



To protect & support every child's digital journey

SEP QTR 2022

4C COMMENTARY & OPERATIONAL UPDATE

ASX: FZO





Qtr Highlights

*"We're delighted to have achieved our **first ever quarterly operating cash flow surplus**. This is a result of our laser focus on execution. Organic growth and cost discipline are ahead of plan. We're delighted to welcome Educator Impact to our Family which now completes our product portfolio."*

Tim Levy, Managing Director



Inaugural operating surplus of ~\$1m

\$23.5 million collected nett of channel comms



Strong growth in Recurring Revenue

Added \$5 million ARR (equiv to 25% annual growth)



Effective cost control

On track for +\$3 million in reduced fixed costs



Continued outstanding SaaS metrics

108% NRR, 85% Service Margin, < 3% Churn



Expanded our product portfolio

Announced merger with Educator Impact 1 Oct 22

NRR = Net Revenue Retention. Gross Margin is after IT, Data & Hosting, Hardware and Selling Costs. Recurring Revenue or ARR includes effective costs of selling through resellers and channel partners.

About

Our mission is to save and better children's lives; to empower parents; to deliver for tomorrow's educators and be a key influencer in cyber safety globally. We seek to deliver for our staff their best ever employment experience and deliver exceptional returns for our investors.



Peter Pawlowitsch
Chairman



Tim Levy
Managing Director



Crispin Swan
COO & Director



Dr Jane Watts

Non Executive Director

NED Liberty Financial Group
NED Orygen Youth Mental Health Foundation
NED Westpac Foundation

Formerly: Senior Executive at Westpac, BT Financial, Macquarie, MLC and Lend Lease.



Matthew Stepka

Non Executive Director

Managing Partner, Machina Ventures
Lecturer, Berkeley

Formerly: VP of Operations & Strategy at Google; GM at Drugstore.com and CEO/Founder of Big World Travel.



Georg Ell

Non Executive Director

CEO Phrase
Venture Partner, Craft Partners

Formerly: CEO at Smoothwall; Director or Europe at Tesla; GM Sales at Yammer and Senior Sales Executive Microsoft.



AT A GLANCE

San Diego

Charlotte

Orlando

Leeds

Barcelona

✓ 12M students

✓ 24K schools

✓ 38% of UK schools

✓ 17% of US districts

✓ 290K paying subscribers

✓ \$83 million ARR *

Family Zone; the global leader in online safety

Family Zone is the only truly global provider of online safety technology offering solutions in K-12 and parental controls.

Perth

Sydney

Melbourne

Auckland

* Proforma ARR inclusive of Educator Impact which was completed on 1 October 2022.





Education sales

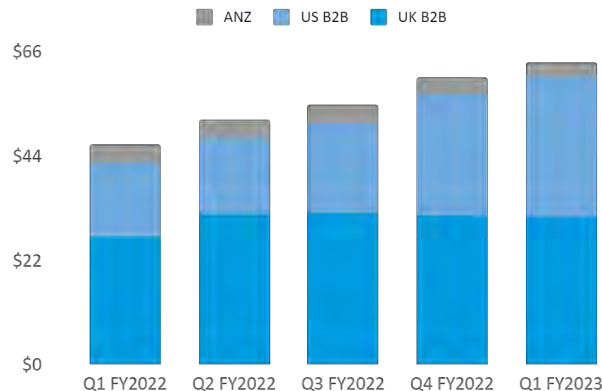
Driving new and net new ARR growth

ARR growth was on plan with \$3.5 million net added in the quarter. US added \$3.7 million with a remarkable 135% NRR.

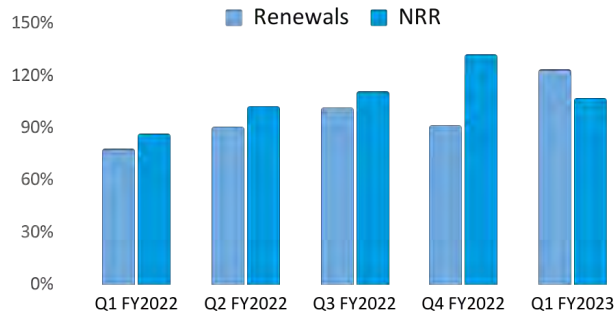
US ARR is ~\$30 million (90% YoY growth). UK ARR is on target however a rapid fall in GBP at the end of September offset ARR growth in AUD. UK ARR is ~\$31 million (15% YoY growth). The UK forex fall has largely reversed in October. ANZ ARR fell by \$400K due to the depreciation of the Family Zone parental controls and restructure of ANZ sales models.

Huge volumes of renewals (120% of target) in the quarter shows customer satisfaction is strong. Churn remains well under 4%.

Annual Recurring Revenue Education | AUD Millions



Net Revenue Retention & Renewals





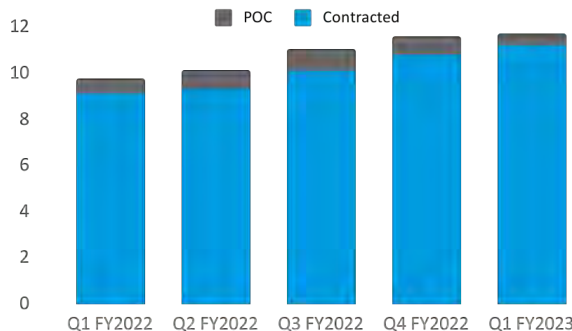
Education sales

Continuing footprint expansion

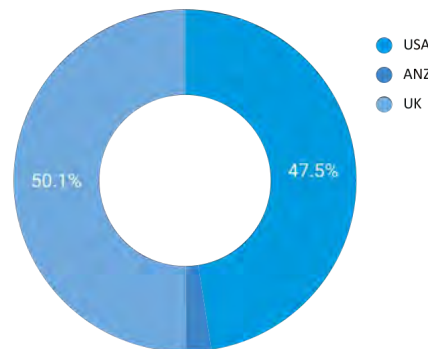
The scale and strength of the US market was on display in the quarter. We now support in excess of 5 million US students and 17% of US districts. Our US operations are expected to surpass our UK business in terms of ARR and student licenses within the next few months.

Students in POC fell as is typical as we move out of the busy sales cycle however pipeline is strong and bottom of the pipeline gives us confidence of a solid December quarter.

Student Licences Group | Count | Millions



Regional Splits By Student Licences



Education sales

Looking ahead

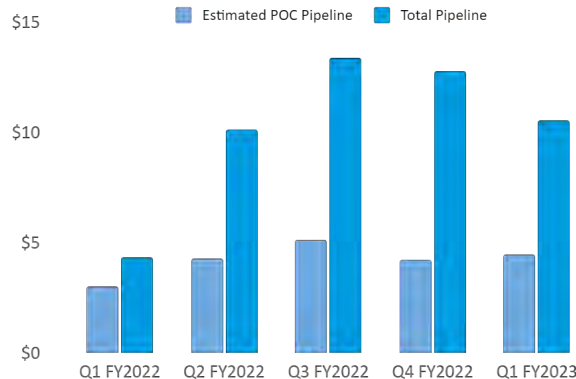
We currently have in excess of \$10.5 million of qualified leads with a weighted value of ~\$4.5 million. This represents 141% and 46% YoY pipeline growth.

In addition to the pipe, we are delighted to be bidding into a number of million dollar deals across all of our markets.

Whilst strong sales are expected, the December quarter is about pipeline creation ahead of the key UK and US sales quarters of March and June respectively.

Looking further ahead we are excited to welcome EI Pulse to our portfolio and will be launching a range of paid online leading products in the new year.

Education Pipeline AUD Millions




eiPulse

- Check-in on students**
Fun and easy 60-second weekly check-ins encourage students to reflect on their mental, social and physical wellbeing by answering evidence-based questions.
- Identify and support students in need**
Provide students with a safe and accessible way to reach out for help.
- Take action with real-time data**
Get insights into students' current wellbeing, translate data into early intervention and track changes over time for continuous improvement.
- Encourage gratitude**
Encourage students to be supportive of each other and lift each other up with the eiPulse gratitude feature.
- Access wellbeing resources**
Take a holistic approach towards improving wellbeing by providing staff and parents with the relevant resources they need to support students.

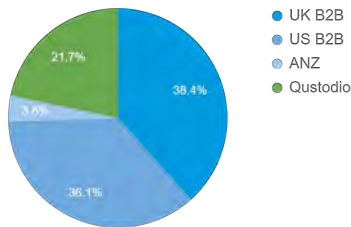


Global growth

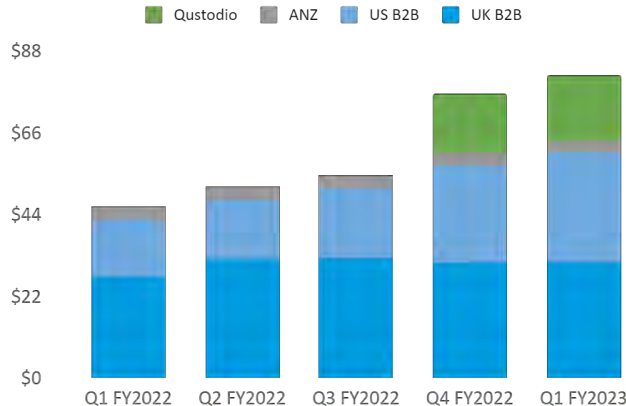
Strong growth across multiple vectors

Group ARR grew by ~\$5 million with strong contributions from both Qustodio (\$1.7 million) and Education (\$3.2 million). This represents 25% organic growth which is pleasing given September is a low point in UK EDU sales. **Importantly group revenue is exceptionally diversified across currencies, regions and products.**

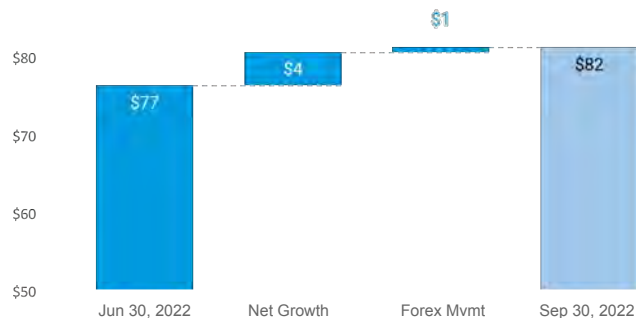
Annual
Recurring
Revenue
Global Sales Mix %



Annual Recurring Revenue Global Sales Mix | AUD Millions



ARR Waterfall Group | AUD Millions



Note, 30 Sep 2022 ARR does not include Educator Impact



Global operating leverage

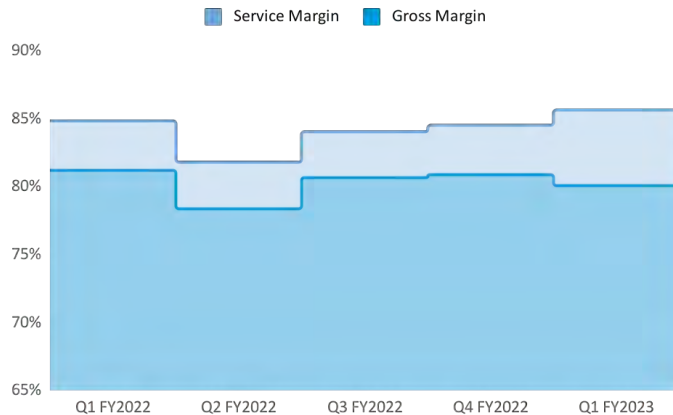
Growing margins and ARPUs

Continued focus on cross and upsells with our expanding product lines is delivering consistent growth in average revenue per student which is now \$5.7 pa (\$7.3 accounting for all group revenue).

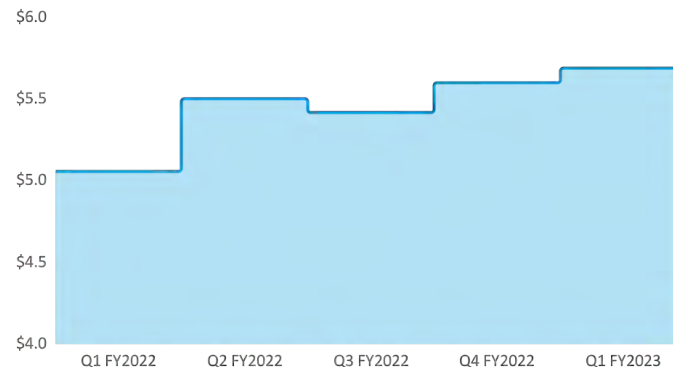
With the Qustodio merger complete we're now reporting consolidated Service Margins (after data, hosting, hardware & IT) and now include marketing costs in Gross Margin (previously Service Margin less channel costs).

Pleasingly Service Margins passed through 85%. We target 90% in the next 12-18 months. It is worth highlighting that investments in cloud capacity are made in the September quarter to prepare for the US back-to-school and UK deployment seasons. This temporarily reduces margins.

Group Service & Gross Margins Percentage of ARR



Average Revenue per Student (ARPs) Education | AUD





School community & B2B2C

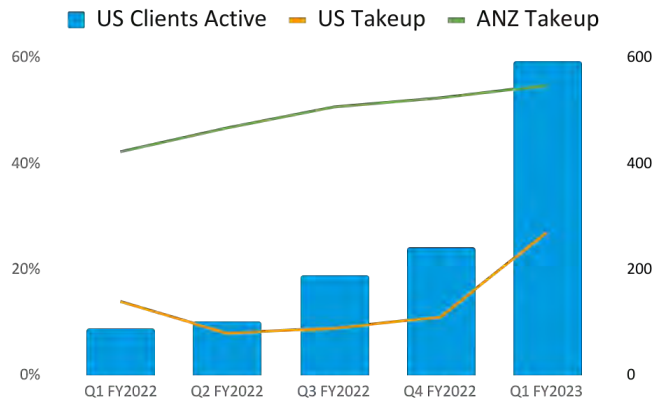
Momentum building to pre-xmas ANZUS launch

During the September quarter our Community team's focus was on delivering the "sharing" feature sets, running customer trials and working with our sales teams to drive growth in active community programs in the US. Pleasingly trials are proceeding as planned and district interest is exploding with 600 US districts signed-up to Community.

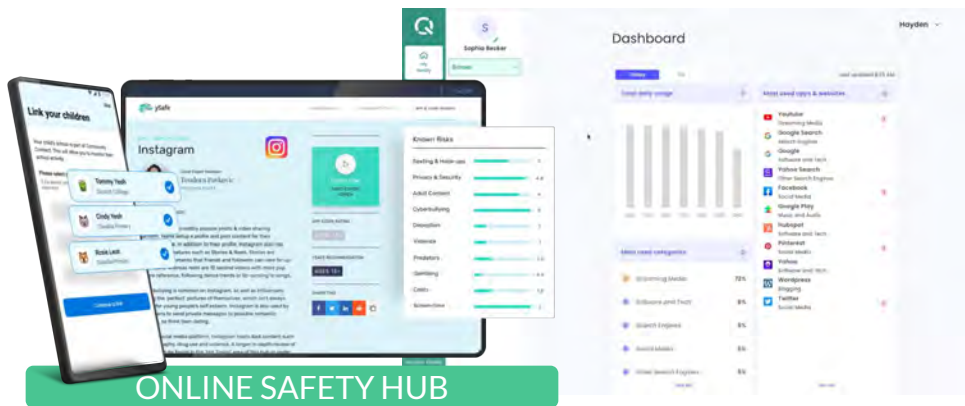
Full launch of Qustodio to ANZ and US schools is on track and scheduled for November. The launch into UK schools is now scheduled for January.

NOTE: US school take-up calculations has been adjusted this quarter to reflect former NetRef and CIPA filter clients whom can now participate in Community.

School Community Take-up & Active US Clients



QUSTODIO PARENT APP



ONLINE SAFETY HUB



Qustodio

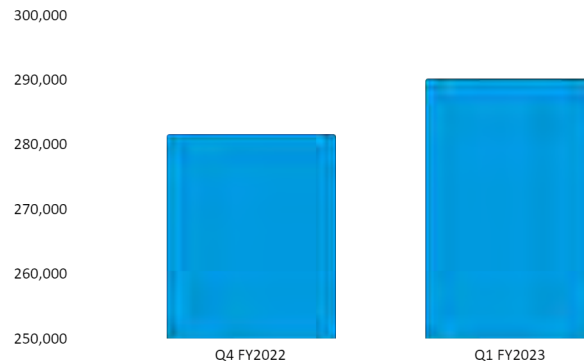
Above plan with strong back-to-school sales

Qustodio joined the family in August 2022 and has made an immediate impact. Buoyed by US back-to-school, Qustodio thoroughly beat internal sales targets. Importantly Qustodio is diversifying our revenue streams and smoothing cash flow.

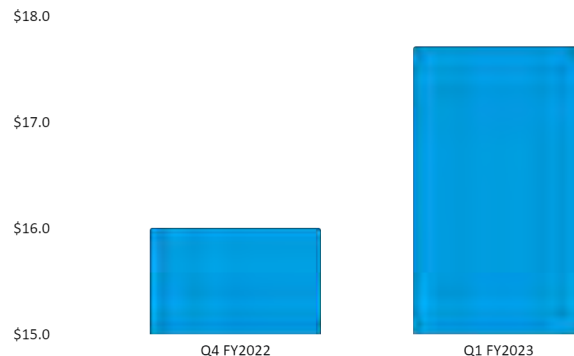
Qustodio added ~ 9,000 paid accounts and \$1.7 million of ARR in the quarter.

We are confident in the short and longer term outlook for Qustodio. We have an imminent launch of B2B2C; ongoing advancement in Qustodio's operations and products and favourable market and regulatory conditions.

Qustodio Premium Accounts All Channels | Count



Qustodio Annual Recurring Revenue All Channels | AUD Millions



Sustainability

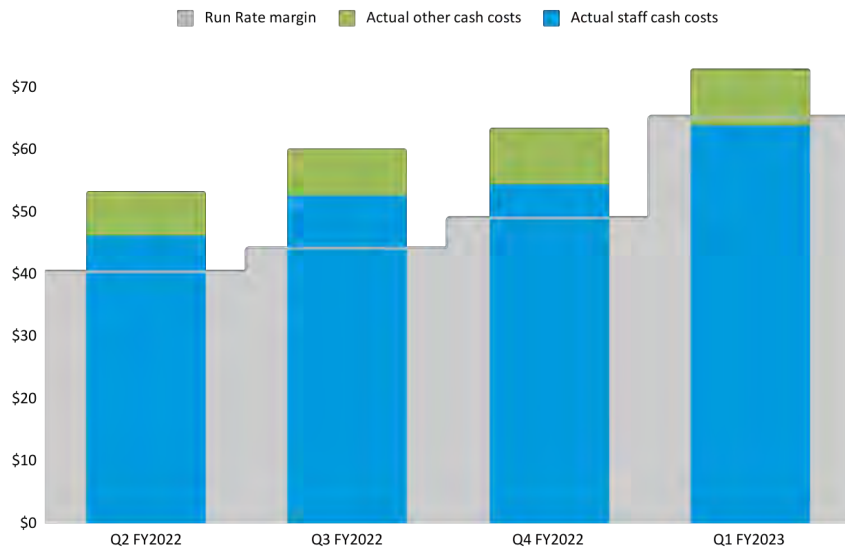
Executing on our plan to break even

Pleasingly the Company is enjoying strong ARR growth and strengthening margins. Furthermore, accounting for the additional fixed costs from the August Qustodio merger the group is on target for a \$3-4 million reduction in fixed costs this financial year.

The chart right shows our run rate margin (ARR x Gross Margin) compared to our cash staff and other costs. It shows:

- ✓ Margin is growing materially faster than costs; and
- ✓ Clear progress to operational cash flow breakeven.

Run Rate Analysis Group | AUD Millions



Note: Qustodio was merged on 1 August 2022. Accordingly for comparison purposes this chart includes a pro-rata full quarter of Qustodio 's fixed costs.

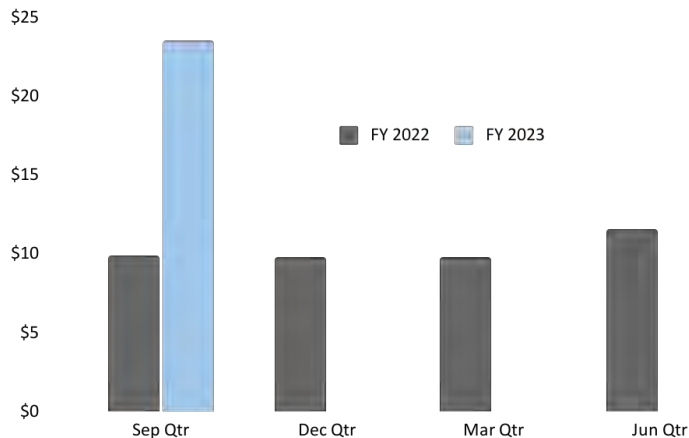
Capital Management

Strong ARR conversion and well funded

Pleasingly our strong ARR growth is converting into cash inflows. This quarter we collected a record \$23.5 million and generated an inaugural quarterly operating cash surplus of circa \$1 million.

The Company finished the quarter with circa \$25 million of available funding including an undrawn \$10 million convertible funding facility.

Cash Collections (nett)
Group | AUD Millions



Group Outlook

As indicated in previous quarters the Company is executing on a deliberate plan to grow, expand our product portfolio and and construct a sustainable cost base. These efforts are delivering results with costs well managed and a clear pathway to breakeven.

Importantly corporate activity has brought together all of the ingredients we need to fulfill our medium term product vision and mission to protect and support every child's digital journey.

The remainder of FY2023 is about continued execution, taking advantage of growing awareness, our growing pipeline and massive K-12 funding plus honing our product portfolio and cost structure.

COMING TO FAMILY ZONE



Qustodio launch in ANZ & US

Scheduled to be "generally available" November 2022.



Qustodio launch in UK

Scheduled to be "generally available" January 2023.



Pulse launch into the group

Scheduled to be "generally available" January 2023.



Student Digital Leaders launch

Scheduled to be "generally available" February 2023.



Global re-branding

Progressively roll out starting in March quarter 2023.



Quarterly Cash flow commentary

Commentary

Receipts from customers for the quarter were a record \$23.5m, delivering our first positive operating cash flow quarter.

Direct costs: \$4.2 million (from \$2.3m) includes \$800k of Qustodio costs and is reflective of the growth in the business and a higher activity period.

Staff costs: \$14.6 million (from \$12.5m) includes \$1.2 million for Qustodio staff, end of year bonus payments and annual salaries increases.

Fixed other: \$3.15 million (from \$2.8m) includes \$300k relating to Qustodio, meaning fixed costs have been well controlled notwithstanding the high inflationary environment.

Once again growth in overall cash costs tracked materially lower than margin growth showing the accelerating contribution of % margin improvements and cost efficiencies from recent mergers.

Adjusted 4C Qtrly Cash flow	Dec 2022	Mar 2022	Jun 2022	Sep 2022 *
Direct Costs	(\$2,405)	(\$2,571)	(\$2,306)	(\$4,233)
Staff Costs	(\$4,534)	(\$11,871)	(\$12,511)	(\$14,616)
Fixed Other	(\$3,655)	(\$2,718)	(\$2,798)	(\$3,150)

Normalised quarterly cash outflows in AUD Thousands. Adjusted for one-off / non-operational flows & timing. * Includes Qustodio which merged in August 2022.

Related Party Transactions

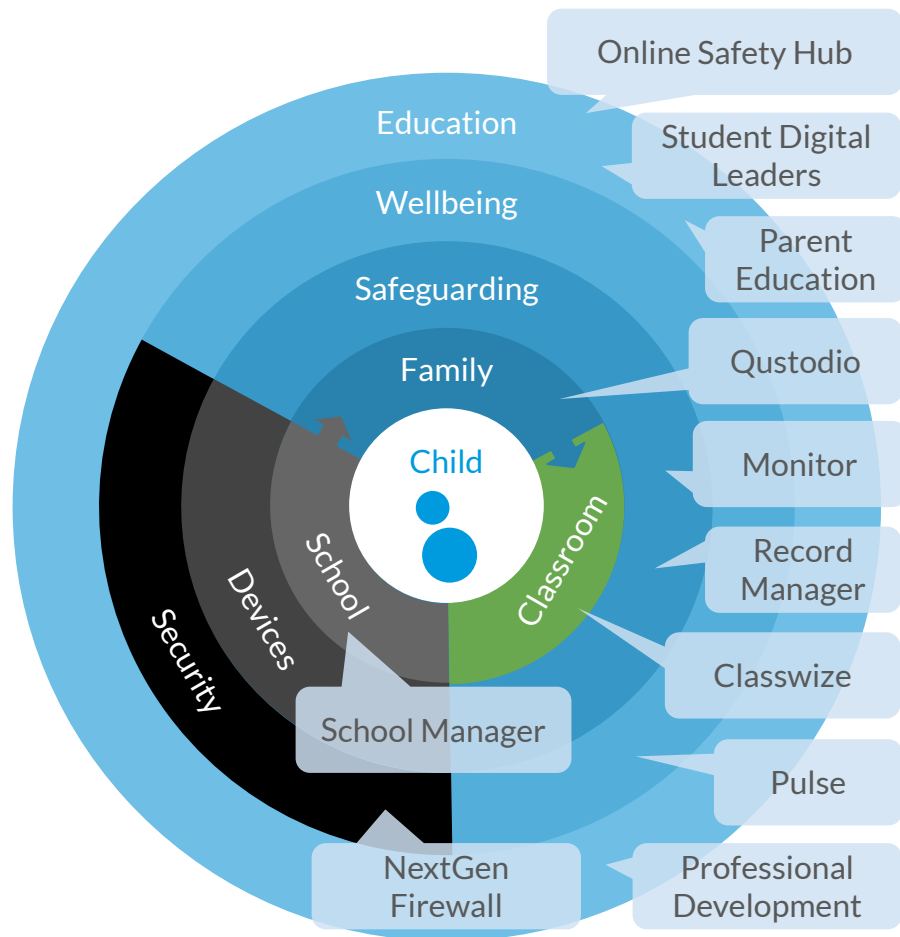
In accordance with ASX Listing Rule 4.7C.3 payments to related parties and their associates outlined in the Company's Appendix 4C for the quarter of approximately \$307k related to Directors salaries and superannuation payments and professional fees paid to Grange Consulting for company secretarial services.



Our growing portfolio

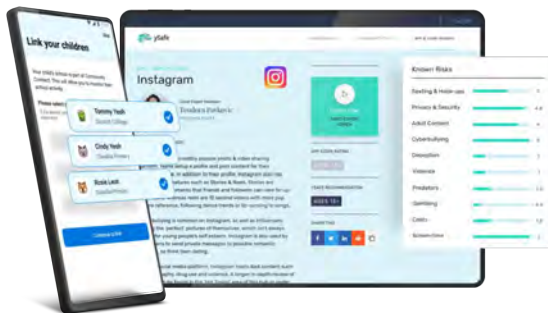
Our 360 degree safety & wellbeing solution

Our platform & services **protect** children and school services; enables **intervention** when students are at risk and **supports** school and community safety and wellbeing programs.

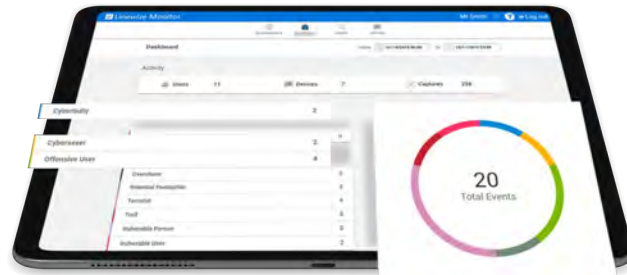




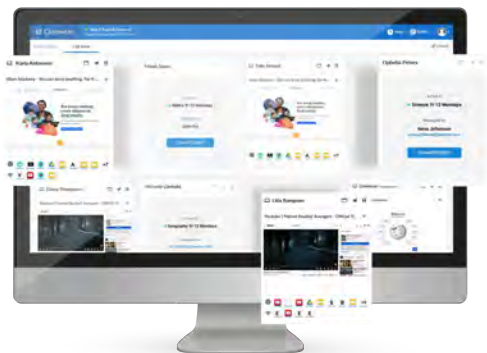
SCHOOL MANAGER



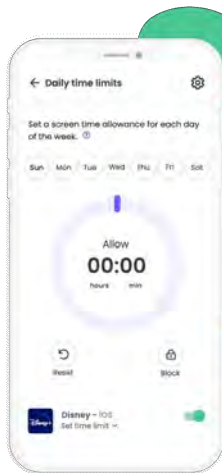
EDUCATION



MONITOR

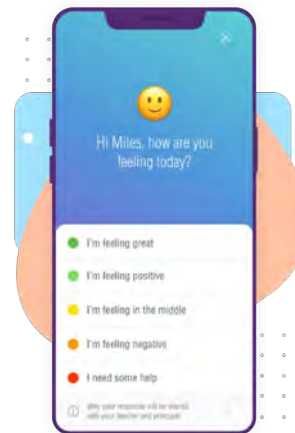


CLASSWIZE



QUSTODIO

- Filter problematic content
- Screen time limits
- Location sharing
- Control games & apps
- Real-time visibility
- Tailored reports and alerts



PULSE





AVAILABLE FUNDING	\$25M ⁵
ORDINARY SHARES	896,271,499
MARKET CAP (@31.5c)	\$282M
TOP 20 SHAREHOLDERS	67%
FOUNDERS & EXECUTIVES	4.5%

Notes

At 25 October 2022

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 Various performance based targets

5 Includes \$15M cash as at 30 Sep 2022 & \$10M undrawn WC facility described on the next page

Perf Shares/Rights

\$9.25m Rev from NZ¹

Exec salaries²

Employee³

Employee & Exec⁴

Deferred Perf Rights

Qustodio

77,429,681

3,000,000

3,734,702

30,204,011

36,640,610

80,527,017

Options

21c (expiring 2022)

18c-24c (expiring 2023)

50-60c (expiring 2025)

ZEPOs (expiring 2024/25)

60c (expiring 2026)

21,027,500

1,537,500

2,700,000

9,550,000

2,240,000

5,000,000

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Family Zone Cyber Safety Limited

ABN

33 167 509 177

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	23,540	23,540
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,188)	(4,188)
(c) advertising and marketing	(475)	(475)
(d) leased assets	-	-
(e) staff costs	(14,616)	(14,616)
(f) administration and corporate costs	(2,890)	(2,890)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(104)	(104)
1.6 Income taxes paid	(15)	(15)
1.7 Government grants and tax incentives	-	-
1.8 Other - acquisition-related operating outflows	(149)	(149)
1.9 Net cash from / (used in) operating activities	1,107	1,107

2.	Cash flows from investing activities²		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(18,473)	(18,473)
	(c) property, plant and equipment	(564)	(564)
	(d) investments	(25)	(25)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(19,062)	(19,062)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) ³	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	630	630
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(403)	(403)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	227	227

³ Net of capital raising costs

Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	32,746	32,746
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,107	1,107
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(19,062)	(19,062)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	227	227
4.5	Effect of movement in exchange rates on cash held	416	416
4.6	Cash and cash equivalents at end of period	15,434	15,434

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	15,434	32,746
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,434	32,746

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(307)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities:		
	1. Northcity Asset Pty Ltd working capital loan facility	10,000	-
	2. Santander bank loans & facilities	2,489	2,420
	3. Caixabank bank loans & facilities	1,075	700
	4. Other borrowings and facilities	621	621
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	14,184	3,741
7.5	Unused financing facilities available at quarter end		10,444
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	1. Undrawn working capital facility from Northcity Asset Pty Ltd. 5 year term, maturing 3 May 2027. Interest rate 10% per annum on drawn funds and 1% per annum on undrawn funds. First ranking registered security over all present and future assets of the Group. For further details, please see most recent Family Zone Cyber Safety Limited Annual Report. 2. A number of facilities provided to Qustodio by Santander bank, Spain. Facilities are unsecured and have interest rates of between 2.84% per annum and 3.75% per annum. Maturity dates are between 12 January 2026 and 1 April 2028. 3. A number of facilities provided to Qustodio by Caixabank bank, Spain. Security provided by \$151,000 (100,000 Euro) collateral deposit. Interest rates are between 2.84% per annum and 3.75% per annum and maturity dates are between 12 January 2026 and 1 April 2028. 4. Other borrowings and facilities represent insurance premium funding, accounting system financing facility and other minor borrowings.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,107
8.2	Cash and cash equivalents at quarter end (item 4.6)	15,434
8.3	Unused finance facilities available at quarter end (item 7.5)	10,444
8.4	Total available funding (item 8.2 + item 8.3)	25,878
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	N/A
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: Not Applicable	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer: Not Applicable	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer: Not Applicable	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 August 2022

Authorised by the Board of Family Zone Cyber Safety Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Family Zone Cyber Safety Limited

ABN

33 167 509 177

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	23,540	23,540
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,188)	(4,188)
(c) advertising and marketing	(475)	(475)
(d) leased assets	-	-
(e) staff costs	(14,616)	(14,616)
(f) administration and corporate costs	(2,890)	(2,890)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(104)	(104)
1.6 Income taxes paid	(15)	(15)
1.7 Government grants and tax incentives	-	-
1.8 Other - acquisition-related operating outflows	(149)	(149)
1.9 Net cash from / (used in) operating activities	1,107	1,107

2.	Cash flows from investing activities²		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(18,473)	(18,473)
	(c) property, plant and equipment	(564)	(564)
	(d) investments	(25)	(25)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(19,062)	(19,062)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) ³	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	630	630
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(403)	(403)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	227	227

³ Net of capital raising costs

Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	32,746	32,746
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,107	1,107
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(19,062)	(19,062)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	227	227
4.5	Effect of movement in exchange rates on cash held	416	416
4.6	Cash and cash equivalents at end of period	15,434	15,434

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	15,434	32,746
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,434	32,746

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(307)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities:		
	1. Northcity Asset Pty Ltd working capital loan facility	10,000	-
	2. Santander bank loans & facilities	2,489	2,420
	3. Caixabank bank loans & facilities	1,075	700
	4. Other borrowings and facilities	621	621
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	14,184	3,741
7.5	Unused financing facilities available at quarter end		10,444
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. - Undrawn working capital facility from Northcity Asset Pty Ltd. 5 year term, maturing 3 May 2027. Interest rate 10% per annum on drawn funds and 1% per annum on undrawn funds. First ranking registered security over all present and future assets of the Group. For further details, please see most recent Family Zone Cyber Safety Limited Annual Report. - A number of facilities provided to Qustodio by Santander bank, Spain. Facilities are unsecured and have interest rates of between 2.84% per annum and 3.75% per annum. Maturity dates are between 12 January 2026 and 1 April 2028. - A number of facilities provided to Qustodio by Caixabank bank, Spain. Security provided by \$151,000 (100,000 Euro) collateral deposit. Interest rates are between 2.84% per annum and 3.75% per annum and maturity dates are between 12 January 2026 and 1 April 2028. - Other borrowings and facilities represent insurance premium funding, accounting system financing facility and other minor borrowings.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,107
8.2	Cash and cash equivalents at quarter end (item 4.6)	15,434
8.3	Unused finance facilities available at quarter end (item 7.5)	10,444
8.4	Total available funding (item 8.2 + item 8.3)	25,878
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	N/A
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: Not Applicable	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer: Not Applicable	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer: Not Applicable	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 August 2022

Authorised by the Board of Family Zone Cyber Safety Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.