



To support and
protect every child's
digital journey

ASX: FZO

Investor

PRESENTATION

2021 08





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.

DISCLAIMER: Statements and material contained in this Presentation, particularly those regarding possible or assumed future performance or potential growth of the Company, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. The information contained in this presentation is for informational purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law none of the Company, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault of negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness or any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.



International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



FAMILY ZONE RECAP

Cyber safety technology company with HQ in Perth and offices in AU, NZ and US.

Launched in 2016 and entered US K-12 market in early 2019.

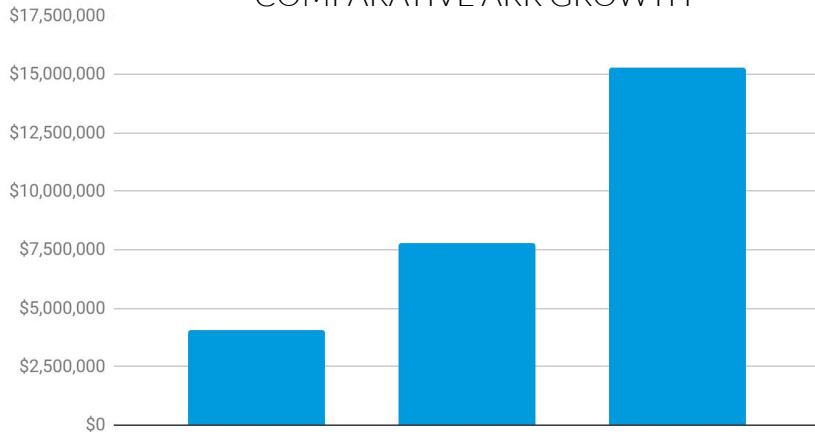
Quickly established as a leader and the fastest growing provider in US.

Unique 'child-centric' approach creates EDU and consumer sales opportunities and drives better safety outcomes.

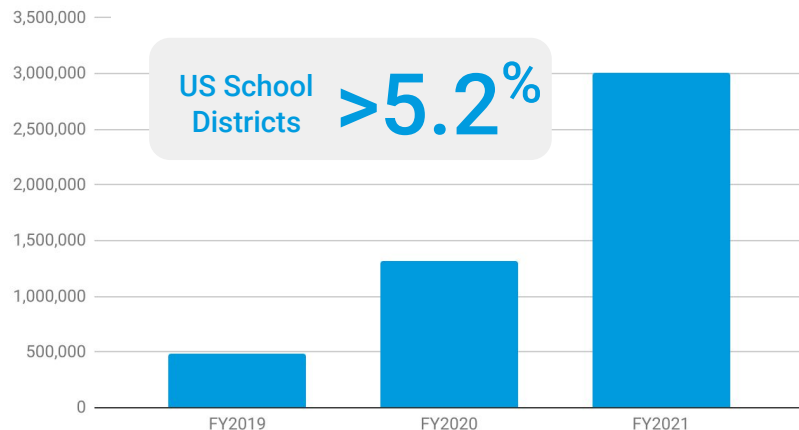
ASX Listed, ~ \$260m market cap, ~ \$14m ARR, strong board and strong Australian institutional investor base.

Values & mission driven organisation committed to children's wellbeing.

COMPARATIVE ARR GROWTH



STUDENTS ON THE PLATFORM



FILTERING & COMPLIANCE

CLASSROOM MANAGEMENT

DATA ANALYTICS & MONITORING

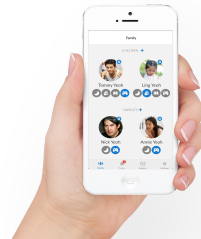
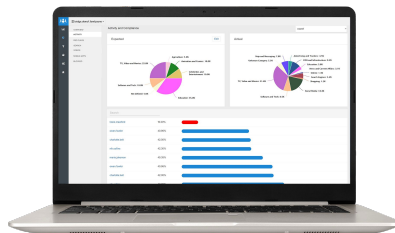
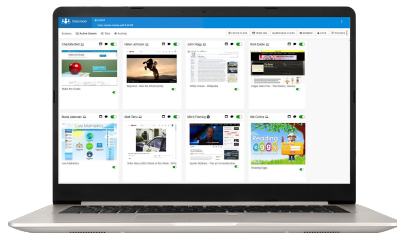
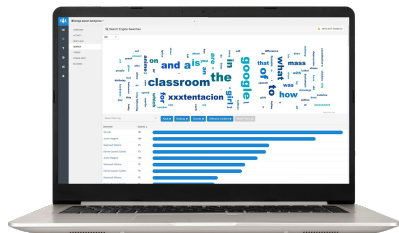
PARENTAL CONTROLS

SCHOOL MANAGER
US\$2.50-\$3.50 pa
(PER STUDENT)

CLASSWIZE
US\$2.50-\$3.50 pa
(PER STUDENT)

CASE MANAGER
in development

PREMIUM
US\$7.00 pm
(PER ACCOUNT)



WINNING

COMPETING

INVESTING

LEADER

- ✓ Market leading product
- ✓ Taking market share fast

- ✓ Competitive product
- ✓ Investing to premium

- ✓ Free product today
- ✓ Investment underway
- ✓ First launch H1 FY22

- ✓ Market innovator
- ✓ US launch underway
- ✓ Apple changes clear path



THE UK, US & ANZ K-12 OPPORTUNITY

FILTERING & COMPLIANCE

US\$2.50-\$3.50 pa
(PER STUDENT)

Supports duty of care and the functional responsibilities of school IT.

- ✓ Legal requirement
- ✓ Established budgets
- ✓ Established resellers
- ✓ Managed devices

TAM (Students)

USA 57 million
UK 10 million
ANZ 5 million

CLASSROOM MANAGEMENT

US\$2.00-\$5.00 pa
(PER STUDENT)

Supports the needs of modern teachers in digitized and virtual classrooms.

- ✓ Exploded with COVID
- ✓ Most UK/US schools
- ✓ Premium priced products

TAM (Students)

USA 57 million
UK 10 million
ANZ 5 million

DATA ANALYTICS & MONITORING

US\$3.00-\$9.00 pa
(PER STUDENT)

Emerging products supporting pastoral care needs of schools.

- ✓ Nascent data products
- ✓ Rapid growth in UK/US
- ✓ Premium priced products
- ✓ New UK laws mandate

TAM (Students)

USA 57 million
UK 10 million
ANZ 5 million

PARENTAL CONTROLS

US\$7.00-\$9.00 pm
(PER ACCOUNT)

Supports the needs of parents to monitor and keep their children safe online.

Massive untapped market opportunity with no dominant provider.

TAM (Parents)

USA 50 million
UK 8 million
ANZ 4 million

Smoothwall

UNIQUE OPPORTUNITY

A leading digital and safeguarding services provider.

Founded in 2001 as a security company now mostly K-12 with operations in the UK & US.

Service +10,500 schools in the UK with 6.1m children protected.

Long-standing relationships (+10 yrs), average current contract length of c. 3 yrs.

ARR approaching A\$30m and underlying EBITDA of > A\$7m for FY21¹

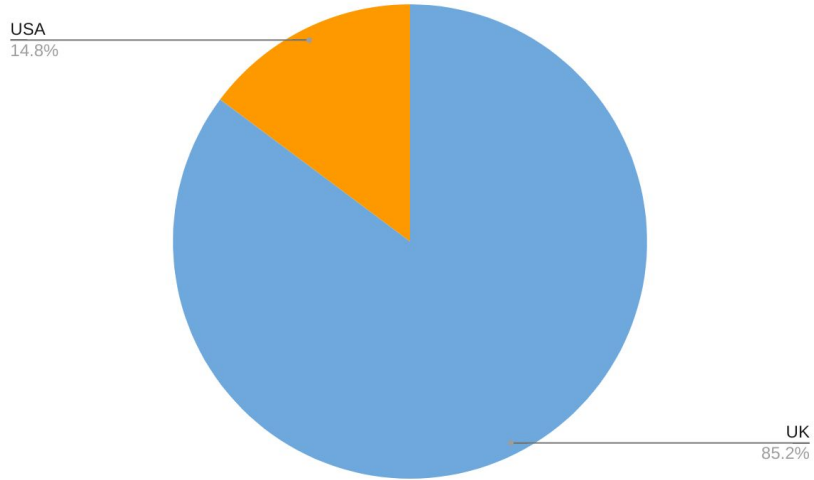
Sale initiated by UK private equity firm and major holder, Tenzing.

Tenzing invested as part of a management buyout with financial investors.

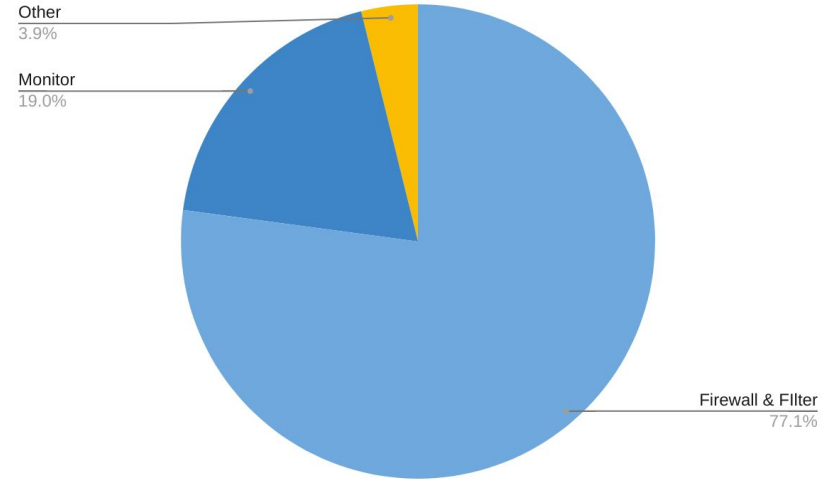
Smoothwall owns UK's leading student cyber safety "monitoring" platform.

'Monitoring' recently mandated by UK govt and is a fast growing segment in the US.

ARR BY REGION - A\$m



ARR BY PRODUCT - A\$m



FILTERING & COMPLIANCE

CLASSROOM MANAGEMENT

DATA ANALYTICS & MONITORING

PARENTAL CONTROLS

SMOOTHWALL FILTER

A\$4.50-\$5.50 pa (PER STUDENT)

A\$ 23M ARR¹



MATURE

✓ Mature on-premise

OPPORTUNITY

✓ Add FZO capability

Not active today

OPPORTUNITY

- ✓ Cross sell to 6m students
- ✓ All UK schools require

SMOOTHWALL MONITOR

A\$7.00-\$8.00 pa (PER STUDENT)

A\$ 5.5M ARR¹



WINNING

✓ Leading UK product

OPPORTUNITY

- ✓ New UK laws mandate
- ✓ Portable to all markets

No products today

OPPORTUNITY

- ✓ Cross sell to 5m parents
- ✓ UK schools own devices
- ✓ Ideal for Family Zone

FILTERING &
COMPLIANCE

CLASSROOM
MANAGEMENT

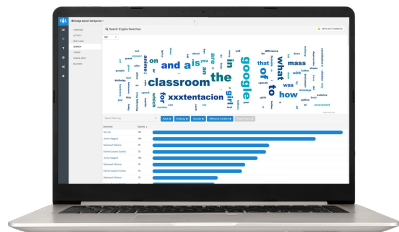
DATA ANALYTICS &
MONITORING

PARENTAL
CONTROLS

ARR ~ A\$ 44m¹

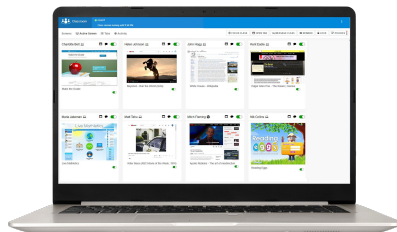
Students ~ 9m

Strong growth profile



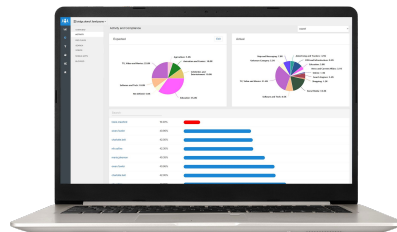
LEADER

- ✓ Mature on-premise
- ✓ Dominant UK provider
- ✓ Leading hybrid solution
- ✓ Taking US market share



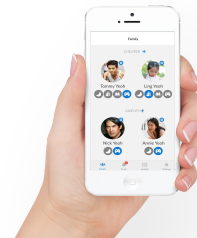
COMPETING

- ✓ Competitive product
- ✓ Investing to premium
- ✓ Access 6m UK students




LEADER

- ✓ Leading UK product
- ✓ New UK laws mandate
- ✓ Portable to US & ANZ



LEADER

- ✓ Market innovator
- ✓ US launch underway
- ✓ Apple changes clear path

	smoothwall [®]	 family zone	MergeCo
Geographic presence			
UK	Y		Y
US	Y	Y	Y
ANZ		Y	Y
Products			
Filter (cloud & on-premise)	Competing	Market leading	Market leading
Monitoring	Market leading	In development	Market leading
Classroom management	In development	Competing	Competing
Parental controls		Market leading	Market leading
Metrics			
Employees (heads)	113	190	+ 300
Students #s	6,100,000	3,000,000	+ 9 million
School #'s	12,400	5,600	+ 18 thousand
Estimated ARR at 30 Jun '21 ¹	~ A\$ 30 million	~ A\$ 14 million	+ A\$ 44 million

1. Converted to AUD based on AUD:GBP of 0.54 as at 15 July 2021. Shown on a UK Financial Year basis

Strategic Rationale

1

Acquire a complementary business of scale

- ✓ 6m+ students, 10.5k UK schools and 395 US school districts
- ✓ Long term customer relationships – with many greater than 10 years
- ✓ Average contract length of c. 3 years

2

Acquire strong capability with a good fit

- ✓ Strong management team with experience and relationships
- ✓ 100 staff with important domain experience
- ✓ Exceptional cultural fit and rapport

3

Consolidated market positioning

- ✓ Strategic acquisition in a consolidating industry
- ✓ Quantum shift in Family Zone's scale and influence
- ✓ Instant expansion into strategic 'data & monitoring' product offerings

4

Large potential synergies plus access consumers

- ✓ Large potential revenue synergies (see next page)
- ✓ Modest cost savings, particularly in data costs
- ✓ Instant access to +5m parents with ideal modality - ***school-owned devices***

5

Attractively priced acquisition

- ✓ Able to acquire on c. 4.7 x ARR
- ✓ Accretive to Family Zone shareholders pre-synergies
- ✓ Large potential upside through revenue synergies and cross-sell

1

Smoothwall Monitor

Family Zone needs this in the US

- ✓ Instant access to market leading product to sell into the US (**57m students**)
- ✓ US pricing is A\$ 4 to A\$12 per year
- ✓ Family Zone targets 50% take-up by K-12 districts in medium term

2

Family Zone Classroom

Smoothwall needs this in the UK

- ✓ UK schools typically already use a classroom tool from a competitor
- ✓ This is an immediately addressable opportunity
- ✓ Family Zone targets 50% take-up of Smoothwall schools in medium term

3

Family Zone Premium

B2B2C sales via UK schools

- ✓ Instant access to the parents of **> 6m students**
- ✓ Access to Family Zone's ideal modality - through school managed devices
- ✓ Family Zone targets 10% parent take-up in the medium term

4

Data & hosting costs

Scale to drive down costs

- ✓ Substantial data & hosting contract when combined and growing
- ✓ Opportunity for faster optimisation of costs at scale
- ✓ Opportunity to negotiate with providers (Azure, AWS, Google)

5

Duplicated admin costs & overheads

- ✓ Cost synergies expected in admin and office costs
- ✓ Consolidate central overheads and remove duplicate costs

Offer size and structure	<p>A fully underwritten capital raising to raise approximately A\$146 million:</p> <ul style="list-style-type: none"> 5-for-16 Non-Renounceable Accelerated Entitlement Offer to eligible shareholders to issue approximately 137 million new ordinary fully paid shares to raise approximately \$75 million (ANREO), comprising: <ul style="list-style-type: none"> Accelerated institutional component expected to raise up to approximately A\$37.1 million (Institutional Entitlement Offer); and Retail component expected to raise up to approximately A\$38.2 million (Retail Entitlement Offer); and Upsized single-tranche placement of up to approximately 129 million shares to institutional, professional and sophisticated investors to raise up to approximately \$71 million pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 and 7.1A (Institutional Placement)
Offer pricing	<p>ANREO and Institutional Placement priced at \$0.55 per new share (Offer Price), representing:</p> <ul style="list-style-type: none"> 8.3% discount to the last closing price of \$0.60 6.5% discount to TERP*
Use of proceeds	To fund the acquisition of Smoothwall and costs of the Offer
Expected timing	<p>Institutional Entitlement Offer to be conducted on Friday, 6 August 2021</p> <p>Retail Entitlement Offer to open on Wednesday, 11 August 2021 and close on Friday, 20 August 2021</p>
Ranking	New Shares will rank pari passu with existing shares on issue
Managers	The capital raising was managed by the Wholesale Trading Team at Shaw and Partners Limited, Euroz Hartleys Limited with Co Manager Argonaut.

* The theoretical ex-rights price ("TERP") is the theoretical price at which FZO shares should trade at immediately after the ex-date for the ANREO. The TERP is a theoretical calculation only and the actual price at which FZO shares trade immediately after the ex-date for the ANREO will depend on many factors and may not equal the TERP. TERP is calculated by reference to FZO's last closing share price of \$0.60 and ignores the impact of the Placement

Sources of funds	A\$m	Uses of funds	A\$m
Existing cash ¹	32.1	Acquisition consideration on completion ²	122.3
Gross proceeds from the Placement and ANREO	146.4	Deferred acquisition consideration ³	19.7
		General working capital and estimated Acquisition and Offer costs	36.5
Total	178.5	Total	178.5

Notes

1. As at 31 July 2021
2. £65.0 million consideration payable on completion of the Acquisition, expected to be on 12 August 2021. Assumes GBP:AUD exchange rate of 0.53166.
3. £10.5 million deferred consideration payable on 1 September 2021. Assumes GBP:AUD exchange rate of 0.53166.

	Date/Time
Announce Acquisition and Capital Raising (pre market)	Fri 6 Aug 21
Placement and Institutional Entitlement Offer Bookbuild Open	Fri 6 Aug 2021; 10am (AEST)
Placement and Institutional Entitlement Offer Bookbuild Close (firm and irrevocable bids due)	Fri 6 Aug 2021; 12pm (AEST)
Announce Placement and Institutional Entitlement Offer results and shares recommence trading (on an ex-entitlement basis)	Mon 9 Aug 2021; 10am (AEST)
Retail Entitlement Offer opens	Wed, 11 Aug 2021
Settlement of Placement and Institutional Entitlement Offer	Thu, 12 Aug 2021
Allotment of shares under the of Placement and Institutional Entitlement Offer	Fri, 13 Aug 2021
Closing Date of Retail Entitlement Offer	Fri, 20 Aug 2021
Announcement of results of Retail Entitlement Offer and issue of retail shares	Wed, 25 Aug 2021
Settlement of Retail Entitlement Offer shortfall shares	Mon, 30 Aug 2021

Note: The timetable above is indicative only and may be subject to change. FZO reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, FZO reserves the right to extend the closing date of the ANREO, to accept late applications under the ANREO (either generally or in particular cases) and to withdraw the ANREO without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.