



ASX Announcement

PERTH - 29 NOVEMBER 2017

FAMILY ZONE COMPLETES ACQUISITION OF LINEWIZE

Family Zone Cyber Safety Limited (ASX:FZO) is pleased to announce it has completed the acquisition of 100% of the shares of Linewize Services Limited and Linewize Limited (**the Linewize Companies**) from the shareholders of the Linewize Companies:

- Scott Noakes (CEO) - 32%
- Michael Lawson (CTO) - 32%
- The Wize Guys Trust (Employee trust vehicle) - 16%; and
- Punakaiki Fund Limited (New Zealand based investment company) - 20%.

(the **Linewize Vendors**)

Pursuant to the Share Sale Agreement the Company has issued the Linewize Vendors:

- 9,513,708 fully paid ordinary shares (**Shares**) subject to the following voluntary escrow restrictions;
 - Scott Noakes & Michael Lawson: 24 months;
 - The Wize Guys Trust: 50% for 12 months, remainder without escrow; and
 - Punakaiki Fund Limited: No escrow
- 9,500,000 Performance Shares, comprising 1,000,000 Class D Performance Shares, 1,000,000 Class E Performance Shares, 2,000,000 Class F Performance Shares, 2,500,000 Class G Performance Shares and 3,000,000 Class H Performance Shares, which convert into Shares on a one for one basis on the achievement of various performance milestones.

A notice under section 708A(5)(e) of the Corporations Act and Appendix 3B in respect to the above security issues and the issue of the Shares pursuant to the Fidelio Agency Agreement approved by Shareholders on 28 November 2017 is attached.

For further details in respect to the Linewize Companies, the objectives of the acquisition and the terms and conditions of the Performance Shares please refer to the Company's announcement dated 23 October 2017 and Notice of Annual General Meeting lodged with ASX on 27 October 2017. The issue of these securities was approved by Shareholders on 28 November 2017.



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:

- 9,513,708 Shares to the Linewize Vendors as part consideration for the acquisition of 100% of the shares in the Linewize Companies (as announced on 23 October 2017); and
- 1,549,443 Shares to Fidelio (or its nominees) pursuant to the Fidelio Agency Agreement.

without disclosure to investors under Part 6D/2 of the Corporations Act 2001 (Cth) (**Act**).

The Company's shareholders approved the issue of these Shares at the Annual General Meeting held on 28 November 2017.

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.



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 a unique and innovative cloud-based solution which combines Australian innovation with leading global technology.

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

For further 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)
Performance Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 11,063,151 Shares
1,000,000 Class D Performance Shares
1,000,000 Class E Performance Shares
2,000,000 Class F Performance Shares
2,500,000 Class G Performance Shares
3,000,000 Class H Performance Shares |
| 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) | Shares
Fully paid ordinary shares
Performance Shares
The Performance Shares will convert into Shares on a one for one basis upon certain performance milestones relating to the Linewize Companies (as detailed in the Company's notice of AGM lodged with the ASX on 27 October 2017) being met. |

+ 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"> • 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 	<p>Shares Yes</p> <p>Performance Shares No. On achievement of the performance milestones, the Performance Shares will convert into fully paid ordinary shares which will rank equally with the Company's fully paid ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>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>9,513,708 Shares and 9,500,000 Performance Shares were issued as part of the consideration for the acquisition of 100% of the shares in the Linewize Companies</p> <p>1,549,443 Shares were issued as a share base compensation pursuant to the Fidelio Agency Agreement</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>28 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>

6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)

11,063,151 Shares 1,000,000 Class D Performance Shares 1,000,000 Class E Performance Shares 2,000,000 Class F Performance Shares 2,500,000 Class G Performance Shares 3,000,000 Class H Performance Shares Shareholder approval was obtained on 28 November 2017

6f Number of +securities issued under an exception in rule 7.2

Nil

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.

N/A

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

N/A

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.

29 November 2017

Number	+Class
92,675,572	Ordinary fully paid shares

Number	+Class
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+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	13,233,637	Fully paid ordinary shares escrowed until 29 August 2018
		6,080,000	Fully paid ordinary shares escrowed until 29 November 2019
		760,000	Fully paid ordinary shares escrowed until 29 November 2018
		225,000	Fully paid ordinary shares escrowed until 1 February 2018
		10,500,000	Class A Performance Shares escrowed until 29 August 2018 or 29 August 2017 (Conversion ratio into ordinary shares 1:1)
		10,499,999	Class B Performance Shares escrowed until 29 August 2018 or 29 August 2017 (Conversion ratio into ordinary shares 1:1)
		10,499,998	Class C Performance Shares escrowed until 29 August 2018 (Conversion ratio into ordinary shares 1:1)
		1,000,000	Class D Performance Shares (Conversion ratio into ordinary shares 1:1)
		1,000,000	Class E Performance Shares (Conversion ratio into ordinary shares 1:1)
		2,000,000	Class F Performance Shares (Conversion ratio into ordinary shares 1:1)
		2,500,000	Class G Performance Shares (Conversion ratio into ordinary shares 1:1)
3,000,000	Class H Performance Shares (Conversion ratio into ordinary shares 1:1)		
4,000,000	Incentive options (\$0.25, 20 May 2019) escrowed until 29 Aug 2018.		
3,348,750	Unquoted options (\$0.25, 29		

	August 2019) escrowed until 29 August 2018.
3,220,938	Unquoted options (\$0.25, 29 August 2019)
5,011,861	Employee options (\$0.33, 19 September 2019) subject to various vesting conditions
1,000,000	Employee options (\$0.33, 19 September 2019) subject to various vesting conditions escrowed until 29 Aug 2018
6,000,000	Employee options (\$0.30, 15 Dec 2019) subject to various vesting conditions.
1,750,000	Broker Options (\$0.30, 5 May 2020)

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 ⁺securities will be offered

N/A

14 ⁺Class of ⁺securities to which the offer relates

N/A

15 ⁺Record date to determine entitlements

N/A

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

N/A

+ See chapter 19 for defined terms.

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	⁺ 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 ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺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)

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

⁺ See chapter 19 for defined terms.

- 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

N/A

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

N/A

- 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
- | |
|-----|
| N/A |
|-----|
- 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)
- | |
|-----|
| N/A |
|-----|

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

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: 29 November 2017.....
(Company secretary)

Print name: .Emma Wates.....

+ See chapter 19 for defined terms.

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

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	61,977,706
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>1,833,333 Shares issued under Appendix 3B lodged with ASX 16 December 2016 (Shareholder approval obtained on 13 December 2016)</p> <p>12,950,000 Shares issued under Appendix 3B lodged with ASX on 15 March 2017 (Shareholder ratification of issue obtained in 26 April 2017)</p> <p>2,500,000 Shares issued under Appendix 3B lodged with ASX on 11 April 2017. (Shareholder ratification of issue obtained in 26 April 2017)</p> <p>1,534,889 Shares issued under Appendix 3B lodged with ASX on 5 May 2017. (Shareholder ratification of issue obtained in 26 April 2017)</p> <p>284,375 Shares issued under Appendix 3B lodged with ASX on 31 August 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p> <p>1,128,125 Shares issued under Appendix 3B lodged with ASX on 8 September 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p> <p>100,000 Shares issued under Appendix 3B lodged with ASX on 15 September 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p> <p>181,250 Shares issued under Appendix 3B lodged with ASX on 26 September 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p> <p>396,250 Shares issued under Appendix 3B lodged with ASX on 18 October 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p>

	<p>339,063 Shares issued under Appendix 3B lodged with ASX on 23 October 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p> <p>181,250 Shares issued under Appendix 3B lodged with ASX on 30 October 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p> <p>100,000 Shares issued under Appendix 3B lodged with ASX on 6 November 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p> <p>3,333,334 Shares issued pursuant to Appendix 3B lodged on 20 July 2017 (Shareholder ratification of issue obtained on 28 November 2017)</p> <p>1,000,000 Shares issued pursuant to Appendix 3B lodged on 6 June 2017(Shareholder ratification of issue obtained on 28 November 2017).</p> <p>13,000,000 Shares issued pursuant to Appendix 3B dated 11 August 2017 (Shareholder ratification of issue obtained on 28 November 2017).</p> <p>11,063,151 Shares issued pursuant to this Appendix 3B lodged on 29 November 2017 (Shareholder approval obtained on 28 November 2017)</p> <p>89,083 Shares issued under Appendix 3B lodged with ASX on 13 November 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p> <p>982,400 Shares issued under Appendix 3B lodged with ASX on 20 November 2017 (Listing Rule 7.1 Exception 4: Shares issued on conversion of Options).</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	112,974,209

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>

+ See chapter 19 for defined terms.

Multiply "A" by 0.15	16,946,131
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert 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"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
"C"	-
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 <i>Note: number must be same as shown in Step 2</i>	16,946,131
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	-
Total ["A" x 0.15] – "C"	16,946,131 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	112,974,209
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	11,297,421
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert 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"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • 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 • It may be useful to set out issues of securities on different dates as separate line items 	-
“E”	-

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	11,297,421
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	11,297,421 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.