



family zone

To support and
protect every child's
digital journey

ASX: FZO

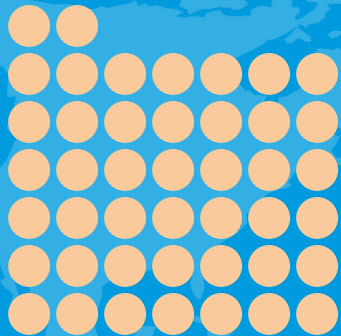
Family Zone Cyber Safety

Market Update October 2020



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> \$9.5m[#]

FUNDS
AVAILABLE



1.5m

STUDENTS

2,800

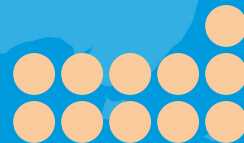
SCHOOLS

> \$9.5m^{*}

RECURRING
REVENUE

~ \$156m⁺

MARKET
CAPITALISATION



Includes \$8.7m cash plus \$0.88m tax credits expected Oct 2020. * Estimated Annual Recurring Revenue. + At 47 c per share.

THE PROBLEM

PORNOGRAPHY

69% of males & **23%** of girls have viewed porn by age 13

64% of teens access porn at least once each week

First exposure to porn is typically between **8 & 10**

33% of kids under 8 have attempted to access porn

88% of porn contains violence against women

95% of aggression in porn is met by a pleasure response

CYBER BULLYING

37% of US teens have been victims of online bullying

Only **10%** of bullying incidents are reported to parents

42% of teens report being bullied on Instagram

Almost all children have been exposed and few intervene

Rates of online bullying have **doubled in 10yrs**

MENTAL HEALTH

Youth suicide in the US is up **56%** since 2007

Rates of depression in US teens is up **52%** since 2007

For teens, suicide in the US is up **76%** since 2007

Teen girls who use social media are the most at-risk

Suicide is the leading cause of death of children in Australia

SCREENTIME

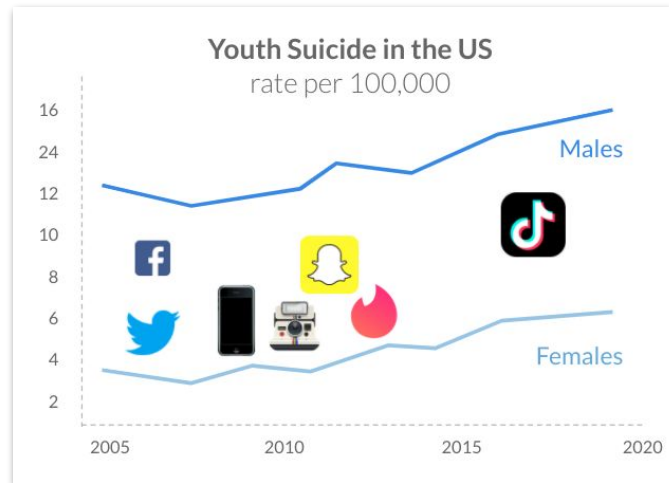
It's estimated that US teens spend **9 hrs** per day online

75% of US teens get less sleep than recommended

SEXTING

27% of children & **62%** of teens have received sexts

12% of "sexts" are shared with third parties



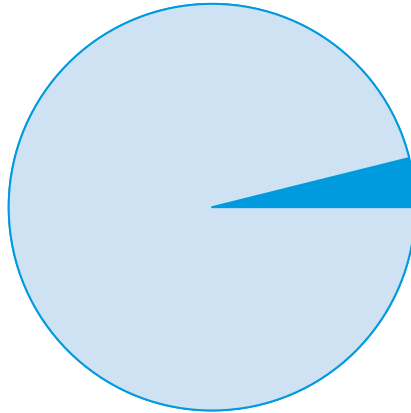
It's estimated that less than 4% of parents use Parental Controls Cyber safety is a >\$64B Untapped Opportunity

Low take-up to date

It is estimated that less than 4% of parents use parental controls in a US\$2.5B industry

Mobility & COVID-19

Increasing mobility and COVID-19 have highlighted security centric models can't work.



Fragmented industry

Fragmented industry with no dominant provider in education or consumer cyber safety.

Massive tailwinds

Increasing interest by the media, by schools and regulators is creating a massive tailwind.



The USA Opportunity



USA EDUCATION

FZO entered US education 2 years ago

- ✓ Required to filter by law
- ✓ Large enterprise deals, mature channels
- ✓ 1:1 devices and virtual classes now normal
- ✓ CaresAct injecting \$12b into learning tech

FZO well positioned for growth

- ✓ Product-market fit validated
- ✓ Sales & delivery capability validated
- ✓ Channel sales model offers scalability
- ✓ Opportunities to layer products

DISTRICTS
13,500

SCHOOLS
135,000

STUDENTS
57m

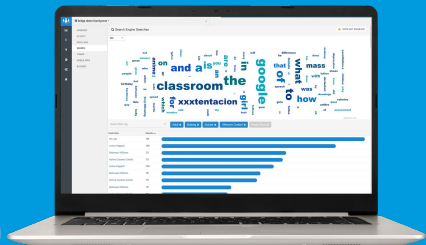
FAMILIES
83m

Our business model



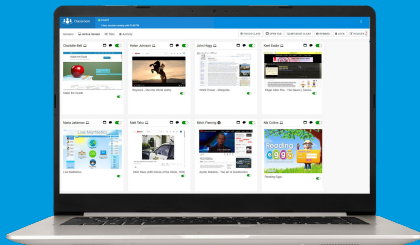


THE FAMILY ZONE PLATFORM



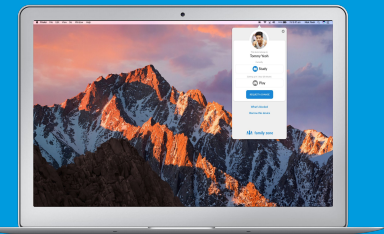
SCHOOL ADMIN

Support admins with seamless compliance, and pastoral care functions.



TEACHERS

Empower teachers in class or home instruction with visibility and control.



ALL DEVICES

Turn any device into a learning device whether on or off network.

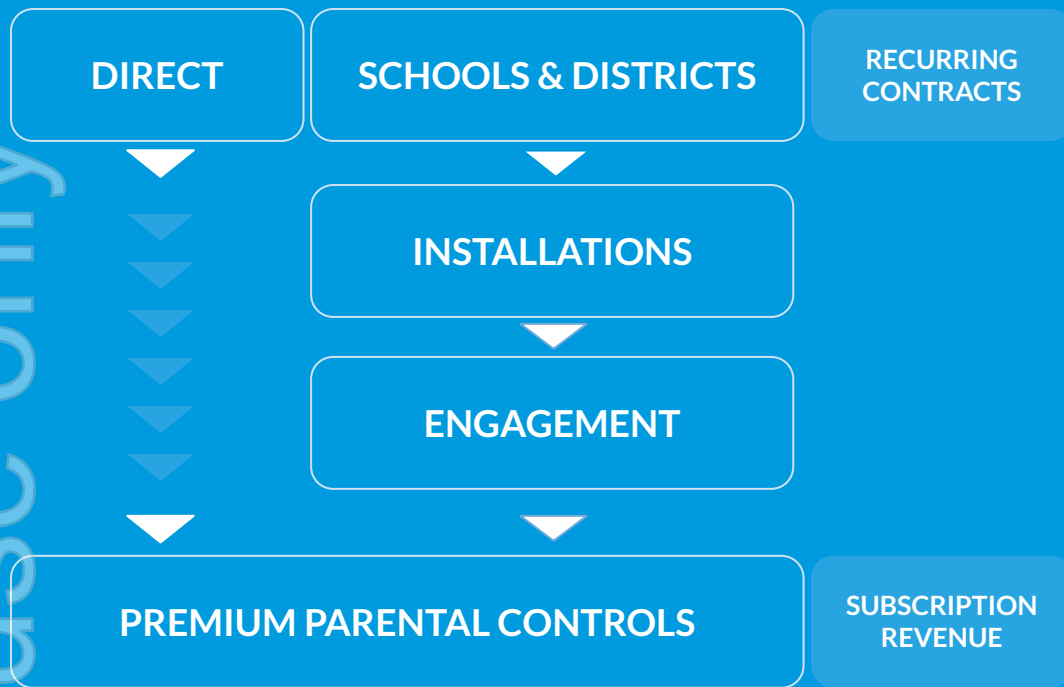


COMMUNITY

Empower parents with tools & content which work with school programs.



OUR BUSINESS MODEL



Results



Schools Added
704

317% YoY Growth

Students Added
370,000

355% YoY Growth

Contracted Schools
2,447

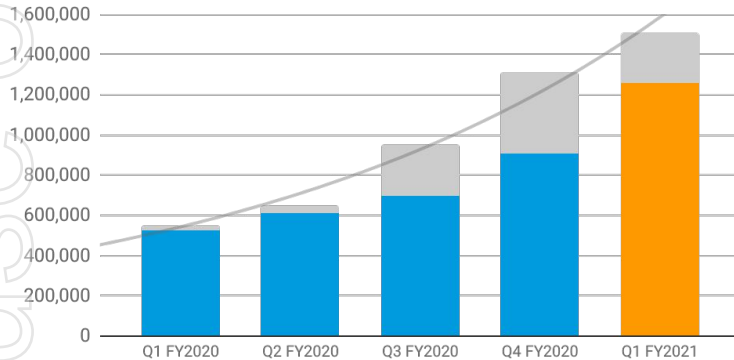
148% YoY Growth

Student Licenses
1.26 million

140% YoY Growth

Student Licenses

POCs and Trials Students



At the end of the quarter we had 2.5% of US school districts on the platform across 37 US states.

RECORD SALES IN EDUCATION IN THE QUARTER

Conversion Rate
POC Trials to Deals Won
Sep Qtr 2020

83%

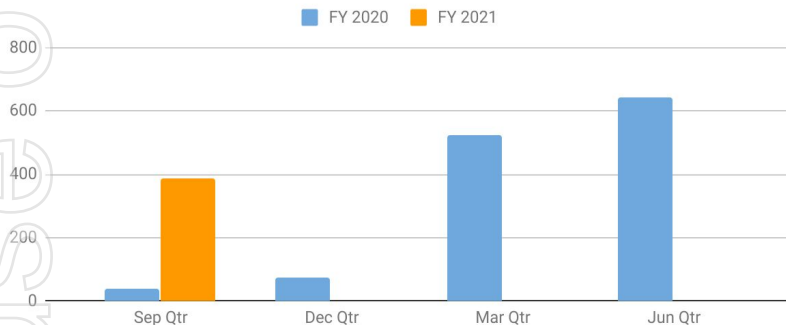
Sales Pipeline
\$3.5m

Unweighted value*

Schools in POCs
387 Schools

868% YoY Growth

Proof of Concept Trials



The annual value of POCs at 30 Sep is double the total value of new sales in the December quarter 2019.

**HIGH CONVERSION & GROWING
SALES PIPELINE**



* Unweighted pipeline is the AUD annualised value of registered and qualified deals in our sales pipeline.

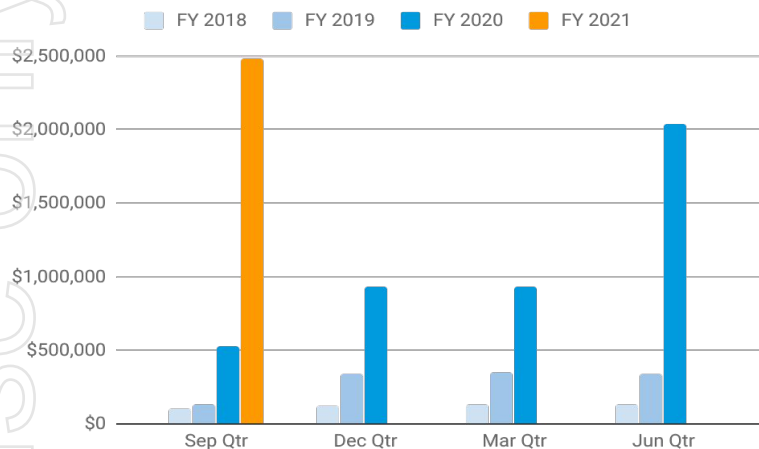
Contract ACV
\$2.5m

373% YoY Growth

Contract TCV
\$3.8m

280% YoY Growth

Annual Value of Contracts Signed



ACV = Annual Contract Value

TCV = Total Contract Value

**RECORD ANNUAL & TOTAL VALUE
OF CONTRACTS SIGNED**

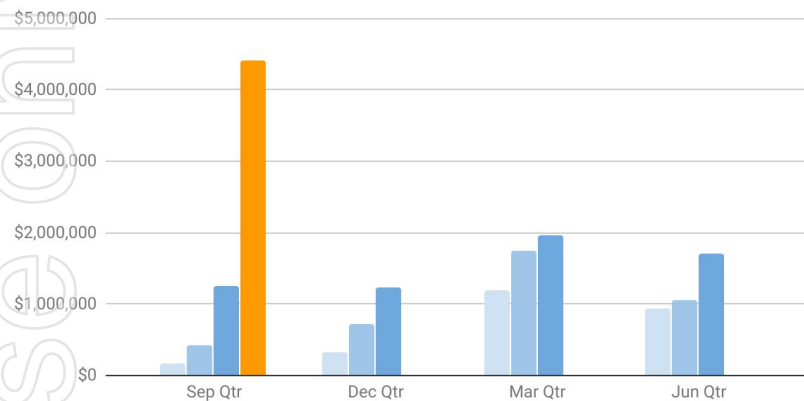
Collections

\$4.4m

250% YoY Growth

Collections from Customers

FY 2018 FY 2019 FY 2020 FY 2021



Funds at 30 September were \$8.7m with \$880k tax refund expected in October.

RECORD COLLECTIONS FROM CUSTOMERS





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Corporate





Peter Pawlowitsch
Chairman



Tim Levy
Managing Director



Crispin Swan
Executive Director



Matthew Stepka
Non-Exec Director



Phil Warren
Non-Exec Director



Ben Trigger
CTO



Ross Young
VP North America



Paul Robinson
VP Product



David Dunstan
VP Marketing

CASH AT 30 SEP 2020	\$8.7M [@]
ORDINARY SHARES	331,635,133
MARKET CAP (@47c) *	\$156M
TOP 20 SHAREHOLDERS	45%
FOUNDERS & EXECUTIVES	9%

Notes

@ Excludes \$880k of R&D refunds due for FY 2019/20.

* Calculated based on issued shares as at 30 Sep 20.

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

³ Exec salaries received PRs in lieu of cash

⁴ Employee incentives time based milestones

⁵ Exec incentives various performance based targets

Perf Shares/Rights

\$9.25m Rev' from NZ¹

Exec salaries³

Employee⁴

Employee & Exec⁵

32,068,235

3,000,000

5,780,497

5,779,398

17,508,340

Options

50c-60c (expiring in 2020)

75c-90c (expiring 2021)

18c-25c (expiring 2022)

18c-24c (expiring 2023)

15,908,422

1,700,000

1,033,530

7,474,892

5,700,000

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