



Family Zone Cyber Safety Limited

ACN: 167 509 177

familyzone.com

945 Wellington St, West Perth WA 6005

corporate@familyzone.com

31 August 2016

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

FAMILY ZONE CYBER SAFETY LIMITED - SHAREHOLDER UPDATE

The Board of Family Zone Cyber Safety Limited (Family Zone or the Company) (**ASX:FZO**) provides investors with a brief overview of the Company, its business plan and update on operations following its successful listing on the ASX on 29 August 2016.

Highlights

- Family Zone is an Australian based innovator in cyber safety and parental controls.
- The Family Zone Platform incorporates networking and application technologies which allow parental controls to be embedded within home, enterprise, public and telecommunications carrier networks and installed on devices.
- Family Zone's unique Platform simplifies what is an overwhelming and complex challenge facing parents, schools and enterprises today.
- Officially launched in Australia in July 2016 the Family Zone consumer products are currently generating revenues through direct sales to retail consumers.
- The Company has completed technical testing and trials of its technology inside a major Philippines telecommunications carrier and has received an initial purchase order of Family Zone Boxes with a roll out of the co-branded services expected in late 2016.
- The Company has a strategic sales agency agreement in place with Fidelio Partners established by former Virgin Group Co-CEO, David Baxby and ex Apple executive Hastings Singh to promote the Family Zone and facilitate sales to Telco's.
- The Company recently won the WA Information Technology and Telecommunications Alliance Start-Up of the Year award and is this week being judged in the Australian finals in two categories (Start Up and Consumer).
- The Company has completed a \$6 million IPO capital raising which was heavily oversubscribed and allowed the company to close the offer early.

For personal use only

Successful IPO Listing

Family Zone listed on the ASX on 29 August 2016 following the lodgement of the IPO Prospectus dated 12 July 2016 and the Supplementary Prospectus dated 26 July 2016.

The Company was able to close the offer early due to the offer being heavily over-subscribed.

The Company raised \$6 million through the issue of 30 million shares at \$0.20.

With the capital raising complete, the Company is well positioned to focus on the commercialisation of the Family Zone Platform in Australia and beyond.

In Australia, the Family Zone is live and its products and services can be purchased online. The Company is pushing forward with its direct and Cyber Expert channels and is working on developing School relationships and retail opportunities.

Beyond Australia, the Company is currently focussed on distribution partnerships and in particular leveraging its sales agency with Fidelio Partners for Telco opportunities.

Additionally, the Company sees distribution opportunities with enterprise networking solution providers. Family Zone has agreements in place in the USA to embed the Family Zone filtering technologies within the hardware of two third parties and is working to develop these further as sales channels.

Philippines Carrier Opportunity

The Company has reached a strategic wholesale partnership deal with a major Tier 1 Philippines based Telco following completion of comprehensive carrier trials. The Southeast Asian Telco has a large subscriber base, a successful connected home strategy and with their corporate commitment to family values sees Family Zone as a strategic differentiator in their competitive market.

Under the agreed arrangements, the carrier will acquire Family Zone's hardware and service offerings on a wholesale basis, co-brand the consumer offering and commit to a significant promotional campaign.

As previously detailed the first purchase order has been received, with hardware manufacture underway and a launch scheduled for the end of this year.

Managing Director Mr Levy said "Passing a Tier 1 Carrier in-network trial cannot be understated. It is unusual for a small startup to achieve such a result. This will allow us to further progress discussions with other Tier 1 telecommunications companies around the world, knowing that we have already been approved for distribution to customers in one of the largest carriers in Southeast Asia."

Australian Operation and Launch

The Australian consumer business was launched in July 2016 with steadily increasing marketing focussing on the Company's innovative Cyber Expert programme, PR and awareness campaigns and digital marketing.

The Company's consumer offerings include the Family Zone Box and the Family Zone App. These products are available online and the Company is developing expanded retail, influencer and direct sales channels. Details of the Family Zone's consumer offerings can be found on the company's website at www.familyzone.com.

The Family Zone Box



The Family Zone App



Family Zone charges \$89 upfront for the Box and monthly (or yearly) subscription fees for access to the Family Zone platform and services. Fees range from \$4.95 to \$9.95/month depending on the family size and requirements.

 \$4.95^{PM} OR \$49 A YEAR	 \$7.95^{PM} OR \$79 A YEAR	 \$9.95^{PM} OR \$99 A YEAR
SMALL Family	MEDIUM Family	LARGE Family
 Safe home network for unlimited devices.	 Safe home network for unlimited devices.	 Safe home network for unlimited devices.
 Protect 1 mobile device outside of home.	 Protect up to 3 mobile devices outside of home.	 Protect up to 7 mobile devices outside of home.

For personal use only

Cyber Expert policy packages are optional and charged separately. Today Cyber Experts are charging between \$2.95 and \$3.95 per month for their service through the Family Zone.

The Company intends to launch a strategic marketing and brand awareness campaign and has recently appointed IPG Media Brands to develop the Company's strategic plan for Australia and beyond. This work is intended for completion mid September 2016 and is expected to be 'in-market' in October 2016.

In addition, the Company is building out its marketing, sales and delivery capability with the recent appointment of key executives and staff.

The Australian focussed consumer product offering represents the first phase of the Company's commercialisation strategy, with the aim of building market awareness and positioning the Company for partnerships with carriers and access partners globally.

Cyber Experts Partners



In recent years Australia has seen growth in commonly named cyber safety experts. These are typically individuals with technology, psychology or policing backgrounds. They offer services as educators and speakers for parents, teachers and students.

Family Zone's innovative Cyber Experts programme permits such experts to rather than just speak and advise but to deliver solutions into the home.

Within the Family Zone Platform Cyber Experts build packages of cyber safety settings and add-on services. The Family Zone's participating Cyber Experts thus form a marketplace, innovating, competing for customers and delivering fee-for-service custom solutions.

For Family Zone, Cyber Experts are a source of trust, distribution and expertise. For families, Cyber Experts provide peace of mind and a responsiveness not available in any parental control system in the world.

The Company signed up its first Cyber Expert partner in Q1 2016. The Company recently welcomed its ninth Australian expert into the platform. This represents approximately 50% of the Company's target for the Australian market.

Endorsement of Family Zone

Recently the Company surveyed cyber and computing experts across the country to compare the top 10 parental control products in the market. Their conclusions were:

Protect Our Kids: Family Zone is by far the best web based filtering service (and so much more) on the market today. It will truly help you establish a safe, online environment for your family both in and outside the home.

3103 Communications: What I love about Family Zone is how easy it makes it for parents to feel in control about what their children are accessing online

Cyber Mum: Family Zone is the only comprehensive online safety solution for both inside and outside the home. It not only gives parents complete control, but Family Zone helps parents learn and stay up to date with emerging fast changing trends that are the reality of our kid's world. The best part is, when compared to the cost of your kid's technology, Family Zone is inexpensive, very effective and user friendly. Even for parents with limited computer skills!

Safe on Social: For years, the Safe on Social team have been searching for a total solution for families that ticks every box and now with Family Zone we finally have a product we feel confident endorsing to every parent in Australia.

Dr Kristy Goodwin: Many of our kids are playing in digital 'playgrounds' and there's no one supervising. Apart from establishing essential parental controls and regularly discussing cyber-safety with our kids, we also need tools that will help to protect our kids online AND help them develop healthy technology habits. The Family Zone offers a complete solution to many parents' digital dilemmas.

ySafe: There is no doubt that protecting and regulating our kids online activity is one of the major challenges of today. However, as a community we're only slowly waking up to the harrowing threats that our children are facing with the online world. I urge all parents to engage in their kids' online world. Installing parental controls is a key step forward in doing this. Family Zone is the clear the best offering in the market today.

Pete Brown: All parents need to apply basic tools to limit appropriate access and monitor boundaries online. As a high school IT teacher I've seen the worst of what kids exposure to the cyber world can do. This is why I recommend Family Zone as it provides a universal and affordable level of control for parents both inside and outside your home.

The Modern Parent: Family Zone is by far the most comprehensive way to protect and monitor your child's online activities. Having the flexibility to cater to the needs of all family members with the added bonus of ongoing learning and support by a cyber safety expert, ensures Family Zone is the very best option to keep your family safe and smart online."



The Cyber Safety Lady: Family Zone provides parents the tools to help protect their children online with monitoring or with adult content filtering. No other company offers this range of options for both computers and mobile devices whether they are inside or outside the home.

Computer Troubleshooters: With almost 20 years of experience in the Australian market doing support for home networks, we have recently seen a rapid rise in the number concerned parents looking at controlling the massive influx of cyber threats to their children. Mobile smartphones and WiFi now mean that internet access is available to children everywhere & anywhere without any adult supervision. Family Zone gives the best level of Parental Control of access & filtering we have seen on the market, with its multi device and anywhere access methodology it is most comprehensive protection we have seen from any available application in Australia. Nick Roche - Computer Troubleshooters Australia.

Global Business Development

The Company's global business development strategy involves both direct to consumer models plus leveraging distribution opportunities through so-called "access partners" and Telco's.

Telecommunication carriers

Telco's represent a significant distribution opportunity for the Company, with the Family Zone products and services being suitable to offer through carriers to their customers as a value-added service.

As described above the Company has successfully reached agreement with a major carrier and plans to leverage this opportunity into future partnerships.

In this regard the Company has signed a strategic agency agreement with Fidelio Partners. Fidelio Partners was established by ex Virgin Group Co-CEO David Baxby, and ex Apple Executive Hasting Singh specifically to work with the Company.

Under the agreement Fidelio Partners acts the Company's non-exclusive agent to promote the Family Zone business and facilitate the sale of Family Zone through target Telco carriers with a focus on Asia Pacific.

Access Partners

The Company's Access Partner business model involves partnering with providers of on-premise networking equipment and connectivity solutions to multi-dwelling units and commercial and residential properties. Within these arrangements the networking provider embeds the Family Zone filtering technologies within their solution to create family friendly hotspots and residential services.

The Company has the following access partner agreements in place:

IgniteNet

IgniteNet is a specialist provider of cloud-managed access points. The ultimate end-user of IgniteNet's products are businesses, hotels, restaurants and other property owners. These users obtain the product through hardware distributors, resellers and internet providers.

In February 2016 the Company and IgniteNet entered into an Agency Agreement. The objective of this agreement is to enable the end-users of IgniteNet's products to enable the Family Zone Network Service as a feature available within their premises.

The Company and IgniteNet have commenced harmonising platforms and the parties are working to have Family Zone filtering technology pre-installed in IgniteNet's products.

Mesh Networks

Based in Houston Texas, The Mesh Networks LLC (Mesh) provide innovative connectivity solutions for multi-dwelling-unit developments (e.g. apartment buildings, college campuses and lifestyle villages). Mesh was identified as one of the top 100 providers of internet solutions to multi-dwelling units in the United States of America in 2014, with a focus on their patent pending bandwidth management solutions.

In April 2016 the Company signed a non-binding memorandum of understanding between the parties for Mesh to build a server based filtering solution incorporating Family Zone's technology. This would enable their property owners to offer a quality and optional filtering service and offers both the property owner and Mesh important market differentiation and revenue opportunities.

The Company has built a prototype server solution and is currently working with Mesh to integrate it into their "End2End" and "Net Profit" solutions. Integration works are expected to be completed by Xmas 2016.

The Company is progressing with existing arrangements with Mesh, IgniteNet and is working with Fidelio Partners to target and develop new opportunities.

With the completion of the IPO capital raising and the developing awareness of its consumer products, the Company is positioned to progress these global opportunities.

WAITTA & INCITE AWARD

In June 2016 Family Zone won the 2016 WA Information Technology and Telecommunications Alliance (WAITTA) Incite Award for the best IT startup in Western Australia.

As a result the Family Zone is in contention for the AIIA National iAwards, which will be held in Melbourne in September 2016.



In Closing

The Company thanks you for your support and looks forward to providing regular updates as the Company continues to progress its commercialisation plan.

For more information please visit www.familyzone.com.

Yours sincerely



Tim Levy
Managing Director

For personal use only

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 further information please contact

| **Tim Levy**

| Managing Director
| timl@familyzone.com
| +61413563333

| **Tim Allerton**

| City Public Relations
| media@familyzone.com
| +61412715707