



ASX Announcement

Tuesday, 7 March 2017

Family Zone raises \$2.85m via oversubscribed share placement and deepens relationship with Fidelio Partners

Highlights:

- **Family Zone raises \$2,850,000 in oversubscribed placement at \$0.20 per share**
- **Placement supported by a significant strategic investment from Fidelio Partners, backing from Sydney and Asian-based institutions and participation of Company directors (subject to shareholder approval) and key executives**
- **Proceeds to support business development, marketing and sales as Family Zone executes its partnership strategy to accelerate consumer uptake of its cyber safety solution**
- **Family Zone deepens relationship with Fidelio Partners, revising compensation arrangements to incentivise business development in Asia**

Family Zone Cyber Safety Ltd (ASX: FZO, **Family Zone** or **the Company**) is pleased to announce that it has received binding commitments to raise \$2.85 million in an oversubscribed placement of 14,250,000 shares to sophisticated and institutional investors at \$0.20 per share.

Net proceeds of the capital raising will support Family Zone's business development, marketing and sales activities, provide working capital and further strengthen the Company's balance sheet.

The share issue has facilitated a strategic investment in Family Zone of 2,500,000 new shares worth \$500,000 by the Company's Southeast Asian sales agent Fidelio Partners, backed by the former co-CEO of Virgin Group David Baxby.

The Company is pleased to note the support of the capital raising shown by institutional investors based in Sydney and Asia.

BW Equities acted as the Lead Manager to the share placement, with Alto Capital acting as co-lead.

Participating in the placement were Directors (subject to shareholder approval) and key executives of the Company whom together will be placed 1,000,000 new shares worth \$200,000.

Family Zone Managing Director, Tim Levy, said:

"The funds Family Zone has raised through this share placement will help the Company to execute the strategic plan outlined in its prospectus."

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“Having achieved strong recent traction with schools in the US, Family Zone is poised to translate its early promise into recurring revenue by leveraging schools’ influence over cyber safety conscious parents to accelerate consumer uptake.

“Schools and parents alike are increasingly appreciating the peace of mind, transparency and easy collaboration that our enterprise-grade cyber safety platforms can provide.

“The growth capital the Company has raised through this placement leaves Family Zone well-capitalised to develop its partnership strategy to address the large US market through schools, telcos, internet service providers, system integrators and access point providers.”

Deepening relationship with Fidelio Partners

Family Zone is pleased to announce a revision to its agency agreement with Fidelio Partners, the Singapore-based sales agent for Family Zone backed by Matt Lodge, David Baxby and Hastings Singh.

The aim of the revision is to clarify terms around Fidelio's earn-in hurdles and to restructure Fidelio's compensation to provide incentives for ongoing business development within Asia.

Under the revised arrangements, upon achievement of the various milestones, Fidelio may be issued up to 3,718,665 Family Zone shares in relation to the first three contracts with customers introduced by Fidelio.

The Company will pay Fidelio a commission of 5% of Service Revenue collected for a period of 48 months from contracts with customers introduced by Fidelio during the term.

All share-based compensation under the revised Fidelio agency agreement will now be subject to shareholder approval, therefore providing the Company with increased capacity under its Listing Rule 7.1, 15% capacity. This will allow the Company to undertake the placement outlined above within its Listing Rule 7.1 and 7.1A capacity.

If shareholder approval is not obtained, the Company will pay share-based compensation to Fidelio in cash.

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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.

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