



Family Zone Cyber Safety
Limited

ACN: 167 509 177
familyzone.com
945 Wellington St, West Perth WA 6005
corporate@familyzone.com

Issue of cleansing notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth)

Family Zone Cyber Safety Limited (ASX:FZO) (**Company**) has today announced that it is undertaking a fully underwritten ~\$146 million equity capital raising, which includes a 5 for 16 pro-rata accelerated non-renounceable entitlement offer of fully paid ordinary shares in the Company (**New Shares**) to raise approximately \$75 million (before costs) (**Entitlement Offer**). The balance of the funding will be raised via a fully underwritten placement to professional, sophisticated and institutional investors to raise approximately \$71 million (before costs).

Proceeds from the equity raising will be used principally to fund the consideration for the Company's acquisition of Smoothwall. Further details of the Entitlement Offer, the equity raising and the Company's acquisition of Smoothwall are set out in the Company's announcement and investor presentation lodged with ASX today.

The Entitlement Offer is fully underwritten by joint underwriters, Shaw and Partners Limited and Euroz Hartleys Limited (**Joint Underwriters**).

The offer price under the Entitlement Offer is \$0.55 per New Share (**Offer Price**).

Under the Entitlement Offer, eligible shareholders of the Company will be able to subscribe for 5 New Share for every 16 existing fully paid ordinary Shares in the Company held at 5:00 pm (AWST) on 9 August 2021 (**Record Date**) at the Offer Price.

The Entitlement Offer includes a institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Company will offer the New Share for issue without disclosure to investors under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Further details of the Entitlement Offer will be set out in the Retail Entitlement Offer Document that the Company lodged today with ASX and which will be dispatched to eligible retail shareholders shortly.

Details of the New Shares expected to be issued under the Entitlement Offer are set out below.

Class of securities	Ordinary shares
ASX code of the securities	FZO
Date of expected issue	<ul style="list-style-type: none">• 13 August 2021 for New Shares issued under the Institutional Entitlement Offer• 25 August 2021 for New Shares issued under the Retail Entitlement Offer
Total number of securities expected to be issued	136,986,226 New Shares subject to rounding of fractional entitlements

Information required under Section 708AA(7) of the Corporations Act 2001 (Cth)

The Company hereby confirms, as per the requirements set out in section 708AA(7) of the Act, as follows:

- (a) The Company will offer the New Shares pursuant to the Entitlement Offer for issue without disclosure to investors under Part 6D.2 of the Act.
- (b) The Company is providing this notice under paragraph 2(f) of section 708AA of the Act.
- (c) As at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act.
- (d) 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 pursuant to the Entitlement Offer.

The issue of New Shares pursuant to the Entitlement Offer is not expected to have any material effect or consequence on the control of the Company, but is dependent on a number of factors including investor demand. Given the structure of the Entitlement Offer as a pro rata offer the potential effect of the issue of the New Shares will have on the control of the Company is as follows:

- (iii) If all eligible shareholders take up their entitlement for New Shares under the Entitlement Offer, the ownership interest (and voting power) in the Company of each eligible shareholder will remain largely unchanged and the effect of the change of control of the Company will be negligible. However, the Company is also undertaking an institutional placement to professional and sophisticated investors to raise approximately \$71 million (**Placement**). New, fully paid ordinary shares issued under the Placement will represent approximately 18.3% of the Company's issued capital following completion of both the Placement and the Entitlement Offer. Accordingly, existing shareholders of the Company will be diluted as a result of the Placement. However, having regard to the current substantial holders of the Company and their voting power and the relevant statutory caps on voting power of shareholders, the directors do not consider the Placement will have any material impact of the control of the Company even if the existing substantial holders of the Company participate in the Placement in a material respect.

- (iv) To the extent that any eligible shareholder chooses to not take up their full entitlement to New Shares under the Entitlement Offer, that eligible shareholder's percentage holding in the Company will be diluted by the Shares issued under the Entitlement Offer and the Placement;
- (v) The voting power of ineligible shareholders resident outside of Australia, New Zealand, Singapore, Hong Kong and United Kingdom will be diluted by the Shares issued under the Entitlement Offer and the Placement.
- (vi) If no eligible shareholders take up their entitlement to New Shares under the Entitlement Offer (which the directors consider unlikely) then the Joint Underwriters will be required to subscribe, or procure subscriptions from others, for the shortfall. In these circumstances, the maximum theoretical increase in voting power of the Joint Underwriters (or a sub-underwriter) will be approximately 19.4% (having regard to the Company's total issued capital following completion of both the Entitlement Offer and the Placement). However, as the Joint Underwriters' obligations will be at least partially sub-underwritten, the directors consider there will be no material effect of the control of the Company even if a substantial shortfall arose.

Authorised for release by the Board of Family Zone Cyber Safety Limited.

Emma Wates
Company Secretary
Family Zone Cyber Safety Limited

About Family Zone

Family Zone, **supporting and protecting every child's digital journey**, is an ASX-listed technology company and an emerging leader in the fast growing global cyber safety industry. Family Zone's unique innovation is its patented cyber safety ecosystem, a platform enabling a world-first collaboration between schools, parents and cyber safety educators. Family Zone's unique approach is delivering rapid growth in the education sector, as well as through direct sales and scalable reseller arrangements with telco providers. To learn more about the Family Zone platform and the Company please visit www.familyzone.com.

Contacts

Tim Levy
Managing
Director
timl@familyzone.com
+61 413 563 333

Tim Dohrmann
Investor Relations
tim@nwrcommunications.com.au
+61 468 420 846

Family Zone Cyber Safety Ltd
945 Wellington Street
West Perth, WA 6005

Announcement Ends.