ASX: FZO

family zone

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

Shaw and Partners
an EFG company

Family Zone Cyber Safety

Investor update December 2021



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To protect **and** support 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.

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Why Family Zone

Proven, global & scalable

One of the leading and largest online safety providers in the world supporting ~ 40% of the UK and 10% of the US K-12 markets.

Innovation

US patented platform is the world's first to enable schools and parents to collaborate to keep children safe and on task at school and at home on any device.

Secure recurring revenue

Secure SAAS based contracted revenue stream from state funded educational systems.

Operating leverage

Strong service margins of +70% with clear path beyond 80% through scale, engineering and value adds.

Cross sales revenue growth

Clear opportunities to grow average revenue with leading value added products being cross sold into existing customer bases.

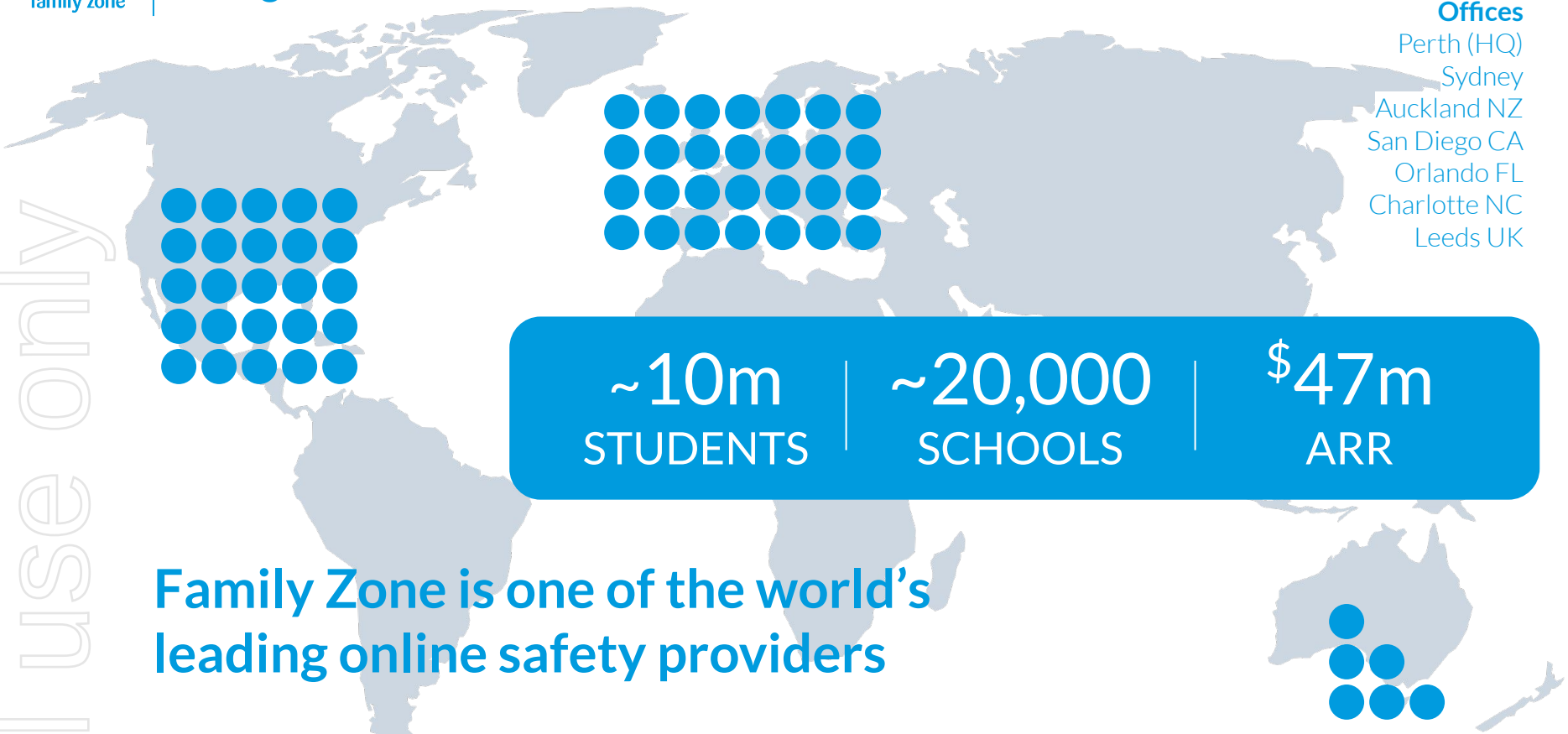
Impact

Unique approach to addressing some of the biggest challenges of our time: how to keep children safe and how to educate in the cyber-age.

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At a glance

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



~10m	~20,000	$47m
STUDENTS	SCHOOLS	ARR

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

As at October 31, 2021

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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

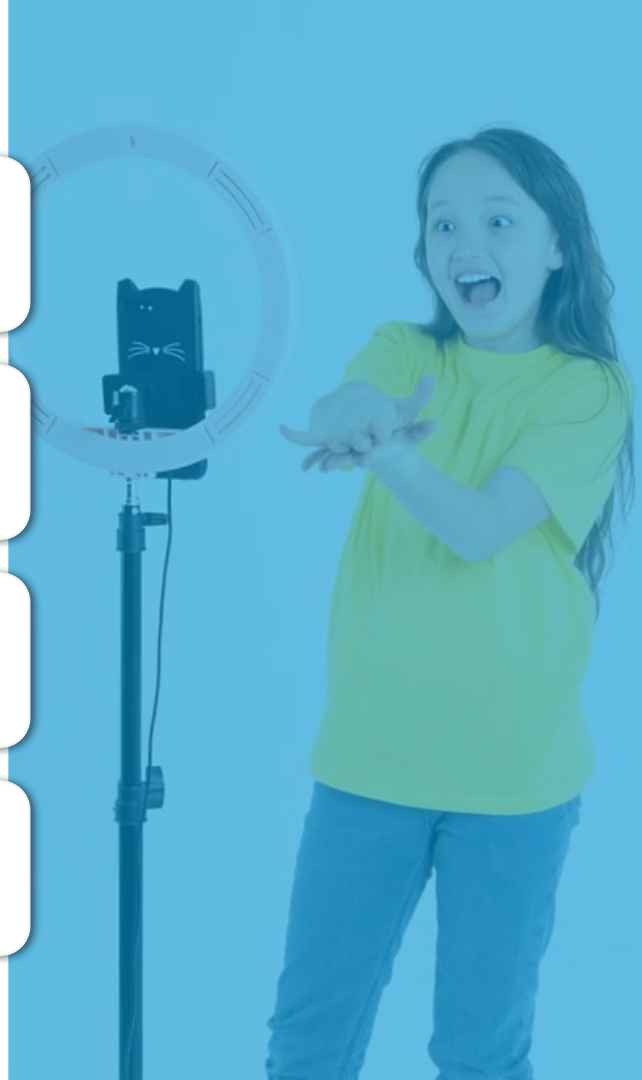
- ✓ Employed CFO and built out back-office teams
- ✓ Implemented ERP, Netsuite
- ✓ Achieved 75% reduction in data & hosting costs per user
- ✓ Values, employment branding and massive recruitment

Students
~ 10 million
On our platforms

Schools
~ 20 thousand
On our platforms

US Districts
~ 10%
On our platforms

UK MATS
~ 38%
On our platforms



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K-12 Growth

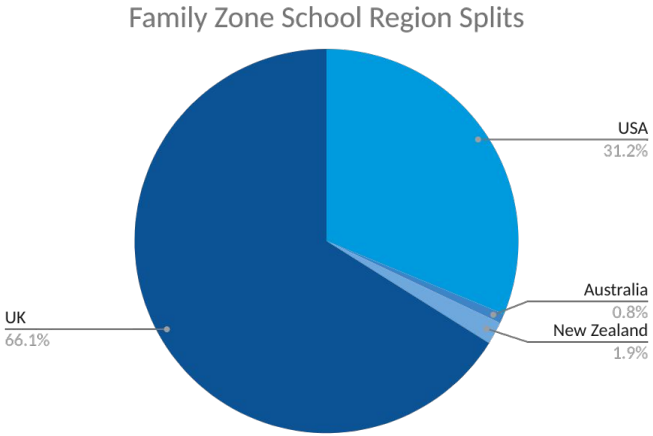
Students approaching 10 million

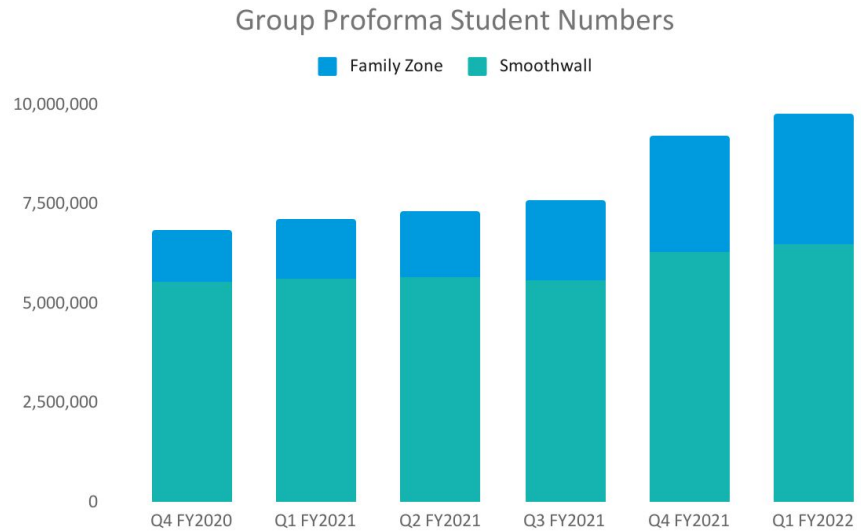
Strong sales across UK and US driving base to 20,000 schools and 10 million students.

US POC Pipeline

770,000 students

at November 30 2021





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

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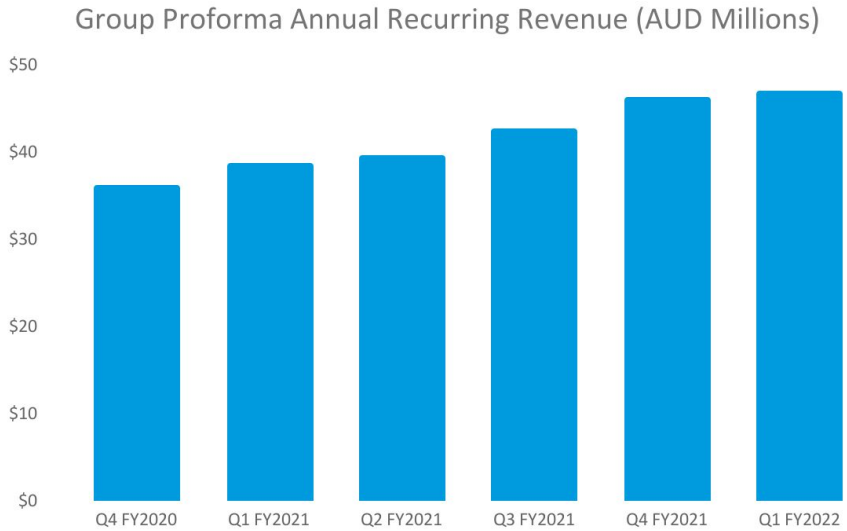
Recurring Revenue

ARR approaching $50 million

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

Annual Recurring Revenue
AUD 47.2 million
at October 31 2021





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Financials

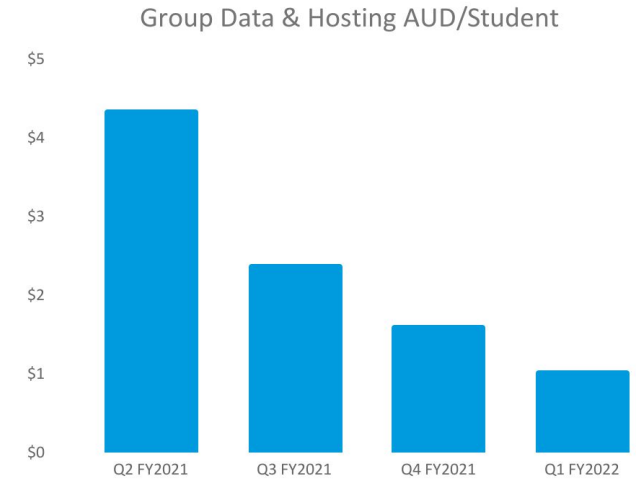
Operating leverage surging

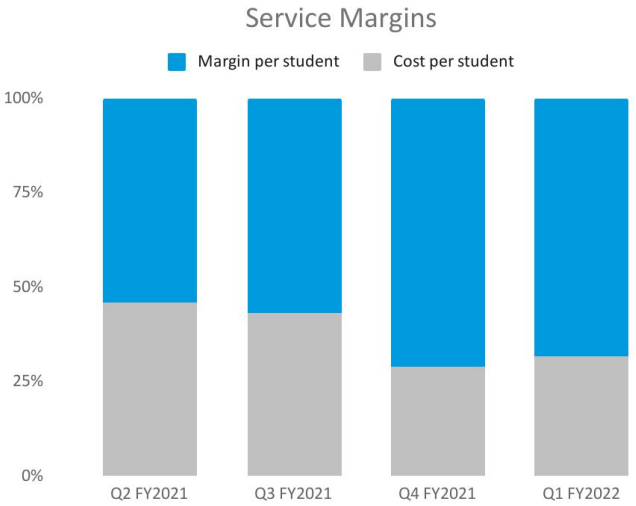
Scale of the merged group and investments are driving service margins to 70% and beyond.

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.

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





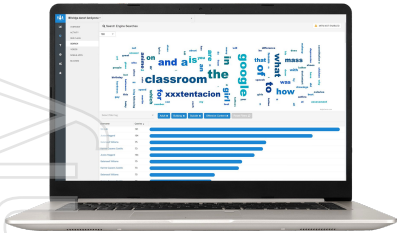
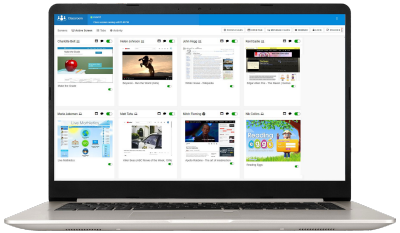
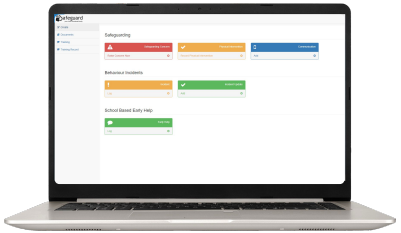
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Where to from here?

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World leading components

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.	Tools to empower teachers in modern classrooms. Includes screen monitoring, streaming, messaging, classroom focus and custom rules.	Advanced AI tools to monitor user activity and identify opportunities to intervene. Includes case managing incidents in compliance with regulations.	Online safety tools, education & insights to support their family's online journey.
Market leading Dominant UK provider Taking market share in US	Rapidly developing Penetrating US Launching in UK Q3	Premium product Live in UK; laws mandate Now launched in US	Market leading Piloting in US Launching in UK Q3

Confidential

USA Education

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

US Deals in Dec Qtr 2021

AUD 11.7 / student

Average Revenue / Student

Positioning

Currently support ~ 10% of US school districts

Product-market fit validated

Channel, sales & delivery capability validated

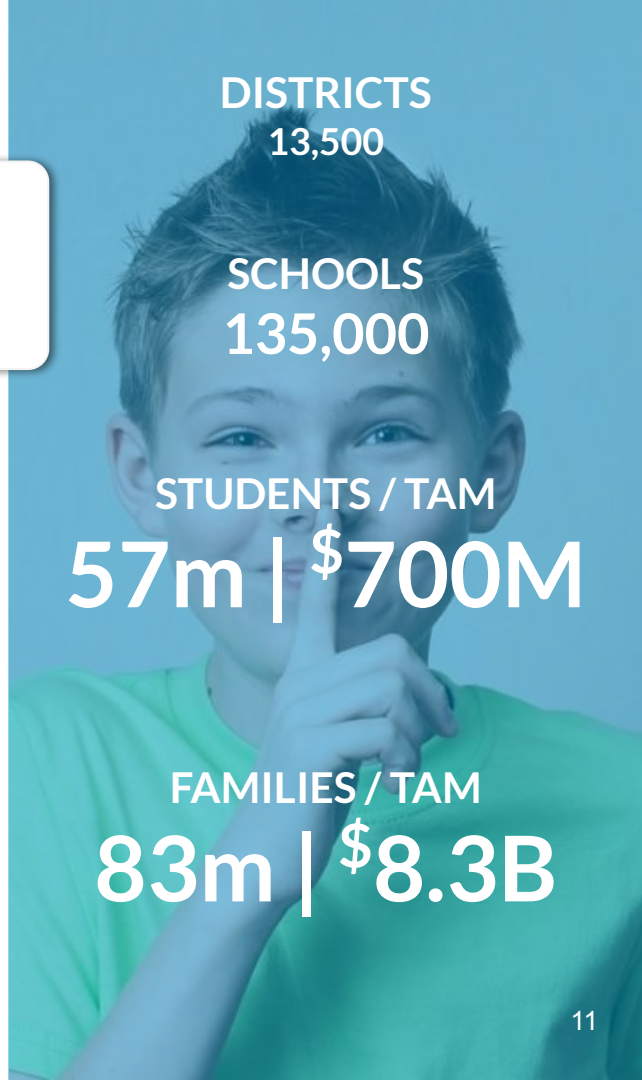
Marked out performance against industry

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



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UK Education

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

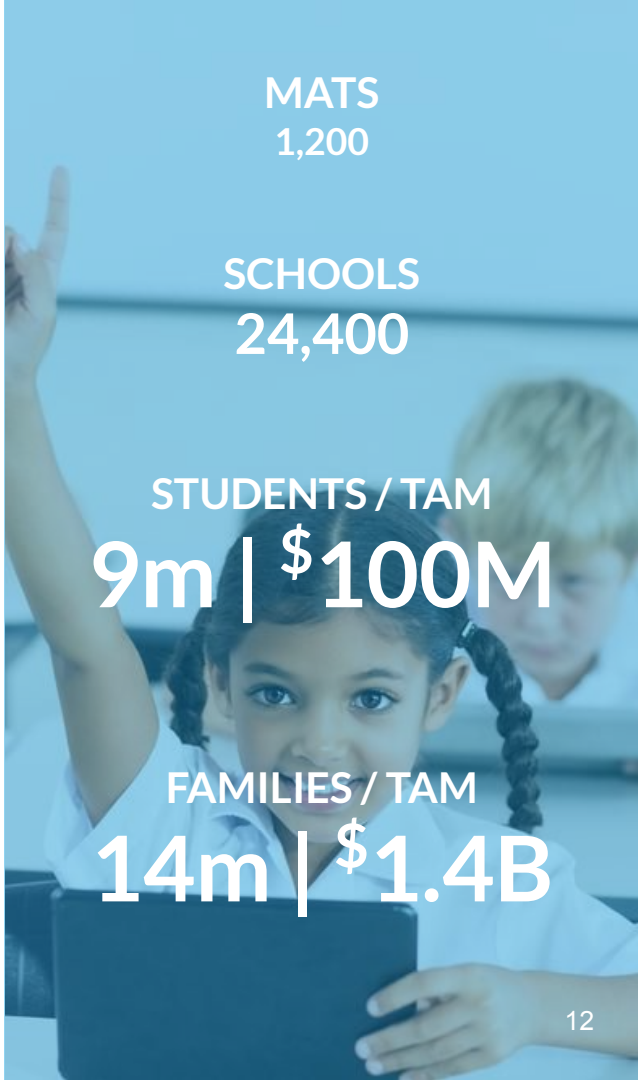
World leading safeguarding product “Monitor”

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



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Corporate

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CAPITAL

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	**43,258,700**
$9.25m Rev' from NZ[1]	3,000,000
Exec salaries [2]	6,171,634
Employee [3]	8,827,066
Employee & Exec [4]	25,260,000

Options	**17,961,319**
50-68c (expiring 2025)	9,118,112
18c-25c (expiring 2022)	6,143,207
18c-24c (expiring 2023)	2,700,000

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Key personnel



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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