



ASX Announcement

6 June 2017

SONAR/MYNET UPDATE

Family Zone Cyber Safety Ltd (ASX: FZO, **Family Zone** or **the Company**) is pleased to advise it has agreed the following variations in respect to the final acquisition payment for the Sonar/MyNet IP and the servicing arrangements for the Tesseract's Sonar/MyNet customers.

Background

As announced on 8 November 2016, the Company agreed to acquire the intellectual property rights to the cyber security and education platform Sonar/MyNet IP owned by Tesseract for \$3.8 million in cash and shares as follows:

- \$0.25 million cash deposit;
- \$0.75 million cash paid on completion;
- \$0.30 million in Shares (based on 1,000,000 Shares at \$0.30);
- \$0.50 million by 28 February 2017;
- \$2.0 million by 31 May 2017 (**Final Payment**).

Tesseract was also engaged as the Company's reseller and distribution partner and paid Family Zone a monthly licence fee for the use of the Sonar/MyNet IP on all active installations.

Recent Amendments

Family Zone paid \$1.0 million of the Final Payment instalment of \$2.0 million in April 2017 and has renegotiated the payment terms for the remaining \$1.0 million such that it will pay \$1.15 million in cash and shares as follows:

- \$0.50 million will be paid immediately;
- \$0.25 million in Shares (based on 1,000,000 Shares at \$0.25); and
- \$0.40 million payable in six equal monthly instalments commencing in July 2017.

Additionally, the parties have agreed modified licensing and support arrangements designed to provide a more responsive service for users of Family Zone technology. Under these modified arrangements, Family Zone has assumed technical and commercial responsibility for the remaining Tesseract Sonar customers.

The Company is delighted with the new arrangements. These not only improve cashflow but also allow Family Zone to better serve the increasingly important education market segment.



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.

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