



Family Zone Cyber Safety Limited

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Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

UPDATES TO ISSUED CAPITAL, CHANGE IN DIRECTOR'S INTEREST NOTICE X 2

Family Zone Cyber Safety Limited's (**FZO** or **Company**) has recently changed company secretaries and as part of the handover process and as part of its usual quarterly review process has undertaken a detailed review of the various securities on issue predominantly relating to employee salary sacrifice, employee incentives and performance shares relating to acquisitions by the Company.

A summary of the updates detailed in this announcement is as follows:

- a. 3,150,176 employee performance rights that lapsed and expired in the December 2022 and March 2023 Quarters;
- b. 4,924,476 performance rights have converted and ordinary shares have been allocated by the employee share trust trustee to the holders during the December 2022 and March 2023 Quarters;
- c. 21,843,439 performance rights have been issued to employees (5,268,572 at the end of the December 2022 Quarter and 16,574,867 at the end of the March 2023 Quarter);
- d. 5,422,555 shares have been issued under the employee incentives securities plan to the employee share trust trustee in respect of employees who have salary sacrificed a portion of their salary for the equivalent value of FZO shares;
- e. 3,000,000 unvested performance shares issued to a vendor of an asset acquired by FZO which have lapsed and were removed from the register on 26 April 2023;
- f. 7,308,426 shares will be released from voluntary escrow on 4 May 2023;
- g. lodgement of two Change in Director Interest Notices for the issue of a total of 2,800,000 unlisted options under the employee incentive securities plan to two directors, the issue of which was approved by shareholders at the 2022 Annual General Meeting and in respect of which an Appendix 3G was lodged by FZO on 24 March 2023.

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Accompanying this announcement are the various ASX Appendix documents which are required in relation to the matters summarised above and further described below in this announcement.

Securities under the Company's Employee Incentive Securities Plan

Issue, Conversion and Expiry of Performance Rights

In accordance with various Listing Rules, the Company has a requirement to lodge an Appendix 3G or Appendix 3H, as applicable, in regards to the Issue, Conversion or Expiry of Equity Securities under the Company's Employee Incentive Securities Plan within 10 business days of each quarters end.

During the reconciliation of the Company's complex employee incentive securities scheme for the March 2023 quarter and as part of the review undertaken as part of the appointment of the new company secretary, it became apparent that the Company did not previously disclose the issue, conversion and expiry of performance rights that occurred in the December 2022 quarter, and as such these changes to the Company's capital structure have now been included in the March 2023 Appendix 3Gs and Appendix 3H lodged today. The Company notes that where performance rights have converted the Shares are transferred to the employee in question from quoted shares already on issue and held by the Trustee of the Company's ESS Trust.

Salary Sacrifice

Family Zone Cyber Safety Limited's (**FZO** or **Company**) employees are provided the opportunity to convert some of their cash based remuneration into security based remuneration, with the objective of conserving the Company's cash reserves and aligning the interests of employees with shareholders through having an equity interest in the Company.

The Company confirms that as part of the review undertaken, the Company issued shares on 7 February 2023 and 14 March 2023 to the Trustee of the Company's ESS Trust to be transferred/allocated to employees in due course in accordance with the terms of their participation in the salary sacrifice arrangements described above under the Company's Employee Incentive Securities Plan.

An Appendix 2A – Application for Quotation of Securities in respect of the 5,422,555 shares issued to the Trustee of the Company's ESS Trust under the Company's Employee Incentive Securities Plan has been lodged today.

General

FZO notes that in some instances the above notifications have not been lodged in accordance with the timing requirements in the ASX Listing Rules. FZO has recently appointed a new experienced company secretary and implemented internal processes and procedures to ensure that such notifications will going forward be given within the time periods required by the ASX Listing Rules.

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Cessation of Performance Shares

In accordance with the acquisition agreement with Linewize in 2017, 3,000,000 performance shares remained convertible subject to a performance condition. Such performance condition was not met and accordingly the performance shares lapsed and were removed from the register on 26 April 2023.

The Appendix 3H – Notification of Cessation of Security referred to above also includes the lapse of these 3,000,000 performance shares.

Release from Voluntary Escrow

The Company confirms the following securities will be released from ASX escrow:

Security Description	Release Date	Number of Securities
Fully paid ordinary shares	4 May 2023	3,654,211
Fully paid ordinary shares	4 May 2023	3,654,215

Change in Director's Notice

Following shareholder approval at the Company's 2022 Annual General Meeting, 2,800,000 unlisted options were issued to Directors, Mr Phil Warren and Mr Matthew Stepka on 24 March 2023.

An Appendix 3G in respect of the above options issues was released on 24 March 2023 which noted that the options were issued to these related parties.

An Appendix 3Y – Change of Director's Interest Notice was not lodged in the time period required under the Listing Rules for Messrs Warren and Stepka.

Two Appendix 3Y – Change of Director's Interest Notice have been lodged with ASX today.

FZO notes that the securities were not issued in a closed period under the Company security trading policy.

The Company and its Directors are aware of the obligation to comply with ASX Listing Rules, in this case specifically the disclosure obligations under Listing Rule 3.19A. The Company has a Corporate Governance Policy in place that deals directly with Continuous Disclosure, and the Directors in question have been reminded of their obligations under this Policy. Further FZO intends to add this matter as an agenda item at its next board meeting to provide a reminder to all directors.

As detailed above, FZO has recently taken steps to appoint a new experienced company secretary to assist with ensuring FZO meets these disclosure obligations going forward. Further the Company has taken this opportunity to review its current arrangements regarding notifications of changes in securities to ensure that they are adequate, and does not consider any further steps necessary to ensure compliance with the ASX Listing Rules. Notwithstanding this, as detailed above this matter will also be an agenda item at the next board meeting.

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Issued Capital

The current issued capital of the Company is as follows:

Security Description	Number
Quoted Securities:	
FZO: Fully paid ordinary shares	1,040,268,949
Unquoted Securities:	
FZOAX: Deferred Consideration Rights	80,527,017
FZOAW: Convertible Notes	7,489
FZOAT: Performance Rights	84,348,160
FZOAY: Option Expiring 31-Dec-2025 Ex 60c	5,250,000
FZOAD: Option Expiring Various Dates Ex Various Prices	17,720,000
FZOAH: Option Expiring 13-Jul-2023 Ex 18c	500,000
FZOAI: Option Expiring 13-Jul-2023 Ex 24c	700,000

Yours faithfully

A handwritten signature in black ink, appearing to read "Peter Pawlowitsch".

Peter Pawlowitsch
Non-Executive Chairman

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