



ASX Announcement

PERTH 20 February 2018

BACK TO SCHOOL UPDATE FEB 2018

Family Zone Cyber Safety Ltd (ASX: FZO, **Family Zone** or **the Company**) is pleased to update the market on progress being made in its educational markets and offerings.

School's back, and so are our sales teams

Following a strong end to the 2017 calendar year, the Company is pleased to advise that its education sales team is back in the field pursuing new customers and upgrading and renewing existing customers.

Educational sales are not possible in January (given the school holiday break), however Family Zone has achieved a pleasing sales response so far this quarter and can confirm the Company recently passed 140 Partner Schools.

Partner Schools are educational institutions that partner with Family Zone to mandate, require or promote Family Zone cyber safety products to their school community.



Contracted and recurring revenue continues to grow

Family Zone continues to build its base of contracted and recurring revenue. As at the end of January 2018, the Company has achieved contracted revenue exceeding AU\$4 million and recurring revenue exceeding AU\$3 million.

The Company expects growth in contracted and recurring revenue to continue, driven by:

- Family Zone's proven commercial model and sales capability in education;
- Significant new and re-sign pipelines;
- Continued growth in Family Zone's direct-to-consumer sales; and
- Traction being achieved in wholesale telco arrangements.



Rapid integration of Linewize on track

In December 2017, the Company completed a successful placement with a view to funding an aggressive integration of the Linewize cloud-managed firewall and filtering platform.

Family Zone is pleased to advise that the integration of the Linewize platform is proceeding rapidly. The Company expects that the Linewize technology will be fully integrated with and core to Family Zone's School Zone proposition by April 2018.

This offers Family Zone and its customers enormous benefits, including:

Cost structure: Linewize's platform has been built for ease of deployment, support and for scale. Linewize supports some 260 schools today with less than 2 full-time support staff. This is an order of magnitude better than Family Zone or comparable providers. Furthermore, the Linewize platform can operate on hardware costing some 10-20% of the cost of comparable alternatives (including School Zone).

Strategic technology opportunity: Linewize has developed a world class cloud-based firewall and suite of tools and services to support school cyber safety and security. Linewize's technology is synergistic with Family Zone's cloud-based ecosystem. In bringing together Linewize's firewall with key features of the School Zone (Sonar/MyNet) platform, the Company expects to propel Family Zone's on-premise solutions well beyond the competition.

Launch of a new version of School Zone, based on a Linewize core and incorporating the Company's combined best-of-breed features, is scheduled for April 2018. Roll out to new and existing customers will then follow with full benefits of integration expected to accrue inside 12 months.

Awareness driving organic traffic

In recent months, significant media and government attention has been placed on the challenges of the digital age and in particular the difficult issue of cyberbullying.

Whilst we are deeply saddened by the stories that have driven the attention, we welcome the developing awareness. The Company has noted a marked rise in consumer engagement, traffic and trials.

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.

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For more information, please contact:

Tim Levy

Managing Director

timl@familyzone.com

+61 413 563 333

Tim Allerton

City Public Relations

media@familyzone.com

+61 412 715 707

Tim Dohrmann

Investor Relations

tim@nwrcommunications.com.au

+61 468 420 846

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