



ASX Announcement

PERTH JULY 9, 2019

ACCELERATION WITH TELCOS AND SCHOOLS

Family Zone Cyber Safety Ltd (ASX: FZO, 'Family Zone' or 'the Company') is pleased to update the market on business development achievements in the June Quarter 2019.

Highlights

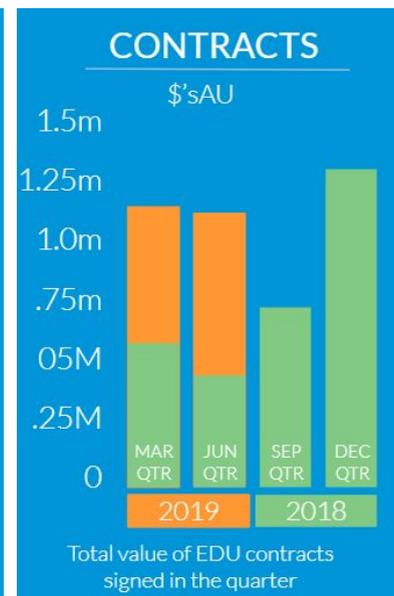
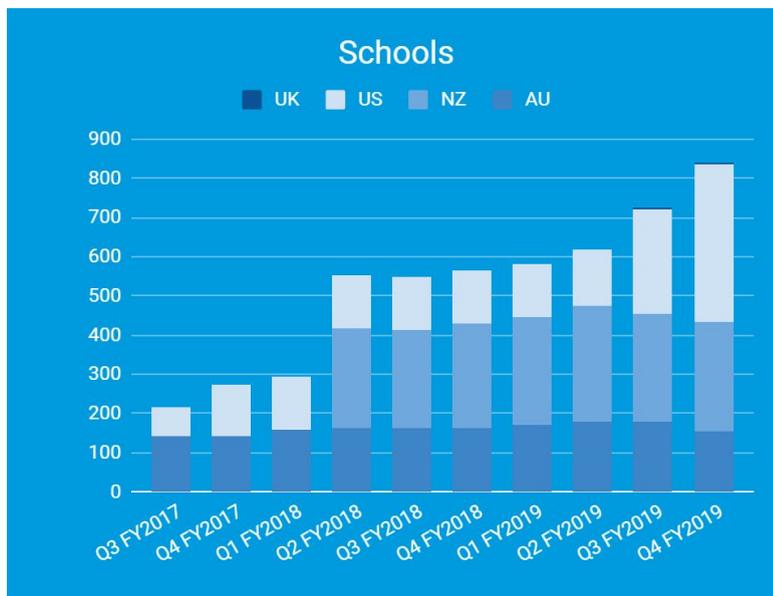
- 173% QoQ growth in value of contracts sold to schools
- 175% growth in USA school footprint in 3 months
- Family Zone now supports 839 contracted schools and 482,000 licensed students
- Paying subscribers has passed through 130,000 with 71,000 through the wholesale channel

Education Sales

June was another exceptional quarter for the Company as it achieved 173% QoQ growth in contracts signed with schools. This strong result comes despite June being seasonally the slowest quarter for education sales.

At the conclusion of the June quarter, the Company's footprint has grown to 839 schools, 482,000 licensed student users and in excess of 220 school clients promoting Family Zone to their parent community.

USA sales are accelerating with 175% growth in Family Zone's USA school footprint in just 3 months. The Company now services 402 schools in USA with that market now clearly the biggest contributor to our growth.

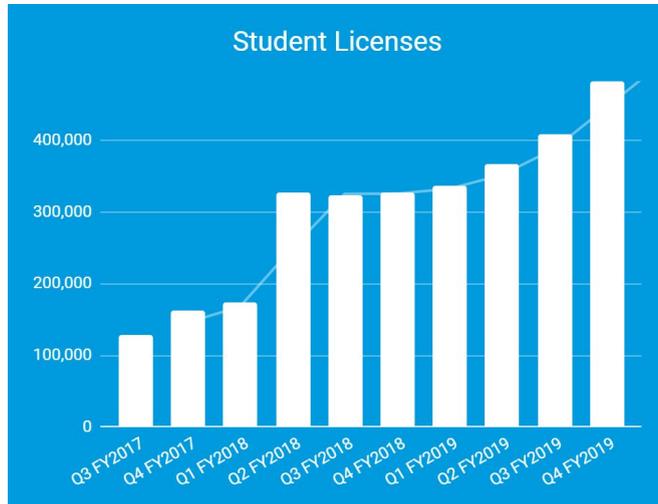




The Company will soon pass through 500,000 students and by the end of FY20, the Company expects student licenses to exceed 1 million globally.

The bulk of our growth is expected to be derived from the enormous USA market, which is clearly receptive to Family Zone's innovative proposition and has in excess of 50 million students and 40 million parents.

In Australia and New Zealand, Family Zone had a solid quarter as the Company focussed on building a sales pipeline for the key end of year sales period. In these geographies, a small number of schools have delayed renewals which has resulted in a slight reduction in Family Zone's school footprint. The Company expects strong growth in the back half of CY 2019, supported by the rollout of SpotShield, the launch of Insights (see below) and other new product launches.



Strong Telkomsel growth continues

The Company is pleased to report continuing strong acquisition of paying subscribers through ongoing trials with Telkomsel. The number of Wholesale paying subscribers has recently passed through 71,000, representing 139% growth in three months and close to 0.5% of the addressable market.

The recent surge of telco-led sign-ups bodes well for the launch of Family Zone Insights.

The Company will provide more details on this via the ASX platform in coming weeks.

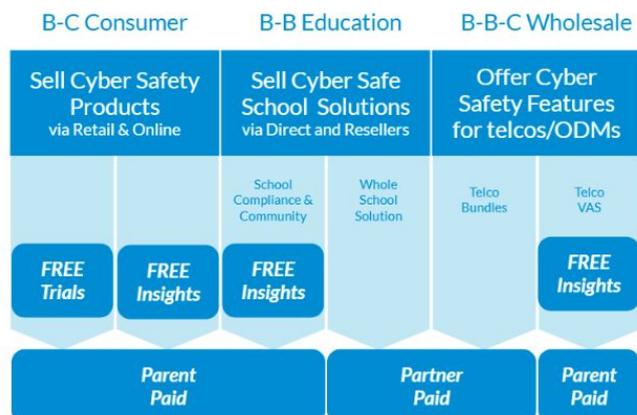


Family Zone's Strategy for Growth

The Company has proven premium products which evidently support the needs of parents and schools.

The Company is now implementing a strategy to accelerate consumer growth, through leveraging school influence and telco distribution.

This strategy centres around our freemium offer (Insights) and supporting products aimed at reducing friction and driving take-up.





Family Zone Insights

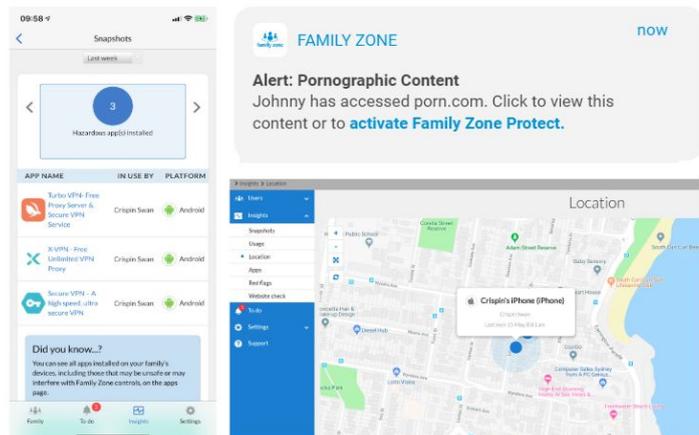
Launching this quarter is Insights. Insights delivers scale on the back of our proven platform.

Insights is a FREE and is:

- > Provided by your child's school; or
- > Provided by your child's telco; or
- > Pre-loaded on your child's device.

Insights is a low friction acquisition tool. Insights is easy and valuable for parents, and doesn't interfere with internet access after school. Insights is also compelling for schools (for duty of care) and for telcos (for brand equity).

Insights launches across all of our channels in coming weeks.



Family Zone SpotShield

The next phase of our acceleration strategy is streamlining the method in which we can work with schools to engage and support parents within our rapidly growing school footprint.

SpotShield delivers scalability through a game-changing approach to managing devices at school.

SpotShield allows Schools to simply enforce the installation of Family Zone's apps & applications on any device which connects to the school network. It does so without requiring school IT staff or parent involvement. In so doing SpotShield provides:

- Schools with an effective tool to manage the massive challenge of hotspotting;
- Schools with the ability to enforce duty-of-care;
- Schools with the ability to run effective cyber safety programs to support parents; and
- Family Zone the ability to offer free and premium services to the school's parent community.

Through the remainder of this Calendar year Family Zone will be purposefully rolling out Insights and SpotShield across our school clients. This program commences in Australia this quarter and then progresses to New Zealand and USA by year's end.

Upcoming operational milestones

- Launch of Insights via Telkomsel (Sep quarter)
- Launch of Insights via Family Zone (Sep quarter)
- Soft launch of School Community in USA (Sep quarter)
- Rollout of SpotShield to Australian school clients (Sep quarter)
- Key USA EDU sales period (Sep quarter)
- Key ANZ EDU sales period (Dec quarter)



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 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