

INVESTOR PRESENTATION

Mar Qtr 2024

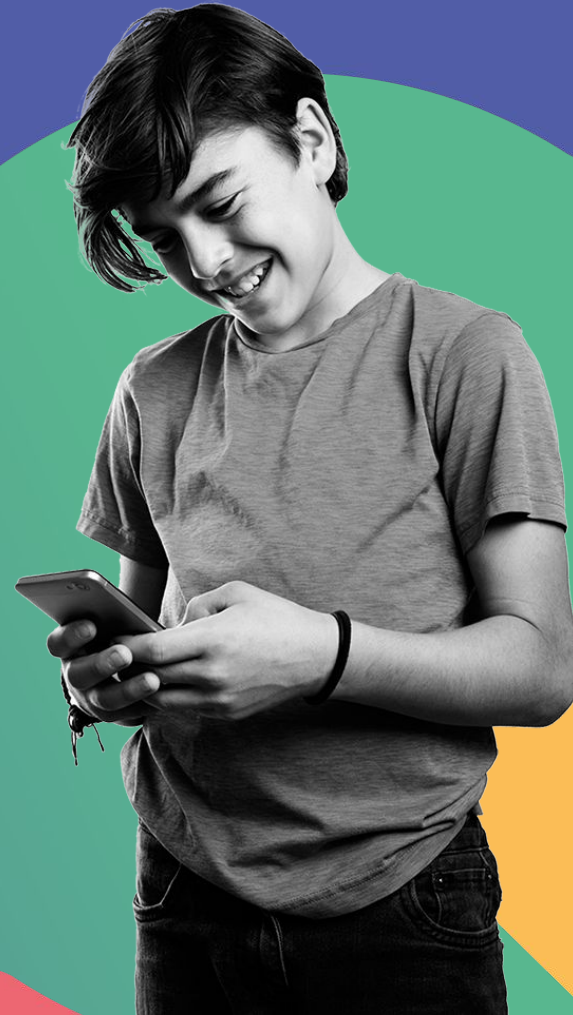
4C Commentary & Operational Update

*Helping every child to  
thrive in their digital life*

Qoria Limited

ASX : QOR

qoria.com



“Qoria delivered on all key fronts in the March quarter. Highlights included growth in ARR to \$112 million, service margins passing through 90% and fixed cash costs continuing to fall; down to the equivalent of \$78 million pa in the quarter.

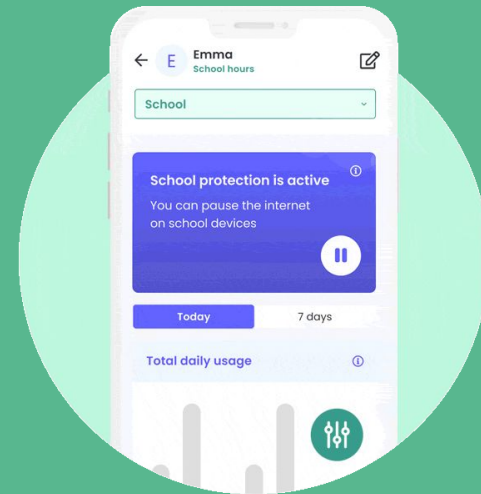
These results continue to deliver confidence in our guidance that Qoria will be cash flow positive for CY 2024; EBITDA positive for FY 2025 and needs no capital funding to achieve these results.

We look with excitement into the immediate future with a record \$28 million deal pipeline for the coming US sales season and tremendous growth being achieved in parent take-up of our B2B2C offering (Community).

**Tim Levy**  
Managing Director



## March Quarter FY 2024 Financial Highlights



# March Quarter FY 2024 Highlights

END OF QUARTER

CONTRACTED

ARR

**\$112M**

^  
**26%**  
pcp

FOR THE QUARTER

OPERATING

CASH FLOW

**(\$0.8M)**

^

^  
from  
**(\$10.6M)**  
pcp

FOR THE QUARTER

CASH

RECEIPTS

**\$20.6M**

&

^  
**39%**  
pcp

END OF QUARTER

K12 SALES

PIPELINE

**\$28.0M**

\$13m weighted value.

^  
**16%**  
pa growth

^ Reported operating cash flow is after the capitalisation of \$4m in education engineering salaries.  
& Cash receipts are nett of channel commissions. ARR includes effective channel commissions.



# March Quarter FY 2024 Highlights

END OF QUARTER

STUDENTS  
**14.0M**

^  
**15%**  
pa growth

END OF QUARTER

PROTECTED  
CHILDREN  
**23.0M**

^  
**17%**  
pa growth



**Study**

From 9:00 to 11:00



^ Reported operating cash flow follows capitalisation of \$4m in education engineering salaries.

**Qoria**

# Geographical Highlights

END OF QUARTER

ARR

US K12

\$41.0M



36%  
pcp

END OF QUARTER

ARR

UK K12

\$41.1M



18%  
pcp

END OF QUARTER

ARR

CONSUMER

\$24.8M



26%  
pcp

END OF QUARTER

ARR

ANZ K12

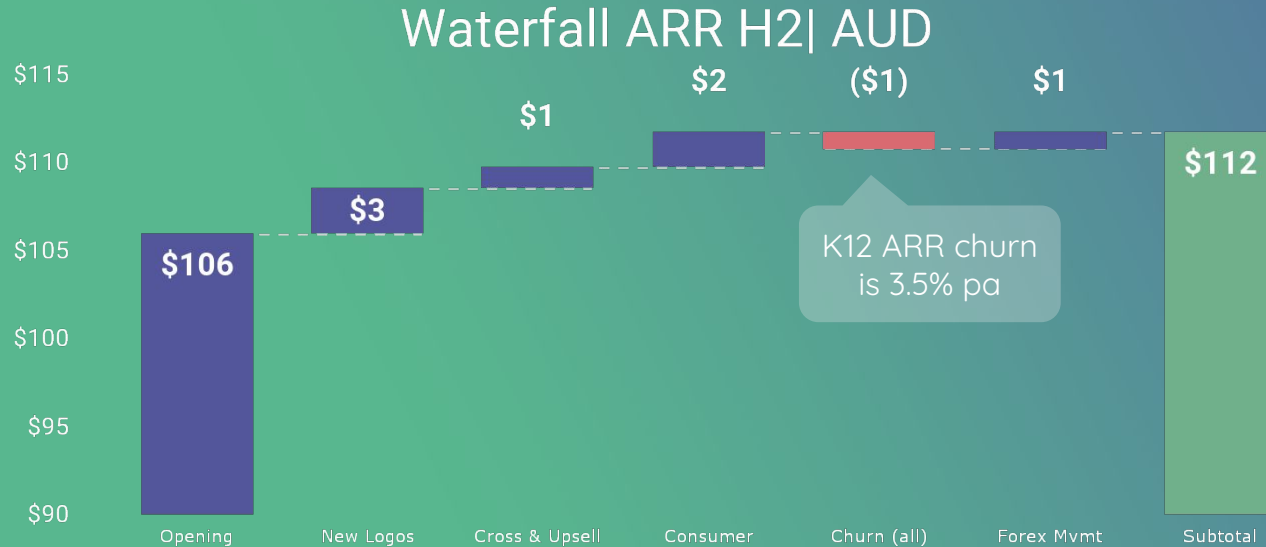
\$5.1M



10%  
pcp

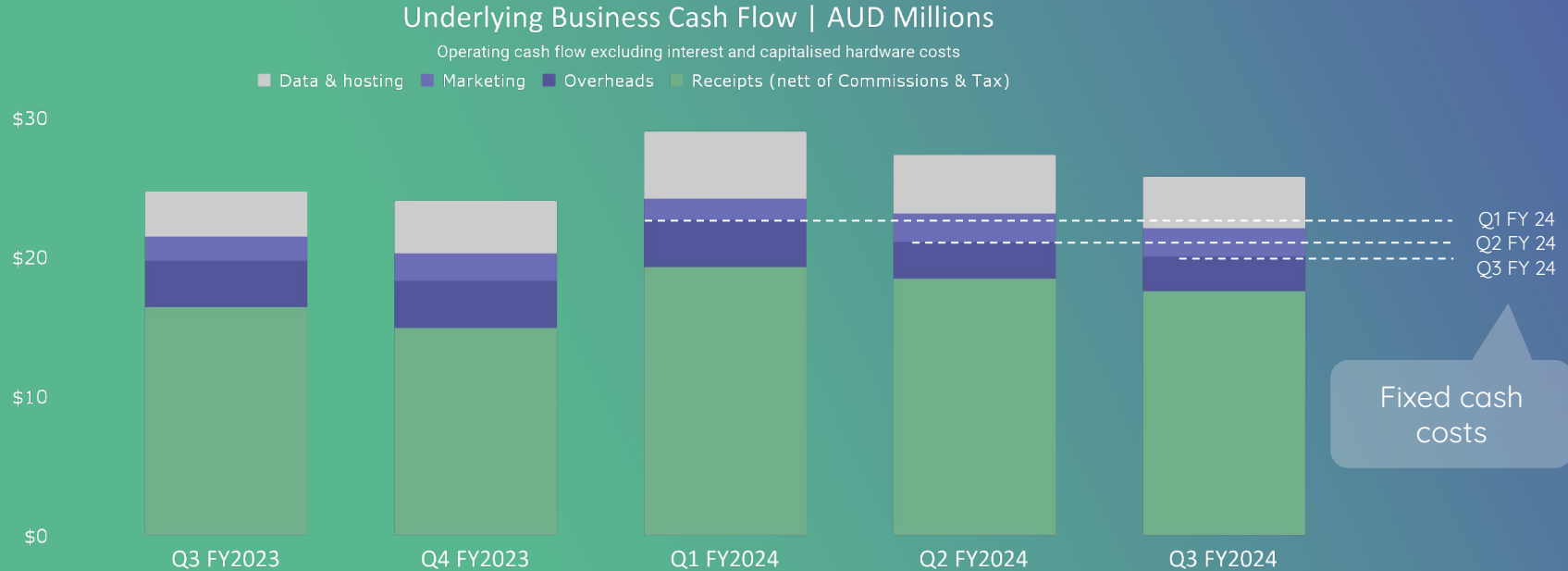


# Strong growth with \$112M of Exit ARR



Strong gross ARR growth and well managed churn at under 3.5% for our core education business delivered an exit ARR of \$112 Million.

# Step changes in cash costs



The benefits of recently announced cost-outs delivered sub \$80M in fixed cash costs.

This chart shows underlying business performance. It includes R&D expense but excludes interest and capitalised hardware and aligns with Cash EBITDA.



# SaaS Metrics

		30 Jun 2023	30 Sep 2023	31 Dec 2023	31 Mar 2024
Market Cap / ARR	<i>Market capitalisation as a multiple of exit annual recurring revenue</i>	2.2	2.2	2.7	3.0
ARR growth (annualised)	<i>Organic ARR growth in year, or year to date, annualised (edu &amp; consumer)</i>	26%	27%	26%	24%
Recurring Revenue %	<i>Percent of revenue that is contracted and recurring in nature (edu &amp; consumer)</i>	99%	99%	99%	99%
Marketing costs %	<i>Marketing costs as a percent of exit annual recurring revenue (edu &amp; consumer)</i>	6.60%	7.22%	7.51%	7.42%
Marketing efficiency	<i>Added ARR divided by external marketing costs in the period (education only)</i>	8x	8x	9x	9x
Service margins	<i>Gross margin after data &amp; hosting, info-tech and service hardware costs (edu &amp; consumer)</i>	88%	89%	89%	92%
Enterprise churn %	<i>Churn of annual recurring revenue from customers (edu only)</i>	5%	3.5%	3.5%	3.8%

# ARR increases to \$112 Million\*

The Company achieved growth in all regions adding \$6 million in gross new ARR and nett new ARR after accounting for a \$1 million positive contribution from forex.

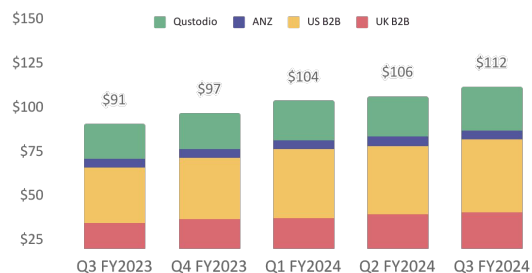
Standout performances were from the US, UK and our Consumer business which have grown 36%, 18% and 26% over 12 months respectively.

goria.com

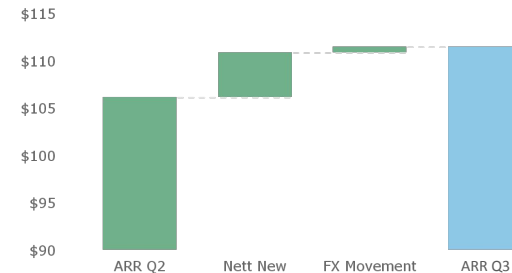
\* Calculated using FX rates of USD \$0.6555 / GBP \$0.5202



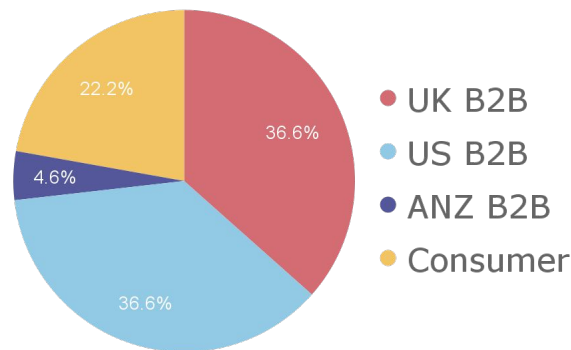
Annual Recurring Revenue  
Global Sales Mix | AUD Millions



ARR Waterfall  
Group | AUD Millions



Annual Recurring Revenue  
Global Sales Mix %



# Strong UK; now we focus on the US

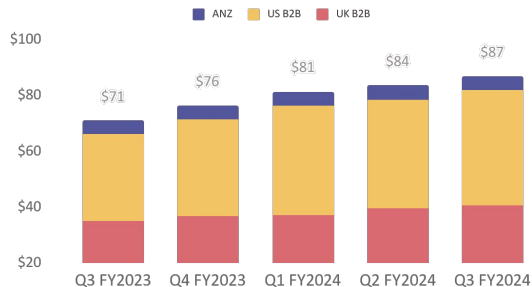
The Company's UK business has added nett in excess of \$4 million in ARR YTD influenced by 2023 changes in regulations.

While the UK's selling period is slightly slower in the June quarter our focus shifts to the US. A record \$28 million pipeline has been built for the quarter (weighted value at \$13 million).

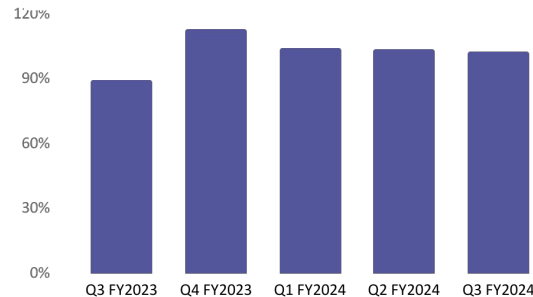
Pleasing NRR performance continues and most pleasingly average revenue per student is growing, reflecting performance in cross sells and price changes through the renewals periods.

goria.com

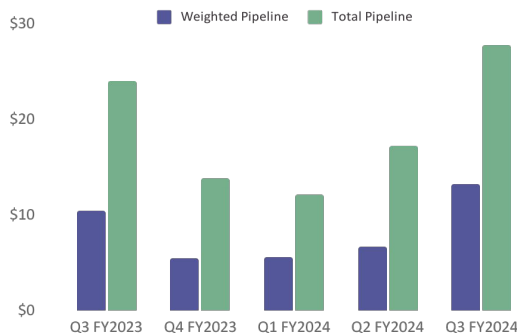
Annual Recurring Revenue  
Global Education | AUD Millions



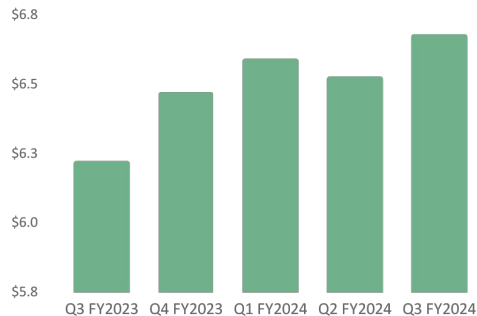
Customer Success  
Global Education | %NRR



Weighted and Total Pipeline  
Global Education | AUD Millions



Average Revenue / Student pa  
Global Education | AUD



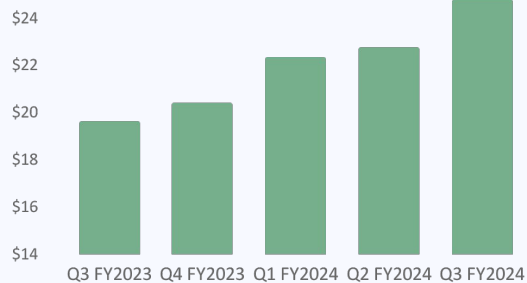
# Strong Qustodio execution

Our consumer business Qustodio's ARR has grown a remarkable \$4.3 million YTD (21%) and 26% year on year.

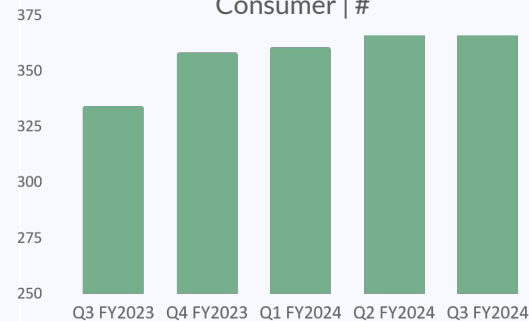
Qustodio's strengthening performance reflects tight focus on delivery, price optimisation and is starting to enjoy the halo effect from the wider Qoria group.

qoria.com

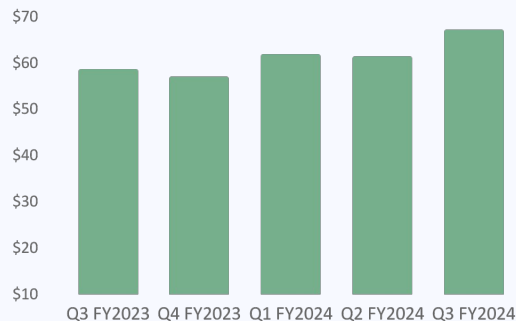
Annual Recurring Revenue  
Consumer | AUD Millions



Premium Subscriptions  
Consumer | #



Average Revenue / Account  
Consumer | AUD



# Momentum in Community

Recent developments in parental engagement techniques in our B2B2C offering (Community) have delivered tremendous success with step changes in parent account creation and adoption of Qustodio to manage student and personal devices.

Conversion rates are predictable and growing and our effort is now shifting to enhancing parent experiences along with continued streamlining of launches.

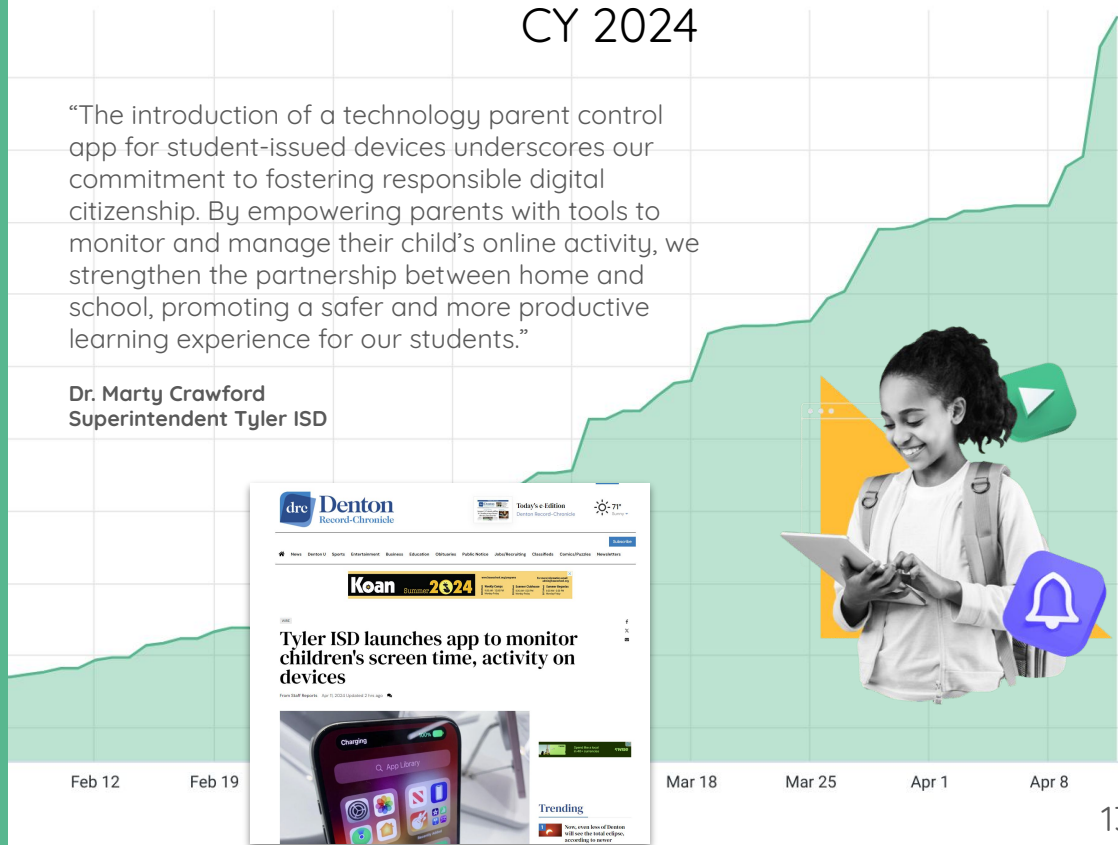
The chart (right) shows recent trends in free parent account creation through Community.

goria.com

## Growth in parent accounts through US School Districts CY 2024

“The introduction of a technology parent control app for student-issued devices underscores our commitment to fostering responsible digital citizenship. By empowering parents with tools to monitor and manage their child’s online activity, we strengthen the partnership between home and school, promoting a safer and more productive learning experience for our students.”

**Dr. Marty Crawford**  
Superintendent Tyler ISD



# Converting ARR to Cash

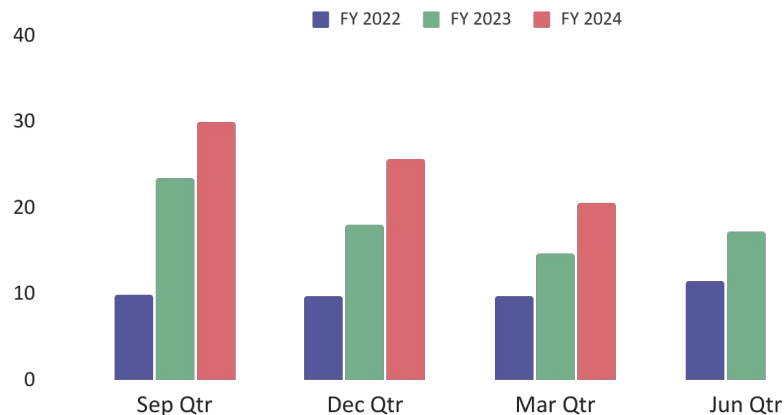
Cash collections were nett \$21 million which is once again a period record and 39% (~\$6 million) above the same period last year.

Qoria group collection cycles are clear in the chart right. We should expect increase inflows in the June and the September quarters.

qoria.com



## Customer Receipts Group | AUD Nett of Commissions



Qoria



## Corporate Update



# Quarterly Cash Flow

## Reported Cash Flows with and without Capitalised Development Costs

Qoria began capitalising applicable development costs relating to its education products, effective 1 July 2023 (beginning as part of the Group's recent half year report for the period ended 31 December 2023). \*To allow for consistent comparison, the Group's cash flows are presented below on the basis of these development costs being expensed and remaining as operating activities rather than investing activities.

Quarterly Cash Flow - 31 March 2024	Reported in 4C Report A\$'000s	Development costs treated as operating A\$'000s *
From Operating Activities	(\$797)	(\$4,811)
From Investing Activities	(\$6,780)	(\$2,766)
From Financing Activities	\$9,226	\$9,226
Cash & equivalents at start of period	\$12,696	\$12,696
Net Cash Flows for the period	\$1,649	\$1,649
Forex movements	\$225	\$225
<b>Cash &amp; equivalents at end of period</b>	<b>\$14,570</b>	<b>\$14,570</b>
Undrawn Debt Facility	\$2,000	\$2,000
<b>Total Available Funding</b>	<b>\$16,570</b>	<b>\$16,570</b>

## COMMENTARY (PCP = Mar Qtr 2023)

### Customer Receipts

Customer receipts were \$20.6 million, up 39% on PCP. Receipts are nett of reseller commissions and taxes (i.e. GST/VAT). Equivalent to reported ARR & Revenue customer receipts were ~\$23 million for the qtr and ~\$86 million for the year to date.

### Operating Activities

Cash flows from operating activities improved by \$5.8 million on PCP.

The result was impacted by strong billing and cash collection combined with a continued focus on cost control.

### Investing Activities

Cash flows from investing activities were \$2.8m, relatively inline with the prior quarter. The majority of hardware is sold by Qoria 'as a service' for an annual fee. Qoria retains ownership and the cost is typically recovered within 18 months.

Included in investing activities are deferred consideration payments for CipaFilter of \$481k. These payments will cease in September 2024.

### Financing Activities

Cash flows from financing activities include \$15.2m of drawdowns of the AshGrove facility (net of costs), the \$5.1m settlement of the Kibo convertible notes alongside other minor borrowing repayments and office lease payments.

### Available Funding

Available funding includes \$2.0 Million in undrawn debt facilities made available to the Company through AshGrove Capital. Receipts from customers improved in the June quarter from \$17.3 Million in FY23. We expect June FY24 receipts to increase inline with the YoY increases in the first 3 quarters of FY24. The Company is progressing the potential divestment of two subsidiaries for this FY. If completed these will deliver modest capital and reductions in operating costs.



# Cash Flow Analysis

## Reclassified cash flow

The following table restates Qoria's 4C Cash Flow report into more meaningful revenue and expense classifications.

<b>Reclassified Cash flow</b>	<b>Mar Qtr 2023 A\$'000s</b>	<b>Sep Qtr 2023 A\$'000s</b>	<b>Dec Qtr 2023 A\$'000s</b>	<b>Mar Qtr 2024 A\$'000s</b>
Cash collections	\$14,818	\$30,094	\$25,702	\$20,583
Direct Costs	(\$5,029)	(\$5,909)	(\$5,826)	(\$5,248)
Staff Costs	(\$16,356)	(\$18,652)	(\$17,809)	(\$17,096)
Fixed Other	(\$3,319)	(\$3,209)	(\$2,631)	(\$2,449)
Interest	(\$380)	\$0	(\$674)	(\$657)
Other	(\$309)	(\$184)	\$0	\$55
Operating Cash Flow	<b>(\$10,575)</b>	<b>\$2,140</b>	<b>(\$1,238)</b>	<b>(\$4,811)</b>
Annualised Fixed Costs	(\$78,700)	(\$87,444)	(\$81,760)	(\$78,179)

## COMMENTARY (PCP = Mar Qtr 2023)

Cash cost management was ongoing during the quarter with a reduction in staff costs and further reductions in direct costs.

### Direct costs

Direct costs principally represent data & hosting and direct marketing costs. These outflows fell by 10% during the quarter. Notably, direct cost cash flows were only 4% higher than PCP, despite cash collections increasing by 39% on PCP.

Work continues with additional direct cost savings expected this financial year.

### Staff Costs

Staff costs were \$17.1 million, down from \$17.8m reflecting the ongoing benefits of our cost-out program announced in December 2023, despite slightly unfavourable FX rates during the period.

### Fixed other

Fixed other costs were \$2.5 million (down from \$2.6m). While some of these fixed costs are affected by subscription renewal timing, management continues its efforts to reduce these costs on an ongoing basis.

# Capital as at 31 March 2024

## PRIMARY

AVAILABLE FUNDING	\$16.6M <sup>1</sup>
ORDINARY SHARES	1,171,845,890
MARKET CAP (@42.0c - 8/4/24)	\$492M
TOP 20 SHAREHOLDERS	74.98%
FOUNDERS & EXECUTIVES	4.75%

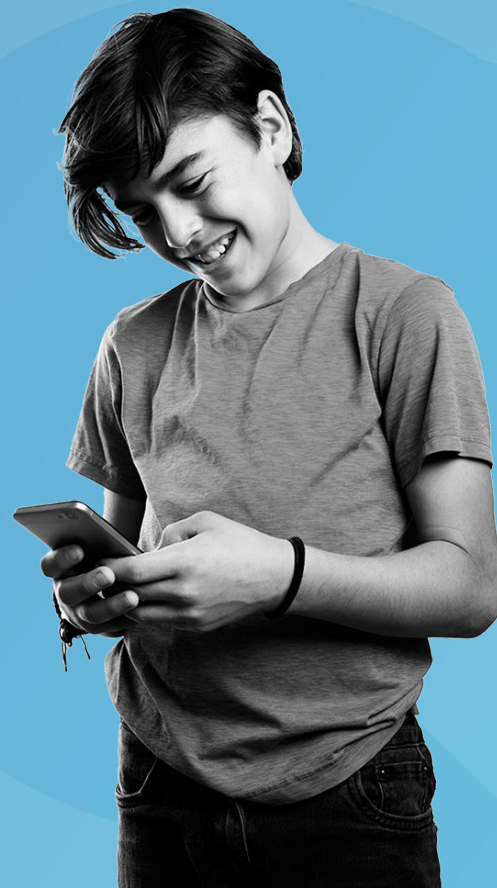
## SECONDARY

Performance Rights (Staff & Directors)	101,623,758
AshGrove Warrants	16,045,408
Options 50-60c expiring 2025 (Staff & Directors)	16,100,000
Options 60c expiring 2025 (Staff/Directors & Facility)	5,250,000
Options nil exercise price expiring 2027 (Directors)	6,126,121
Options 36c expiring 2027 (Directors)	3,000,000

## NOTES

<sup>1</sup> Includes \$14.6M cash as at 31 March 2024 & includes undrawn funds available from the debt facility

[qoria.com](https://qoria.com)



**Qoria**

# 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 \$216k related to Directors salaries and superannuation payments.





Outlook



# Outlook

## Education

The June quarter is the cyclical highpoint of the US selling season. Our \$28 million sales pipeline ensures high confidence.

Changes to the UK's KCSIE regime will continue to drive sales activity even though the UK's moved out of its key selling period.

Qoria has healthy pipelines, strengthening cross sell capability and price increases.

## Consumer

Qustodio's direct business continues to deliver consistent growth above 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 (35K).

## 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

Indicators for the closing out of the Financial Year are positive. Pipelines suggest (subject to forex movements) a 30 June ARR of \$117-\$120 Million.

Fixed costs are stable, margins improving and receipts will increase inline with cycles.

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

# Contacts



Tim Levy

Managing Director  
tim.levy@qoria.com

Ben Jenkins

Chief Financial Officer  
ben.jenkins@qoria.com

## 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")**

31 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	20,583	76,379
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,194)	(11,088)
(c) advertising and marketing	(2,054)	(5,520)
(d) leased assets	-	-
(e) staff costs	(13,081)	(41,586)
(f) administration and corporate costs	(2,449)	(8,330)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	60
1.5 Interest and other costs of finance paid	(657)	(1,331)
1.6 Income taxes paid	(69)	(91)
1.7 Government grants and tax incentives	90	127
1.8 Other – acquisition-related operating outflows	-	-
1.9 Other	-	(184)
<b>1.10 Net cash from / (used in) operating activities</b>	<b>(797)</b>	<b>8,436</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(482)	(1,431)
	(c) property, plant and equipment	(1,308)	(4,390)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (development assets)	(4,990)	(15,302)
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(6,780)</b>	<b>(21,123)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) <sup>3</sup>	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	250
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(112)
3.5	Proceeds from borrowings	15,229	34,669
3.6	Repayment of borrowings	(5,314)	(9,285)
3.7	Transaction costs related to loans and borrowings	(189)	(3,515)
3.8	Dividends paid	-	-
3.9	Other – Repayment of Lease Liabilities (Year to date adjustment)	(500)	(1,500)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>9,226</b>	<b>20,507</b>

<sup>3</sup> Net of capital raising costs



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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12,696	6,620
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(797)	8,436
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,780)	(21,123)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,226	20,507
4.5	Effect of movement in exchange rates on cash held	225	130
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>14,570</b>	<b>14,570</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	14,570	12,696
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>14,570</b>	<b>12,696</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(216)
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.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities:		
	1. Ashgrove Capital Management debt facility	38,832	36,832
	2. Other borrowings and facilities	417	417
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	39,249	35,249
7.5	<b>Unused financing facilities available at quarter end</b>		2,000
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"> <li>The Group drew down on \$20.35 million of this facility on 14 July 2023, a further \$13.50 million on 31 January 2024 and a further \$2 million on 29 February 2024. 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 \$982,000 of capitalised interest as at 31 March 2024. 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. \$2 million remained available for drawdown at the Group's discretion as at 31 March 2024.</li> <li>Other borrowings and facilities represent insurance premium funding, accounting system financing facility and other minor borrowings.</li> </ol> </div>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.10)	(797)
8.2	Cash and cash equivalents at quarter end (item 4.6)	14,570
8.3	Unused finance facilities available at quarter end (item 7.5)	2,000
8.4	Total available funding (item 8.2 + item 8.3)	16,570
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  <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>	20.8
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?  <div style="border: 1px solid black; padding: 5px; min-height: 30px;">Not Applicable.</div>	
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?  <div style="border: 1px solid black; padding: 5px; min-height: 30px;">Not Applicable.</div>	
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?  <div style="border: 1px solid black; padding: 5px; min-height: 30px;">Not Applicable.</div>	
<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: 15 April 2024

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.