

ASX ANNOUNCEMENT

Family Zone Cyber Safety Limited

ASX:FZO ("Family Zone" or the "Company")



Our mission is to protect & support
every child's digital journey.

Integration ahead of schedule as Family Zone approaches 10 million students

Managing Director Tim Levy commented *"Another outstanding performance as Family Zone delivered record numbers whilst completing and integrating the significant acquisitions of NetRef and Smoothwall. I couldn't be more proud of our expanded global team."*

Highlights for the quarter

- Completed the acquisition of Smoothwall on 16 August 2021.
- Launched Smoothwall Monitor into Family Zone's US customer base, winning two 3-year contracts worth in excess of \$200,000 combined.
- Ended the quarter with **3.27** million Linewize¹ students (118% YoY growth) and **6.51** million Smoothwall students taking the Company's combined student base to **9.78** million students
- Ended the quarter with **2.67** million contracted Linewize students (112% YoY growth) and **9.18** million contracted across the Group.
- Ended the quarter with **5,513** Linewize schools (93% YoY growth) including 4,510 contracted (83% YoY growth) and supporting **19,278** schools across the Group.
- Achieved a record for Linewize, signing contracts with an annual value of **\$3.5** million (44% YoY growth) and a total value of **\$5.56** million (42% YoY growth).
- Total contracts signed in the quarter by Family Zone and Smoothwall had an annual value of **\$5.9** million².
- Ended the quarter with a record **605k** students in proof of concept trials, up from **243k** at Sept 30 2020.

¹ Linewize refers to Family Zone's K-12 / education brand globally.

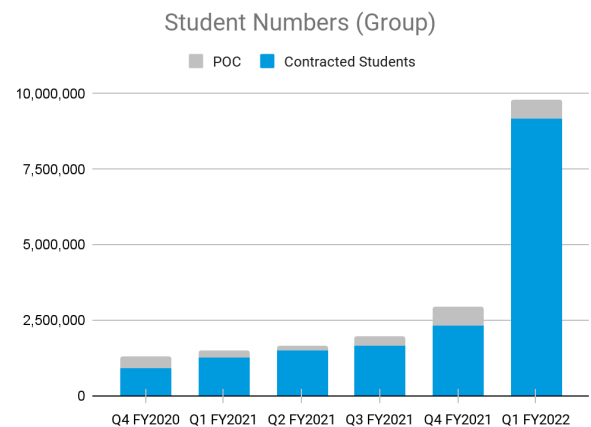
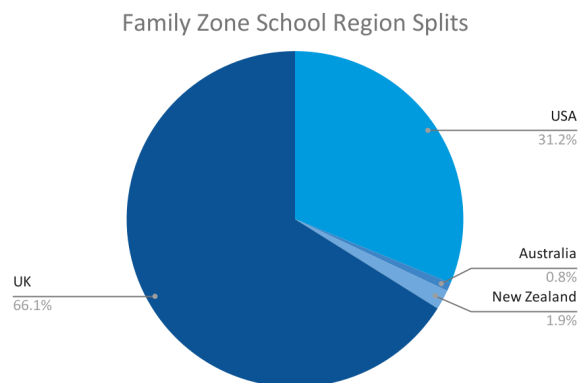
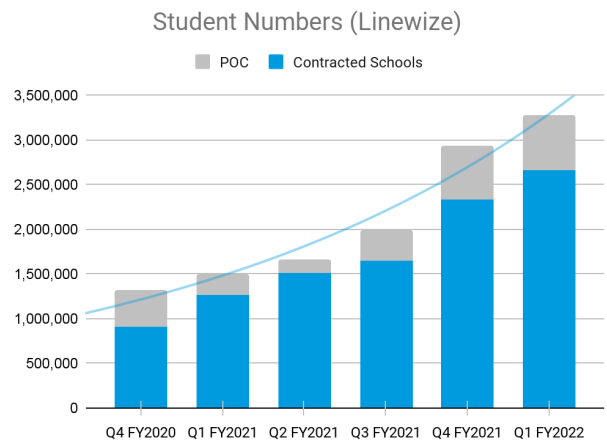
² This figure is provided for comparative purposes. It includes contracts signed by Smoothwall in the period 1 Jul 2021 until the date of completion, 16 August 2021.

Strong US growth continues as we welcome Smoothwall schools

The Company's sales growth in North America continued to exceed internal forecasts with net additions of 340,000 students and 331,000 contracted students in the quarter.

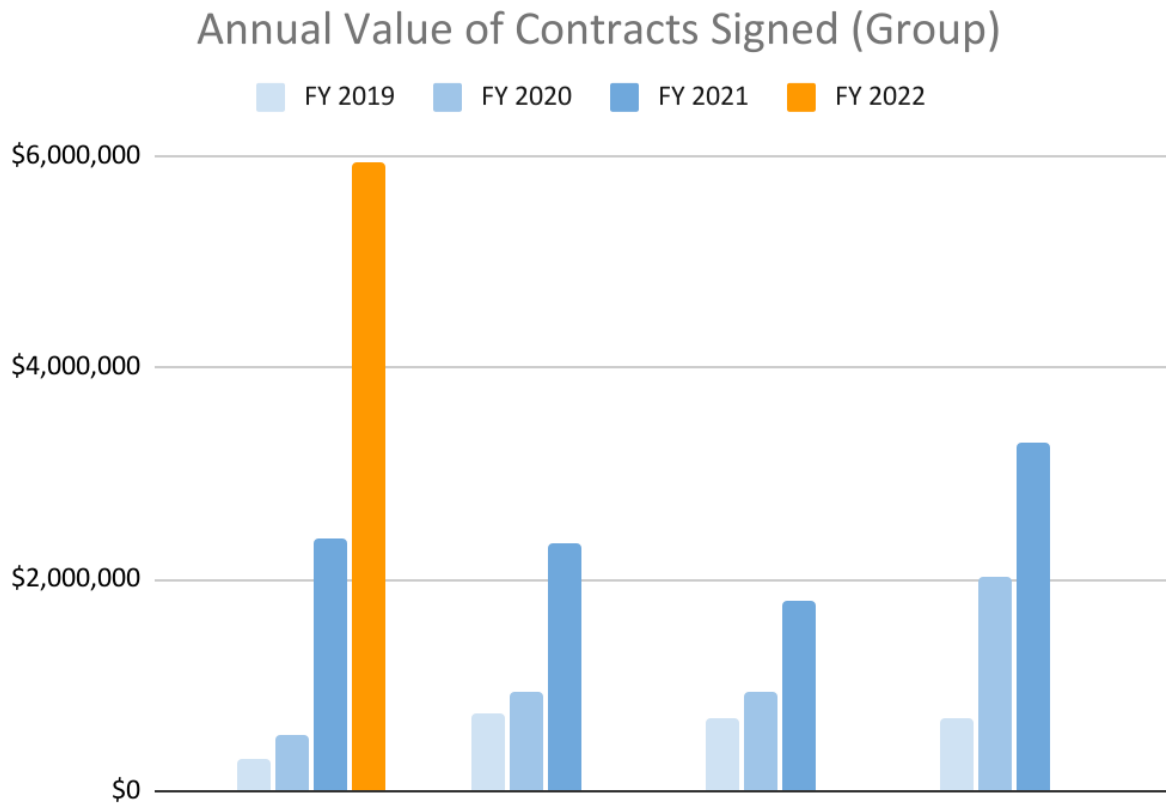
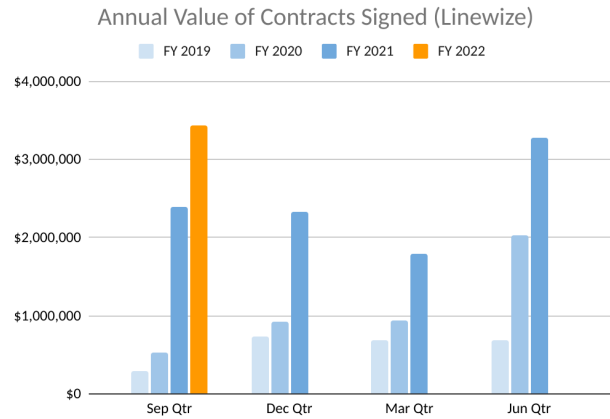
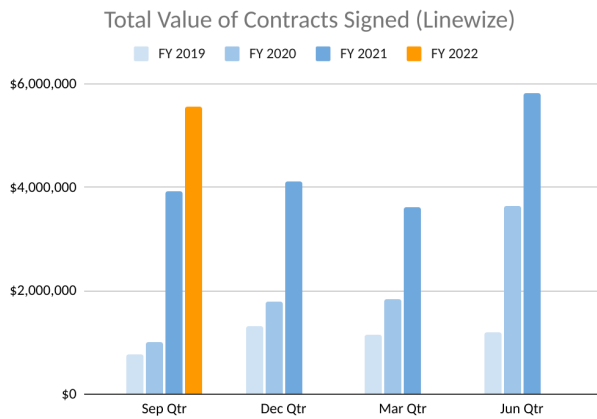
The Company successfully completed the acquisition of Smoothwall in the quarter which similarly had a stronger than forecast period, particularly in the UK.

Smoothwall ended the quarter with 6.5 million students resulting in the Group supporting **9.78 million students** and **19,278 schools**.



Record growth in contracted revenue

The Company continues to achieve significant growth in both total and annual value of contracts. On the Linewise side, contracts with a total value of **\$5.56 million** (42% YoY growth) and an annual value of **\$3.4 million** (44% YoY growth) were signed. Across Linewise and Smoothwall contracts with an annual value of **\$5.93 million** were signed in the quarter.



Integration of Smoothwall ahead of schedule

The acquisition of Smoothwall was concluded on 16 August 2021. The Company has a target of the end of the calendar year to have the following integration efforts completed:



- **OneCompany:** A series of initiatives to develop a singular mission, corporate strategy, product vision, brand and employment values.
- **Collaboration:** A series of initiatives focussed on ensuring the global organisation, of approximately 365 team members, are able to effectively collaborate and communicate.
- **Winning Teams:** A series of initiatives focussed on delivering real and immediate value to the Company. These have included the cross selling of Smoothwall products into Family Zone's US business plus process & back-end system changes and training programs.

Pleasingly, the integration work is ahead of schedule and is assisting both the Smoothwall and Linewize businesses to continue to exceed sales targets.

Most noteworthy is the launch of Smoothwall Monitor into Family Zone's US (Linewize) business at the end of September. Two substantial 3-year contracts worth in excess of \$200,000 combined have now been signed with average per student fees more than doubling our current averages.

Work has commenced on cross selling Family Zone's classroom and other products into the UK with technical and GDPR reviews now well underway.

US consumer launch

The Company has launched its B2B2C consumer product into US school districts. The response from districts has been very encouraging with more than 110 districts (up from 18 last quarter) in the launch pipeline. Pleasingly as at 30 September, 92 districts, or 16% of our US clients had launched a Family Zone cyber safety (parent) hub.

It is important to highlight that we are taking a deliberate staged approach to rolling out this important program considering the technical, privacy and relationship dynamics. Our intention is first and foremost to support school districts to run cyber safety and engagement programs for their communities.

This announcement was made on 12 October 2021 and was authorised by the Board of Family Zone Cyber Safety Limited.

About Family Zone

Family Zone, **supporting and protecting every child's digital journey**, is an ASX-listed technology company and an emerging leader in the fast growing global cyber safety industry. Family Zone's unique innovation is its patented cyber safety ecosystem, a platform enabling a world-first collaboration between schools, parents and cyber safety educators. Family Zone's unique approach is delivering rapid growth in the education sector, as well as through direct sales and scalable reseller arrangements with telco providers.



To learn more about the Family Zone platform and the Company please visit www.familyzone.com.

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