



## ASX Announcement

PERTH JULY 12, 2018

### FAMILY ZONE EDUCATION UPDATE

Family Zone Cyber Safety Ltd (ASX: FZO, 'Family Zone' or 'the Company') is pleased to update the market on recent achievements in its education business.

#### HIGHLIGHTS

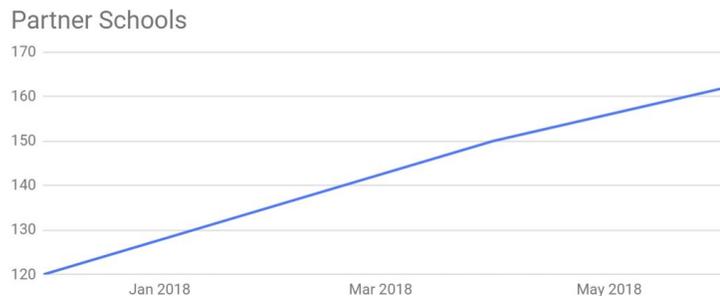
- Family Zone's innovative Partner School model continues to drive traction and value. Family Zone added 30 new Partner Schools in the June quarter, including 26 new school clients. Average billings per school continue to increase over 2017 averages with June quarter invoices being 116% higher in Australia and 29% higher in New Zealand.
- The Company has launched parent focussed cyber safety programs across 55 of its over 160 Partner Schools. Parent take-up continues to rise, now at 24%.
- Family Zone is well prepared for the busy edu-tech sales season of September to November in Australia and New Zealand including having now signed reseller agreements with many of Australia's major educational tech vendors.
- Family Zone's expansion into North America is taking shape, attracting four school campuses as Partner Schools and has recently employing an experienced senior sales executive to implement the Company's US growth strategy .

#### AUSTRALIA & NEW ZEALAND EDUCATION UPDATE

The Company is pleased to report strong progress in its education business.

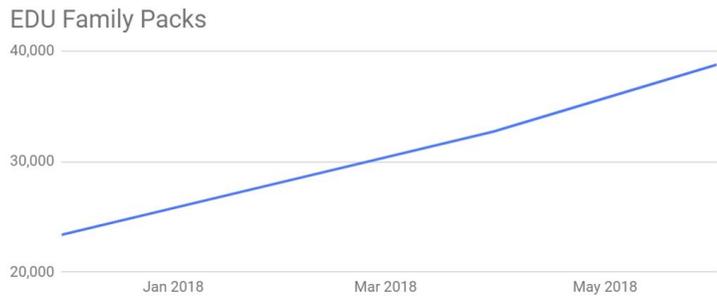
During the quarter, Family Zone signed up 30 new schools in Australia and New Zealand. This is a positive result with the June quarter typically a seasonally slower time for selling into education.

The Company's conversion of schools into partner arrangements (where schools mandate or promote Family Zone's services to their parent community) continues apace.



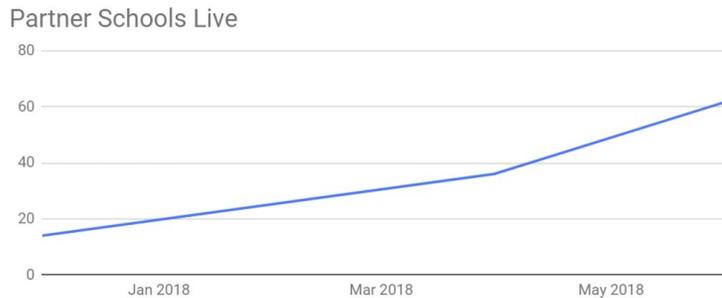


As Family Zone concentrates on driving Partner School arrangements, we are seeing our Family Pack sales through schools continue to increase, now reaching close to 40,000 packs.



This has driven strong growth in the average invoice value of schools contracts. June quarter invoicing averaged 116% higher in Australia and 29% higher in New Zealand than in 2017.

The Company is becoming more efficient at launching parent focussed cyber safety programs with our partner schools. This innovative engagement model requires Family Zone to work with and support the school leadership to roll out both technology and change programs across both students and parents.



Family Zone has now launched 55 cyber safety programs within our partner schools (+175% YoY) and parent take-up is a very pleasing 24% of families.

Family Zone’s education strategy involves developing solutions which:

1. can be purchased and deployed by schools, irrespective of budget and time of year;
2. incorporate (after school) parental control offerings, allowing us to develop direct relationships with parents and allowing schools to drive parental engagement and (where they wish) to defray costs to their parent community; and
3. target the real challenges of schools communities; enjoy high satisfaction and build value for the Company over time.

On all counts we can see this strategy is successfully driving the Company’s continued growth.

## FAMILY ZONE IS EARNING EXCEPTIONAL FEEDBACK

Family Zone has been growing quickly, adding functionality and responding to customer needs. We are honoured to work with some leading edge schools and IT teams and are proud that results are now showing.

*“A week after roll-out, 60% of Donvale families had onboarded. The biggest thing for us has been erasing that line in the sand between school and home. With Family Zone, for the first time, we*

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have a platform that engages parents as the partners that we want and need them to be to keep our students safe.”

- Josh Lyon, Business and ICT Head, Donvale Christian College VIC

## FAMILY ZONE ON TRACK FOR RECORD TERM 4 2018 SALES

With Term 4 typically the strongest season for edu-tech sales, the Company has focused intently on developing and bringing its products and channels to market, in preparation for what is expected to be a record end-of-year sales period.

### Reseller agreements signed with the major edu-tech vendors in Australia

During FY18, Family Zone signed up and developed interfaces into many of the the major vendors of end user devices to schools, including these major providers:



The Company’s partnerships with technology vendors offer schools a convenient way to mandate (or encourage) the installation of Mobile Zone on learning devices.

Where schools mandate Family Zone, the Company includes the price of Family Zone is included in the package price of the device. Where parental controls are promoted by the school, Family Zone will be available as an optional add-on at the time of device purchase. Where Family Zone is paid for by the school or incorporated into school fees, Family Zone will not be included in the cost of the device.

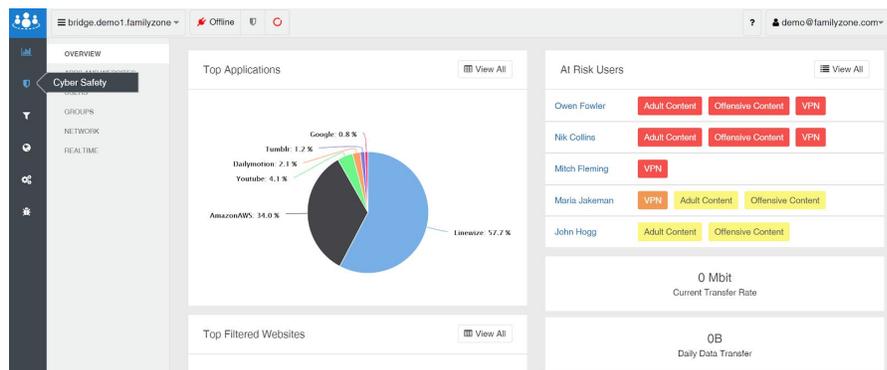
In all cases, the tech vendor looks after Family Zone account creation, billing and collections.

All of these vendors will be live this quarter opening up Family Zone to a large audience and the potential of material new sales.

### Linewize renamed ‘School Manager’ - rolling out fast and making an impact

In late 2017, Family Zone acquired New Zealand based edu-tech provider Linewize.

One of the drivers of the acquisition was to incorporate the broader functionality and cost structure benefits of the Linewize cloud firewall and filtering application into Family Zone’s ecosystem.



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We are pleased to confirm that integration has been completed smoothly and an upgraded offering, now called “School Manager”, is being rolled out across our schools. By the end of this month in Australia we will have 20 schools using School Manager.

Deployment times are remarkably fast and customer feedback has been extremely positive.

### *Full suite of on-device capability*

Early this year, Family Zone completed a Collaboration Agreement with Hong Kong based edu-tech software developer 180C to integrate the eSchoolPad device management capability into the Family Zone platform.

We are pleased to confirm that this development will be in-market this quarter. This provides Family Zone and its customers with a vast array of device management and filtering options, including:

- Locked down devices (ie Supervised/Managed devices on iOS & Android);
- Optional DNS only or full packet inspection;
- Filter clients for iOS, Android, Chromebook, PC & MAC;
- Optional VPN based or on-device filtering (on Android); and
- Client only (ie on-device) filtering or school network handoff.

## UNITED STATES UPDATE

In the past quarter, Family Zone has been preparing its go-to-market plans for the important USA market.

Having long since established Family Zone’s presence in West Virginia, the Company has planned a bigger USA sales and marketing push to follow the full integration (now complete) of School Manager (Linewize).

Family Zone’s expansion into North America is now taking shape. The Company has signed four Partner School campuses, is working on a substantial roll-out of Mobile Zone and has attracted an experienced senior sales executive to join the Family Zone USA team.

### *Family Zone launches Partner Schools in USA*

Family Zone has recently deployed into two campuses of the Muse School in Los Angeles, California.

Muse is a K-12 school with 250 students and has already deployed School Manager and Family Zone’s Classroom tools. Onboarding of parents is set for September 2018 when students return from Summer holidays

Muse is a sustainability-oriented school founded by Suzy Amis-Cameron, wife of filmmaker James Cameron, and includes education visionary Sir Ken Robinson on its board.



Family Zone also recently deployed into two campuses of the Pennsylvania Yeshiva Schools.

The Yeshiva Jewish orthodox schools in Pennsylvania have 450 students. They are live with School Manager and Classroom and have already started promoting Family Zone to their community.

### *Chromebook project with Monongalia County*

Family Zone is excited to be working with Monongalia County in West Virginia to trial 24/7 school policy management of 14,000 school-owned Chromebooks. At the successful conclusion of the trial, this project should see Family Zone displace a major USA based competitor and validate the Company's investment in deep filtering capability.

### *Ross Young has joined as VP North America*

We are pleased to welcome Ross Young as our Vice President of North America. Ross joined Family Zone on 1 July 2018 from iBoss, one of USA's leading providers of cyber services in education.

Ross brings 12 years of sales experience, with 7 years selling cyber security solutions to large environments into the USA enterprise and public education markets. Throughout the years at iBoss, he was a top performer and held multiple positions including Regional Sales Manager, Senior Account Executive, and Named Account Director, EAST.

Ross has worked with and managed teams to execute go-to-market strategies across the United States. Ross maintains strong relationships across the US school system with both educators and resellers.

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## 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](http://www.familyzone.com).

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