

Well, that's **cyber safety sorted.**

Family Zone gives you complete control on every device, everywhere.



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Family Zone Cyber Safety Ltd (ASX: FZO)

Investor Presentation February 2017



family zone

Corporate snapshot



Capital Structure

Share price	\$0.23
Shares on issue	45.09M
Market Capitalisation (free float)	\$10.4M
Options on issue	25.0M
Escrowed shares	18.72M
Performance shares	31.5M
Cash balance at 31 Dec 2016	\$2.1M

[Register Snapshot \(as at 22 Feb 17\)](#)

Timothy Nominees Pty Ltd	9.09%
Trigger Assets Pty Ltd	3.15%
Freshie Pty Ltd	2.96%
Novalane Com Pty Ltd	2.90%
Richard Armstrong Caldwell	2.15%
Top 20	39.81%

[Share Price Performance Since Listing \(ASX: FZO\)](#)



[Experienced Board of Directors](#)



Tim Levy
Managing Director



Crispin Swan
Executive Director



John Sims
Non Exec Chairman



Phil Warren
Non Exec Director

A clear and present danger



The Washington Post

**The biggest threat facing Kids These Days?
Too much time spent online.**

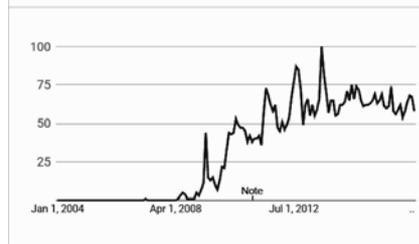
CNN

When bullying goes high-tech

The Seattle Times

**'Digital dementia' for
our screen-addicted kids**

Google searches: "Sexting"



**Sex Before Kissing: How 15-
Year-Old Girls Are Dealing With
Porn-Addicted Boys**

4700%

Increase in web
search for porn
after school hours

81%

Of teen girls feel
pressured to share
nude photos

72,000

Teen boys in
Australia have
problem gambling

70%

Of teens have been
exposed to
cyberbullying

45%

Of pre-teens are
using unsafe
mobile apps

75%

Of teens are
sleeping less than
recommended

TIME

**How Porn Is Changing a
Generation of Girls**

Peggy Orenstein @peggyorenstein

March 31, 2016

HUFF
POST

**Whose Fault Is It If Your
Child Spends \$2,000 On
A 'Free' Online Game?**

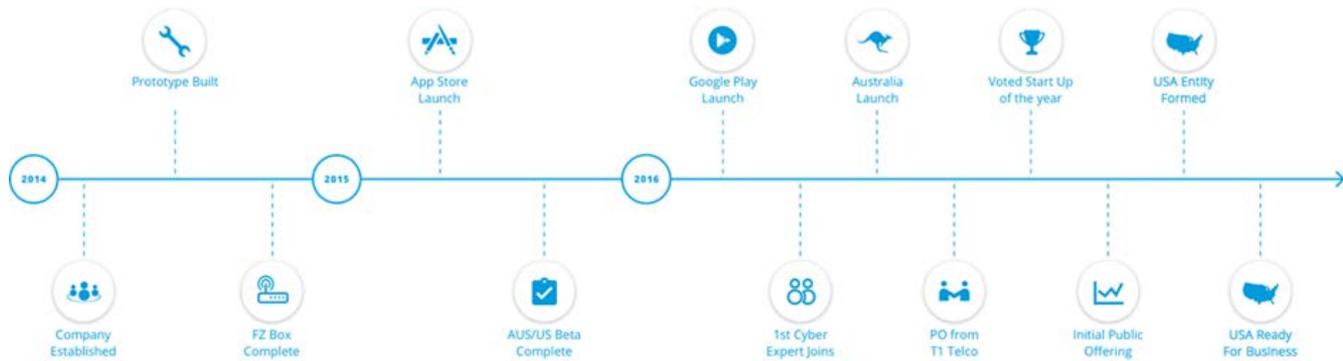
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The Family Zone solution

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Meeting a growing demand to keep kids safe online and manage digital lifestyles, Family Zone has developed a unique and innovative cloud-based solution which combines Australian innovation with leading global technology.



Key industry drivers



Consumers

- ✓ Cyber safety has emerged as *the dominant parenting challenge* today
- ✓ Parental control software is a US\$2 billion pa industry, growing at 10+% pa
- ✓ Addressable market is US\$100 billion pa (if a universal solution is found)
- ✓ Cost is not a barrier, but ease of use and trust is critical



Schools

- ✓ Tech use emerging as *the dominant education challenge* at schools
- ✓ Strong influence on parental decision making: increasingly mandating parental controls
- ✓ Most school cyber safety solutions are built for business, not education
- ✓ Firewall options are expensive and schools need a personal device solution



Carriers

- ✓ Willing to embed parental controls as a value-added service
- ✓ Seek better user experience, increased mobile data use, additional service revenue and stickier customer retention
- ✓ Current options are either weak, overly complex or expensive

The US opportunity

One of several large addressable markets



125.8m

Family residences
with 73.9m children



35.1m

Kids (8-17 yo) with
mobile phones



139,204

Schools

89%

Of teenagers own or use a mobile phone, and nearly all access the internet

78%

Of children use the internet multiple times daily

12

Average age when children get their first mobile phone

State of the market



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2016
BEST

Parental Software Reviews

REVIEWS & COMPARISONS

Software / Security & Privacy / Parental Software Review

Gold Award	2	3	4	5	6	7	8	9
								
Net Nanny	WebWatcher	McAfee Safe Eyes	Witigo Parental Filter	ContentBarrier	Spytech SpyAgent	CYBERSitter	Verity	Elite Keylogger
A\$37.86	A\$130.52	A\$65.23	A\$65.28	A\$52.22	A\$91.35	A\$52.17	A\$65.28	A\$103.17

~50%

of parents
try parental
controls

however
most abandon them

- ✓ Need to be installed on each device
- ✓ Need to be configured on each device
- ✓ Software is avoidable / hackable
- ✓ Options either complex or simplistic

Fragmented & poorly served



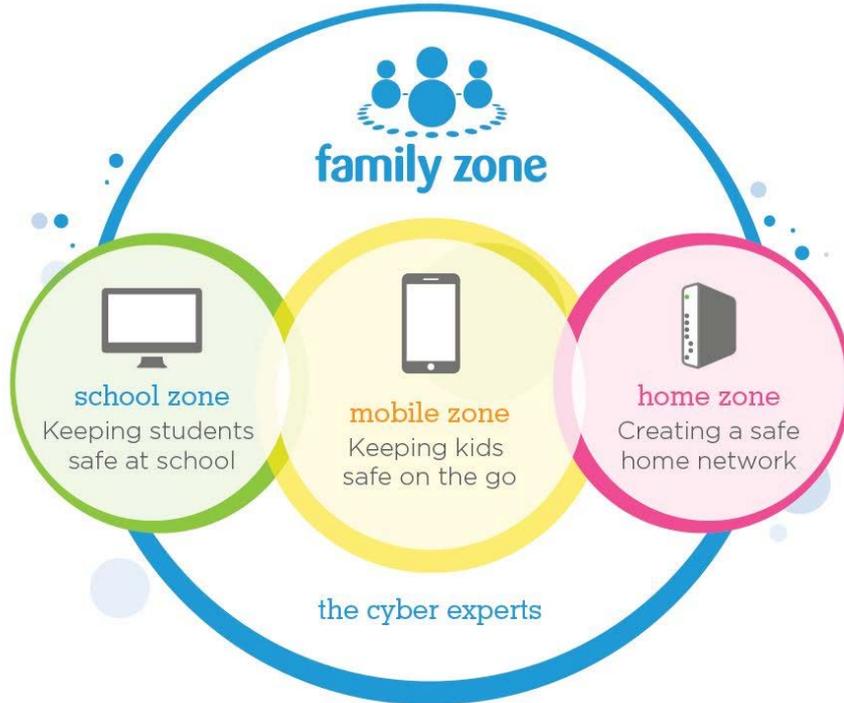
- ✓ No dominant @ home solution
- ✓ No solution works @ school and home
- ✓ No solution works in carrier and @ home



Family Zone's ecosystem



Supporting over 200,000 users & 235 schools



Available across all devices



Available at home, school, 3/4G and WiFi networks



World's only marketplace for Cyber Expert advice and support



Designed for Telco distribution

Embedded cyber experts



There is no doubt that protecting and regulating our kids' online activity is one of the major challenges of today.

As a practising child psychologist I am constantly dealing with the impacts of connected technology. From self esteem, to gambling and porn addictions. These are no longer rare experiences in our schools.

- Jordan Foster

I've reached 10,000 parents in 2016. Parents are concerned and a movement is growing.

Along with establishing parental controls and regularly discussing cyber-safety with our kids, we also need tools that protect them when they're online.

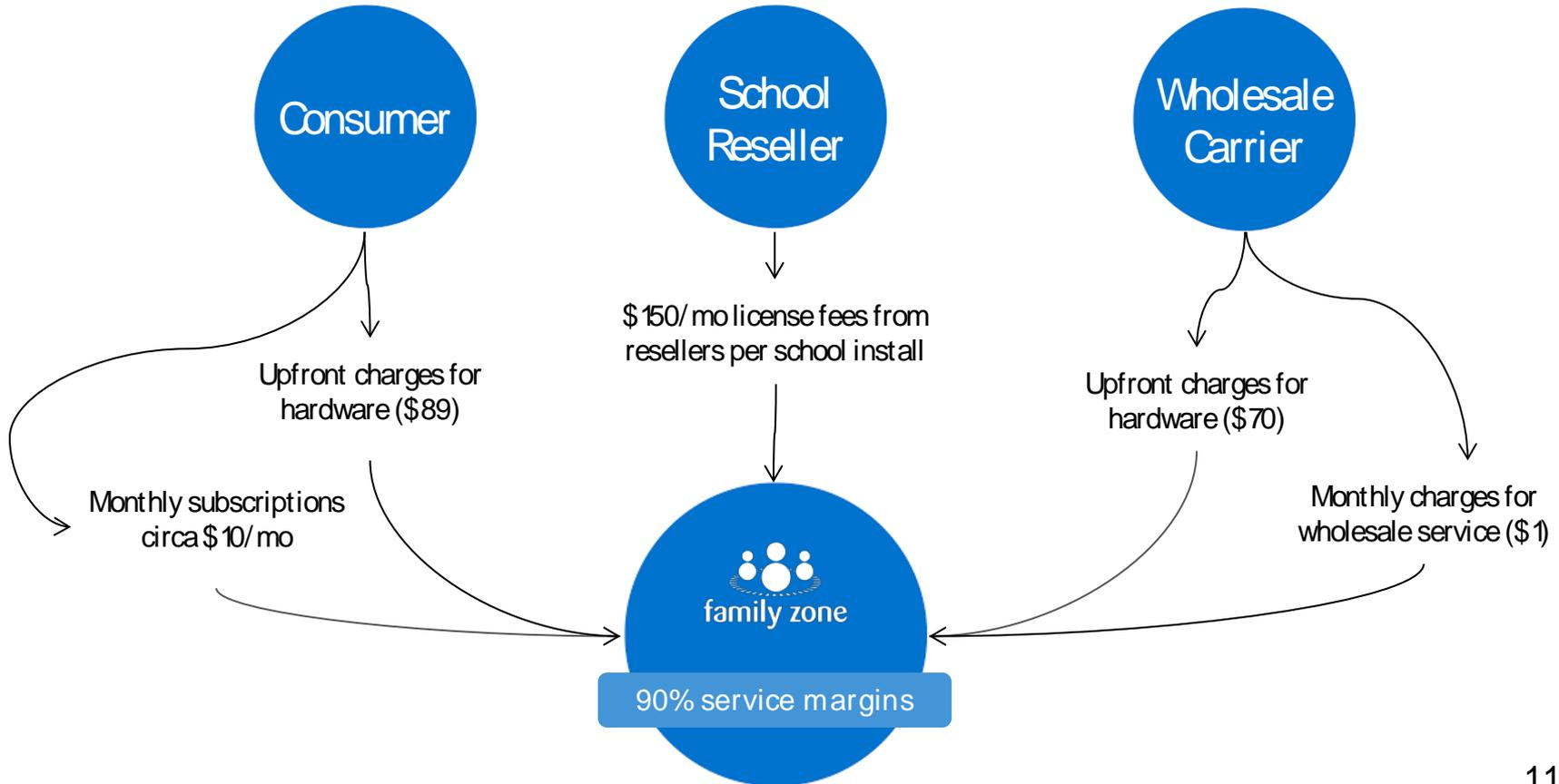
-Dr Kristy Goodwin

We cannot keep up with the demand for cyber safety advice and education. Parents and schools are overwhelmed.

Pressures to provide technology are immense however we're all too frequently seeing the small and large scale effects of uncontrolled access.

- David Kohbler

Diverse, scalable subscription revenue



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An increasingly robust business model



The release of Family Zone's minimum viable product, and the company's activities in the six months since listing, have justified our strategy and helped to hone our plans.

Family Zone has proven...

- ✓ Consumers will pay for this service (at price points >\$10/mo)
 - ✓ Paying customers are sticky (Less than 5% churn)
- ✓ A huge market of schools (>100,000 in the US) will buy cyber safety solutions designed with education in mind, and will promote and mandate solutions that work
 - ✓ Telcos will bundle/value add parental controls
- ✓ Support and direct costs of the model are negligible

Achievements and catalysts



- ✓ Australian launch to consumers has yielded more than 5,000 zones, growing at ~400/wk
- ✓ Co-branded launch with PLDT, the Philippines' largest telco carrier (70 million subscribers)
 - ✓ Agreement signed for joint development and consumer trials with Telkomsel, Indonesia's largest telco carrier (160 million subscribers)
 - ✓ Integrated school and home platform launches February 2017
 - ✓ School solution installed in 180 Australian schools, 81 in the US and growing
- ✓ Partnership strategy implemented to address the large US market with multiple regional telcos, ISPs, access point providers and system integrators
- ✓ Australian retail partnership launched with MVNO OVO Mobile: demonstrable success

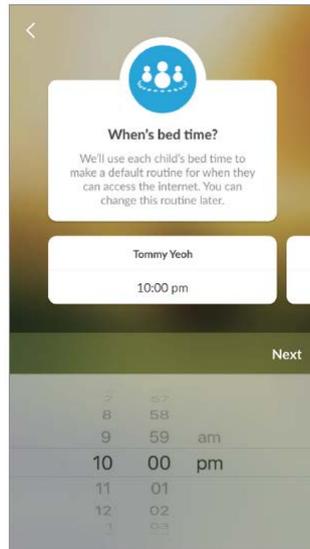
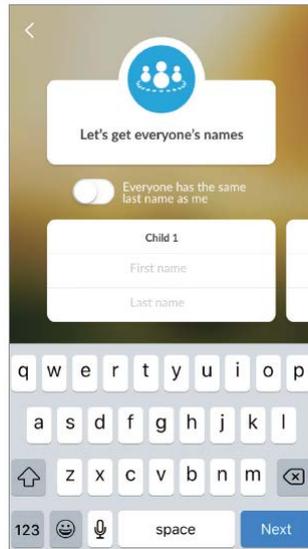
Ongoing tech development

Version 2 - launch planned for second quarter of 2017

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Zone manager app for parents

By Family Zone



With a focus on onboarding and customer experience, we will aim Version 2 at driving mass market uptake and to suit our telco partners' demands for absolute simplicity.

2017 targets



- ✓ Implement Version 2 of the Family Zone platform
- ✓ Generate positive cash flow by building Australian consumer userbase to 35,000 zones and beyond
 - ✓ Push hard into Australian and US schools, and leverage into households
- ✓ Launch with Telkomsel and multiple additional telco carriers and ISPs in Asia and Australia
 - ✓ US soft launch in 4QFY17 via schools, direct to consumer and through ISPs

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