

ASX Announcement

PERTH OCTOBER 8, 2019

Family Zone Cyber Safety Ltd

ASX: FZO, 'Family Zone' or 'the Company'



EXCEPTIONAL SALES GROWTH ACROSS ALL CHANNELS IN THE SEPTEMBER QUARTER

Family Zone, *supporting and protecting every child's digital journey*, is pleased to update the market on business development achievements in the September quarter of 2019.

Highlights

- Added a record 146 school clients, growing total footprint to 985, representing 17% quarter-on-quarter (QoQ) growth and 70% year-on-year (YoY) growth
- Reached 65 USA school districts running our school platforms
- Added a record 86,000 student licenses during the quarter, taking total students beyond 524,000 (Up 20% QoQ and up 42% YoY)
- Added a record 3,700 direct accounts, growing the Company's direct customer base through 13,000 users (Up 40% QoQ and up 172% YoY)
- Added 21,000 paid accounts across our direct, education & wholesale channels, taking total subscribers to 159,000 (Up 40% QoQ and up 92% YoY)

The September quarter was another exceptional result for the Company with strong growth in all of its key metrics.

Education Sales

The Company added a record 146 new school clients, the majority of which came from the USA.

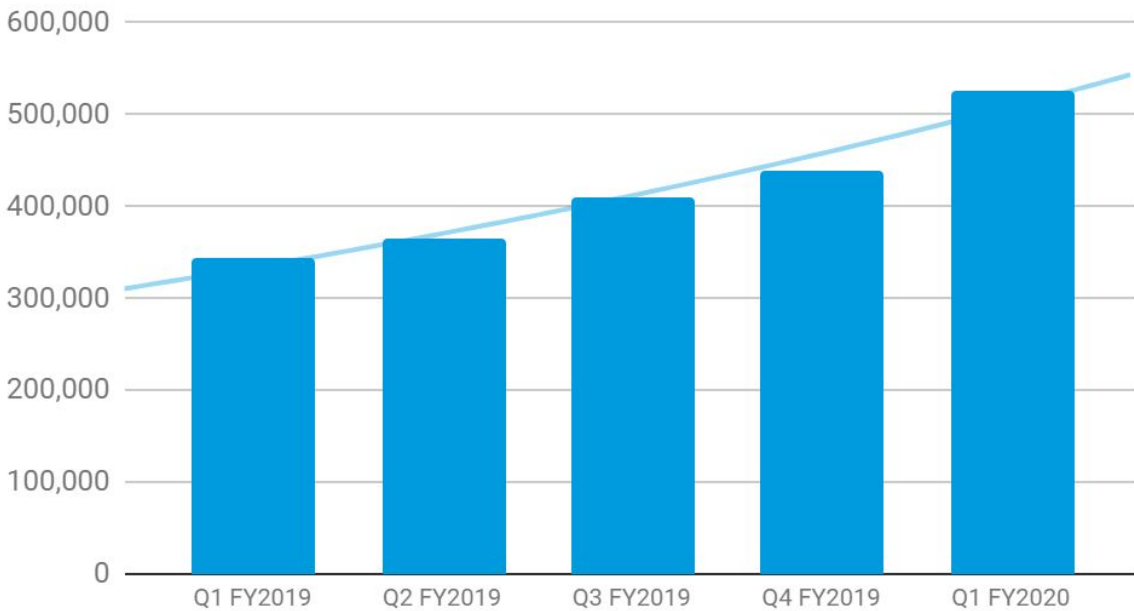




The Company ended the quarter with 985 live school clients, with 543 in the USA. Further the Company ended the quarter with 65 school districts live, of which 6 are in proof of concept contracts.

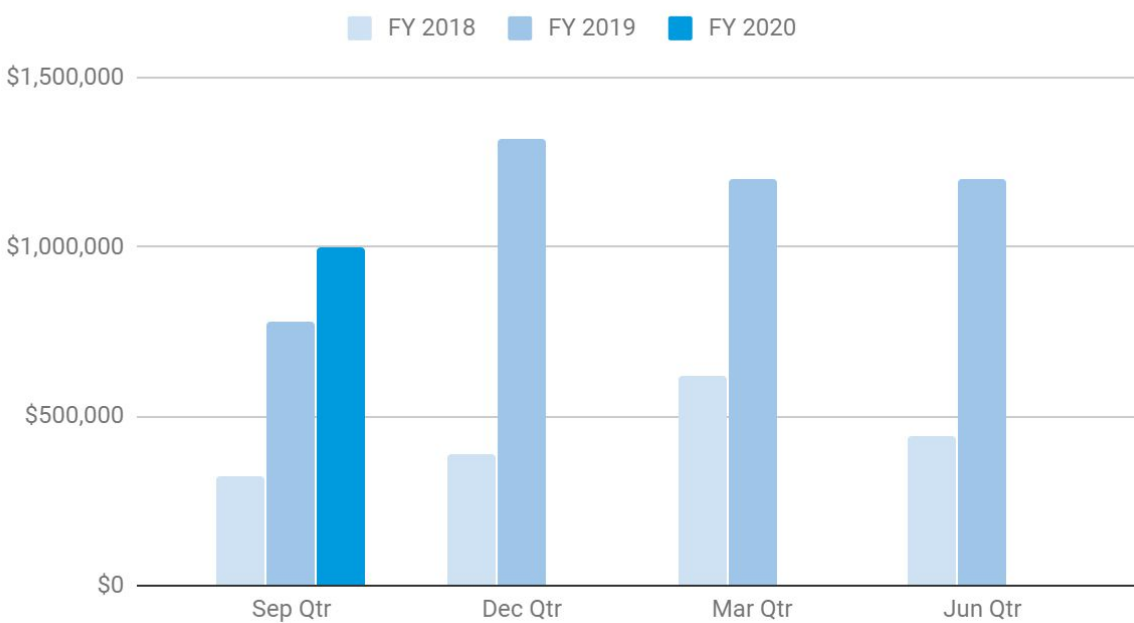
The Company offers cyber safety services to education providers under a recurring student license model. License fees average A\$8-10 per student per year and contract terms range between 12 and 36 months. Driven by strong school sales in USA, 86,000 student licenses were added in the September quarter, representing 42% YoY growth.

Student Licenses



Pleasingly, the Company achieved 300% YoY growth in the annual value of contracts signed in the quarter, with the total value of contracts signed exceeding \$1 million for the fourth quarter in a row.

Total Contract Value



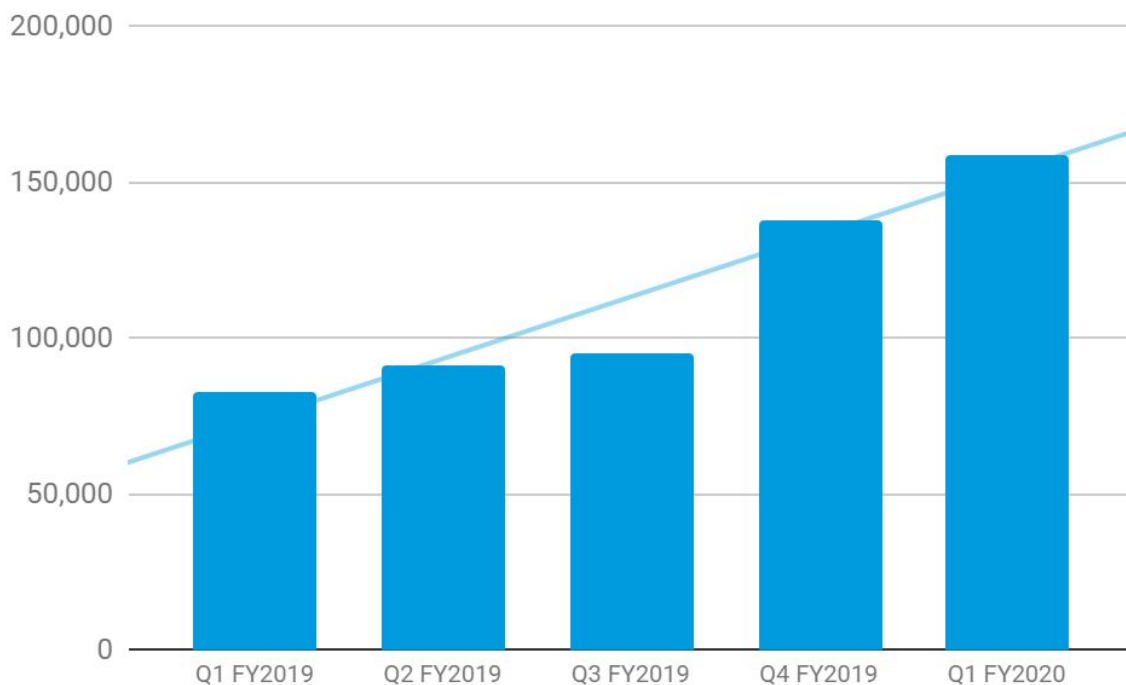


While Family Zone’s USA business was the key driver of sales in the September quarter, the December quarter is the key sales period for Australia and New Zealand, and strong results are anticipated.

Paid subscriber growth with record direct sales

The Company is pleased to report continuing strong acquisition of paying subscribers with all channels contributing to growth taking total paying subscribers to 159,000.

Paying Subscribers



Ongoing trials with Telkomsel saw wholesale subscribers pass through 81,000 (163% YoY growth).

Subscriptions paid by schools (within student licenses) grew 40% YoY to 65,000.

Most pleasingly, the Company achieved record growth in direct paying subscriptions with 3,700 added in the quarter taking direct accounts past 13,000 (146% YoY growth). This growth was achieved despite the majority of the Company’s marketing spend being redirected into the Education channel.

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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