



To support and  
protect every child's  
digital journey

ASX: FZO

Family Zone Cyber Safety

# Taking on the international opportunity

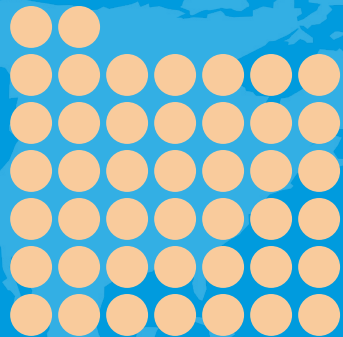


We seek to support and protect every  
child's digital journey.

Our mission is to save and better children's lives; to empower parents; to deliver for tomorrow's educators and be a key influencer in cyber safety globally. We seek to deliver for our staff their best ever employment experience and deliver exceptional returns for our investors.

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## AT A GLANCE



> 2.2m

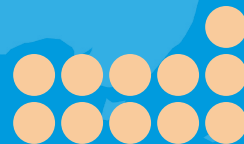
STUDENTS  
(on the platform)

> 4,000

SCHOOLS  
(on the platform)

\$231m<sup>\*</sup>

MARKET  
CAPITALISATION



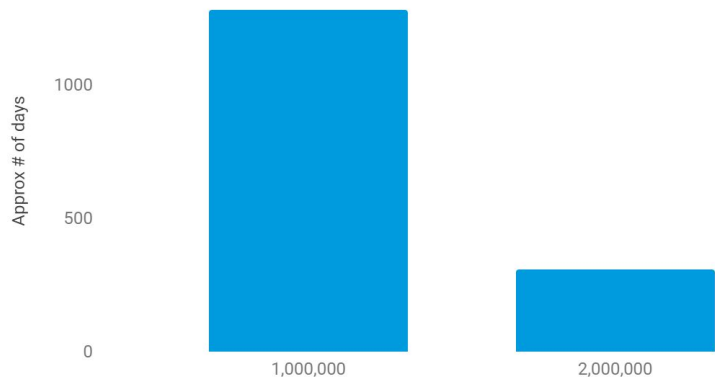
At 22 June 2021

\* At 59c per share.

US School Districts  
served by Family Zone **>4.25%**

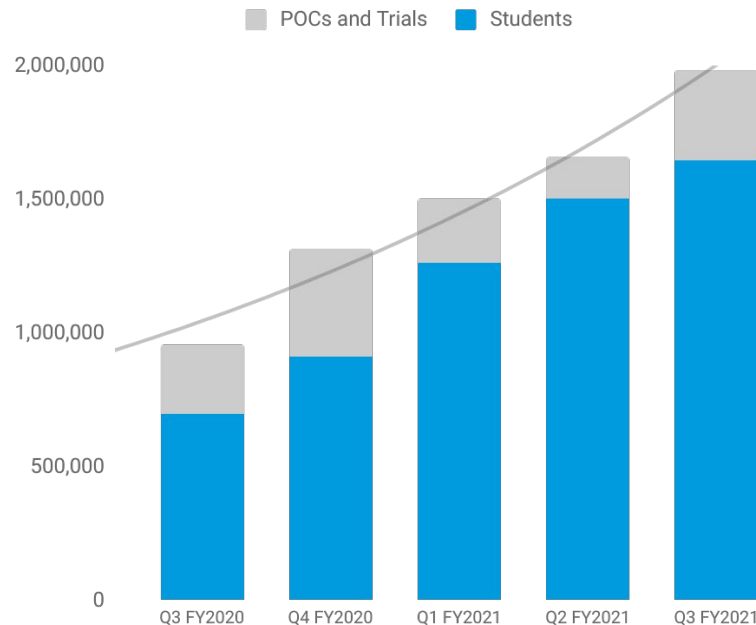
Up from 3% at 31 March 2021

## DAYS TO ADD 1M CONTRACTED STUDENTS



\* Based on preliminary sales numbers for Q4, 2021

## CONTRACTED STUDENT LICENSES



\* Q4 FY 2021 numbers to be released in early July 2021.

Executing our strategy and winning

## Executing and winning



Grow our schools base in existing & new markets



Launch our Community proposition into the US



Invest in our product and layer services to improve yield



Invest in our organisation and prepare for scale



Pursue acquisitions for capability & acceleration

- On track to grow our student base in FY 2021 by 150% to + 2 million
- Have won 2 regions in Texas, including the largest in the state (#7)
- Now support ~ 4.5% of US school districts, up from 3% at 31 Mar '21
- Launched in Canada with immediate sales success
- Now in procurement processes for statewide deals in USA and Canada
- Converting ~90% of all proof of concept trials

## Executing and winning



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Pursue acquisitions for capability & acceleration

- Pilot in Australian school achieved 17% conversion to 'premium'
- High retention rates maintained with less than 5% churn in 6 months
- 5 US districts with > 40,000 students to launch Community over summer
- Initial feedback from district technical teams very positive
- Major launch planned for the start of the US school year (Aug/Sep)

## Executing and winning



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Pursue acquisitions for capability & acceleration

- Increased average USD pricing every quarter this financial year
- Expanded engineering team from 34 to 90 staff this financial year
- Rapid innovation across all product lines accelerating sales & satisfaction
- Now the clear product leader for complex EDU environments
- Major investments in data & analytics - with product launches in H2 CY21



## Executing and winning



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Pursue acquisitions for capability & acceleration

- Key executive appointments made with experienced CFO & VP People
- Key management appointments in engineering, product and support
- Implemented Netsuite ERP, BambooHR and other systems
- Team focussed on culture and mission to protect and support children
- Equity based remuneration programs to attract and retain the best talent

## Executing and winning



Grow our schools base in existing & new markets



Launch our Community proposition into the US



Invest in our product and layer services to improve yield



Invest in our organisation and prepare for scale



Pursue acquisitions for capability & acceleration

- Data analytics and funding driving a industry shakeup
- EDU cyber safety market is going through a consolidation phase
- Many competitors & complementary providers considering their options
- Family Zone well placed for strategic acquisitions
- Targeting capability & distribution to accelerate growth

A photograph of two young boys sitting on a light-colored sofa. The boy on the left, wearing glasses and a red and blue striped shirt, is holding a tablet. The boy on the right, wearing a dark patterned shirt, is looking at a laptop. The background shows a white shelf with various items. The entire image has a blue tint.

# Proposed acquisition of Net Ref

- Relatively new entrant in K-12 in USA
- Specialist provider of classroom management tools
- Part of boutique engineering company Verite Group
- A leader in teacher-focussed user experience
- Within 12 months have added ~250,000 student licenses and ~450,000 students onto their platform
- Net Ref platform can operate alongside other filtering services
- High quality 12 person team in engineering, sales & support

### Strategic Rationale

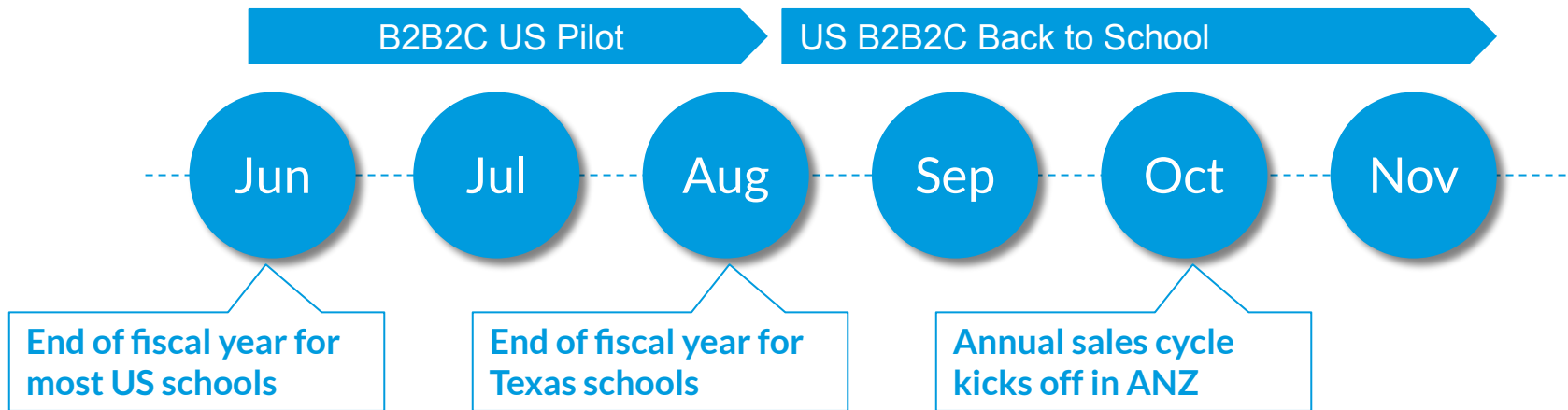
- Access to a premium classroom tool that can be sold standalone and with Linewise
- Access to strategic and high quality engineering expertise
- Material expansion of company recurring revenue and student base
- Delivers a quality, ready made sales & support team to assist with continued US K-12 sales growth

Letter of intent signed with Verite Group to acquire the Net Ref business. Key terms:

- Non binding letter of intent signed to acquire the Net-Ref business, contracts and related assets.
- Consideration is based on purchased recurring revenue (ARR). Upfront consideration is expected to be USD1.4 million based on ARR at 30 Jun 2021 with total consideration anticipated at USD 4.325 million if USD850,000 is achieved by 31 Dec 2021.
- All consideration is 50/50 cash and shares and paid in 3 installments based on the ARR of Net Ref at 30 Jun 21, 30 Sep 21 and 31 Dec 21.
- Share based consideration is calculated at FZO's 30-day VWAP at time of allocation. Shares will be subject to vol escrow for 6 months.
- Agreement includes 3 month handover to 30 Sep 21 and technical support for 12 months.
- Agreement includes transfer of staff and obligations subject to suitable employment arrangements being negotiated during the handover period.

# Outlook

## Our biggest 6 months ever



- ✓ Massive funding continues in US
- ✓ Strongest sales periods now
- ✓ Device programs accelerating
- ✓ Classroom tools mandatory
- ✓ Growing traction in Texas
- ✓ Expansion underway into Canada
- ✓ Continued product innovation
- ✓ B2B2C underway in the US

Corporate





**Peter Pawlowitsch**  
Chairman



**Tim Levy**  
Managing Director



**Crispin Swan**  
Executive Director



**Matthew Stepka**  
Non-Exec Director



**Phil Warren**  
Non-Exec Director



**Nadine Mills**  
VP People



**Ben Trigger**  
CTO



**Ross Young**  
VP North America



**Paul Robinson**  
VP Product



**David Dunstan**  
VP Marketing



**Todd Morcombe**  
CFO



**Jordan Foster**  
VP Consulting



## CORPORATE HIGHLIGHTS

CASH 31 MAR 21	\$20.4M
ORDINARY SHARES	391,266,604
MARKET CAP (@59c) *	\$231M
TOP 20 SHAREHOLDERS	49%
INSTITUTIONAL INVESTORS	27%
FOUNDERS & EXECUTIVES	8%

### Notes

\* Calculated based on issued shares as at 22 Jun 2021

<sup>1</sup> Remaining Linewize acq securities have target of NZ\$9.25m ARR from NZ and Linewize technology.

<sup>2</sup> Exec salaries received PRs in lieu of cash

<sup>3</sup> Employee incentives time based milestones

<sup>4</sup> Exec incentives various performance based targets

### Perf Shares/Rights

\$9.25m Rev' from NZ<sup>1</sup>

Exec salaries<sup>2</sup>

Employee<sup>3</sup>

Employee & Exec<sup>4</sup>

**27,772,289**

3,000,000

5,568,714

6,378,575

12,825,000

### Options

18c-25c (expiring 2022)

18c-24c (expiring 2023)

**10,525,942**

7,375,942

3,150,000



## CONTACTS

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