

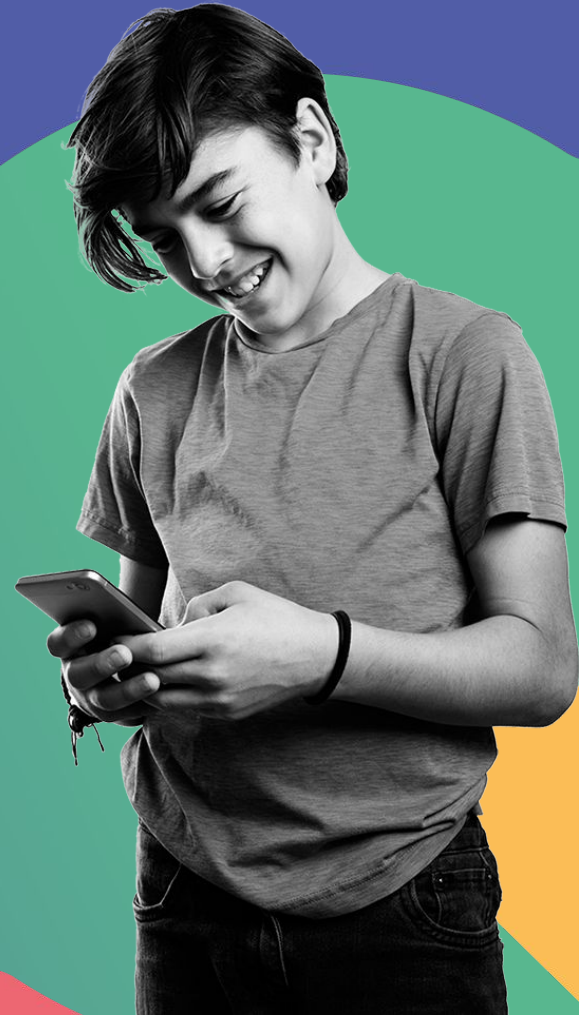
INVESTOR PRESENTATION

Sep Qtr 2023

4C Commentary & Operational Update

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

Qoria Limited
ASX : QOR
qoria.com



Why Qoria Limited



Scaled & inflecting

Qoria is scaled and winning in a sophisticated global market. Qoria is moving to cash flow positive generation and profit.



Large open market

Qoria competes in a massive Government funded, untapped, fragmented & expanding global market.



Global visionary

Qoria is the only truly global provider in safety & wellbeing and has a clear, compelling and innovative vision.



Impact & ESG

Qoria is a social impact organisation; responsibly addressing the global concerns of online safety & student wellbeing

Highlights for the quarter

- Generated positive operating cash flow
+\$2.14 million in operating cash flow (\$4.4 million normalised)
- Added \$7 Million (nett) of ARR
Record \$6.3 million in ARR growth (inc \$900K forex movement)
- Grew Education ARR to \$82 Million
Record \$5.3 million in ARR growth through with new, cross & up sells
- Grew Consumer ARR to \$22 Million
Record ARR growth through well executed back-to-school campaigns
- Strong B2B2C progress
Consistently achieving +20% parent adoption in US district trials
- Released the Qoria 2023 ESG report

END OF QUARTER

ARR
\$104M ↑
27%
YoY

END OF QUARTER

STUDENTS
13.3M ↑
15%
YoY

Including proof of concept trials.

END OF QUARTER

SCHOOLS
25,100 ↑
8%
YoY

Including proof of concept trials.

END OF QUARTER

PARENTS
6M ↑
25%
YoY

QUARTER

NET REVENUE RETENTION
106%

QUARTER

ENTERPRISE CHURN
5%

Key metrics

		30 June 2022	30 June 2023	30 Sep 2023
Market Cap / ARR	<i>Market capitalisation as a multiple of exit annual recurring revenue</i>	3.2	2.7	2.7
ARR growth (annualised)	<i>Organic ARR growth in year, or year to date, annualised (edu & consumer)</i>	48%	26%	27%
Recurring Revenue %	<i>Percent of revenue that is contracted and recurring in nature (edu & consumer)</i>	99%	99%	99%
Marketing costs %	<i>Marketing costs as a percent of exit annual recurring revenue (edu & consumer)</i>	2.98%	6.60%	7.22%
Marketing efficiency	<i>Added ARR divided by external marketing costs in the period (education only)</i>	11x	11x	11x
Service margins	<i>Gross margin after data & hosting, info-tech and service hardware costs (edu & consumer)</i>	85%	88%	89%
Enterprise churn %	<i>Churn of annual recurring revenue from customers (edu only)</i>	5%	5%	5%

Operational Update

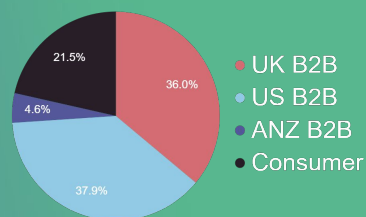
ARR passes through \$100 Million

Group ARR grew \$7 Million accounting for an +\$1 Million forex movement. This is an alltime company record and was achieved outside of the June quarter highpoint of education sales.

In the past 12 months ARR has grown \$23 Million or 27%; entirely organically.

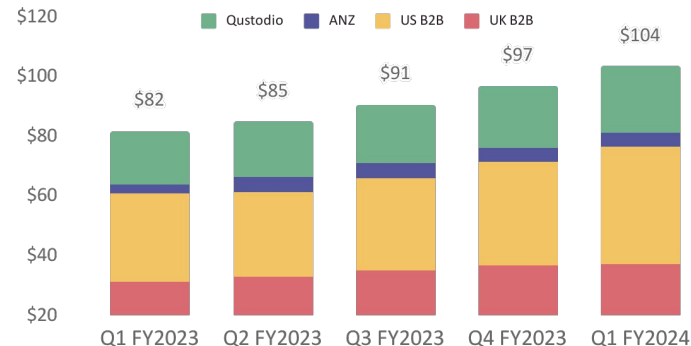
Strong contributions were delivered from all regions and products and from existing customer cross and upsells. Notably US Education achieved 29% YoY growth, UK Education 40% YoY growth and our consumer division continued strong growth to pass through \$22 Million (24% YoY).

Annual Recurring Revenue
Global Sales Mix %

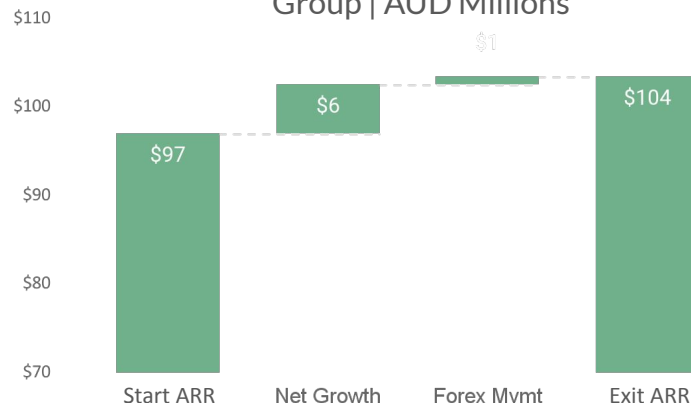


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Annual Recurring Revenue
Global Sales Mix | AUD Millions



ARR Waterfall
Group | AUD Millions



Acceleration in K12

The September quarter is typically the second biggest sales quarter in the US and smallest in the UK. Notwithstanding, Qoria achieved record breaking sales growth, adding \$6 million of ARR.

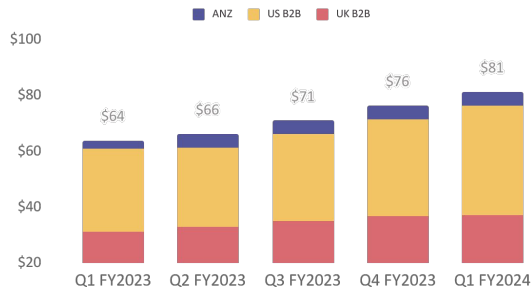
In the US, new and cross sales as well as price adjustments contributed to strong ARR growth including a 110% rate of Net Revenue Retention.

The UK was a standout with 40% YoY growth achieved. Recent regulatory changes (KCSIE) have increased obligations on UK schools, driving a substantial lift in sales and pipeline.

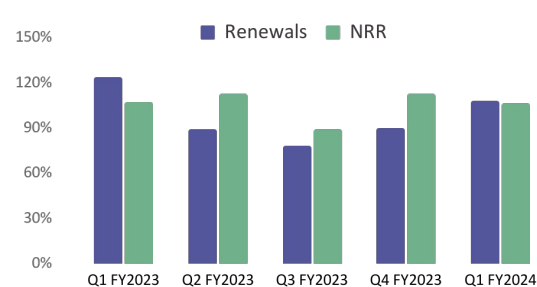
Consequently, Qoria's sales pipeline is exceptionally strong at \$12 million and \$5.6 million unweighted and weighted respectively.

Notably Qoria's focus on cross and upsells is driving significant increases in average licence fees which have now passed though \$6.5 per student per annum. We expect this trend to continue.

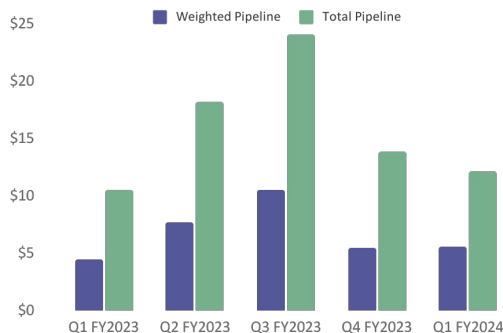
Annual Recurring Revenue
Global Education | AUD Millions



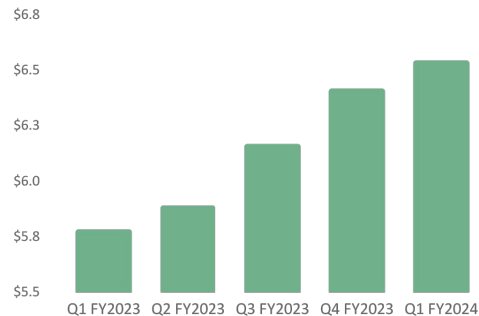
Customer Success
Global Education | %



Weighted and Total Pipeline
Global Education | AUD Millions



Average Revenue / Student pa
Global Education | AUD



Qustodio executing above plan

Driven by a well executed back-to-school campaign, the September quarter saw Qustodio achieve its best ever results.

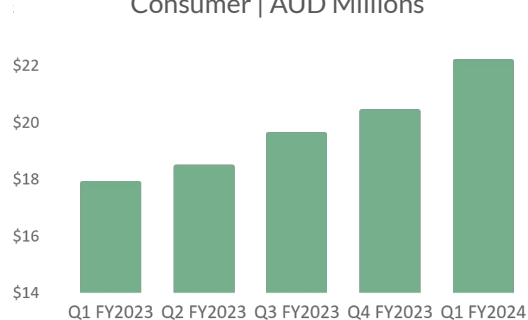
Both billed and recurring revenue grew strongly and strong results were achieved in price per account and customer retention.

Qustodio is now making a material EBITDA contribution to Qoria's financials.

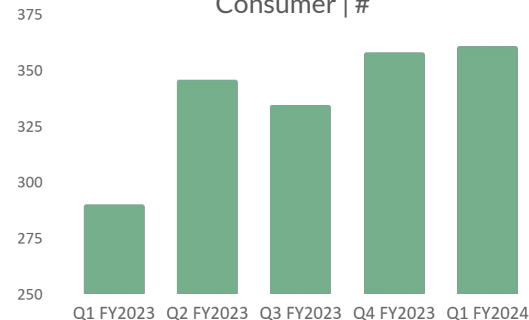
An above plan investment in customer acquisition was undertaken in the quarter, however pleasingly payback fell below 12 months.

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Annual Recurring Revenue
Consumer | AUD Millions



Premium Subscriptions
Consumer | #



Average Revenue / Account
Consumer | AUD



Community taking shape in the US

Careful roll out of community continues with particularly pleasing progress in the past two months with Community Connect (free Qustodio accounts for school parents). The new US school year has generated a 465% increase in referred parent accounts.

Pleasingly, all school districts that have launched Community Connect in the quarter have achieved greater than 20% parent adoption.

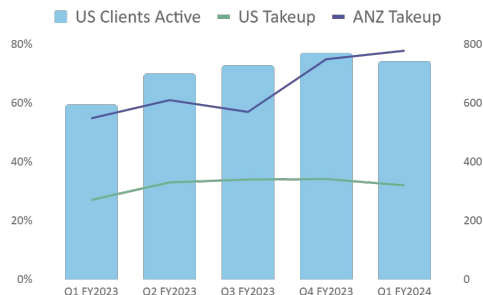
We continue to optimise Community Connect launches and parent engagement techniques.

Upgrades to premium (parent paid) plans, whilst not a key focus for now, are progressing and showing positive signs.

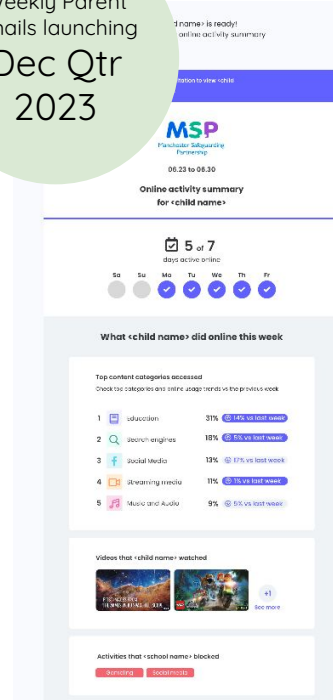
Organic demand generation is mounting due to strengthening passed and proposed legislation in states such as Texas, Florida and Utah.

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Community Hubs ANZUS | # & Penetration



Weekly Parent
Emails launching
Dec Qtr
2023



Case Study : Middleton Cross Plains Wisconsin

In September 2023 MCPASD launched Qustodio. "The district has always been committed to protecting students physically but now they can add online protection to that commitment as well," explained Brian Miles, MCPASD director of technology services.

Community engagement and media coverage (left) has been positive and take-up exceeds 20%.

Consistently improving leverage

Qoria is working methodically to a plan to achieve monthly EBITDA profitability in the next 12 months. Efforts are concentrated on cost control, product and technology unification and margins.

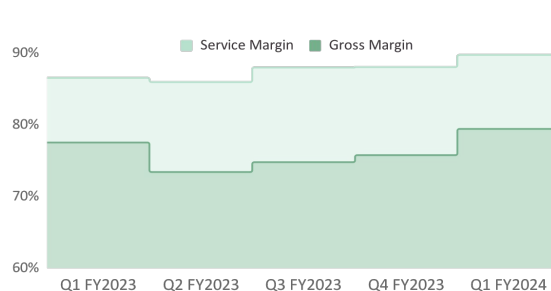
In July price increases across US and UK education and in Qustodio have seen a continued upwards trajectory in revenues per license and service margins.

Consolidation of data & hosting services has been delayed and an over-plan investment in Qustodio marketing has caused a drag on margins. However we see positive signs into the rest of the financial year.

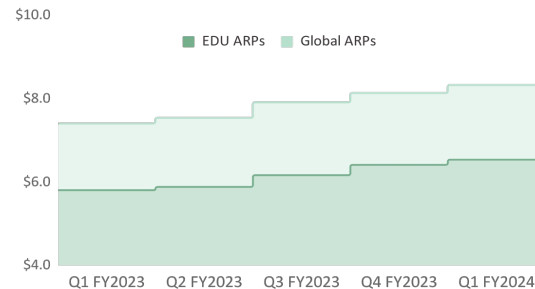
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Service & Gross Margins
Group | %

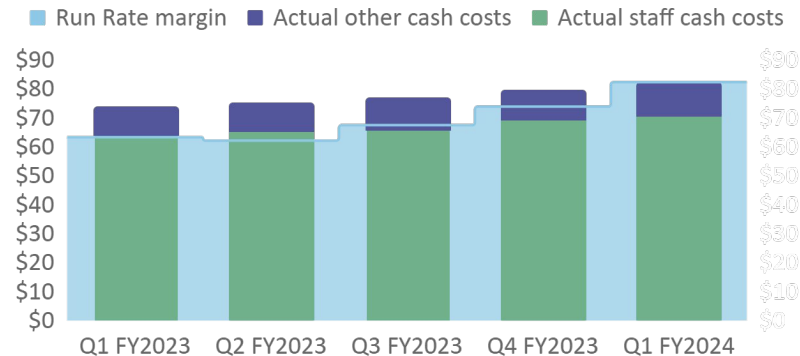


Ave Revenue per Student
EDU & Group | AUD



Run Rate Operating Cashflow

Group | AUD Millions



Normalised for data & hosting and marketing seasonality. See slide 18.

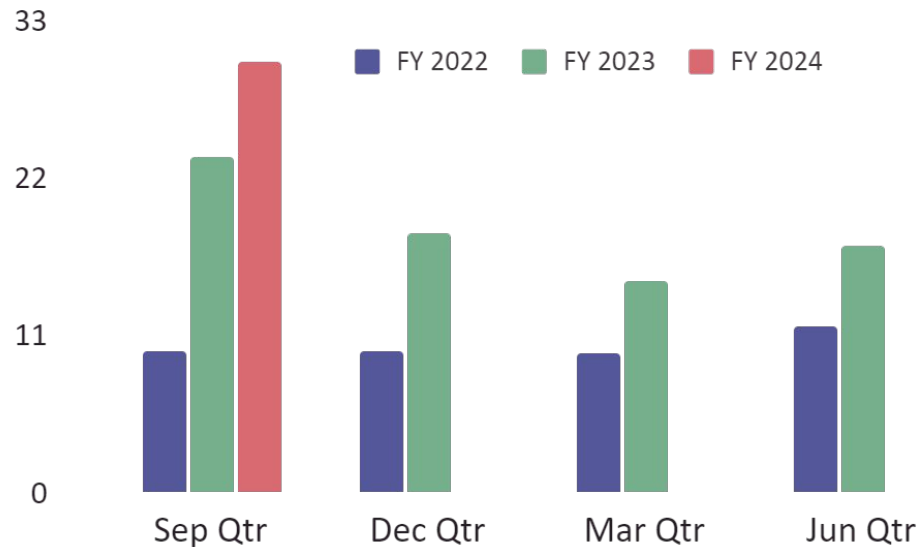
Converting ARR to Cash

Cash collections for the quarter were \$30.1 Million which is a record and 28% up on the same quarter last year.

Education billings were a standout at \$25.3 Million or 36% up on the same quarter last year.

Collections in the back half of the year are seasonally the highest, so the Company expects to generate positive operating cash flow in the half.

Customer Receipts | Group | Nett of Commissions



Outlook

Outlook

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Education Sales

The Dec quarter is the key selling period for Australia and New Zealand. Nevertheless, it's a low point in UK/US sales. UK momentum is, however, strong with recent regulatory changes driving a significant increase in the sales pipeline for the Monitor product.

The focus for the Dec Quarter is on continued pipe creation and preparing for conference season in the new year.



Consumer Sales

Black Friday and Christmas are key selling periods for Qustodio. Marketing through Qoria's schools footprint is supporting ongoing sales momentum.



Community

Enhanced parent comms are set to launch in the Dec quarter

and enhanced parental controls for school devices in the Mar quarter



Cash Flows

The December half is typically the strongest for cash collections. We expect positive operating cash flow for the half.



Inflection to profit

The Company is growing strongly and, with an emphasis on cost control, is targeting monthly EBITDA profitability in the next 12 months.



Growing market

The Company enjoys a growing addressable market through healthy schools funding and product expansion.

Qoria

ESG Report

2023 ESG Report

Qoria was pleased to release our inaugural ESG report this quarter.

The digital world, of which Qoria is a part, is moving at an increasingly fast pace, and with this comes greater risks in cybersecurity and data privacy, two key elements of global ESG frameworks. While Qoria's business, products and services have ESG at their heart, we recognise there is always more to do and our first annual sustainability report aims to increase transparency and communicate both the positive impacts we make as a company and where we can improve. By better understanding, managing and disclosing our impacts, we can enhance strategic decision-making, reduce risks, identify business opportunities and strengthen stakeholder relationships.

Qoria's 2023 ESG report is available [here](#). This report sets out the results of this work. It identifies Qoria's key stakeholders, outlines what ESG topics are material to Qoria and establishes an initial suite of measures for driving ongoing action.

ESG Highlights

Environmental Minimise the environmental impact of our products and services	0.0 tCO ₂ -e Scope 1 emissions	75.7 tCO ₂ -e Scope 1 and 2 emissions		
Social Create a high performing and highly engaged workforce	76% of staff are highly engaged	36% of staff are female	33% of our leaders are female	
Be the world's most impactful online safety & student wellbeing provider	20 Million children protected	5 Million parents served	25,000 schools served	100+ countries served
Governance Ensure all of our stakeholders can have trust in us and what we do	Ethics in Technology Ethical Framework governs development of solutions and services	Data Protection Compliant with the most stringent global rules. Established Data Protection Officer; overseen by the Managing Director.	Governance Strong Governance and Ethical Guidelines overseen by the Board	Security Posture Use the NIST program & risk management to guide our security investments.

Corporate Update

Quarterly Cash Flow

Set out below is the reported (4C) Cash Flow along with a calculation on the basis of capitalised R&D costs. See note below.

Quarterly Cash Flow	Reported A\$'000s	Capitalised R&D A\$'000s
From Operating Activities	\$2,140	\$5,590
From Investing Activities	(\$3,466)	(\$6,916)
From Financing Activities	\$12,949	\$12,949
Cash & equivalents at start of period	\$6,620	\$6,620
Net Cash Flows for the period	\$11,623	\$11,623
Forex movements	(\$98)	(\$98)
Cash & equivalents at end of period	\$18,145	\$18,145
Undrawn Debt Facility	\$10,000	
Total Available Funding	\$28,145	

COMMENTARY

Report Cash Flow v Capitalised R&D

Currently Qoria does not capitalise/amortise education product or platform R&D. However as the Company is transitioning to profitability, this accounting policy is likely to be revised in accordance with proper accounting practice and in line with ASX peers. The Capitalised R&D summary above is provided as an indicative Cash Flow on the basis of such a reporting change.

Customer Receipts

Customer receipts were \$30.1 million, up 28% on Sept Qtr 2022 and a record for the Company. Receipts are nett of commissions paid to reseller partners and nett of taxes (i.e. GST/VAT). Equivalent to reported ARR/Revenue Customer receipts were approximately \$34 million.

Operating Activities

A positive cash flow from operating activities was achieved at \$2.1m. The result was negatively impacted by a number of disbursements relating to different accounting periods. These have been normalised on the next page at \$2 million. Accordingly a normalised Operating Cash Flow was ~ \$4.4 million.

Investing Activities

The purchase of hardware (filter & firewall appliances) is particularly seasonal with the September quarter being the peak delivery period. The majority of purchased hardware is now sold. Hardware is sold by Qoria "as a service" for an annual fee. Qoria retains ownership and the cost is typically recovered within 18 months.

Hardware costs in the December quarter will reduce substantially.

A portion of Qustodio's technology costs are capitalised, representing \$988k of the investing activities.

Financing Activities

Net cash flows from financing activities were positive \$11.6m, being the initial drawdown of the AshGrove facility, offset by costs and the repayment of existing Qustodio debt.

Normalised Cash Flow

NORMALISED OPERATING CASH FLOW (A\$'000s)

Adjusted 4C Cash flow	Dec 2022	Mar 2023	Jun 2023	Sep 2023
Cash collections	\$18,083	\$14,818	\$17,336	\$30,094
Direct Costs	(\$5,164)	(\$4,988)	(\$5,153)	(\$5,258)
Staff Costs	(\$15,834)	(\$15,886)	(\$16,187)	(\$17,821)
Fixed Other	(\$3,209)	(\$2,583)	(\$2,377)	(\$2,614)
Normalised	(\$5,933)	(\$8,639)	(\$6,381)	\$4,401
Normalisations (Sep 23)				(\$2,261)
Reported (Sep 23)				\$2,140

RECONCILIATION OF 4C TO NORMALISED CASH FLOW (A\$'000s)

4C Cash Flow	Sep '23 4C	Normalisation adjustments	Normalised
Direct Costs	(\$5,909)	(\$651) Excess data & hosting costs carried including Family Zone	(\$5,258)
Staff Costs	(\$18,652)	(\$831) Seasonality of staff commissions, Qustodio CEO paid for FY23 12 months in arrears	(\$17,821)
Fixed Other	(\$3,209)	(\$595) Primarily upfront annual supplier invoices	(\$2,614)
Other	(\$184)	(\$184) 4 month's social security paid in Qustodio in the quarter	\$0
	(\$27,941)	(\$2,261)	(\$25,693)

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COMMENTARY

Normalisations

During the quarter various cash outflows which were not related to the September quarter. The following tables normalise these outflows.

Direct costs

Costs were \$5.2 million (up from \$5.0m). Direct costs increase with student numbers. Data & hosting have continued at elevated levels as the consolidation project continues. We expect the project to complete this calendar year. The majority of direct costs are denominated in USD and are affected by FX movements.

Staff costs

Costs were \$17.8 million (up from \$16.2m). FX movements continue to be unfavourable for staff costs in the US, UK and Spain. The annualised impact of FX rates on staff costs from the start of the year is in excess of \$4 million p.a. Costs have been impacted by CPI increases across the business of circa 5% and we have invested in additional sales resources in the US to support the excellent growth we are seeing in that region.

Fixed other

Costs were \$2.8 million (up from \$2.4m). The increase is largely due to a high level of upfront annual invoices being paid in the September quarter.

Goria

Other

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 \$282k related to Directors salaries and superannuation payments and professional fees paid to Grange Consulting for company secretarial services.

Capital as at 30 September 2023

AVAILABLE FUNDING	\$28.M ¹
ORDINARY SHARES	1,112,980,167
MARKET CAP (@21.0c)	\$233M
TOP 20 SHAREHOLDERS	68%
FOUNDERS & EXECUTIVES	4.75%

NOTES

1 Includes \$18.1M cash as at 30 September 2023 & includes undrawn funds available from the debt facility.

SECONDARY SECURITIES

Performance Rights (Staff)	97,708,346
Deferred Perf Rights (Qustodio)	40,263,508
Options 50-60c expiring 2025 (Staff & Directors)	17,720,000
Options 60c expiring 2025 (Staff/Directors & Facility)	5,250,000

Contacts



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Simon Hinsley

Executive Director, NWR Communications
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Appendix 4C

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

Name of entity

Qoria Limited

ABN

33 167 509 177

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	30,094	30,094
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,455)	(4,455)
(c) advertising and marketing	(1,454)	(1,454)
(d) leased assets	-	-
(e) staff costs	(18,652)	(18,652)
(f) administration and corporate costs	(3,216)	(3,216)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(15)	(15)
1.7 Government grants and tax incentives	-	-
1.8 Other – acquisition-related operating outflows	-	-
1.9 Other	(184)	(184)
1.10 Net cash from / (used in) operating activities	2,140	2,140

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(482)	(482)
	(c) property, plant and equipment	(1,996)	(1,996)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(988)	(988)
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	(3,466)	(3,466)

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	249	249
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(112)	(112)
3.5	Proceeds from borrowings	19,439	19,439
3.6	Repayment of borrowings	(3,722)	(3,722)
3.7	Transaction costs related to loans and borrowings	(2,405)	(2,405)
3.8	Dividends paid	-	-
3.9	Other – Repayment of Lease Liabilities (Year to date adjustment)	(500)	(500)
3.10	Net cash from / (used in) financing activities	12,949	12,949

³ Net of capital raising costs

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,620	6,620
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,140	2,140
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,466)	(3,466)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12,949	12,949
4.5	Effect of movement in exchange rates on cash held	(98)	(98)
4.6	Cash and cash equivalents at end of period	18,145	18,145

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	18,145	18,145
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)	18,145	18,145

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	(282)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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. Ashgrove Capital Management debt facility	30,536	20,536
	2. Other borrowings and facilities	882	882
7.2	Credit standby arrangements	-	-

7.3	Other (please specify)	-	-
7.4	Total financing facilities	31,418	21,418
7.5	Unused financing facilities available at quarter end		10,000
7.6	<p>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.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <ol style="list-style-type: none"> 1. The Group drew down on \$20.35 million of this facility on 14 July 2023. The term of the facility is 5 years and the interest rate has been set at BBSY + 8.75% per annum, with the ability to capitalise up to 4.25% per annum for the first 2 years. Both the total facility and the amount drawn down at quarter end include \$186,000 of capitalised interest as at 30 September 2023. The facility is secured over all of the assets of the group in Australia, the United Kingdom, Spain and the United States and a ratio of secured assets is required to be maintained as the business grows. \$10 million remains available for drawdown at the Group's discretion as at the date of this report. 2. Other borrowings and facilities represent insurance premium funding, accounting system financing facility and other minor borrowings. </div>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.10)	2,140
8.2	Cash and cash equivalents at quarter end (item 4.6)	18,145
8.3	Unused finance facilities available at quarter end (item 7.5)	10,000
8.4	Total available funding (item 8.2 + item 8.3)	28,145
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.10, 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>		
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?	
	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?	
	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?	
	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: 23 October 2023

Authorised by the Board of Qoria 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.