



family zone

To support and
protect every child's
digital journey

Family Zone Cyber Safety

Annual General Meeting November 2021



al use only



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.

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

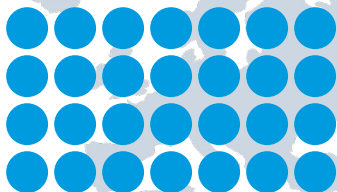
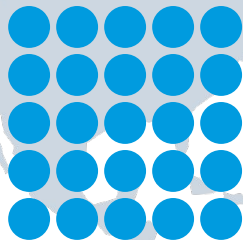
Auckland NZ

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

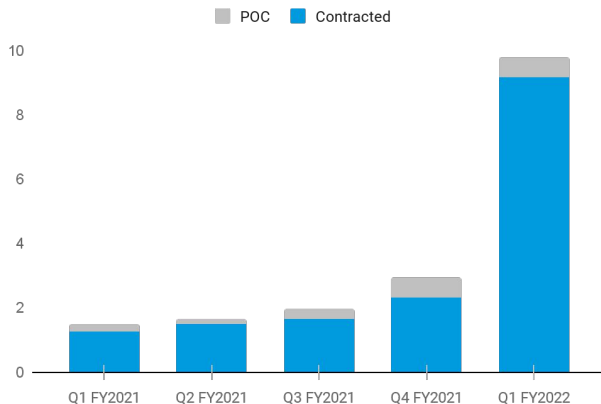
Strong UK/US Growth

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

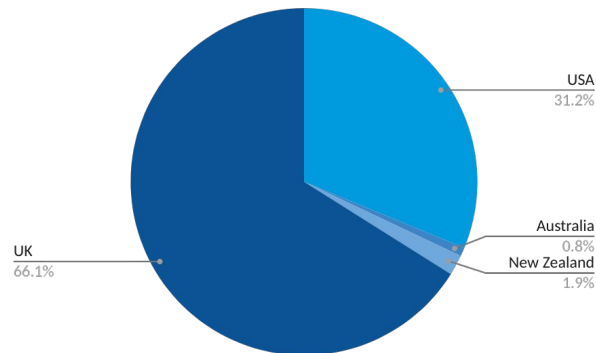
Strong growth is being experienced in both the US and the UK.

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

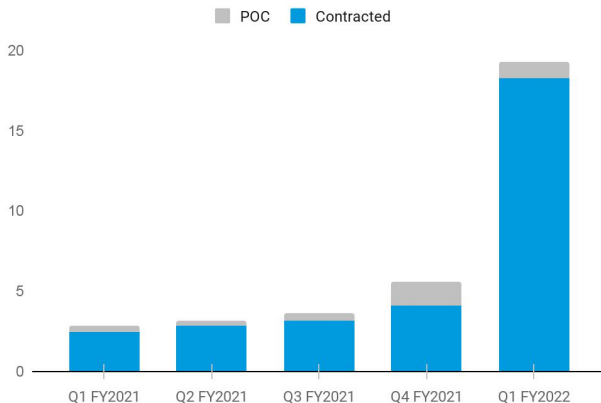
Group Student Numbers (Millions)



Family Zone School Region Splits



Group School Numbers (Thousands)



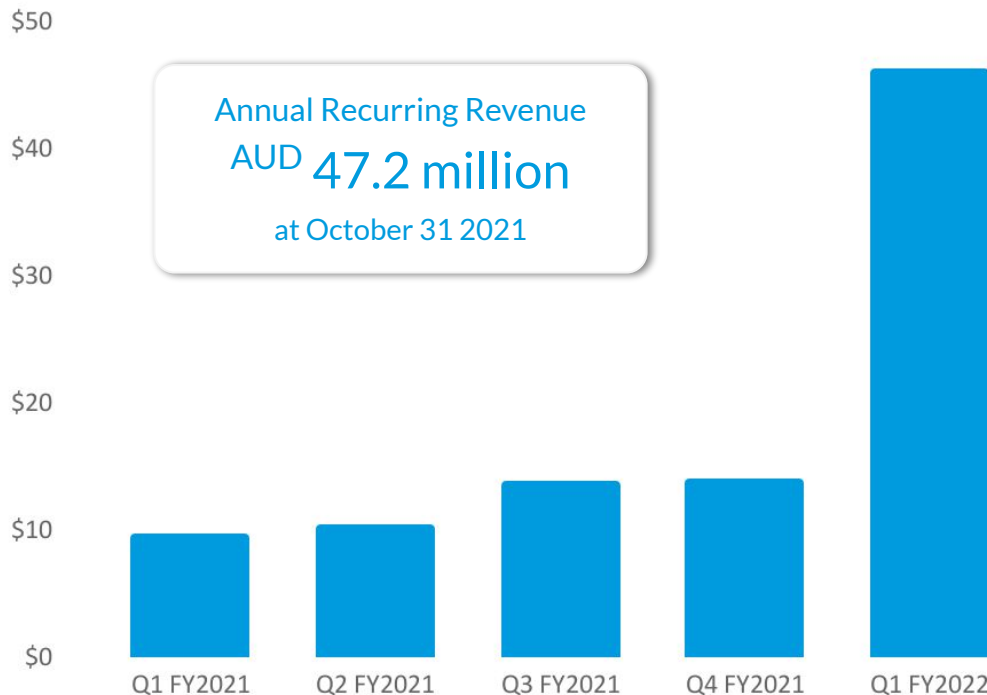
US POC Pipeline
744,000 students
at October 31 2021

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)



Operating leverage surging

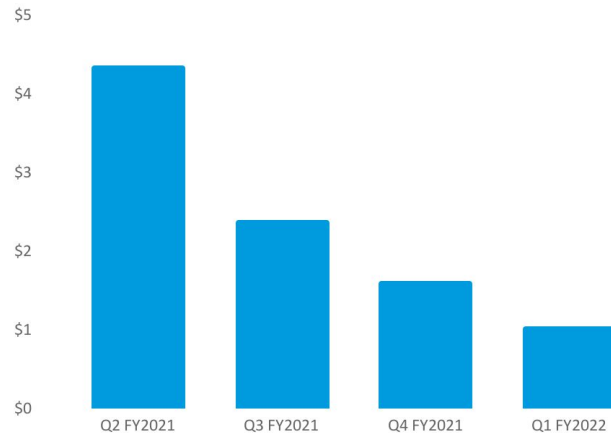
Through the scale of the merged group and ongoing efforts to reduce data & hosting costs, service margins are moving towards 70% and beyond.

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

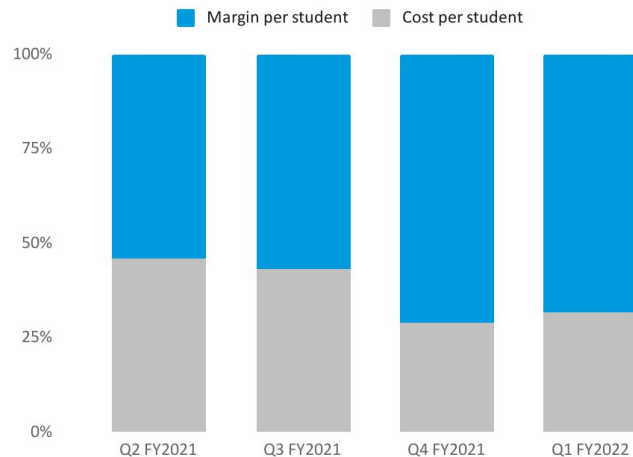
Service margins will continue to improve through:

- **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



Acquisition of Smoothwall

Thesis and results

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

US Deals in Dec Qtr 2021

AUD **11.7 / student**

Average Revenue / Student

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

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

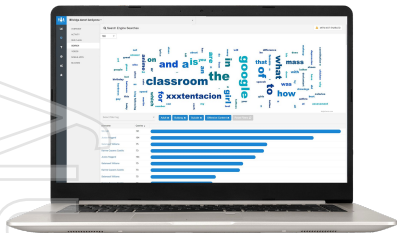
Premium: Provide insights to these freemium accounts and compelling reasons to upgrade to paid parental controls and premium content.

COMPLIANCE

CLASSROOMS

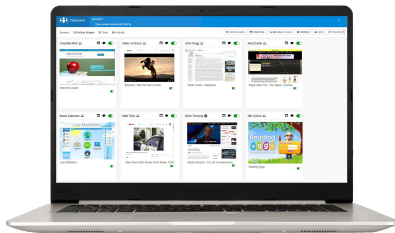
SAFEGUARDING

FAMILY



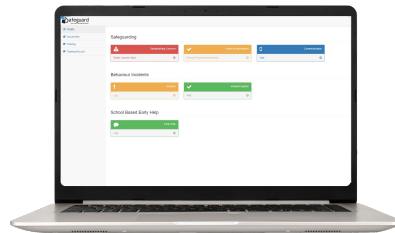
IT and network administration tools to deliver online safety and support the efficacy of IT programs. Includes identity, filtering, integrations, reporting, bandwidth management and more.

Market leading
Dominant UK provider
Taking market share in US



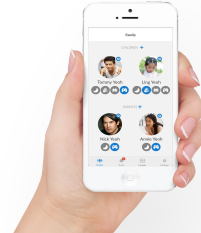
Tools to empower teachers in modern classrooms. Includes screen monitoring, streaming, messaging, classroom focus and custom rules.

Rapidly developing
Penetrating US
Launching in UK Q3



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



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

Market leading
Piloting in US
Launching in UK Q3



Personal use only

Corporate



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

Notes

* 30 Sept 2021

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

² Exec salaries received PRs in lieu of cash

³ Employee incentives time based milestones

⁴ Exec incentives various performance based targets

Perf Shares/Rights

\$9.25m Rev' from NZ¹

Exec salaries²

Employee³

Employee & Exec⁴

43,258,700

3,000,000

6,171,634

8,827,066

25,260,000

Options

50-68c (expiring 2025)

18c-25c (expiring 2022)

18c-24c (expiring 2023)

17,961,319

9,118,112

6,143,207

2,700,000



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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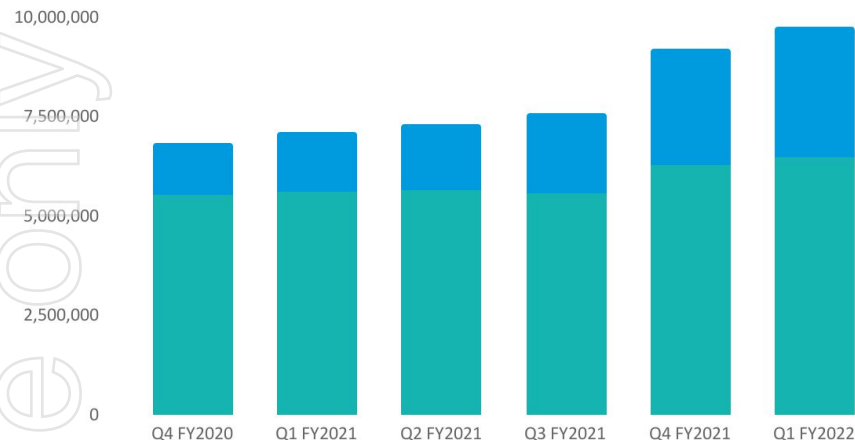
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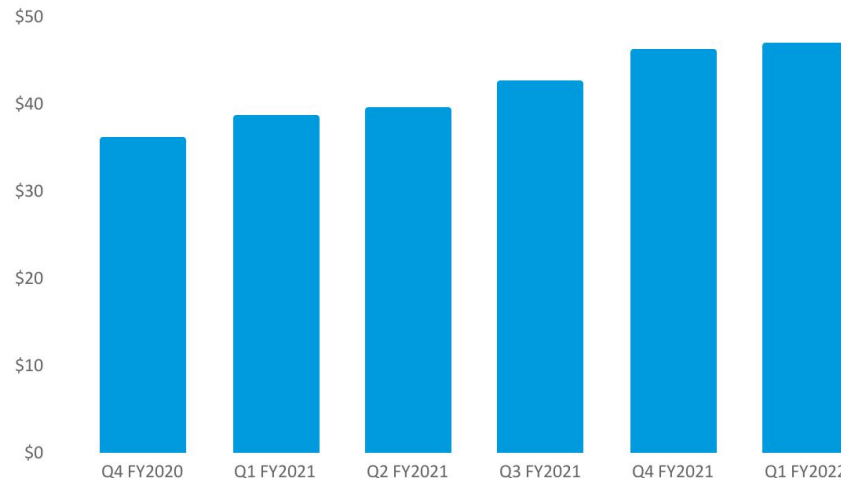
Appendix

Group Proforma Student Numbers

Family Zone Smoothwall



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.