Qoria Limited

ACN 167 509 177

Annual Report for the year ended
30 June 2025

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Corporate Information

Directors

Tim Levy	Managing Director
Peter Pawlowitsch	Independent Non-Executive Chairman
Phil Warren	Independent Non-Executive Director
Matthew Stepka	Independent Non-Executive Director
Georg Ell	Independent Non-Executive Director (Independent from January 2025)
Dr Jane Watts	Independent Non-Executive Director

Company secretary

Stephanie Majteles (appointed 1 August 2025)

Previously Jack Rosagro (appointed 16 October 2024 and resigned 1 August 2025)

Previously Kate Sainty (resigned 16 October 2024)

Registered and principal administrative office

Level 3, 45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 398 326

Principal place of business

Level 3, 45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 398 326

ESG at Qoria

Please refer to the Group's website at www.qoria.com/investors to read the Qoria Limited Corporate Governance Statement & ESG Report

Share register

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000

Auditors

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Telephone: +61 8 6382 4600

Securities exchange listing

Qoria Limited is listed on the Australian Securities Exchange (ASX Code: QOR)

Chairman’s Message

Dear Shareholders

On behalf of the Board of Directors, I am pleased to report on the activities of Qoria Limited (the “Company”) and its controlled entities (“Qoria” or the “Group”) for the financial year ended 30 June 2025.

The statistic I am most proud of is that during the 2025 Financial Year every 2 hours our safety team made a life saving call, as we continue to battle what I consider the biggest challenge for our children today ensuring they can have a safe digital experience.

This has now been reflected in the broader community with the level of media coverage and political interest in the online safety of children never being higher. This combined with a generational change in parents who have grown up on the internet is providing strong tailwinds for both our Education and Consumer businesses. These tailwinds are expected to continue through FY26 and beyond as public awareness of digital safety and student wellbeing continues to grow.

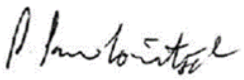
Qoria is firmly established as a world leader in online safety and education technology, supporting educators so that children can thrive. The Group now has over 600 employees globally, serving more than 32,000 schools, protecting 27 million children and 8 million parents.

In FY 2025 the business performance was exceptionally strong with Annual Recurring Revenue (ARR) growing 25% to $145 million and EBITDA grew 684% to 15.4 million a 13.1% EBITDA margin, this has meant the Group is approaching rule of 40 on a reported basis . Qoria has become one of the few ASX listed SaaS companies with true scale.

The Group is well positioned to deliver further growth over the coming years. We have provided strong revenue guidance for FY26 of 20% and with an expected EBITDA margin of 20% we expect to achieve a rule of 40 in FY26.

I would like to thank our Staff and Executives for their contribution to the business during FY24 which was another highly successful year for the Group. I would also like to thank our Shareholders and fellow Board members for their support.

None of us is as powerful as all of us.



Peter Pawlowitsch
Chairman - Qoria Limited

Review of Operations

Operational results

The Group reported total revenue and other income for the year ended 30 June 2025 of $117,880,828 (30 June 2024: $101,883,723) with revenue from ordinary activities being $117,290,570 (30 June 2024: $99,449,374). The net loss attributable to members of the Group for the year ended 30 June 2025 amounted to $35,953,446 (30 June 2024: $54,770,230). A summary of operational results is presented below:

	% increase/ (decrease) over corresponding period	30 June 2025 $	30 June 2024 $
Revenue from ordinary activities	18%	117,290,570	99,449,374
Profit/(loss) after tax from ordinary activities attributable to members	34%	(35,953,446)	(54,770,230)
Total comprehensive income / (loss) for the period attributable to members	59%	(21,302,276)	(52,035,242)
Profit/(loss) from ordinary activities after tax attributable to members excluding share based deferred consideration	22%	(35,953,446)	(46,093,817)
Underlying EBITDA	684%	15,377,987	1,961,618

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 2025 $	30 June 2024 $
Total comprehensive income / (loss) for the period attributable to members	59%	(21,302,276)	(52,035,242)
Less: Income tax (benefit) / expense	1%	(6,084,305)	(6,122,130)
Less: Depreciation and amortisation	(19%)	37,506,608	31,515,188
Less: Finance costs	(36%)	10,329,534	7,579,559
Less: Acquisition related expenses	(202%)	1,830,313	605,875
Less: Share based payments - employment related	6%	10,721,941	11,453,519
Less: Share based payments - deferred consideration	100%	-	8,676,413
Less: Foreign exchange differences	Significant	(17,623,828)	288,436
Underlying EBITDA	684%	15,377,987	1,961,618

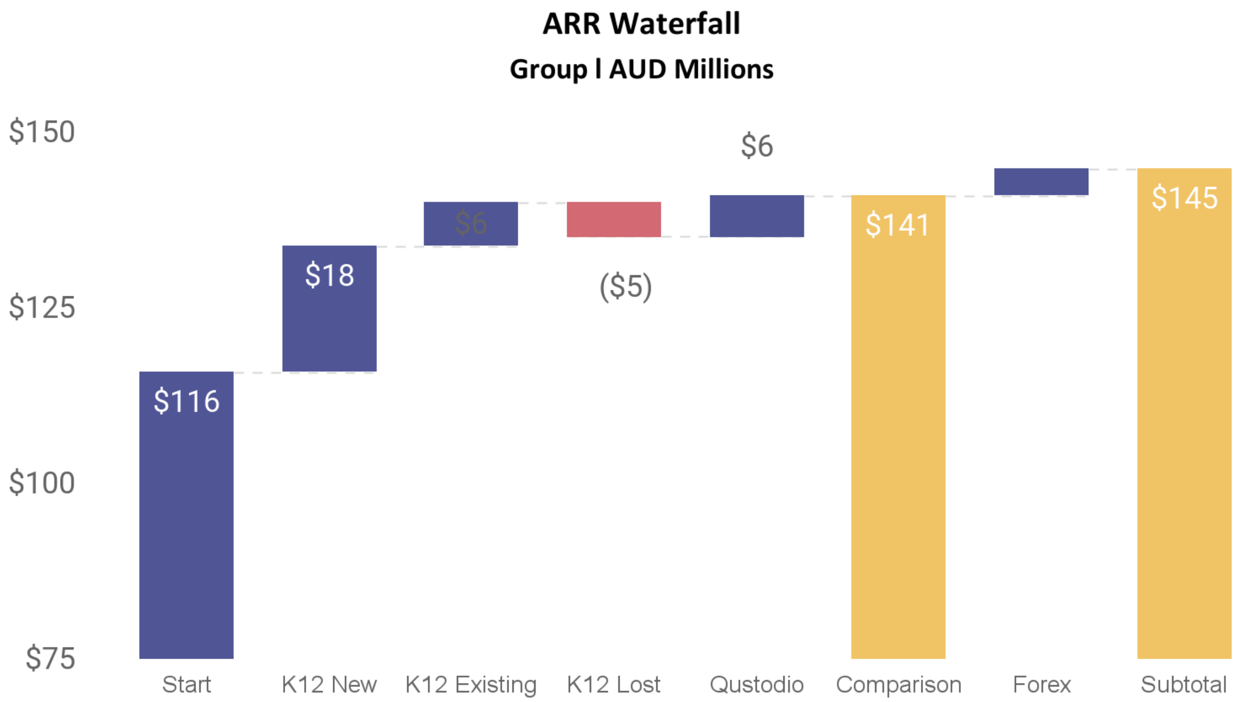
While total comprehensive loss has improved steadily when compared to the prior year, underlying EBITDA has strengthened significantly which is consistent with the Group's targeted approach to achieve operating cash flow break-even point in the near term.

Review of Operations

Review of operations

The Group has successfully transitioned from a phase of high-growth investment to achieving sustainable profitability, marking a substantial increase in underlying EBITDA. During the year ended 30 June 2025, the Group:

- Achieved an EBITDA margin of 13.1%, increasing positive underlying EBITDA significantly from $2.0 million in FY24 to $15.4 million in the current financial year. Margins continue to grow and cost control remains a key focus for the Group.
- Grew ARR 25% during FY25 with an exit ARR of $145 million up from $116 million in FY24. This includes growing Consumer ARR to US$18 million, up 21% year on year. All regions grew strongly, with US and Qustodio being highlights.
- Acquired data analytics innovator Octopus BI funded by a $30 million institutional placement. The acquisition fast-tracks Qoria's entry into the expanding K-12 data analytics market.
- Free cash flow (prior to interest and business combination costs) has improved by $3.5 million or 21% in FY25.



[1] *ARR is a non-IFRS measure used by the Group to assess its contracted recurring revenue at a point in time based on a monthly non-IFRS revenue value.*

Business strategies

Qoria's entire business is focused on protecting and supporting the digital journey of children.

Our mission is to protect and better children's lives. To empower communities through holistic online safety tools and advice. To support educators so that children can thrive. To be a global influence in online safety. We seek to deliver our staff their best ever employment experience and to deliver exceptional returns for our investors.

One of the Group's key objectives is to achieve scale and operating leverage in the provision of online safety tools and advice. This encompasses organic growth as well as growth through acquisition of other similar businesses to open the Company to new opportunities and leverage its past acquisitions and achievements.

Review of Operations

The technologies acquired to date have been complementary to those which already existed within the Group. In this way, the Group is able to provide a 360 degree safety and wellbeing solution which protects children and school services, enables intervention when students are at risk and supports school and community safety and wellbeing programs.

By offering a suite of complementary technologies to a range of closely related markets, the Group is able to cross-sell its full suite of products to its existing customer base as well as new customers. Strategically, this allows the Company to leverage existing customer relationships and satisfy customers' growing needs, adding value where it is increasingly demanded. For example, the launch of the Educator Impact Pulse product, which provides a tool for educators to help understand their students' wellbeing, has been instantly well received with the existing school customers. Through our Community product, the Qustodio parental control solution can be promoted.

The financial impact of this strategy is a stable, growing recurring revenue stream with incremental customer acquisition costs that reduce with growth. It also allows for operating efficiencies achieved through scale by combining functions across the Group.

The Group targets the United States, United Kingdom and European markets, as well as local markets in Australia and New Zealand with its core Education products that are generally marketed to schools. The Group has secured several strategically important agreements during FY25 that significantly expanded its distribution and global footprint:

- **United Kingdom**: An exclusive partnership was signed with Schools Broadband, the UK's largest managed service provider to K-12 schools. This agreement provides direct access to deliver our 'Monitor' safeguarding product to over 3,000 schools and 1.5 million students and staff.
- **Japan**: A strategic partnership with BBSS Corporation, a subsidiary of SoftBank Corp., was announced to introduce our Qustodio parental control solutions to the Japanese market in early 2025. This marks a significant entry into a key, non-English speaking market.
- **United States**: Qoria was selected as a preferred technology provider for the Management Council of the Ohio Education Computer Network. This partnership makes our full suite of services available to over 1,000 school districts and 1.8 million students across the state of Ohio. In addition, Qoria was selected as panel provider and partner by PAIU for all Pennsylvania Districts. Pennsylvania is the 9th largest state by K12 population with 1.7 million students. The agreement encompasses Filter, Classwize, Monitor and Edtech Insights and with the IU's promoting the Linewize offering moving forward, a material increase in Pennsylvania market penetration is expected.

Financially, the Group has delivered both strong top-line growth and a disciplined control of cost base leading to significant improvements in profitability and cash generation. Continued cost synergies resulting from recent and past acquisitions are expected to be realised in coming years and the Group's three year goal is to be the largest and most impactful safety and wellbeing provider globally.

Impact of key developments and relevant events throughout the reporting period

The acquisition of Octopus BI on 3 October 2024, funded by a $30 million institutional placement is expected to be EBITDA contributing within 12 months. The integration of Octopus BI will be rebranded as Qoria Insights and Qoria Intelligence and it provides a strong opportunity to embed solutions into the strategic management of schools whilst allowing the Group to deliver enhanced value to the existing base of over 32,000 schools.

The unification and integration of the Group's acquisitions has continued well over the period, with a number of operational efficiencies delivered through the process. Increased revenue opportunities are also expected in the medium term as the unification process completes and the Group's various technologies become seamlessly available globally.

The Group further improved its financing structure and strengthened its balance sheet during the period, settling the W8 convertible notes relating to the Qustodio acquisition by increasing the AshGrove debt facility to $47,850,000. The Group has formed a significant relationship with AshGrove, a London-based firm and expects this to continue throughout the 5 year term of this facility, of which 3 years remain.

Review of Operations

The Group also established a new Key Management Personnel ("KMP") and Executive Remuneration Framework which includes changes to the remuneration packages of the Managing Director, the Non-Executive Directors and the Executive Leadership Team.

Further details regarding the above key transactions and developments are available throughout the accompanying consolidated financial statements.

Current and upcoming strategic initiatives

The Group continues working on a deliberate commercialisation strategy aimed at building scale, profit and capability. Each of the Group's education segments are focussed on layering products for new and net new growth.

As the emerging global leader in student digital wellbeing the Company is well positioned for its next strategic steps:

- **Unification** - Ongoing unification program to deliver platform efficiencies and CX value.
- **Product expansion** - Investment in technology platforms continues with the launching of EdTech Insights (from the Octopus BI acquisition) and an AI Cloud Scan as an add-on for our Monitor product. In addition, the Group may consider strategic acquisitions of specific products. This is part of a corporate objective to drive average revenue per unit ("ARPU") to $10.
- **Market expansion** - The new partnerships in the UK, Japan and US are considered strategically vital for long-term growth and market leadership.

Qoria is now firmly established as a world leader in online safety tools and advice, supporting educators so that children can thrive. The Group now has over 600 employees across Australia, the UK, US and Europe, serving more than 32,000 schools and 27 million children.

The Group is well positioned to continue to grow through key markets, plus through the cross sell of additional products within education and of the Qustodio consumer product to its existing students.

Material business risks

The Group's key business risk is the material financial risk surrounding the profitability of the Company. The Company continues to trade in a loss-making position, incurring cash outflows as it strives to achieve positive free cash flows through growth.

Some of the other material business risks associated with the Group and its business are detailed below.

Competition risk

The K-12 education and parental controls market is highly competitive. Competition within these markets arises from a number of sources including companies with greater capital resources. Qoria's competitors include telecommunication companies, internet companies and computer software and hardware manufacturers. The Company's performance could be adversely affected if existing or new competitors limit the Group's subscriber growth strategy through aggressive marketing, and improving or expanding their competing product and service offerings.

Commercialisation strategy execution risk

The success of the Group's operations relies on consumers subscribing to the Group's consumer services through both retail and wholesale distribution channels. The number of users/subscribers is crucial for the Group to generate income. A slower or reduced uptake in both retail and wholesale subscriber numbers will affect the Group's earnings ability.

Review of Operations

International business risks

The Group has operations internationally, notably in the USA, UK, Europe, Australia and New Zealand. Wherever the Group sets up operations it is exposed to a range of multi-jurisdictional risks such as risks relating to labour practices, environmental matters, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities) and other issues in foreign jurisdictions in which the Group operates. Businesses that operate across multiple jurisdictions face additional complexities from the unique business requirements in each jurisdiction.

Information technology security & privacy risks

The Group provides a range of products and services to its customers that are reliant on digital technology. As with any digital services, there are inherent risks in terms of confidentiality, privacy, regulatory compliance, integrity and availability of technology which cannot be entirely mitigated.

While much of the Group's technology is built in-house, the platform also utilises and runs on third party technology and software. To protect these systems and the data they house, the Group works closely with industry leading security partners, invests in industry standard frameworks & controls, and employs both internal and external security teams.

Despite this investment, there is a risk that the Group or one of its suppliers is subjected to technological, security or privacy failures such as a breach, data loss, corruption or theft. By way of example, a suppliers' systems could be subject to a malicious attack resulting in a downstream compromise of services or data, impacting the Group's customers networks or customer data. Such events could also result in some or all services being temporarily or permanently disrupted, the loss of intellectual property and the imposition of regulatory fines which may negatively impact the Group's reputation and performance.

Artificial intelligence risk

Artificial intelligence is rapidly developing and threatening to disrupt industries, whilst also creating new revenue streams, enhancing existing offerings and creating operating efficiencies. In parallel, the Group faces potential risks associated with AI misuse, algorithmic bias, regulatory non-compliance, data privacy breaches, reputational damage and ethical concerns. The Group's safety & wellbeing framework is uniquely capable of appreciating and responding to the challenges and opportunities of generative AI and is well positioned to anticipate, evaluate and respond to both the opportunities and challenges presented by generative AI.

Technology choices

Should the services sought after by the Group's existing or prospective customers change over time and should the Group be unable to accommodate such changes due to existing technology choices, then the Group's products and services may be rendered uncompetitive which could materially adversely affect the business, operating results and financial prospects. In these circumstances the Group would be required to commit resources to developing or acquiring and then deploying new technologies for use in operations and to ensure competitive positioning of its services.

Going concern

The financial statements for the year ended 30 June 2025 have been prepared on the basis that the entity is a going concern which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business. During the period the entity incurred net cash outflows from operating and investing activities of $22,163,940 (2024: $18,696,830).

Review of Operations

As at 30 June 2025, the Group had a working capital deficit of $46,749,005 (2024: $52,663,406). On a proforma basis, excluding current contract liabilities of $66,016,568 (2024: $55,421,731) the Group had a working capital surplus of $19,267,563 (2024: $2,758,325).

The Directors believe that the entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report based on forecasted cash flows and continued strong financial management. The Directors believe the Group will have sufficient cash flows to meet all commitments and working capital requirements.

The cash flow forecast is dependent on the Group complying with terms and conditions of lending as agreed from time to time with the lender and incorporates various targets for revenues, operating costs and overheads (Refer Note 15 - Borrowings) which are dependent on the Group's ability to achieve various assumptions around growth, retention rates and cost control. At the date of this report and having considered the above factors the Directors are of the opinion that the Group will be able to continue as a going concern.

Should the entity not be able to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Legal and regulatory risks

The Group provides various services. Amongst other things, the Group's services involve controlling and monitoring online activity in the classroom and at home. Such services are subject to consumer and privacy laws in many jurisdictions. There is a risk that key markets may change laws in areas which may impact the Group's ability to innovate, to trade or may create unexpected costs for the Group. The Group may be subject to other laws in jurisdictions in which it plans to operate and the applicable laws may change from time to time.

Integration risks

A newly-acquired business may consume significant management time, attention and effort during the integration phase. The diversion of management time in this manner may result in adverse outcomes elsewhere in the Group's business. The Group's decision to proceed with an acquisition is premised on a variety of assumptions, including the realisation of various synergy benefits, primarily costs that can be reduced or removed from the combined Group to improve its overall financial performance as well as through cross selling and growth opportunities. The Group may fail to achieve the synergy benefits that it has forecast. Any failure to realise those benefits in any material respect will likely mean that the Group's forecast financial performance of the combined Group will not be achieved. Where companies acquire customers, the potential risk of customer churn is heightened, given that integration of the new customers may involve product changes or disruptions, pricing changes and service disruptions as a result of poorly executed integration planning. If customer churn in respect of any acquisition is material then the revenue contribution assumptions that the Company has made may not be realised.

Key personnel risk

The Group has a number of Key Management Personnel, and its future depends on retaining and attracting these and other suitable qualified personnel. There is no guarantee the Group will be able to attract and retain suitable qualified personnel, and a failure to do so could materially adversely affect the business, operating results and financial prospects.

Review of Operations

Due diligence risk

The Group has undertaken due diligence on the businesses which it has acquired. There is a risk that the due diligence conducted by the Group will not identify issues that are material and may have affected its decision to pursue an acquisition (or proceed to completion of an acquisition). A material adverse issue which is not identified prior to completion of an acquisition could have an adverse impact on the assumed financial position, financial performance or operations of the combined Group. As is usual in the conduct of acquisitions, a due diligence process undertaken by the Group will identify a number of risks associated with an acquisition, which the Group will have to evaluate and manage. The mechanisms used by the Group to manage these risks may, in certain circumstances, include the acceptance of particular risks as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by the Group may be insufficient to mitigate these risks, or that the materiality of these risks may be underestimated, and hence they may have a material adverse impact on the Group's financial position or performance.

Debt financing and covenant compliance risks

The Group's future financial performance or other events may affect its ability to service its debt obligations or comply with the undertakings in its debt agreements including its compliance with debt covenants. Should the Group not be compliant, it may be subject to unfavourable terms of finance which may include increased finance costs, reductions or restrictions to the availability of financing facilities or the requirement of early settlement of existing debt obligations.

Directors' Report

Directors

The Directors in office at any time during the financial year and until the date of this report are as follows:

Tim Levy	Managing Director
Peter Pawlowitsch	Non-Executive Independent Chairman
Phil Warren	Non-Executive Independent Director
Matthew Stepka	Non-Executive Independent Director
Georg Ell	Non-Executive Independent Director (Independent from January 2025)
Jane Watts	Non-Executive Independent Director

The Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Company Secretary

On 1 August 2025, Stephanie Majteles was appointed as Company Secretary. The appointment follows the resignation of Jack Rosagro who was appointed Company Secretary on 16 October 2024 following the resignation of Kate Sainty.

Principal activities

Qoria is a technology Group focussed on cyber safety. Meeting a growing demand to keep kids safe online and manage digital lifestyles, Qoria has developed a unique ecosystem-based approach to cyber safety. The Qoria ecosystem is a platform from which cyber safety settings, advice, and support can be delivered across any network and any device – offering a universal approach to cyber safety at home, at school and anywhere in between. The innovation of the Qoria ecosystem is that it not only supports the needs of schools and parents but also that it also permits telecommunication service providers and device manufacturers to embed world's-best practice cyber safety into their offerings. The principal activities of the Group during the year have been continued sales and distribution, marketing and customer support of its suite of cyber safety products and services. There have been no other significant changes in the nature of these activities during the financial year.

Results

The Group reported total revenue and other income for the year ended 30 June 2025 of $117,880,828 (30 June 2024: $101,883,723) with revenue from ordinary activities being $117,290,570 (30 June 2024: $99,449,374).

The net loss attributable to members of the Group for the year ended 30 June 2025 amounted to $35,953,446 (30 June 2024: $54,770,230).

Review of operations

The operations of the Group during the financial year have focussed on the sales and marketing of its suite of cyber safety products and services through its key distribution channels as well as the provision of ongoing customer support services and continual improvement and upgrade of its services.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group that occurred during the reporting period not otherwise disclosed in this report or the financial statements.

Directors' Report

Likely developments

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Group that were not finalised at the date of this report.

Environmental regulation

The Group is not subject to any significant environmental Commonwealth or State regulations or laws.

Dividends

There were no dividends paid or declared or recommended since the start of the financial year.

Events after balance date

On 3 July 2025, Non-executive Directors Peter Pawlowitsch, Phil Warren, Matthew Stepka, Georg Ell and Jane Watts exercised 453,786, 113,447, 272,272, 90,757 and 226,894 Non-Executive Director Options for ordinary shares respectively.

On 18 July 2025, 15,000,000 shares were issued to the Company's treasury share trust to be transferred/allocated to employees on the exercise of options and performance rights under the Company's Employee Share Scheme.

Apart from the events discussed above, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Report

Information on Directors

Mr Tim Levy

B. Com, CA

Experience and expertise

Mr Levy is a successful telecommunications and technology entrepreneur. He is the founder of Vodafone's largest Australian retail partner Mo's Mobiles and was the former CEO and COO of listed Optus reseller B Digital Limited. Prior to working in commerce Mr Levy was a management consultant at Andersen's working in technology and change projects across Australia, South Africa, Zambia, Jordan and Saudi Arabia.

Mr Levy is a graduate of the University of Western Australia and was a practising Chartered Accountant prior to his move into commerce.

Other current directorships of ASX listed companies

- None

Other directorships held in ASX listed companies in the last three years

- None

Mr Peter Pawlowitsch

B. Comm, CPA MBA, FGIA

Experience and expertise

Mr Pawlowitsch is an experienced ASX company Director. Mr Pawlowitsch specialises in technology businesses and the transition from startup to sustainability with over 20 years of experience in the industry. Mr Pawlowitsch's extensive experience in assessing and negotiating acquisitions has been important as the Company has grown via a combination of organic growth and acquisitions. Further, as the Company is global and has dealings with a range of cultures with varying approaches in each market, Mr Pawlowitsch's experience living and working in 9 different countries is very valuable.

Mr Pawlowitsch is also a Fellow of the Governance Institute of Australia and holds a Master of Business Administration from Curtin University. These qualifications have underpinned more than 20 years of experience in the Accounting profession and more recently in business management and the evaluation of businesses and projects.

Other current directorships of ASX listed companies

- VRX Silica Limited (February 2010 – present) Non-Executive Director
- Novatti Group Limited (June 2015 – present) Non-Executive Chairman
- Fortuna Metals Limited (formerly Lanthanein Resources Limited) (May 2025 - present) Non-Executive Chairman

Other directorships held in ASX listed companies in the last three years

- Dubber Corporation Limited (September 2011 – December 2024)

Information on Directors (continued)

Mr Phil Warren

B. Com, CA

Experience and expertise

Mr Warren is a Chartered Accountant and a principal of Automic Group. Mr Warren has over 30 years of experience in finance and corporate roles in Australia and Europe. He has specialised in equity capital markets, mergers and acquisitions, capital raisings, debt financing, financial management, corporate governance and company secretarial services for a number of public and private companies.

Mr Warren has established a number of ASX listed companies and continues to act as corporate advisor to some of these companies.

Other current directorships of ASX listed companies

- Rent.com.au Limited (September 2014 – present) Non-Executive Director
- Narryer Metals Limited (July 2021 – present) Non-Executive Director
- Killi Resources Limited (August 2021 – present) Non-Executive Director
- Anax Metals Limited (April 2021 – present) Non-Executive Director

Other directorships held in ASX listed companies in the last three years

- None

Mr Georg Ell

Experience and expertise

Mr Ell was the Chief Executive Officer of the Smoothwall business in the UK from May 2018 until its acquisition by Qoria in August 2021. He stepped down from the CEO role and became a Non-Executive Director of Qoria Limited in January 2022.

During his time as Chief Executive Officer of Smoothwall, he focused on growth through developing a strong culture, innovating with new product lines, a transition to a SaaS business model, a high degree of customer orientation, implementation of customer success principles and M&A. Under his leadership Smoothwall was twice a Top 100 UK employer and won two and three stars in the annual Sunday Times' Best Companies Awards for employee engagement.

Prior to joining Smoothwall, Mr Ell was a Director for Western Europe at Tesla for more than four years where he led a team of over 330 people across the UK, Ireland, Netherlands, Belgium and Luxembourg on a mission to accelerate the world's adoption of sustainable energy. He was also the general manager of EMEA for the enterprise social networking service Yammer which was acquired by Microsoft. Mr Ell started his career at Microsoft where he was the first quota-carrying salesperson for Microsoft's enterprise cloud business in Europe.

Today, Mr Ell is CEO of Phrase, a Carlyle-backed SaaS language technology business which uses AI, machine translation and sophisticated workflow technology to help companies of all sizes to localize all forms of their content.

Mr Ell is a venture partner and Senderwood Fellow with LocalGlobe, a venture partner with Craft Ventures, and an advisory board member of EQL:Her. Mr Ell's broad and executive level industry experience provides important industry expertise to the Qoria Board.

Other current directorships of ASX listed companies

- None

Other directorships held in ASX listed companies in the last three years

- None

Directors' Report

Information on Directors (continued)

Mr Matthew Stepka

B.Science, Juris Doctorate

Experience and expertise

Mr Stepka is Managing Director of Machina Ventures, an investment firm focused on early stage, artificial intelligence enabled companies. He is also a Lecturer at UC Berkeley, Haas School of Business. Previously, Mr Stepka was Vice President, Business Operations and Strategy at Google where he led and incubated strategic initiatives, especially mission-driven projects with high social impact, over his nine years with the company. Mr Stepka was a leading innovator in Artificial intelligence and is considered an industry expert.

Prior to joining Google, Mr Stepka held positions including Vice President at drugstore.com, Chief Operating Officer at WorldRes (a leading online hotel reservation network), Management Consultant with McKinsey & Company and Systems Consultant with Price Waterhouse.

Mr Stepka holds a Juris Doctorate from UCLA School of Law. He has Bachelor of Science degrees in Computer Engineering and Management from Case Western Reserve University. Mr Stepka serves as a Trustee of the Knight Foundation. Previously he served on the Board of the World Affairs Council and is an inaugural Disruptor Foundation Fellow. Mr Stepka is an inactive member of the California State Bar.

Other current directorships of ASX listed companies

- None

Other directorships held in ASX listed companies in the last three years

- None

Dr Jane Watts

B. Social Science (Honours, cum laude), Ph.D., GAICD

Experience and expertise

Dr Jane Watts is a Non-Executive Director with over 30 years of frontline experience across banking and financial services as a senior executive leading significant P&L businesses in Westpac (including BT Financial Group), Macquarie and Lendlease. Most recently Dr Watts was the Chief Customer Engagement Officer for the Business Bank of Westpac, which included SME and commercial banking for Westpac, St.George Bank, Bank of Melbourne and BankSA.

Dr Watts was also formerly a Non-Executive Director on the financial advisory and accounting boards of Findex and Lachlan Partners and is currently on the boards of Liberty Financial (ASX: LFG), Orygen, Westpac Foundation and Chair of the Orygen Youth Mental Health Foundation. She is also on the Hospital Advisory Board of Birchtree Centre and is a Director at the B Team Australasia's Climate Leaders Coalition, focusing on Demand-Side Energy, Carbon Pricing, Scope 3 and Credible Transition Action Plans.

Dr Watts brings specialised expertise in organisational psychology and youth wellbeing, holding a PhD in Organisational Psychology and registration as a (non-practising) psychologist. Through her role on the Board of Orygen, the world's largest youth mental health translational research institute, she has unique insights into child and adolescent wellbeing — directly relevant to Qoria's mission of protecting the digital journey of students. In addition, her executive career leading major P&L businesses across banking and financial services provides the Board with deep risk oversight, governance expertise and commercial acumen.

Other current directorships of ASX listed companies

- Liberty Financial Group Limited (July 2022 - present) Non-Executive Director

Other directorships held in ASX listed companies in the last three years

- None

Directors' Report

Meetings of Directors

The number of Board meetings held and the number attended by each of the Directors, for the year ended 30 June 2025:

Director	Number of Board meetings eligible to attend	Number of Board meetings attended
Tim Levy	8	8
Peter Pawlowitsch (Chairman)	8	8
Phil Warren	8	8
Matthew Stepka	8	7
Georg Ell	8	8
Jane Watts	8	8

The number of Audit Committee meetings held and the number attended by each of the Directors, for the year ended 30 June 2025:

Director	Number of Audit Committee meetings eligible to attend	Number of Audit Committee meetings attended
Phil Warren (Chairman)	6	6
Peter Pawlowitsch	6	5
Jane Watts	6	6

The number of Remuneration Committee meetings held, and the number of meetings attended by each of the Directors, for the year ended 30 June 2025:

Director	Number of Remuneration Committee meetings eligible to attend	Number of Remuneration Committee meetings attended
Jane Watts (Chair)	2	2
Peter Pawlowitsch	2	2
Phil Warren	2	2

Directors' interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in fully paid ordinary shares (shares) and unlisted options (options) of the Group were:

Director	Shares	Options
Tim Levy	18,410,667	8,981,856
Peter Pawlowitsch	15,969,935	226,893
Phil Warren	1,859,108	1,513,447
Matthew Stepka	3,327,828	1,536,136
Georg Ell	3,515,410	2,190,757
Jane Watts	782,450	2,213,447

Directors' Report

Indemnification and insurance of Directors and Officers

The Company indemnifies the Directors and Officers of the Company for costs incurred, in their capacity as a Director or Officer, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a market rate premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. For confidentiality purposes the insurer has recommended not to disclose the nature of the liability and the amount of the premium.

Proceedings on behalf of the Group

No person has applied for leave of Court under Section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Group.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2025 is provided in this report.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 27 to the accompanying financial statements.

The Directors are of the opinion that the services do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics or Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board (APES), including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important. The Directors are satisfied that the provision of non-audit services during the financial year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Directors' Report

Unissued shares under option

At the date of this report unissued ordinary shares, or interests of the Company under option, are:

Options	Grant date	Exercise Price ($)	Expiry date	Number of securities
Director options	24/01/2022	0.60	31/12/2025	2,100,000
WC Facility Options	18/01/2022, 01/08/2022 & 24/03/2023	0.60	31/01/2026	7,000,000
Director options	02/06/2022	0.60	31/12/2025	2,100,000
Co sec options	22/08/2022	0.60	31/12/2025	350,000
Director options	29/11/2022	0.60	31/12/2025	2,800,000
Non-executive director options	17/08/2023	0.00	30/06/2027	680,680
Executive director STI options	17/08/2023	0.00	30/06/2027	1,338,447
Executive director LTI options	17/08/2023	0.00	30/06/2027	2,722,721
Executive director TSR options	17/08/2023	0.36	30/06/2027	3,000,000
Executive Director STI Options - FY25	21/11/2024	0.00	30/06/2028	715,642
Executive Director LTI Options - FY25	21/11/2024	0.00	30/06/2028	580,046
Executive Director TSR Options - FY25	21/11/2024	0.65	30/06/2028	625,000
Ashgrove warrants	24/01/2024	0.24	22/01/2029	16,045,408
Performance rights	02/03/2020 - 07/02/2024	0.00	31/10/2025 - 31/12/2029	87,639,497
Total				**127,697,441**

Shares issued during or since the end of the year as a result of exercise of options & rights

During the year, and as at the date of this report, details of ordinary shares issued by the Company as a result of the exercise of Options and Performance Rights are:

Options	Date Granted	Exercise Price	Number of Shares issued	Amount paid for Shares
Director zero price options	19/11/2021	$0.00	2,000,000	-
Zero price options	17/08/2023	$0.00	1,361,360	-
Performance / Remuneration Rights	02/03/2020 - 07/02/2024	Nil	34,608,236	-
Total			**37,969,596**	**-**

Rounding of amounts

The Company has applied the relief available to it in ASIC Legislative Instrument 2016/191, and accordingly certain amounts included in this report and in the financial report have been rounded off to the nearest $1 (where rounding is applicable), under the option available to the Company under ASIC Corporations (Amendment) Instrument 2022/519.

Directors' Report

Remuneration report (Audited)

Dear Shareholder

On behalf of the Board of Qoria Limited ("Qoria" or the "Company"), I am pleased to present the 2025 Remuneration Report and outline our remuneration framework and strategy moving forward as we grow and mature. Qoria's focus for our remuneration framework is to align executive performance and retention with long term Shareholder returns.

Since 2023, the Remuneration Incentive Scheme has evolved, taking into account the size of the Company's business, the scale of its executive team, the nature and stage of development of current operations, prevailing market conditions and comparable salary levels for companies of a similar size and operating in similar sectors. As part of this process, Qoria also commissioned an independent benchmarking report. The key objectives of the Remuneration Incentive Scheme are to:

- provide competitive rewards to attract and retain high calibre executives;
- align the Executives with Shareholders by providing both short term and long term security-based remuneration incentives;
- align Executives' incentives to the Company's annual recurring revenue targets, cash flow, EBITDA targets, strategic objectives and operational milestones;
- link Executive rewards to Shareholder value;
- allocate a significant portion of Executive remuneration to 'at risk' variable compensation, dependent upon performance and achievement of pre-determined benchmarks; and
- ensure that performance benchmarks are balanced yet demanding.

Key changes to the Executive Remuneration Framework for FY24 to FY26 include:

- A move away from any STI or LTI remuneration tied solely to continued employment for the KMP and Senior Leadership Team (SLT). All STI and LTI arrangements for members of the SLT are now contingent on performance as well as continued employment;
- STI targets are a combination of stretching operational targets including achieving budgeted targets for operating cash flow, Cash EBITDA, Annual Recurring Revenue, job performance and employee satisfaction. LTI targets cover ARR growth including in non-English speaking markets, B2B2C growth and employee satisfaction;
- In FY26 a relative TSR measure was added to Mr Levy's LTI remuneration package in response to feedback from proxy advisors. The absolute TSR metric has also been retained and has aggressive stretch targets as noted below;
- A total of 625,000 TSR Options were allocated to our Managing Director in FY25. These options can be achieved earlier than three years. Nevertheless, early vesting would require share price growth of 250% to $1.25 compared to the share price at the time of structuring these awards (circa $0.36) and at the date of this report. Significant shareholder value would be delivered in this scenario and they represent less than 7% of total remuneration.

Further changes were made to the Executive Remuneration Framework for FY25 to FY27 including:

- Cash flow targets were amended to include investing activities following the accounting policy change to capitalise development costs, as this represents a material expense for the business.

FY2025 performance

Setting challenging targets is evidenced by the STI outcomes. The business delivered strong growth with ARR up 25%, cash EBITDA improved by $13.4m or 684% and free cash flows up $3.5 million or 21%. Notwithstanding these results, STI awards were achieved at 82% reflecting the stretch nature of targets set for Executives. One tranche of LTI in relation to the CFO's initial remuneration package vested in FY25, and the only condition of this tranche was ongoing service. All future LTI have both ongoing service and performance conditions attached to them. No other LTI vested.

We look forward to continuing to refine Qoria's remuneration framework in FY26 and beyond to ensure our strategic objectives are achieved and we are delivering long term value to Shareholders.

Dr Jane Watts
Chair of Remuneration Committee - Qoria Limited

Directors' Report

Remuneration report (Audited)

This report outlines the remuneration arrangements in place for Key Management Personnel ("KMP") of the Group for the year ended 30 June 2025. The information contained in this report has been audited as required by section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, encompassing any Director (whether executive or otherwise) of the Group, and includes specified executives in the Group.

Remuneration for Directors and executives is set competitively to attract and retain appropriately qualified and experienced individuals. The Board may obtain independent advice on the appropriateness of remuneration packages given trends in comparative companies both locally and internationally and the objectives of the Group's remuneration strategy.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of value creation for Shareholders. The remuneration structures take into account:

- the capability and experience of the Directors and senior executives;
- the Directors' and executives' ability to control the relevant performance;
- the Group's performance; and
- the amount of incentives within each Director's and executive's remuneration.

Remuneration levels will, if necessary, be reviewed annually by the Board through a process that considers the overall performance of the Group. If required, external consultants provide analysis and advice to ensure the Directors' and senior executives' remuneration is competitive in the marketplace.

The remuneration policy will be tailored to increase goal congruence between Shareholders and Directors and other KMP. This will be facilitated through the issue of options and performance shares to KMP to encourage the alignment of personal and Shareholder interests. The Group believes this policy will be effective in increasing Shareholder wealth.

The Company does not currently maintain minimum shareholding guidelines for Directors, as appointments are made based on their skills, experience and ability to support the Company in achieving its strategic objectives. The Board considers that mandating share ownership could unnecessarily restrict the pool of qualified candidates. Notwithstanding the absence of formal guidelines, the Company's KMP hold significant interests in shares, options and performance rights, ensuring strong alignment with shareholder interests.

1. Key management personnel

Directors		
Tim Levy	Managing Director	Appointed 1 April 2014
Peter Pawlowitsch	Non-Executive Chairman	Appointed 24 September 2019
Phil Warren	Non-Executive Director	Appointed 13 May 2016
Matthew Stepka	Non-Executive Director	Appointed 1 May 2020
Georg Ell	Non-Executive Director	Appointed 21 January 2022
Jane Watts	Non-Executive Director	Appointed 2 June 2022
Executives		
Crispin Swan[1]	Chief Operating Officer	Appointed 3 September 2015
Ben Jenkins	Chief Financial Officer	Appointed 15 August 2022

[1] *Crispin Swan held a position as Executive Director until his resignation from the Qoria board on 8 February 2023.*

Directors' Report

Remuneration report (Audited)

2. Executive remuneration structures

The following remuneration components are in place for executive employees:

Condition type	Remuneration component	Description
Service-based remuneration	Fixed annual remuneration	Base salary, statutory superannuation and other benefits.
	Employee share scheme (ESS)	In previous financial years, performance rights were issued under the employee share scheme (ESS) and were granted across three equal tranches and vest subject to the achievement of an underlying service condition to remain employed by the Group at each vesting date. These rights continue to vest in the current financial year. In future periods, no ESS will be issued to executives.
Performance-based remuneration	Short term incentive (STI)	Short term incentive performance rights are subject to vesting conditions of continued employment at the milestone date, specified job performance ratings and revenue growth targets.
	Long term incentive (LTI)	Long term incentive performance rights are subject to vesting conditions of continued employment at the milestone date and operational milestones.

Remuneration and other terms of employment for executives are formalised in employment agreements. Each of these employment agreements provides for the payment of fixed and performance-based remuneration and employer superannuation contributions. The following outlines the details of these agreements:

Name	Agreement expires	Notice of termination by Company	Employee notice
Crispin Swan	No expiry, continuous agreement	12 months	12 months
Ben Jenkins	No expiry, continuous agreement	12 months	6 months

2.1 Executive service-based remuneration

Executives receive fixed annual remuneration in the form of base salary, statutory superannuation, leave entitlements and other benefits. In previous financial years, executives were also issued performance rights under the Employee share scheme (ESS). ESS performance right allocations were determined based on a fixed percentage of the executives' base salary and the 20-day VWAP.

2.2 Executive performance-based remuneration

The Group also maintains the Executive Incentive Scheme for executives focused on aligning the executives' incentives to the Company's annual recurring revenue targets, positive cash flow, EBITDA targets, strategic objectives and operational milestones. Emphasis has been placed on the following specified areas in determining the remuneration policy for executives:

- the Company is in a growth and development stage of its life cycle; and
- as the Company is transitioning to being cash flow positive, it is increasing the cash base salaries and reducing the proportion that is issued using equity.

Executive STI and LTI rights allocations were determined based on a fixed percentage of the executives' base salary and the 20-day VWAP.

Directors' Report

Remuneration report (Audited)

2.2.1 Executive performance-based remuneration targets

During the year ended 30 June 2025, the following STI and LTI performance rights were issued to executives. The objectives and milestones for short-term and long-term incentives for the executives are detailed below:

Class of performance rights	Vesting conditions			Milestone date
STI Performance rights	**Weighting**	**Operational milestone**	**Other vesting conditions**	30 June 2025
	20%	Achieve budgeted trading cash flow	Continued employment with the Company in existing role from issue date until the vesting date	
	20%	Achieve budgeted cash EBITDA		
	20%	Achieve ARR budget		
	20%	Satisfactory job performance		
	20%	Satisfactory employee engagement score		
LTI 2025 Performance rights	20%	Achieve the Company's scale ARR ambition	Continued employment with the Company in existing role from issue date until the vesting date	30 June 2027
	20%	Achieve the Company's rule of 40 value ambition		
	20%	Achieve the Company's ARR from NESM goal ambition		
	20%	Achieve the Company's ARR from B2B2C ambition		
	20%	Achieve the Company's engagement ambition		

During the year ended 30 June 2024, the Company implemented a new Executive Remuneration Framework. The objectives and milestones for short-term and long-term incentives for the executives are detailed below:

Class of performance rights	Vesting conditions			Milestone date
STI 2024 Performance rights	**Weighting**	**Operational milestone**	**Other vesting conditions**	30 June 2024
	20%	Achieve budgeted operating cash flow	Continued employment with the Company in existing role from issue date until the vesting date	
	20%	Achieve budgeted cash EBITDA		
	20%	Achieve ARR budget		
	20%	Satisfactory job performance		
	20%	Satisfactory employee engagement score		
LTI 2024 Performance rights	30%	Achieve the Company's scale ARR ambition	Continued employment with the Company in existing role from issue date until the vesting date	30 June 2026
	20%	Achieve the Company's ARR from NESM goal ambition		
	30%	Achieve the Company's ARR from B2B2C ambition		
	20%	Achieve the Company's engagement ambition		

2.2.2 Executive performance-based remuneration outcomes

For the STI 2025 performance rights issued to Crispin Swan and Ben Jenkins during the year ended 30 June 2025, 20% of the milestones targets were linked to cash EBITDA, 20% to annual recurring revenue (ARR), 20% to job performance and 20% to employee engagement score. All of these milestones vested at 100%. The remaining 20% were linked to operating cash flow. The table below shows the 64.6% increase in cash EBITDA from prior year that was achieved resulting in a payment of 99% of the total rights allocated to this milestone. The rights vested accordingly as of 30 June 2025:

Directors' Report

Remuneration report (Audited)

STI 2025 Performance Rights	30 June 2025	30 June 2024	Growth (%)	Awarded (%)
Trading Cash Flow[1]	(13,492,411)	(16,606,395)	18.8%	12.3%
Cash EBITDA[2]	(6,674,030)	(18,829,647)	64.6%	99%
Annual Recurring Revenue[3]	145,465,716	115,999,065	25.4%	100%

[1] *Whilst the milestone for operating cash flow was not met, the Annual Recurring Revenue milestone was met at 112% and the excess 12% is carried to the milestone not achieved.*

[2] *Cash EBITDA is the underlying EBITDA disclosed in the operational review, adjusted for the impacts of capitalised development costs in line with the original milestone.*

[3] *Annual Recurring Revenue for the year ended 30 June 2024 excludes revenue from the previously 100% owned subsidiary Digital Literacy (known as 'Migiri') which was deconsolidated from the Group as part of the partial divestment that occurred on 1 June 2024.*

3. Director remuneration structures

The following remuneration components are in place for Directors:

Condition type	Remuneration component	Description
Executive Director		
Service-based remuneration	Fixed annual remuneration	Base salary, statutory superannuation and other benefits.
Performance-based remuneration	Short term incentive (STI)	In previous financial years, short term incentives were issued as performance rights with job performance and revenue growth targets. In the current financial year, short term incentives are zero price share options with operational milestones.
	Long term incentive (LTI)	In previous financial years, long term incentives were issued as performance rights with operational milestones. From FY24 onwards, long term incentives are both zero price share options with operational milestones and total shareholder return (TSR) options with 20-day VWAP target vesting conditions.
Non-Executive Directors		
Service-based remuneration	Fixed annual remuneration	Base salary, statutory superannuation and other benefits.
	Non-Executive Director (NED) Options	In previous financial years, options were issued to Non-executive Directors on an adhoc basis as approved by the board. In FY24, a fixed Non-executive Director remuneration structure was implemented whereby Non-executive Directors elected to receive a portion of their fixed annual remuneration as Zero Price Options which vest in three tranches over three years with continued service.

The Company has an executive services agreement with Tim Levy for his role as Managing Director of the Group which commenced 29 August 2016 (when the Company was admitted to the Official List of ASX) and continues until terminated under the termination provisions outlined below. The principal terms of this agreement (as varied) are as follows:

a) a base salary of $500,000 per annum, including statutory superannuation, effective 1 July 2023;

b) the agreement may be terminated;

   i) by either party without cause with 12 months written notice or, if the Company elects to, with payment in lieu of notice;

   ii) by the Company with one month's notice, or immediately with payment in lieu of notice if Tim Levy is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12-month period;

   iii) by either party with 12 months written notice if the role of Managing Director becomes redundant. If the Company terminates the employment of Tim Levy within 12 months of a change of control, it will be deemed to be a termination by reason of redundancy. If the Company terminates for a reason of redundancy, it shall be obliged to pay Tim Levy for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 12 months base salary (less tax) and any accumulated entitlements;

iv) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and

v) by Tim Levy immediately, by giving notice, if the Company is in breach of a material term of this agreement.

The Group has also entered into Non-Executive Director appointment letters outlining the policies and terms of this appointment including compensation. Non-Executive Director fees are set based on fees paid to other Non-Executive Directors of comparable companies. The aggregate remuneration for Non-Executive Directors has been set by the Board at an amount not to exceed $1,000,000 per annum, as approved by Shareholders on 17 August 2023.

Non-Executive Director Peter Pawlowitsch receives a base fee of $167,250 per annum (including statutory superannuation and $15,000 for committee fees). $50,000 of the base fee is received in zero-exercise priced options with the remainder of the base fee and statutory superannuation paid in cash. Peter Pawlowitsch received ZEPOs as set out in section *3.1 Director service-based remuneration* below.

Non-Executive Director Phil Warren receives a base fee of $83,625 per annum (including statutory superannuation and $15,000 for committee fees). $25,000 of the base fee is received in zero-exercise priced options with the remainder of the base fee and statutory superannuation paid in cash. Phil Warren received ZEPOs as set out in section *3.1 Director service-based remuneration* below.

Non-Executive Director Matthew Stepka receives a base fee of $66,900 per annum (including statutory superannuation equivalent). $30,000 of the base fee is received in zero-exercise priced options with the remainder of the base fee and statutory superannuation equivalent paid in cash. Matthew Stepka received ZEPOs as set out in section *3.1 Director service-based remuneration* below.

Non-Executive Director Georg Ell receives a base fee of $66,900 per annum (including statutory superannuation equivalent). $20,000 of the base fee is received in zero-exercise priced options with the remainder of the base fee and statutory superannuation equivalent paid in cash. Georg Ell received ZEPOs as set out in section *3.1 Director service-based remuneration* below.

Non-Executive Director Jane Watts receives a base fee of $83,625 per annum (including statutory superannuation and $15,000 for committee fees). $25,000 of the base fee is received in zero-exercise priced options, with the remainder of the base fee and statutory superannuation paid in cash. Jane Watts received ZEPOs as set out in section *3.1 Director service-based remuneration* below.

The Company does not have a Directors' retirement scheme in place at present.

3.1 Director service-based remuneration

On 17 August 2023, the Board approved the issue of 2,042,040 zero exercise price options to Non-Executive Directors as part of the revised remuneration for the year ending 30 June 2024. The Non-Executive Director options issued during the year ended 30 June 2024 have been valued at the share price on the grant date ($0.23) and are subject to the following service based conditions:

Directors' Report

Remuneration report (Audited)

Class	Exercise	Vesting conditions		Vesting date
NED Director Options	Each Tranche of NED Director Option will convert into one Share for no consideration on exercise by the holder, prior to the Expiry Date, once vested	**Tranche**	**Vesting Condition**	
		Non-executive Director Options - Tranche 1	Continued service of the holder as a director, consultant or employee of the Company until 30 June 2024.	30 June 2024
		Non-executive Director Options - Tranche 2	Continued service of the holder as a director, consultant or employee of the Company until 30 June 2025.	30 June 2025
		Non-executive Director Options - Tranche 3	Continued service of the holder as a director, consultant or employee of the Company until 30 June 2026.	30 June 2026

When the Company implemented its current remuneration plan commencing 1 July 2024 for the three year period ending 30 June 2026, and taking into account the size and stage of establishment of the business, remuneration consultants recommended that NEDs be permitted to salary sacrifice a portion of their fees into equity. This was effected through zero exercise options, consistent with advice received from the consultants, and the aggregate quantum for the three year period was approved by shareholders on 17 August 2023.

As these equity instruments represent only a portion of each relevant NED's fees, and vest solely on a time-based basis, the Company considers that they create alignment with shareholder interests and do not compromise Director independence. This structure will be reviewed as part of the new remuneration plan for the year ending 30 June 2027, noting that the Company has grown significantly over the past two years and it is expected that adjustments will be made to reflect this evolution.

3.2 Director performance-based remuneration

3.2.1 Director performance-based remuneration targets

The objectives and milestones for short-term and long-term incentives issued to the Executive Director during the year ended 30 June 2025 are detailed below:

Class	Exercise	Vesting conditions			Milestone date
Executive Director STI Options	Each STI zero exercise price option ("ZEPO") will convert into one Share for no consideration on exercise by the holder, prior to the Expiry Date, once vested	**Weighting**	**Operational milestone (to be achieved by 30 June 2025)**	**Other vesting conditions**	
		20%	Achieve budgeted trading cash flow	Continued employment with the Company in existing role from issue date until the vesting date	30 June 2025
		20%	Achieve budgeted cash EBITDA		
		20%	Achieve ARR budget		
		20%	Satisfactory job performance1		
		20%	Satisfactory employee engagement score1		
Executive Director LTI Options	Each LTI ZEPO will convert into one Share for no consideration on exercise by the holder, prior to the Expiry Date, once vested	**Weighting**	**Operational milestone (to be achieved by 30 June 2027)**	**Other vesting conditions**	
		20%	Achieve the Company's scale ARR ambition	Continued employment with the Company in existing role from issue date until the vesting date	30 June 2027
		20%	Achieve the Company's rule of 40 value ambition		
		20%	Achieve the Company's ARR from NESM goal ambition		
		20%	Achieve the Company's ARR from B2B2C ambition		
		20%	Achieve the Company's engagement ambition		

Directors' Report

Remuneration report (Audited)

Class	Exercise	Vesting conditions	Milestone date
Executive Director Total Shareholder Return ("TSR") Options	Each Tranche LTI TSR Option entitles the holder to subscribe for one Share upon payment of the exercise price of $0.36, at any time prior to the Expiry Date, once vested	20-day VWAP of $1.25 by 30 June 2027 and continued service until 20-day VWAP of $1.25 is achieved.	30 June 2027

[1] *Employee engagement and job performance are a recognised determining factor and modifier of long term financial performance of businesses and therefore an important inclusion to our remuneration framework.*

During the year ended 30 June 2024, the Company implemented a new Executive Director Remuneration Framework. The objectives and milestones for incentives continuing to vest in the current year for the Executive Director are detailed below:

Class	Exercise	Vesting conditions			Milestone date
Executive Director LTI Options	Each LTI ZEPO will convert into one Share for no consideration on exercise by the holder, prior to the Expiry Date, once vested	**Weighting**	**Operational milestone (to be achieved by 30 June 2026)**	**Other vesting conditions**	
		30%	Achieve the Company's scale ARR ambition	Continued employment with the Company in existing role from issue date until the vesting date	30 June 2026
		20%	Achieve the Company's ARR from NESM goal ambition		
		30%	Achieve the Company's ARR from B2B2C ambition		
		20%	Achieve the Company's engagement ambition		
Executive Director Total Shareholder Return ("TSR") Options1	Each Tranche LTI TSR Option entitles the holder to subscribe for one Share upon payment of the exercise price of $0.36, any time prior to the Expiry Date, once vested	**Tranche**	**Vesting Condition**		
		Tranche 1 TSR Options	20-day VWAP of $0.75 by 30 June 2026 and continued service with the Company until 20-day VWAP of $0.75 is achieved.		30 June 2026
		Tranche 2 TSR Options	20-day VWAP of $1.00 by 30 June 2026 and continued service until 20-day VWAP of $1.00 is achieved.		
		Tranche 3 TSR Options	20-day VWAP of $1.25 by 30 June 2026 and continued service until 20-day VWAP of $1.25 is achieved.		

[1] *Whilst the TSR Options may vest early upon achievement of the above vesting conditions, the significant gap between the share price on the grant date ($0.225) and the VWAP milestones of $0.75, $1.00 and $1.25, suggests a long term vesting period. Early vesting would require substantial share price appreciation, delivering substantial returns to shareholders.*

3.2.2 Director performance-based remuneration outcomes

Management has assessed the probability of achieving the vesting conditions and milestones as at reporting date. If it was assessed that the hurdle was likely to be met prior to the expiry date, the share-based payment expense has been adjusted to reflect a shorter vesting period. Management has applied a 100% probability of achievement for all hurdles which have not yet reached their milestone date.

For the STI 2025 options issued to Tim Levy during the year ended 30 June 2025, 20% of the milestones targets were linked to cash EBITDA, 20% to annual recurring revenue (ARR), 20% to job performance and 20% to employee engagement score. All of these milestones vested at 100%. The remaining 20% were linked to operating cash flow. The table below shows the 64.6% increase in cash EBITDA from prior year that was achieved resulting in a payment of 99% of the total rights allocated to this milestone. The rights vested accordingly as of 30 June 2025:

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STI 2025 Performance Rights	30 June 2025	30 June 2024	Growth (%)	Awarded (%)
Trading Cash Flow[1]	(13,492,411)	(16,606,395)	18.8%	12.3%
Cash EBITDA[2]	(6,674,030)	(18,829,647)	64.6%	99%
Annual Recurring Revenue[3]	145,465,716	115,999,065	25.4%	100%

[1] Whilst the milestone for trading cash flow was not met, the Annual Recurring Revenue milestone was met at 112% and the excess 12% is carried to the milestone not achieved.

[2] Cash EBITDA is the underlying EBITDA disclosed in the operational review adjusted for the impacts of capitalised development costs in line with the original milestone.

[3] Annual Recurring Revenue for the year ended 30 June 2024 excludes revenue from the previously 100% owned subsidiary Digital Literacy (known as 'Migiri') which was deconsolidated from the Group as part of the partial divestment that occurred on 1 June 2024.

4. Statutory remuneration tables

Details of the remuneration of the Directors and KMP of the Group (as defined by AASB 124 - Related Party Disclosures) for the year ended 30 June 2025 are set out in the following table.

Directors and KMP	Short term		Post employment	Long term	Share-based payments	TOTAL	Performance based % of remuneration	
30 June 2025	**Salary fees ($)**	**Annual Leave ($)**	**Super -annuation ($)**	**Long Service Leave ($)**	**Shares/ Options/ Performance Rights ($)**	**($)**	**Fixed based (%)**	**Performance based (%)**
Directors								
Tim Levy	470,279	14,255	29,932	7,494	683,947	**1,205,907**	43%	57%
Peter Pawlowitsch	100,000	-	17,250	-	43,488	**160,738**	100%	0%
Phil Warren	50,000	-	8,625	-	46,517	**105,142**	100%	0%
Matthew Stepka[1]	36,900	-	-	-	50,866	**87,766**	100%	0%
Georg Ell[1]	45,328	-	2,635	-	57,362	**105,326**	100%	0%
Jane Watts	50,000	-	8,625	-	72,145	**130,770**	100%	0%
Executives								
Crispin Swan	105,943	28,318	29,932	9,549	727,804	**901,547**	57%	43%
Ben Jenkins	97,229	21,491	29,932	3,392	848,045	**1,000,089**	46%	54%
Total KMP	**955,680**	**64,064**	**126,932**	**20,435**	**2,530,174**	**3,697,285**	**56%**	**44%**

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Details of the remuneration of the Directors and Key Management Personnel ("KMP") of the Group (as defined by AASB 124 - Related Party Disclosures) for the year ended 30 June 2024 are outlined in the following table

Directors and KMP	Short term		Post employment	Long term	Share-based payments	TOTAL	Performance based % of remuneration	
30 June 2024	Salary fees ($)	Annual Leave ($)	Super -annuation ($)	Long Service Leave ($)	Shares/ Options/ Performance Rights ($)	($)	Fixed based (%)	Performance based (%)
Directors								
Tim Levy	472,601	48,633	27,399	27,548	578,585	**1,154,766**	50%	50%
Peter Pawlowitsch	100,000	-	16,500	-	95,673	**212,173**	100%	0%
Phil Warren	50,000	-	8,250	-	113,178	**171,428**	100%	0%
Matthew Stepka[1]	36,600	-	-	-	122,745	**159,345**	100%	0%
Georg Ell[1]	44,381	-	2,219	-	178,454	**225,054**	100%	0%
Jane Watts	50,000	-	8,250	-	173,219	**231,469**	100%	0%
Executives								
Crispin Swan	369,750	42,156	31,568	14,495	433,553	**891,522**	51%	49%
Ben Jenkins	340,000	17,585	31,232	1,946	490,819	**881,582**	44%	56%
Total KMP	**1,463,332**	**108,374**	**125,418**	**43,989**	**2,186,226**	**3,927,339**	**44%**	**56%**

[1] *During the period, Matthew Stepka was overpaid by $36,344 and Georg Ell was overpaid by $40,199. Corrections will be made in due course.*

5. Relationship between remuneration and Group performance

The Directors assess the performance of the Group with regard to the achievement of both operational and financial targets with a current focus on subscriber numbers, recurring (contracted) sales revenues and share price. Directors and executives are issued options and/or performance rights, to encourage the alignment of personal and Shareholder interests.

Options issued to the Executive Director may be subject to market-based price hurdles and other vesting conditions that encourage the achievement of strategic targets and/or ongoing commitment to the Group. The exercise price of options is set at a level that encourages the Executive Directors to focus on share price appreciation. The Board believes this policy will be effective in increasing Shareholder wealth.

Performance rights vest on the achievement of operational milestones, providing those executives holding performance rights an incentive to meet the operational and financial milestones prior to the expiry date of the performance rights.

On the resignation of Directors and executives any vested options and performance rights issued as remuneration are generally retained by the relevant party.

The Board may exercise discretion in relation to approving incentives such as options and performance rights. The policy is designed to reward Key Management Personnel for performance that results in long-term growth in Shareholder value, to also encourage employee commitment to the Group and to align employee and Shareholders' interests.

The following table shows Group's operating revenue, net profits/(losses) and dividends for the last five financial years, as well as the Company's share price at the end of each financial year. The Group has continued to grow its operating revenue over the last financial year. As outlined in the Review of Operations growth in revenue, in particular contracted recurring revenue from the education business, is a key focus for the Group. The Board has been issued equity-based incentives during the financial year as a reward for the operational performance of the Group but also as an incentive with

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performance-based vesting conditions linked to the Group's key strategic objectives being recurring revenue growth and share price appreciation, therefore aligning the interests of Directors with Shareholders.

	2025 $	2024 $	2023 $	2022 $	2021 $
Operating revenue	117,290,570	99,449,374	81,881,785	44,725,569	8,962,485
Net profit/(loss)	(35,953,446)	(54,770,230)	(86,720,022)	(65,429,554)	(21,930,396)
Share price at year-end	0.495	0.430	0.245	0.300	0.600
Dividends paid	-	-	-	-	-

6. Key Management Personnel's equity holdings

6.1 Number of shares held by Key Management Personnel

The number of ordinary shares of the Company held directly, indirectly or beneficially by each Director and Key Management Personnel, including their personally related entities, for the year ended 30 June 2025 is as follows:

Directors	Balance at 1 July 2024	Received as remuneration	Shares issued on exercise of options or performance rights	Sale of shares	Balance at 30 June 2025
Tim Levy[1]	15,986,628	-	5,424,039	(3,000,000)	18,410,667
Peter Pawlowitsch	15,516,149	-	-	-	15,516,149
Phil Warren[2]	1,632,214	-	113,447	-	1,745,661
Matthew Stepka	3,055,556	-	-	-	3,055,556
Georg Ell[3]	1,885,124	-	2,157,651	(618,122)	3,424,653
Jane Watts	555,556	-	-	-	555,556
Executives					
Crispin Swan[4]	6,480,074	762,439	3,464,286	(310,000)	10,396,799
Ben Jenkins[5]	412,298	696,222	640,439	(1,383,529)	365,430
Total	**45,523,599**	**1,458,661**	**11,799,862**	**(5,311,651)**	**53,470,471**

[1] On 4 November 2024, Tim Levy exercised 1,000,000 zero price options to acquire fully paid ordinary shares. On 6 June 2025, Tim Levy exercised 1,000,000 SP, 1,000,000 STI 2022, 924,039 STI 2023 and 1,500,000 LTI performance rights. to acquire fully paid ordinary shares.

[2] On 4 October 2024, Phil Warren exercised 113,447 Non-Executive Director options to acquire fully paid ordinary shares.

[3] On 4 October 2024, Georg Ell exercised 90,757 Non-Executive Director options to acquire fully paid ordinary shares. On 7 October 2024, Georg Ell exercised 971,684 STI 2022, 1,000,000 STI 2023 and 95,210 Class E3 & F3 performance rights to acquire fully paid ordinary shares.

[4] On 24 August 2024, 12 March 2025, 7 April 2025 and 8 April 2025, Crispin Swan exercised 2,114,286, 100,000, 150,000 and 100,000 STI 2021 performance rights respectively to acquire fully paid ordinary shares. On both 4 November 2024 and 5 November 2024, Crispin Swan exercised 500,000 zero price options to acquire 1,000,000 fully paid ordinary shares. On 1 July 2024, 155,758 shares were issued to Crispin Swan at a share price of $0.365 in lieu of cash remuneration. On 28 February 2025 and 1 May 2025, an additional 494,156 and 112,525 shares were issued to Crispin Swan at share prices of $0.48 and $0.40 in lieu of cash remuneration.

[5] On 6 August 2024, 11 October 2024, 14 October 2024 and 29 January 2025, Ben Jenkins exercised 40,303 Class B employee performance rights, 169,962 STi 2024 performance rights, 363,036 STi 2024 performance rights and 67,138 Class E employee performance rights respectively to acquire fully paid ordinary shares. On 1 July 2024, 143,226 shares were issued to Ben Jenkins at a share price of $0.365 in lieu of cash remuneration. On 28 February 2025 and 1 May 2025, an additional 449,525 and 103,471 shares were issued to Ben Jenkins at a share price of $0.48 and $0.40 in lieu of cash remuneration.

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6.2 Number of options held by Key Management Personnel

The number of the options of the Company held, directly, indirectly or beneficially, by each Director and Key Management Personnel, including their personally related entities for the year ended 30 June 2025 are as follows:

	Balance at 1 July 2024	Options issued as remuneration	Options exercised	Options forfeited	Balance at 30 June 2025	Vested and exercisable at 30 June 2025
Directors						
Tim Levy[1]	8,061,168	2,075,116	(1,000,000)	(154,428)	8,981,856	2,208,517
Peter Pawlowitsch	680,679	-	-	-	680,679	453,786
Phil Warren[2]	1,740,341	-	(113,447)	-	1,626,894	1,513,447
Matthew Stepka	1,808,408	-	-	-	1,808,408	1,672,272
Georg Ell[3]	2,372,271	-	(90,757)	-	2,281,514	2,190,757
Jane Watts	2,440,341	-	-	-	2,440,341	2,326,894
Executives						
Crispin Swan[4]	1,000,000	-	(1,000,000)	-	-	-
Ben Jenkins	-	-	-	-	-	-
Total	**18,103,208**	**2,075,116**	**(2,204,204)**	**(154,428)**	**17,819,692**	**10,365,673**

[1] On 4 November 2024, Tim Levy exercised 1,000,000 zero price options to acquire fully paid ordinary shares. On 21 November, 870,070 Short Term Incentive ("STI") Options, 580,046 Long Term Incentive ("LTI") Options, and 625,000 LTI total shareholder return ("TSR") Options were issued to Tim Levy. At 30 June 2025, the outcome of the milestone on the STI options were assessed and 154,428 options were forfeited. Refer to section 3.2.2 Director performance-based remuneration outcomes.

[2] On 4 October 2024, Phil Warren exercised 113,447 Non-Executive Director options to acquire fully paid ordinary shares.

[3] On 4 October 2024, Georg Ell exercised 90,757 Non-Executive Director options to acquire fully paid ordinary shares.

[4] On both 4 November 2024 and 5 November 2024, Crispin Swan exercised 500,000 zero price options to acquire 1,000,000 fully paid ordinary shares.

The following KMP options were still vesting or held at 30 June 2025:

Name	Period of issue	Options class	Grant date	Vesting date	Expiry date	Number of options	Total expense for current year ($)
Directors							
Tim Levy	Year ended 30 June 2024	Executive Director STI options	17 August 2023	30 June 2024	30 June 2027	1,338,447	-
		Executive Director LTI options	17 August 2023	30 June 2026	30 June 2027	2,722,721	208,742
		Executive Director TSR options	17 August 2023	30 June 2026	30 June 2027	3,000,000	62,000
	Year ended 30 June 2025	Executive Director STI options FY25[1]	21 November 2024	30 June 2025	30 June 2028	715,642	304,148
		Executive Director LTI options FY25[1]	21 November 2024	30 June 2027	30 June 2028	580,046	82,023
		Executive Director TSR options FY25[2]	21 November 2024	30 June 2027	30 June 2028	625,000	27,034

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Name Directors	Period of issue	Options class	Grant date	Vesting date	Expiry date	Number of performance rights	Total expense for current year ($)
Peter Pawlowitsch	Year ended 30 June 2024	Non-executive Director Options - Tranche 1	17 August 2023	30 June 2024	30 June 2027	226,893	-
		Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	226,893	26,093
		Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	226,893	17,395
Phil Warren	Year ended 30 June 2023	Director Options - Tranche 1	29 November 2022	30 June 2024	31 December 2025	700,000	-
		Director Options - Tranche 2	29 November 2022	30 June 2025	31 December 2025	700,000	24,773
	Year ended 30 June 2024	Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	113,447	13,046
		Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	113,447	8,698
Matthew Stepka	Year ended 30 June 2023	Director Options - Tranche 1	29 November 2022	30 June 2024	31 December 2025	700,000	-
		Director Options - Tranche 2	29 November 2022	30 June 2025	31 December 2025	700,000	24,773
	Year ended 30 June 2024	Non-executive Director Options - Tranche 1	17 August 2023	30 June 2024	30 June 2027	136,136	-
		Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	136,136	15,656
		Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	136,136	10,437
Georg Ell	Year ended 30 June 2022	Director Options - Tranche 1	24 January 2022	31 December 2022	31 December 2025	700,000	-
		Director Options - Tranche 2	24 January 2022	31 December 2023	31 December 2025	700,000	-
		Director Options - Tranche 3	24 January 2022	31 December 2024	31 December 2025	700,000	39,967
	Year ended 30 June 2024	Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	90,757	10,437
		Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	90,757	6,958
Jane Watts	Year ended 30 June 2022	Director Options - Tranche 1	2 June 2022	30 June 2023	31 December 2025	700,000	-
		Director Options - Tranche 2	2 June 2022	30 June 2024	31 December 2025	700,000	-
		Director Options - Tranche 3	2 June 2022	30 June 2025	31 December 2025	700,000	50,401
	Year ended 30 June 2024	Non-executive Director Options - Tranche 1	17 August 2023	30 June 2024	30 June 2027	113,447	-
		Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	113,447	13,046
		Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	113,447	8,698

[1] *The Executive Director STI and LTI zero price options issued to Tim Levy during the year ended 30 June 2025 were valued using the share price on the grant date ($0.43).*

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[2] The options will vest early if the performance milestones targets are met prior to 30 June 2027.

The TSR options issued to Tim Levy during the year ended 30 June 2025 have been valued using an up-and-in trinomial option pricing model. See the key inputs of the model below:

Executive Director TSR Options	
Milestone for vesting	$1.25
Grant Date	21 November 2024
Number of options	625,000
Underlying share price	$0.43
Exercise price	$0.65
Expected volatility	70.00%
Expiry date (years)	4
Expected dividends	Nil
Risk free rate	4.57%
Value per option (rounded)	$0.13
Total valuation	$81,250
Total share-based payment expense for the period	$27,034

The TSR options issued to Tim Levy during the year ended 30 June 2024 have been valued using an up-and-in trinomial option pricing model. See the key inputs of the model below:

Executive Director TSR Options	Tranche 1	Tranche 2	Tranche 3
Milestone for vesting	$0.75	$1.00	$1.25
Grant Date	17 August 2023	17 August 2023	17 August 2023
Number of options	$1,000,000	$1,000,000	$1,000,000
Underlying share price	$0.23	$0.23	$0.23
Exercise price	$0.36	$0.36	$0.36
Expected volatility	70.00%	70.00%	70.00%
Expiry date (years)	4.00	4.00	4.00
Expected dividends	Nil	Nil	Nil
Risk free rate	3.97%	3.97%	3.97%
Value per option (rounded)	$0.07	$0.06	$0.05
Total valuation	$73,000	$62,000	$51,000
Total share-based payment expense for the period	$24,333	$20,667	$17,000

The Director options issued to Non-executive Directors during previous financial years are subject to the vesting condition of continued service as a Director of the company until the vesting date. The fair value has been determined using a Black Scholes model with the inputs highlighted below:

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	Georg Ell[1]	Jane Watts[2]	Phil Warren[3]	Matthew Stepka[3]
Grant date	24 January 2022	1 June 2022	29 November 2022	29 November 2022
Number of options	2,100,000	2,100,000	1,400,000	1,400,000
Underlying share price	$0.51	$0.38	$0.30	$0.30
Exercise price	$0.60	$0.60	$0.60	$0.60
Expected volatility	100%	100%	70%	70%
Expiry date (years)	3.9	3.6	3.1	3.1
Expected dividends	Nil	Nil	Nil	Nil
Risk free rate	1.24%	2.92%	3.06%	3.06%
Value per option (rounded)	$0.33	$0.22	$0.09	$0.09
Total share-based payment expense for the year	$39,967	$50,401	$24,773	$24,773

[1] Georg Ell's options vest in three equal tranches of 700,000 options upon continuous service to each of 31 December 2022, 31 December 2023 and 31 December 2024.

[2] Jane Watts' options vest in three equal tranches of 700,000 options upon continuous service to each of 30 June 2023, 30 June 2024 and 30 June 2025.

[3] Phil Warren and Matthew Stepka's options vest in two equal tranches of 700,000 options upon continuous service to each of 30 June 2024 and 30 June 2025.

Board discretion to accelerate vesting is available upon change of control. The Group does not pay dividends on unvested awards, does not reprice and does not allow cash buyouts. All awards are also capped at 100%.

6.3 Number of performance rights held by Key Management Personnel

The number of performance rights of the Company held, directly, indirectly or beneficially, by each Director and KMP, including their related entities, for the year ended 30 June 2025 are as follows:

	Held at 1 July 2024	Received as remuneration	Exercised	Forfeited rights due to milestones not met	Held at 30 June 2025	Vested and exercisable at year end
Directors						
Tim Levy[1]	4,424,039	-	(4,424,039)	-	-	-
Peter Pawlowitsch	-	-	-	-	-	-
Phil Warren	-	-	-	-	-	-
Matthew Stepka	-	-	-	-	-	-
Georg Ell[2]	2,066,894	-	(2,066,894)	-	-	-
Jane Watts	-	-	-	-	-	-
Executives						
Crispin Swan[3]	6,770,300	1,261,600	(2,464,286)	(708,391)	4,859,223	1,161,127
Ben Jenkins[4]	2,865,723	1,365,871	(640,439)	(97,804)	3,493,351	1,504,430
Total	**16,126,956**	**2,627,471**	**(9,595,658)**	**(806,195)**	**8,352,574**	**2,665,557**

[1] On 6 June 2025, Tim Levy exercised 1,000,000 SP, 1,000,000 STI 2022, 924,039 STI 2023 and 1,500,000 LTI performance rights to acquire fully paid ordinary shares.

[2] On 7 October 2024, Georg Ell exercised 971,684 STI 2022, 1,000,000 STI 2023 and 95,210 Class E3 & F3 performance rights to acquire fully paid ordinary shares.

[3] On 24 August 2024, 12 March 2025, 7 April 2025 and 8 April 2025, Crispin Swan exercised 2,114,286, 100,000, 150,000 and 100,000 STI 2021 performance rights respectively to acquire fully paid ordinary shares. On both 4 November 2024 and 5 November 2024, Crispin Swan exercised 500,000 zero price options to

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acquire 1,000,000 fully paid ordinary shares. On 30 June 2025, 574,039 STI 2023 performance rights were forfeited on expiry. At 30 June 2025, the outcome of the milestone on the STI options were assessed and 134,352 options were forfeited. Refer to section 2.2.2 Executive performance-based remuneration outcomes.

[4] On 6 August 2024, 11 October 2024, 14 October 2024 and 29 January 2025, Ben Jenkins exercised 40,303 Class B employee performance rights, 169,962 STi 2024 performance rights, 363,036 STi 2024 performance rights and 67,138 Class E employee performance rights respectively to acquire fully paid ordinary shares. At 30 June 2025, the outcome of the milestone on the STI options were assessed and 97,804 performance rights were forfeited. Refer to section 3.2.2 Director performance-based remuneration outcomes.

The following KMP performance rights were still vesting or held at 30 June 2025:

Name	Period of issue	Performance right class	Grant date	Vesting date	Expiry date	Number of performance rights	Total expense for current year ($)
Executives							
Ben Jenkins	Year ended 30 June 2023	Class C Employee Performance Rights - FY23	1 July 2022	30 June 2025	30 June 2026	40,303	4,832
		Class E Employee Performance Rights - FY23	1 July 2022	31 December 2024	31 December 2026	-	3,848
		Class F Employee Performance Rights - FY23	1 July 2022	31 December 2025	31 December 2026	67,138	5,456
		LTI 2023 Performance Rights	25 April 2022	30 June 2025	30 June 2026	1,000,000	166,698
	Year ended 30 June 2024	STI 2024 Performance Rights - Class B	3 July 2023	30 June 2025	30 June 2027	169,961	19,475
		STI 2024 Performance Rights - Class C	3 July 2023	30 June 2026	30 June 2027	169,961	12,977
		LTI 2024 Performance Rights	3 July 2023	30 June 2026	30 June 2027	777,921	58,397
	Year ended 30 June 2025	Class A Employee Performance Rights - FY251	1 July 2024	30 June 2025	30 June 2028	110,485	47,619
		Class B Employee Performance Rights - FY251	1 July 2024	30 June 2026	30 June 2028	110,485	23,810
		Class C Employee Performance Rights - FY251	1 July 2024	30 June 2027	30 June 2028	110,485	15,873
		STI 2025 Performance Rights - Class A2	1 July 2024	30 June 2025	30 June 2028	151,080	61,943
		STI 2025 Performance Rights - Class B2	1 July 2024	30 June 2026	30 June 2028	151,080	30,971
		STI 2025 Performance Rights - Class C2	1 July 2024	30 June 2027	30 June 2028	151,079	20,647
		LTI 2024 Performance Rights2	1 July 2024	30 June 2027	30 June 2028	483,373	66,061
Crispin Swan	Year ended 30 June 2023	Class D Employee Performance Rights - FY23	1 July 2022	31 December 2023	31 December 2026	66,254	-
		Class E Employee Performance Rights - FY23	1 July 2022	31 December 2024	31 December 2026	66,254	3,797
		Class F Employee Performance Rights - FY23	1 July 2022	31 December 2025	31 December 2026	66,254	5,384
	Year ended 30 June 2024	STI 2024 Performance Rights - Class A	3 July 2023	30 June 2024	30 June 2027	388,150	-
		STI 2024 Performance Rights - Class B	3 July 2023	30 June 2025	30 June 2027	388,149	44,475
		STI 2024 Performance Rights - Class C	3 July 2023	30 June 2026	30 June 2027	388,149	29,637
		LTI 2024 Performance Rights	3 July 2023	30 June 2026	30 June 2027	2,368,765	177,820

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Name	Period of issue	Performance right class	Grant date	Vesting date	Expiry date	Number of performance rights	Total expense for current year ($)
Crispin Swan	Year ended 30 June 2025	STI 2025 Performance Rights - Class A2	1 July 2024	30 June 2025	30 June 2028	207,536	85,090
		STI 2025 Performance Rights - Class B2	1 July 2024	30 June 2026	30 June 2028	207,536	42,545
		STI 2025 Performance Rights - Class C2	1 July 2024	30 June 2027	30 June 2028	207,536	28,363
		LTI 2024 Performance Rights2	1 July 2024	30 June 2027	30 June 2028	459,856	68,967

[1] *The Class A, B, C 2025 Performance Rights issued during the year ended 30 June 2025 were valued at the share price on the grant date ($0.43).*

[1] *The STI 2025 Performance Rights and LTI 2025 Performance Rights issued during the year ended 30 June 2025 were valued at the share price on the grant date ($0.41).*

7. Clawback of incentives

The Board reserves the right to claw back any equity-based remuneration (including but not limited to performance rights, options, shares or other securities granted under any incentive plan) awarded to an Executive where, in the opinion of the Board:

- the Executive has engaged in serious misconduct, including fraud, dishonesty or a breach of fiduciary duty;
- there has been a material failure in risk management, compliance, or controls that is attributable to the Executive's actions or omissions;
- the Executive has acted in a manner that has caused or is likely to cause material financial or reputational harm to the Company;
- the securities were allocated based on material misstatement or error in the Company's financial or operational performance; or
- any other circumstance arises in which the Board determines, acting reasonably and in good faith, that it is appropriate to recover or cancel the securities in order to protect the Company's long-term interests or uphold standards of governance and accountability.

Clawback may be effected through cancellation, forfeiture, repayment, or adjustment of unvested, vested, or delivered securities, subject to applicable laws and the rules of the relevant incentive plan. The Board's decision in relation to any clawback will be final and binding.

8. Other transactions and balances with KMP and their related parties

7.1 Key Management Personnel Loans

No loans were provided to, made, guaranteed, or secured directly or indirectly to any KMP or their related entities during the financial year.

7.2 Other transactions with related parties

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Any outstanding balances are unsecured and are repayable in cash.

Grange Consulting Group Pty Ltd
Phil Warren, a Non-Executive Director of the Company, was also Managing Director and a shareholder of Grange Consulting Group Pty Ltd ("Grange"), a related party until 1 November 2023 when the company changed ownership and Phil Warren ceased his role of Managing Director.

Directors' Report

Remuneration report (Audited)

	2025 $	2024 $
Company secretarial and financial management services	-	58,062
Total	**-**	**58,062**

Nil was outstanding and payable to Grange as at 30 June 2025 (2024: $nil).

9. Voting of shareholders at prior year's annual general meeting

Qoria Limited received more than 76% "yes" votes on its remuneration report for the 2024 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

*********** **END OF AUDITED REMUNERATION REPORT** ***********

Signed in accordance with a resolution of the Directors.

Tim Levy
Managing Director
Qoria Limited

27 August 2025

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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF QORIA LIMITED

As lead auditor of Qoria Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, the only contravention of:

1. The auditor independence requirements of the *Corporations Act 2001* in relation to the review; or
2. Any applicable code of professional conduct in relation to the review;

Is set out below:

BDO New Zealand provided permissible tax compliance services to Qoria Limited's subsidiary, Family Zone NZ Cyber Security Limited in New Zealand. BDO Audit Pty Ltd did not inform those charged with governance of the permissible tax compliance services provided by BDO New Zealand to Family Zone NZ Cyber Security Limited prior to the recurring services being reaccepted to enable those charged with governance of Qoria Limited to make an informed assessment on the impact of the provision of the services on BDO Audit Pty Ltd's independence.

BDO Audit Pty Ltd has subsequently provided the required information and those charged with governance of Qoria Limited have concurred that the provision of the services does not impact BDO Audit Pty Ltd's or my independence as lead auditor.

This declaration is in respect of Qoria Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit Pty Ltd

Perth

27 August 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 $	2024 $
Revenue			
Revenue from ordinary activities	4	117,290,570	99,449,374
Other income		590,258	511,643
Gain on disposal of subsidiary		-	1,922,706
Expenses			
Direct costs	5	(30,276,626)	(30,615,908)
Employee benefits costs	5	(59,471,984)	(56,946,452)
Administration costs	5	(12,754,231)	(12,359,745)
Finance costs	5	(10,329,534)	(7,579,559)
Depreciation and amortisation	5	(37,506,608)	(31,515,188)
Acquisition related expenses		(1,830,313)	(605,875)
Share based payments - employment related	20	(10,721,941)	(11,453,519)
Share based payments - deferred consideration[1]		-	(8,676,413)
Unrealised gains/(losses) on foreign exchange		2,972,658	(3,023,424)
Loss before income tax		**(42,037,751)**	**(60,892,360)**
Income tax benefit	6	6,084,305	6,122,130
Loss after tax for the year attributable to the members of Qoria Limited		**(35,953,446)**	**(54,770,230)**
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		14,651,170	2,734,988
Total comprehensive loss for the year attributable to the members of Qoria Limited		**(21,302,276)**	**(52,035,242)**
Basic and diluted loss per share (cents per share) for the year attributed to the members of Qoria Limited	7	(2.79)	(4.87)

[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 required the consideration to be treated under AASB 2 – Share based payments are expensed over the service period. The balance was payable in two tranches 12 and 24 months from acquisition date and therefore the expense is recognised over the respective service periods of 12 and 24 months.

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 2025

	Note	2025 $	2024 $
ASSETS			
Current assets			
Cash and cash equivalents	8	15,418,955	9,386,112
Trade and other receivables	9	30,127,248	26,367,699
Prepayments		3,108,138	2,355,409
Inventory		1,563,028	1,054,757
Contract assets		2,536,522	2,651,466
Total current assets		**52,753,891**	**41,815,443**
Non-current assets			
Intangible assets	10	264,867,250	239,980,005
Plant and equipment	11	8,004,405	7,424,663
Right-of-use assets	12	3,638,669	4,003,359
Contract assets		763,339	1,032,858
Financial assets		380,124	229,470
Investments accounted for using the equity method		913,910	1,230,514
Deferred tax asset	6	2,113,882	1,689,722
Total non-current assets		**280,681,579**	**255,590,591**
Total assets		**333,435,470**	**297,406,034**
LIABILITIES			
Current liabilities			
Trade and other payables	13	26,568,980	25,977,153
Borrowings	15	-	6,239,773
Contract liabilities	4	66,016,568	55,421,731
Deferred consideration	16	-	471,639
Lease liabilities	12	1,626,321	1,445,380
Provisions	14	5,291,027	4,923,173
Total current liabilities		**99,502,896**	**94,478,849**
Non-current liabilities			
Borrowings	15	46,045,649	32,825,457
Contract liabilities	4	12,506,360	15,959,696
Deferred consideration	16	4,666,667	-
Lease liabilities	12	2,640,358	3,203,169
Provisions	14	636,551	470,870
Deferred tax liability	6	9,377,528	12,516,622
Total non-current liabilities		**75,873,113**	**64,975,814**
Total liabilities		**175,376,009**	**159,454,663**
Net assets		**158,059,461**	**137,951,371**
EQUITY			
Issued capital	17	371,743,287	340,257,548
Reserves	18	85,220,429	60,644,632
Accumulated losses	19	(298,904,255)	(262,950,809)
Total equity		**158,059,461**	**137,951,371**

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 2025

	Note	Issued capital $	Share-based payments reserve $	Accumulated losses $	Foreign currency translation reserve $	Total $
Balance at 1 July 2024		**340,257,548**	**60,611,236**	**(262,950,809)**	**33,396**	**137,951,371**
Loss for the year		-	-	(35,953,446)	-	(35,953,446)
Total other comprehensive income		-	-	-	14,651,170	14,651,170
Total comprehensive loss for the year		-	-	(35,953,446)	14,651,170	(21,302,276)
Transaction with owners, directly recorded in equity:						
Issue of ordinary shares, net of transaction costs	17	31,485,739	-	-	-	31,485,739
Issue of options, performance rights & warrants	18	-	10,406,538	-	-	10,406,538
Reversal of performance rights		-	(481,911)	-	-	(481,911)
Total transactions with owners		**31,485,739**	**9,924,627**	**-**	**-**	**41,410,366**
Balance at 30 June 2025		**371,743,287**	**70,535,863**	**(298,904,255)**	**14,684,566**	**158,059,461**

	Note	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	17	8,334,022	-	-	-	8,334,022
Issue of options, performance rights & warrants	18	-	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**

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 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		109,306,927	97,494,167
Payments to suppliers and employees		(95,180,787)	(88,701,718)
Government grants received		36,600	126,774
Interest received		506,754	98,587
Interest paid		(4,383,111)	(2,248,691)
Income taxes paid		(162,024)	-
Net cash flows from operating activities	21	**10,124,359**	**6,769,119**
Cash flows from investing activities			
Investment in businesses net of cash acquired		(4,795,172)	(1,908,062)
Investment in development assets		(20,922,627)	(19,554,720)
Payments for plant and equipment		(6,570,500)	(5,968,898)
Proceeds from disposal of investments		-	1,965,164
Net cash flows (used in) investing activities		**(32,288,299)**	**(25,466,516)**
Cash flows from financing activities			
Proceeds from issue of shares net of transaction costs		28,229,776	137,761
Proceeds from borrowings net of transaction costs		9,111,034	32,945,339
Repayment of borrowings		(7,002,548)	(9,416,508)
Repayment of lease liabilities		(2,610,726)	(1,999,380)
Net cash flows from financing activities		**27,727,536**	**21,667,212**
Net increase in cash and cash equivalents		**5,563,596**	**2,969,815**
Cash and cash equivalents at the beginning of the year		9,386,112	6,620,286
Effects of changes in foreign exchange rates		469,247	(203,989)
Cash and cash equivalents at the end of the year	8	**15,418,955**	**9,386,112**

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 2025

Note 1: Reporting entity

Qoria Limited (the "Company" or "parent entity") is a listed public Company limited by shares, incorporated and domiciled in Australia and head of the Group consisting of Qoria Limited and the entities it controlled at the end of, or during, the year (the "Group").

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report which does not form part of this financial report.

The financial statements were authorised by the Board of Directors on the date of signing the Directors' Declaration.

Note 2: Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The financial statements of the Group are as at and for the year ended 30 June 2025 and are presented in Australian dollars ("AUD") as the Group's presentation currency. Qoria Limited is a for-profit entity.

a. Going concern

The financial statements for the year ended 30 June 2025 have been prepared on the basis that the entity is a going concern which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business. During the period the entity incurred net cash outflows from operating and investing activities of $22,163,940 (2024: $18,696,830).

As at 30 June 2025, the Group had a working capital deficit of $46,749,005 (2024: $52,663,406). On a proforma basis, excluding current contract liabilities of $66,016,568 (2024: $55,421,731) the Group had a working capital surplus of $19,267,563 (2024: $2,758,325).

The Directors believe that the entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report based on forecasted cash flows and continued strong financial management. The Directors believe the Group will have sufficient cash flows to meet all commitments and working capital requirements.

The cash flow forecast is dependent on the Group complying with terms and conditions of lending as agreed from time to time with the lender and incorporates various targets for revenues, operating costs and overheads (Refer Note 15 - Borrowings) which are dependent on the Group's ability to achieve various assumptions around growth, retention rates and cost control. At the date of this report and having considered the above factors the Directors are of the opinion that the Group will be able to continue as a going concern.

Should the entity not be able to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 2: Basis of preparation (continued)

b. Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted, with the exception of those noted in Note - 2c below.

c. Standards issued but not yet effective

Certain new and amended accounting standards and interpretations have been issued but are not mandatory for financial years ended 30 June 2025. They have not been adopted in preparing the financial statements for the year ended 30 June 2025 (with the exception of the below) and are not expected to impact the entity in the period of initial application.

AASB 18 (issued June 2024) - Presentation and disclosure in financial statements

Effective for annual reporting periods beginning on or after 1 January 2027. AASB 18 replaces *AASB 101 - Presentation of Financial Statements* and requires income and expenses to be classified in profit or loss as one of the five categories, being investing, financing, income taxes, discontinued operations and operating (which is the residual category). There are also two mandatory sub-totals:

- Operating profit or loss
- Profit or loss before financing and income taxes, which comprises operating profit or loss and all investing income and expenses.

d. Use of estimates and judgements

Significant judgements and key assumptions

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

(i) Revenue from contracts with customers

The Group considers contracts for the provision of services which are bundled with hardware or other goods and judges whether or not these contain separately identifiable performance obligations. Where hardware and software are interdependent on one another and cannot be separated, they are bundled together to form one bundled performance obligation. In determining the transaction price for contracts with customers the Group considers the existence of significant financing components for long term contracts. Where a significant discount is provided for upfront payment of the contract value, the value of the contract is adjusted to account for any financing expenses which may be implicit within the contract. The Group also considers whether it is a principle or an agent with regard to any contracts in which it deals with third parties in order to determine the contract value. In doing so, it makes an assessment surrounding the control of goods as well as the risks and responsibilities associated with the contract.

The Group considers the treatment of costs associated with obtaining contracts, as well as costs incurred at the commencement of a contract. The costs of obtaining a contract are then recognised in line with the pattern of

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 2: Basis of preparation (continued)

d. Use of estimates and judgements (continued)

revenue recognition for that contract. A portion of revenue is recognised at the time that any costs to commence a contract are incurred, in line with the value of those costs, without recognising any profit margin in line with the requirements of AASB 15 - Revenue from Contracts with Customers. The Group has judged whether any contracts with customers are excluded, or partially excluded, from the scope of AASB 15 and applied other standards where applicable.

(ii) Share-based payments

The Group measures the cost of equity-settled transactions with suppliers by reference to the fair value of the goods or services received provided that this can be estimated reliably. For equity-settled transactions with employees, the fair value is determined indirectly by reference to the fair value of the equity instruments granted. The fair value of the equity instruments granted is determined using an appropriate option pricing model taking into account the terms and conditions upon which the instruments were granted. The Group also made an assessment on the probability of the achievement of non-market based vesting hurdles in assessing the ongoing vesting of the value of the equity instruments granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Please refer to Note 20 - Share-based payments for further details.

For share-based payments relating to deferred consideration for the Qustodio acquisition, the Company made an assessment on the probability of the achievement of non-market based vesting hurdles, and the expected timing of these hurdles being achieved in assessing the ongoing vesting of the value of the equity instruments granted. Please refer to Note 20 - Share-based payments and Note 24 - Business combinations for further details.

(iii) Impairment of non-financial assets other than goodwill

The Group assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(iv) Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired and liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

The fair value of intangible assets acquired have been determined using the income approach, including excess earnings method and relief from royalty method. Significant judgement is required in determination of the inputs applied in these models (including discount rate and growth rates). See Note 24 - Business combinations for further details.

(v) Deferred consideration

Deferred consideration resulting from business combinations is valued at fair value at the date of acquisition. When the deferred consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date, including a present value adjustment for any long-term deferred consideration payable.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 2: Basis of preparation (continued)

d. Use of Estimates and Judgements (continued)

For deferred consideration relating to the Octopus BI acquisition, significant judgments were made regarding the probability of the performance target being met, as well as the timing of that event.

(vi) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit losses, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate per group. These assumptions include recent sales experience, historical collection rates and any forward-looking information that is available. The allowance for expected credit losses, as disclosed in Note 9, is calculated based on the information available at balance date. Actual credit losses in future years may be higher or lower.

(vii) Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. Depreciation and amortisation charges will increase where the useful lives are less than previously estimated lives and technically obsolete assets that have been abandoned or sold will be written off or written down.

(viii) Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 10 - Intangible assets. The recoverable amounts of cash-generating units (CGUs) have been determined based on their fair value less disposal costs. These calculations require the use of assumptions, including estimated transaction multiples, revenues and disposal cost estimates. Refer to Note 10 - Intangible assets for further information.

Goodwill is allocated to CGUs for the purpose of annual impairment testing on the basis of estimated expected benefits and synergies in relation to each business combination from which goodwill is recognised.

(ix) Recoverability of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

(x) Fair value measurement hierarchy

The Group is required to classify all assets and liabilities measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair values of assets and liabilities classified as level 3 are determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to Note 22 - Financial Instruments for further information.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 2: Basis of preparation (continued)

d. Use of Estimates and Judgements (continued)

(xi) Development costs

The Group capitalises costs for product development projects that meet the requirements of AASB 138 - Intangible Assets. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed and that future economic benefits will be available as a result of development activities, alongside the other requirements of AASB 138. In determining the amounts to be capitalised, management makes assumptions regarding the expected future economic benefits of the project and the value of costs relating to each project, in particular the quantity of staff time spent on qualifying development activities. Management will capitalise development costs for new additions to existing products where it is determined that they enhance the product's expected future economic benefits.

Note 3: Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The Group has adopted all of the new, revised or amending accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new, revised or amending accounting standards or interpretations that are not yet mandatory have not been early adopted.

a. Trade and other receivables

Trade and other receivables represent the principal amounts due at reporting date less, where applicable, any allowances for expected credit losses.

The Group applies a simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In determining the provision required, the Group utilises its historical credit loss experience adjusted, where appropriate, for forward-looking factors specific to the receivables and the economic environment.

b. Research and development expense

The Group expenses all research costs as incurred. The Group will only record a development asset in accordance with the policy set out in Note 10. The amounts incurred in relation to patent development costs and patent applications are expensed until the Group has received formal notification that a patent has been granted. The Group believes expensing patent development and application costs provides the most relevant and reliable information to financial statement users. During the period of development, the asset is tested for impairment annually.

c. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets should be impaired. If such indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Goodwill (and any indefinite life intangible assets) are tested for impairment annually.

d. Deferred consideration

Deferred consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of each business combination. When deferred consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date, including a present-value adjustment for any long term deferred

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 3: Material accounting policies (continued)

d. Deferred consideration (continued)

consideration payable. For deferred consideration relating to the Octopus BI acquisition, significant judgements have been made regarding the probability of the performance target being met, as well as the timing of that event.

e. Borrowings

Borrowings - Convertible notes

Convertible notes issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder or at the option of the issuer in certain circumstances. The notes include embedded derivative liability representing a conversion feature to convert a variable amount of liability in the functional currency based on a fixed conversion price. The Company had elected upon initial recognition of the convertible notes (including its embedded derivative) to recognise the whole instrument as a financial liability carried at fair value through profit or loss. On initial recognition the fair value of the convertible note will equate to the fair value of consideration paid, as no gain or loss on initial recognition can be recognised per the requirements of AASB 9 - Financial Instruments. The financial liability will subsequently be measured at fair value at each reporting period or until settlement and fair value movements will be recognised in the profit or loss as finance cost.

The fair value of the financial liabilities carried at fair value through profit or loss (i.e. the convertible note portion) is calculated based on the present value of estimated cash flows taking into account credit risk profile of the Company, market interest rates, share price of the Company and foreign exchange rates. The convertible notes are classified as a current liability given the noteholder's ability to settle via conversion into shares at any time between issue date and maturity date.

Borrowings - AshGrove

The AshGrove borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

f. Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

g. Value-added taxes

Revenues, expenses and assets are recognised net of the amount of associated value-added taxes (including GST, VAT, Sales Tax and other similar taxes), unless the value added tax incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of value added tax receivable or payable. The net amount of value added tax recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The value added tax components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of value added tax recoverable from, or payable to, the tax authority.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 3: Material accounting policies (continued)

h. Foreign currency translation

(i) Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The functional currency of the parent company is Australian Dollars. The consolidated financial statements of the Group are presented in Australian Dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the transition of monetary items are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise, except where deferred in equity as a qualifying cash flow.

(iii) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

h. Foreign currency translation (continued)

Exchange differences on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are transferred to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which an operation is disposed of (there were no operations disposed of in either the current or prior years). For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Australian Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

i. Basis of consolidation

The financial statements are those of the Group, comprising the financial statements of the Company, and of all entities which the Company controls. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Subsidiaries are eliminated from the date on which control is established and are de-recognised from the date that control ceases.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 4: Revenue

Accounting policy

The principal activities of the Group are the sale, distribution, marketing and customer support of its suite of education technology and cyber safety products and services.

Subscription revenues

Subscription service revenues are recognised over time over the life of the service contract as and when the Group's service obligations under each contract are satisfied.

Bundle revenues

Revenues from the provision of subscription services which are bundled with interrelated hardware are recognised over time over the life of the contract as and when the Group's service obligations under the contract are satisfied. Services are considered to be bundled with hardware when the entity would not be able to fulfil its contractual obligations by transferring each of the goods or services independently.

Significant financing components

In determining the transaction price for contracts with customers the Group considers the existence of significant financing components for long term contracts. Where a significant discount is provided for upfront payment of the contract value, the value of the contract is adjusted to account for any financing expenses which may be implicit within the contract.

Sales of hardware

Revenue from the sale of standalone equipment is recognised at the point in time that control of the asset is transferred to the customer, generally upon delivery of the equipment. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any.

Contract balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets at Note 22 - Financial Instruments.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the relevant performance obligations under the contract.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 4: Revenue (continued)

Capitalised contract cost

Incremental costs of obtaining a contract and certain costs to fulfil a contract are recognised as an asset if the following criteria are met:

- the costs relate directly to a customer contract
- the costs generate or enhance resources of the entity that will be used in satisfying performance obligations attaching to the customer contracts; and
- the costs are recoverable from the customer.

Any capitalised contract costs assets are amortised on a systematic basis that is consistent with the Group's transfer of the related goods or services to the customer.

Prepaid commissions

Commissions owing to resellers and internal sales staff are paid at the inception of the contract and recognised as a contract asset, amortised to direct costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the term of the contract. The contract liability balance in the Consolidated Statement of Financial Position is shown net of any prepaid commissions.

Operating Revenue	**2025**	**2024**
	$	**$**
Service revenue[1]	117,290,570	99,449,374
	117,290,570	**99,449,374**

[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 transfers control of goods or services to a customer at the amount to which the Group expects to be entitled over time or 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 2025	**Service Revenue: Education**	**Service Revenue: Consumer**	**Total**
Over time	91,658,240	25,632,330	117,290,570
Total	**91,658,240**	**25,632,330**	**117,290,570**

Regions - 30 June 2025	**Service Revenue: Education**	**Service Revenue: Consumer**	**Total**
United States of America	49,596,255	-	49,596,255
United Kingdom	36,433,637	-	36,433,637
Australia and New Zealand	5,628,348	-	5,628,348
Europe	-	25,632,330	25,632,330
Total	**91,658,240**	**25,632,330**	**117,290,570**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 4: Revenue (continued)

Timing of revenue recognition – 30 June 2024	Service Revenue: Education	Service Revenue: Consumer	Total
Over time	74,226,010	25,223,364	99,449,374
Total	**74,226,010**	**25,223,364**	**99,449,374**

Regions - 30 June 2024	Service Revenue: Education	Service Revenue: Consumer	Total
United States of America	37,548,622	-	37,548,622
United Kingdom	31,596,771	-	31,596,771
Australia and New Zealand	5,080,617	-	5,080,617
Europe	-	25,223,364	25,223,364
Total	**74,226,010**	**25,223,364**	**99,449,374**

Reconciliation of movements in contract liabilities:

Contract Liabilities	$
Balance at 1 July 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**
Additions during the year	128,086,629
Additions arising from business combination – Octopus BI[1]	278,385
Recognised within service revenue	(117,290,570)
Other including foreign exchange movements	(3,932,943)
Balance at 30 June 2025	**78,522,928**

[1] *Refer to Note 24 – Business Combinations*

As at 30 June 2025 $66,016,568 (2024: $55,421,731) has been recognised as current contract liabilities representing services to be provided within the next 12 months. A further $12,506,360 (2024: $15,959,696) 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 Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. $$55,421,731 of revenue was recognised in the current reporting period (2024: $42,670,210) relating to carried-forward contract liabilities or performance obligations satisfied in a prior year. $78,522,928 (2024: $71,381,427) 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 2025

Note 5: Expenses

	2025	2024
Direct costs	**$**	**$**
Data and hosting costs	9,251,302	10,406,006
Service costs	10,088,816	9,751,120
Marketing	9,313,865	8,119,380
Hardware costs	269,083	275,227
Other costs	1,353,560	2,064,175
	30,276,626	**30,615,908**
Employee benefits cost		
Employee wages and superannuation	51,343,817	46,419,404
Staff and contractor commissions	4,680,913	4,641,599
Other employee costs	3,447,254	5,885,449
	59,471,984	**56,946,452**
Administration costs		
IT costs	4,748,411	5,336,385
Corporate and compliance costs	1,780,446	2,016,957
General administrative costs	5,943,058	4,175,577
Legal costs	282,316	830,826
	12,754,231	**12,359,745**
Depreciation and amortisation		
Amortisation of intangible assets	31,128,877	26,374,748
Depreciation of plant and equipment	4,932,188	3,560,242
Amortisation of right-of-use assets accounted for under AASB 16	1,445,543	1,580,198
	37,506,608	**31,515,188**
Finance costs		
AshGrove interest (cash)	4,494,922	2,405,163
AshGrove interest (capitalised against borrowings)	2,837,738	1,536,294
AshGrove transaction costs amortised over the term of the facility	897,722	983,109
Convertible note interest (cash)	32,540	620,785
Convertible note interest (paid through issue of ordinary shares)	21,693	254,468
Interest on other borrowings (cash)	225,174	120,951
Lease interest accounted for under AASB 16	405,172	345,308
Effective interest accounted for under AASB 15	1,414,023	1,238,895
Other non-cash interest	550	74,586
	10,329,534	**7,579,559**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 6: Income tax

		2025	2024
		$	$
(a)	**The major components of income tax expense / (benefit) comprise of:**		
	Current tax benefit	(612,541)	(208,420)
	Deferred tax benefit	(5,399,448)	(6,714,365)
	Under/ (over) provision in prior years	(72,316)	800,655
	Total income tax expense from continuing operations	**(6,084,305)**	**(6,122,130)**
	Deferred income tax expense/ (revenue) included in income tax expense comprises:		
	Decrease/ (increase) in deferred tax assets (DTAs)	(424,160)	(1,689,721)
	(Decrease)/ increase in deferred tax liabilities (DTLs)	(4,975,288)	(5,024,644)
		(5,399,448)	**(6,714,365)**
(b)	**The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:**		
	Profit / (loss) before tax for the year	(42,037,751)	(60,892,360)
	Prima facie tax payable on profit from ordinary activities before income tax at:		
	- 30.00% (Australia)	(11,324,297)	(13,274,092)
	- 21.00% (US)	2,166,263	(1,805,217)
	- 19.00% (UK)	(669,050)	(1,146,805)
	- 25.00% (Spain)	(2,894,512)	(2,166,511)
	- 28.00% (New Zealand)	132,362	90,524
	- 17.00% (Singapore)	(22,091)	34,394
	Adjustments for:		
	Share-based payments	3,216,583	3,440,063
	Non-deductible expenditure	391,904	2,208,904
	Foreign tax rate differential	(583,122)	(540,908)
	Tax losses and temporary differences not recognised	3,573,973	6,236,864
	Under/ (over) provision in prior years	(72,316)	800,655
	Income tax expense / (benefit) attributable to loss	**(6,084,303)**	**(6,122,129)**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 6: Income tax (continued)

		2025	2024
		$	$
(c)	**Unrecognised deferred tax assets**		
	Unrecognised deferred tax asset balance comprises:		
	Tax losses	48,755,735	46,601,376
	Plant and equipment and right-of-use assets	256,624	449,889
	Provisions and accruals	1,463,054	1,331,994
	Other temporary differences	7,405,950	5,725,490
	Capital and business related costs	1,109,111	782,202
	Total unrecognised deferred tax assets	**58,990,474**	**54,890,951**
(d)	**Recognised deferred tax assets/liabilities**		
	Deferred tax asset balance comprises:		
	Other temporary differences	630,533	(5,073)
	Spanish R&D tax receivable	1,483,349	768,333
	Intangible assets	-	926,462
	Net deferred tax asset recognised	**2,113,882**	**1,689,722**
	Deferred tax liability balances comprises:		
	PPE and Intangible assets	(6,132,774)	(4,181,478)
	Intangibles acquired via business combination	(9,377,527)	(12,516,622)
	Foreign exchange	(689,748)	-
	Offset against deferred tax assets / not recognised	6,822,521	4,181,478
	Net deferred tax liability recognised	**(9,377,528)**	**(12,516,622)**
(e)	**Deferred tax liability arising from intangibles acquired via business combinations**		
	Opening balance	(12,516,622)	(17,541,266)
	Initial recognition from acquisitions	(790,473)	-
	Derecognition from divestment	-	313,466
	Unwinding of deferred tax liabilities during the period	3,929,567	4,711,178
	Deferred tax liability from intangibles acquired via business combinations	**(9,377,528)**	**(12,516,622)**

		2025	2024
		$	$
(f)	**Deferred income tax related to items charged or credited directly to equity**		
	Decrease / (increase) in deferred tax assets	(508,322)	(27,510)
	Adjust for derecognition / offset of DTA/DTL	508,322	27,510
	Total items charged or credited directly to equity	-	-

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 6: Income tax (continued)

Total tax losses (tax effected) of $52,167,952 (2024: $50,709,474) have not been brought to account for the year ended 30 June 2025.

The tax benefits of the above deferred tax assets, including tax losses, will only be obtained if the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised, the Group continues to comply with the conditions for deductibility imposed by law and no changes in income tax legislation adversely affect the Group in utilising the benefits.

Note 7: 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:

	2025	2024
	$	$
Loss used in the calculation of basic and diluted loss per share	(35,953,446)	(54,770,230)
Basic and diluted (loss) per share attributable to equity holders (cents per share)	(2.79)	(4.87)

	Number	Number
Weighted average number of ordinary shares outstanding	1,286,848,495	1,124,893,274
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share	**1,286,848,495**	**1,124,893,274**

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 8: Cash and cash equivalents

	2025	2024
	$	$
Cash at bank	15,418,955	9,386,112
Total cash and cash equivalents	**15,418,955**	**9,386,112**

Cash at bank earns interest at floating rates based on daily bank rates. Refer to Note 22 - Financial Instruments for details regarding the Group's exposure to risk in respect of its cash balances.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 9: Trade and other receivables

	2025 $	2024 $
Current:		
Trade receivables	23,643,938	21,999,808
Less provision for expected credit losses	(114,658)	(417,387)
	23,529,280	**21,582,421**
Other current receivables:		
GST, VAT & other sales tax receivables	5,238,333	3,450,836
Other receivables	1,359,635	1,334,442
Total trade and other receivables	**30,127,248**	**26,367,699**

Note 10: Intangible assets

Accounting policy

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and impairment, if any. Gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; when the Group is able to use or sell the asset; when the Group has sufficient resources and intent to complete the development; and when its costs can be measured reliably. Development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Customer contracts and relationships

Customer contracts and relationships acquired as part of a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3-10 years.

Software

Software acquired as part of a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 - 7 years.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 10: Intangible assets (continued)

Brand names

Brand names acquired as part of a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 15 years.

	2025 $	2024 $
Goodwill at cost	194,747,265	169,692,072
Software at cost	63,249,197	57,915,239
Less: accumulated amortisation and impairment	(45,524,268)	(34,211,865)
Customer lists at cost	48,836,920	42,404,275
Less: accumulated amortisation and impairment	(35,381,041)	(21,927,454)
Branding at cost	7,341,393	6,616,747
Less: accumulated amortisation and impairment	(1,896,526)	(1,266,548)
Development assets at cost	50,000,588	25,243,104
Less: accumulated amortisation and impairment	(16,506,278)	(4,485,565)
	264,867,250	**239,980,005**

Intangible Assets	**Goodwill $**	**Software $**	**Customer contracts $**	**Branding $**	**Develop-ment assets $**	**Total $**
Balance at 1 July 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	-	(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**
Additions - Development assets	-	-	-	-	23,395,038	23,395,038
Additions - Octopus BI[1]	7,833,806	376,400	2,258,511	-	-	10,468,717
Amortisation expense	-	(8,505,383)	(10,696,964)	(470,443)	(11,456,087)	(31,128,877)
Foreign exchange movements	17,221,387	2,150,538	1,417,511	565,111	797,820	22,152,367
Balance at 30 June 2025	**194,747,265**	**17,724,929**	**13,455,879**	**5,444,867**	**33,494,310**	**264,867,250**

[1] *Refer to Note 24 – Business Combinations*

Impairment of intangible assets

Goodwill is not amortised. Instead, it is tested at least annually for impairment. The Group performed this annual impairment testing as at 30 April 2025 and thereafter assessed whether there were indicators of any impairment as at balance date 30 June 2025.

Goodwill is carried at cost less accumulated impairment. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to groups of cash generating units (CGUs) that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those groups of CGUs.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 10: Intangible assets (continued)

Impairment is determined by assessing the recoverable amount of the groups of CGUs to which the goodwill relates. The recoverable value of each CGU is estimated based on its fair value less disposal costs. When the recoverable amount of any of the Group's CGUs is less than the carrying amount, an impairment loss is recognised. Where certain assets cease to be a part of a CGU they are tested for impairment individually and where required are written down to their recoverable value.

Impairment losses recognised for goodwill are not subsequently reversed. Impairment losses recognised for assets other than goodwill can be subsequently reversed where it is supported by the recoverable value amount.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Management has assessed that the lowest level at which Goodwill is monitored is at the four operating segments reporting to the Managing Director and Board of Directors being USA, UK, Australia & New Zealand ("ANZ") and Europe ("EU"). Consistent with the approach taken in previous periods, Management has allocated Goodwill in relation to the Qustodio, Educator Impact, and Octopus BI acquisitions as at 30 June 2025 by attributing it proportionally to the relative size of the markets made available to these businesses by joining the Qoria Group. Goodwill recognised as a result of the Qustodio business combination is allocated to the USA, UK, ANZ and Europe CGUs, Goodwill recognised in relation to the Educator Impact business combination is allocated to the USA, UK and ANZ CGUs while Goodwill recognised in relation to the Octopus BI business combination is allocated to the USA, UK and ANZ CGUs. Likewise, Goodwill in relation to the Smoothwall acquisition has been allocated by attributing the relative forecast improvement in performance of each CGU as a result of the expected synergies obtained and Goodwill in relation to the Cipafilter acquisition is allocated to the USA CGU. Development assets have been allocated to CGU's based on the origin of economic benefits expected from the use of these assets.

Impairment testing using fair value less cost to dispose ("FVLCD") uses market-based valuation techniques based on key inputs derived from the Group's key financial information as well as observable inputs based on market information for similar market participants and therefore they are considered to be level 3 inputs within the fair value hierarchy in AASB 13 Fair Value Measurement. FVLCD was considered to be the appropriate methodology for impairment testing given the availability and reliability of revenue and market data now available for this purpose.

Key assumption	USA	UK	EU	ANZ
Carrying amount	136,714,812	105,410,912	10,814,754	20,576,354
Revenue	48,361,357	36,059,257	25,468,139	5,501,544
Revenue multiple	5.9x	5.9x	5.3x	5.9x

Carrying amount - Represents the total written down value of all relevant assets including intangible assets, goodwill, property, plant and equipment and right-of-use assets as at the date of annual impairment testing on 30 April 2025 allocated to each CGU.

Revenue – Represents each CGU's revenue rate as at the date of annual impairment testing on 30 April 2025.

Revenue multiple – Represents a market-based assessment of each CGU's expected revenue-based transaction multiple for a typical market participant, with specific consideration to recent transactions with a similar nature to the operations of the Group as assessed by an external expert as part of annual impairment testing on 30 April 2025.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 10: Intangible assets (continued)

Sensitivity analysis

Management recognises that the actual revenues and transaction multiples may vary from what has been estimated as part of the annual impairment testing. Fair value estimates may be sensitive to the achievement of revenue assumptions. The Group's position is that a reasonable possible change in this key input would be free of impairment at reporting date. Changes in any of the aforementioned assumptions may be accompanied by changes in other assumptions, which may have an offsetting impact.

Based on the above impairment testing, the recoverable amount of each CGU exceeds carrying amount and as such no impairment has been identified.

Note 11: Plant and equipment

Items of plant and equipment are stated at cost less accumulated depreciation.

The carrying amount of plant and equipment is reviewed for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. If any such indication exists and where the carrying amount exceeds the estimated recoverable amount the assets are written down to the recoverable amounts.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is ready for use. The useful life for each class of depreciable assets are:

Class of fixed asset	Useful life
Network devices	3-5 years
Computer equipment	3 years
Office equipment	3 years
Other plant and equipment	3-5 years

	2025 $	2024 $
Plant and equipment – at cost	21,714,200	16,628,358
Less: accumulated depreciation	(13,709,795)	(9,203,695)
	8,004,405	**7,424,663**

a) Reconciliation of movements in plant and equipment

Plant and equipment	**$**
Balance at 1 July 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**
Additions	4,911,575
Additions arising from business combination - Octopus BI[1]	27,854
Depreciation expense	(4,932,188)
Foreign exchange movements	572,501
Balance at 30 June 2025	**8,004,405**

[1] *Refer to Note 24 – Business Combinations*

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 12: Right-of-use assets and lease liabilities

a) Amounts recognised in the balance sheet

Right-of-use assets

	2025 $	2024 $
Land and buildings – right-of-use assets	9,112,381	7,869,250
Less: accumulated amortisation	(5,473,712)	(3,865,891)
Total right-of-use assets	**3,638,669**	**4,003,359**

Lease liabilities

	2025	2024
Current	**$**	**$**
Lease liability	1,626,321	1,445,380
Total current lease liability	**1,626,321**	**1,445,380**
Non-current		
Lease liability	2,640,358	3,203,169
Total non-current lease liability	**2,640,358**	**3,203,169**
Total lease liabilities	**4,266,679**	**4,648,549**

b) Amounts recognised in the statement of profit or loss

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

	2025 $	2024 $
Depreciation of right-of-use assets	1,445,543	1,580,198
Interest expense	405,172	345,308
Expense relating to short-term leases (included in administrative expenses)	17,809	-

Note 13: Trade and other payables

	2025 $	2024 $
Trade payables[1]	9,680,728	7,936,314
VAT, GST and other sales taxes payable	6,534,155	4,509,729
Employment-related payables	6,481,185	7,085,302
Accruals & other payables	3,872,912	6,445,808
Total trade and other payables	**26,568,980**	**25,977,153**

[1] Trade payables are non-interest bearing and are normally settled on 30-day terms

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 14: Provisions

	2025	2024
Current:	**$**	**$**
Employee leave provisions - Long service leave	687,586	531,831
Employee leave provisions - Annual leave	4,603,441	4,391,342
Total current provisions	**5,291,027**	**4,923,173**
Non-current:		
Employee leave provisions - Long service leave	636,551	470,870
Total non-current provisions	**636,551**	**470,870**
Total provisions	**5,927,578**	**5,394,043**

Note 15: Borrowings

	2025	2024
Current:	**$**	**$**
Convertible notes[1]	-	6,239,773
Total current borrowings	**-**	**6,239,773**
Non-current:		
AshGrove funding principal	47,850,000	37,850,000
AshGrove capitalised interest	4,374,033	1,536,294
AshGrove capitalised transaction costs	(6,178,384)	(6,560,837)
Total non-current borrowings	**46,045,649**	**32,825,457**

[1] The balance at 30 June 2024 represents notes payable to W8 Ventures LLC ("W8"). 4,161 notes were issued to W8 on 1 August 2022 and 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 (now repaid) 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. The Group repaid all notes owed to W8 Ventures LLC on 16 August 2024.

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. On 26 July 2024 the Company increased this debt facility by $10,000,000, from $37,850,000 to $47,850,000, which it drew down on 2 August 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 along with various other conditions of default customary for a facility of this kind.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 15: Borrowings (continued)

Terms and conditions currently include a monthly-tested liquidity covenant that requires a minimum cash balance to be held and a quarterly-tested ARR-to-debt ratio. For this purpose ARR is a non-IFRS measure agreed with AshGrove by the Group to assess its contracted recurring revenues.From the quarters ended 31 December 2025 and 30 June 2026 respectively, there will also be two quarterly-tested debt-to-EBITDA ratios included within the terms and conditions.

Transaction costs associated with the facility totalling $5,457,282 and warrant share based payment expense totalling $2,602,933 have been capitalised against the loan as at 30 June 2025 and amortised over the term of the loan in accordance with AASB 9 - Financial Instruments. Refer to Note 18 - Reserves for further details relating to these warrants.

Note 16: Deferred consideration

	2025	2024
Current:	**$**	**$**
Deferred Consideration – Cipafilter[1]	-	471,639
Total current deferred consideration	**-**	**471,639**
Non-Current:		
Deferred Consideration – Octopus BI[2]	4,666,667	-
Total non-current deferred consideration	**4,666,667**	**-**
Total deferred consideration	**4,666,667**	**471,639**

[1] Cash paid in equal instalments over the period of 30 months from acquisition date on 1 March 2022.

[2] OBI deferred consideration. Refer to Note 24 – Business Combinations.

Note 17: Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	2025 Number of Shares	2024 Number of Shares
Issued ordinary shares - no par value (fully paid)	1,317,835,277	1,191,582,155
Treasury Shares	(4,265,731)	(3,615,895)
Total	**1,313,569,546**	**1,187,966,260**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 17: Issued capital (continued)

(a) Ordinary shares

	Number of Shares	Value $
Opening balance – 1 July 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**
Convertible note interest	182,433	83,040
Issue of placement shares	80,645,162	29,880,000
Shares issued on exercise of Director ZEPO	113,447	-
Shares issued on exercise of Director options	2,090,757	-
Shares issued on exercise of performance rights	34,608,236	-
Shares issued in lieu of cash remuneration or as incentive	7,963,251	3,217,104
Cost of shares issued	-	(1,694,405)
Closing balance – 30 June 2025	**1,313,569,546**	**371,743,287**
Add: Closing balance of shares in QOR Trustee Account	4,265,731	
	1,317,835,277	

(b) Treasury shares

	Number of shares
Opening balance – 1 July 2023	2,643,788
Acquisition of shares by the Trust	35,786,138
Issued of deferred shares under the Company's Employee Incentive Plan	(34,814,031)
Closing balance – 30 June 2024	**3,615,895**
Acquisition of shares by the Trust	45,312,080
Issued of deferred shares under the Company's Employee Incentive Plan	(44,662,244)
Closing balance – 30 June 2025	**4,265,731**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 17: Issued capital (continued)

Capital risk management

When managing capital, the Board's objective is to ensure that the Group continues as a going concern as well as to maximise the returns to Shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group (refer to Note 2(a)).

The Board is constantly reviewing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the Board may issue new shares, return capital to Shareholders or sell assets to reduce debt. The Group was not subject to any externally imposed capital requirements during the year.

Note 18: 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.

	2025 $	2024 $
Options	16,037,726	15,017,771
Performance rights	51,896,204	42,991,532
Warrants	2,601,933	2,601,933
Total share-based payments reserve	**70,535,863**	**60,611,236**

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.

	2025 $	2024 $
Foreign currency translation reserve	14,684,566	33,396
Total foreign currency translation reserve	**14,684,566**	**33,396**

(a) Options

Reconciliation of movement in option reserve:

	Number of options	Expense recognised $
Opening balance – 1 July 2023	**23,170,000**	**13,755,919**
Issue of Non-Executive Director Options	2,042,040	287,020
Issue of Executive Director Options	7,084,081	578,585
Share-based payments expense in respect to Director options on issue as at 1 July 2023	-	396,247
Exercised during the year	(1,120,000)	-
Lapsed/forfeited during the year	(5,222,913)	-
Closing balance – 30 June 2024	**25,953,208**	**15,017,771**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

Issue of Executive Director Options	2,075,116	478,837
Share-based payments expense in respect to Executive Director options on issue as at 1 July 2024	-	270,742
Share-based payments expense in respect to Non-Executive Director options on issue as at 1 July 2024	-	270,377
Exercised during the year	(2,204,204)	-
Lapsed/forfeited during the year	(654,428)	-
Closing balance – 30 June 2025	**25,169,692**	**16,037,726**

Options outstanding as at 30 June 2025

The following options over ordinary shares of the Company existed at reporting date:

Options	Grant date	Expiry date	Exercise Price ($)	Balance at start of Period (Number)	Granted During the Period (Number)	Exercised during the Period (Number)	Forfeited/lapsed during the Period (Number)	Balance at Period end (Number)	Vested and exercisable at Period end (Number)
Company Secretary options	01/09/2021	30/06/2025	0.55	500,000	-	-	(500,000)	-	-
Director ZEPOs	19/11/2021	30/11/2024	0.00	2,000,000	-	(2,000,000)	-	-	-
Director options	24/01/2022	31/12/2025	0.60	2,100,000	-	-	-	2,100,000	2,100,000
WC Facility Options	18/01/2022, 01/08/2022 & 24/03/2023	31/01/2026	0.60	7,000,000	-	-	-	7,000,000	7,000,000
Director options	02/06/2022	31/12/2025	0.60	2,100,000	-	-	-	2,100,000	2,100,000
Co sec options	22/08/2022	31/12/2025	0.60	350,000	-	-	-	350,000	350,000
Director options	29/11/2022	31/12/2025	0.60	2,800,000	-	-	-	2,800,000	2,800,000
Non-executive director options[1]	17/08/2023	30/06/2027	0.00	2,042,040	-	(204,204)	-	1,837,836	1,157,156
Executive director STI options - FY24[1]	17/08/2023	30/06/2027	0.00	1,338,447	-	-	-	1,338,447	1,338,447
Executive director LTI options - FY24[1]	17/08/2023	30/06/2027	0.00	2,722,721	-	-	-	2,722,721	-
Executive director TSR options - FY24[1]	17/08/2023	30/06/2027	0.36	3,000,000	-	-	-	3,000,000	-
Executive director STI options - FY25[2]	21/11/2024	30/06/2028	0.00	-	870,070	-	(154,428)	715,642	715,642
Executive director LTI options - FY25[2]	21/11/2024	30/06/2028	0.00	-	580,046	-	-	580,046	-
Executive director TSR options - FY25[2]	21/11/2024	30/06/2028	0.65	-	625,000	-	-	625,000	-
Total				**25,953,208**	**2,075,116**	**(2,204,204)**	**(654,428)**	**25,169,692**	**17,561,245**

[1] *Vesting commenced on 1 July 2023 in line with the service period.*

[2] *Vesting commenced on 1 July 2024 in line with the service period.*

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

The following options were issued to Directors and other Key Management Personnel during the current year ended 30 June 2025:

Name	Security class	Grant date	Vesting date	Expiry date	Number of options	Total expense for current year ($)
Tim Levy	Executive Director STI options FY25[1]	21 November 2024	30 June 2025	30 June 2028	870,070	304,148
	Executive Director LTI options FY25	21 November 2024	30 June 2027	30 June 2028	580,046	82,023
	Executive Director TSR options FY25	21 November 2024	30 June 2027	30 June 2028	625,000	27,034

[1] For the STI 2025 options issued to Tim Levy during the year ended 30 June 2025, 20% to annual recurring revenue (ARR), 20% to job performance and 20% to employee engagement score. All of these milestones vested at 100%. Of the remaining options, 20% of the milestone targets were linked to trading cash flow and 20% to cash EBITDA. An 18% increase in operating cash flow from prior year was achieved resulting in a payment of 12% of the total options allocated to this milestone. A 65% increase in cash EBITDA from prior year was achieved resulting in a payment of 99% of the total options allocated to this milestone. As a result, 154,428 options were forfeited. The above table details the closing number of options following the forfeiture.

i. Executive Director STI Options

On 21 November 2024, the Shareholders approved the issue of 870,070 STI options to Managing Director Tim Levy as part of the revised remuneration for the year commencing 1 July 2024. See the vesting conditions detailed below:

Class	Exercise	Vesting conditions		
Executive Director STI Options	Each STI zero exercise price option ("ZEPO") will convert into one share for no consideration on exercise by the holder, prior to the expiry date, once vested	**Weighting**	**Operational milestone (to be achieved by 30 June 2025)**	**Other vesting conditions**
		20%	Achieve budgeted trading cash flow	Continued employment with the Company in existing role from issue date until the vesting date
		20%	Achieve budgeted cash EBITDA	
		20%	Achieve ARR budget	
		20%	Satisfactory job performance	
		20%	Satisfactory employee engagement score	

These options have been valued using the share price on grant date. Key details of the options granted are noted below:

	Executive Director STI Options
Grant Date	21 November 2024
Number of options	870,070
Value per option (rounded)	$0.43
Exercise price	$0
Total valuation	$369,780
Expense recognised in the period	$304,148
Vesting date	30 June 2025
Expiry date	30 June 2028

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

ii. Executive Director LTI Options

On 21 November 2024, the Shareholders approved the issue of 580,046 LTI options to Managing Director Tim Levy as part of the revised remuneration for the year commencing 1 July 2024. See the vesting conditions detailed below:

Class	Exercise	Vesting conditions		
Executive Director LTI Options	Each LTI ZEPO will convert into one Share for no consideration on exercise by the holder, prior to the Expiry Date, once vested	**Weighting**	**Operational milestone (to be achieved by 30 June 2027)**	**Other vesting conditions**
		20%	Achieve the Company's scale ARR ambition	Continued employment with the Company in existing role from issue date until the vesting date
		20%	Achieve the Company's rule of 40 value ambition	
		20%	Achieve the Company's ARR from NESM goal ambition	
		20%	Achieve the Company's ARR from B2B2C ambition	
		20%	Achieve the Company's engagement ambition	

These options have been valued using the share price on grant date. Key details of the options granted are noted below:

	Executive Director LTI Options
Grant Date	21 November 2024
Number of options	580,046
Value per option (rounded)	$0.43
Exercise price	$0
Total valuation	$246,520
Expense recognised in the period	$82,023
Vesting date	30 June 2027
Expiry date	30 June 2028

iii. Executive Director TSR Options

On 21 November 2024, the Shareholders approved the issue of 625,000 TSR options to Managing Director Tim Levy as part of the revised remuneration for the year commencing 1 July 2024. See the vesting conditions detailed below:

Class	Exercise	Vesting conditions
Executive Director Total Shareholder Return ("TSR") Options	LTI TSR option entitles the holder to subscribe for one share upon payment of the exercise price of $0.36, any time prior to the expiry date, once vested.	20-day VWAP of $1.25 by 30 June 2027 and continued service until 20-day VWAP of $1.25 is achieved.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

The options have been valued using an up-and-in trinomial option pricing model. See the key inputs of the model below:

Executive Director TSR Options	
Milestone for vesting	$1.25
Grant Date	21 November 2024
Number of options	625,000
Underlying share price	$0.43
Exercise price	$0.65
Expected volatility	70.00%
Expiry date (years)	4
Expected dividends	Nil
Risk free rate	3.50%
Value per option (rounded)	$0.13
Total valuation	$81,250
Total share-based payment expense for the period	$27,034

iv. Options issued to Directors in previous financial years

The following options were issued to Directors and other Key Management Personnel during the comparative year ended 30 June 2024:

Name	Security class	Grant date	Vesting date	Expiry date	Number of options	Total expense for current year ($)
Tim Levy	Executive Director STI options	17 August 2023	30 June 2024	30 June 2027	1,338,447	-
	Executive Director LTI options	17 August 2023	30 June 2026	30 June 2027	2,722,721	208,742
	Executive Director TSR options	17 August 2023	30 June 2026	30 June 2027	3,000,000	62,000
Peter Pawlowitsch	Non-executive Director Options - Tranche 1	17 August 2023	30 June 2024	30 June 2027	226,893	-
	Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	226,893	26,093
	Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	226,893	17,395
Phil Warren	Non-executive Director Options - Tranche 1	17 August 2023	30 June 2024	30 June 2027	113,447	-
	Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	113,447	13,046
	Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	113,447	8,698
Matthew Stepka	Non-executive Director Options - Tranche 1	17 August 2023	30 June 2024	30 June 2027	136,136	-
	Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	136,136	15,656
	Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	136,136	10,437

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

Name	Security class	Grant date	Vesting date	Expiry date	Number of options	Total expense for current year ($)
Georg Ell	Non-executive Director Options - Tranche 1	17 August 2023	30 June 2024	30 June 2027	90,757	-
	Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	90,757	10,437
	Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	90,757	6,958
Jane Watts	Non-executive Director Options - Tranche 1	17 August 2023	30 June 2024	30 June 2027	113,447	-
	Non-executive Director Options - Tranche 2	17 August 2023	30 June 2025	30 June 2027	113,447	13,046
	Non-executive Director Options - Tranche 3	17 August 2023	30 June 2026	30 June 2027	113,447	8,698

The Non-Executive Director options (as detailed in the table above) are subject to the following vesting conditions:

Tranche	Vesting condition
Tranche 1	Continued service of the holder as a Director, consultant or employee of the Company until 30 June 2024.
Tranche 2	Continued service of the holder as a Director, consultant or employee of the Company until 30 June 2025.
Tranche 3	Continued service of the holder as a Director, consultant or employee of the Company until 30 June 2026.

These options have been valued using the share price on grant date. Key details of the options granted are noted below:

	Non-Executive Director Options
Grant Date	17 August 2023
Number of options	2,042,040
Value per option (rounded)	$0.23
Exercise price	$0.00
Total valuation	$469,669
Expense recognised in the period	$130,464
Vesting date	30 June 2024, 30 June 2025, 30 June 2026
Expiry date	30 June 2027

The STI 2024 options issued to Managing Director Tim Levy are subject to the following vesting conditions:

Class	Exercise	Vesting conditions		
		Weighting	**Operational milestone (to be achieved by 30 June 2024)**	**Other vesting conditions**
Executive Director STI Options	Each STI zero exercise price option ("ZEPO") will convert into one share for no consideration on exercise by the holder, prior to the expiry date, once vested	20%	Achieve budgeted operating cash flow	Continued employment with the Company in existing role from issue date until the vesting date
		20%	Achieve budgeted cash EBITDA	
		20%	Achieve ARR budget	
		20%	Satisfactory job performance	
		20%	Satisfactory employee engagement score	

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

These options have been valued using the share price on grant date. Key details of the options granted are noted below:

	Executive Director STI Options
Grant Date	17 August 2023
Number of options	1,361,360
Value per option (rounded)	$0.23
Exercise price	$0
Total valuation	$313,113
Expense recognised in the period	$0
Vesting date	30 June 2024
Expiry date	30 June 2027

The LTI 2024 options issued to Managing Director Tim Levy are subject to the following vesting conditions:

Class	**Exercise**	**Vesting conditions**		
		Weighting	**Operational milestone (to be achieved by 30 June 2026)**	**Other vesting conditions**
Executive Director LTI Options	Each LTI ZEPO will convert into one Share for no consideration on exercise by the holder, prior to the Expiry Date, once vested	30%	Achieve the Company's scale ARR ambition	Continued employment with the Company in existing role from issue date until the vesting date
		20%	Achieve the Company's ARR from NESM goal ambition	
		30%	Achieve the Company's ARR from B2B2C ambition	
		20%	Achieve the Company's engagement ambition	

These options have been valued using the share price on grant date. Key details of the options granted are noted below:

	Executive Director LTI Options
Grant Date	17 August 2023
Number of options	2,722,721
Value per option (rounded)	$0.23
Exercise price	$0
Total valuation	$626,226
Expense recognised in the period	$208,742
Vesting date	30 June 2026
Expiry date	30 June 2027

The TSR 2024 options issued to Managing Director Tim Levy are subject to the following vesting conditions:

Class	**Exercise**	**Vesting conditions**	
		Tranche	**Vesting Condition**
Executive Director Total Shareholder Return ("TSR") Options	Each Tranche LTI TSR option entitles the holder to subscribe for one share upon payment of the exercise price of $0.36, any time prior to the expiry date, once vested.	Tranche 1 TSR options	20-day VWAP of $0.75 by 30 June 2026 and continued service until 20-day VWAP of $0.75 is achieved.
		Tranche 2 TSR options	20-day VWAP of $1.00 by 30 June 2026 and continued service until 20-day VWAP of $1.00 is achieved.
		Tranche 3 TSR options	20-day VWAP of $1.25 by 30 June 2026 and continued service until 20-day VWAP of $1.25 is achieved.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

The options have been valued using an up-and-in trinomial option pricing model. See the key inputs of the model below:

Executive Director TSR Options	Tranche 1	Tranche 2	Tranche 3
Milestone for vesting	$0.75	$1.00	$1.25
Grant Date	17 August 2023	17 August 2023	17 August 2023
Number of options	1,000,000	1,000,000	1,000,000
Underlying share price	$0.23	$0.23	$0.23
Exercise price	$0.36	$0.36	$0.36
Expected volatility	70.00%	70.00%	70.00%
Expiry date (years)	4	4	4
Expected dividends	Nil	Nil	Nil
Risk free rate	3.97%	3.97%	3.97%
Value per option (rounded)	$0.07	$0.06	$0.05
Total valuation	$73,000	$62,000	$51,000
Total share-based payment expense for the period	$24,333	$20,667	$17,000

(b) Performance rights

Reconciliation of movement in performance right reserve:

	Number of Performance Rights	Value $
Opening balance – 1 July 2023	**77,125,744**	**32,758,465**
Performance Rights granted during the year	48,300,172	-
Performance Rights expense recognised for the current year	-	11,260,218
Performance rights exercised during the year	(24,407,893)	-
Reversal of share-based payment expense as vesting conditions are not met	(8,441,012)	(917,670)
Other including foreign exchange movements	-	(109,481)
Closing balance – 30 June 2024	**92,577,011**	**42,991,532**
Performance Rights granted during the year	28,151,358	-
Performance Rights expense recognised for the current year	-	9,362,296
Performance rights exercised during the year	(34,608,236)	-
Reversal of share-based payment expense as vesting conditions are not met	(8,336,522)	(481,911)
Other including foreign exchange movements	-	24,287
Closing balance – 30 June 2025	**77,783,611**	**51,896,204**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

The following performance rights of the Company existed at reporting date:

Performance rights	Grant date	Expiry Date	Balance at start of Year (Number	Granted During the Year1 (Number)	Exercised during the Year2 (Number)	Forfeited during the Year3 (Number)	Balance at Year end (Number)	Vested and exercisable at Year end (Number)
Class A, B and C Employee Performance Rights - FY22	26/04/2022 & 26/08/2022	19/09/2024, 01/01/2025, 05/05/2025, 01/10/2025 & 30/06/2026	364,025	-	(146,760)	(23,676)	193,589	193,589
Class A, B and C Employee Performance Rights - FY23	01/07/2022 & 01/08/2022	19/09/2024, 01/01/2025, 28/02/2025, 20/03/2025, 02/05/2025, 05/05/2025, 31/05/2025, 26/06/2025, 28/06/2025, 30/06/2025, 24/07/2025, 02/08/2025, 21/08/2025, 03/09/2025, 01/10/2025, 30/06/2026 & 30/06/2027	8,091,918	-	(3,472,066)	(38,908)	4,580,944	4,579,995
Class A, B and C Employee Performance Rights POT - FY22	26/08/2022	19/09/2024, 02/05/2025, 01/10/2025 & 30/06/2026	9,371,909	-	(3,538,575)	50,000	5,883,334	5,883,334
Class A, B, C & D TL SP Performance Rights	05/01/2020	30/06/2025	1,000,000	-	(1,000,000)	-	-	-
Class A2, B2 and C2 Employee Performance Rights - FY21	19/02/2021	03/12/2025	123,530	-	(112,791)	(10,739)	-	-
Class A3, B3 and C3 Employee Performance Rights - FY22	29/07/2021 & 24/09/2021	01/01/2025, 20/03/2025, 05/05/2025, 26/06/2025, 28/06/2025 & 30/06/2025	1,258,261	-	(1,124,656)	(127,920)	5,685	5,685
Class B1 and C1 Employee Performance Rights - FY20	19/10/2020	19/10/2024	21,334	-	(21,334)	-	-	-

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

Performance rights (continued)	Grant date	Expiry Date	Balance at start of Year (Number	Granted During the Year1 (Number)	Exercised during the Year2 (Number)	Forfeited during the Year3 (Number)	Balance at Year end (Number)	Vested and exercisable at Year end (Number)
Class D, E and F Employee Performance Rights - FY23	01/07/2022 & 01/08/2022	19/09/2024, 28/09/2024, 28/02/2025, 20/03/2025, 31/03/2025, 02/05/2025, 05/05/2025, 31/05/2025, 26/06/2025, 28/06/2025, 30/06/2025, 24/07/2025, 02/08/2025, 21/08/2025, 03/09/2025, 01/10/2025, 31/12/2025 & 31/12/2026	11,063,963	-	(3,405,078)	(3,622)	7,655,263	3,619,765
Class D3, E3, F3, G3 and H3 Employee Performance Rights - FY22	26/07/2021, 16/08/2021, 04/11/2021 & 21/02/2022	28/02/2025, 20/03/2025, 31/03/2025, 05/05/2025, 26/06/2025, 28/06/2025, 30/06/2025 & 24/07/2025	2,472,754	-	(2,035,749)	(414,253)	22,752	22,752
Class A, B and C Employee Performance Rights - FY24	07/03/2023	19/09/2024, 28/09/2024, 01/01/2025, 31/01/2025, 28/02/2025, 20/03/2025, 02/05/2025, 05/05/2025, 31/05/2025, 26/06/2025, 28/06/2025, 30/06/2025, 24/07/2025, 02/08/2025, 21/08/2025, 03/09/2025, 01/10/2025 & 30/06/2027	13,833,173	-	(4,098,259)	(753,251)	8,981,663	4,934,973

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

Performance rights (continued)	Grant date	Expiry Date	Balance at start of Year (Number	Granted During the Year1 (Number)	Exercised during the Year2 (Number)	Forfeited during the Year3 (Number)	Balance at Year end (Number)	Vested and exercisable at Year end (Number)
Class D, E and F Employee Performance Rights - FY24	07/03/2023	31/03/2025, 02/05/2025, 05/05/2025, 31/05/2025, 28/06/2025, 30/06/2025, 24/07/2025, 02/08/2025, 21/08/2025, 03/09/2025, 01/10/2025, 30/06/2027, 31/12/2027 & 31/03/2025	13,824,024	-	(2,543,427)	(907,990)	10,372,607	2,116,815
Class A, B and C Employee Performance Rights - FY25	01/07/2024 & 01/10/2024	24/07/2025, 30/06/2028 & 30/09/2028	-	13,793,742	(54,957)	(831,141)	12,907,644	771,220
Class D, E and F Employee Performance Rights - FY25	10/01/2024	31/03/2029	-	7,010,235	-	(149,061)	6,861,174	-
Sign On Employee Performance Rights - FY25	05/01/2025	31/03/2029	-	47,847	-	-	47,847	-
Rights based pay - FY25	26/07/2024 & 01/05/2025	28/02/2028, 30/06/2028 & 30/09/2028	-	763,768	-	-	763,768	605,974
Class A, B and C Employee Performance Rights POT - FY24	07/03/2023	30/06/2027	300,000	-	-	-	300,000	200,000
Executive Performance Rights - Replacement - FY22	22/11/2021	30/06/2025	977,442	-	(312,500)	(664,942)	-	-
Remuneration Performance Rights - FY22	29/07/2021	31/12/2024	138,362	-	(138,362)	-	-	-
Replacement rights - FY22	26/08/2022	02/05/2025, 31/05/2025, 30/06/2025 & 30/06/2026	442,155	-	(676,301)	234,146	-	-
Rights based pay - FY22	26/08/2022 & 09/09/2022	30/06/2025 & 31/12/2026	1,430,872	-	(54,554)	(459,559)	916,759	916,759
Rights based pay - FY24	01/02/2024	31/12/2027	236,167	-	(99,230)	-	136,937	136,937

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

Performance rights (continued)	Grant date	Expiry Date	Balance at start of Year (Number	Granted During the Year1 (Number)	Exercised during the Year2 (Number)	Forfeited during the Year3 (Number)	Balance at Year end (Number)	Vested and exercisable at Year end (Number)
Sign On Employee Performance Rights - FY22	07/09/2020, 02/05/2022 & 26/08/2022	19/09/2024, 26/06/2025 & 30/06/2026	922,331	-	(453,140)	-	469,191	469,191
Sign On Employee Performance Rights - FY23	31/03/2023	31/05/2025 & 31/12/2026	520,542	-	(197,638)	-	322,904	322,904
Sign On Employee Performance Rights - FY24	07/03/2023	01/01/2025, 30/06/2027 & 31/12/2027	740,177	-	(549,587)	-	190,590	190,590
LTI Performance Rights 2023 - TL and CS	06/09/2021	30/06/2025	3,000,000	-	(3,000,000)	-	-	-
LTI Performance Rights - 2023	29/07/2021, 06/08/2021 & 15/08/2022	30/06/2025 & 30/06/2026	1,530,000	-	(30,000)	(500,000)	1,000,000	1,000,000
LTI Performance Rights - 2024	07/03/2023	30/06/2027	5,475,021	-	-	-	5,475,021	-
LTI Performance Rights - 2025	01/07/2024	30/06/2028	-	1,606,743	-	-	1,606,743	-
STI Performance Rights - 2022	29/07/2021, 30/07/2021, 06/08/2021 & 07/09/2021	30/06/2025	2,532,332	-	(1,390,757)	(1,141,575)	-	-
STI Performance Rights - 2023	29/07/2021, 06/08/2021, 07/09/2021 & 01/08/2022	30/06/2025 & 30/06/2026	2,901,821	-	(1,184,808)	(1,319,616)	397,397	397,397
STI Performance Rights - 2024	01/08/2022, 15/08/2022 & 03/07/2023	19/09/2024, 30/06/2026 & 30/06/2027	6,542,534	-	(2,079,382)	(1,948)	4,461,204	2,977,500
STI Performance Rights - 2025	01/07/2024 & 28/02/2025	30/06/2028 & 30/09/2028	-	4,929,023	-	(698,428)	4,230,595	1,097,117
STI Performance Rights 2022 - TL and CS	06/09/2021	30/06/2025	1,614,286	-	(1,614,286)	-	-	-
STI Performance Rights 2023 - TL and CS	06/09/2021	30/06/2025	1,848,078	-	(1,274,039)	(574,039)	-	-
			92,577,011	**28,151,358**	**(34,608,236)**	**(8,336,522)**	**77,783,611**	**30,442,497**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

The performance rights convert to ordinary fully paid shares on a one for one basis following the achievement of the performance milestones before the expiry date as outlined below:

Performance Rights	Vesting Condition	Milestone Date
Class A Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	1 year from issue date
Class B Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	2 years from issue date
Class C Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	3 years from issue date
Class D Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	1 year from issue date
Class E Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	2 years from issue date
Class F Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	3 years from issue date
Sign On Employee Performance Rights	Continued employment with the Company in existing role from issue date until the Milestone Date	1 year from issue date
STI 2022 Performance Rights & STI 2022 Performance Rights - TL and CS	a. Continued employment until 30 June 2022;	30 June 2022
	b. Receive a positive Personal Scorecard for the financial year ended 30 June 2022 from the Board for performance over the previous 12 months, 50% of the STI 2022 Performance Rights shall vest;	
	c. QRR Growth - If the Company achieves 50% growth in Quarterly Recurring Revenue (QRR) from 1 April 2022 to 30 June 2022 compared to the corresponding period in the previous year, 60% of the remaining 50% of the STI 2022 Performance Rights shall vest, with straight line pro- rata vesting for additional percentages of QRR Growth up to 100% from 1 April 2022 to 30 June 2022 compared to the corresponding period in the previous year.	
STI 2023 Performance Rights & STI Performance Rights 2023 - TL and CS	a. Continued employment until 30 June 2023;	30 June 2023
	b. Job performance: -Issued in the year ended 30 June 2022: Receive a positive Personal Scorecard for the financial year ended 30 June 2023 from the Board for performance over the previous 12 months, 50% of the STI 2023 Performance Rights shall vest; -Issued in the year ended 30 June 2023: Receive a performance review of "exceeds expectation" rating	
STI 2023 Performance Rights & STI Performance Rights 2023 - TL and CS (continued)	c. Revenue growth -Issued in the year ended 30 June 2022: QRR Growth - If the Company achieves 40% growth in Quarterly Recurring Revenue (QRR) from 1 April 2023 to 30 June 2023 compared to the corresponding period in the previous year, 50% of the remaining 50% of the STI 2023 Performance Rights shall vest, with straight line pro- rata vesting for additional percentages of QRR Growth up to 100% from 1 April 2023 to 30 June 2023 compared to the corresponding period in the previous year. -Issued in the year ended 30 June 2023: MRR Growth - If the Group achieves an Monthly Recurring Revenue (MRR) target of $8.3m by 30 June 2023. 100% is paid if MRR target is met and 80% paid if 80% of the target is met with a straight line pro-rata between.	30 June 2023

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

<table>
<tr><th>Performance Rights (continued)</th><th colspan="3">Vesting Condition</th><th>Milestone Date</th></tr>
<tr><td>STI 2024 Performance Rights</td><td colspan="3">Issued in the year ended 30 June 2022:</td><td>30 June 2024</td></tr>
<tr><td></td><td colspan="3">a. Continued employment until 30 June 2024;</td><td></td></tr>
<tr><td></td><td colspan="3">b. Receive a performance review of "exceeds expectation" rating</td><td></td></tr>
<tr><td></td><td colspan="3">c. MRR Growth - If the Group achieves an Monthly Recurring Revenue (MRR) target of $10.8m by 30 June 2024. 100% is paid if MRR target is met and 80% paid if 80% of the target is met with a straight line pro-rata between.</td><td></td></tr>
<tr><td></td><td colspan="3">Issued in the year ended 30 June 2024:</td><td></td></tr>
<tr><td></td><td>Weighting</td><td>Operational milestone</td><td>Other vesting conditions</td><td></td></tr>
<tr><td></td><td>20%</td><td>Achieve budgeted operating cash flow</td><td rowspan="5">Continued employment with the Company in existing role from issue date until the vesting date</td><td></td></tr>
<tr><td></td><td>20%</td><td>Achieve budgeted cash EBITDA</td><td></td></tr>
<tr><td></td><td>20%</td><td>Achieve ARR budget</td><td></td></tr>
<tr><td></td><td>20%</td><td>Satisfactory job performance</td><td></td></tr>
<tr><td></td><td>20%</td><td>Satisfactory employee engagement score</td><td></td></tr>
<tr><td>STI 2025 Performance Rights</td><td colspan="3">Issued in the year ended 30 June 2025:</td><td>30 June 2025</td></tr>
<tr><td></td><td>Weighting</td><td>Operational milestone</td><td>Other vesting conditions</td><td></td></tr>
<tr><td></td><td>20%</td><td>Achieve budgeted trading cash flow</td><td rowspan="5">Continued employment with the Company in existing role from issue date until the vesting date</td><td></td></tr>
<tr><td></td><td>20%</td><td>Achieve budgeted cash EBITDA</td><td></td></tr>
<tr><td></td><td>20%</td><td>Achieve ARR budget</td><td></td></tr>
<tr><td></td><td>20%</td><td>Satisfactory job performance</td><td></td></tr>
<tr><td></td><td>20%</td><td>Satisfactory employee engagement score</td><td></td></tr>
<tr><td>LTI 2023 Performance Rights & LTI Performance Rights 2023 - TL and CS</td><td colspan="3">Issued in the year ended 30 June 2022: LTI Performance Rights shall vest subject to the achievement of each of the Operational Milestone outlined below, which are linked to the following key business Objectives:</td><td>30 June 2023</td></tr>
<tr><td></td><td colspan="3">a. Expand Markets;</td><td></td></tr>
<tr><td></td><td colspan="3">b. Expand Products;</td><td></td></tr>
<tr><td></td><td colspan="3">c. Launch Community;</td><td></td></tr>
<tr><td></td><td colspan="3">d. Make Sustainable;</td><td></td></tr>
<tr><td></td><td colspan="3">e. Improve Revenue per Student.</td><td></td></tr>
<tr><td></td><td colspan="3">A maximum of 450,000 LTI Performance rights (per holder) can vest per business objective.</td><td></td></tr>
<tr><td></td><td colspan="3">Issued in the year ended 30 June 2023: Continued employment with the Company in existing role from issue date until the Milestone Date</td><td>30 June 2025</td></tr>
<tr><td>LTI 2024 Performance Rights</td><td colspan="3">Issued in the year ended 30 June 2024:</td><td></td></tr>
<tr><td></td><td>Weighting</td><td>Operational milestone</td><td>Other vesting conditions</td><td></td></tr>
<tr><td></td><td>30%</td><td>Achieve the Company's scale ambition</td><td rowspan="4">Continued employment with the Company in existing role from issue date until the vesting date</td><td>30 June 2026</td></tr>
<tr><td></td><td>20%</td><td>Achieve the Company's goal ambition</td><td></td></tr>
<tr><td></td><td>30%</td><td>Achieve the Company's B2B2C ambition</td><td></td></tr>
<tr><td></td><td>20%</td><td>Achieve the Company's engagement ambition</td><td></td></tr>
</table>

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

Performance Rights (continued)	Vesting Condition			Milestone Date
LTI 2025 Performance Rights	Issued in the year ended 30 June 2025:			
	Weighting	**Operational milestone**	**Other vesting conditions**	
	30%	Achieve the Company's scale ambition	Continued employment with the Company in existing role from issue date until the vesting date	30 June 2026
	20%	Achieve the Company's goal ambition		
	30%	Achieve the Company's B2B2C ambition		
	20%	Achieve the Company's engagement ambition		

The following operational milestones are linked to the LTI 2023 Performance Rights issued during the year ended 30 June 2022:

Objective	Operational Milestones
Expand Markets	Achieving revenue of greater than $500,000 in total prior to 30 June 2023 in a market other than USA, Australia or New Zealand.
Expand Products	Launch of a new product which generates revenue of greater than $500,000 in total prior to 30 June 2023.
	Launch of a new product which achieves 2.5% take-up by School Clients in a particular country.
Launch Community	Launch of Community in a market outside of Australia and achieve greater than 20% take-up by School Clients.
	Launch of Community in a market outside of Australia and achieve greater than 30% take-up by School Clients.
	Launch of Community in a market outside of Australia and achieve 2% of parents within all participating School Clients activating a Consumer Account.
	Launch of Community in a country outside of Australia and achieve 5% of parents within all participating School Clients activating a Consumer Account
Make Sustainable	Achieve quarterly average data and hosting costs per student below targets set by the Board
	Achieve quarterly Service Margin above targets set by the Board.
Improve Revenues per Student	Achieve Average Revenue Per Student targets set by the Board.

The following performance rights were issued to Directors and other Key Management Personnel during the current year ended 30 June 2025:

Name	Performance right class	Grant date	Vesting date	Expiry date	Number of performance rights	Total expense for current year ($)
Ben Jenkins	Class A Employee Performance Rights - FY25	1 July 2024	30 June 2025	30 June 2028	110,485	47,619
	Class B Employee Performance Rights - FY25	1 July 2024	30 June 2026	30 June 2028	110,485	23,810
	Class C Employee Performance Rights - FY25	1 July 2024	30 June 2027	30 June 2028	110,485	15,873
	STI 2025 Performance Rights - Class A	1 July 2024	30 June 2025	30 June 2028	151,080	61,943
	STI 2025 Performance Rights - Class B	1 July 2024	30 June 2026	30 June 2028	151,080	30,971
	STI 2025 Performance Rights - Class C	1 July 2024	30 June 2027	30 June 2028	151,079	20,647

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

Name	Performance right class	Grant date	Vesting date	Expiry date	Number of performance rights	Total expense for current year ($)
Ben Jenkins	LTI 2024 Performance Rights	1 July 2024	30 June 2027	30 June 2028	483,373	66,061
Crispin Swan	STI 2025 Performance Rights - Class A	1 July 2024	30 June 2025	30 June 2028	207,536	85,090
	STI 2025 Performance Rights - Class B	1 July 2024	30 June 2026	30 June 2028	207,536	42,545
	STI 2025 Performance Rights - Class C	1 July 2024	30 June 2027	30 June 2028	207,536	28,363
	LTI 2025 Performance Rights	1 July 2024	30 June 2027	30 June 2028	459,856	68,967

[1] The STI 2025 Performance Rights - Class A, B and C were valued based on the share price on the grant date ($0.41). The performance rights were assessed at the milestone date of 30 June 2025. 20% to annual recurring revenue (ARR), 20% to job performance and 20% to employee engagement score. All of these milestones vested at 100%. Of the remaining rights, 20% of the milestone targets were linked to trading cash flow and 20% to cash EBITDA. A 18% increase in operating cash flow from prior year was achieved resulting in a payment of 12% of the total rights allocated to this milestone. A 65% increase in cash EBITDA from prior year was achieved resulting in a payment of 99% of the total rights allocated to this milestone. As a result, 32,601, 32,601 and 32,602 of Ben Jenkins' class A, B and C performance rights were forfeited as well as 44,784, 44,784 and 44,784 of Crispin Swan's. The above table details the closing number of performance rights following the forfeiture. Classes B and C are subject to the ongoing service condition until the vesting dates.

The following performance rights were issued to Directors and other Key Management Personnel during the year ended 30 June 2024 and continue to vest during the current year:

Name	Performance right class	Grant date	Vesting date	Expiry date	Number of performance rights	Total expense for current year ($)
Ben Jenkins	STI 2024 Performance Rights - Class A	3 July 2023	30 June 2024	30 June 2027	169,961	-
	STI 2024 Performance Rights - Class B	3 July 2023	30 June 2025	30 June 2027	169,961	19,475
	STI 2024 Performance Rights - Class C	3 July 2023	30 June 2026	30 June 2027	169,961	12,977
	LTI 2024 Performance Rights	3 July 2023	30 June 2026	30 June 2027	777,921	58,397
Crispin Swan	STI 2024 Performance Rights - Class A	3 July 2023	30 June 2024	30 June 2027	388,150	-
	STI 2024 Performance Rights - Class B	3 July 2023	30 June 2025	30 June 2027	388,149	44,475
	STI 2024 Performance Rights - Class C	3 July 2023	30 June 2026	30 June 2027	388,149	29,637
	LTI 2024 Performance Rights	3 July 2023	30 June 2026	30 June 2027	2,368,765	177,820

[1] The STI 2024 Performance Rights - Class A, B and C were valued based on the share price on the grant date ($0.225). The performance rights were assessed at the milestone date of 30 June 2024. 20% of the milestones targets were linked to cash EBITDA, 20% to annual recurring revenue (ARR), 20% to job performance and 20% to employee engagement score. All of these milestones vested at 100%. The remaining 20% were linked to operating cash flow. A 62.6% increase in operating cash flow from prior year was achieved resulting in a payment of 91.6% of the total rights allocated to this milestone. As a result, 2,909, 2,910 and 2,910 of Ben Jenkins 'class A, B and C performance rights were forfeited as well as 6,644, 6,645 and 6,645 of Crispin Swan's. The above table details the closing number of performance rights following the forfeiture. Classes B and C are subject to the ongoing service condition until the vesting dates.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 18: Reserves (continued)

(c) Warrants

Reconciliation of movement in warrants reserve:

	Number of Warrants	Value $
Opening balance – 1 July 2023	**-**	**-**
Warrants granted during the year	16,045,408	2,601,933
Other including foreign exchange movements	-	-
Closing balance – 30 June 2024	**16,045,408**	**2,601,933**
Other including foreign exchange movements	-	-
Closing balance – 30 June 2025	**16,045,408**	**2,601,933**

On 23 January 2024, the Company 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. The warrants were valued at $0.16 per warrant using the Black & Scholes Option Pricing Model. The expense has been capitalised as a transaction cost as per Note 15 - Borrowings.

Note 19: Accumulated losses

	2025 $	2024 $
Accumulated losses	**(298,904,255)**	**(262,950,809)**
Opening balance	(262,950,809)	(235,368,096)
Reclassification from reserve	-	27,187,517
Net loss for the financial year	(35,953,446)	(54,770,230)
Total accumulated losses	**(298,904,255)**	**(262,950,809)**

Note 20: Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods or services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, including performance shares, performance rights, warrants and options, goods or services received are measured directly at the fair value of the goods or services received, provided that this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using an appropriate option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted using a Black-Scholes option pricing model for options with non-market based vesting conditions and the Monte Carlo simulation model for options and performance rights with market based vesting conditions. The fair value of shares issued and performance rights with non-market vesting conditions is based on the closing market price of the Company's shares on the grant date.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 20: Share-based payments (continued)

Share-based payments made during the year ended 30 June 2025 are summarised below:

Recognised share-based payments expense

	2025 $	2024 $
Performance rights issued to employees for services	9,362,296	11,253,337
Performance rights issued to Directors for services	-	6,881
Options issued to Directors as incentive	1,019,955	1,261,852
Shares issued to employees as remuneration, in lieu of cash	2,704,432	2,121,151
Capitalisation of development assets - share based payments	(1,882,831)	(2,272,032)
Reversal of share based payments expenses where vesting conditions were not met	(481,911)	(917,670)
	10,721,941	**11,453,519**

(a) Options Issued to Directors

The following options issued to Directors were vesting during the year ended 30 June 2025:

Options	Exercise Price	Number on issue as at 30 June 2025	Total Expense for the period ($)
Director options	$0.60	2,100,000	39,967
Director Options	$0.60	2,100,000	50,401
Director Options	$0.60	2,800,000	49,545
Non-Executive Director Options	-	1,837,836	130,464
Executive director LTI options - FY24	-	2,722,721	208,742
Executive director TSR options - FY24	$0.36	3,000,000	62,000
Executive Director STI Options - FY25	-	715,642	369,780
Executive Director LTI Options - FY25	-	580,046	82,022
Executive Director TSR Options - FY25	$0.65	625,000	27,034
Total			**1,019,955**

[1] 154,428 options were forfeited due to performance milestones not met. Refer to Note 18 - Reserves for more details.

(b) Shares issued to employees as remuneration in lieu of cash

During the year the Group issued 7,866,744 fully paid ordinary shares to employees in lieu of their cash salary. The shares issued to employees in the current year have been valued at $3,217,104 based on the closing share price at grant date.

Number of shares	Grant date	Share price	Expense recognised
2,151,113	26/7/2024	$0.365	$791,400
217,235	8/1/2024	$0.355	$77,777
1,129,197	31/10/2024	$0.415	$471,853
1,731,658	28/2/2025	$0.48	$831,666
2,637,541	1/5/2025	$0.40	$531,736

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 20: Share-based payments (continued)

(c) Performance rights issued to employees and Directors

The following performance rights issued to employees and Directors were vesting during the year ended 30 June 2025:

Performance Rights	Grant Date	Fair Value at Grant Date	Balance as at 30 June 2024 (Number)	Total Expense for the period ($)
Class C1 Employee Performance Rights - FY20	19/10/2020	$0.44	-	-
Class B3 Employee Performance Rights - FY22	29/07/2021 & 24/09/2021	$0.57-$0.72	1,895	-
Class C3 Employee Performance Rights - FY22	29/07/2021 & 24/09/2021	$0.57-$0.72	1,895	-
Class F3 Employee Performance Rights - FY22	26/07/2021 & 16/08/2021	$0.6-$0.67	4,927	-
Class G3 Employee Performance Rights - FY22	26/07/2021 & 16/08/2021	$0.6-$0.67	12,898	82,808
Class C2 Employee Performance Rights - FY21	19/02/2021	$0.5	-	-
LTI Performance Rights - 2023	29/07/2021, 06/08/2021 & 15/08/2022	$0.48-$0.59	1,000,000	166,698
STI Performance Rights - 2023	29/07/2021, 06/08/2021, 07/09/2021 & 01/08/2022	$0.32-$0.78	397,397	-
Class B Employee Performance Rights - FY22	26/04/2022 & 26/08/2022	$0.36-$0.46	49,624	-
Class C Employee Performance Rights - FY22	26/04/2022 & 26/08/2022	$0.36-$0.46	99,069	7,522
Class A Employee Performance Rights POT - FY22	26/08/2022	$0.36	1,466,666	-
Class B Employee Performance Rights POT - FY22	26/08/2022	$0.36	1,566,666	-
Class C Employee Performance Rights POT - FY22	26/08/2022	$0.36	2,850,002	418,846
Replacement rights - 2022	26/08/2022, 30/12/1899 & 26/08/2022	$0.36	-	-
Class A Employee Performance Rights - FY23	01/07/2022 & 01/08/2022	$0.32-$0.36	934,463	-
Class B Employee Performance Rights - FY23	01/07/2022 & 01/08/2022	$0.32-$0.36	1,139,980	603
Class C Employee Performance Rights - FY23	01/07/2022 & 01/08/2022	$0.32-$0.36	2,506,501	329,622
Class D Employee Performance Rights - FY23	01/07/2022 & 01/08/2022	$0.29	1,521,191	-
Class E Employee Performance Rights - FY23	01/07/2022 & 01/08/2022	$0.29	2,034,705	231,475
Class F Employee Performance Rights - FY23	01/07/2022 & 01/08/2022	$0.29	4,099,367	289,718
Sign On Employee Performance Rights - FY23	31/03/2023	$0.19	322,904	-

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 20: Share-based payments (continued)

Performance Rights	Grant Date	Fair Value at Grant Date	Balance as at 30 June 2024 (Number)	Total Expense for the period ($)
Class A Employee Performance Rights - FY24	07/03/2023	$0.22	1,619,484	1,342
Class B Employee Performance Rights - FY24	07/03/2023	$0.22	3,285,002	421,351
Class C Employee Performance Rights - FY24	07/03/2023	$0.22	4,077,177	275,850
Class D Employee Performance Rights - FY24	07/03/2023	$0.22	2,068,233	301,536
Class E Employee Performance Rights - FY24	07/03/2023	$0.22	4,152,187	333,600
Class F Employee Performance Rights - FY24	07/03/2023	$0.22	4,152,187	239,116
Class A Employee Performance Rights POT - FY24	07/03/2023	$0.23	100,000	-
Class B Employee Performance Rights POT - FY24	07/03/2023	$0.23	100,000	11,265
Class C Employee Performance Rights POT - FY24	07/03/2023	$0.23	100,000	7,507
Class A Employee Performance Rights - FY25	01/07/2024 & 01/10/2024	$0.37-$0.43	4,273,546	1,309,411
Class B Employee Performance Rights - FY25	01/07/2024 & 01/10/2024	$0.37-$0.43	4,317,049	664,313
Class C Employee Performance Rights - FY25	01/07/2024 & 01/10/2024	$0.37-$0.43	4,317,049	447,157
Class D Employee Performance Rights - FY25	10/01/2024	$0.42	2,287,058	477,121
Class E Employee Performance Rights - FY25	10/01/2024	$0.42	2,287,058	286,168
Class F Employee Performance Rights - FY25	10/01/2024	$0.42	2,287,058	204,214
Rights based pay - FY25	26/07/2024 & 01/05/2025	$0.42-$0.44	763,768	289,896
Sign On Employee Performance Rights - FY25	05/01/2025	$0.42	47,847	3,642
Sign On Employee Performance Rights - FY24	07/03/2023	$0.23	190,590	5,777
Rights based pay - FY24	01/02/2024	$0.26	136,937	-
STI Performance Rights - 2024	01/08/2022, 15/08/2022 & 03/07/2023	$0.23-$0.48	4,461,204	284,758
LTI Performance Rights - 2024	07/03/2023	$0.23	5,475,021	411,002
STI Performance Rights Class A - 2025	01/07/2024 & 28/02/2025	$0.41-$0.48	1,946,028	667,517
STI Performance Rights Class B - 2025	01/07/2024 & 28/02/2025	$0.41-$0.48	1,142,287	277,232
STI Performance Rights Class C - 2025	01/07/2024 & 28/02/2025	$0.41-$0.48	1,142,280	184,578
LTI Performance Rights - 2025	07/01/2024	$0.41	1,606,743	273,026
				8,904,671

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 20: Share-based payments (continued)

(d) Performance Shares issued to employees

During the prior year as part of the acquisition of Qustodio, $25,768,646 in deferred consideration was payable in the form of shares (estimated as 80,527,017 shares at transaction date 1 August 2022 closing rate of $0.32 per share). 50% of the deferred consideration entitlement was paid 12 months from closing date, on 1 August 2023, as both of the following conditions were met: a revenue-based target "monthly recurring revenue" ("MRR") reached at least $1,003,000 US Dollars by 1 August 2023 and the ratio of EBITDA to "gross billed revenue" for the business returned at least 9.5% margin for the 12-month period ending 1 August 2023.

The remaining 50% of the deferred consideration entitlement was payable on 1 August 2024 if both of the following conditions are met: MRR reached at least $1,154,000 US Dollars by 1 August 2024 and the ratio of EBITDA to "gross billed revenue" for the business returned at least 9.5% margin for the 12-month period ending 1 August 2024. Both tranches of shares required continued employment until the vesting date. The milestones were met early and the shares were issued on 13 March 2024 (refer to Note 17 - Issued capital).

The deferred consideration for the acquisition of Qustodio is contingent on the continued employment of the recipients. As a result, AASB 3 – Business Combinations, requires the consideration to be treated under AASB 2 – Share Based Payments and expensed over the service period. As the balance is payable in two tranches 12 and 24 months from acquisition date, the expense was therefore recognised over the respective service periods of 12 and 24 months to 1 August 2023 and 1 August 2024 respectively. As the milestones were met early, the remaining expense at 13 March 2024 was accelerated and recognised upfront on the issue of shares.

Note 21: Operating cash flow information

Reconciliation of cash inflows / (outflows) from operations with loss after income tax	2025	2024
	$	$
Loss for the year	(35,953,446)	(54,770,230)
Non cash items included in loss for the year:		
- Share based payments	10,721,941	20,129,932
- Depreciation, amortisation and impairment	37,506,608	31,515,188
- Non-cash interest expense	5,576,898	4,432,660
- Non-cash other income	-	(2,024,513)
- Non-cash other expenses	285,192	285,192
- Non-cash foreign currency movements	(2,972,657)	3,023,424
Movements in operating assets and liabilities:		
- (Increase) / Decrease in trade and other receivables	(5,004,523)	(7,855,668)
- (Increase) / Decrease in prepayments and other assets	(1,001,995)	1,924,885
- (Increase) / Decrease in contract assets	180,269	(145,904)
- Increase / (Decrease) in deferred tax balances	(4,743,224)	(7,131,921)
- Increase / (Decrease) in trade and other payables	395,844	1,580,875
- Increase / (Decrease) in contract liabilities	4,776,597	14,601,682
- Increase / (Decrease) in provisions	356,855	1,203,517
Cash inflows from operations	**10,124,359**	**6,769,119**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 22: Financial instruments

a. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, receivables, payables and lease liabilities. Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Group manages its exposure to key financial risks, including interest rate, foreign currency, credit and liquidity risks in accordance with the Company's risk management policy. The primary objective of the policy is to reduce the volatility of cash flows and asset values arising from such movements.

The Group uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring the levels of exposure to interest rate risk, ageing analysis and monitoring of credit allowances to manage credit risk and the use of future cash flow forecasts to monitor liquidity risk.

b. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

c. Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for Shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

d. Categorisation of Financial Instruments

Details of each category in accordance with AASB 9 - Financial Instruments, are disclosed either on the face of the Consolidated Statement of Financial Position or in the notes.

e. Credit Risk

(i) Exposure to Credit Risk

Credit risk is managed on a group basis. Credit risk arises predominantly from credit exposures to customers, including outstanding receivables and committed transactions. The key elements to manage credit risk are; for banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted and for customers to review aged trade debtors on a regular basis. There are no significant concentrations of credit risk through exposure to individual customers.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 22: Financial instruments (continued)

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2025 $	2024 $
Financial Assets		
Cash and cash equivalents	15,418,955	9,386,112
Trade and other receivables	30,127,248	26,367,699
Financial assets	380,124	229,470
Total financial assets	**45,926,327**	**35,983,281**

Financial assets as at 30 June 2025 are not impaired. Trade and receivables are presented net of the provision for expected credit loss totalling $114,658 (2024: $417,387). The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Refer to Note 3(c), (d) for the Group's accounting policy and Note 9 for further details on the Group's trade and other receivables balance.

(ii) Interest Rate Risk

2025	Effective Interest Rate %	Carrying Amount $	Variable Interest Rate $	Non-Interest Bearing $	Fixed Interest Rate $	Total $
Financial Assets						
Cash and cash equivalents	0 – 3	15,418,955	15,418,955	-	-	**15,418,955**
Financial Liabilities						
Borrowings	0 - 15	46,045,649	46,045,649	-	-	**46,045,649**
Lease liabilities	6 - 15	4,266,679	-	-	4,266,679	**4,266,679**
Deferred consideration	15	4,666,667	-	4,666,667	-	**4,666,667**
2024						
Financial Assets						
Cash and cash equivalents	0 – 3	9,386,112	9,386,112	-	-	**9,386,112**
Financial Liabilities						
Borrowings	0 - 10	39,065,230	32,825,457	-	6,239,773	**39,065,230**
Lease liabilities	6	4,648,549	-	-	4,648,549	**4,648,549**
Deferred consideration payable	15	471,639	-	-	471,639	**471,639**

f. Fair value of financial instruments

The Directors consider the carrying amount of the Group's financial instruments to be a reasonable approximation of their fair value on account of their short maturity cycle.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 22: Financial instruments (continued)

g. Liquidity risk

(i) Exposure to liquidity risk

The carrying amount of the Group's financial liabilities represents the maximum liquidity risk. The Group's maximum exposure to liquidity risk at the reporting date was:

	2025 $	2024 $
Financial Liabilities		
Trade and other payables	25,702,889	23,680,183
Deferred consideration payable	4,666,667	471,639
Borrowings	46,045,649	39,065,230
Lease liabilities	4,266,679	4,648,549
Total financial liabilities	**80,681,884**	**67,865,601**

(ii) Contractual Maturity Risk

The following table discloses the contractual maturity analysis at the reporting date. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Statement of Financial Position.

2025 **Financial instruments**	**0-6 months** **$**	**6-12 months** **$**	**Over 1 to 5 years** **$**	**More than 5 years** **$**	**Total Contractual Cash Flow** **$**	**Carrying Amount** **$**
Financial assets						
Cash	15,418,955	-	-	-	**15,418,955**	15,418,955
Trade and other receivables	30,127,248	-	-	-	**30,127,248**	30,127,248
Other financial assets	-	-	380,124	-	**380,124**	380,124
Total financial assets	**45,546,203**	**-**	**380,124**	**-**	**45,926,327**	**45,926,327**
Financial liabilities						
Trade and other payables	25,702,889	-	-	-	**25,702,889**	25,702,889
Deferred consideration	-	-	4,666,667	-	**4,666,667**	4,666,667
Borrowings	3,324,205	3,370,041	66,224,868	-	**72,919,114**	46,045,649
Lease liabilities	990,540	946,205	3,282,329	-	**5,219,074**	4,266,679
Total financial liabilities	**30,017,634**	**4,316,246**	**74,173,864**	**-**	**108,507,744**	**80,681,884**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 22: Financial instruments (continued)

g. Liquidity risk

(ii) Contractual Maturity Risk (continued)

2024	0-6 months	6-12 months	Over 1 to 5 years	More than 5 years	Total Contractual Cash Flow	Carrying Amount
Financial instruments	**$**	**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash	9,386,112	-	-	-	**9,386,112**	9,386,112
Trade and other receivables	26,367,699	-	-	-	**26,367,699**	26,367,699
Other financial assets	-	-	229,470	-	**229,470**	229,470
Total financial assets	**35,753,811**	**-**	**229,470**	**-**	**35,983,281**	**35,983,281**
Financial liabilities						
Trade and other payables	23,680,183	-	-	-	**23,680,183**	23,680,183
Deferred consideration payable	471,639	-	-	-	**471,639**	471,639
Borrowings[1]	8,045,491	1,827,703	61,977,227	-	**71,850,421**	39,065,230
Lease liabilities	909,635	908,605	4,002,650	-	**5,820,890**	4,648,549
Total financial liabilities	**33,106,948**	**2,736,308**	**65,979,877**	**-**	**101,823,133**	**67,865,601**

[1] Convertible notes included in this category of $6,239,772, that matured on 31 July 2024, were based on contractual cash flows unless conversion to equity elected earlier by the note holder.

h. Market risk

(i) Foreign exchange risk

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars was as follow:

	Value of NZD exposure expressed in AUD		Value of USD exposure expressed in AUD		Value of GBP exposure expressed in AUD		Value of EUR exposure expressed in AUD	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Net assets (liabilities)	462,201	(5,077,696)	36,928,341	(2,967,314)	203,258,362	140,472,704	47,880,640	21,064,504
Net profit (Loss)	(640,996)	(301,745)	159,592	10,038,999	(4,491,811)	(6,514,340)	(13,069,535)	(8,923,052)

Foreign currency sensitivity:

Based on the net liability position of the foreign subsidiaries at 30 June 2024, had the Australian dollar weakened/strengthened by 10% against the New Zealand dollar with all other variables held constant, the Group's post-tax loss for the year would have been $64,100 higher/$64,100 lower (2024: $30,175 higher/$30,175 lower), and the effect on equity would have been $46,220 higher/$46,220 lower (2024: $507,770 higher/$507,770 lower).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 22: Financial instruments (continued)

h. Market risk (continued)

(i) Foreign exchange risk (continued)

Had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Group's post-tax loss for the year would have been $15,959 higher/$15,959 lower (2024: $836,893 higher/$836,893 lower), and the effect on equity would have been $3,692,834 higher/$3,692,834 lower (2024: $748,376 higher/$748,376 lower).

If the Australian dollar weakened/strengthened by 10% against the British pound with all other variables held constant, the Group's post-tax loss for the year would have been $449,181 higher/$449,181 lower (2024: $462,270 higher/$462,270 lower), and the effect on equity would have been $20,325,836 higher/$20,325,836 lower (2024: $14,157,932 higher/$14,157,932 lower).

If the Australian dollar weakened/strengthened by 10% against the Euro with all other variables held constant, the Group's post-tax loss for the year would have been $1,306,954 higher/$1,306,954 lower (2024: $294,777 higher/$294,777 lower), and the effect on equity would have been $4,663,519 higher/$4,663,519 lower (2024: $3,334,164 higher/$3,334,164 lower).

The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

(ii) Interest rate risk

Taking into account past performance, future expectations and economic forecasts it is considered that 100 basis points is a 'reasonably possible' estimate of potential variations in interest rates (base rates are sourced from the Reserve Bank of Australia). The Group's exposure to interest rate risk is on balances held as cash, lease liabilities and external borrowings. An increase/decrease in interest rates of 100 basis points would have an adverse/favourable effect on profit before tax of $348,934 (2024: $280,879) per annum.

(iii) Other price risk

By virtue of the nature and classification of the financial instruments held by the Group, the Group is not exposed to significant other price risk.

i. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 22: Financial instruments (continued)

i. Fair value measurement (continued)

Consolidated - 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities				
Deferred consideration payable - Octopus BI[1]	-	-	4,666,667	4,666,667
Total liabilities	**-**	**-**	**4,666,667**	**4,666,667**

Consolidated - 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities				
Deferred consideration payable - Cipafilter[2]	-	471,639	-	471,639
Convertible notes - Qustodio[3]	-	6,239,773	-	6,239,773
Total liabilities	**-**	**6,711,412**	**-**	**6,711,412**

[1] *Level 3 input of revenue-based for Octopus BI deferred consideration.*

[2] *Level 2 input of discount rate for Cipafilter deferred consideration.*

[3] *Level 2 input for forward-looking foreign exchange rate for Qustodio convertible notes.*

There were no transfers between levels during the financial year.

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	**Unobservable inputs**	**Sensitivity**
Deferred consideration payable at 30 June 2025 - Octopus BI	Revenue-based	10% change would decrease fair value by $466,667

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

	Deferred consideration - Cipafilter	**Deferred consideration - Educator Impact**	**Convertible notes - Qustodio**	**Deferred consideration - Octopus BI**	**Total**
Balance at 1 July 2023	2,148,211	4,781,739	11,309,094	-	18,239,044
Additions	-	-		-	-
Consideration paid/shares issued	(1,886,563)	(4,781,739)	(5,069,321)	-	(11,737,623)
Interest	-	-	-	-	-
Foreign exchange movements	209,991	-	-	-	209,991
Balance at 30 June 2024	**471,639**	**-**	**6,239,773**	**-**	**6,711,412**
Additions	-	-	-	4,666,667	4,666,667
Consideration paid/shares issued	(471,639)	-	(6,239,773)	-	(6,711,412)
Interest	-	-	-	-	-
Foreign exchange movements	-	-	-	-	-
Balance at 30 June 2025	**-**	**-**	**-**	**4,666,667**	**4,666,667**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 23: Segment information

AASB 8 - Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group 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 the United States of America ("USA"), the United Kingdom ("UK"), Australia & New Zealand ("ANZ") and Europe.

30 June 2025	**USA**	**UK**	**ANZ**	**Europe**	**Total**
	$	**$**	**$**	**$**	**$**
Segment Income					
Sales revenue	49,596,255	36,433,637	5,628,348	25,632,330	117,290,570
Other income	116,778	57,155	293,859	122,466	590,258
Total Income	**49,713,033**	**36,490,792**	**5,922,207**	**25,754,796**	**117,880,828**
Segment Expenses					
Direct costs	(9,928,041)	(5,259,946)	(7,797,769)	(7,290,870)	(30,276,626)
Operating expenses	(18,998,441)	(20,015,355)	(30,528,759)	(11,870,849)	(81,413,404)
Share based payments	(1,416,826)	(1,965,897)	(6,491,388)	(847,830)	(10,721,941)
Profit/(loss) before depreciation and amortisation	**19,369,725**	**9,249,594**	**(38,895,709)**	**5,745,247**	**(4,531,143)**
Depreciation and amortisation	(3,150,790)	(11,887,699)	(8,432,322)	(14,035,797)	(37,506,608)
Profit/(loss) before income tax	**16,218,935**	**(2,638,105)**	**(47,328,031)**	**(8,290,550)**	**(42,037,751)**

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 costs	(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)
Profit/(loss) before depreciation and amortisation	**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)
Profit/(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 2025

Note 23: Segment information (continued)

30 June 2025	USA	UK	ANZ	Europe	Total
	$	$	$	$	$
Segment Assets	36,928,341	203,258,362	45,368,126	47,880,640	**333,435,470**
Segment Liabilities	(37,064,237)	(45,840,288)	(71,951,574)	(20,519,909)	**(175,376,009)**

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)**

Note 24: Business combinations

On 4 October 2024, The Group acquired Ayra International Pty Ltd and its controlled entities (Ayra Group Pty Ltd, Ayra Group Private Limited and Octopus BI Inc) ("Octopus BI"), a business that has established a compelling suite of K12-focused data offerings. The acquisition was funded by a placement of $30 million (before transaction costs).

A total of 80,645,162 ordinary shares were issued under Equity Raising at a price of $0.372 per ordinary share on 30 September 2024.

The total purchase consideration was $9,109,524, with $4,442,857 payable upfront in the form of cash. The remaining $4,666,667 is deferred consideration payable in Qoria shares in five tranches based on revenue targets.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

Upfront cash consideration	4,442,857
Deferred non-cash consideration[1]	4,666,667
Total purchase consideration	**9,109,524**

[1] 11,666,667 deferred consideration rights issued on 7 October 2024. The rights have been valued at $0.40 using the share price on acquisition date (4 October 2024). Refer to Note 16 - Deferred consideration.

The Group has applied provisional accounting on its measurement of its purchase price allocation for this business combination as per AASB 3 Business Combinations. The assets and liabilities recognised as a result of the acquisition are as follows:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 24: Business combinations (continued)

	Fair values $
Assets acquired	
Cash and cash equivalents	97,059
Trade and other receivables	364,189
Prepayments	825
Property, plant and equipment	27,854
Customer relationships	2,258,511
Software	376,400
Total assets acquired	**3,124,838**
Liabilities assumed	
Trade and other payables	(721,730)
Contract liabilities	(278,385)
Provisions	(40,538)
Borrowings	(17,993)
Deferred tax liabilities	(790,473)
Total liabilities assumed	**(1,849,119)**
Net identifiable assets acquired	**1,275,719**
Add: Goodwill[1]	7,833,805
Acquisition date fair value of total consideration	**9,109,524**

[1] Goodwill of $7,833,805 is attributable to the workforce and know-how and the expected synergies from merging this business acquired with the Group's existing operations.

The fair value of the acquired customer relationships was determined with reference to an excess earnings methodology and the fair value of the software was determined with reference to a relief from royalty methodology. Both of these methods required key assumptions to be made around discount rate, royalty rate, forecasted revenues and attrition rates.

Cash used to acquire business, net of cash	**$**
Acquisition-date cash consideration transferred	4,442,857
Less: cash and cash equivalents acquired	(97,059)
Net cash used	**4,345,798**

Acquisition related costs

Acquisition related costs of $54,878 were included in the statement of profit or loss in the reporting year ending 30 June 2025 in relation to the Octopus BI acquisition.

Revenue and profit contribution

Since acquisition, Octopus BI has contributed revenue of $555,290 and a loss of $527,638 (including acquisition-related amortisation) which is included within the profit or loss of the Group. Excluding acquisition-related amortisation Octopus BI returned a loss of $267,038. Hypothetically, if this business had formed part of the group from 1 July 2024, on an extrapolated basis it would have contributed revenue of $740,387 and a loss of $703,517 (loss of $356,051 excluding acquisition amortisation).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 25: Related party transactions

a. Parent and subsidiaries

The parent entity and ultimate parent entity of the Group is Qoria Limited, a Company listed on the ASX. The subsidiaries of the Group are:

		Extent of control	
Controlled entities	**Country of incorporation**	**2025**	**2024**
Parent entity			
Qoria Limited	Australia	-	-
Controlled entities			
Qoria Holdings Pty Ltd	Australia	100%	100%
Family Zone Inc.	United States of America	100%	100%
Qoria NZ Limited (formerly Family Zone NZ Cyber Safety Ltd)	New Zealand	100%	100%
Cyber Education Pty Ltd	Australia	100%	100%
NetRef Education LLC	United States of America	100%	100%
Qoria UK Limited (formerly Family Zone UK Cyber Safety Limited)	United Kingdom	100%	100%
Topco Oasis Limited	United Kingdom	100%	100%
Bidco Oasis Limited	United Kingdom	100%	100%
Oval (2304) Limited	United Kingdom	100%	100%
Smoothwall Limited	United Kingdom	100%	100%
Linewize Limited	United Kingdom	100%	100%
Smoothwall Inc	United States of America	100%	100%
Safeguard Software Limited	United Kingdom	100%	100%
Ensco 1227 Limited	United Kingdom	100%	100%
eSafe Global Limited	United Kingdom	100%	100%
Derbytech Inc.	United States of America	100%	100%
Qustodio LLC	United States of America	100%	100%
Qustodio Technologies S.L.U.	Spain	100%	100%
EI Pty Ltd	Australia	100%	100%
Qoria Lanka Services Pvt Ltd	Sri Lanka	100%	0%
Ayra International Pty Ltd	Australia	100%	0%
Ayra Group Pty Ltd	Australia	100%	0%
Ayra Group Pvt Ltd	Sri Lanka	100%	0%
Octopus BI Inc	United States of America	100%	0%

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 25: Related party transactions (continued)

b. Key Management Personnel compensation

Information on remuneration of all Directors and Key Management Personnel is contained in the Remuneration Report within the Directors' Report. The aggregated compensation paid to Directors and Key Management Personnel of the Group is as follows:

	2025 $	2024 $
Short-term employee benefits	1,019,744	1,571,706
Post-employment benefits	126,932	125,418
Long service leave	20,435	43,989
Share-based payment	2,530,174	2,186,225
Total	**3,697,285**	**3,927,338**

c. Other Transactions with Key Management Personnel

(i) Grange Consulting

Phil Warren, a Non-Executive Director of the Company, was also Managing Director and a shareholder of Grange Consulting Group Pty Ltd ("Grange"), a related party until 1 November 2023 when the company changed ownership and Phil Warren ceased his role of Managing Director.

	2025 $	2024 $
Company secretarial and financial management services	-	58,062
Total	**-**	**58,062**

Nil was outstanding and payable to Grange as at 30 June 2025 (2024: $nil).

Note 26: Commitments and contingent liabilities

The Directors are not aware of any other commitments or any contingent liabilities to those disclosed separately throughout the annual report that may arise from the Group's operations as at 30 June 2025 (2024: none).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Note 27: Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company, its network firms and unrelated firms:

	2025 $	2024 $
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	429,247	432,519
Other services		
Taxation services	34,021	-
Corporate finance services	199,663	-
Other services - network firms		
Audit of financial statements	331,531	306,870
Taxation services	4,936	91,224
Total BDO Audit Pty Ltd and related network firms	**999,398**	**830,613**

Note 28: Parent entity disclosures

	2025 $	2024 $
Assets		
Current assets	850,552	1,548,695
Non-current assets	158,567,784	138,667,293
Total assets	**159,418,336**	**140,215,988**
Liabilities		
Current liabilities	1,358,875	2,264,617
Non-current liabilities	-	-
Total liabilities	**1,358,875**	**2,264,617**
Net assets	**158,059,461**	**137,951,371**
Equity		
Issued capital	371,743,285	340,257,548
Reserves	70,442,923	60,518,296
Accumulated losses	(284,126,746)	(262,824,473)
Total equity	**158,059,461**	**137,951,371**
Profit/(loss) for the year	**(21,302,273)**	**(24,847,725)**
Total comprehensive income / (loss)	**(21,302,273)**	**(24,847,725)**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

The accounting policies of the parent entity are in line with the Group's policies disclosed in Note 2, excluding investment in subsidiaries which are carried at cost.

The Parent entity did not have any guarantees, contingent liabilities or commitments as at 30 June 2025 (2024: none).

Note 29: Events occurring after the reporting period

On 3 July 2025, Non-executive Directors Peter Pawlowitsch, Phil Warren, Matthew Stepka, Georg Ell and Jane Watts exercised 453,786, 113,447, 272,272, 90,757 and 226,894 Non-Executive Director Options for ordinary shares respectively.

On 18 July 2025, 15,000,000 shares were issued to the Company's treasury share trust to be transferred/allocated to employees on the exercise of options and performance rights under the Company's Employee Share Scheme.

Apart from the events discussed above, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Consolidated Entity Disclosure Statement

As at 30 June 2025

Basis of Preparation

The Consolidated Entity Disclosure Statement has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with *AASB 10 - Consolidated Financial Statements*.

		Body Corporates		Tax Residency	
Entity Name	**Type of Entity**	**Place formed or incorporated**	**% of shares held**	**Australian resident**	**Jurisdiction for foreign resident[1]**
Qoria Holdings Pty Ltd	Body Corporate	Australia	100%	Yes	N/A
Family Zone Inc.	Body Corporate	United States of America	100%	No	United States of America
Qoria NZ Limited (formerly Family Zone NZ Cyber Safety Ltd)	Body Corporate	New Zealand	100%	No	New Zealand
Cyber Education Pty Ltd	Body Corporate	Australia	100%	Yes	N/A
NetRef Education LLC	Body Corporate	United States of America	100%	No	United States of America
Qoria UK Limited (formerly Family Zone UK Cyber Safety Limited)[2]	Body Corporate	United Kingdom	100%	No	United Kingdom
Topco Oasis Limited[2]	Body Corporate	United Kingdom	100%	No	United Kingdom
Bidco Oasis Limited[2]	Body Corporate	United Kingdom	100%	No	United Kingdom
Oval (2304) Limited[2]	Body Corporate	United Kingdom	100%	No	United Kingdom
Smoothwall Limited	Body Corporate	United Kingdom	100%	No	United Kingdom
Linewize Limited[2]	Body Corporate	United Kingdom	100%	No	United Kingdom
Smoothwall Inc	Body Corporate	United States of America	100%	No	United States of America
Safeguard Software Limited[2]	Body Corporate	United Kingdom	100%	No	United Kingdom
Ensco 1227 Limited[2]	Body Corporate	United Kingdom	100%	No	United Kingdom
eSafe Global Limited	Body Corporate	United Kingdom	100%	No	United Kingdom
Derbytech Inc.	Body Corporate	United States of America	100%	No	United States of America
Qustodio LLC	Body Corporate	United States of America	100%	No	United States of America
Qustodio Technologies S.L.U.	Body Corporate	Spain	100%	No	Spain
EI Pty Ltd	Body Corporate	Australia	100%	Yes	N/A
Qoria Lanka Services Pvt Ltd	Body Corporate	Sri Lanka	100%	No	Sri Lanka
Ayra International Pty Ltd	Body Corporate	Australia	100%	Yes	N/A
Ayra Group Pty Ltd	Body Corporate	Australia	100%	Yes	N/A
Ayra Group Pvt Ltd	Body Corporate	Sri Lanka	100%	No	Sri Lanka
Octopus BI Inc	Body Corporate	United States of America	100%	No	United States of America
Family Zone Employee Incentive Securities Plan Trust	Trust	Australia	100%	Yes	N/A

[1] *Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction).*
[2] *This is a holding company with no business activity during the financial period.*

No Group entities were trustees of a trust or a partner of a partnership or a participant of a joint venture within the consolidated entity.

At the end of the financial year, no entity within the consolidated entity was a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

Directors' Declaration

In the Directors' opinion:

a. the accompanying financial statements set out on pages 39 to 99 and the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the year ended on that date; and

   ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;

b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

c. the financial statements and notes thereto are in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board.

d. the attached consolidated entity disclosure statement is true and correct as at 30 June 2025.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2025.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Tim Levy
Managing Director
Qoria Limited

27 August 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of Qoria Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Qoria Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going Concern

Key audit matter	How the matter was addressed in our audit
The financial statements have been prepared by the Group on a going concern basis, which contemplates that the Group will continue to meet its commitments, realise its assets and settle its liabilities in the normal course of business. The Group relies on continued compliance with lender covenants, sales growth and the management of costs in line with forecast to continue as a going concern. Assessing the appropriateness of the basis of preparation for the Group's financial report was a key audit matter due to its importance to the financial report and the judgement involved in forecasting future cash flows for a period of at least 12 months from the date of the financial report. Note 2 a) of the financial report discloses the basis of preparation of the financial report and the Directors' assessment of the going concern assumption.	Our audit procedures included, but were not limited to the following: • Evaluating the appropriateness of the Group's assessment of its ability to continue as a going concern, including whether the period covered is at least 12 months from the date of the financial report and that relevant information of which we are aware of as a result of the audit is included; • Inquiring with management and the Directors whether they are aware of any events or conditions, including beyond the period of assessment, that may cast significant doubt on the Group's ability to continue as a going concern; • Comparing the key underlying data and assumptions in the Group's cash flow forecast to approved budgets, historical cash flows and performance subsequent to reporting date; • Developing an understanding of what forecast expenditure in the cash flow forecast is committed and what could be considered discretionary; • Assessing management's historical accuracy of cash flow forecasting by comparing actual results to prior period forecasts and considering the feasibility of management's plans in place to mitigate going concern issues; • Reviewing events occurring subsequent to reporting date to identify any additional factors that may affect the going concern assessment; • Evaluating management's position on the impact of financial covenants in place in relation to the Group's external debt facility on the going concern assumption; and • Assessing the adequacy of the related disclosure in Note 2 a) of the financial report.

Carrying Value of Cash Generating Units

Key audit matter	How the matter was addressed in our audit

The Group's carrying value of goodwill and other intangibles as disclosed in Note 10 represents a significant asset to the Group. The Australian Accounting Standards require the Group to test its cash generating units to which goodwill is allocated for impairment at least annually.
 	
The assessment of impairment is complex and highly judgemental and includes assessing a range of external and internal factors and modelling a range of assumptions that could impact the recoverable amount of each cash generating unit ("CGU"). Accordingly, this was considered to be a key audit matter.
 	
Notes 2 d) (iii) and 10 of the financial report disclose the accounting policy for assessment of impairment and the significant judgements and estimates made.
	Our audit procedures included, but were not limited to the following:
	
	• Assessing the appropriateness of the Group's identification of CGUs and management's allocation of assets to the carrying value of CGUs based on our understanding of the Group's business and internal reporting;
	
	• Evaluating management's calculation and basis for allocation of goodwill arising from acquisitions to the Group's CGUs;
	
	• Evaluating management's impairment assessment, including the following:
	
	    • In conjunction with our internal valuation specialists, evaluating the appropriateness of the valuation methodology used by management to calculate the fair value less cost of disposal of each CGU;
	
	    • Assessing the competence and objectivity of the independent expert to which management has engaged to perform valuation services;
	
	    • Assessing and challenging the reasonableness of key assumptions included within the valuation models; and
	
	• Assessing the adequacy of the related disclosures in Notes 2 d) (iii) and 10 of the financial report.

Accounting for Capitalised Development Costs

Key audit matter	How the matter was addressed in our audit

The Group develops software related to its suite of cyber safety related solutions. Software asset development is core to the Group's operations and requires judgement as to whether software development costs meet the capitalisation criteria of AASB 138 Intangible Assets.
 	
The capitalisation of internally generated development assets was assessed as being a key audit matter due to the significance of the costs capitalised and the specific criteria that are required to be met for capitalisation. The assessment of criteria involves management judgement with respect to:
 	
• The technical feasibility of the project and likelihood of the project delivering future economic benefit;
 	
• The ability to measure costs reliably, including determining whether the costs are directly attributable to the software project and whether costs incurred are research in nature that should be expensed, or development costs eligible for capitalisation; and
 	
• Timing of amortisation and assessment of useful life.
 	
Notes 2 d) (xi) and 10 of the financial report disclose the accounting policy for capitalised development costs and the significant judgements and estimates made.
	Our audit procedures included, but were not limited to the following:
	
	• Testing software development projects, on a sample basis, to determine the nature and status of the projects and assessing whether the costs incurred on these projects met the capitalisation requirements of AASB 138;
	
	• For a sample of software development projects, obtaining an understanding of the nature of the development activities undertaken and evaluating the assessment of capitalisation criteria, including technical feasibility and generation of future economic benefits, from the software project manager;
	
	• On a sample basis, testing employee costs included within the capitalisation calculation, including:
	
	    • Verifying pay rates applied in management's model to contractual agreements and assessing whether contractual roles were consistent with the calculations, relating directly to software engineering activities;
	
	    • Evaluating the allocation of time relating to software development activities to underlying supporting documentation;
	
	• Assessing the useful life and amortisation rate applied to capitalised software development costs; and
	
	• Assessing the adequacy of the related disclosures in Notes 2 d) (xi) and 10 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 37 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Qoria Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Jarrad Prue

Director

Perth 27 August 2025

ASX Additional Information

For the year ended 30 June 2025

Additional information required by the ASX Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Number of holders and voting rights of each class of equity securities

The issued capital of the Company as at 20 August 2025 includes the following securities:

Equity Class	Number of holders	Total on issue
Fully Paid Ordinary Shares	4,144	1,333,629,404
Unlisted Options	8	24,166,964
Unlisted Performance Rights	532	87,654,776
Unlisted Warrants	1	16,045,408
Deferred Consideration Rights	9	11,666,667

All issued fully paid ordinary shares (**Shares**) carry one vote per share. Options, Performance Rights and Warrants do not entitle the holder to vote on any resolution proposed at a general meeting of Shareholders.

2. Substantial holders in the Company as at 20 August 2025

Substantial Shareholder	Number of Shares held	% of Total Shares
Regal Funds Management Pty Ltd	227,284,436[1]	17.04%
Pinnacle Investment Management Group Limited	97,307,235[2]	7.30%
Perennial Value Management Limited	84,722,161[3]	6.48%
Bank of America Corporation and its related bodies corporate	68,039,180[4]	5.16%

[1] *Based on substantial holder notice lodged 7 August 2025*

[2] *Based on substantial holder notice lodged 8 August 2025*

[3] *Based on substantial holder notice lodged 27 May 2025*

[4] *Based on substantial holder notice lodged 23 June 2025*

3. Distribution of equity securities as at 20 August 2025

a) Fully paid ordinary shares

Holding Ranges	Holders	Total Shares	% Total Shares
1 - 1,000	319	201,815	0.02%
1,001 - 5,000	1,243	3,418,338	0.26%
5,001 - 10,000	586	4,669,430	0.35%
10,001 - 100,000	1,629	61,130,340	4.58%
100,001 - 9,999,999,999	367	1,264,209,481	94.79%
Totals	**4,144**	**1,333,629,404**	**100.00%**

ASX Additional Information

For the year ended 30 June 2025

There were 142 holders with less than a marketable parcel of Shares based on the share price of $0.64 on 20 August 2025.

b) Options

Holding Ranges	Holders	Total Employee Options	% Total Employee Options
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 - 9,999,999,999	8	24,166,964	100.00%
Totals	**8**	**24,166,964**	**100.00%**

c) Performance Rights

Holding Ranges	Holders	Total Employee Rights	% Total Employee Rights
1 - 1,000	-	-	0%
1,001 - 5,000	23	78,782	0%
5,001 - 10,000	35	262,583	0%
10,001 - 100,000	323	15,577,489	18%
100,001 - 9,999,999,999	151	71,735,922	82%
Totals	**532**	**87,654,776**	**100%**

d) Unlisted Warrants

Holding Ranges	Holders	Total Employee Options	% Total Employee Options
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 - 9,999,999,999	1	16,045,408	100.00%
Totals	**1**	**16,045,408**	**100.00%**

e) Deferred Consideration Rights

Holding Ranges	Holders	Total Employee Options	% Total Employee Options
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	2	121,586	1.04%
100,001 - 9,999,999,999	7	11,545,081	98.96%
Totals	**9**	**11,666,667**	**100.00%**

ASX Additional Information

For the year ended 30 June 2025

4. Top 20 Shareholder as at 20 August 2025

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	433,449,718	32.50%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	223,867,476	16.79%
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	201,642,177	15.12%
4	UBS NOMINEES PTY LTD	69,332,145	5.20%
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	32,992,444	2.47%
6	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	22,471,924	1.69%
7	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	20,591,099	1.54%
8	BNP PARIBAS NOMS PTY LTD	13,551,510	1.02%
9	FRESHIE PTY LTD <SWAN FAMILY A/C>	10,034,274	0.75%
10	NATIONAL NOMINEES LIMITED	9,036,830	0.68%
11	TIMOTHY NOMINEES PTY LTD <TIMOTHY LEVY FAMILY A/C>	8,932,977	0.67%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	8,845,912	0.66%
13	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	8,820,464	0.66%
14	CPU SHARE PLANS PTY LTD <FZO EST UNALLOCATED A/C>	8,334,597	0.62%
15	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	7,885,883	0.59%
16	MOSCH PTY LTD	7,738,094	0.58%
17	1001 PTY LTD <D COLBRAN SUPER FUND A/C>	7,157,500	0.54%
18	GREYSKULL NOMINEES PTY LTD	6,967,379	0.52%
19	VAULT (WA) PTY LTD <VAULT A/C>	5,316,688	0.40%
20	GASMERE PTY LTD	5,017,888	0.38%
	Total	**1,111,986,979**	**83.38%**
	Total remaining holders balance	**221,642,425**	**16.62%**
	Total issued capital – ordinary	**1,333,629,504**	**100%**

5. Restricted Securities as at 20 August 2025

Holding Ranges	Holders	Total Employee Options	% Total Employee Options
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 - 9,999,999,999	-	-	-
Totals	**-**	**-**	**-**

ASX Additional Information

For the year ended 30 June 2025

6. Unquoted Securities as at 20 August 2025

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

a) Options ($0.60, 31 Dec 2025)

Holder Name	Holding	% Total Options
Nil	-	-
Total Options	**-**	**-**

b) Options ($0.60, 31 Jan 2026)

Holder Name	Holding	% Total Options
Auro Pty Ltd	7,000,000	100.00%
Total Options	**7,000,000**	**100.00%**

c) Options ($0.36, 30 June 2027)

Holder Name	Holding	% Total Options
Timothy Nominees Pty Ltd <Timothy Family A/C>	3,000,000	100.00%
Total Options	**3,000,000**	**100.00%**

d) Options ($0.00, 30 June 2027)

Holder Name	Holding	% Total Options
Timothy Nominees Pty Ltd <Timothy Family A/C>	4,061,168	86.61%
Total Options	**4,061,168**	**100.00%**

e) Performance Rights

Holder Name	Holding	% Total Performance Rights
Nil	-	-
Total	**-**	**-**

f) Unlisted Warrants

Holder Name	Holding	% Total Performance Rights
AshGrove Specialty Lending Investments I Designated Activity Company	16,045,408	100.00%
Total	**16,045,408**	**100.00%**

g) Deferred Consideration Rights

Holder Name	Holding	% Total Performance Rights
Wijayasundara Family Pty Ltd <Wijayasundara Family A/C>	5,566,082	47.71%
Sturt Capital Pty Ltd <Octopus Investment Fund A/C>	2,694,101	23.09%
Total	**8,260,183**	**70.80%**

ASX Additional Information

For the year ended 30 June 2025

7. On-market buy back

There is currently no on-market buyback program for any of the Company's listed securities and no securities were purchased on market during the financial period.

In accordance with ASX Listing Rule 4.10.3 the Company's corporate governance statement can be found at www.qoria.com/investors

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of Shareholders by whom they are elected and to whom they are accountable.

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (February 2019) unless otherwise stated.