Zone's customers globally.

The Company is pleased to advise that the continued strong growth in the roll out of School Zone has resulted in the Company achieving a further two performance milestones attaching to the Performance Shares held by the Linewize Vendors. 4,500,000 fully paid ordinary shares (**Shares**) have therefore been issued to the Linewize Vendors on conversion of these Performance Shares.

The Company also advises that the following securities have lapsed and been cancelled.

- 10,499,999 Class B Performance Shares;
- 1,274,998 Class B Performance Rights;
- 333,330 Class E Performance Rights;
- 2,325,257 Employee Options (\$0.33, 19 Sept 2019);
- 62,212 Employee Options (\$0.18, 15 Mar 2022); and
- 5,888,438 Options (\$0.25, 29 Aug 2019)

An Appendix 3B in respect to the above share issue is attached.

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT 2001

This notice is given by Family Zone Cyber Safety Limited (ASX: FZO) (**Family Zone** or the **Company**) in relation to an issue of 4,500,000 Shares (on conversion of Performance Shares) without disclosure to investors under Part 6D/2 of the Corporations Act 2001 (Cth) (**Act**).

The Company hereby notifies ASX under section 708A(5)(e) of the Act that:

- a) the Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- b) the Company is providing this notice under paragraph (5)(e) of section 708A of the Act;
- c) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- d) as at the date of this notice, the Company has complied with section 674 of the Act; and
- e) as at the date of this notice, there is no information:
 - i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - B) the rights and liabilities attaching to the shares.



About Family Zone

Family Zone is an ASX listed technology company focused on cyber safety. Meeting a growing demand to keep kids safe online and manage digital lifestyles, Family Zone has developed unique and innovative cloud-based solutions which combines Australian innovation with leading global technology.

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

For more information, please contact:

Tim Levy

Managing Director

timl@familyzone.com

+61 413 563 333

Tim Allerton

City Public Relations

media@familyzone.com

+61 412 715 707

Tim Dohrmann

Investor Relations

tim@nwrcommunications.com.au

+61 468 420 846

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Family Zone Cyber Safety Limited

ABN

33 167 509 177

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-------------------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,500,000 Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	Shares have been issued on conversion of the 2,000,000 Class G Performance Shares and 2,500,000 Class H Performance Shares (for nil cash consideration) following the achievement of the vesting conditions. The Performance Shares had been issued as part of the consideration for the Linewize acquisition.
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Shares have been issued on conversion of the 2,000,000 Class G Performance Shares and 2,500,000 Class H Performance Shares (for nil cash consideration) following the achievement of the vesting conditions. The Performance Shares had been issued as part of the consideration for the Linewize acquisition.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	27 November 2018

6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	4,500,000 Shares
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.Cross reference: item 33 of Appendix 3B.	4 September 2019

+ See chapter 19 for defined terms.

8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		205,127,835*	Ordinary fully paid shares (Shares)

**Includes 6,080,000 Shares escrowed until 29 Nov 2019, 216,000 Shares escrowed until 26 Feb 2020, 500,000 Shares escrowed until 8 April 2020 and 577,778 Shares escrowed until 1 Jan 2020.*

9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
			Performance Shares (Conversion ratio into Shares 1:1)
		10,499,998	Class C Performance Shares
		3,000,000	Class H Performance Shares
			Options
		1,996,083	Employee options (\$0.33, 19 Sept 2019) subject to vesting conditions
		5,335,000	Employee options (\$0.30, 15 Dec 2019) subject to vesting conditions.
		1,750,000	Broker Options (\$0.30, 5 May 2020)
		850,000	Broker Options (\$0.50, 4 Dec 2017)
		850,000	Broker Options (\$0.60, 4 Dec 2017)
		516,765	Broker Options (\$0.75, 9 April 2021)
		516,765	Broker Options (\$0.90, 9 April 2021)
		500,000	Options (\$0.60, 29 Aug 2020)
		250,000	Advisor Options (\$0.25, 11 Mar 2022)
		2,147,647	Employee Options (\$.18, 15 Mar 2022)
		898,692	Broker Options (\$0.235, 21 May 2022)
			Performance Rights (Conversion ratio into Shares 1:1)
		1,275,003	Class C Performance Rights
		333,340	Class D Performance Rights

	333,330	Class F Performance Rights
	1,805,196	Class G Performance Rights

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

32 How do security holders dispose of their entitlements (except by sale through a broker)? N/A

33 ⁺Issue date N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought

⁺ See chapter 19 for defined terms.

39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date 3 September 2019
(Company secretary)\

Print name: .Emma Wates.....

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	134,949,816
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	<p>3,138,997 Shares issued pursuant to this Appendix 3B dated 28 November 2018 (Shareholder approval obtained on 27 November 2018)</p> <p>2,087,436 Shares issued pursuant to the Appendix 3B lodged on 19 October 2018 (Shareholder ratification of issue obtained on 27 November 2018).</p> <p>9,751,825 Shares issued pursuant to the Appendix 3B lodged on 29 August 2018 (Shareholder ratification of issue obtained on 27 November 2018).</p> <p>2,083,333 Shares issued under this Appendix 3B lodged with ASX on 18 March 2019 (Listing Rule 7.1 Exception 4: Shares issued on conversion/ exercise of Performance Shares/Performance Rights)</p> <p>11,095,556 Shares issued under Appendix 3B lodged with ASX on 11 January 2019 (Shareholder ratification of issue obtained on 17 April 2019)</p> <p>133,333 Shares issued under the Appendix 3B lodged with ASX on 17 January 2019 (Shareholder ratification of issue obtained on 17 April 2019)</p> <p>216,000 Shares issued under Appendix 3B lodged with ASX on 25 February 2019 (Shareholder ratification of issue obtained on 17 April 2019)</p> <p>887,667 Shares issued under Appendix 3B lodged with ASX on 18 April 2019 (Shareholder approval of issued obtained on 17 April 2019)</p> <p>300,000 Shares issued under this Appendix 3B lodged with ASX on 15 May 2019 (Listing Rule 7.2 Exception 4: Shares issued on exercise of Options)</p> <p>4,500,000 Shares issued under this Appendix 3B (Listing Rule 7.1 Exception 4: Shares issued on conversion of Performance Shares).</p>

Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	169,143,963

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	25,371,594
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>500,000 Shares issued under this Appendix 3B lodged with ASX on 8 April 2019</p> <p>500,000 Shares agreed to be issued under Brand Ambassadorial Agreement announced on 28 March 2019.</p> <p>19,094,472 Shares issued under the Appendix 3B lodged with ASX on 29 April 2019.</p> <p>898,692 Broker Options issued under this Appendix 3B lodged with ASX on 21 May 2019.</p>
“C”	20,948,168
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	25,371,594
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	20,948,168
Total [“A” x 0.15] – “C”	4,423,426 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	169,143,963
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	16,914,396
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	16,434,396 Shares issued under this Appendix 3B lodged with ASX on 29 April 2019.
“E”	16,434,396
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	16,914,396
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	16,434,396
Total [“A” x 0.10] – “E”	480,000 <i>Note: this is the remaining placement capacity under rule 7.1A</i>