



# ASX Announcement

Friday 8 November 2019

## Issue of Tranche 2 Placement Shares

Family Zone Cyber Safety Ltd (ASX: FZO, **Family Zone** or **the Company**) advises that, following shareholder approval at its Annual General Meeting on 4 November 2019, it has completed the issue of the second tranche of 29,025,146 Placement Shares at \$0.14 per Share raising \$4.06 million (before costs).

The Company would also like to clarify further to its announcement on 4 September 2019 that 7 Shares have been issued following the consolidation, conversion and cancellation of the 10,499,999 Class B Performance Shares pursuant to the terms of these securities.

The Company also advises that 2,852,100 Options (\$0.21, 8 Nov 2022) and 3,000,000 Director Options (\$0.21, 8 Nov 2022, subject to various vesting conditions) have been issued.

An Appendix 3B in respect to the issue of the above security issues 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 29,025,153 Shares under a Placement to sophisticated and professional investors 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.



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## 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](http://www.familyzone.com).

### For more information, please contact:

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# 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) Options (\$0.21, 8 Nov 2022) Director Options (\$0.21, 8 Nov 2022, vesting conditions)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	29,025,153 Shares 2,852,100 Options 3,000,000 Director Options
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 (Shares) Options - Exercise Price \$0.21 - Expiry -8 Nov 2022 Director Options - Exercise Price \$0.21 - Expiry 8 Nov 2022 - Various share price based vesting conditions

+ See chapter 19 for defined terms.

<p>4 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Shares – Yes</p> <p>Options / Director Options</p> <p>No. On exercise of the Options and Director Options, fully paid ordinary shares will be issued which will rank equally with the Company’s fully paid ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>29,025,146 Shares issued at \$0.14 per Share</p> <p>7 Shares issued on consolidation and conversion of 10,499,999 Class B Performance Shares following performance milestone not being achieved (nil cash consideration)</p> <p>2,852,100 Options issued for capital raising services provided (nil cash consideration)</p> <p>3,000,000 Director Options issued for Non-executive Chairman services to be provided (nil cash consideration)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares</p> <p>29,025,146 Shares issued pursuant to a Placement to sophisticated and institutional investors.</p> <p>7 Shares issued on consolidation and conversion of 10,499,999 Class B Performance Shares following performance milestone not being achieved</p> <p>Options</p> <p>2,852,100 Options issued for capital raising services provided</p> <p>Director Options</p> <p>3,000,000 Director Options issued for Non-executive Chairman services to be provided.</p>

<p>6a 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>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>4 November 2019</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>1,104,000 Options</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>29,025,146 Shares 1,748,100 Options 3,000,000 Director Options (Shareholder approval obtained at AGM on 4 November 2019)</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>7 Shares</p>
<p>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.</p>	<p>N/A</p>
<p>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</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

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.

8 November 2019

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	239,056,414*	Ordinary fully paid shares ( <b>Shares</b> )

*\*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.*

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)		<b>Performance Shares</b> (Conversion ratio into Shares 1:1)
	10,499,998	Class C Performance Shares
	3,000,000	Class H Performance Shares
		<b>Options</b>
	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 2020)
	850,000	Broker Options (\$0.60, 4 Dec 2020)
	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)
2,852,100	Options (\$0.21, 8 Nov 2022)
3,000,000	Director Options (\$0.21, 8 Nov 2022, subject to vesting conditions)
	<b>Performance Rights</b> (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)

## 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 <sup>+</sup>securities will be offered

N/A

14 <sup>+</sup>Class of <sup>+</sup>securities to which the offer relates

N/A

15 <sup>+</sup>Record date to determine entitlements

N/A

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<sup>+</sup> See chapter 19 for defined terms.

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  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
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	<sup>+</sup> 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 <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1

(b)  All other <sup>+</sup>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)

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<sup>+</sup> See chapter 19 for defined terms.

## 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
- 39 +Class of +securities for which quotation is sought
- 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)

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

**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.

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+ See chapter 19 for defined terms.

- 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 8 November 2019  
(Company secretary)\

Print name: .Emma Wates.....

# 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

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	134,949,816
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<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 7.2 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>

+ See chapter 19 for defined terms.

	<p>500,000 Shares issued under the Appendix 3B lodged with ASX on 8 April 2019 (Shareholder ratification of issue obtained on 4 November 2019)</p> <p>35,483,872 Shares issued under the Appendix 3B lodged with ASX on 29 April 2019 (Shareholder ratification of issue obtained on 4 November 2019)</p> <p>4,903,426 Shares issued under the Appendix 3B lodged with AS on 3 October 2019 (Shareholder ratification of issue obtained on 4 November 2019)</p> <p>29,025,146 Shares issued under this Appendix 3B lodged on 8 November 2019 (Shareholder approval of issue obtained on 4 November 2019)</p> <p>7 Shares issued under this Appendix 3B lodged on 8 November 2019 (Listing Rule 7.2 Exception 4: Shares issued on conversion of Performance Shares)</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	239,056,414

**Step 2: Calculate 15% of “A”**

<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	35,858,462

**Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used**

<p><b>Insert</b> 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"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of</i></li> </ul>	<p>500,000 Shares agreed to be issued under Brand Ambassadorial Agreement announced on 28 March 2019.</p> <p>1,104,000 Options issued under this Appendix 3B lodged on 8 November 2019.</p>
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securities on different dates as separate line items	
<b>“C”</b>	1,604,000
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	35,858,462
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	1,604,000
<b>Total</b> [“A” x 0.15] – “C”	34,254,462 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	239,056,414
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	23,905,641
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> 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"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>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</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“E”</b>	Nil
<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
<b>“A” x 0.10</b>  <i>Note: number must be same as shown in Step 2</i>	23,905,641
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	-
<b>Total [“A” x 0.10] – “E”</b>	23,905,641 <i>Note: this is the remaining placement capacity under rule 7.1A</i>