



To support and
protect every child's
digital journey

ASX: FZO

Family Zone Cyber Safety

Annual General Meeting November 2021





To protect **and** support and every
child's digital journey.

Our mission is to protect and better children's lives. To empower communities through holistic online safety tools & advice. To support educators so that children can thrive. To be a global influencer in online safety. We seek for our staff their best ever employment experience and to deliver exceptional returns for our investors.



Grow our schools base in existing & new markets



Leverage our schools base to transition to consumer subs



Layer services to make our base more sticky & valuable



Invest in our platforms and organization for scale



Consider strategic acquisitions

2021 Acceleration Strategy

In 2020 we set a goal of positioning Family Zone as a world leader in online safety.

We achieved that aim.

Achievements in 2021

Scaled our B2B Business

- ✓ Acquired NetRef (470,000 Students)
- ✓ Acquired Smoothwall (6.5 million Students)
- ✓ Outperformed industry growth in US

Moving forward with B2B2C

- ✓ Successful pilots in ANZ and soft launched into US
- ✓ ~ 20% take-up of Community programs

Massive product expansion

- ✓ Now support single instance deployments of 250k students
- ✓ World leading Filter, Safeguarding & Parental Controls
- ✓ Google Partnership delivering Analytics

Transformed our organization

- ✓ Employed CFO and built out back-office teams
- ✓ Implemented ERP, Netsuite
- ✓ Achieved 75% reduction in data & hosting costs per user
- ✓ Values, employment branding and massive recruitment

Students
~ 10 million
On our platforms

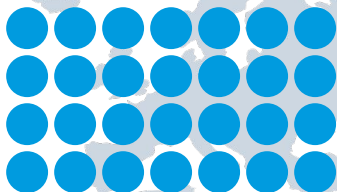
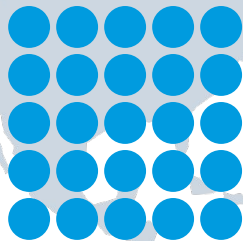
Schools
~ 20 thousand
On our platforms

US Districts
~ 10%
On our platforms

UK MATS
~ 38%
On our platforms



Offices
Perth (HQ)
Sydney
Auckland NZ
San Diego CA
Orlando FL
Charlotte NC
Leeds UK



~10m
STUDENTS

~20,000
SCHOOLS

\$47m
ARR

Family Zone is one of the world's
leading online safety providers



K-12

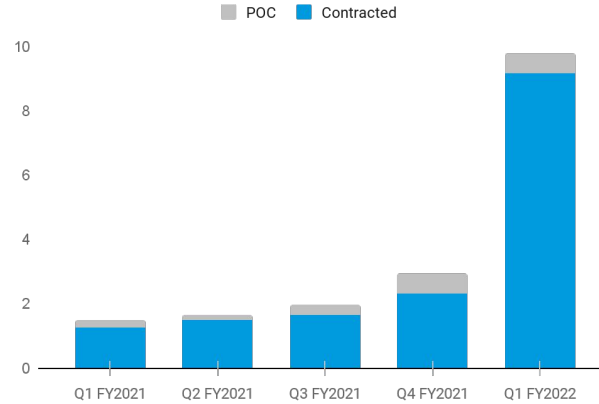
Strong UK/US Growth

Family Zone's global EDU business is growing swiftly driving student numbers to ~ 10 million and schools to 20,000 on the platform.

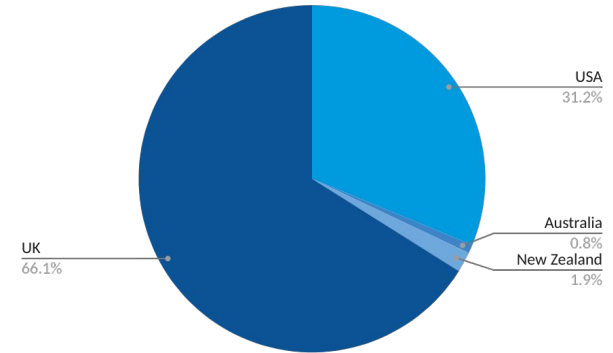
Strong growth is being experienced in both the US and the UK.

At October 31, 2021 a record pipeline has been built with 744,000 students in Proof of Concept trials in the US alone.

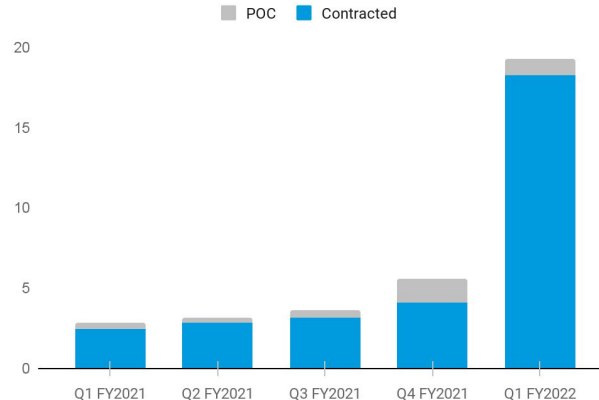
Group Student Numbers (Millions)



Family Zone School Region Splits



Group School Numbers (Thousands)



US POC Pipeline
744,000 students
at October 31 2021

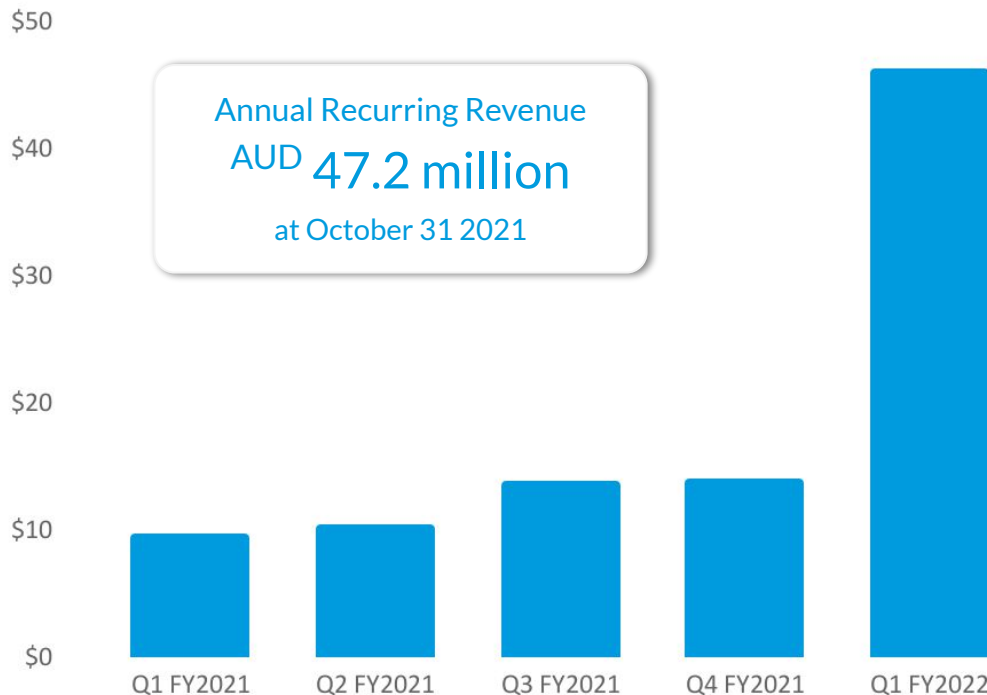
* Family Zone acquired Smoothwall in Aug 2021. Proforma charts combining the companies are provided in the appendix.

ARR approaching \$50 million

Strong sales along with cross sales created by the Smoothwall merger are driving ARR towards \$50m.



Group Annual Recurring Revenue (AUD Millions)



* Family Zone acquired Smoothwall in Aug 2021. Proforma charts combining the companies are provided in the appendix.

Operating leverage surging

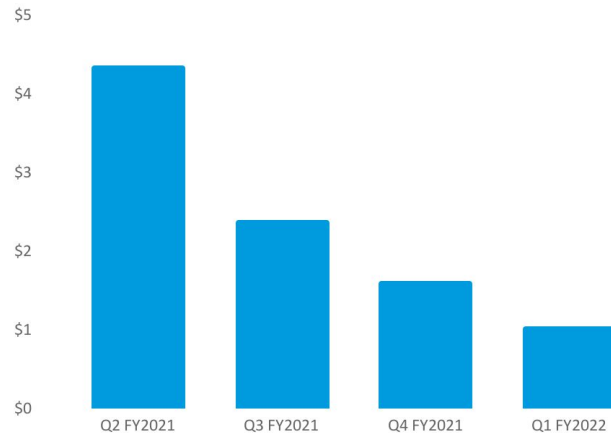
Through the scale of the merged group and ongoing efforts to reduce data & hosting costs, service margins are moving towards 70% and beyond.

Service margins is customer revenue nett of data & hosting costs, hardware costs and channel commissions.

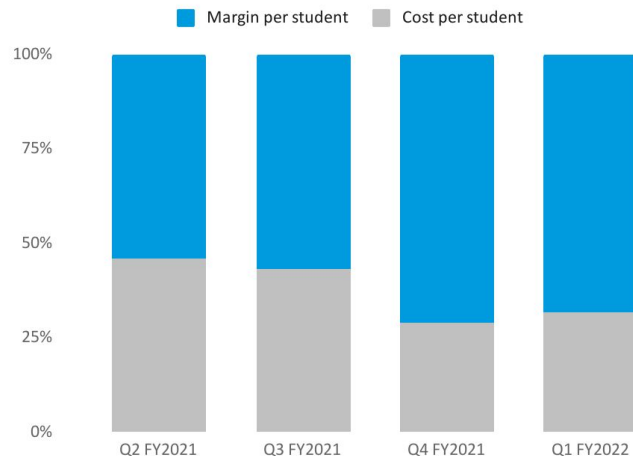
Service margins will continue to improve through:

- **Cross selling:** Recent major deals with PSBA and the accelerating cross selling of Smoothwall Monitor in the US is having immediate impacts.
- **Scale:** Ongoing work on leveraging scale is seeing significant reductions in data & hosting costs. This work continues.

Group Data & Hosting AUD/Student



Service Margins



A child is lying in bed, holding a tablet computer high above their head with both hands. The child is looking up at the tablet. The background is a blurred room with a lamp and some furniture. The entire image has a blue tint.

Acquisition of Smoothwall

In August 2021 Family Zone acquired Smoothwall.

Thesis

Results

1

Acquire a complementary business of scale

Combined group approaching 10 million students
All Smoothwall products outperforming expectations
Product suite unmatched globally

2

Acquire strong capability with a good fit

Strong management team with experience and relationships
Integration ahead of schedule, cultural fit strong
Negligible churn or disruption

3

Consolidated market positioning

Established Family Zone in the top handful of players globally
Encouraging indicators of market consolidation

4

Large potential synergies plus access consumers

Cross sells of Monitor into the US strong & ahead of schedule
Cost savings being delivered in platforms
Additional cross sells coming in 2022 across EDU & Consumer



Where to from here?

World's biggest safety market

Required to filter by law

Large enterprise deals & mature channels

1:1 devices and virtual classes normal

Massive funding programs

Positioning

Currently support ~ 10% of
US school districts

Product-market fit validated

Channel, sales & delivery
capability validated

Marked out performance
against industry

Opportunities & next steps

Expanded product set with Smoothwall
Monitor & Case Manager

Cross sells driving out-of-cycle sales
and having immediate effect on
revenue per student

K-12 sales cycle kicks off end of Q3

US Deals in Dec Qtr 2021
AUD 11.7 / student
Average Revenue / Student

DISTRICTS
13,500

SCHOOLS
135,000

STUDENTS / TAM
57m | \$700M

FAMILIES / TAM
83m | \$8.3B

Established presence

Required to filter & monitor by law

Monitoring is a greenfields opportunity

Professionalising education through MATs

1:1 devices and virtual classes now normal

Positioning

Currently support ~ 38% of UK schools

Smoothwall brand is the market leader

World leading safeguarding product "Monitor"

Opportunities & next steps

Expanded product range launching in 2022 - Classwize, Education, Analytics & Consumer

Leading Monitoring solution and required by KCSIE regulation

K-12 sales cycle kicks off in January

MATS
1,200

SCHOOLS
24,400

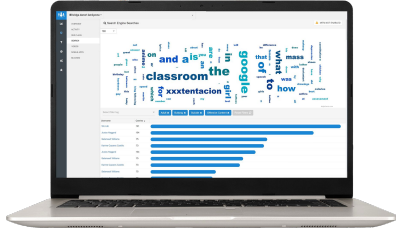
STUDENTS / TAM
9m | \$100M

FAMILIES / TAM
14m | \$1.4B

Our strategy

- 1 **Platform:** Build a universal platform where the cyber-safety features & advice that schools, parents and children want are available in one product.
- 2 **Education:** Sell school solutions covering all of their cyber safety needs. Sell beyond IT into learning and wellbeing.
- 3 **Community:** Seek ways to build relationships with parents. Eg offer school parents free insights/reporting, deliver parent education and so on.
- 4 **Premium:** Provide insights to these freemium accounts and compelling reasons to upgrade to paid parental controls and premium content.

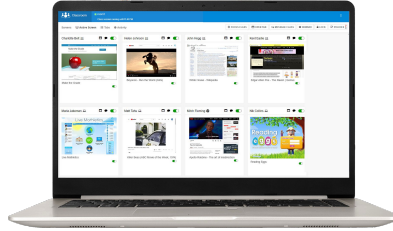
COMPLIANCE



IT and network administration tools to deliver online safety and support the efficacy of IT programs. Includes identity, filtering, integrations, reporting, bandwidth management and more.

Market leading
Dominant UK provider
Taking market share in US

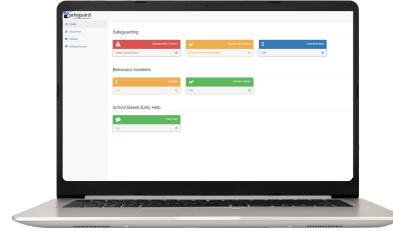
CLASSROOMS



Tools to empower teachers in modern classrooms. Includes screen monitoring, streaming, messaging, classroom focus and custom rules.

Rapidly developing
Penetrating US
Launching in UK Q3

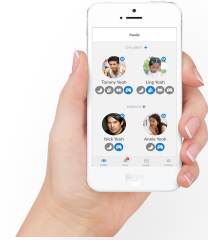
SAFEGUARDING



Advanced AI tools to monitor user activity and identify opportunities to intervene. Includes case managing incidents in compliance with regulations.

Premium product
Live in UK; laws mandate
Now launched in US

FAMILY



Online safety tools, education & insights to support their family's online journey.

Market leading
Piloting in US
Launching in UK Q3



Corporate

CASH*	\$25.6M
ORDINARY SHARES	708,815,364
MARKET CAP (@60c)	\$425M
TOP 20 SHAREHOLDERS	63%
FOUNDERS & EXECUTIVES	5%

Notes	Perf Shares/Rights	43,258,700	Options	17,961,319
* 30 Sept 2021	\$9.25m Rev' from NZ ¹	3,000,000	50-68c (expiring 2025)	9,118,112
¹ Remaining Linewize acq securities have target of NZ\$9.25m ARR from NZ and Linewize technology.	Exec salaries ²	6,171,634	18c-25c (expiring 2022)	6,143,207
² Exec salaries received PRs in lieu of cash	Employee ³	8,827,066	18c-24c (expiring 2023)	2,700,000
³ Employee incentives time based milestones	Employee & Exec ⁴	25,260,000		
⁴ Exec incentives various performance based targets				



Peter Pawlowitsch
Chairman



Tim Levy
Managing Director



Phil Warren
Non-Exec Director



Crispin Swan
Executive Director



Matthew Stepka
Non-Exec Director



Emma Wates
Company Secretary



Ben Trigger
CTO



Paul Robinson
CPO



Todd Morcombe
CFO



Ross Young
North America



Gavin Logan
UK



Georg Ell
Smoothwall



Jordan Foster
Education & Wellbeing



Nadine Mills
People



David Dunstan
Marketing



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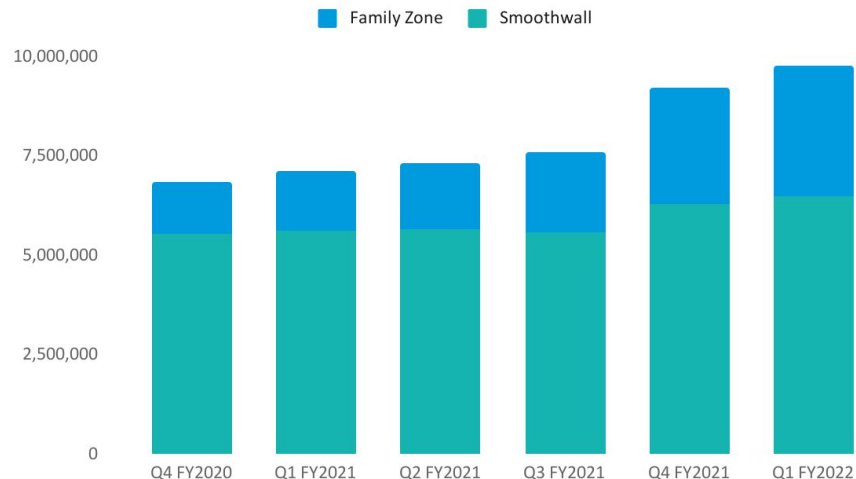
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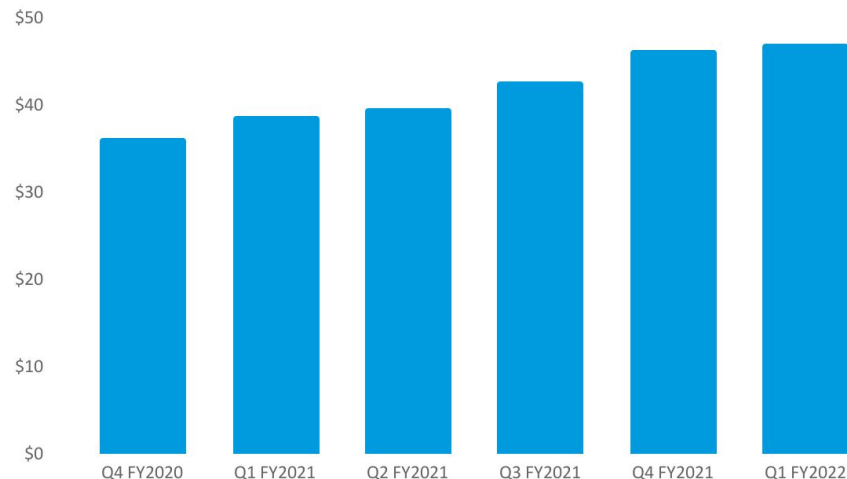
A young boy with short brown hair, wearing a blue t-shirt, is smiling and holding a blue-handled screwdriver in his right hand. The background is a solid blue color.

Appendix

Group Proforma Student Numbers



Group Proforma Annual Recurring Revenue (AUD Millions)



* Family Zone acquired Smoothwall in Aug 2021. Proforma charts combine these companies over the past 6 quarters for comparative purposes.