



ASX Announcement

PERTH - 03 April 2018

FAMILY ZONE ENTERS THE HONG KONG EDUCATION SECTOR AND EXPAND ITS EDUCATIONAL OFFERING

- Family Zone enters into commercial agreements with 180C Limited, a Hong Kong based edutech company offering the innovative 'eSchoolPad' device management and classroom tool
- eSchoolPad supports Chinese and English and is deployed in over 500 schools, including as a white-labeled service through the Education division of Hong Kong Telecom (6823:HK)
- Software licensing and collaboration agreements signed will see the partners interface Family Zone services with eSchoolPad and enable an integrated solution to be made available to eSchoolPad users in Asia and Family Zone's existing and new customers.

Family Zone Cyber Safety Limited (ASX: FZO) ("Family Zone" or the "Company") is pleased to announce that it has signed a software licensing and collaboration agreement with Hong Kong based edutech developer 180C Limited.

180C Limited

180C Limited ("180C") is a Hong Kong based technology provider specialising in education and device management technologies.

eSchoolPad

180C's flagship offering is eSchoolPad. eSchoolPad is a device management platform that leverages the education and enterprise device management capabilities of Apple and Android to enable fine grained control of student devices.



Features of eSchoolPad include the ability for:

- Teachers to focus the class on particular apps, books or web content;
- Schools to lock down the available apps and device features of classroom devices; and
- Schools to lock down the WiFi networks classroom devices can connect to.



180C customer base and white-label offering

180C sells eSchoolPad directly to schools and also as a white-labelled offering through partners, most notably the education division of Hong Kong Telecom (6823:HK).

In the two years since its launch, eSchoolPad has built an active customer base of around 200 schools and 25,000 devices. An additional 300 schools are registered in trials.

eSchoolPad has gained meaningful scale in competition with school device management platforms provided by companies including Microsoft, Jamf, ZuluDesk and Cisco Meraki. These platforms typically generate between \$6-10 per 'managed device' per annum.

The majority of eSchoolPad users are in Hong Kong with a small number in Philippines and Taiwan.

Deal Background

Family Zone's unique ecosystem

Family Zone was founded on the premise that cyber safety requires user-friendly technology that works wherever children access the internet.

The Company's ecosystem approach facilitates collaboration among schools, parents, cyber experts, telcos, device manufacturers and other stakeholders.

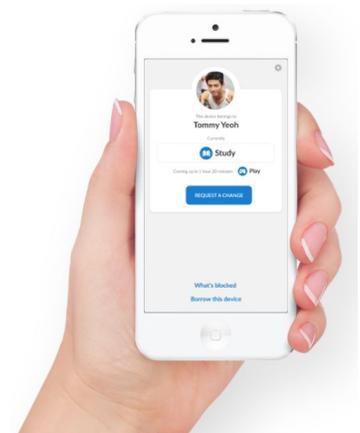
Family Zone consists of a range of cloud services and embedded or installed software that interoperate to enable the ecosystem approach to cyber safety.



Family Zone in Education

In mid-2016, Family Zone entered the education market. Now with 600 school clients across Australia, New Zealand and the US, Family Zone is one of the largest providers of cyber safety technology to the education sector in Australia and New Zealand.

Key to the Company's rapid growth has been Family Zone's ecosystem approach described above and its unique partnering model. This partnering model, called "School Community", offers schools a partnership approach to drive uptake of Family Zone's cyber safety solutions beyond the school network, onto mobile devices and into homes with a more engaged parent community.



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The Role of eSchoolPad

Family Zone’s on-device technology is called Mobile Zone. It is primarily a filtering service, offering schools the ability to extend duty of care off the school network and for parents to control what their children access and when.

Whilst Family Zone provides some device management features (such as scanning app installs and restrictions on accessing device features), a deeper range of device management capabilities are available to education providers. This is colloquially known as ‘device supervision’ and is a capability that Family Zone has not yet opted to build into its platform.

eSchoolPad supports device supervision for iOS, macOS and Android devices.

Adding eSchoolPad and device supervision enables Family Zone to:

- More thoroughly lock down devices to meet schools and parents’ needs;
- Offer more technology services to schools and a complete device management and filtering solution;
- Seek to reduce the number of edutech suppliers into schools by adding this feature set into Family Zone’s stack; and
- Drive more value out of existing and new school clients.

Family Zone’s ultimate goal is to increase penetration into schools and onto devices brought to school. In doing so, Family Zone is better able to support cyber safety programs across school communities and for parents.

The agreements with 180C enable Family Zone to introduce device supervision swiftly into its offering and to access an exciting market opportunity in Hong Kong, on the doorstep of China.

The partners plan to integrate the platforms over coming months with commercial launches into Australia, New Zealand and Hong Kong prior to September 2018.

The Opportunity of Hong Kong

Hong Kong is an autonomous Administrative Region of the People’s Republic of China. Hong Kong has a population of some 7.4m people, and a per capita income of US\$ 61,000 pa (10th globally).

HK Schools	Students	Schools	Ave
Primary schools	270,000	450	600
Secondary schools	280,000	400	700
International	55,000	50	1,100
Total	605,000	900	672

Across Hong Kong there are approximately 900 schools and 600,000 students including a number of large and prestigious private schools - called International Schools.

■ South China Morning Post

INSIGHT & OPINION

Hong Kong, too, must keep its children safe from the dangers of online porn

Despite the absorption of Hong Kong into China in 1997, Hong Kong continues a strict dual-language policy incorporating English plus a mainland dialect.

Like any country, particularly any developed country, cyber safety issues are prevalent in Hong

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Kong, with a particular emphasis on the impact on educational outcomes.

■ South China Morning Post

Hong Kong kids suffer in silence as cyberbullying contributes to youth suicide spike

Hong Kong is a clearly an interesting market for Family Zone however more importantly is on the doorstep of mainland China and an exciting conduit for Taipei and South East Asia.

Family Zone Managing Director, Tim Levy, said:

"This is very exciting development for Family Zone. Our partnership with 180C brings us a swift route to a new and much sought after feature set in education, and a streamlined presence into the material and strategically important Hong Kong education market. We are pleased to partner with the team at 180C, building on our past successes in partnering with Tesserent and most recently Linewize. These partnerships with complementary technology providers demonstrate the power of Family Zone's ecosystem approach to cyber safety."

180C Limited Managing Director, Freddy Tsang, said:

"We're excited to join forces with the dynamic and fast-growing Family Zone. We believe our eSchoolPad product has global potential and we see Family Zone as the ideal partner to help us achieve our ambitions. We also look forward to working with Family Zone in our home market to bring world's best practice cyber safety programs to the Hong Kong education sector".

Agreement Details

Family Zone and 180C have entered into two specific agreements. Firstly a licensing agreement within which 180C licenses Family Zone to re-sell eSchoolPad and 180C agree to develop and support interfaces between eSchoolPad and Family Zone. Secondly a collaboration agreement within which 180C and Family Zone agree to work together to promote Family Zone to 180C's clients across the globe.

The expectation of the licensing agreement is that an integrated offering will be available for sale to Family Zone and 180C customers before 30 September 2018.

Licensing Agreement	Between Family Zone and 180C Limited. Under the agreement, Family Zone acquires a license to re-brand and resell eSchoolPad globally. Family Zone pays 180C license fees on a per-device basis. The agreement also provides that 180C is required to work with Family Zone to develop specific interfaces to enable an integrated offering to be available to Family Zone's education customers. Family Zone will pay a one time fixed cost for establishing the interfaces. Twelve-month agreement with roll-over terms. No exclusivity between the parties.
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Collaboration Agreement	Between Family Zone and 180C Limited. Under the agreement 180C and Family Zone agree to promote each other's products and the integration between them to 180C clients globally. Family Zone pays referral commissions to 180C for clients introduced to Family Zone. Twelve-month agreement with roll-over terms. No exclusivity between the parties.
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Materiality and projections	We are unable to accurately predict the number of customers that may sign up for the rebranded eSchoolPad offering or the increased revenues that may be generated from the integrated offering once completed and we are therefore currently unable to forecast the potential revenue from this agreement or its financial materiality. The Company however considers this a strategically important arrangement given the Company's commercialisation strategy and ecosystem approach to cyber safety.
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About 180C Limited

180C Limited is a Hong Kong based technology provider specialising in education and device management technologies. The founders of 180C are an experienced and passionate group of developers, designers and project managers. In 2014, the 180C team won a Silver Award in Hong Kong's prestigious ICT Awards for Best Start Up.

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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