

Reporting Period

Financial year end	30 June 2024
Previous corresponding reporting period	30 June 2023

Results for Announcement to Market

	% increase/ (decrease) over corresponding period	30 June 2024 \$	30 June 2023 \$
Revenue from ordinary activities	21%	99,449,374	81,881,785
Profit/(loss) after tax from ordinary activities attributable to members	37%	(54,770,230)	(86,720,022)
Total comprehensive income / (loss) for the period attributable to members	33%	(52,035,242)	(77,992,315)
Profit/(loss) from ordinary activities after tax attributable to members excluding share based deferred consideration	32%	(46,093,817)	(68,168,904)
Underlying EBITDA / (negative EBITDA)	Significant	1,961,618	(26,118,636)

Underlying EBITDA is a measure used by the Group to assess the underlying performance of the business, excluding the impact of depreciation, amortisation, taxation, financing costs, share-based payments, foreign exchange differences as well as any significant non-operating costs:

	% increase/ (decrease) over corresponding period	30 June 2024 \$	30 June 2023 \$
Total comprehensive income / (loss) for the period attributable to members	33%	(52,035,242)	(77,992,315)
Less: Income tax (benefit) / expense	(41%)	(6,122,130)	(4,347,982)
Less: Depreciation and amortisation	(31%)	31,515,188	24,009,325
Less: Finance costs	(41%)	7,579,559	5,367,656
Less: Acquisition related expenses	61%	605,875	1,546,931
Less: Share based payments - employment related	44%	11,453,519	20,341,673
Less: Share based payments - deferred consideration	53%	8,676,413	18,551,118
Less: Foreign Exchange Differences	Significant	288,436	(13,595,042)
Underlying EBITDA / (negative EBITDA)	Significant	1,961,618	(26,118,636)

Dividends

No dividends have been declared or paid during the year ended 30 June 2024. The directors do not recommend the payment of a dividend in respect of the year ended 30 June 2024.

The Company does not have a dividend reinvestment plan in operation.

Net Tangible Assets per Security

Net tangible assets/(liabilities) per share	30 June 2024	30 June 2023
Net tangible assets/(liabilities) (cents per share)	(8.93)	(8.38)

Explanation of results

The Group reported \$99.5 million in revenue representing a 21% increase from the previous year (\$81.9 million). The growth in revenue represents strong organic growth through a combination of new business and cross sell.

The operating revenue of the Group is derived from 2 key revenue streams:

- Education: the sale of education technology services to schools through contracted student licences (B2B); and,
- Consumer: the sale of parental control solutions to parents directly (B2C). The Group also has the ability to cross-sell consumer products utilising their school network (B2B2C).

The Group continued its momentum during the year, building on its successes. During the year, the Group:

- Scaled significantly and grew organically with both its existing and newly-added product offerings, achieving total ARR (Annual Recurring Revenue) of \$116 million at 30 June 2024, a 21% increase from the previous year (\$95.6 million after normalising for the sale of Migiri).
- Delivered record cash receipts in each quarter of the financial year, with a peak of \$30.1m in the September quarter and positive operating cash flows in that quarter of \$2.1m, prior to the capitalisation of development costs. Cost control was a major focus with cash costs down in the second half of the year compared to the first half.
- Repayment of the Kibo and W8 (W8 - post balance date) convertible notes associated with the Qustodio acquisition and deferred consideration relating to the Educator Impact acquisition. This means the Group's debt position is now consolidated in long term finance with AshGrove, maturing in June 2028.

On 30 June 2023, the Group entered into a \$30.3m debt facility provided by London-based debt provider AshGrove Capital. In January 2024 this was increased to \$37.85m to repay the Kibo convertible note. Subsequent to year end, the facility was increased to repay the W8 convertible note. Bringing the facility size to \$48.85m (Note 11 for further details).

Audit

This Appendix 4E is based on the financial report for the year ended 30 June 2024, which is in the process of being audited.

Attachments

The Preliminary Final Report of Qoria Limited ("The Group") for the year ended 30 June 2024 is attached.

List of controlled entities

Controlled entity	Country of incorporation	Date of incorporation or acquisition
Qoria Holdings Pty Ltd	Australia	22 May 2023
Family Zone Inc.	United States of America	9 September 2016
Family Zone NZ Cyber Safety Ltd	New Zealand	29 November 2017
Cyber Education Pty Ltd	Australia	1 July 2020
NetRef Education LLC	United States of America	30 June 2021
Family Zone UK Cyber Safety Limited	United Kingdom	21 July 2022
Topco Oasis Limited	United Kingdom	16 August 2021
Bidco Oasis Limited	United Kingdom	16 August 2021
Oval (2304) Limited	United Kingdom	16 August 2021
Smoothwall Limited	United Kingdom	16 August 2021
Linewize Limited	United Kingdom	16 August 2021
Smoothwall Inc	United States of America	16 August 2021
Safeguard Software Limited	United Kingdom	16 August 2021
Ensco 1227 Limited	United Kingdom	16 August 2021
eSafe Global Limited	United Kingdom	16 August 2021
Derbytech Inc.	United States of America	1 March 2022
Qustodio LLC	United States of America	1 August 2022
Qustodio Technologies S.L.U.	Spain	1 August 2022
EI Pty Ltd	Australia	3 October 2022
Family Zone Employee Incentive Securities Plan Trust	Australia	7 July 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue			
Revenue from ordinary activities	3	99,449,374	81,881,785
Other income		511,643	546,814
Gain on disposal of subsidiary		1,922,706	-
Expenses			
Direct costs	4	(30,615,908)	(27,108,296)
Employee benefits costs	4	(56,946,452)	(66,561,071)
Administration costs	4	(12,359,745)	(14,877,868)
Finance costs	4	(7,579,559)	(5,367,656)
Depreciation and amortisation	4	(31,515,188)	(24,009,325)
Acquisition related expenses		(605,875)	(1,546,931)
Share based payments - employment related	5	(11,453,519)	(20,341,673)
Share based payments - deferred consideration ¹		(8,676,413)	(18,551,118)
Unrealised gains/(losses) on foreign exchange		(3,023,424)	4,867,335
Loss before income tax		(60,892,360)	(91,068,004)
Income tax benefit		6,122,130	4,347,982
Loss after tax for the year attributable to the members of Qoria Limited		(54,770,230)	(86,720,022)
Other comprehensive income / (loss)			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of tax		2,734,988	8,727,707
Total comprehensive loss for the year attributable to the members of Qoria Limited		(52,035,242)	(77,992,315)
Basic and diluted loss per share (cents per share) for the year attributed to the members of Qoria Limited	6	(4.87)	(10.33)

¹ Deferred consideration for the acquisition of Qustodio which was contingent on the continued employment of the recipients. As the consideration was contingent on employment, AASB 3 - Business Combinations requires the consideration to be treated under AASB 2 - Share based payments and expensed over the service period.

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	9,386,112	6,620,286
Trade and other receivables		26,367,699	18,971,917
Prepayments		2,355,409	4,407,937
Inventory		1,054,757	1,134,169
Contract assets		2,651,466	2,527,592
Total current assets		41,815,443	33,661,901
Non-current assets			
Intangible assets	8	239,980,005	243,315,825
Plant and equipment	9	7,424,663	5,401,353
Right-of-use assets		4,003,359	4,023,306
Contract assets		1,032,858	895,497
Financial assets		229,470	215,007
Investments accounted for using the equity method		1,230,514	-
Deferred tax asset		1,689,722	-
Total non-current assets		255,590,591	253,850,988
Total assets		297,406,034	287,512,889
LIABILITIES			
Current liabilities			
Trade and other payables		25,977,153	24,291,447
Borrowings	10	6,239,773	13,002,062
Contract liabilities	3	55,421,731	42,670,210
Deferred consideration	11	471,639	6,878,438
Lease liabilities		1,445,380	1,453,153
Provisions		4,923,173	3,661,168
Total current liabilities		94,478,849	91,956,478
Non-current liabilities			
Borrowings	10	32,825,457	1,738,981
Contract liabilities	3	15,959,696	13,141,267
Deferred consideration	11	-	701,734
Lease liabilities		3,203,169	3,123,807
Provisions		470,870	449,550
Deferred tax liability		12,516,622	17,541,266
Total non-current liabilities		64,975,814	36,696,605
Total liabilities		159,454,663	128,653,083
Net assets		137,951,371	158,859,806
EQUITY			
Issued capital	12	340,257,548	331,923,526
Reserves	13	60,644,632	62,304,376
Accumulated losses		(262,950,809)	(235,368,096)
Total equity		137,951,371	158,859,806

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

		Issued capital	Share-based payments reserve	Accumulated losses	Foreign currency translation reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2023		331,923,526	65,005,968	(235,368,096)	(2,701,592)	158,859,806
Loss for the year		-	-	(54,770,230)	-	(54,770,230)
Total other comprehensive income		-	-	-	2,734,988	2,734,988
Total comprehensive loss for the year		-	-	(54,770,230)	2,734,988	(52,035,242)
Transaction with owners, directly recorded in equity:						
Issue of ordinary shares, net of transaction costs	12	8,334,022	-	-	-	8,334,022
Issue of options, performance rights & warrants	13	-	23,710,455	-	-	23,710,455
Reclassification from reserve to accumulated losses		-	(27,187,517)	27,187,517	-	-
Reversal of performance rights		-	(917,670)	-	-	(917,670)
Total transactions with owners		8,334,022	(4,394,732)	27,187,517	-	31,126,807
Balance at 30 June 2024		340,257,548	60,611,236	(262,950,809)	33,396	137,951,371

		Issued capital	Share-based payments reserve	Accumulated losses	Foreign currency translation reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2022		294,524,795	30,862,024	(148,648,074)	(11,429,299)	165,309,446
Loss for the year		-	-	(86,720,022)	-	(86,720,022)
Total other comprehensive loss		-	-	-	8,727,707	8,727,707
Total comprehensive loss for the year		-	-	(86,720,022)	8,727,707	(77,992,315)
Transaction with owners, directly recorded in equity:						
Issue of ordinary shares, net of transaction costs	12	37,398,731	-	-	-	37,398,731
Issue of options, performance rights & performance shares	13	-	34,716,822	-	-	34,716,822
Reversal of performance rights		-	(572,878)	-	-	(572,878)
Total transactions with owners		37,398,731	34,143,944	-	-	71,542,675
Balance at 30 June 2023		331,923,526	65,005,968	(235,368,096)	(2,701,592)	158,859,806

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		97,494,167	74,932,391
Payments to suppliers and employees		(88,701,718)	(97,291,318)
Government grants received		126,774	73,200
Interest received		98,587	49,390
Interest paid		(2,248,691)	(884,647)
Income taxes paid		-	(516,869)
Net cash flows from / (used in) operating activities	7	6,769,119	(23,637,853)
Cash flows from investing activities			
Investment in businesses, net of cash acquired		(1,908,062)	(19,864,160)
Investment in development assets		(19,554,720)	(1,810,344)
Payments for plant & equipment		(5,968,898)	(4,158,928)
Proceeds from disposal of investments		1,965,164	136,193
Net cash flows (used in) investing activities		(25,466,516)	(25,697,239)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)		137,761	19,560,725
Proceeds from borrowings (net of transaction costs)		32,945,339	5,143,056
Repayment of borrowings		(9,416,508)	(2,099,639)
Repayment of lease liabilities		(1,999,380)	(1,623,326)
Net cash flows from financing activities		21,667,212	20,980,816
Net increase / (decrease) in cash and cash equivalents		2,969,815	(28,354,276)
Cash and cash equivalents at the beginning of the year		6,620,286	32,746,157
Effects of changes in foreign exchange rates		(203,989)	2,228,405
Cash and cash equivalents at the end of the year	8	9,386,112	6,620,286

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 1: Basis of preparation

The preliminary financial report has been prepared in accordance with ASX listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report has been prepared in accordance with the Australian Accounting Standards (AASB) and the interpretations issued by the Australian Accounting Standards and the Corporations Act 2001. This year end preliminary financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, the preliminary report is to be read in conjunction with the annual financial report for the year ended 30 June 2023, the interim financial report for the half-year ended 31 December 2023 and any public announcements made by Qoria Limited during the reporting period in accordance with the continuous disclosure requirement of the Corporations Act 2001.

Note 2: Segment reporting

AASB 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segment and to assess its performance. The CODM has been identified as the Board of Directors.

The Group has four main operating segments being the provision of educational technology services in Australia & New Zealand ("ANZ"), the United Kingdom ("UK"), the United States of America ("USA") and Europe.

30 June 2024	USA	UK	ANZ	Europe	Total
	\$	\$	\$	\$	\$
Segment Income					
Sales revenue	37,548,622	31,596,771	5,080,617	25,223,364	99,449,374
Other income	97,364	34,645	147,609	2,154,731	2,434,349
Total Income	37,645,986	31,631,416	5,228,226	27,378,095	101,883,723
Segment Expenses					
Direct cost	(7,793,455)	(5,894,361)	(8,436,889)	(8,491,203)	(30,615,908)
Operating expenses	(22,101,482)	(19,107,070)	(30,602,586)	(8,703,917)	(80,515,055)
Share-based payments	(2,155,002)	(2,402,671)	(5,674,850)	(1,220,996)	(11,453,519)
Share based deferred consideration	-	-	-	(8,676,413)	(8,676,413)
Loss before depreciation and amortization	5,596,047	4,227,314	(39,486,099)	285,566	(29,377,172)
Depreciation and amortisation	(5,436,455)	(8,719,125)	(4,004,507)	(13,355,101)	(31,515,188)
Loss before income tax	159,592	(4,491,811)	(43,490,606)	(13,069,535)	(60,892,360)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 2: Segment reporting (continued)

30 June 2023	USA	UK	ANZ	Europe	Total
	\$	\$	\$	\$	\$
Segment Income					
Sales revenue	28,972,844	29,355,122	5,165,374	18,388,445	81,881,785
Other income	3,345	5,167	297,557	240,745	546,814
Total Income	28,976,189	29,360,289	5,462,931	18,629,190	82,428,599
Segment Expenses					
Direct costs	(4,694,444)	(7,524,124)	(8,312,357)	(6,577,371)	(27,108,296)
Operating expenses	(20,190,255)	(21,926,480)	(31,746,873)	(9,622,583)	(83,486,191)
Share based payments	(3,504,393)	(4,503,197)	(11,591,997)	(742,086)	(20,341,673)
Share based deferred consideration	-	-	-	(18,551,119)	(18,551,119)
Loss before depreciation and amortisation	587,097	(4,593,512)	(46,188,296)	(16,863,969)	(67,058,680)
Depreciation and amortisation	(4,333,596)	(7,368,158)	(1,976,705)	(10,330,866)	(24,009,325)
Loss before Income Tax	(3,746,499)	(11,961,670)	(48,165,001)	(27,194,835)	(91,068,005)
30 June 2024	USA	UK	ANZ	Europe	Total
	\$	\$	\$	\$	\$
Segment Assets	36,089,075	188,132,807	24,703,508	48,480,644	297,406,034
Segment Liabilities	(43,679,411)	(46,422,607)	(52,768,282)	(16,584,363)	(159,454,663)
30 June 2023	USA	UK	ANZ	Europe	Total
	\$	\$	\$	\$	\$
Segment Assets	27,530,499	187,594,932	19,427,267	52,960,191	287,512,889
Segment Liabilities	(38,656,702)	(42,773,626)	(25,187,388)	(22,035,367)	(128,653,083)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 3: Revenue

Operating Revenue

	2024	2023
	\$	\$
Service revenue ¹	99,449,374	81,881,785
	99,449,374	81,881,785

¹ Service revenue is recognised over the life of the service contract as the service obligations under the contract are satisfied. Service revenue includes bundled hardware and software contracts.

Disaggregation of revenue from contracts with customers

Revenue is recognised when or as the Group provides services to a customer at the amount to which the Group expects to be entitled over time and at a point in time. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

Timing of revenue recognition - 30 June 2024

	Service Revenue: Education	Service Revenue: Consumer	Total
Over time	74,169,234	25,280,140	99,449,374
Total	74,169,234	25,280,140	99,449,374

Geographical Regions - 30 June 2024

	Service Revenue: Education	Service Revenue: Consumer	Total
Australia	3,527,715	58,425	3,586,140
New Zealand	1,619,751	-	1,619,751
UK	31,725,828	2,571,408	34,297,236
USA	37,096,235	11,118,105	48,214,340
Europe	-	11,044,721	11,044,721
Rest of the world	199,705	487,481	687,186
Total	74,169,234	25,280,140	99,449,374

Timing of revenue recognition - 30 June 2023

	Service Revenue: Education	Service Revenue: Consumer	Total
Over time	62,627,817	19,253,968	81,881,785
Total	62,627,817	19,253,968	81,881,785

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 3: Revenue (continued)

Geographical Regions - 30 June 2023

	Service Revenue: Education	Service Revenue: Consumer	Total
Australia	2,578,495	394,390	2,972,885
New Zealand	1,503,027	-	1,503,027
UK	26,602,769	845,288	27,448,057
USA	30,982,722	3,999,545	34,982,267
Europe	635,396	13,677,496	14,312,892
Rest of the world	325,408	337,249	662,657
Total	62,627,817	19,253,968	81,881,785

Reconciliation of movements in contract liabilities:

Contract Liabilities	\$
Balance at 1 July 2022	41,602,660
Additions arising from business combination – Qustodio	7,381,398
Additions arising from business combination – Educator Impact	651,988
Additions during the year	84,932,717
Recognised within service revenue	(81,881,785)
Other including foreign exchange movements	3,124,499
Balance at 30 June 2023	55,811,477
Additions during the year	114,622,190
Recognised within service revenue	(99,449,374)
Other including foreign exchange movements	397,134
Balance at 30 June 2024	71,381,427

As at 30 June 2024 \$55,421,731 (2023: \$42,670,210) has been recognised as current contract liabilities representing services to be provided within the next 12 months. A further \$15,959,696 (2023: \$13,141,267) represents contracts signed for services to be delivered in the next 2-5 years.

The Group recognises a contract asset or liability in relation to the Services fixed-price contracts whereby the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. \$42,670,210 (2023: \$29,312,838) revenue was recognised in the current reporting period relating to carried-forward contract liabilities or performance obligations satisfied in a prior year. \$71,381,427 (2023: \$55,811,477) of transaction price relates to unsatisfied performance obligations that will be satisfied in the future financial periods.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 4: Expenses

	2024	2023
	\$	\$
Direct costs		
Cloud data and hosting	10,406,006	9,963,456
Service costs	9,751,120	4,623,074
Marketing	8,119,380	6,441,449
Hardware costs	275,227	3,615,567
Other costs	2,064,175	2,464,750
	30,615,908	27,108,296
Employee and director benefits cost		
Employee wages and superannuation	46,419,404	54,299,380
Staff and contractor commissions	4,641,599	3,693,868
Other employee costs	5,885,449	8,567,823
	56,946,452	66,561,071
Administration		
IT costs	5,336,385	4,652,752
Corporate and compliance costs	2,016,957	2,067,889
General administrative costs	4,175,577	7,828,050
Legal costs	830,826	329,177
	12,359,745	14,877,868
Depreciation and amortisation		
Amortisation of intangible assets	26,374,748	20,211,555
Depreciation of plant and equipment	3,560,242	2,329,396
Amortisation of right-of-use assets accounted for under AASB 16	1,580,198	1,468,374
	31,515,188	24,009,325
Finance costs		
AshGrove interest (cash)	2,405,163	-
AshGrove interest (capitalised against borrowings)	1,536,294	-
AshGrove transaction costs amortised over the term of the facility	983,109	-
Convertible note interest (cash)	620,785	704,426
Convertible note interest (paid through issue of ordinary shares)	254,468	227,278
Interest on other borrowings (cash)	120,951	84,720
Lease interest accounted for under AASB 16	345,308	288,245
Effective interest accounted for under AASB 15	1,238,895	2,917,925
Other non-cash interest	74,586	1,145,062
	7,579,559	5,367,656

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 5: Share based payments

Share-based payments made during the year ended 30 June 2024 are summarised below:

Recognised share-based payments expense

	2024	2023
	\$	\$
Performance rights issued to employees for services	11,253,337	13,626,953
Performance rights issued to Directors for services	6,881	1,799,728
Options issued to Directors as incentive	1,261,852	1,804,324
Options issued to employees as incentive	-	98,400
Options issued for company secretarial services	-	55,178
Shares issued to employees as remuneration, in lieu of cash	2,121,151	3,529,968
Capitalisation of development assets - share based payments	(2,272,032)	-
Reversal of share based payments expenses where vesting conditions were not met	(917,670)	(572,878)
	11,453,519	20,341,673

Note 6: Loss per share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income or loss and share data used in the total operations basic and diluted earnings per share computations:

	2024	2023
	\$	\$
Loss used in the calculation of basic and diluted loss per share	(54,770,230)	(86,720,022)
Basic and diluted (loss) per share attributable to equity holders (cents per share)	(4.87)	(10.33)
	Number	Number
Weighted average number of ordinary shares outstanding	1,124,893,274	839,588,868
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	1,124,893,274	839,588,868

Options and other potentially dilutive ordinary shares outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

Note 7: Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank	9,386,112	6,620,286
Total Cash and Cash Equivalents	9,386,112	6,620,286

Cash at bank earns interest at floating rates based on daily bank rates.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 7: Cash and cash equivalents (continued)

Reconciliation of cash inflows / (outflows) from operations with loss after income tax	2024	2023
	\$	\$
Loss for the year	(54,770,230)	(86,720,022)
Non cash items included in loss for the year:		
- Share based payments	20,129,932	38,892,791
- Depreciation, amortisation and impairment	31,515,188	24,009,325
- Non-cash interest expense	4,432,660	1,660,585
- Non-cash other income	(2,024,513)	(455,009)
- Non-cash other expenses	285,192	48,118
- Non-cash foreign currency movements	3,023,424	(5,196,753)
Movements in operating assets and liabilities:		
- (Increase) / Decrease in trade and other receivables	(7,855,668)	(3,894,027)
- (Increase) / Decrease in prepayments and other assets	1,924,885	(2,601,738)
- (Increase) / Decrease in contract assets	(145,904)	1,100,386
- Increase / (Decrease) in deferred tax balances	(7,131,921)	(3,402,871)
- Increase / (Decrease) in trade and other payables	1,580,875	7,697,796
- Increase / (Decrease) in contract liabilities	14,601,682	4,911,998
- Increase / (Decrease) in provisions	1,203,517	311,568
Cash inflows/(outflows) from operations	6,769,119	(23,637,853)

Note 8: Intangible assets

	2024	2023
	\$	\$
Goodwill at cost	169,692,072	169,941,625
Software at cost ¹	57,915,239	63,401,022
Less: Accumulated amortisation and impairment	(34,211,865)	(29,262,801)
Customer lists at cost ²	42,404,275	43,712,631
Less: Accumulated amortisation and impairment	(21,927,454)	(11,853,426)
Branding at cost ³	6,616,747	6,673,030
Less: Accumulated amortisation and impairment	(1,266,548)	(832,453)
Development assets at cost ⁴	25,243,104	1,843,436
Less: Accumulated amortisation and impairment	(4,485,565)	(307,239)
	239,980,005	243,315,825

¹ Software is amortised on a straight-line basis over the period of its expected benefit, being its finite life of 3 - 7 years.

² Customer lists are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3-10 years.

³ Branding is amortised on a straight-line basis over the period of its expected benefit, being its finite life of 15 years.

⁴ Development assets are amortised on a straight-line basis over the period of its expected benefit, being its finite life of 3 years.

The useful life of software, customer lists, branding and development assets was determined using judgement based on life cycles of related products, expected technical or commercial obsolescence and economic life of other comparable assets.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 8: Intangible assets (continued)

Intangible Assets	Goodwill	Software	Customer contracts	Branding	Development assets	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	130,698,211	31,857,411	13,728,473	5,924,618	-	182,208,713
Additions arising from business combinations - Qustodio	21,599,257	8,674,904	21,902,959	-	-	52,177,120
Additions arising from business combinations - Educator Impact	5,925,498	94,200	3,660,618	-	-	9,680,316
Additions - Development assets	-	-	-	-	1,843,436	1,843,436
Amortisation expense	-	(9,438,087)	(10,045,681)	(420,548)	(307,239)	(20,211,555)
Foreign exchange movements	11,718,659	2,949,794	2,612,835	336,507	-	17,617,795
Balance at 30 June 2023	169,941,625	34,138,222	31,859,204	5,840,577	1,536,197	243,315,825
Additions - Development assets	-	-	-	-	23,434,822	23,434,822
Disposals - Divestment	-	(325,676)	(822,289)	-	-	(1,147,965)
Amortisation expense	-	(10,326,563)	(11,360,918)	(446,960)	(4,240,307)	(26,374,748)
Foreign exchange movements	(249,553)	217,391	800,824	(43,418)	26,827	752,071
Balance at 30 June 2024	169,692,072	23,703,374	20,476,821	5,350,199	20,757,539	239,980,005

Note 9: Plant and equipment

	2024	2023
	\$	\$
Plant & equipment - at cost	16,628,358	11,161,910
Less: Accumulated depreciation	(9,203,695)	(5,760,557)
	7,424,663	5,401,353

a) Reconciliation of movements in plant and equipment

Plant and equipment	\$
Balance at 1 July 2022	3,161,989
Additions arising from business combination - Qustodio	128,814
Additions	4,485,233
Depreciation expense	(2,329,396)
Foreign exchange movements	(45,287)
Balance at 30 June 2023	5,401,353
Additions	5,593,206
Depreciation expense	(3,560,242)
Foreign exchange movements	(9,654)
Balance at 30 June 2024	7,424,663

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 10: Borrowings

	2024	2023
	\$	\$
Current:		
Convertible notes ¹	6,239,773	11,309,094
Loans from Santander Bank and Caixa Bank	-	1,591,437
Other loan facilities	-	101,531
Total current borrowings	6,239,773	13,002,062
Non-current:		
AshGrove funding principal	37,850,000	-
AshGrove capitalised interest	1,536,294	-
AshGrove capitalised transaction costs	(6,560,837)	-
Loans from Santander Bank and Caixa Bank	-	1,738,981
Total non-current borrowings	32,825,457	1,738,981

¹ The Group repaid all notes owed to W8 Ventures LLC on 16 August 2024. Balance in 2023 represents notes payable to Kibo Ventures LLC ("Kibo") and W8 Ventures LLC ("W8"). 7,489 notes were issued to Kibo and W8 on 1 August 2022 at a face value of USD\$1,000. 3,328 of these notes were convertible at the option of the holder (Kibo) for an 18-month period (ending 31 January 2024) at a conversion price of USD\$0.429 per share. Interest on the Kibo notes accrued daily at a rate of 8% per annum and was paid in cash, quarterly in arrears. The Group repaid all notes owed to Kibo with a cash payment of \$5.1 million on 13 February 2024. The remaining 4,161 were convertible at the option of the holder (W8) for a 24-month period (ending 31 July 2024) at a conversion price of USD\$0.429 per share. Interest on the W8 notes accrued daily at a rate of 10% per annum and was paid 60% in cash and 40% in issue of shares quarterly in arrears. Note holders could also elect to have all or a portion of their debt repaid in cash if they did not wish to convert at the end of the conversion period. The fair value at acquisition date for all notes was determined with reference to the comparable price per share paid to other vendors of Qustodio, used to determine the number of notes issued.

AshGrove Specialty Lending Investments - Debt facility

On 30 June 2023, the Group entered into a \$30,350,000 debt facility provided by London-based debt provider AshGrove Capital Management Ltd ("AshGrove"). On 14 July 2023 an initial drawdown of \$20,350,000 was made. On 23 January 2024, the Company increased its debt facility from \$30,350,000 to \$37,850,000. On 23 January 2024, the Company also issued 16,045,408 unquoted warrants at \$0.2411 per warrant to AshGrove. The warrants may be exercised by the warrant holder at any time during the exercise period. Any warrants which have not been exercised by the expiry date of 22 January 2029 will automatically lapse. On 31 January 2024, a \$13,500,000 drawdown on the original debt facility was made and two additional drawdowns of \$2,000,000 each were made on 1 March 2024 and 2 April 2024.

The term of the facility is 5 years and the interest rate is set at the prevailing BBSY rate plus 8.75% per annum with the ability to capitalise up to 4.25% per annum for the first 2 years (with additional interest of 0.33% per annum payable for every 100 basis points elected to be capitalised by the Group). The facility is secured over all assets of the Group, globally, and is subject to various terms and conditions including financial ratios, a liquidity covenant that requires a minimum cash balance to be held (tested monthly), a minimum ARR-to-debt ratio commencing the quarter-ended 30 September 2023 and two debt-to-EBITDA ratios commencing the quarters ended 31 December 2025 and 30 June 2026 (all tested quarterly) along with various other conditions of default customary for a facility of this kind.

Transaction costs associated with the facility totalling \$4,942,013 and warrant share based payment expense totalling \$2,602,933 have been capitalised against the loan as at 30 June 2024 and amortised over the term of the loan in accordance with AASB 9 - Financial Instruments. Refer to Note 13 - Reserves for further details relating to these warrants.

Subsequent to balance date, on 26 July 2024 the Company increased its debt facility by \$10,000,000, from \$37,850,000 to \$47,850,000, which it drew down on 2 August 2024.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 11: Deferred consideration

	2024	2023
	\$	\$
Current:		
Deferred Consideration – Cipafilter ¹	471,639	1,446,477
Deferred Consideration – Qustodio ²	-	650,222
Deferred Consideration – Educator Impact ³	-	4,781,739
Total current deferred consideration	471,639	6,878,438
Non-Current:		
Deferred Consideration – Cipafilter ¹	-	701,734
Total non-current deferred consideration	-	701,734
Total deferred consideration	471,639	7,580,172

¹ Cash paid in equal instalments over the period of 30 months from acquisition date on 1 March 2022 to 1 September 2024.

² The remaining Qustodio deferred consideration balance was paid in full on 31 December 2023.

³ On 23 April 2024, 14,736,265 ordinary shares were issued in full settlement of this deferred consideration.

Note 12: Issued capital

	2024	2023
	Number of Shares	Number of Shares
Issued ordinary shares - no par value (fully paid)	1,191,582,155	1,057,930,869
Treasury Shares	(3,615,895)	(2,643,788)
Total	1,187,966,260	1,055,287,081

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 12: Issued capital (continued)

(a) Ordinary shares

	Number of Shares	Value \$
Opening balance – 1 July 2022	821,925,394	294,524,795
Issue of placement shares	143,605,425	19,599,985
Convertible note interest	220,721	163,918
Qustodio consideration shares issued	19,653,323	6,486,012
Educator Impact consideration shares issued	9,744,567	3,118,261
Shares issued on exercise of zero exercise price options	120,000	-
Shares issued on exercise of seller/advisor options ¹	1,506,600	406,422
Shares issued on exercise of Director options	3,000,000	630,000
Shares issued on exercise of performance rights	16,036,127	-
Repayment of working capital facility by issued of shares	27,777,778	4,444,444
Shares issued in lieu of cash remuneration or as incentive	11,697,146	3,444,966
Cost of shares issued	-	(895,277)
Closing balance – 30 June 2023	1,055,287,081	331,923,526
Convertible note interest	689,947	255,518
Qustodio deferred consideration shares issued	1,411,919	601,477
Shares issued upon vesting of Qustodio deferred consideration rights	80,527,017	-
Shares issued as Educator Impact deferred consideration	14,736,265	5,213,268
Shares issued on exercise of ZEPO	120,000	-
Shares issued on exercise of Seller/Advisor options	500,000	27,015
Shares issued on exercise of Director options	1,000,000	210,000
Shares issued on exercise of performance rights	24,407,893	-
Shares issued in lieu of cash remuneration or as incentive	9,286,138	2,118,444
Cost of shares issued	-	(91,700)
Closing balance – 30 June 2024	1,187,966,260	340,257,548
Add: Closing balance of shares in QOR Trustee Account	3,615,895	
	1,191,582,155	

¹ Consideration for 500,000 Advisor options exercised was received prior to 30 June 2023 and shares were subsequently issued on 7 July 2023.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Note 12: Issued capital (continued)

(b) Treasury shares

	Number of shares
Opening balance - 1 July 2022	-
Acquisition of shares by the Trust	17,300,000
Issue of deferred shares under the Company's Employee Incentive Plan	(14,656,212)
Closing balance - 30 June 2023	2,643,788
Acquisition of shares by the Trust	35,786,138
Issue of deferred shares under the Company's Employee Incentive Plan	(34,814,031)
Closing balance - 30 June 2024	3,615,895

Note 13: Reserves

Nature and purpose of share-based payments reserve

The share-based payments reserve records the value of options, performance rights, warrants and performance shares issued to the Group's employees, Directors, and third parties. The value of the amount disclosed during the year reflects the value of options, performance rights and performance shares issued by the Group.

	2024	2023
	\$	\$
Options	15,017,771	13,755,919
Performance shares	-	18,491,584
Performance rights	42,991,532	32,758,465
Warrants	2,601,933	-
Total share-based payments reserve	60,611,236	65,005,968

Nature and purpose of foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of the Group's foreign controlled subsidiaries.

	2024	2023
	\$	\$
Foreign currency translation reserve	33,396	(2,701,592)
Total foreign currency translation reserve	33,396	(2,701,592)