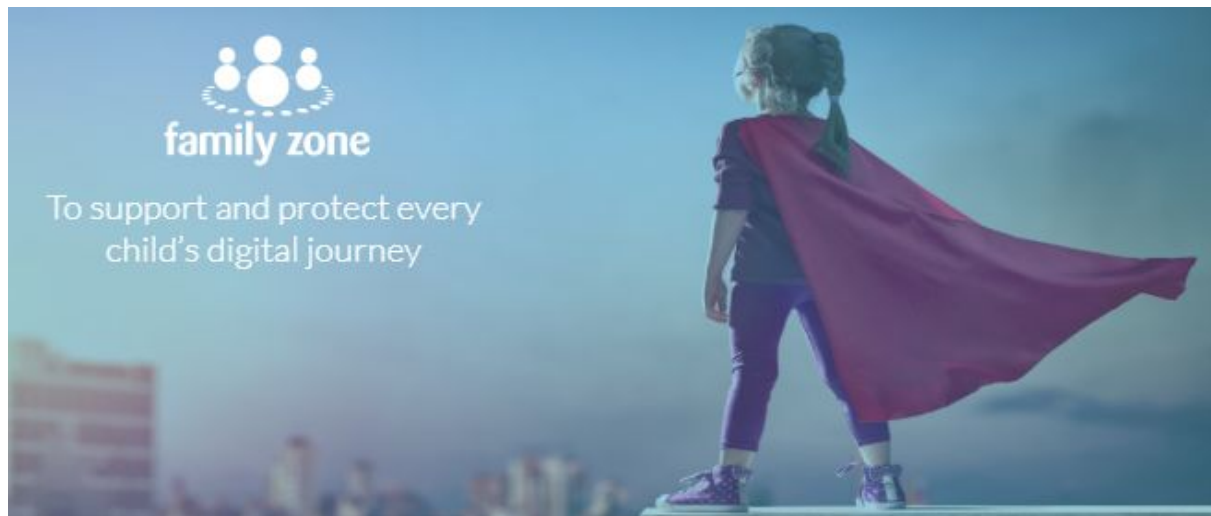


ASX Announcement

Family Zone Cyber Safety Ltd | **ASX: FZO** | ('Family Zone' or the 'Company')

Perth, Oct 23, 2020



FAMILY ZONE RAISES \$20 MILLION TO FUND ITS ACCELERATION STRATEGY AND LAUNCHES SPP

Family Zone Cyber Safety Ltd (ASX: FZO, **Family Zone** or the **Company**), is pleased to update the market on its \$20 million capital raising and the launch of a \$2 million share purchase plan offer.

Highlights

- \$20 million raised through a Placement to institutional, professional and sophisticated investors;
- Share purchase plan offer to shareholders to raise a further \$2 million;
- Funds raised to be used to accelerate growth in existing markets, expansion into new markets and the development of world class sales and delivery capability; and
- Cash balance to exceed \$28 million to accelerate global growth and product development.

\$20 million Placement to capitalise on strong YTD results

The Company is pleased to announce that it has received binding commitments to raise \$20 million before costs through a placement of 45,454,545 new fully paid ordinary shares (**Shares**) at an issue price of \$0.44 per Share (**Placement**).

The Company's record sales and collections in the June and September 2020 quarters, has provided strong support for and validation of the Company's universal cyber safety platform, business model and growth strategy.

Net proceeds from the Placement will be principally used to fund the acceleration of the Company's growth strategy in existing markets as well as expansion into new markets.

To support growth funds will be allocated to expanding the Company's engineering teams, back office systems, structures and personnel to ensure a world class product and delivery.

The Placement price of \$0.44 represents a 4.3% discount to the last closing price on 21 October 2020 of \$0.46 and an 8.8% discount to the 15-day VWAP of \$0.4823 per Share.

Argonaut Securities Pty Limited and Shaw and Partners Limited acted as joint lead manager to the Placement.

The Shares issued under the Placement will rank equally with existing Shares on issue. The Company will issue the Placement Shares under its existing placement capacity, without the need for Shareholder approvals, with 12,282,789 Shares issued under the Company's Listing Rule 7.1 capacity and 33,171,756 Shares issued under the Company's Listing Rule 7.1A capacity.

The Company's cash balance as at 30 September 2020 was \$8.7 million and with proceeds of the Placement will exceed \$28 million. With this strong cash position and growing recurring revenues the Company is well funded and positioned to invest in the acceleration of its growth strategy.

Share Purchase Plan Offer to Existing Eligible Shareholders

The Company is launching a share purchase plan offer to existing eligible shareholders who have a registered address in Australia and New Zealand as at 7.00pm (AEDT) on 22 October 2020 to raise a further \$2 million (**SPP Offer**).

Participation in the SPP Offer is optional. The SPP Offer provides each eligible shareholder with the opportunity to apply for up to \$30,000 worth of new Shares at the same issue price as the Placement being \$0.44 per Share.

The Company is targeting to raise \$2 million under the SPP Offer.

The new Shares issued under the SPP Offer will rank equally with the existing Family Zone Shares on issue.

An SPP Offer document containing further details of the SPP Offer will be released to ASX separately and is expected to be mailed to all eligible shareholders in Australia and New Zealand on 30 October 2020, being the date on which the SPP Offer will open.

The proposed timetable for the SPP Offer is set out below however the Company reserves the right to vary the dates and times without notice.

Event	Date
Record date for SPP Offer (7.00pm AEDT)	Thursday, 22 October 2020
Announce SPP Offer	Friday, 23 October 2020
Dispatch SPP Offer documentation and personalised application forms to eligible shareholders Lodgement of Appendix 3B with ASX SPP Offer opens	Friday, 30 October 2020
SPP Offer closes (5.00pm AEDT)	Friday, 20 November 2020
Announcement of results of SPP Offer	Monday, 23 November 2020
Issue of Shares under the SPP Offer Lodgement of Appendix 2A with ASX	Wednesday, 25 November 2020
Dispatch of holding statement and normal trading of Shares issued under the SPP Offer	Friday, 27 November 2020

Authorised for release by the Family Zone Board

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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 combine Australian innovation with leading global technology.

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