



ASX Announcement

Monday 1 April 2019

INVESTOR PRESENTATION

Family Zone Cyber Safety Ltd (ASX: FZO, **Family Zone** or **the Company**) is pleased to provide the market a preliminary update on operational achievements in the March quarter 2019. These are included in the attached investor presentation and include:

- Adding 105 (nett) school clients taking total schools to 724 (a 17% increase on last quarter)
- Adding 40K student licenses, taking total student licenses above 400K (a 10% increase on last quarter)
- Launching 5 schools in the UK in a matter of weeks
- Achieving a 83% QoQ increase in contracts sold to schools
- Achieving a 75% conversion of school trials (POCs) in the USA, with currently 25 schools and 150,000 students in trials
- Launching 30 partner schools live
- Partner schools creating 40K parent accounts in Australia and New Zealand of which a remarkable 45% have been activated
- Launching a bundled Family Zone offer with re-seller Woolworths
- Selling our entire first indent of 2500 FZONE mobile phones
- Welcomed Mr Michael Clarke, former Australian Cricket Captain as a brand ambassador
- Welcomed Mr Antony Bell as an investor and advisor to the company
- Welcomed senior Facebook executive Bharathi Ramavarjula as strategic advisor to the Company

About Family Zone

Family Zone is an ASX listed technology company focused on cyber safety. Meeting a growing demand to keep kids safe online and manage digital lifestyles, Family Zone has developed unique and innovative cloud-based solutions which combines Australian innovation with leading global technology.

To learn more about the Family Zone platform and the Company, please visit www.familyzone.com.

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PRESENTATION APRIL 2019

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*



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AT A GLANCE

SOCIAL IMPACT

Keeping our children safe, protecting their mental health and supporting their education.

SUBSTANTIAL INNOVATION

Technical IP and innovative commercial model aimed at creating cyber safe communities.

MASSIVE OPEN MARKET

Estimated **\$100B** untapped, fragmented global cyber safety markets in education and consumer.

PROVEN PRODUCT

Used by in **580K users & 724 schools** across AU, NZ, US and UK. Secured reseller deals with telcos with in excess of **90M kids**.

RECURRING REVENUE

Rapidly growing contracted revenue **doubling each year** has the Company moving swiftly to cashflow break even.

MASSIVELY SCALABLE

Innovative technology supports rapid deployment into schools & telcos (B2B) and direct engagement with their communities (B2B2C).

AT A GLANCE

DAILY USERS

581K

students and home users
access us each day

SCHOOLS

724

School clients across AU,
NZ, US & UK

TAKE-UP

45%

Take-up by parents in our
'partner' schools

TOP LINE*

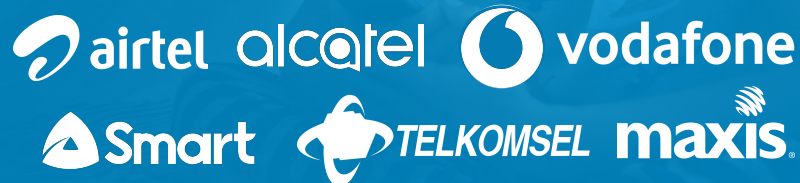
\$8-9m

*estimated top-line income
for FY 2019

global provider

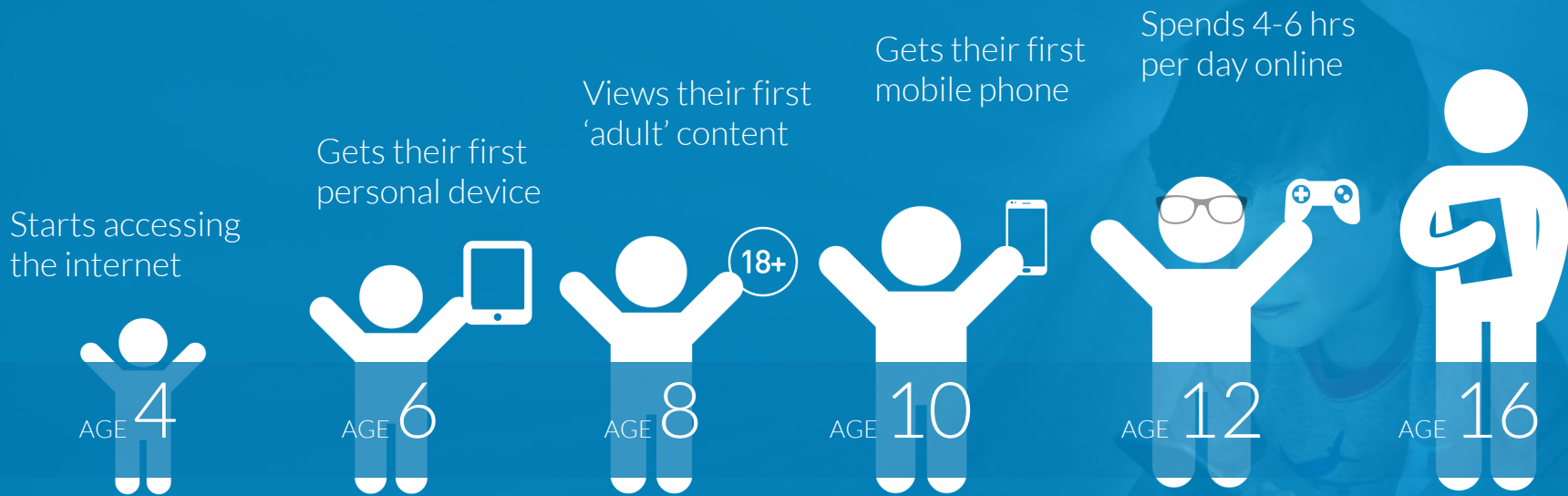


major telco partners



RAPIDLY EMERGING GLOBAL CHALLENGE

THE AVERAGE CHILD IN 2019



By 16 almost all are regularly exposed to cyber bullying, pornography, sexting and gambling.

THE ADVICE FROM EXPERTS

Research now shows that use of technology is having a **negative impact** on children's:

- ⇒ Cognitive function
- ⇒ Mental health
- ⇒ Learning outcomes



***Internet Gaming Disorder** is the fastest growing mental health disorder in history.*

In Asia, 26% of adolescents display symptoms of internet & gaming addiction.

Youth self esteem has fallen every year since 2012 - the launch of the smartphone.

THE CHALLENGE FOR PARENTS

Parents admit they are overwhelmed, outsmarted, and don't have time to keep up

CYBERBULLYING

87%

of teens have been exposed

POOR SLEEP

75%

of teens get insufficient & disrupted sleep

TIME ONLINE

6 hrs

on social media & gaming per day

PORNOGRAPHY

93%

of teen boys & 63% of girls access regularly



THE CHALLENGE FOR SCHOOLS

Use of technology at school is creating distractions & risking student safety

OFF TASK

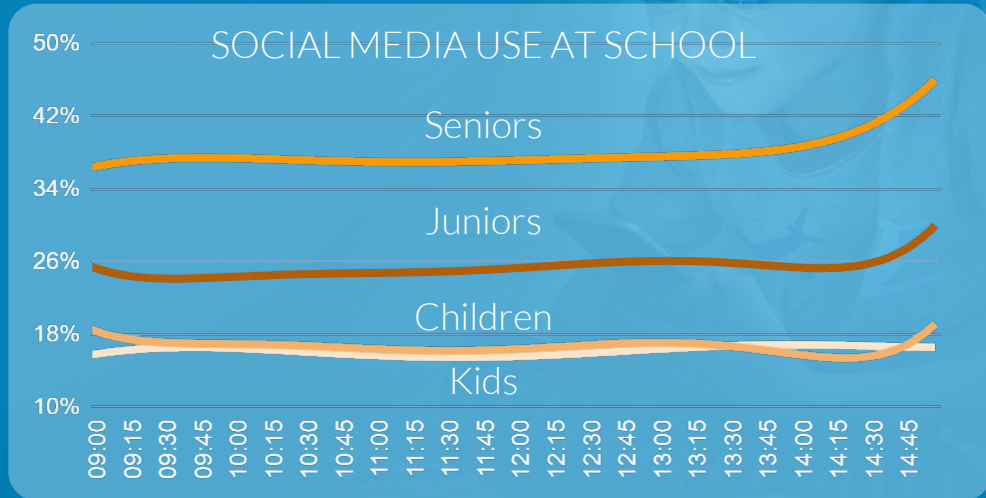
30%

of students are being distracted at anytime

OFF GRID

35%

of students use VPNs to bypass school policy



OUR UNIVERSAL SOLUTION



SCHOOL



MOBILE

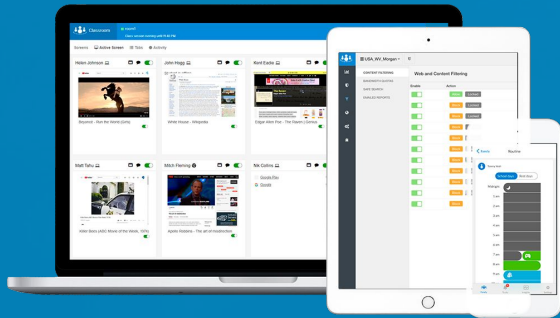


HOME

WORLD-FIRST PLATFORM

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

AT SCHOOL



Technology for school networks
and classrooms

WHEN MOBILE



Technology to control all devices
used by children

AT HOME



Technology to manage home
networks and parental controls



CREATES THE ECOSYSTEM

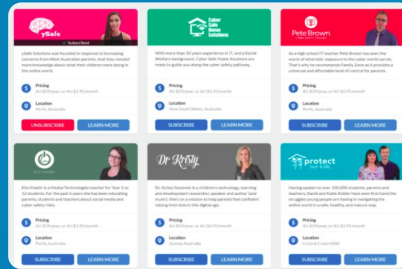
Universal platform drives collaboration

COMMUNITY

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

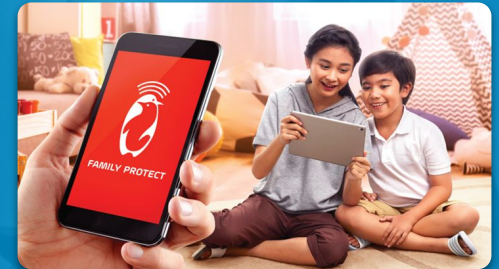
Family Zone's platform allows schools to run cyber safety programs across the entire parent community

EXPERTS



Family Zone Cyber Expert Program allows experts to build consulting and education services around the platform

TELCOS & ODMS



Family Zone's Partner Program allows telcos and device manufacturers to integrate cyber safety into their offerings

THE SIZE OF THE OPPORTUNITY

A young boy with dark hair is sitting on a bed, looking down at a smartphone in his hands. He is wearing a grey t-shirt. The background is a soft, out-of-focus light blue. The entire image is overlaid with a semi-transparent blue filter.

GLOBAL CYBER SAFETY MARKET

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

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

GLOBAL
OPPORTUNITY

\$100B

CURRENT
MARKET~ \$2.5B

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

OUR CHANNELS

CONSUMER



DIRECT



RETAIL

EDUCATION



EDUCATION

WHOLESALE



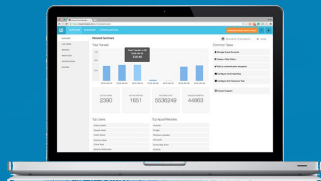
TELCOS



ODMs

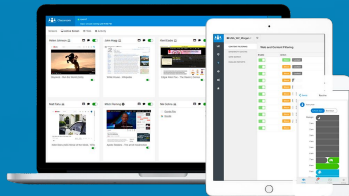
Student & Device Licenses

\$7-\$10 per student per year



SCHOOL MANAGER

Manage student
activity at network
administration



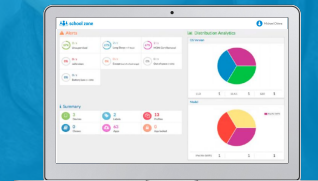
CLASSROOM TOOLS

Transformed teaching
with transparency &
control



MOBILE ZONE AGENTS

Manage off-net activity
on personal & learning
devices



DEVICE MANAGER

Device & app
management for school
devices

SCHOOLS

724

up 17% this quarter

STUDENTS

400K

up 10% this quarter
PLUS an additional 151K
students are in trials

Achievements March quarter

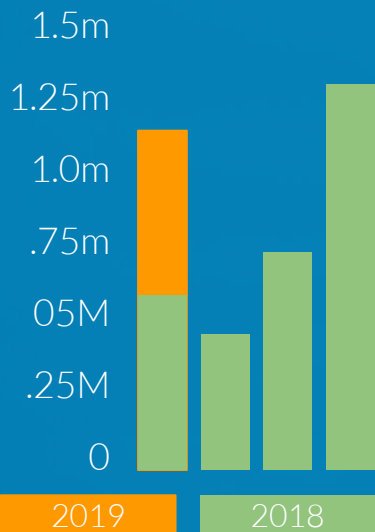
400K licensed students

151K students in trials

105 schools added (nett)

5 UK schools launched in weeks

EDU SIGNED CONTRACTS



Total value of edu contracts signed

....CONTINUED

260% increase in USA contracts

83% QoQ increase in signed deals

75% POC conversion in USA

\$6M pipeline ANZ, USA, UK & India

AU, NZ & US now profitable*

School Paid Community Packs Family Paid Family Packs



MOBILE ZONE AGENTS

Manage off-net activity
on personal & learning
devices



SCHOOL COMMUNITY

Engage with parents
and manage cyber
safety risk

TAKE-UP

45%

of school created
accounts activated
(up from 24%)

PARTNERS

270

Schools signed on as cyber
safety partners
(up 13%)

Achievements March quarter

30 new partner schools live

40K parent accounts created

45% of parent accounts activated

270K pipeline already built in USA

CONSUMER

Consistent growth

ONLINE

RETAIL

Family Zone Plans, Box & FZONE



Family Packs \$80-100/yr

Achievements March quarter

9K direct paying accounts in AU

50% revenue growth QoQ

2.5K FZONEs sold

2 retailers now selling FZONEs

Direct AU is now profitable*

WHOLESALE

Exciting leverage opportunity

TELCOs

While label
parental controls

ODMs

Pre-loaded
parental controls

Consumers activate Family Zone
and upgrade to paid subscriptions

Revenue share or
wholesale service fees
+US\$4.5/yr per user

Our telco partners have in excess of **1B** subscribers and **90M** child smartphone users. Our ODMs sell in excess of **70M** devices a year. Launches & re-launches of Insights & bundles expected mid 2019.

Achievements this quarter

WOW bundled deal launched

Insights in beta trials

DRIVING SCALE

Family Zone's unique 'ecosystem' proposition is resonating strongly with key opportunities for leverage and distribution in Schools, Telcos and ODMs. Product and channels to market are now proven. The focus for 2019 is developing our product, support & distribution for rapid scale.

SCHOOLS

Free monitoring tool provided by your school

TELCOS

Free white label monitoring tool from your telco

ODMS

Pre-loaded free monitoring tool from your ODM



FAMILY ZONE

now

Alert: Pornographic Content

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

Driving upgrades to the premium Protect service



**FAMILY ZONE
SUBSCRIPTIONS**

DRIVING SCALE

Launch of **Insights & Protect**

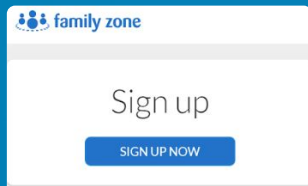
- ⇒ Free monitoring tool
- ⇒ Includes real-time alerts
- ⇒ Includes cyber expert advice
- ⇒ Enables school enforcement
- ⇒ Supports school duty of care
- ⇒ Available via telcos & schools
- ⇒ Upgrade to premium plans
- ⇒ Launches mid 2019



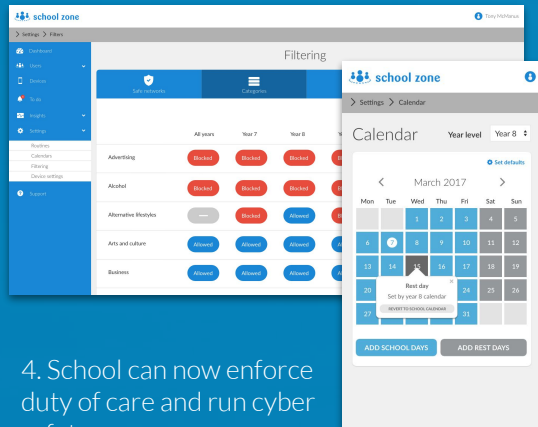
DRIVING SCALE

Launch of headless deployments

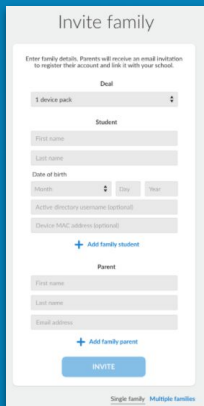
1. School sign-up online



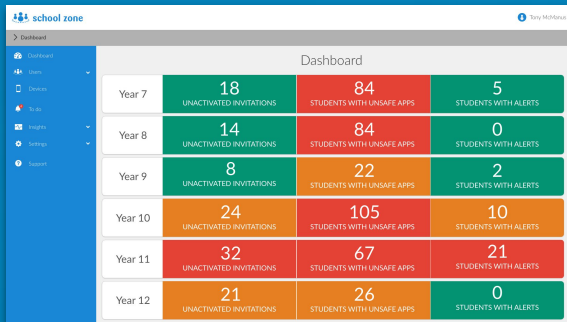
2. School sets up policies and calendar



3. School invites parents to install Family Zone on student devices



4. School can now enforce duty of care and run cyber safety programs



- ⇒ Client only deployments
- ⇒ School sign up online
- ⇒ Installed by parents
- ⇒ Full control by teachers
- ⇒ All student devices
- ⇒ Freemium Insights
- ⇒ Launches mid 2019

DRIVING SCALE

Launch of FZONE



only

\$199

With Family
Zone Insights

Available
online and at



- ⇒ Innovative cyber safe mobile
- ⇒ Fully featured Android
- ⇒ No feature compromise
- ⇒ Built-in anti-tampering
- ⇒ Supports FREEMIUM Insights
- ⇒ Supports School policy
- ⇒ Retail, wholesale & online

FAMILY ZONE CORPORATE

SECURITIES

Shares	163,456,296
Performance - \$10m Rev' by Aug 19 [^]	11,774,997
Performance - \$20m Rev' by Aug 20 [^]	11,775,001
Performance - \$9.25m Rev' from NZ [^]	7,500,000
Performance - Various	1,000,000
Options - Out of the money	25,094,462
Employee Options (\$0.18, Mar 2022)	2,209,859
	<u>222,810,615</u>
Market Cap (at 20c)*	\$32m
Top 20	55.6%
Founders & Executives	17.5%

* Calculated based on issued securities as at 29 March 2019. [^] 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.

Schedule of Options

Employee Incentive Options (\$0.25, 20 May 2019)	4,000,000
Prospectus/CN Options (\$0.25, 29 Aug 2019)	5,888,438
Employee Options - T1 (\$0.33, 19 Sep 2019)	1,125,051
Employee Options - T2 (\$0.33, 19 Sep 2019)	1,379,216
Employee Options - T3 (\$0.33, 19 Sep 2019)	2,728,302
Employee Options (\$0.30, 15 Dec 2019)	5,335,000
Broker Options (\$0.30, 5 May 2020)	1,750,000
Broker Options (\$0.50, 4 Dec 2020)	850,000
Broker Options (\$0.60, 4 Dec 2020)	850,000
Broker Options (\$0.75, 9 Apr 2021)	516,765
Broker Options (\$0.90, 9 Apr 2021)	516,765
TM Options (\$0.60, 29 Aug 2020)	500,000
Advisor Options (\$0.25, 11 Mar 2022)	250,000

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

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