



ASX Announcement

24 April 2024

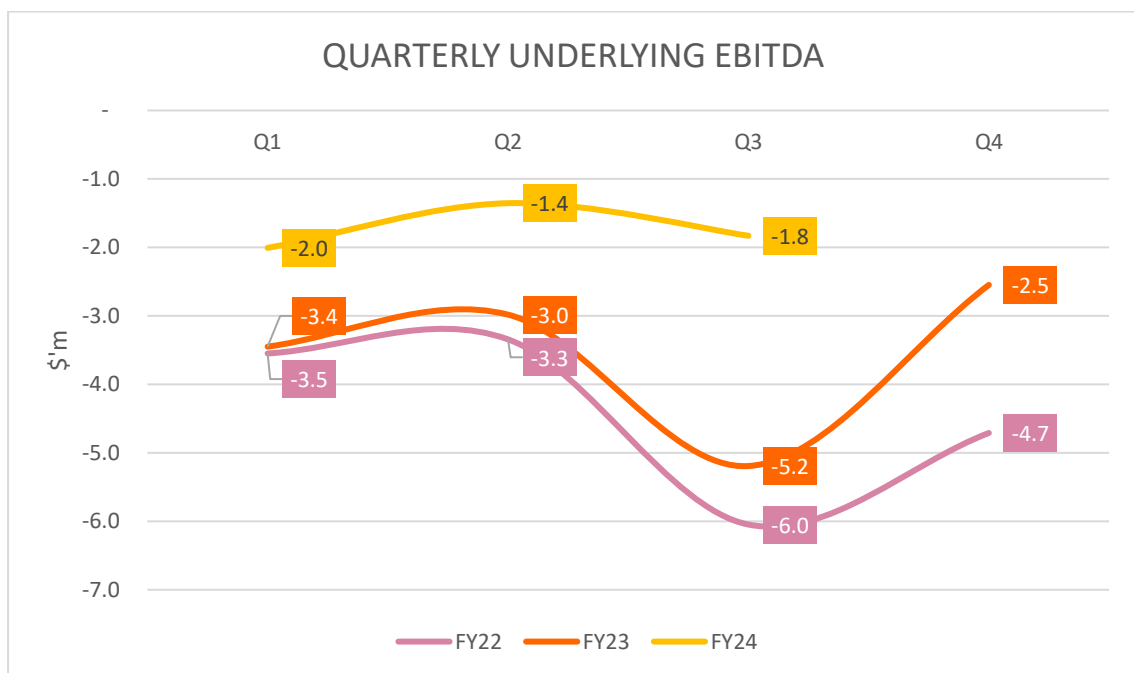
Cluey March 2024 Quarterly Activities Report and Appendix 4C

Cluey Ltd (ASX: CLU) ("Cluey" or the "Company") is pleased to release its Appendix 4C Quarterly Cashflow Report and Quarterly Activities Report for the quarter ending 31 March 2024 ("Q3 FY24").

Matteo Trinca, Joint CEO said: *"This is our fifth quarter-on-quarter reduction in cash burn compared to PCP, demonstrating consistent improvement in reducing costs and getting closer to profitability."*

Highlights

- 65% improvement in Group Q3 FY24 Underlying EBITDA¹ loss of \$1.8 million compared to the prior corresponding period (Q3 FY23) ('PCP') of \$5.2 million.



- In FY23, Cluey Learning implemented a range of cost saving initiatives. In Q3 FY24, this resulted in a \$4.8 million (53%) reduction in Cluey Learning's operating and marketing costs (excluding one-off restructuring costs amounting to \$0.3 million in both periods) compared to PCP.

¹ Underlying EBITDA is unaudited and adjusted for one-off restructuring costs and share-based payment expense.

Key Group metrics – Q3 FY24

Revenue²	Gross Profit²
\$6.1m -29% on PCP	\$3.6m -28% on PCP
Gross Profit Margin (%)²	New Students³
58.2% +1.6% on PCP	8,836 -27% on PCP
Student Sessions⁴	Variable CAC⁵ per New Student
114k -16% on PCP	\$181 -50% (improvement) on PCP

Q3 of the financial year includes the summer school holidays and the beginning of the academic year where many students resume tutoring in February and March as they settle back into school and extra-curricula routines. This is a busy period for Code Camp Australia as it delivers the largest holiday camp season in January and commences term 1 After-school programs.

The decline in Cluey's revenue, new students and student sessions this quarter compared to PCP were primarily due to:

- management's decision to reduce spending on customer acquisition to preserve cash ahead of growth
- a compositional shift from Cluey Learning student sessions to Code Camp after-school sessions
- the macro-economic environment characterised by increasing pressure on household budgets and reduction in discretionary spend

The Group Gross Profit margin improved by 1.6% in Q3 FY24 to 58.2%, compared to PCP. Cluey Learning's Gross Profit margin improved by 4% to 59.6%, primarily due to a reduction in the average tutor cost per session. Code Camp's Gross Profit margin declined 4% to 55.8%, primarily due to the scaling of new after-school venues (not yet operating at optimal student numbers) and a compositional shift in enrolments towards the newer camp products (with higher delivery costs).

Variable CAC per New Student reduced to \$181, a new low. This improvement was primarily a result of ongoing marketing optimisation initiatives.

² Revenue, gross profit and gross profit margin amounts disclosed are unaudited.

³ New Students for Cluey Learning and Code Camp are those students who had a session in the period.

⁴ Includes Cluey Learning tutoring sessions and attendance days at Code Camp after-school and school holiday programs.

⁵ Variable CAC (customer acquisition costs) per New Student is a non-IFRS measure used for management purposes which represents variable acquisition expenditure for a period divided by New Students. The metric in the table above is consolidated and includes both Cluey Learning and Code Camp. Variable acquisition expenditure is calculated based on total marketing media expenses and brand investment, plus learning advisor (sales) employment costs and commission (included in employee benefits expense).

Quarterly Cashflow Report

The Appendix 4C Quarterly Cashflow Report for Q3 FY24 is attached.

Operating activities

In the quarter, Cluey continued to provide:

- personalised online tutoring and educational support to Australian and New Zealand school students
- co/extracurricular online and in-person school holiday camps and after-school programs through its Code Camp subsidiary in both Australia and the United Kingdom

Significant cash receipts and payments (inclusive of GST where applicable) in the Appendix 4C include:

- cash receipts from customers of \$7.2 million in the quarter, a reduction of 26% on cash receipts of \$9.7 million in PCP
- cash payments for advertising and marketing (including prepayments) in the quarter of \$1.1 million, a reduction of 64% compared to \$3.0 million in PCP
- cash payments to staff, instructors and tutors (excluding restructuring costs of \$0.3 million) disclosed in cashflow from operating activities in the quarter of \$5.9 million, a reduction of 26% compared to \$8.0 million in PCP

Total operating cash burn for Q3 FY24 of \$1.8 million (including \$0.3 million in one off restructuring costs) was an improvement of \$1.7 million (48%) compared to PCP.

Total cash on hand including term deposits as of 31 March 2024 amounted to \$5.8 million.

Payments to Directors and Related Parties

During the quarter, the following payments to Directors and Related Parties were made:

- \$116,000 included in cashflows from operating activities. These payments were to Executive Directors for gross salary, fees, and expense reimbursements, and to Non-Executive Directors for fees.

ENDS

Authorised for release to the ASX by the Board of Cluey Ltd.

For enquiries please contact:

Investors

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ABOUT CLUEY

- Cluey is an innovative, ASX-listed Edtech company that combines education and technology to deliver quality education outcomes and an enhanced experience for students. Cluey provides curriculum aligned academic support for students in Australia and New Zealand. In addition, Cluey delivers co-curricular online, holiday camps and after-school programs in Australia and the United Kingdom through its wholly owned subsidiary, Code Camp. Cluey has a highly experienced management team and Board with a track record of building successful education businesses. Cluey is headquartered in Sydney.
- Cluey has been recognised in the prestigious HolonIQ inaugural list of most innovative Edtech companies in Australia. Cluey was also the winner of the 2022 Australian Growth Company Awards - Technology Growth Company of the Year; 2021 Technology Scale-up Edtech of the Year Award, and recognised as the 5th fastest growing technology company in Australia in the Deloitte Technology Fast 50 2021 Awards.

Appendix 4C

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

Name of entity

Cluey Ltd

ABN

65 644 675 909

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,207	25,576
1.2 Payments for:	0	0
(a) research and development	0	0
(b) product manufacturing and operating costs	0	0
(c) advertising and marketing	(1,092)	(6,183)
(d) leased assets	(121)	(384)
(e) staff costs ¹	(5,888)	(19,649)
(f) administration and corporate costs	(1,661)	(6,647)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	41	193
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other: Restructuring costs paid	(323)	(550)
1.9 Net cash from / (used in) operating activities	(1,837)	(7,644)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	(7)
(d) investments	0	0
(e) intellectual property ²	(346)	(1,270)
(f) other non-current assets	0	0
2.2 Proceeds from disposal of:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (provide details if material)	0	0
2.6 Net cash from / (used in) investing activities	(346)	(1,277)

¹ Staff costs (item 1.2(e)) include payments to employees, instructors and tutors for their service in the provision of learning support services, and excludes staff costs capitalised and shown in investing activities cash flows

² Payments to acquire intellectual property (item 2.1(e)) includes staff costs capitalised as intangible assets of \$306k in the quarter, and \$1,230k YTD

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	0	0
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,952	14,700
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,837)	(7,644)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(346)	(1,277)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	0	(10)
4.6	Cash and cash equivalents at end of period	5,769	5,769
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,757	4,449
5.2	Call deposits	1,012	3,503
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,769	7,952
6.	Payments to related parties of the entity and their associates	Current quarter \$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (refer to quarterly activity report for further details)	116	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0	
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.			

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	0
7.5 Unused financing facilities available at quarter end		0
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
None		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,837)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,769
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	5,769
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: n/a	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 April 2024

Authorised by: the Board of Cluey Ltd

(Name of body or officer authorising release - see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.