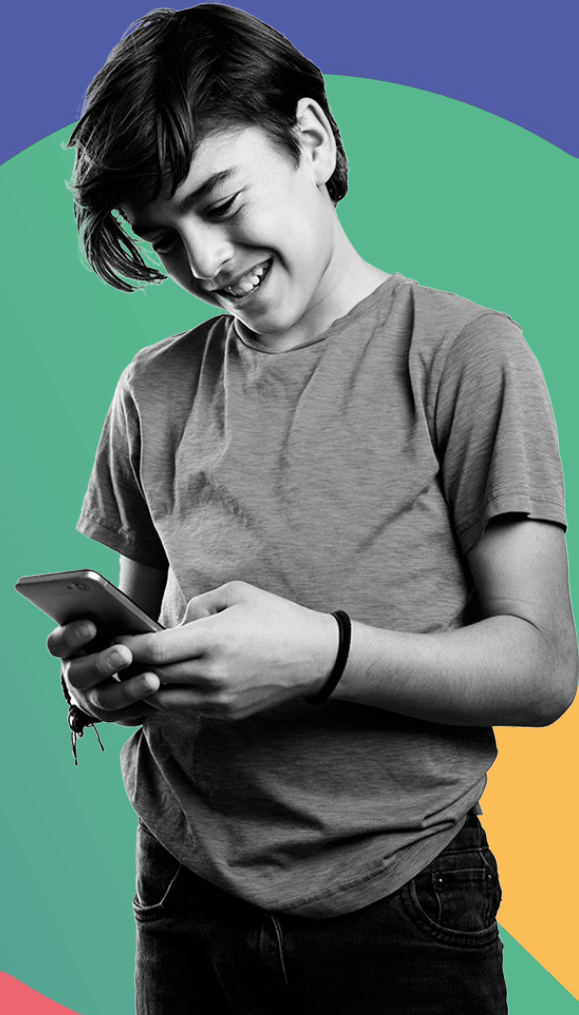


INVESTOR PRESENTATION
FY2024 Half Year Report

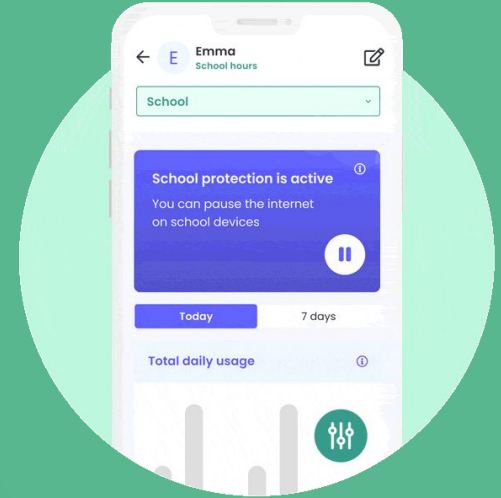
*Helping every child to
thrive in their digital life*

Qoria Limited
ASX : QOR
qoria.com





H1 FY 2024 Financial Highlights



H1 FY 2024 Highlights

FOR THE PERIOD

REVENUE
\$48.5M

^
31%
pcp

FOR THE PERIOD

GROSS MARGIN
\$34.5M

^
36%
pcp

FOR THE PERIOD

CASH EBITDA
(\$1.9M)
&

^
from
(\$11.2M)
H1 FY22[&]

FOR THE PERIOD

CASH FLOW
\$0.9M
#

^
from
(\$6.8M)
H1 FY22

END OF PERIOD

AVAILABLE
FUNDING
\$30.2M

& After capitalisation of R&D costs per Qoria's accounting policy for FY 2024. Result is (\$9.9M) prior to capitalisation.

Operating Cash Flow. Without capitalisation of R&D costs. \$9.3M with capitalisation.

pcp = Previous corresponding period



H1 FY 2024 Highlights

END OF PERIOD

EXIT ARR
\$106M

&



24%
pa growth

END OF PERIOD

STUDENTS
14.0M



18%
pa growth

END OF PERIOD

PROTECTED
CHILDREN
22.9M



19%
pa growth



& Annualised growth rate. Note, H1 is a low point in the K12 sales cycle.
pa = annualised

Segment Highlights

FOR THE PERIOD

REPORTED REVENUE

US K12

\$19.0M



37%

pcp

FOR THE PERIOD

REPORTED REVENUE

UK K12

\$16.2M



17%

pcp

FOR THE PERIOD

REPORTED REVENUE

CONSUMER

\$10.7M

#



61%

pcp

FOR THE PERIOD

REPORTED REVENUE

ANZ K12

\$2.6M



4%

pcp

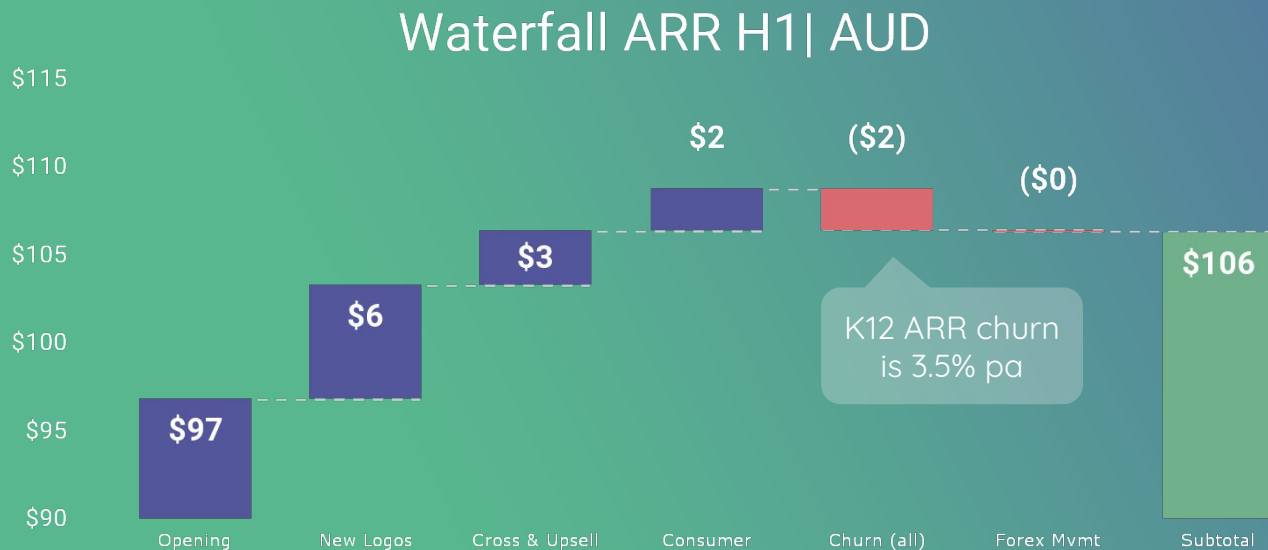


(H1 FY2023 only included 5 months contribution from Qustodio)

pcp = Previous corresponding period

Strong ARR Growth

^
24%
pa growth



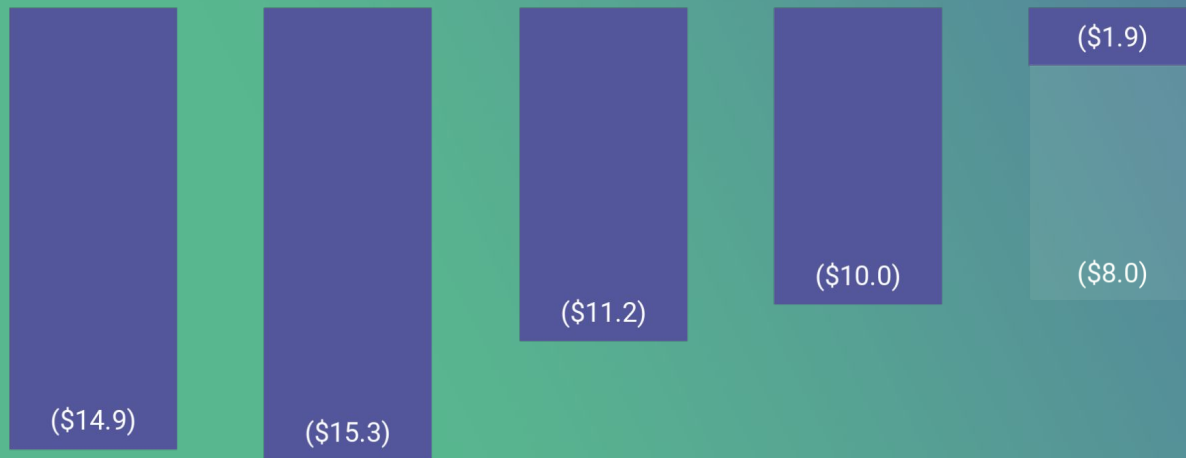
Strong ARR growth in the half despite being a low point in K12 sales cycle. Growing importance of cross sell and upsell identified. Customer retention is strong with ~ 3.5% (excluding non-core of \$0.6M) corporate clients.

Tracking to monthly cash EBITDA in CY24

Underlying Cash EBITDA AUD Millions

Underlying Cash EBITDA without capitalised R&D

Underlying Cash EBITDA



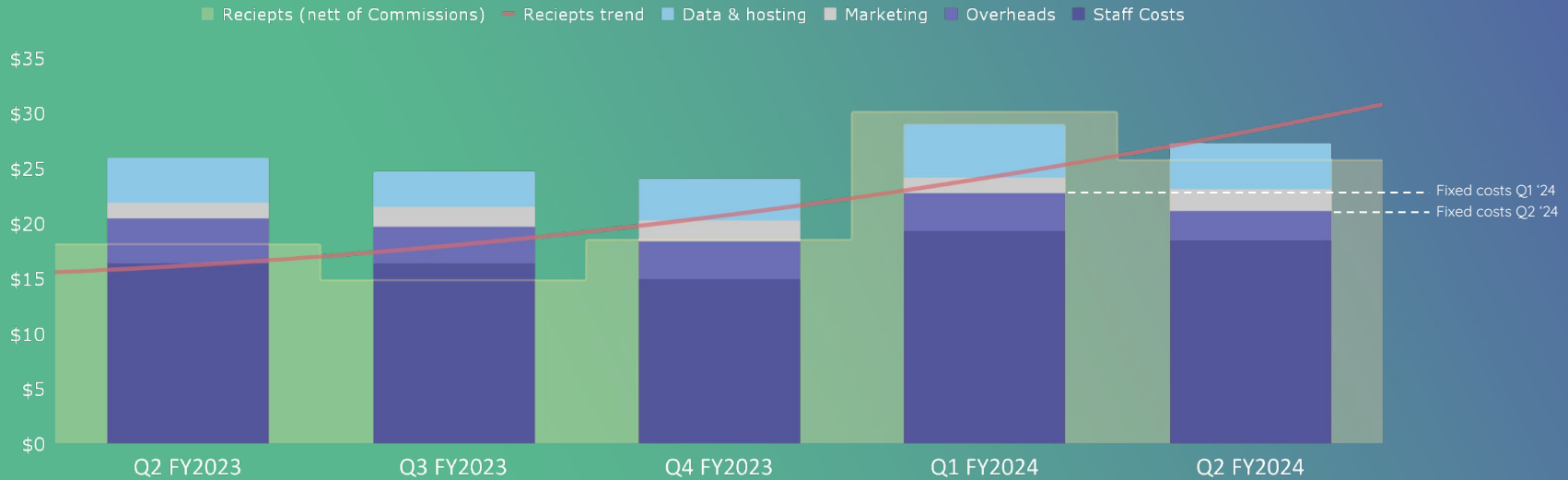
Pro forma H1 Cash EBITDA is \$2M after the cost outs announced Dec '23.

Cash EBITDA achieved a pleasing (\$1.9) million. Comparative Cash EBITDA based on the Company's prior year accounting policy (to expense R&D costs) has improved 34% since H2 FY22. Recently announced cost out initiatives are not reflected in these results. Management expects Qoria to be Cash EBITDA positive (with and without capitalisation of R&D costs) on a monthly basis in CY 2024.

Tracking to annual positive Cash Flow

Underlying Business Cash Flow | AUD Millions

Operating cash flow excluding interest and capitalised hardware costs



Receipts tracked operating cash flows with a small shortfall in Q2 FY 2024. We expect operating cash flow to be positive for CY 2024.

Underlying cash flow shows underlying business performance. It includes R&D expenditure but excludes interest expense and capitalised hardware to align with Uncapitalised Cash EBITDA.

SaaS Metrics

| | | 30 Jun 2023 | 30 Sep 2023 | 31 Dec 2023 |
|-------------------------|---|----------------|----------------|----------------|
| Market Cap / ARR | <i>Market capitalisation as a multiple of exit annual recurring revenue</i> | 2.2 | 2.2 | 2.7 |
| ARR growth (annualised) | <i>Organic ARR growth in year, or year to date, annualised (edu & consumer)</i> | 26% | 27% | 24% |
| 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> | 6.60% | 7.22% | 7.51% |
| Marketing efficiency | <i>Added ARR divided by external marketing costs in the period (education only)</i> | 11x | 11x | 9x |
| Service margins | <i>Gross margin after data & hosting, info-tech and service hardware costs (edu & consumer)</i> | 88% | 89% | 89% |
| Enterprise churn % | <i>Churn of annual recurring revenue from customers (edu only)</i> | 5% | 3.5% | 3.5% |



H1 FY 2024 Financial Report



Profit & Loss

Cash EBITDA was a pleasing (\$1.9) million. Comparative Cash EBITDA based on the Company’s prior year accounting policy (where R&D costs were expensed) improved to (\$9.9) million.

Reported revenue grew by 31% to \$48.5m for the year while direct costs grew 21.5%, with significant efficiencies expected in gross margin in H2 FY2024 as a result of the data & hosting cost out program disclosed in December. A detailed breakdown of direct costs are included on the next page.

The increase in employee benefits was a result of FX (\$1.5m), CPI increases (\$1.5m), 6 months of Qustodio (\$0.8m), increased commission payments with higher sales, investment in the US sales team and the conversion of some share based pay to cash based pay.

Share based payments - deferred consideration relates to the Qustodio acquisition and is not a cash cost.

| GORIA GROUP SUMMARY PROFIT & LOSS | | Inc Capitalisation H1 FY2024 \$ Millions | Ex Capitalisation H1 FY2024 \$ Millions | H1 FY2023 \$ Millions |
|---|--|--|---|--------------------------|
| Revenue | | \$48.5 | \$48.5 | \$36.9 |
| Other revenue | | \$0.3 | \$0.3 | \$0.2 |
| Direct costs | | (\$14.2) | (\$14.2) | (\$11.7) |
| Gross Margin | | \$34.5 | \$34.5 | \$25.4 |
| Margin % | | 71% | 71% | 69% |
| Employee benefits | | (\$29.6) | (\$37.6) | (\$31.1) |
| Administration | | (\$6.8) | (\$6.8) | (\$5.6) |
| Total Operating Costs | | (\$36.4) | (\$44.4) | (\$36.6) |
| Underlying EBITDA | | (\$1.9) | (\$9.9) | (\$11.2) |
| Acquisition related expenses | | (\$0.1) | (\$0.1) | (\$1.1) |
| Cash Finance costs | | (\$1.3) | (\$1.3) | (\$0.6) |
| Non-cash & FX items | | | | |
| > Non-cash Finance costs | | (\$2.9) | (\$2.9) | (\$1.7) |
| > Share based pays - Employees | | (\$6.8) | (\$7.1) | (\$9.0) |
| > Share based pays - Deferred Consideration | | (\$4.7) | (\$4.7) | (\$8.5) |
| > Depreciation & Amortisation | | (\$13.8) | (\$13.8) | (\$11.1) |
| > FX Differences - Realised | | \$4.6 | \$4.6 | \$0.4 |
| > FX Differences - Unrealised | | (\$3.9) | (\$3.9) | \$2.2 |
| > Income Tax Benefit | | \$2.5 | \$2.5 | \$2.0 |
| Earnings after tax | | (\$28.2) | (\$36.5) | (\$38.6) |

| GORIA GROUP BY SEGMENT | USA | UK | ANZ | Europe |
|---------------------------|---------|---------|---------|---------|
| Revenue | \$19.0 | \$16.2 | \$2.6 | \$10.7 |
| Other Revenue | \$0.1 | \$0.0 | \$0.1 | \$0.1 |
| Direct costs | (\$3.7) | (\$2.5) | (\$4.6) | (\$3.5) |
| | \$15.4 | \$13.7 | (\$1.9) | \$7.3 |

Direct Cost / Depreciation & Amortisation Detail

A detailed breakdown of Direct Costs is included to the right. Material efficiencies have now been achieved in data & hosting costs which will bring them back inline with H1 FY2023.

The majority of the Group's depreciation & amortisation relates to acquisition intangibles from the Smoothwall and Qustodio acquisitions.

Breakdown of Direct Costs

| | H1 FY2024 | H1 FY2023 |
|------------------------|-----------------|-----------------|
| Direct Costs | \$ Millions | \$ Millions |
| Service costs | (\$3.7) | (\$2.9) |
| Hardware costs | (\$0.1) | (\$1.2) |
| Cloud data and hosting | (\$5.5) | (\$4.4) |
| Marketing | (\$3.8) | (\$2.5) |
| Other costs | (\$1.2) | (\$0.7) |
| | (\$14.2) | (\$11.7) |

Breakdown of Depreciation & Amortisation

| | H1 FY2024 \$ Millions | H1 FY2023 \$ Millions |
|--|--------------------------|--------------------------|
| Depreciation & Amortisation Breakdown | | |
| P&E depreciation | (\$1.6) | (\$1.5) |
| Development asset amortisation | (\$0.3) | \$0.0 |
| Right of use (lease) amortisation | (\$0.7) | (\$0.7) |
| Software amortisation (acquisition intangibles) | (\$5.2) | (\$4.5) |
| Customer list amortisation (acquisition intangibles) | (\$5.7) | (\$4.2) |
| Branding amortisation (acquisition intangibles) | (\$0.2) | (\$0.2) |
| | (\$13.8) | (\$11.1) |

Acquisition Intangible Amortisation Profile

[illegible]

Balance Sheet

Funding from the AshGrove facility was received in July 2023 and extended by \$7.5 million in January 2024 to provide funding for a cash discharge of the Qustodio Convertible notes.

The Group's debt consolidation process continues. Qustodio's existing debt facilities of \$3.5 million were paid out during the half and the first of the Qustodio acquisition Convertible notes (\$5.1 million) were paid out subsequent to period end.

Excluding capitalised debt costs Qoria has \$35.8 million in debt at 31 December 2023. By 30 September 2024 any remaining deferred consideration and notes relating to corporate acquisitions will have been repaid. If the AshGrove facility is fully drawn, total debt at that point will be \$37.5 million (excluding capitalised interest).

A pro-forma cash balance at 31 December of \$30.2 million consists of \$12.7 million of cash plus an undrawn facility of \$17.5 million with AshGrove (prior to payment of costs).

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QORIA GROUP SUMMARY BALANCE SHEET

H1 FY2024
\$ Millions

FY2023
\$ Millions

Assets

Current Assets

| | | |
|--|---------------|---------------|
| Cash and cash equivalents | \$12.7 | \$6.6 |
| Trade & Other Receivables | \$15.2 | \$19.0 |
| Prepayments, inventory & contract assets | \$5.3 | \$8.1 |
| Total Current Assets | \$33.1 | \$33.7 |

Non-Current Assets

| | | |
|---|----------------|----------------|
| Intangible assets | \$241.0 | \$243.3 |
| Financial assets, P&E, right of use and contract assets | \$10.9 | \$10.5 |
| Deferred tax assets | \$1.9 | \$0.0 |
| Total Non-Current Assets | \$253.8 | \$253.9 |
| Total Assets | \$286.9 | \$287.5 |

Liabilities

Current Liabilities

| | | |
|-------------------------------------|---------------|---------------|
| Trade & other payables | \$23.2 | \$24.3 |
| Contract Liabilities | \$50.3 | \$42.7 |
| Deferred consideration & borrowings | \$17.2 | \$19.9 |
| Provisions & lease liabilities | \$5.7 | \$5.1 |
| Total Current Liabilities | \$96.3 | \$92.0 |

Non-Current Liabilities

| | | |
|--|----------------|----------------|
| Trade & other payables | | |
| Contract Liabilities | \$11.8 | \$13.1 |
| Deferred consideration & borrowings | \$16.7 | \$2.4 |
| Trade Payables, provisions & lease liabilities | \$2.8 | \$3.6 |
| Deferred tax liabilities | \$15.1 | \$17.5 |
| Total Non-Current Liabilities | \$46.5 | \$36.7 |
| Total Liabilities | \$142.8 | \$128.7 |

| | | |
|-------------------|----------------|----------------|
| Net Assets | \$144.1 | \$158.9 |
|-------------------|----------------|----------------|

Equity

| | | |
|---------------------|----------------|----------------|
| Issued capital | \$334.3 | \$331.9 |
| Reserves | \$78.0 | \$62.3 |
| Accumulated losses | (\$268.2) | (\$235.4) |
| Total Equity | \$144.1 | \$158.9 |

Cash Flow

Receipts from customers was up 34% pcp to \$55.8m (receipts from customers are net of reseller commission).

During the period a change to our accounting policy for development costs accrued and salaries relating to the creation of technology assets are now capitalised.

Payments to suppliers and employees, including capitalised salaries were up 16.5% pcp.

Operating cash flows were \$9.3 million positive for the half, or \$0.9 million positive pre-capitalisation.

While the second half of the year is seasonally the quietest for collections, we expect significant improvement on 2023 similar to Q1 and Q2 2024 where cash receipts were up pcp 28% and 41% respectively.

| QORIA GROUP SUMMARY CASH FLOWS | Inc Capitalisation | Ex Capitalisation | |
|---|--------------------------|--------------------------|--------------------------|
| | H1 FY2024 \$ Millions | H1 FY2024 \$ Millions | H1 FY2023 \$ Millions |
| Cash flows from operating activities | | | |
| Receipts from customers | \$55.8 | \$55.8 | \$41.6 |
| Payments to suppliers and employees | (\$45.9) | (\$54.2) | (\$48.3) |
| Government grants received | \$0.0 | \$0.0 | \$0.1 |
| Net interest received/(paid) | (\$0.6) | (\$0.6) | (\$0.3) |
| Net cash flows (used in) operating activities | \$9.3 | \$0.9 | (\$6.8) |
| Cash flows from investing activities | | | |
| Payments for purchase of businesses, net of cash | (\$0.9) | (\$0.9) | (\$18.9) |
| Investment in development assets | (\$10.3) | (\$2.0) | \$0.0 |
| Purchase of plant & equipment | (\$3.1) | (\$3.1) | (\$1.5) |
| Net cash flows (used in) investing activities | (\$11.3) | (\$2.9) | (\$18.9) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares, net of issue costs | \$0.1 | \$0.1 | \$0.9 |
| Payment of principal portion of lease liabilities | (\$1.0) | (\$1.0) | (\$0.8) |
| Proceeds from/(repayments) of borrowings | \$12.1 | \$12.1 | (\$0.8) |
| Net cash flows from financing activities | \$11.3 | \$11.3 | (\$0.7) |
| Net increase in cash and cash equivalents | \$6.2 | \$6.2 | (\$27.9) |
| Cash and cash equivalents at the beginning of the year | \$6.6 | \$6.6 | \$32.7 |
| Effects of foreign exchange rates | (\$0.1) | (\$0.1) | \$1.7 |
| Cash and cash equivalents at the end of the year | \$12.7 | \$12.7 | \$6.5 |
| Additional Funding Available | \$17.5 | \$17.5 | |
| Funding available | \$30.2 | \$30.2 | |



Outlook

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Qoria

Outlook

Education

The March and June quarters are the cyclical highpoints of the UK and US selling seasons.

Changes to the UK's KCSIE regime are driving strong growth in student monitoring sales.

Qoria has healthy pipelines, strengthening cross sell capability and price increases to underwrite a strong second half.

Consumer

Qustodio's direct business continues to deliver consistent growth at circa 20% YoY.

Qustodio is profitable and a positive contributor to company cash flow.

Promotion of Qustodio through US schools (Community) is progressing with meaningful accounts created (20K) and work commencing on parent engagement and upgrades.

Product

A range of minor product function and performance improvements are being delivered.

In 2024 a number of major product releases are anticipated focussing on using advanced techniques to filter and moderate content.

Financials

FY H2 is the Company's seasonally strongest sales period. Strong progress is being made and pipelines are meeting targets.

We expect the Company to be operating cash flow positive and profitable on a monthly Cash EBITDA basis in CY 2024.

Contacts



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