

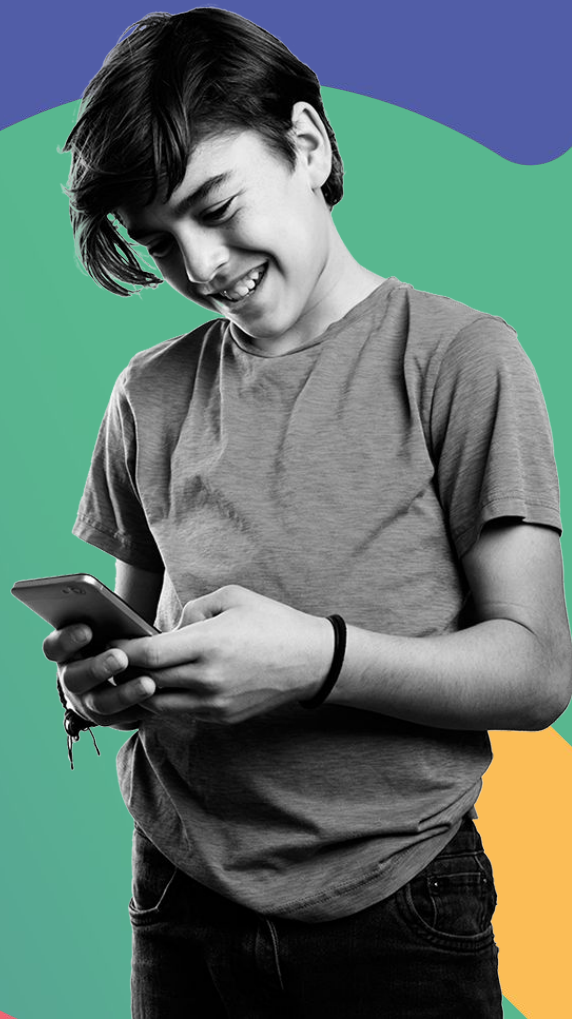


FY2024 Full Year Report

*Helping every child to
thrive in their digital life*

Qoria Limited
ASX : QOR
qoria.com

Data sets based on July 31, 2024 unless otherwise stated.



Why Qoria



Social
impact



Untapped
market



Inflection
point



Global
leader



Compelling
vision



Proven
acquirer

About Qoria

- ✓ Launched in 2016
- ✓ ASX Listed
- ✓ 10 offices | 5 countries



World leader in safety & student wellbeing



World leading K12 safety & wellbeing platform.



World leading parental controls platform.



World leaders in online safety and education.

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FY 2024 Highlights

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Operational highlights

500

Staff working across 10 countries; down 10% pcp

+24m

Children kept safe using our platforms; up 17% pcp

+6m

Parents use our services; up 12% pcp

+100

Countries using our platforms

+29k

Schools using our platforms

+13% of US students
+38% of UK students

3 mins

A child found at serious risk



Financial highlights

ARR

\$116m

up 22% pcp. 22% in K12
and 18% in consumer

REVENUE

\$99.4m

up 21% pcp. 17% in K12
and 37% in consumer

GROSS MARGIN

\$71.3m

after data, hosting & marketing
up 29% pcp

EBITDA

\$2.0m

Underlying EBITDA*
up from -\$26.1m

SHARE BASED PAY

\$11.5m

43% down
from \$20.3m

OPERATING CASH

\$6.8m

Operating cash flow^
up from -\$23.6m

FREE CASH

-\$19m

Free cash flow
up from -\$49m

FUNDING

\$19.4m

including cash of \$9.4m
plus \$10m facility available

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* Underlying EBITDA excludes share based payments

^ Operating cash flows excludes capitalised development costs and finance leases

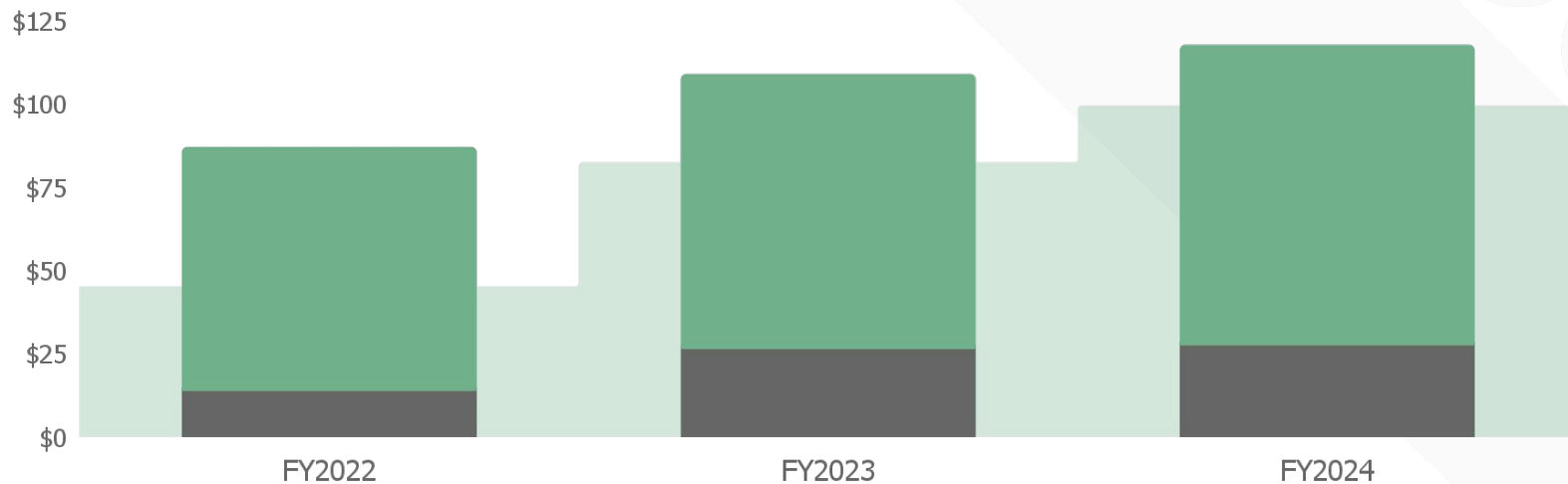


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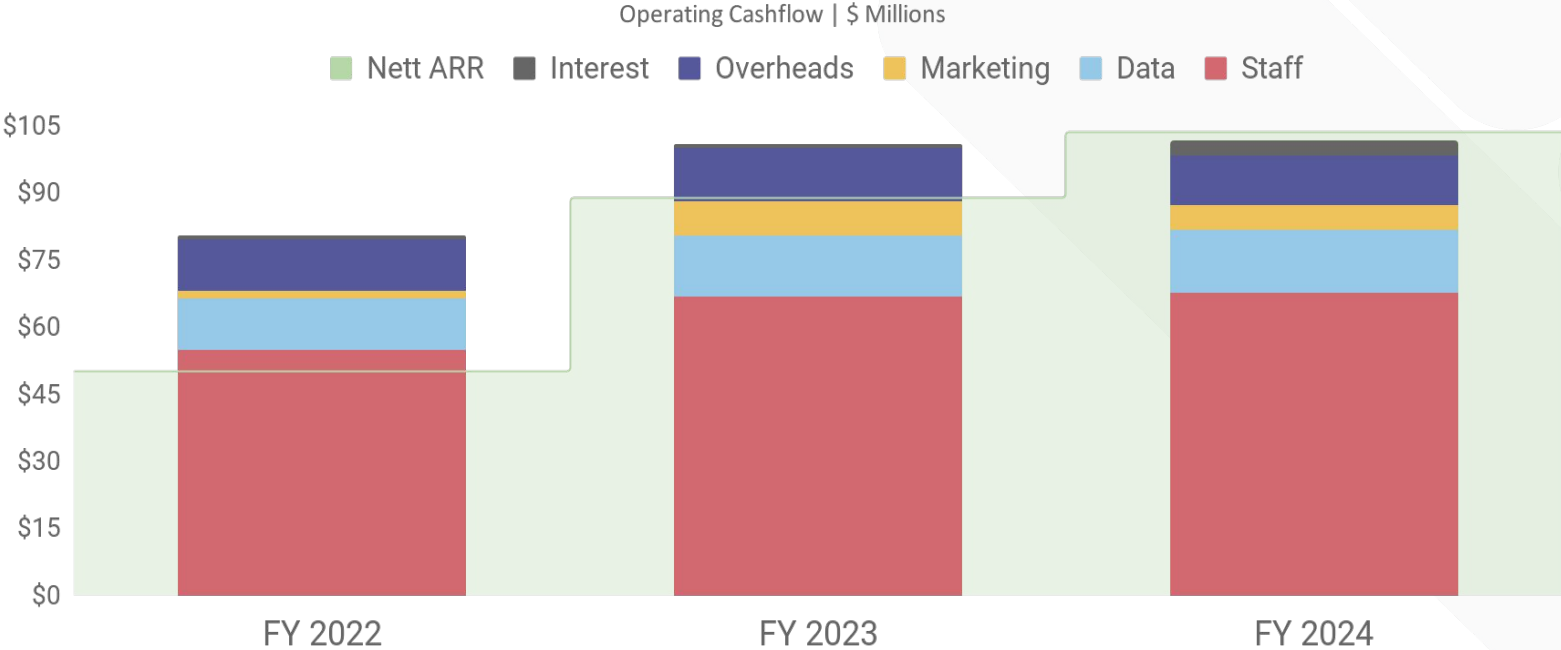
Underlying Cash EBITDA

Cash based operating revenue & costs | \$ Millions

Statutory Revenue Staff & Overheads Data & Marketing



Operating cash flow



Segment revenue

US K12
\$37.5m
up 30% pcp

US K12
\$31.6m
up 8% pcp

ANZ K12
\$5.1m
down 2% pcp

Consumer
\$25.2m
up 37% pcp



SaaS metrics

MARKET CAP / ARR

3.3X

Jul 2024

% RECURRING

>99%

12 months to Jun 2024

SERVICE MARGIN

93%

12 months to Jun 2024

NET RETENTION

110%

12 months to Jun 2024

ARR GROWTH

22%

12 months to Jun 2024

MARKETING EFFICIENCY

10X

12 months to Jun 2024

K12 CHURN

<5%

12 months to Jun 2024

BAD DEBTS

0%

12 months to Jun 2024

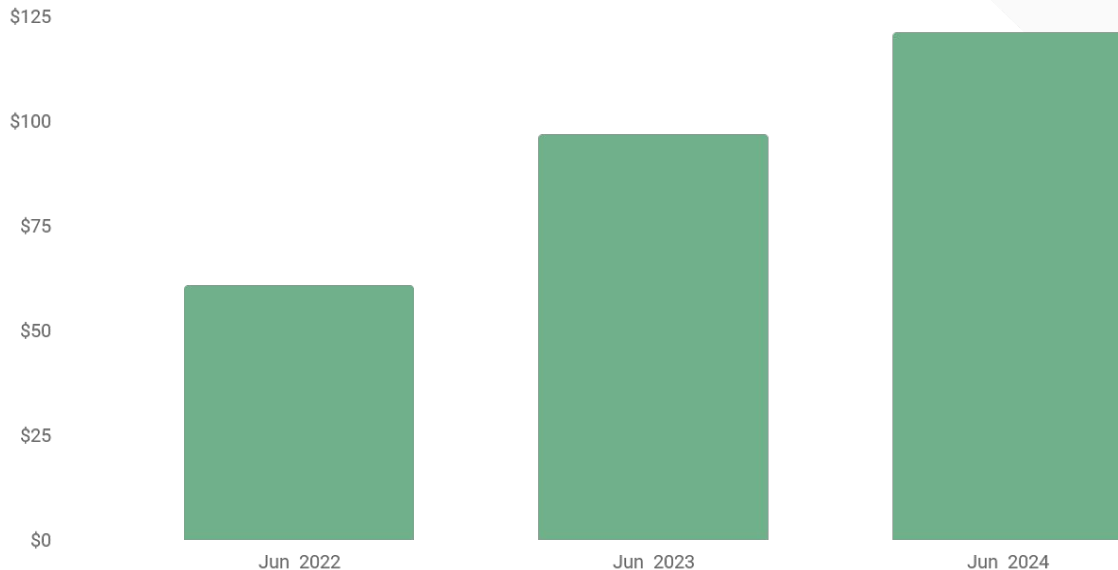


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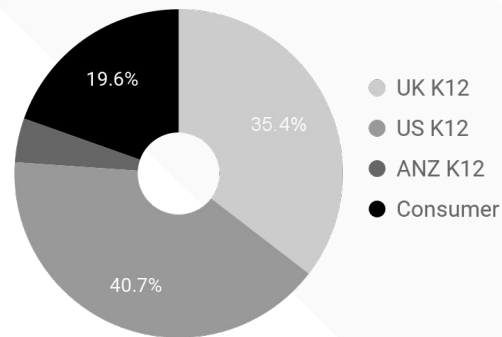


Exit ARR & regions

Annual Recurring Revenue
Group | AUD Millions



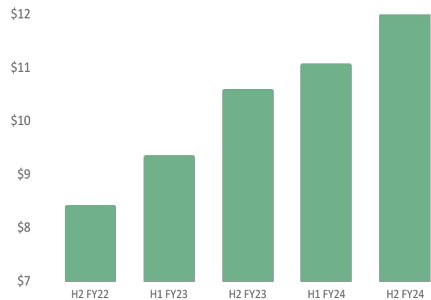
Annual Recurring Revenue
By Segment



Revenue expansion highlights

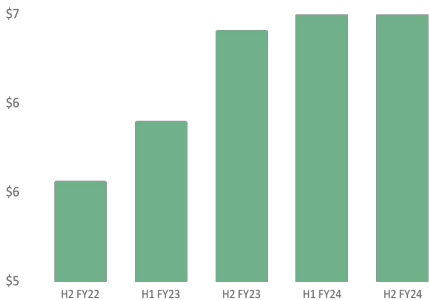
Average Sales Price

Group K12 | AUD 000's



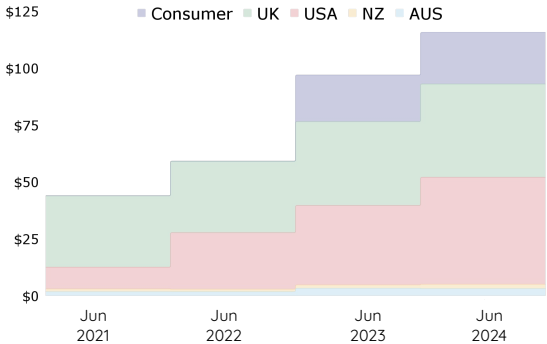
Average Revenue / Student

Group K12 | AUD



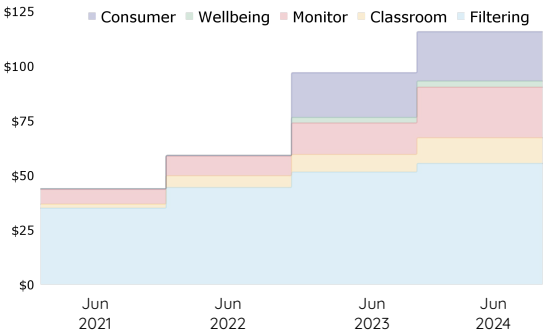
Exit ARR by Segment

Group | AUD Millions



Exit ARR by Product

Group | AUD Millions



Outlook

Short & longer term outlook

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Short term outlook

K12 Sales and Products

- ✓ Sep quarter is typically 16-20% of new business
- ✓ Record \$22M of pipeline, \$9M weighted at Jun 30
- ✓ Texas TASI partnership is now in full swing
- ✓ Mandated safeguarding in the UK
- ✓ Channel partner expansion in the UK
- ✓ Dec quarter is the key selling period in ANZ
- ✓ Major product releases in filtering & safeguarding (Aug/Sep)

Qustodio & Community

- ✓ Back-to-school direct campaigns (Aug/Sep)
- ✓ Back-to-school US school launches (Aug/Sep)
- ✓ Major coming product feature releases are delegation, AI alerts, kids features and more

Financials

- ✓ Dec half typically accounts for +60% of cash receipts
- ✓ Expect Dec half to be **free cash flow positive**

Next half includes...

- ✓ UK then US key K12 selling periods
- ✓ Unification of Smoothwall & Linewize filters & back-ends



Financial roadmap

Qoria is confident on its rapid progress to free cash flow and EBITDA profitability



\$120 Million ARR

Operating cash flow
& EBITDA breakeven

NOW

EBITDA MARGINS

10-15%

FY 2025

EBITDA MARGINS

20-25%

FY 2026

Free cash flow

Run rate free cash flow
positive in FY 2025

~6 MONTHS

In this slide EBITDA refers to Cash EBITDA after capitalised R&D costs. It excludes share based payments.

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Strategic outlook

We estimate that the TAM has been doubling every 3 years since 2018 driven by impacts, concerns and regulations.

2023

UK's Keeping Children Safe in Education imposes duties on school leadership to actively monitor students.

2024

US Senate passes Kids Online Safety Act

2022

Concerns for child mental health drives massive funding for student wellbeing.

2024

Texas' SCOPE Act establishes requirements for parents to be engaged in school technology programs.

2020

COVID stimulated a fundamental shift towards 1:1 devices and digitisation of learning.

2008

Marks the first time in history children's wellbeing went backwards. Indicators have fallen every year since.

2006

UK launches Keeping Children Safe in Education and standard based approach to safety technology.

2000

US Children's Internet Protection Act mandates school filtering. Industry is small and dominated by firewall providers.

US schools spend ~ \$17K per student. Safety & wellbeing is less than 0.2% of that funding.

USA

STUDENTS

55M

SAFETY TAM

\$1.9B

HOUSEHOLDS

33M

PARENT TAM

\$2.5B

Europe

STUDENTS

74M

SAFETY TAM

\$1.9B

HOUSEHOLDS

41M

PARENT TAM

\$3.0B

UK

STUDENTS

13M

SAFETY TAM

\$0.4B

HOUSEHOLDS

6M

PARENT TAM

\$0.5B

PLUS REST OF THE WORLD

Strategic opportunities

Offerings

gAI

The gAI revolution is creating new value streams. Qoria is building capacity.

Non english markets

None of our competitors are focussed on non-english speaking markets. The opportunity is vast.

Product expansion

Presence in schools and homes creates numerous opportunities for value adding and product expansion.

Positioning

Regulations

Regulation and media attention to our sace is a strong tailwind.

Fragmentation

A fragmented market globally creates the opportunity for Qoria to become the global leader.

Protection

Security, data laws and product breadth are now a barrier to new entrants.

Corporate

Private Equity

Ongoing private equity activity & interest in Qoria and our sector.

Infection re-rate

With Qoria's turn to cash generation and profit a re-rate to market comparables is anticipated.

Sector consolidation

Qoria is the increasingly known as the the sector leader.



FY 2024 Financial Report

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2024 Financial Results

Profit & Loss

Underlying EBITDA was positive for the first time at \$2.0 million. Comparative Cash EBITDA based on the Company's prior year accounting policy (where R&D costs were expensed) improved to (\$17.6) million.

Reported revenue grew by 21% to \$99.4m. With direct costs growing by only 13%, gross margin grew by 29% to \$71.3 million.

The increase in employee benefits was a result of FX (\$2.1m), 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.



QORIA GROUP SUMMARY PROFIT & LOSS

	Inc Capitalisation FY2024 \$ Millions	Exc Capitalisation FY2024 \$ Millions	Exc Capitalisation FY2023 \$ Millions
Revenue	\$99.4	\$99.4	\$81.9
Other revenue	\$2.4	\$2.4	\$0.5
Direct costs	(\$30.6)	(\$30.6)	(\$27.1)
Gross Margin	\$71.3	\$71.3	\$55.3
Margin %	72%	72%	68%
Employee benefits	(\$56.9)	(\$76.5)	(\$66.6)
Administration	(\$12.4)	(\$12.4)	(\$14.9)
Total Operating Costs	(\$69.3)	(\$88.9)	(\$81.4)
Underlying EBITDA	\$2.0	(\$17.6)	(\$26.1)
Acquisition related expenses	(\$0.6)	(\$0.6)	(\$1.5)
Cash Finance costs	(\$3.1)	(\$3.1)	(\$0.7)
Non-cash & FX items			
> Non-cash Finance costs	(\$4.4)	(\$4.4)	(\$4.7)
> Share based pays - Employees	(\$11.5)	(\$11.5)	(\$20.3)
> Share based pays - Deferred Consideration	(\$8.7)	(\$8.7)	(\$18.6)
> Depreciation & Amortisation	(\$31.5)	(\$27.3)	(\$24.0)
> FX Differences - Realised	\$2.7	\$2.7	\$8.7
> FX Differences - Unrealised	(\$3.0)	(\$3.0)	\$4.9
> Income Tax Benefit	\$6.1	\$6.1	\$4.3
Earnings after tax	(\$52.0)	(\$67.3)	(\$78.0)

2024 Financial Results

Segment revenue

In line with strong ARR growth in the US, statutory revenue is up 30%, with growth of 37% in Europe relating to Qustodio.

2024 Financial Results

Direct costs

Material efficiencies were made in H2 FY2024 in data & hosting costs with H2 costs significantly lower than H1 at \$4.9 million (H1: \$5.5 million) despite growth in student numbers.

Marketing costs include 11 months of Migiri costs, approximately \$2.75 million (\$3 million annualised), these costs will reduce materially in FY2025 as a result of the Migiri divestment.

BY SEGMENT	USA	UK	ANZ	Europe
Revenue	\$37.5	\$31.6	\$5.1	\$25.2
Other Revenue	\$0.1	\$0.0	\$0.1	\$2.2
Direct costs	(\$7.8)	(\$5.9)	(\$8.4)	(\$8.5)
	\$29.9	\$25.7	(\$3.2)	\$18.9

Direct Costs	FY2024 \$ Millions	FY2023 \$ Millions
Cloud data and hosting	(\$10.4)	(\$10.0)
Service costs	(\$9.8)	(\$4.6)
Marketing	(\$8.1)	(\$6.4)
Hardware costs	(\$0.3)	(\$3.6)
Other costs	(\$2.1)	(\$2.5)
	(\$30.6)	(\$27.1)

Depreciation & Amortisation

The majority of the Group's depreciation & amortisation relates to acquisition intangibles from the Smoothwall and Qustodio acquisitions. These intangible assets are primarily being amortised over a 3 year period.

Depreciation & amortisation details	FY2024 \$ Millions	FY2023 \$ Millions
P&E depreciation	(\$3.6)	(\$2.3)
Development asset amortisation	(\$4.2)	(\$0.3)
Right of use (lease) amortisation	(\$1.6)	(\$1.5)
Software amortisation (acquisition intangibles)	(\$10.3)	(\$9.4)
Customer list amortisation (acquisition intangibles)	(\$11.4)	(\$10.0)
Branding amortisation (acquisition intangibles)	(\$0.4)	(\$0.4)
	(\$31.5)	(\$24.0)

2024 Financial Results

Balance Sheet

The Group's debt consolidation process continues.

Qustodio's existing debt facilities of \$3.5 million were paid out during the half, the first of the Qustodio acquisition Convertible notes (\$5.1 million) was paid out in H2 and the remaining Convertible note was paid subsequent to period end (\$6.2 million) through the extension of the AshGrove facility by \$10 million.

The only remaining debt outside the AshGrove facility is \$0.5 million of deferred consideration from the Cipafilter acquisition, this will be fully repaid by September 2024.

A pro-forma cash balance at 30 June of \$19.4 million consists of \$9.4 million of cash plus an additional \$10.0 million with AshGrove drawn subsequent to year end (prior to payment of costs).



QORIA GROUP SUMMARY BALANCE SHEET

FY2024
\$ Millions

FY2023
\$ Millions

Current Assets

Cash and cash equivalents	\$9.4	\$6.6
Trade & Other Receivables	\$26.4	\$19.0
Prepayments, inventory & contract assets	\$6.1	\$8.1

	\$41.8	\$33.7
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Non-Current Assets

Intangible assets	\$240.0	\$243.3
Financial assets, P&E, right of use and contract assets	\$13.9	\$10.5
Deferred tax assets	\$1.7	\$0.0

	\$255.6	\$253.9
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	\$297.4	\$287.5
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Total Assets

Current Liabilities

Trade & other payables	\$26.0	\$24.3
Borrowings	\$6.2	\$13.0
Contract Liabilities	\$55.4	\$42.7
Deferred consideration	\$0.5	\$6.9
Provisions & lease liabilities	\$6.4	\$5.1

	\$94.5	\$92.0
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Non-Current Liabilities

Borrowings	\$32.8	\$1.7
Contract Liabilities	\$16.0	\$13.1
Deferred consideration	\$0.0	\$0.7
Provisions & lease liabilities	\$3.7	\$3.6
Deferred tax liabilities	\$12.5	\$17.5

	\$65.0	\$36.7
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	\$159.5	\$128.7
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Total Liabilities

Net Assets

	\$138.0	\$158.9
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2024 Financial Results

Cashflow

Receipts from customers were up 30% pcp to \$97.5m (receipts from customers are net of reseller commission).

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

Payments to suppliers and employees, including capitalised salaries were up 11% pcp reflecting the Group's focus on cost control.

Operating cash flows were \$6.8 million positive for the half, or (\$9.3) million negative pre-capitalisation - a significant improvement on (\$23.6) million in FY2023.

We expect significant improvement on Q1 2024 cash receipts in Q1 2025 and a positive free cash flow quarter.

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QORIA GROUP SUMMARY CASH FLOWS

Cash flows from operating activities

	Inc Capitalisation FY2024 \$ Millions	Exc Capitalisation FY2024 \$ Millions	Exc Capitalisation FY2023 \$ Millions
Receipts from customers	\$97.5	\$97.5	\$74.9
Payments to suppliers and employees	(\$88.7)	(\$104.8)	(\$97.3)
Government grants received	\$0.1	\$0.1	\$0.1
Net interest received/(paid)	(\$2.2)	(\$2.2)	(\$0.8)
Income taxes paid	\$0.0	\$0.0	(\$0.5)
Net cash flows (used in) operating activities	\$6.8	(\$9.3)	(\$23.6)

Cash flows from investing activities

Payments for purchase of businesses, net of cash	(\$1.9)	(\$1.9)	(\$19.9)
Investment in development assets	(\$19.6)	(\$3.5)	(\$1.8)
Purchase of plant & equipment	(\$6.0)	(\$6.0)	(\$4.2)
Proceeds from disposal of investments	\$2.0	\$2.0	\$0.1
Net cash flows (used in) investing activities	(\$25.5)	(\$9.4)	(\$25.7)

Cash flows from financing activities

Proceeds from issue of shares, net of issue costs	\$0.1	\$0.1	\$19.6
Payment of principal portion of lease liabilities	\$32.9	\$32.9	\$5.1
Proceeds from/(repayments) of borrowings	(\$11.4)	(\$11.4)	(\$3.7)
Net cash flows from financing activities	\$21.7	\$21.7	\$21.0

Net increase in cash and cash equivalents	\$3.0	\$3.0	(\$28.4)
Cash and cash equivalents at the beginning of the year	\$6.6	\$6.6	\$32.7
Effects of foreign exchange rates	(\$0.2)	(\$0.2)	\$2.2
Cash and cash equivalents at the end of the year	\$9.4	\$9.4	\$6.6
Additional Funding Available	\$10.0	\$10.0	
Funding available	\$19.4	\$19.4	

Thank you & questions

CALENDAR HIGHLIGHTS

September 2024

- ⇒ 16-19 Sep 2024 NSW/VIC institutional roadshow
- ⇒ 25 Sep 2024 Annual Report
- ⇒ Sep 2024 US / UK 'back to school'
- ⇒ Sep 2024 Content aware launch US

October 2024

- ⇒ Mid Oct 2024 Sep Qtr 4C Report
- ⇒ Oct 2024 School Community 2024 US launches

November 2024

- ⇒ 21 Nov 2024 Annual General Meeting
- ⇒ 29 Nov 2024 Black Friday sales

December 2024

- ⇒ Dec 2024 December retail period

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