



MARKET BRIEFING SEPTEMBER 2018



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To protect and support every child's digital journey.

 global **cyber**
safety provider



 **350k**
daily users

 **600**
schools

world-first
cyber safety ecosystem

SCHOOL

Cyber safe &
secure at school

MOBILE

Cyber safe personal
& learning devices

HOME

Cyber safe &
secure at home

THE TEAM

Family Zone was founded by ex telecommunications executives with technology and startup expertise. The team has been bolstered by world renowned board appointments and boasts global experience & relationships.

BOARD OF DIRECTORS



Tim Levy
Managing Director



Crispin Swan
Executive Director



John Sims
Chairman



Phil Warren
Non-Exec Director



Sir Peter Westmacott
Non-Exec Director

coming soon

commentary

Family Zone is an ASX-listed global cyber safety provider. We're trusted by schools throughout Australia, New Zealand and the United States and we're the chosen solution for some of the biggest telcos and device manufacturers globally.

Family Zone was founded by experienced telecom executives who identified a clear need for flexible, inter-operable and universal cyber safety services.

Family Zone has developed a unique and innovative cloud-based ecosystem that enables a parent-set access policy to roam with a child and be enforced across any device and any network.

This allows the Company to offer a world-first platform approach to cyber safety, solving problems for parents and schools and offering opportunities for telcos and device manufacturers to participate, drive new sales opportunities and value added revenue.

Family Zone's mission...



We seek to dominate in **cyber safety**. It is a massive untapped market. We seek to offer a comprehensive suite of **cyber safety** solutions for parents. We will offer them via direct and indirect sales channels.



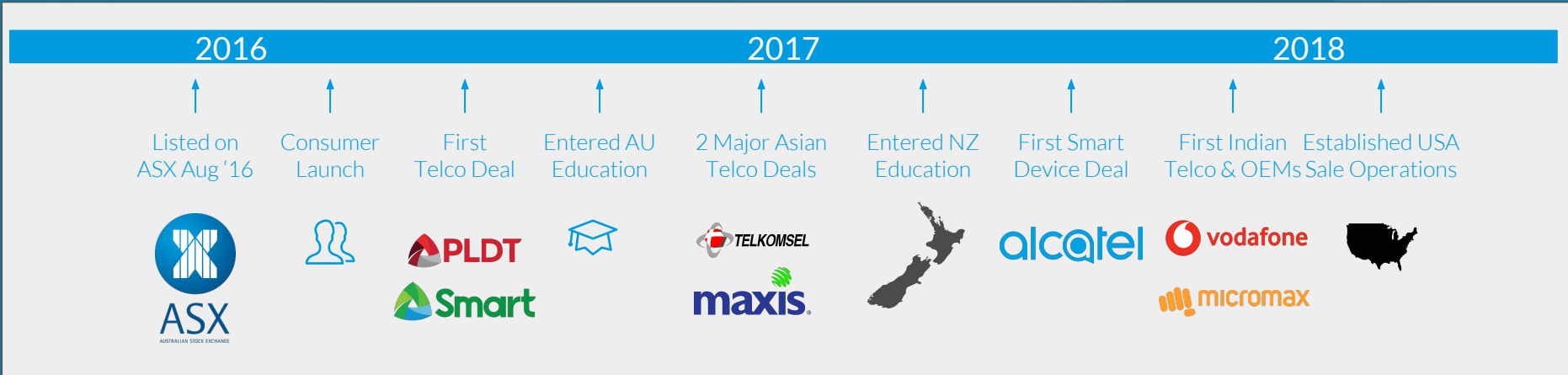
We seek to provide innovative solutions to **schools**. They have dynamic needs, they have budgets and growing pressures. They also have influence over parents and their technology choices.



We seek to work with **telcos** and **device manufacturers** to make our cyber safety platform available everywhere. We seek to create new sales and value-added revenue opportunities for them.

FAMILY ZONE ACHIEVEMENTS

Remarkable growth in 2 years



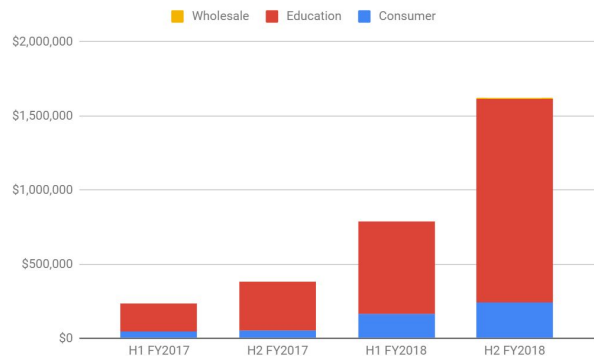
Family Zone's innovative approach is driving rapid growth across Australian and New Zealand schools and consumers. We are swiftly becoming the go-to provider to global telcos. Our USA footprint is set for growth.



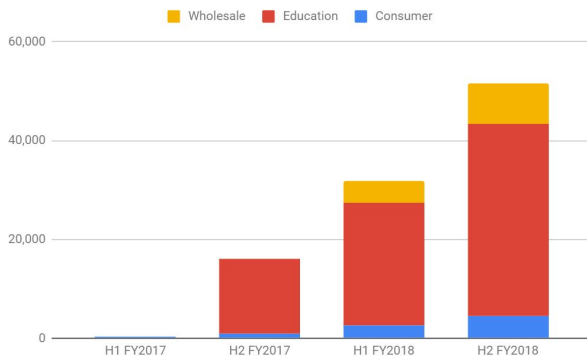
Rapidly growing, global & scalable

Family Zone's channels to market are swiftly taking shape. Our customer base and average revenues per account are growing rapidly.

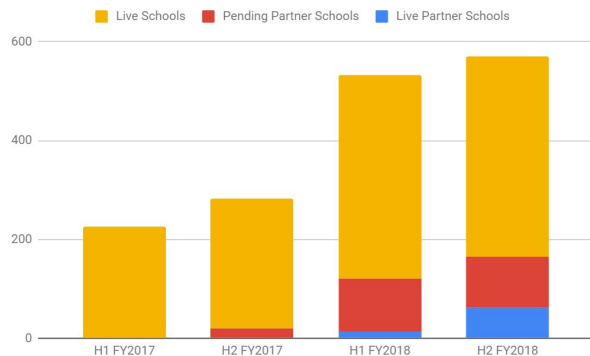
CUSTOMER REVENUE



PAYING ACCOUNTS



SCHOOLS



Consumer

	H1 FY 2017	H2 FY 2017	H1 FY 2018	H2 FY 2018
Revenue	\$48k	\$51K	\$163K	\$241K
ARPA	\$139	\$100	\$122	\$108

Average revenue per account per annum

Schools

	H1 FY 2017	H2 FY 2017	H1 FY 2018	H2 FY 2018
Revenue	\$190K	\$327K	\$621K	\$1.4M
ARPS	\$1.6K	\$2.3K	\$2.4K	\$4.8K

Average revenue per school per annum

REVENUE DOUBLING EVERY 6 MONTHS

Family Zone provides services direct to consumers and schools and through wholesale partners.

Our customer revenue (excluding grants and tax incentives) has been doubling every 6 months since we launched.

PAYING ACCOUNTS BREAKS THROUGH 60K

Family Zone's services are typically sold to consumers and schools via what we call "Family Packs". This is our basic consumer parental control package. "Paying accounts" are therefore paid by either parents or schools.

As at the end of August 2018 paying accounts broke through 60k.

GROWING SCHOOL FOOTPRINT & REVENUE

Our primary method of driving revenue and accessing parent subscriptions is through our school partnerships. In these we work with schools to introduce cyber safety programs for the community.

Our solutions focus is helping us swiftly grow our school footprint and average revenue.

Our charges per school differ across regions. On average our charges are above \$10,000 in Australia and above \$4,000 in New Zealand. USA is too early to report on.

CONSUMER AVERAGE REVENUE ON TARGET

Our consumer average revenue per account is volatile and impacted by periodic special offers. Our average is close to \$120/annum which is on target.

CUSTOMER FEEDBACK

The feedback we receive consistently shows that we “get it”. In particular our universal and outcomes driven approach is resonating with schools and telcos.

Having Family Zone pre-loaded on all Alcatel devices is an extension of my concerns as a parent, and our desire to help provide more peace of mind to families.

Sam Skontos
Managing Director, Alcatel

The Alcatel logo, featuring the word "alcatel" in a lowercase, sans-serif font with a stylized dot for the 'a'.

The Family Zone ecosystem is unique in providing a complete end-to-end solution for schools in terms of duty of care and educational outcomes, with the addition of community engagement and support.

Yugon Chobanoff
IT Director, John XXIII College



THE PROBLEM WE ARE SOLVING

PORNOGRAPHY

93% of boys & **62%** of girls have watched **pornography**

According to the AMA there is a “strong link” between online porn and adverse sexual and mental health outcomes.

SLEEP



3 out of 4 teens do not get **sufficient sleep**

Research clearly shows a high correlation between a lack of sleep and depression, as well as behavioural and learning issues.

CYBERBULLYING



of today's youth have been exposed to **cyberbullying**

Research shows over 30% of students have experienced cyberbullying and almost all have been exposed to it.

SCREENTIME



The average teen is online for **5 hours a day** and checks their phone **50 times a day**



After rising since the early 1990s, adolescent self-esteem plunged after 2012. Research suggests that teens who spend less time in front of screens are “happier”.

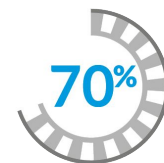
SEXTING

70%

of teenage girls believe **sexting** is normal

The majority of teenagers now regard sharing explicit material as normal. Over half of girls feel pressure to take & share sexual photos.

GAMBLING



of teens **gamble** each year

20%

of adolescents access **gambling sites**

Gamblification is the term coined by experts concerned about the growing inclusion of gambling features in children's apps.

OUR UNIVERSAL SOLUTION



SCHOOL



MOBILE



HOME

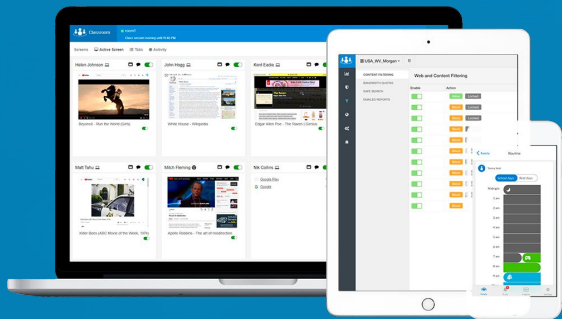


WORLD-FIRST PLATFORM

A common platform across **all networks** and **all devices**

AT SCHOOL

Solutions for networks and classrooms



WHEN MOBILE

Technology for all children's devices



AT HOME

Solutions for a safe home



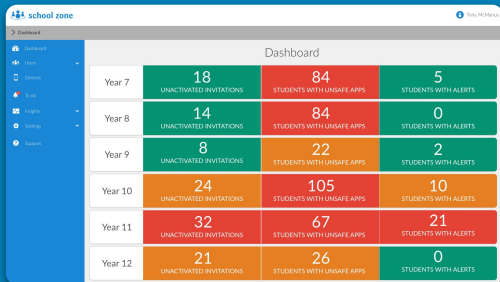
A single platform operating at home, at school and outside.

CREATES THE ECOSYSTEM

Universal platform drives collaboration

PARENTS & SCHOOLS

Allows schools to engage with parents in community wide cyber programs

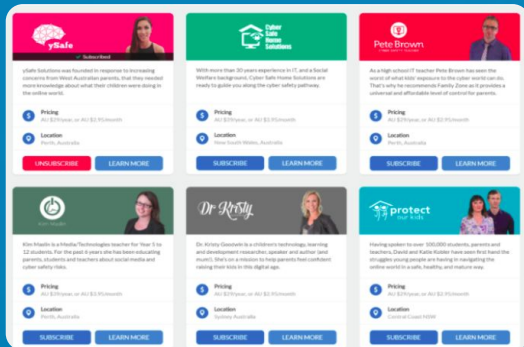


	18 UNACTIVATED INVITATIONS	84 STUDENTS WITH UNSAFE APPS	5 STUDENTS WITH ALERTS
Year 7	14 UNACTIVATED INVITATIONS	84 STUDENTS WITH UNSAFE APPS	0 STUDENTS WITH ALERTS
Year 8	8 UNACTIVATED INVITATIONS	22 STUDENTS WITH UNSAFE APPS	2 STUDENTS WITH ALERTS
Year 9	24 UNACTIVATED INVITATIONS	105 STUDENTS WITH UNSAFE APPS	10 STUDENTS WITH ALERTS
Year 10	32 UNACTIVATED INVITATIONS	67 STUDENTS WITH UNSAFE APPS	21 STUDENTS WITH ALERTS
Year 11	21 UNACTIVATED INVITATIONS	26 STUDENTS WITH UNSAFE APPS	0 STUDENTS WITH ALERTS
Year 12			

Family Zone's innovative Community Platform provides the ability for schools to run cyber programs across the entire parent community.

CYBER EXPERTS

Allows cyber safety experts to interact directly with schools & parents



The interface displays three expert profiles, each with a bio, pricing, location, and subscription options.

- Profile 1 (yale):** Cyber safety expert with 10 years experience in IT and a Social Media Strategist. Pricing: \$150/month or \$1,500/annum. Location: Perth, Australia.
- Profile 2 (Pete Brown):** An experienced IT teacher with 10 years experience in IT and a Social Media Strategist. Pricing: \$150/month or \$1,500/annum. Location: Perth, Australia.
- Profile 3 (Dr. Kirsty):** A cyber safety expert with 10 years experience in IT and a Social Media Strategist. Pricing: \$150/month or \$1,500/annum. Location: Perth, Australia.

Family Zone's innovative Cyber Expert Program allows cyber safety experts to develop services around our platform, selling services to schools and subscription services to parents.

TELCOS & ODMs

Allows telcos and ODMs to leverage best practice cyber safety



Family Zone's innovative Partner Program allows telcos and device manufacturers to embed worlds best practice cyber safety into their offerings, and drive new customer and revenue streams.

CYBER SAFETY EVERYWHERE

FOR PARENTS



Manage
Screen Time



Filter Web
Content



Manage
Social Media



Manage
Streaming



Works with
Schools



Manage
Gaming



Disable Device
Features



Reports &
Alerts



Manage In App
Purchases



Manage App
Downloads



Kids & Parent
WiFi



Cyber Expert
Support

FOR SCHOOLS



Manage Users
& Interfaces



Filter Web
Content



Filter Apps &
Videos



Classroom
Control



Device
Supervision



SSL
Inspection



Advanced VPN
detection



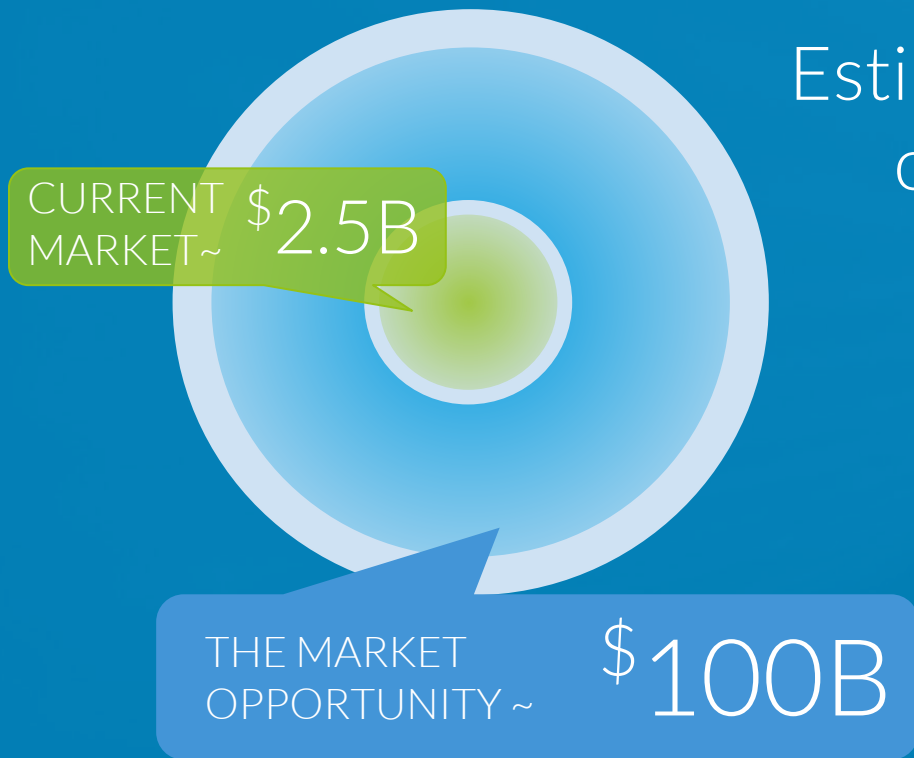
Reports &
Alerts



Parent
Engagement

THE SIZE OF THE OPPORTUNITY

GLOBAL CYBER SAFETY MARKET



Estimated there is **2-4%** take-up of parental controls globally.

- ✓ Incomplete / localised products
- ✓ Incompatibility with school needs
- ✓ Lack of interoperability
- ✓ Awareness only now taking hold

Family Zone's world-first **ecosystem** approach leverages schools, telcos and devices and **creates** this **opportunity**.

OUR CHANNELS



DIRECT



SCHOOLS



TELCOS



ODMs

OUR CHANNELS



CONSUMER

Complete parental control solutions for parents.

Consumers buy Family Zone products & subscriptions



Family Packs

\$5.95 per month
(3 kids and 6 devices).



EDUCATION

Cyber safety solutions for the school & school community.

Schools buy Family Zone EDU Solutions

**FAMILY ZONE
EDU SOLUTIONS**

Schools buy, mandate or promote Family Zone



TELCOS

White label wholesale cyber safety offering.

Telcos promote & ODMs preload Family Zone



ODMs

Preload on access points & smart devices.

Revenue share with wholesale partners.

**FAMILY ZONE
SUBSCRIPTIONS**

CONSUMER

- ✓ Vast & unsatisfied market
- ✓ Awareness is building
- ✓ Still reluctant purchasers





safe family bundle

Cyber safety for

3

children

+



All home devices
protected

GET STARTED

\$89 upfront

60-day moneyback guarantee

- ✓ 6 Mobile Zone Apps to protect mobile devices
- ✓ Zone Manager app for parent devices
- ✓ Block access & adult content
- ✓ Auto schedule screen time
- ✓ Restrict social media access
- ✓ Family usage reports & alerts
- ✓ Disable camera & in-app purchases
- ✓ Cyber expert advice

Plus you get the Home Zone Box

- ✓ Protects unlimited devices at home
- ✓ Includes unfiltered parent WiFi
- ✓ Includes secure guest WiFi
- ✓ Includes 3 months free plan access

After 3 months, you'll move to an ongoing monthly plan at \$5.95/m. You can cancel or change this plan at any time

safe on the go

Cyber safety for

3

children

GET STARTED

\$5⁹⁵ upfront

- ✓ 6 Mobile Zone Apps to protect mobile devices
- ✓ Zone Manager app for parent devices
- ✓ Block access & adult content
- ✓ Auto schedule screen time
- ✓ Restrict social media access
- ✓ Family usage reports & alerts
- ✓ Disable camera & in-app purchases
- ✓ Cyber expert advice
- ✓ Includes 3 months plan access

After 3 months, you'll move to an ongoing monthly plan at \$5.95/m. You can cancel or change this plan at any time

CONSUMER

Full suite
parental controls
for any family
available online.

EDUCATION

Background

- ✓ Increasing duty of care
- ✓ Changing pedagogy
- ✓ Student outcomes being affected
- ✓ Significant investments stranded
- ✓ Challenge now is ***mobility & parents***

UK \$480M

Potential value of
Cyber Safety in EDU

USA
\$3,000M

Value of Cyber
Safety in EDU

UK \$30M

USA \$200M

Australia & New Zealand \$15M

Australia & New
Zealand \$200M

EDUCATION

Opportunity

Holistic support
for the needs of
the entire school
community.

Ramping up Education

Family Zone is rapidly becoming the go-to cyber safety solution for ANZ schools.

- ✓ Rapid growth in school revenue
- ✓ Exceptional parent take-up (~ 24%)
- ✓ Partnerships with leading tech vendors
- ✓ Developing distribution channels

Family Zone's focus for FY 2019 is on continued investment in product and distribution and sales successes in ANZ and USA.

UPCOMING MILESTONES



ANZ EDU: December quarter is typically the largest sales period in ANZ. Family Zone is committed to a successful period.



USA EDU: June quarter is typically the largest sales period in USA. Family Zone's team is working with our partners to ensure product fit and sales success.



ASIA EDU: Family Zone is in advanced discussions and trials with Schools across Hong Kong and India. We expect sales traction coming into the new year.

TELCOs & ODMs

Background

- ✓ Commoditised products
- ✓ Seek differentiators
- ✓ Seek valued adds
- ✓ Brand equity in 'family values'
- ✓ Increasing regulatory pressure

TELECOMS

Enormous opportunity

Our wholesale clients have ~ 60m children.



This is an addressable
market opportunity of

AU\$
~ 340M
PER YEAR

* This is not a forecast. This is provided to assist investors in making their own estimates of the potential of our telecoms segment. The addressable market is calculated based on estimates of our teclo partners' target users and our contracted revenue arrangements with them.

DEVICES

Enormous opportunity

Our ODM opportunity:

- ✓ Preload on smart devices
- ✓ Embed in setup wizards
- ✓ Eliminate hacking / violation
- ✓ Access carrier billing
- ✓ Streamlined user experience

Our current partners
sell 90m devices

alcatel

 micromax

Commentary

TELCO TRIALS

Family Zone has been selected against globally recognised internet security providers by major telcos including Vodafone and Singtel Optus' Telkomsel.

These companies, with in excess of 600m subscribers and 60 million child mobile phone users have chosen Family Zone as their cyber safety partner. This is a significant credibility boost and represents a substantial commercial opportunity.

The company has been conducting research and consumer trials during 2018. Through these trials the Company has generated over \$700K in revenue and 10,000 registered users to date.

Family Zone is closely engaged with our partners. Our partners are committed to solving the cyber challenges of their customers and to the longer term commercial opportunity.

ODM EXECUTION

Family Zone is already working with two globally relevant smartphone device manufacturers to streamline how parents enable Family Zone's innovative parental controls.

Already Family Zone has been preloaded on ~ 20,000 Android devices sold under a major Australian telcos' brand.

By Xmas a large range of devices in Australia and India will have Family Zone pre-loaded and built in to setup wizards.

Driving partner subscriptions

Free Monitoring Service | **Launches CY 2019**

In consultation with our partners **Family Zone** is launching a **FREEMIUM** acquisition strategy.

- ✓ FREE monitoring service
- ✓ Usage reports & app notifications
- ✓ Alerts for inappropriate activity
- ✓ Promoted via telcos & ODMs
- ✓ Promote upgrades to paid “protection”
- ✓ Parents can pay via telco bill
- ✓ Revenue share for Family Zone



TELCOS

Telcos promote a white label
FREE monitoring service
via retail and retention.



ODMs

ODMs preload Family Zone
on devices. Parents opt-in
to a FREE monitoring service.



FAMILY ZONE MONITOR

now

Alert: Pornographic Content

Johnny has accessed porn.com. Click to view this content or
to **activate Family Zone Protect**.

Family Zone drives
upgrades & revenue

World First Cyber Safe Mobile

FZONE | Launches Xmas 2018

Based on extensive research Family Zone is launching a world-first cyber safe mobile

- ✓ Fully featured Android device (Oreo)
- ✓ No compromise in features
- ✓ Embedded parental controls
- ✓ Built in anti-violation & security
- ✓ Works with School cyber programs
- ✓ Available online | Retail | School



only
\$199
With Family
Zone Protect

5.5" display
16M full colour
13MP camera
5MP selfie camera
16GB expandable
GSM | UMTS | LTE |
WiFi | VoLTE
Android Oreo
25hr talk time
Fingerprint & facial
recognition

Launching Xmas
2018. Retail & Online.

A holistic strategy for India

Telcos | Education | Consumer and more

Family Zone is executing on a comprehensive approach to this exciting market opportunity across telco, devices, education and consumer.

- ✓ Fastest growing major economy
- ✓ Fastest growing middle class
- ✓ 80% mobile penetration among children
- ✓ Over 30M children using smartphones
- ✓ In excess of 260M students

Cyber safety industry in India forecast to be worth USD1.25B by 2025.

We have recently completed a reseller agreement with the largest Indian Telco, Vodafone representing **46% of the Indian market.**

We are in advanced discussions with other telcos, relevant Government and Education agencies and WiFi providers and partners. Launching Q1 CY2019.



FAMILY ZONE CORPORATE

CORPORATE

REVENUE



CASH

Cash balance at 30-06-18 was \$2.5M.

Subsequently, the company raised \$5m at 50c via a placement.

Tax incentives and grants of circa \$1.8m (nett) are expected this year.

SECURITIES

Shares	144,701,641
Performance - Earned	83,333
Performance - \$10m Rev' by Aug 19^	10,499,999
Performance - \$20m Rev' by Aug 20^	10,499,999
Performance - \$9.25m Rev' from NZ^	9,500,000
Options - In the money	9,888,438
Options - Out of the money	15,551,099
	204,691,175
Market Cap (at 27c)	\$39m
Diluted Market Cap (at 27c)*	\$42m
Top 20	52%
Founders & Executives	21%
Funds	13%

* Calculated based on earned and in the money options.

^Founder performance rights have targets of \$10m and \$20 in annual revenue by 29 Aug 2019 and 29 Aug 2020 respectively. Remaining performance shares are subject to performance of the New Zealand operation and Linewize technology.

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