

Qoria

Helping every child to thrive in their digital life

December Quarter 2024

4C Commentary & Operational Update

qoria.com



ASX | QOR
Qoria

^

Dec Qtr FY 2025 Highlights

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Qoria

Operational highlights

Strong growth continues and platform set for acceleration!

550

Staff working across 10 countries

+25m

Children kept safe using our platforms; up 14% pcp

+7m

Parents using our services; up 17% pcp

+100

Countries using our platforms

+29k

Schools using our platforms

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



Qoria

Financial highlights

Operating leverage delivering cash flow

Gross ARR Growth

\$12m

\$5m nett ARR sales plus \$7m from FX movements.

Exit ARR

\$132m

up 26% pcp

Net Debt

($\$10.8m$)

Operating Cash Flow

\$4.2m

Up from $\$2.7M$ pcp

Free Cash Flow

($\$1.1m$)

up from ($\$2.6m$) pcp

Cash

\$39.6m

¹ Operating Cash Flow includes net interest and excludes, one off costs, capitalised development costs and finance leases. ² Free Cash Flow is Operating Cash Flow plus capitalised software development, hardware and leasing costs. It excludes net interest and business acquisition costs which were \$953k and \$4.3m respectively.



Geographical highlights

All segments growing above industry

US K12

US\$33.5m

up 31% pcp

UK K12

£22.6m

up 10% pcp

QUSTODIO

US\$16.7m

up 21% pcp

ANZ K12

AUD\$6.5m

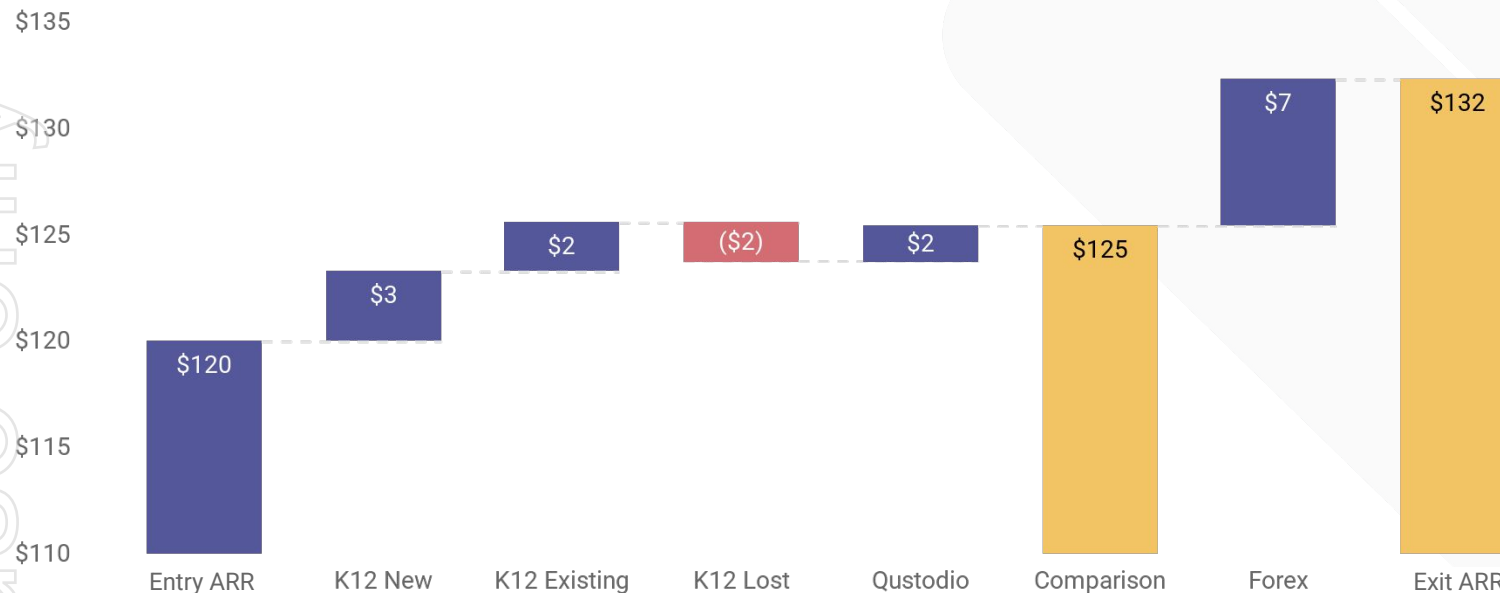
up 31% pcp



Qorix

ARR growth

Group annual recurring revenue in AUD millions.



Overall ARR grew to \$132 million with strong growth in K12 and Qustodio, modest churn and benefits from a fall in the AUD.
USD : \$0.62 GBP \$0.50

SaaS metrics

Last 12 months average otherwise indicated.

MARKET CAP / ARR

4.6X

Dec 2024

% RECURRING

>99%

12 months

SERVICE MARGIN

93%

12 months

NET RETENTION

105%

12 months

ARR GROWTH

26%

12 months

MARKETING EFFICIENCY

9X

12 months

K12 CHURN

<5%

12 months

BAD DEBTS

0%

12 months

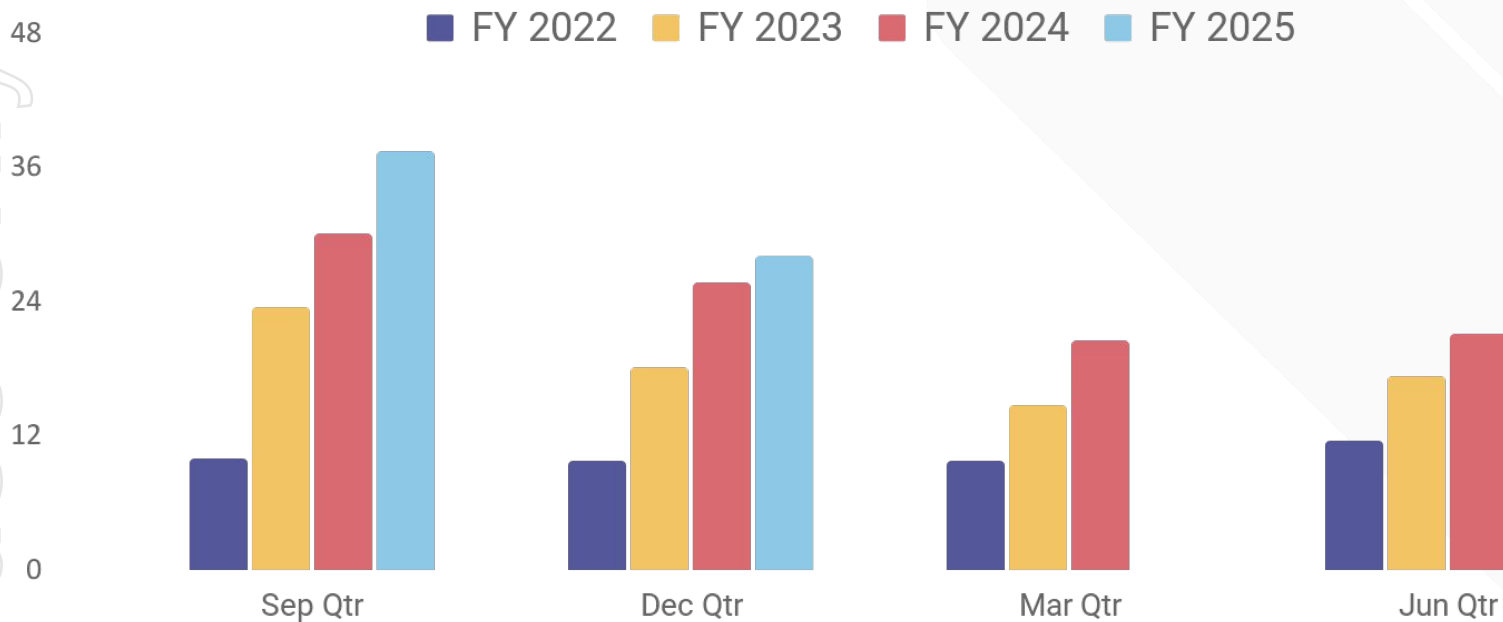
Last 12 month SaaS statistics. ARR growth is adjusted for the sale of Migiri and based on constant currency over the period.



Goria

Cash Collections

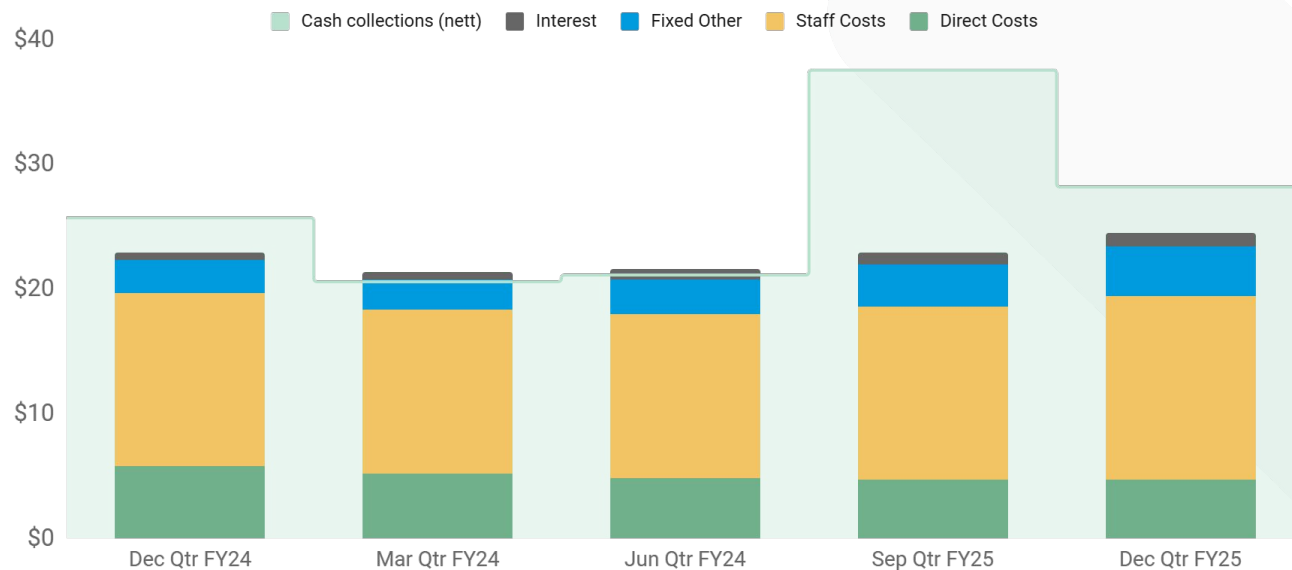
Group cash receipts, nett of reseller commissions in AUD millions.



The Sep quarter is seasonally a high point in cash collections, although the cycles are flattening as Qoria's product range and geographical footprint evolves. Customer receipts were \$28.2 million, up 10% PCP. Receipts are nett of reseller commissions and taxes (i.e. GST/VAT).

Operating Cash Flow

Group reported operating cash flow in AUD millions.



Qoria's reported operating cash flow was positive \$3.4m for the quarter. Operating cash flow excludes capitalised software development costs.

K12 highlights

Qoria's K12 division passed through the \$100 million milestone for ARR, exiting with \$105 million.

The December quarter is a seasonal low in the US and UK - however, strong contributions were achieved across all regions.

Pleasingly, 20% of ARR added in the US in the quarter came from new (AI based) products.

Average license fee (ARR per student) is now closing in on \$8 per student.

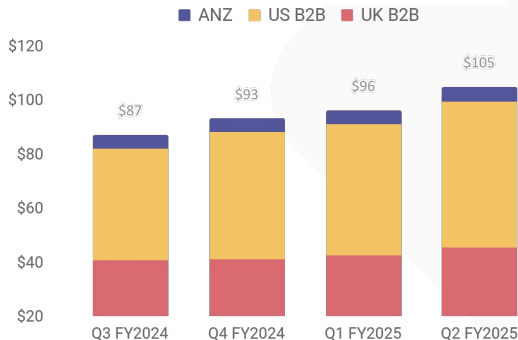
Australia delivered its largest ever quarter of nett ARR growth of \$515k which exceeded previous heights by 65%.

With video blurring, cloud scan and insights launching, we expect considerable growth from these new revenue streams.

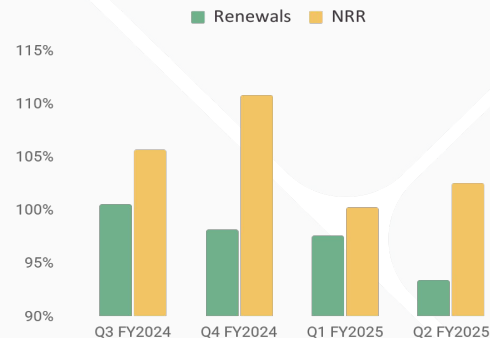
Qoria enters Q3 with a record pipeline of \$32 million (weighted value of \$11 million).

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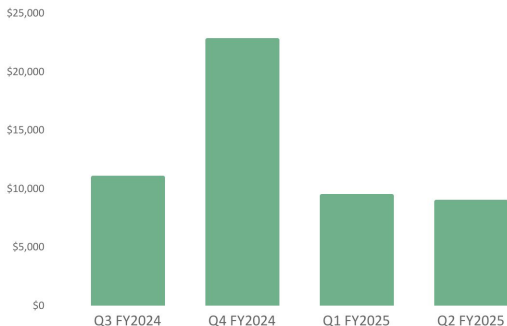
Annual Recurring Revenue K12 Sales Mix | AU\$ Millions



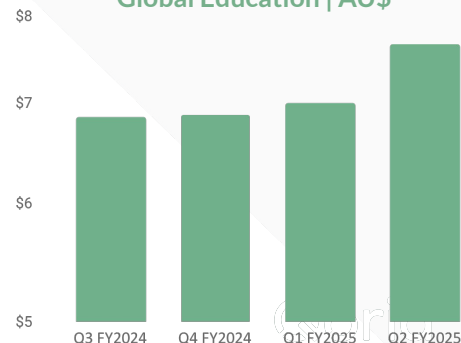
Customer Success Global Education | %NRR



Average Sales Price / Client pa Global Education | AU\$



Average Revenue / Student pa Global Education | AU\$



Qustodio highlights

Qustodio added close to \$2 million of ARR in the quarter and is growing above 20% YoY.

Subscribers, ARR and average revenue per account all grew beyond business plan.

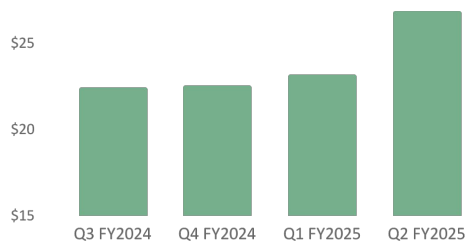
Product innovation continues with recent launches of innovative AI enabled offerings providing parents with insights into their children's online behaviours and messaging.

The promotion of Qustodio parental controls through US schools continues to progress strongly, with in excess of 80,000 accounts created at a blended parent take-up of 13%. More recent parent take-up rates consistently exceed 20% of contacts.

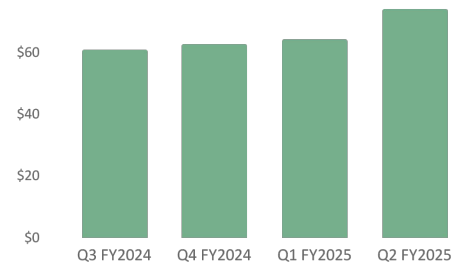
We currently have a pipeline of interested US schools with in excess of 1.4 million students, which we hope to roll out over the next 6-9 months.

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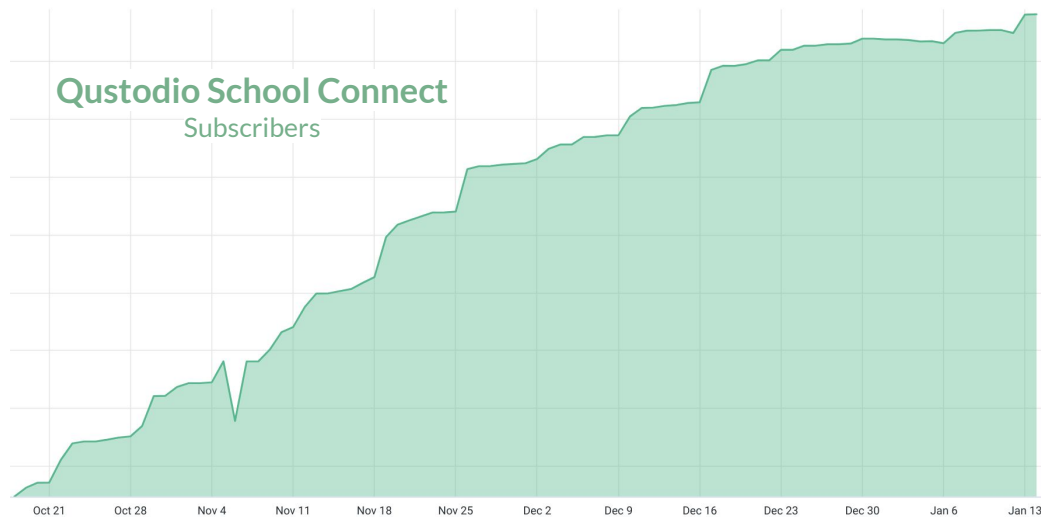
Annual Recurring Revenue Consumer | AU\$ Millions



Average Revenue / Account Consumer | AU\$



Qustodio School Connect Subscribers

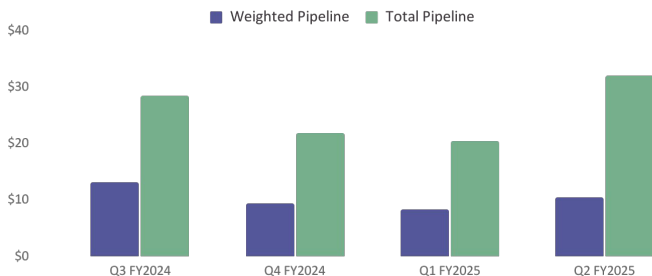


Short term Outlook

K12 Sales and Products

- ✓ The March quarter is a seasonally strong quarter for UK sales and marks the start of conference season in the US ahead of the June sales cycle.
- ✓ Qoria is launching Edtech Insights at UK's BETT and the US's FETC conferences in January. This is the first release from OctopusBI into the Qoria stack and excitement is building.
- ✓ With an expanded product range, growing channels and a pipeline of \$32 million (weighted value \$11m), Qoria is set for a strong back half.

K12 Weighted and Total Pipeline Global Education | AU\$ Millions



Qustodio

- ✓ The March quarter is seasonally the slowest for growth in our consumer business. We have exciting product enhancements and the launch of Qustodio's partnership with SoftBank.

Financials

- ✓ The Group's cash flow profile remains quite seasonal with the March quarter the slowest cash collection quarter of the year. March cash collections in FY23 and FY24 were 20% and 21% of annual collections respectively. We expect collections to be a similar proportion for FY25.
- ✓ The Group is reported EBITDA positive and anticipates to generate 10-15% reported EBITDA margins for FY2025.



Qoria's AI innovations

Our strategic investment in AI is driving innovation, efficiency, and growth, positioning us as a leader in online safety and opening exciting new revenue opportunities.

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AI enhanced categorisation

- ✓ Traditional classification is text-based
- ✓ Ineffective for image-heavy sites

AI enabled real-time categorisation

Qoria has integrated AI image analysis to revolutionize categorisation. This breakthrough enables us to classify websites accurately, regardless of language or text content, providing unparalleled protection.



AI moderated experiences

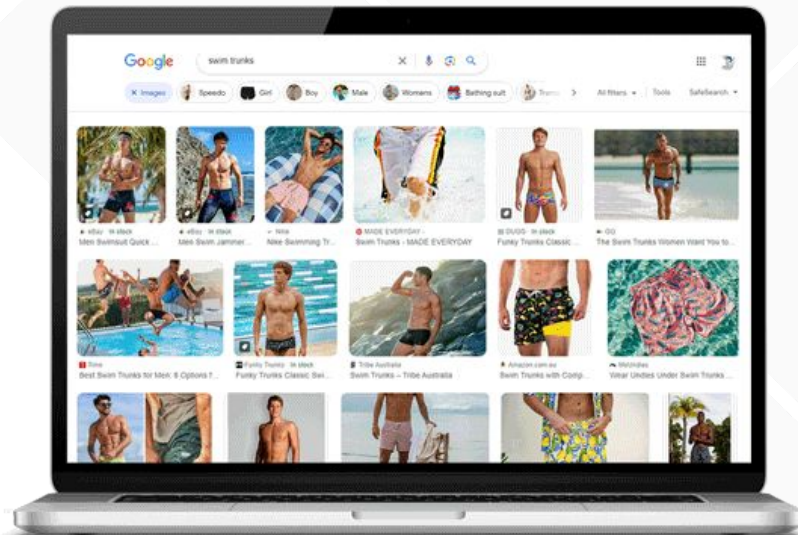
- ✓ Image & video sharing a major challenge
- ✓ Schools want safe but open access

Real time AI page level filtering

Qoria has integrated AI analysis into our device level filtering engine to:

- ✓ Scan page content and filter
- ✓ Analyse images to blur
- ✓ Analyse videos to blur

This represents a major turning point.



AI cloud scanning

- ✓ Concerning material in student clouds
- ✓ Illegal material on school platforms

Cloud account scanning

This quarter Qoria will launch AI analysis of student cloud accounts as additional feature of our world leading safeguarding solution, Monitor.



AI enhanced moderation

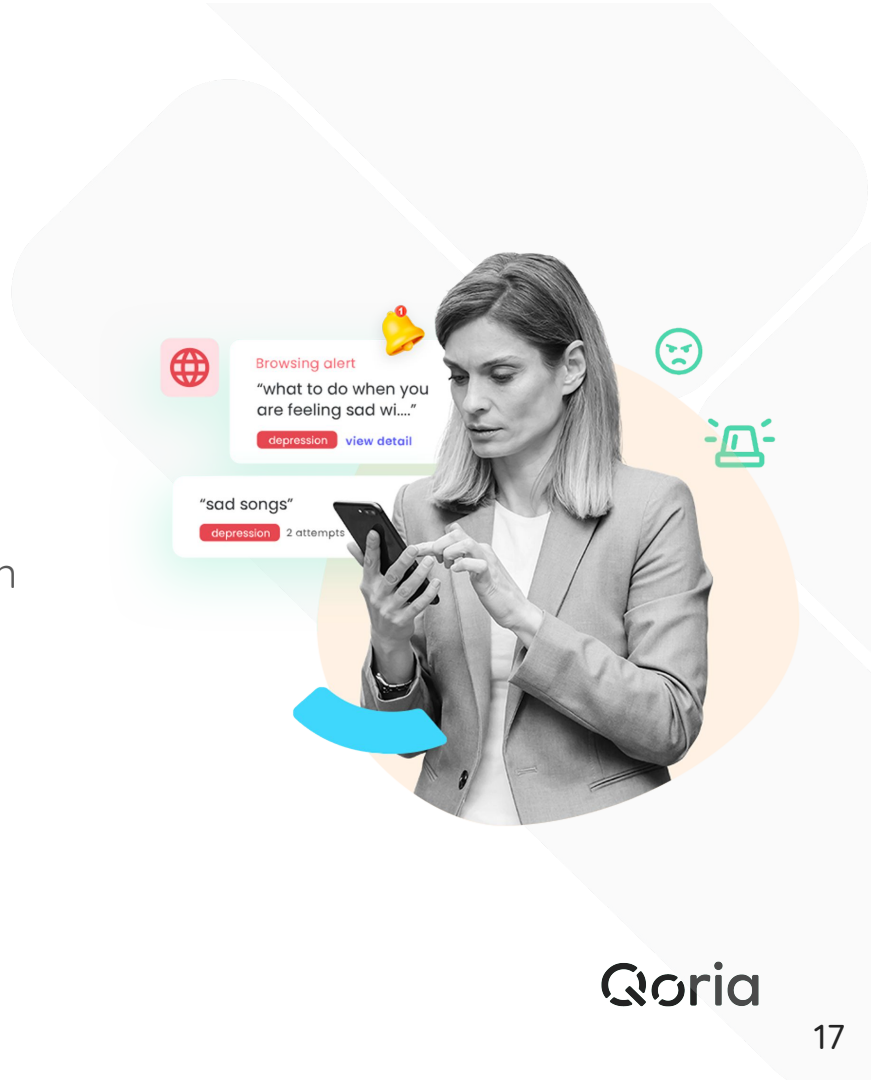
- ✓ 400 million captures per month & growing
- ✓ 100 thousand human moderations per day
- ✓ Monitoring is our fastest growing product

AI enhanced moderation

Qoria has integrated AI analysis into our concern capture, analysis and moderation workflows

- ✓ 30% reduction in moderations
- ✓ Saves \$1 million in pa processing costs and more to come.

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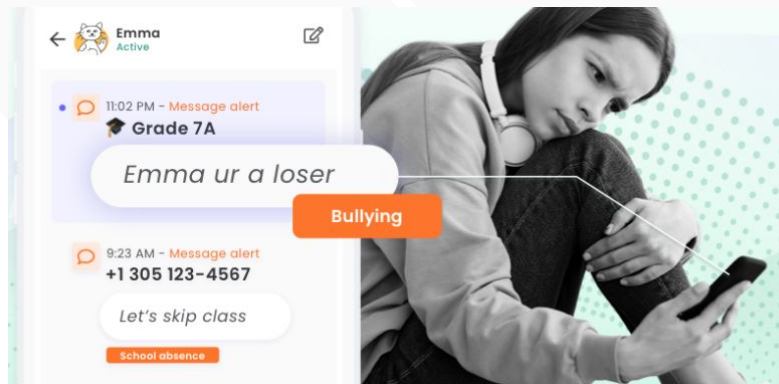
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AI behavioural alerts for parents

- ✓ Parents increasingly concerned with social media and gaming behaviours
- ✓ Insights into messaging is #1 demanded feature by parents

AI behavioural alerts in Qustodio

Qustodio is progressively releasing AI driven behavioural alerts covering internet searches, and messaging with more to come.



AI enhanced support

- ✓ Rapidly growing customer base
- ✓ Expanding product lines
- ✓ Need to scale with minimal cost

AI automated customer support

Qoria recently launched an AI based customer support service. Anticipated to generate > \$1 million of annualised savings within 12 months.



↑

Dec Qtr FY 2025 Financial Highlights

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Quarterly Cash Flow

Quarterly Cash Flow Sept 30, 2024

REPORTED
Cash Flows
A\$'000s

ADJUSTED
Cash Flows
A\$'000s

Recurring Operating Cash Flow

(includes interest paid and received)

\$4,179

\$156

Add back Net Interest

\$953

\$953

Investing Activities

(\$6,240)

(\$2,217)

Free Cash Flow

(\$1,108)

(\$1,108)

Other (one-off items)

(\$755)

Less Net Interest

(\$953)

Acquisition of OctopusBI

(\$4,327)

Financing Activities

\$26,802

Net Cash Flow

\$19,659

Cash & equivalents at start

\$18,576

Forex movements

\$1,444

Cash & Cash Equivalents

\$39,679

Net Debt

(\$10,836)

Reported v Adjusted Cash Flow: Reported Operating Cash Flow excludes capitalised K-12 software development costs. This accounting treatment commenced on 1 July 2023. Adjusted Cash Flow allocated all software development costs to operating activities and is presented here for historical comparison purposes.

Qoria is on plan with an operating cash flow surplus of \$3.9 million and free cash flow result of -\$1.1 million (excluding OctopusBI and net interest). Qoria generated \$5.6 million positive free cash flow for the half.

Customer Receipts: The December quarter was up 10% on prior year with strong collections in the September quarter bringing forward a portion of cash flow. Receipts are nett of reseller commissions and taxes (i.e. GST/VAT).

Operating Activities: Cash flows from operating activities were \$4.2 million, up from \$2.7 million or 56% on the pcp. The December quarter included a higher proportion of annual fixed cost payments than usual.

Investing Activities: Investing activities include capitalised development costs, hardware costs and have been adjusted in this table to exclude the payment relating to the acquisition of Octopus BI. Excluding CipaFilter payments in the pcp, investing activities on a like for like basis are up 4.5% on pcp.

Financing Activities: Cash flows from financing activities include the capital raise conducted in late September / early October, net of costs.

Available Funding: The Company has \$39.7 million in available funding and net debt of \$10.8m at 31 December 2024.

Foreign Exchange (FX) Sensitivity: The Company is a net beneficiary of a weakening AUD against the USD in particular, but also against the GBP. The table below demonstrates the approximate impact of a 1 cent movement in the AUD against these currencies. The impact of the movement in AUD against the EUR is negligible.

FX Sensitivity	AUD/USD 1 Cent Mvt A\$'000s	AUD/GBP 1 Cent Mvt A\$'000s
Net cash flow	\$500	\$150
EBITDA	\$600	\$170
ARR	\$1,250	\$900

Cash Flow Analysis

Restated Cash Flow Sept 30, 2024	Dec Qtr FY2024 A\$'000s	Mar Qtr FY2024 A\$'000s	Jun Qtr FY2024 A\$'000s	Sep Qtr FY2025 A\$'000s	Dec Qtr FY2025 A\$'000s	pcp
Cash Collections	\$25,702	\$20,583	\$21,115	\$37,545	\$28,222	↑ 10%
Direct Costs	(\$5,826)	(\$5,248)	(\$4,839)	(\$4,691)	(\$4,697)	↓ 19%
Staff Costs	(\$17,809)	(\$17,096)	(\$17,450)	(\$17,919)	(\$18,710)	↑ 5%
Fixed Other	(\$2,631)	(\$2,449)	(\$2,825)	(\$2,966)	(\$3,707)	↑ 41%
Other Costs	-	\$55	\$27	(\$354)	(\$755)	
Leases	(\$500)	(\$500)	(\$500)	(\$657)	(\$651)	
Hardware Costs	(\$1,086)	(\$1,308)	(\$1,579)	(\$2,510)	(\$1,351)	↑ 24%
Adjusted Free Cash Flow	(\$2,149)	(\$5,963)	(\$6,051)	\$8,448	(\$1,649)	
Net Interest Costs	(\$674)	(\$657)	(\$883)	(\$1,011)	(\$953)	
Business Acquisitions	(\$468)	(\$482)	(\$477)	(\$468)	(\$4,327)	

This table shows the cash flows of the Group. It incorporates all education software development costs and excludes costs of funding and acquisitions.

Direct Costs principally represent data & hosting and direct marketing costs. These outflows are consistent with the September quarter and are down 19% on pcp.

Staff Costs increased 5% in the December quarter compared to September and December last year due to annual pay rises, a small number of growth roles added and some seasonality in sales commissions. The impact of a lower AUD on staff costs in the quarter was \$220k, excluding this impact staff costs increased 3.8% on pcp.

Fixed Other costs were up by \$0.7m from the September quarter due to a high number of annual payments than usual. These will fall through the year.

Other Costs relate to one-off costs that are not operational or ongoing in nature, primarily acquisition / divestment related

Hardware Costs were \$1.35 million, up from \$1.1 million in the December FY24 quarter, reflecting underlying business growth in K12. However, hardware costs are down \$1.2m on the September quarter.

Net Interest Costs have reduced following the capital raise and increase in interest income.

Business Acquisitions historically relate to the acquisition of CIPAFILTER. The last payment has now been made. In the December FY25 quarter they relate to the OctopusBI acquisition.

Adjusted Free Cash Flow: includes operating activities all software development costs plus hardware and leasing costs. It reflects underlying trading performance. *Annualised fixed costs in the FY25 December quarter normalised for higher than usual annual fixed other costs.

Dec 31, 2024

Shareholder Capital

ORDINARY SHARES 1,291,585,277

MARKET CAP @47.5c \$618M

TOP 20 SHAREHOLDERS 79.85%

FOUNDERS & EXECUTIVES 3.8%

SECONDARY SECURITIES

Performance Rights (Staff & Directors) 95,498,519

AshGrove Warrants 16,045,408

Options 50-60c expiring 2025 (Staff & Directors) 9,600,000

Options 60c expiring 2025 (Staff/Directors & Facility) 5,250,000

Options nil exercise price expiring 2027 (Directors) 5,899,004

Options 36c expiring 2027 (Directors) 3,000,000

Options nil exercise price expiring 2028 (Directors) 1,450,116

Options 36c expiring 2028 (Directors) 625,000

Available Funding

\$39.7m

Net Debt

(\$10.8m)

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Related party notice

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 \$207k related to Directors' salaries and superannuation payments.



Contact

Tim Levy

Managing Director
tim.levy@qoria.com

Ben Jenkins

Chief Financial Officer
ben.jenkins@qoria.com



Study

From 9:00 to 11:00

Internal use only



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 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	28,222	65,767
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,874)	(6,084)
(c) advertising and marketing	(1,823)	(3,304)
(d) leased assets	-	-
(e) staff costs	(14,688)	(28,584)
(f) administration and corporate costs	(3,707)	(6,673)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	140	170
1.5 Interest and other costs of finance paid	(1,093)	(2,104)
1.6 Income taxes paid	-	(135)
1.7 Government grants and tax incentives	37	37
1.8 Other	(792)	(1,039)
1.9 Net cash from / (used in) operating activities	3,422	18,051

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(4,327)	(4,795)
	(c) property, plant and equipment	(1,351)	(3,861)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (development assets)	(4,889)	(9,777)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(10,567)	(18,433)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) ³	29,989	29,989
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,759)	(1,759)
3.5	Proceeds from borrowings	-	9,750
3.6	Repayment of borrowings	(198)	(6,678)
3.7	Transaction costs related to loans and borrowings	(577)	(639)
3.8	Dividends paid	-	-
3.9	Other – Repayment of Lease Liabilities	(651)	(1,308)
3.10	Net cash from / (used in) financing activities	26,804	29,355

³ Net of capital raising costs

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	18,576	18,576
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,422	18,051
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,567)	(18,433)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	26,804	29,355
4.5	Effect of movement in exchange rates on cash held	1,444	1,322
4.6	Cash and cash equivalents at end of period	39,679	39,679

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	39,679	39,679
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	39,679	39,679

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	200
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.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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>		
7.1	Loan facilities:		
	1. Ashgrove Capital Management debt facility	50,771	50,771
	2. Other borrowings and facilities	357	357
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	51,128	51,128
7.5	Unused financing facilities available at quarter end		-
7.6	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>1. As at 31 December, the Group has drawn down on the full \$47.85 million of this facility (30 June 2024: \$38.85 million).</p> <p>Both the total facility and the amount drawn down at quarter end include \$2,921,000 of capitalised interest as at 31 December 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 (to 13 July 2025). 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.</p> <p>2. Other borrowings and facilities represent insurance premium funding, accounting system financing facility and other minor borrowings.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	3,422
8.2 Cash and cash equivalents at quarter end (item 4.6)	39,679
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	39,679
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	Not Applicable.
<i>Note: if the entity has reported positive net operating cash flows in item 1.10, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Not Applicable.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Not Applicable.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Not Applicable.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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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: 21 January 2025

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 – e.g. 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.